Annual Report and Accounts 2024

BCH Banco Comercial do Huambo

Índice

Message from the Chairperson

Dear stakeholders, another year has passed and it is time to take stock of the 2024 financial year.

In international terms, the year 2024, like the immediately preceding years, was characterized by a series of macroeconomic and geopolitical events of great significance and impact on the global economic landscape.

Nevertheless, despite these events, in 2024 the global economy exhibited a steady, albeit slow, growth dynamic, with significant regional differences and emerging risks.

While inflation showed signs of easing, these geopolitical tensions, along with concerns over financial stability, and a range of phenomena related to global climate change, continued to pose a set of challenges to the recovery of the world economy.

The year 2024 was notably marked by the escalation of military conflict in the Gaza Strip between Israel and Palestine, and its subsequent extension to neighbouring countries, including Lebanon, Syria, Iran, and Iraq, with negative effects on global trade and oil prices, as well as the prolongation of the war in Ukraine. These conflicts have naturally continued to generate significant global political and diplomatic instability and a sense of uncertainty about the future, hindering the effective functioning of the world economy, including a slower return to desired levels of economic growth and inflation, and delays in the restoration of supply chains for raw materials and goods.

Additionally, 2024 saw an increase in economic protectionism (e.g., with the victory of Donald Trump in the U.S. elections) and growing ideological polarization in several regions of the world (i.e., populist leaderships gained prominence in various countries), which intensified international trade tensions, especially among the United States, China, and Russia, with corresponding impacts on global economic and political stability.

It is therefore not surprising that this also caused certain consequences and negative effects on the Angolan economy.

Thus, it was within this complex international context, characterized by a set of external and internal economic risks (e.g., weak recovery of the world economy, oil production levels below projections, oil prices below established benchmarks, and weak GDP growth in non-oil sectors), that Angola sought, throughout 2024, to continue its process of fiscal and budgetary consolidation through the structural reform program being implemented by the Angolan authorities, with the support of the IMF.

With regard to 2024, the main priorities of the Angolan Executive's Fiscal Policy focused on: (i) strengthening income and facilitating access to it for individuals (e.g., adjustment of public sector salaries, revision of personal income tax (IRT), and operationalization of the National Employment Fund); (ii) increased investment in the economy and businesses (e.g., release of liquidity to State suppliers, provision of a Financial Stimulus Package for economic growth, and promotion of the potential for diversification of the national economy (not only directly, but also through the issuance of sovereign guarantees) and the granting of tax relief to incentivize economic activity, in the customs, VAT, and IRT areas); and (iii) seeking to make the General State Budget more sustainable (e.g., rationalizing public expenditure (suspension of rights and benefits, reduction of costs for external consultancy services, and strengthening of active debt management, review of investment project portfolios of budgetary units, etc.) and continuing to implement structural fiscal reforms (including the ongoing privatization programme, acceleration of the implementation of the public enterprise sector reform programme, etc.).

Throughout 2024, Angola's national currency, the Kwanza, continued its path of steady and significant depreciation. According to the National Bank of Angola (BNA), on 1 January 2024, 1 USD was equivalent to 828.80 Kwanzas, and by year-end, 1 USD was worth 912 Kwanzas – continuing the trend observed the previous year (2023). In fact, from 1 January 2023, to 31 December 2024, the Kwanza lost half its value.

The inflation rate in 2024 has progressed unfavourably compared to previous years (downward movement for 3 consecutive years). By 2024, this rate had more than doubled to 28.4%, as a result of the pressure exerted on the currency and its loss of value, as mentioned above, as well as the increase in the price of food baskets.

On the other hand, public debt ratio improved in 2024, reaching 59.3% according to the IMF, the second-best ratio since 2015 and slightly lower than the previous year's (73.7%). This positive performance in the public debt ratio, despite the considerable depreciation of the Kwanza, makes the national GDP growth in 2024 even more notable – Angola's real GDP is estimated to have grown by around 3.5% in 2024. Despite everything, this demonstrates to international markets the relative health of Angola's economy and the country's capacity to meet its commitments, obligations and responsibilities.

In summary, despite these difficulties and challenges, it is important to highlight these positive and encouraging signs for the Angolan economy in 2024, such as real GDP growth – in line with the constant growth trend observed in recent years – and the slight improvement in the public debt ratio, reinforcing the Angolan State's commitment to fiscal consolidation to the IMF and international financial markets. This is based on the pillars of (i) strengthening household and worker incomes, (ii) greater investment in the economy and businesses, and (iii) long-term sustainability of the General State Budget

Nevertheless, despite these advances and setbacks in economic and financial matters, it is important to emphasize the significant challenges the Angolan economy continues to face, namely the difficulty in overcoming certain structural weaknesses, such as historically high inflation, the indebtedness of the Angolan State, and imbalances in external debt and the trade balance.

As such, it is crucial that joint state and private initiatives, which have been publicly announced, particularly new economic and social stimulus programmes – with a special focus on the Employment, Entrepreneurship and Professional Training Programme, which forms part of the National Development Plan, and focused on the country's employment challenges, including investment in human capital skills development and professional qualifications – are indeed operationalised, along with the following reforms, which have already been implemented or which are underway: (i) diversification of Angola's economic fabric and a reduction in dependence on the oil sector, (ii) exchange rate flexibilization, (iii) tax reforms, (iv) monetary policy restrictions and budgetary consolidation efforts, resulting in reducing public debt, (v) the process of the privatisation and liquidation of certain state-owned companies, particularly through IPOs (as part of PROPRIV), with the subsequent development of the capital market.

It is therefore within this highly challenging economic context that the Angolan banking sector, with the vulnerabilities characteristic of a developing and maturing sector, and which faces an ongoing increase in regulatory requirements and supervisory initiatives (e.g. the approval of the new Law for Financial Institutions, in May 2021, the entry into force of Notice No. 1/2022 of the BNA), which will of course make it more difficult to obtain "supervisory equivalence" by the BNA and the realisation of initiatives such as SREP.

As such, and although according to the IMF, the capitalisation levels of Angolan banks continue to be generally adequate, the challenges that the Angolan banking sector faces are well-known and limit its ability to distribute dividends to shareholders.

In view of the above, and despite some of the positive signs shown by the Angolan economy, as mentioned previously, it is felt that 2024 continues to present a significant number of adversities and challenges for the Angolan banking sector which, despite this, has generally proven to be relatively resilient with the capacity to accommodate these in a reasonable manner.

Specifically, BCH also faced a complex year in 2024, with a challenging first half that was fortunately overcome in the second half of the year, and a set of significant challenges which it tried to manage appropriately, though in certain cases these ultimately impacted some of the Bank's key economic and financial indicators.

In fact, in 2024 the net result was 6 170 837 thousands of kwansas(AOA) which, compared to 2023, represents an increase of 77%. Net interest income also grew by 80%. The variation in these two indicators, with a direct impact on profitability, namely the ROE and ROA, was largely related to an increase of approximately 44.4% in the Bank's assets, particularly a growth in one of the respective items, the volume of applications in central banks and other credit institutions.

Additionally, until August 2024, BCH, like other similarly sized credit institutions in the market, faced a significant challenge regarding access to foreign currency. From that date, the regulator issued corrective measures that enabled an overall improvement in the financial system.

Despite these challenges, BCH continues to be a solid resilient institution. In 2023, the Bank increased its capital by incorporating reserves, and in 2024, regulatory own funds grew by approximately 19.55%. Additionally, the own funds ratio reached 312.35%, when the legally required minimum is 10%.

In addition, the Bank has continued to invest. The year 2024 was marked by new investments in the ATM network, information systems, cybersecurity, the creation of a new branch, and maintenance investments in existing branches.

In this context, it is our intention to always maintain a coherent policy and prudent, responsible management, in line with previous years, regarding any potential distribution of dividends to shareholders.

Furthermore, even in this highly challenging scenario, BCH will continue to support the Angolan economy, its business community and individuals, as it always has, seeking sustained growth and endeavouring to keep its ratios at acceptable levels.

BCH would therefore like to express its utmost gratitude and thanks to our employees for the dedication and commitment they have shown. It is the professional spirit of our employees that keeps BCH at the top of the country's financial system. They have our deepest gratitude.

We would also like to say a special thank you to our customers for their renewed preference, along with our commitment to continuously improve the quality of our services. Our thanks also go to our shareholders for the confidence they have shown in the carrying out of our management policies.

To all of you, our sincere thanks.

Natalino Bastos Lavrador

Chairperson of the Board of Directors

Macroeconomic framework

International Economy

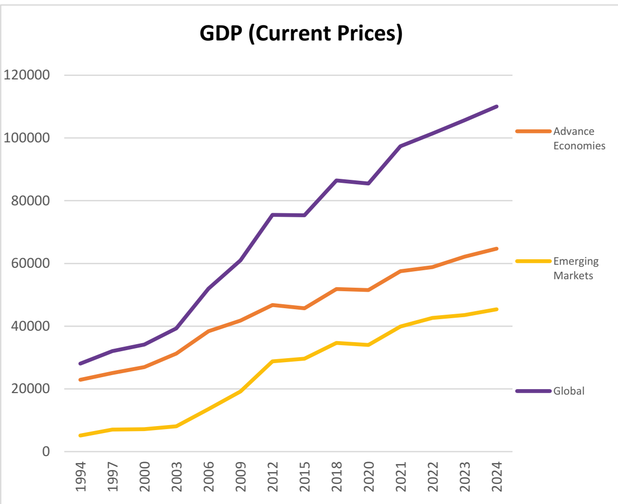
The year 2024, unlike recent years, was not marked by the occurrence of major geopolitical events, which enabled the establishment of a path of stability that had been developing since the beginning of the previous year. When analysing the functioning of the global economic order, as well as the current geopolitical climate, there are no major differences compared to the previous year. However, in the field of technology, significant advances can be seen in the research and the development of Artificial Intelligence (AI) technologies, as well as an increase in their applicability in daily life and their implementation in the workplace.

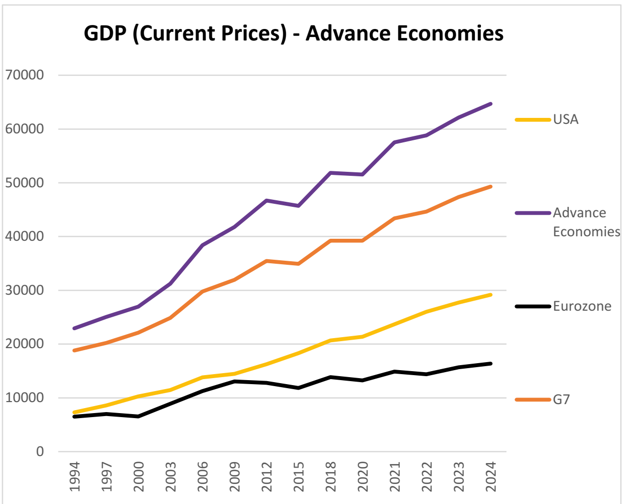
In 2024, global macroeconomic conditions continued to be impacted by large-scale armed conflicts in Ukraine and Gaza, which are not only humanitarian and political crises but these also have significant implications for the world economy. As of 31 December 2024, the war in Ukraine shows no signs of being resolved, and it is becoming clear that Ukrainian troops are showing signs of fatigue against the invading Russian forces. In Gaza, with escalating tensions and successive breakdowns of ceasefire negotiations, the region faces an unprecedented humanitarian catastrophe, and, as in Ukraine, the conflict appears far from being resolved.

Despite the continuation of these conflicts, supply chains appears to be functioning better compared to the pandemic years. Unlike previous years, the COVID-19 pandemic has finally ceased to be an obstacle to the proper functioning of the World Economy, which has led to the greater and easier movement of people and goods, resulting from the end of restrictive measures imposed during the pandemic. According to the Global Supply Chain Pressure Index (GSCPI), an index that measures deviations in current pressure levels compared to historical averages, values in 2024, although slightly higher than in 2023, show a positive trend, creating stability and optimism regarding the functioning of the world economy and its supply chains.

Due to the reduction in the European alliance's exposure and dependence on Russian energy and food supplies, in an effort to create autonomy, along with the improved functioning of supply chains and other favourable macroeconomic factors, there was a slight decrease in inflation rates which, although encouraging, are still not at the levels targeted by Central Banks.

Core inflation calculated by the European Central Bank (CPI), which excludes energy and food costs, closed 2024 at 2.4% in the Euro Area, while the PCE, the U.S. measure of core inflation, was 2.8% according to the Federal Reserve. Both economies are now closer to their common target of 2%.





Source: IMF

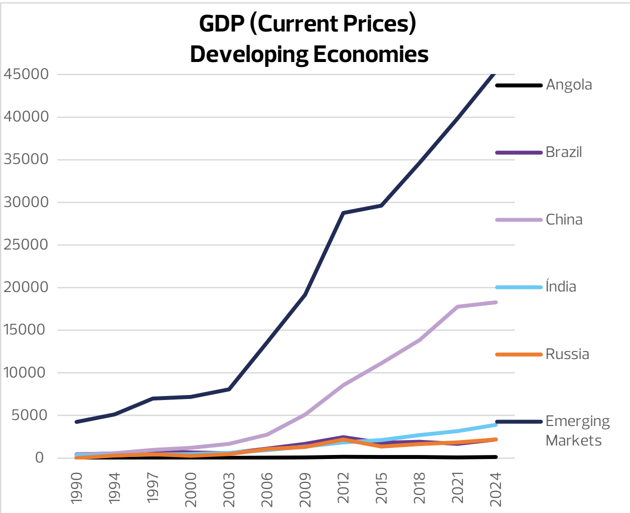
The future of the world economy continues to be debated, with more nations adhering to more protectionist economic models in order to reduce their external dependence on critical goods. This approach reflects the growing distrust among countries regarding the proper functioning of an open global economy. The victory of Donald Trump in the United States presidential election has triggered scepticism about the prospects for the global economy, generating a wave of tension between the U.S. and the rest of the world, and potentially leading to a slowdown in global GDP growth.

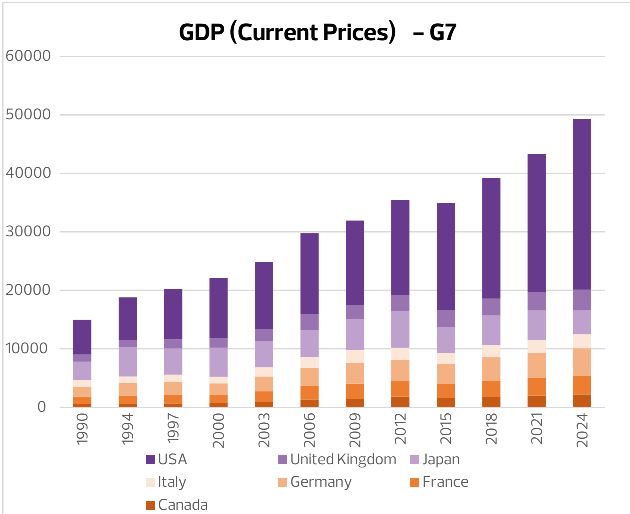
The International Monetary Fund (IMF), in its most recent World Economic Outlook report, estimates that global growth for 2025 and 2026 will be around 3.3%, which is 0.4 percentage points below the 3.7% average observed between 2000 and 2019.

Within the group of advanced economies, the U.S. is projected to grow by 2.7% in 2025, with its potential expected to be fully realized in 2026. In the Euro area, growth is expected to progress gradually as a result of the recent escalation of geopolitical tensions, political and governmental instability, as well as ongoing challenges in the manufacturing sector.

Thus, GDP growth is projected at 1% in 2025 and 1.4% the following year, driven by stronger domestic demand, reduced bureaucracy and improved confidence.

The performance of developing economies and emerging markets (the group that includes Angola) for 2025 and 2026 is expected to remain similar to the 4.1% achieved in the previous year. China, as the largest economy in this group and Angola's main economic partner, is expected to exceed the group average, with growth rates of 4.6% in 2025 and 4.5% in 2026, though still trailing India, which is projected to reach 6.5% in both years.



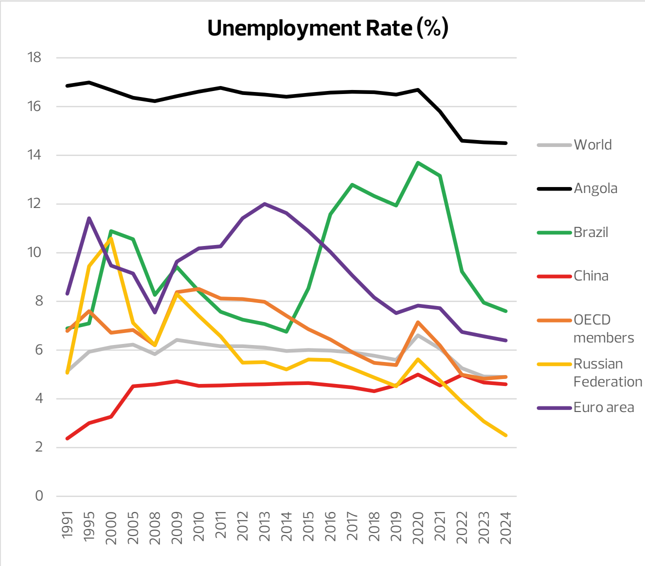


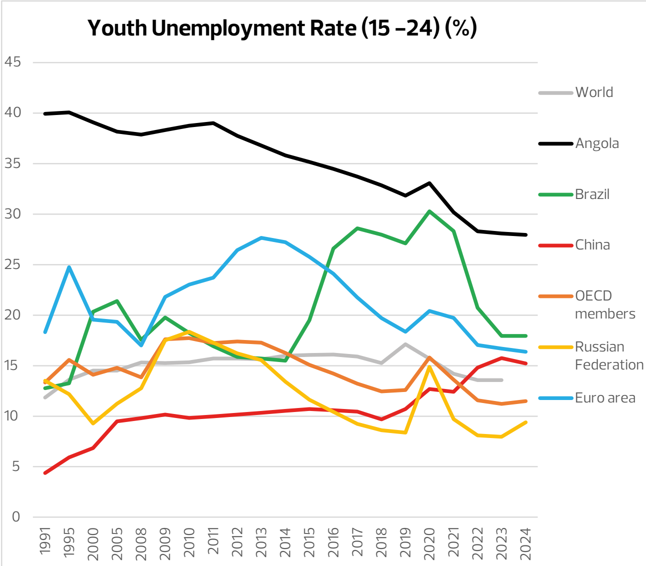
Source: IMF

The inflation data presented in the IMF's analysis in the October 2024 World Economic Outlook suggests a decrease in values for the coming years, as a result of favourable factors such as greater stability in labour markets and declining energy prices. Advanced economies expect inflation to be around 2% in 2025, while developing economies and emerging markets are projected to see a slight increase for the same year, rising from 2.1% to 2.7%

.After several years of volatility across almost all metrics, unemployment was no exception. The increased stability of labour markets is confirmed by projections of a continued decline in unemployment rates as in recent years. In advanced Europe, unemployment is projected to be around 6% in 2024 and 5.8% in 2025, while in the Euro Area, the rates are expected to be 6.5% in 2024 and 6.4% the following year, levels that can already be considered normal. The United States, however, is expected to move in the opposite direction, with unemployment rising to 4.1% in 2024 and 4.4% in the following year.

In Asia, with China as the world's second-largest economy and Angola's main international partner, its economy remains strong, driven by ongoing global demand for services, particularly in electronics and machinery. Although the return to full economic activity has not been ideal, which could be a symptom of tensions between China and Taiwan (historically the largest Asian partners in the international market), irrespective of the fall in the growth rate, China continues to show extremely positive signs, with economic growth expected to exceed 4% in the coming years (4.8% and 4.5%) and low unemployment rates for 2024 (4.6%).





Source: World Bank

Asia is establishing itself as an increasingly competitive and relevant player in the international market, once again posting positive economic growth figures. This growth stems not only from its economic power and technological advances but also from investment projects that various countries have been carrying out in less developed areas and through the development of relationships worldwide, with China being particularly prominent in this regard.

The Angolan Economy

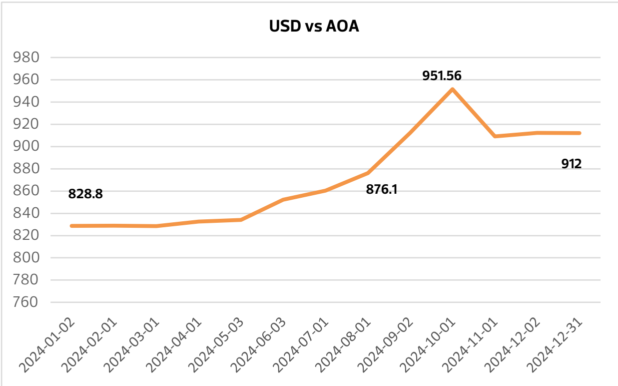
Angola is a country with its economic growth considerably linked and even dependent on the global demand for oil. Although the role played by the oil sector in the Angolan economy is crucial, this almost addictive dependence promotes unstable and unsustainable long-term economic growth, making the economy more vulnerable to external shocks and sometimes triggering social and economic challenges in the short to medium term, which, despite government efforts, have not yet been sufficiently addressed.

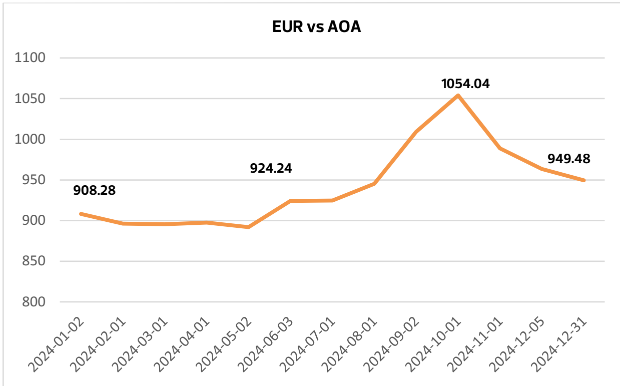
However, in recent years, changes and reforms have been promoted with the aim of strengthening and diversifying one of Africa's largest economies, considering that although oil is extremely profitable, it is also a scarce and non-renewable resource.

In order for the process of economic diversification to progress positively, the Angolan government has sought to implement this strategy through investment in the agriculture sector, in energy with a focus on solar and hydropower projects, and, finally, in the tourism sector, modernizing its infrastructure and transport, with the modernization of the Lobito Corridor (the railway connecting Angola to the Democratic Republic of Congo and Zambia) as a key pillar.

The financing of this project would not be viable if it depended solely on public funds; and a considerable portion of foreign investment is also necessary. In this regard, China is noteworthy as being, by a considerable margin, Angola's largest financier and guarantor, representing 25% of its creditors, with its investments mainly focused on infrastructure development and expansion projects. The United States follows, with investments not only in infrastructure but also in the financial sector. Finally, the European Union is active in the area of sustainability through the implementation and promotion of renewable energy sources.

Well-designed firm implementation of these measures could foster the creation of a more balanced economy, the stabilization of the kwanza as a strong African currency and, as a consequence, a more open, robust, and attractive economy for foreign investment.



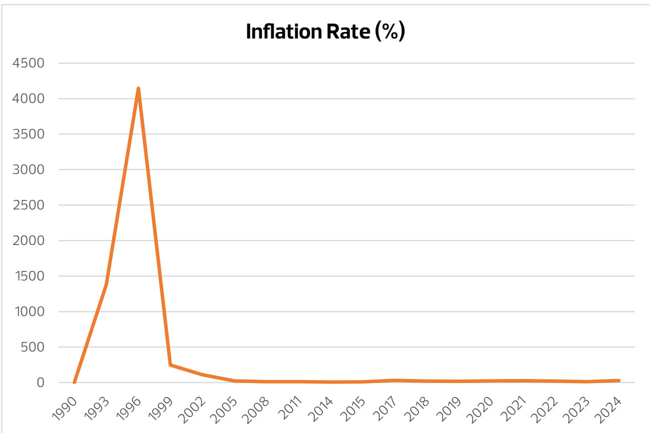


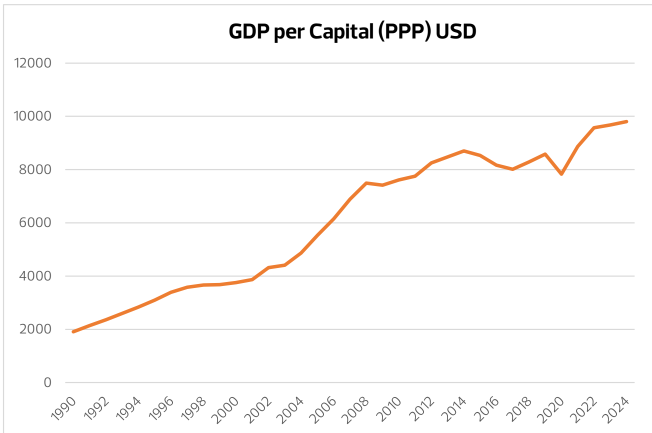
Source: BNA

According to the BNA, on the first day of 2024, 1 USD was equivalent to 828.80 kwanzas (AOA), and by the end of the year, it was worth 912 AOA, thus continuing the depreciation trend that had begun at the start of the previous year. The lowest value reached was 951.56 AOA, on the first day of October, although its level had improved slightly by the end of the year.

Repeating this exercise, but using the euro as the reference currency, there are similar results when comparing the African currency to the European one as with the dollar. At the beginning of 2024, 1 euro was equivalent to 908.28 AOA, and reached 1 054.04 AOA. However, in the last quarter of the year, the kwanza appreciated slightly and stabilized against the dollar, in comparison with the euro, continuing to appreciate. In a way, this behaviour does not necessarily reflect a "strengthening" of the kwanza, but rather a depreciation of both comparative currencies, especially the euro.

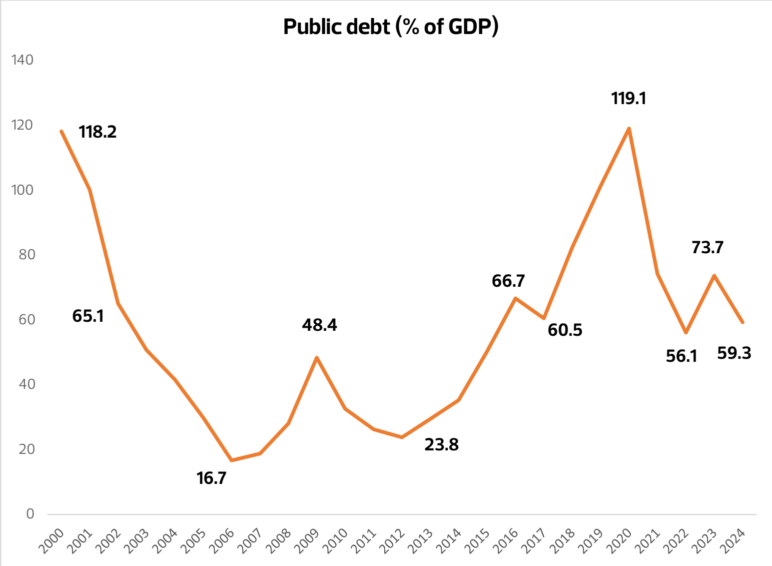
The path followed by Angola's national currency has been one of constant depreciation, with the value of the kwanza halving from the first day of the previous year to the last day of 2024.





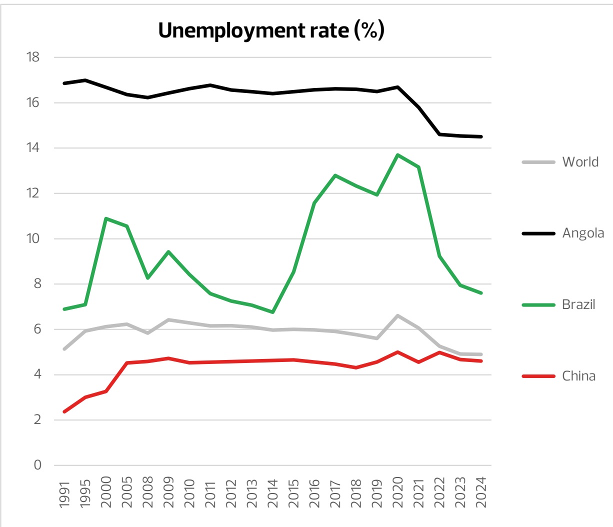
Source: IMF

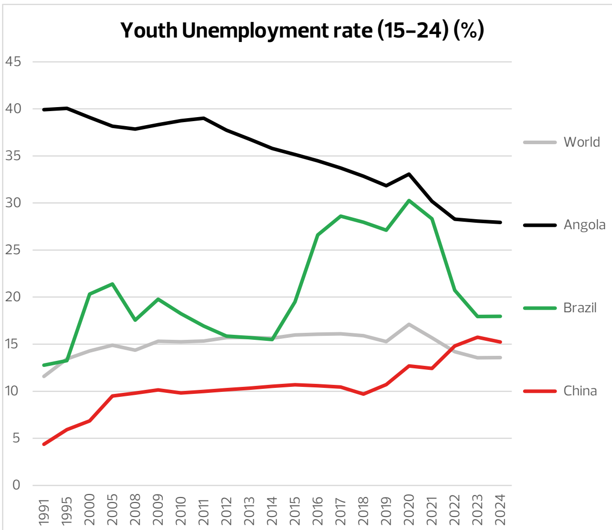
The inflation rate in 2024 has progressed unfavourably compared to previous years, since it had been on a downward trajectory for three consecutive years. The rate recorded in 2024 more than doubled, reaching 28.4%, as a consequence of pressure on the currency and its loss of value, as well as rising food basket prices. However, the IMF anticipates slightly lower values for 2025 (21.3%). Despite the sudden increase in the inflation rate, the IMF expects Angola's actual GDP to grow by 3.3%, compared to the around 1.3% observed in 2023.



Source: IMF

In 2024, the debt ratio was noteworthy again, reaching 59.3% (source: IMF), the second-best ratio since 2015 and slightly lower than the previous year's figure of 73.7%. This positive performance in the public debt ratio, especially considering the significant depreciation of the kwanza, is further reinforced by the considerable growth of domestic GDP. These results signal to the international market that Angola's economy is healthy and capable of meeting its obligations.





Source: IMF

A tThe unemployment rate (data from the World Bank, in partnership with the International Labour Organization) has shown a positive trend for five consecutive years, declining from 16.69% in 2020 to 14.5% in 2024. The youth unemployment rate (ages 15-24) has decreased by almost 11 percentage points, from 39.01% in 2011 to the most recently available figure of 27.94% in 2024. Although these figures show positive developments, both the overall unemployment rate and the youth unemployment rate in Angola remain higher than the average unemployment and youth unemployment rates for Sub-Saharan Africa.

By assigning equal importance to aspects of development that go beyond purely economic factors, the 2023/2024 Human Development Report from the United Nations Development Programme (UNDP) shows that Angola still faces significant challenges. The country ranks 150th in the Human Development Index (HDI), placing it only a few tenths above the threshold for low human development. The data also highlight marked disparities: average life expectancy is 64.5 years for women and 59.4 years for men, and there is a significant gender gap in the HDI — 0.620 for men and 0.561 for women.

Regulations approved by the BNA in 2024						
Instrument	**Number**	**Status**	**Publication**	**Subject**	**Entry Into Force**	**Intended recipients**
Directives	Directive no. 09, of 20 December 2024	In Force	24/12/2024	Financial System - Requirements for Calculating and Compliance with Compulsory Minimum Reserves	20/12/2024	Financial Institutions
Directives	Directive no. 08-2024, of 19 December	In Force	24/12/2024	Financial System - Information Report on Rental of Safes and Safekeeping Services	19/12/2024	Financial Institutions
Notices	Notice no. 08/2024, of 20 December	In Force	20/12/2024	Financial System - Operating Rules and Prudential Requirements Applicable to Microfinance Financial Institutions	20/12/2024	Financial Institutions
Notices	Notice no. 07/2024, of 20 December	In Force	20/12/2024	Financial System - Operating Rules and Prudential Requirements Applicable to Development Banks	20/12/2024	Financial Institutions
Notices	Notice no. 06/2024, of 20 December	In Force	20/12/2024	Financial System - Requirements and Procedures for Authorising the Incorporation of Non-Banking Financial Institutions	20/12/2024	Financial Institutions
Instructions	Instruction no. 09-2024, of 19 December	In Force	19/12/2024	Payment System - Value limits on transactions made in payment systems	19/01/2025	Financial Institutions
Notices	Notice no. 05/2024, of 16 December	In Force	19/12/2024	Financial System - Provision of Safe Deposit Box Hire and Safekeeping Services	18/12/2024	Financial Institutions
Notices	Aviso n.º 04/2024, de 16 de Dezembro	In Force	18/12/2024	Financial System: Minimum Share Capital of Non Banking Financial Institutions	17/12/2024	Financial Institutions
Notices	Notice no. 04/2024, of 16 December	In Force	18/12/2024	Financial System - Minimum Share Capital of Banking Financial Institutions	17/12/2024	Financial Institutions
Directives	Notice no. 03-2024, of 16 December	In Force	17/12/2024	Financial System: Reporting of Statistical Information on Microcredit Operators	16/12/2024	Financial Institutions
Instructions	Instruction no. 08-2024, of 9 December	In Force	10/12/2024	The Instruction establishes the rules and procedures for the Registration and Verification of Beneficial Owners of Financial Institutions.	09/12/2024	Financial Institutions
Directives	Directive no. 06-2024, of 7 October	In Force	07/10/2024	Financial System - Foreign Exchange Policy - Indicative Buy and Sell Exchange rates submitted to the Bloomberg FXGO Platform	06/10/2024	Financial Institutions
Circular Letter	Circular Letter no. 04-2024, of 26 September	In Force	26/09/2024	Financial System - Foreign Exchange Position	25/09/2024	Financial Institutions
Directives	Directive no. 05-2024, of 13 September	In Force	13/09/2024	FOREIGN EXCHANGE MARKET - Foreign Currency Purchase Transactions by Banking Financial Institutions from Oil and Diamond Companies on the Bloomberg FXGO Platform	12/09/2024	Financial Institutions
Instrutivos	Instruction no. 07-2024, of 15 August	In Force	16/08/2024	Financial System - Payment System - Electronic Currency Accounts	15/08/2024	Financial Institutions
Circular Letter	Circular Letter no. 03-2024, of 24 July	In Force	24/07/2024	Financial System - Handbook on Crisis Prevention and Management and Bank Resolution Planning	23/07/2024	Financial Institutions
IInstructions	Instruction no. 05 -2024, of 12 June	In Force	18/06/2024	Financial System - Report on Combating and Preventing Money Laundering, the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction - Risk Assessment - IT Tools and Applications	17/06/2024	Financial Institutions
Instructions	Instruction no. 06-2024, of 13 June	In Force	13/06/2024	Financial System - Mandatory Reserves	12/06/2024	Financial Institutions
Directives	Directive no. 03-DME-2024, of 06 June	In Force	06/06/2024	Financial System - Handbook on Crisis Prevention and Management and Bank Resolution Planning	05/06/2024	Financial Institutions
Instructions	Instruction no. 04-2024, of 3 May	In Force	03/05/2024	Financial System - Reporting Information to the Commission Buyer	03/05/2024	Financial Institutions
Notices	Notice no. 02/2024, of 22 March	In Force	27/03/2024	Financial System - Rules for Preventing and Combating Money Laundering, the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction	26/03/2024	Financial Institutions
Circular Letter	Circular Letter no. 02-2024, of 20 March	In Force	21/03/2024	Financial System: Dissemination of Measures of the Financial Action Task Force (GAFI)	20/03/2024	Financial Institutions
Instructions	Instrutivo n.º 03-2024, de 06 de Março	In Force	06/03/2024	Financial System - Rules for Reporting the Recovery Plans of Banking Financial Institutions	06/03/2024	Financial Institutions
Instrutivos	IInstruction no. 02-2024, of 1 March	In Force	01/03/2024	Sistema de Pagamento - Levantamento de Numerário em Terminal de Pagamento Automático	29/02/2024	Financial Institutions
Notices	Notice no. 01-2024, of 21 February	In Force	23/02/2024	Payment System - Cash Withdrawal at an Automatic Payment Terminal	21/02/2024	Financial Institutions
Instructions	IInstruction no. 01-2024, of 26 January	In Force	30/01/2024	Financial System - Liquidity Risk	29/01/2024	Financial Institutions
Circular Letter	Circular Letter no. 01-2024, of 25 January	In Force	26/01/2024	Notice no. 10/22, of 06 April, on the Granting of Credit to the Real Sector of the Economy — Support for the Agricultural Campaign	24/01/2024	Financial Institutions

Source: Website of the National Bank of Angola - *http://www.bna.ao*

Policies, Reforms and Future Prospects

Angola is a country with progressive goals and aims to continue growing economically in a balanced and sustainable way. In order to achieve this growth the Angolan government, along with a group of private initiatives, have jointly announced new economic and social stimulation and development programmes, as well as extending other programmes already in force.

In 2024, unemployment remains one of the most important issues to be addressed. Recognizing its significance, the Ministry of Finance included in the National Development Plan (2023–2027) a programme specifically focused on labour market challenges, namely the Employment, Entrepreneurship, and Vocational Training Programme. This programme has a clear commitment on the part of the Government to strengthen employability in the country, encouraging entrepreneurship and creating self-employment, as well as consolidating the national qualifications system and promoting a series of structural reforms in the labour market.

The Angola Youth Employment Programme (AYEP or "Project Grow"), which aims to promote youth entrepreneurship and employability in the agriculture and transport sectors, is an example of such government programmes. With 79 million dollars in funding from the African Development Bank, this project plans to train more than 95,000 young people in digital, technical, and business skills, in addition to supporting startups in accessing innovative financing.

The Privatization Programme (PROPRIV) is one of the main initiatives mentioned above, and aims to reduce state intervention in the economy and strengthen business capacity. The implementation of this programme is expected to reduce the weight of public debt in the economy and increase the financial resources of the public business sector, through the financial proceeds from the sale of assets for privatisation. PROPRIV also promotes competition, competitiveness and efficiency in the national economy, thereby contributing to the development of the capital market in Angola.

The programme has achieved notable successes, such as generating significant revenue and creating jobs. However, it has faced challenges related to implementing privatizations and obtaining receipts. The programme's success will also depend on the ability to overcome these obstacles and maintain a commitment to transparency and efficiency in the management of public assets.

In March 2023, the President of the Republic needed to extend PROPRIV from 2023-2026 due to the existence of 31 ongoing privatization processes carried over from the previous phase (2019-2022) as well as identifying new assets of interest. The expectation is that a total of 73 assets will be privatized during this period. However, the project has faced certain challenges, such as delays in privatizations and payments, and the withdrawal from the list of certain assets initially identified as strategic and highly suitable for privatization.

Although the growth forecast is ambitious, the reforms carried out in recent years, together with the adopted policies, fuel the expectation that solid foundations are being laid for more effective macroeconomic management and more efficient public sector governance. Transforming an oil-dependent economy into a more sustainable, transparent, and less vulnerable growth model continues to face numerous challenges. However, with a more active and dynamic private sector, firm political commitment, effective coordination, and robust and transparent institutions, it is possible to look to the future with confidence - not only in terms of economic conditions but also in the progress of other aspects of development.

Banco Comercial do Huambo

Vision, Mission and Values

Vision

BCH's vision is to be a benchmark Bank for Customer service and prudent management of the Institution.

Mission

Our mission is to offer our Customers banking and financial products and services with superior quality, in order to create and distribute value for Customers, Employees, Partners and Shareholders.

Values

The six fundamental values that underpin BCH's culture are:

1. Integrity, acting with honesty, loyalty and seriousness;
2. Trust and transparency, acting with truth and clarity;
3. Teamwork – We believe that working together is the best way to achieve our goals;
4. Rigour, acting with professionalism, technical competence and diligence, so as to achieve greater levels of quality and efficiency
5. Equality, acting with courtesy and complying with the principles of non-discrimination, tolerance and equal opportunities
6. Solidity, acting with prudent risk management and Institutional stability and solidity.

Governing Bodies and Shareholder Structure

Governing Bodies

The Board of Directors is made up of 5 Directors, 3 of whom are Executives and 2 of whom are Non-Executives. Of the latter, 1 is the Chairperson of the Board of Directors – coincidentally the Bank's largest shareholder – and 1 is independent.

Board of the General Meeting

Chairwoman	Alexandra Teodora da Conceição Cruz Martins
Vice-Chairwoman	Maria Helena Miguel
General Secretary	Regina Luísa Lagos Fernandes dos Santos

Board of Directors

Chairwoman	Natalino Bastos Lavrador
Independent Director	Hélia Cristina dos Santos Bras Nunes
Chairwoman of the Executive Com.	Cristiana de Azevedo Neto Lavrador
Executive Administrator	Salim Abdul Valimamade
Executive Administrator	Valdir Macedo Hamilton dos Santos

Supervisory Board

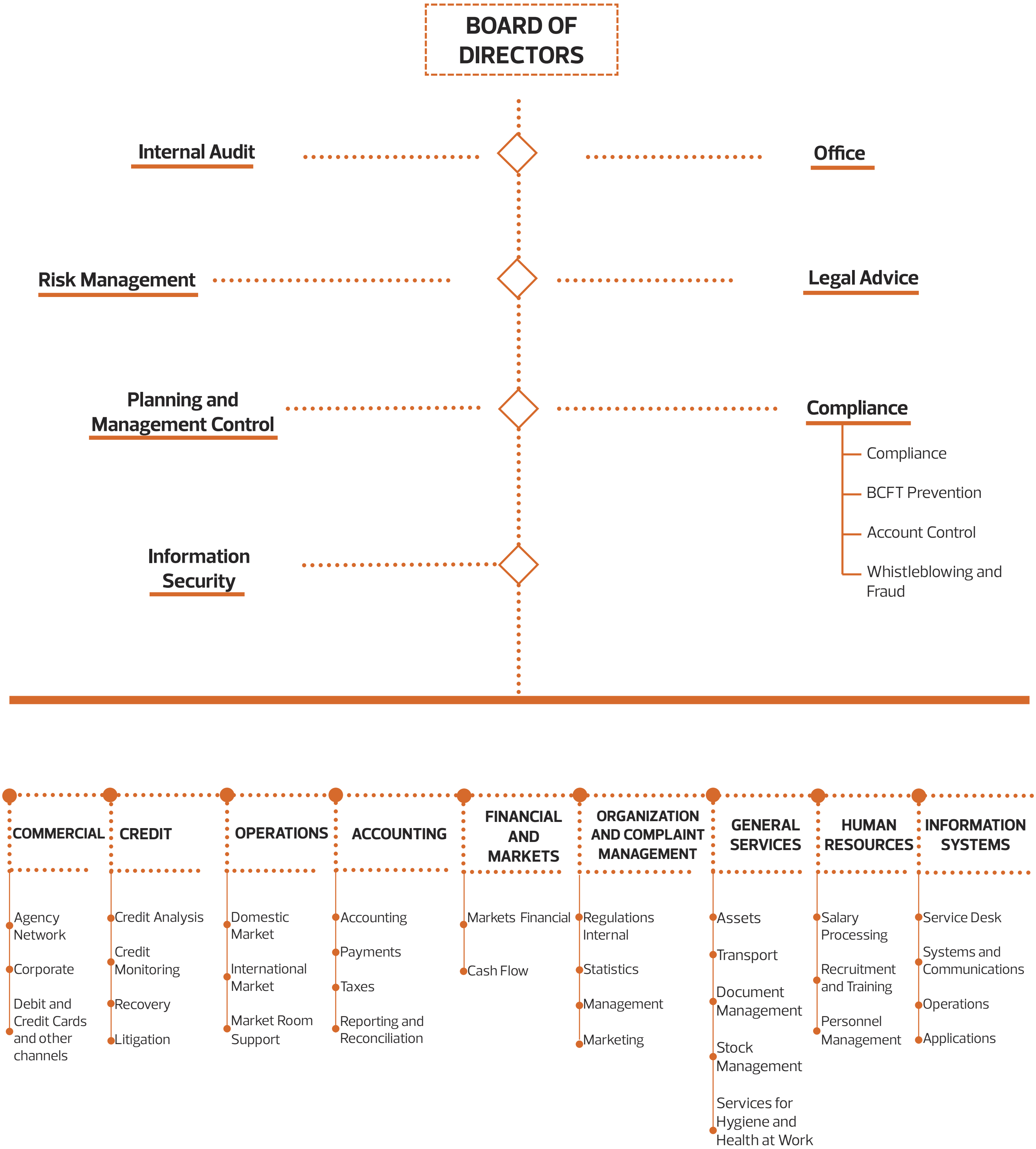
Chair	UHY – A Paredes & Associados – Angola
1st Member	Mário Silva Castelo Branco
2nd Member	Carlos Deosvaldo Fragoso Vaz

Shareholder Structure

On 31 December 2024, the equity of Banco Comercial do Huambo was held

Shareholders	Holding
Natalino Bastos Lavrador	51.50%
António Mosquito	20.00%
Valdomiro Minoru Dondo	10.00%
Banco Comercial do Huambo	10.00%
Sebastião Bastos Lavrador	5.50%
Carlos Saturnino Guerra Sousa e Oliveira	3.00%

Organizational Structure



Activity Undertaken in 2024

Main Indicators

(amount in thousands of kwanzas)

	2020	2021	2022	2023	2024	Var-20-21	Var. 21-22	Var. 22-23	Var. 23-24
INDICATORS									
Total Assets	48 636 124	56 374 427	66 017 104	57 736 337	83 352 074	15.91%	17.10%	-12.54%	44.37%
Credit to the Economy	38 363 618	32 071 234	19 649 852	29 826 536	11 022 838	-16.40%	-38.73%	51.79%	-63.04%
Credit to Customers	847 969	2 099 633	1 980 126	3 141 606	1 163 364	147.61%	-5.69%	58.66%	-62.97%
Credit to the state	37 515 649	29 971 601	17 669 726	26 684 930	9 859 474	-20.11%	-41.05%	51.02%	-63.05%
Customer Deposits	15 782 351	17 175 586	23 943 113	12 172 437	28 417 033	8.83%	39.40%	-49.16%	133.45%
Regulatory Own Funds	30 463 513	37 196 969	40 642 096	44 169 698	52 806 710	22.10%	9.26%	8.68%	19.55%
Banking Product	9 761 919	9 263 674	9 652 841	6 967 949	12 914 912	-5.10%	4.20%	-27.81%	85.35%
Net Interest Income	6 280 789	6 740 347	7 248 544	5 196 024	9 373 159	7.32%	7.54%	-28.32%	80.39%
Net Profit	6 208 266	6 355 589	6 365 776	3 486 586	6 170 837	2.37%	0.16%	-45.23%	76.99%

	2020	2021	2022	2023	2024	Var-20-21	Var. 21-22	Var. 22-23	Var. 23-24
FINANCIAL RATIOS									
Cost to Income Ratio	16.19%	23.89%	23.34%	38.59%	28.30%	47.59%	-0.55%	15.25%	-10.29%
Loans / Deposits Ratio	5.37%	12.22%	8.27%	25.81%	4.09%	127.52%	-3.95%	17.54%	-21.72%
Own Funds Ratio	205.33%	205.22%	227.23%	229.07%	312.35%	-0.06%	22.01%	1.85%	83.28%
Return on Total Assets (ROA)	12.76%	11.27%	9.,64%	6.04%	7.40%	-11.68%	-1.63%	-3.60%	1.36%
Return on Equity (ROE)	20.05%	17.03%	15.64%	7.83%	12.26%	-15.06%	-1.38%	-7.81%	4.43%
Overdue Loans / Total Loans	0.00%	0.02%	3.45%	0.59%	0.36%	0.02%	3.43%	-2.86%	-0.23%
Credit Provisions / Overdue Loans	-259 42.79%	-381.09%	-6.20%	-39.84%	0.00%	-98.53%	374.89%	-33.63%	39.84%

	2020	2021	2022	2023	2024	Var-20-21	Var. 21-22	Var. 22-23	Var. 23-24
BUSINESS EVOLUTION									
No. of Branches	6	6	6	7	7	0.00%	10.00%	16.67%	0.00%
No. of employees	66	64	64	70	72	-3.03%	0.00%	9.38%	2.86%
Customers	18 658	19 486	20 584	22117	23 701	4.44%	5.63%	7.45%	7.16%

In 2024, most of BCH's physical presence was in Luanda, where it has six offices, but it also has one office in the city of Huambo. The bank is ambitious about continuing its expansion, aiming to increase the number of branches and, consequently, the growth in its teams, with figures that clearly indicate the institution's objectives.

7

Agencies

Following the increase in branches opened in the previous year, the Bank has six branches in Luanda, with the most recent opening of the Sapú branch, and one branch in Huambo province, totalling seven for the year.

+2.9%

Team

At the end of 2024, the Bank had 72 employees, two more than in 2023.

.

+7.16%

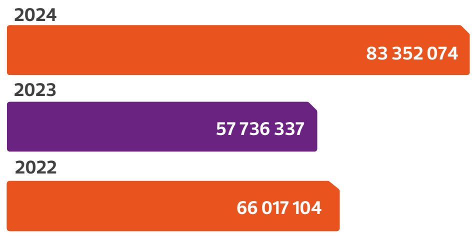
Customer Variation

The number of Customers in 2024 increased by 1 584 and reached
a total of 23 701 on 31 December 2024.

Business Evolution

Total Assets

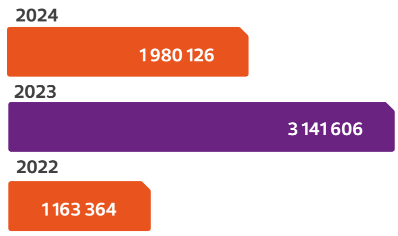
In 2024, BCH recorded a considerable increase in the level of Total Assets of around 44.37%, caused by a major increase in Applications in Central banks and other credit institutions.



Amounts in thousands of kwanzas

Credit Granted to Customers

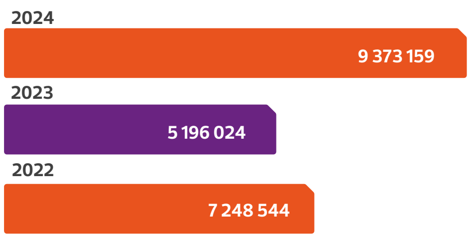
In 2024, loans and advances to customers decreased to AOA 1 163 364 thousand, as opposed to the 2023 results of AOA 3 141 606 thousand.



Amounts in thousands of kwanzas

Net Interest Income

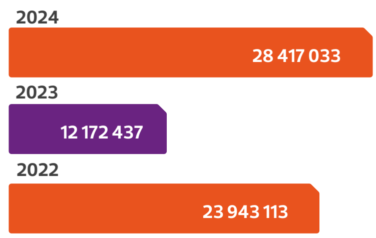
After a decrease of 28% in the previous year, which represented almost AOA 2 million, in 2024 the Bank achieved a growth result of 80 per cent due to the increase in Investments in central banks and other credit institutions.



Amounts in thousands of kwanzas

Customer Deposits

In 2024, the amount of customer deposits returned to the growth path it was on in 2021 and 2022, reaching AOA 28 417 033 thousand.



Amounts in thousands of kwanzas

ROE and ROA

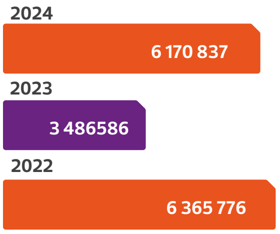
Return on Equity (ROE) grew by 4.43 percentage points, from 7.83 per cent in 2023 to 12.26 per cent in 2024. Return on Assets (ROA) also evolved positively from 6.04 per cent to 7.4 per cent in 2024. The excellent net result presented in 2024 made it possible to obtain these returns, even though there was considerable growth in assets and equity.

Solvency Ratio

BCH maintains a high level of financial solidity, based on the calculation defined in Article 4 of Notice No 02/16 of 15 July. At the end of 2024 this ratio stood at 77.39% (229.07% in 2023), well above the minimum requirement of 10 per cent as stipulated by the Banco Nacional de Angola.

Net Profit

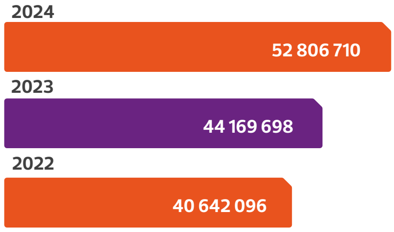
The Bank's Net Profit in 2023 totalled 3 486 586 thousands AOA, a negative variation on the previous year. In 2024 the Bank grew 77 per cent compared to the previous year, when it reached 6 170 837 thousands AOA



Amounts in thousands of kwanzas

Regulatory Own Funds

In 2024, Own Funds totalled 52 806 710 thousand AOA, a significant increase of 19.55% compared to 2023, largely due to the incorporation of reserves, as required by the BNA.



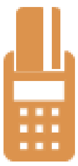
Amounts in thousands of kwanzas

Administrative Costs

In 2024, the Bank recorded a variation of 35.93% in its cost structure. The item that varied the most was "Third-party costs", which became the item with the greatest weight in the bank's administrative cost structure. This increase in costs can be explained by the increase in spending on consultancy and auditing services.

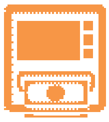
(Amount in thousands kwanzas)

	2020	2021	2022	2023	2024	Var-20-21	Var. 21-22	Var. 22-23	Var. 23-24
Administrative Costs	**1 580 057**	**2 213 026**	**2 252 843**	**2 688 696**	**3 654 767**	**40.06%**	**1.80%**	**19.35%**	**35.93%**
Personnel costs	680 420	851 835	1 259 160	1 554 411	1 775 834	25.19%	47.82%	23.45%	14.24%
Third-party costs	1 205 073	1 727 611	1 348 786	1 470 473	2 338 794	43.36%	-21.93%	9.02%	59.05%
Amortization and depreciations	(305 436)	(366 420)	(355 103)	(336 188)	(459 861)	19.97%	- 3.09%	-5.33%	36.79%
Other	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%



955 POS assets at 31 December 2024

+12.1%



18 ATMs Between Luanda and Huambo

+38.5%

5 539

+11.2%

POS

BCH closed 2024 with 955 active POS, representing growth of more than 100 per cent compared to 2020.

ATMs

BCH has 18 ATMs available to the public, 15 positioned in various locations in the capital Luanda and the remaining three in the province of Huambo.

Debit Cards

In 2024, the number of cards was slightly higher than the previous year, reaching 5539 active cards.

Risk Management, Compliance and Internal Auditing

Throughout 2024, BCH has continued its risk management activities for the year, as in previous years, when it implemented its Risk Management System based on the 3 Lines of Defence Model, and has strengthened the processes associated with its control functions – Risk, Compliance and Internal Audit — as well as the relation and coordination between these areas, in order to ensure the suitability, strengthening and functioning of the Bank's Internal Control System, to mitigate risks according to the complexity of the business.

As such, the Risk Management Department is responsible for developing practices to enable the identification, quantification, control, monitoring and reporting of different types of relevant risk inherent to BCH's activity, namely operational risk, credit risk and financial risks, with the aim of protecting capital and maintaining the Bank's solvency. It is also responsible for designing, developing, monitoring and updating risk management models that make it possible to correctly identify, assess and control the risks associated with the Bank's activity, in order to ensure that they remain at levels consistent with the risk tolerance profile and degree (Risk Appetite) defined by the Board of Directors.

In this way, 2024 was a year in which the Risk Management function, once the mechanisms, methodologies and tools at its disposal had been consolidated, operated normally. The Recovery Plan was introduced in order to comply with Notice no. 1/24 and it responded adequately to the present and future challenges it faces.

Notwithstanding the residual changes to the Bank's Risk Management, it is important to emphasise the continued investment that BCH has been making in cybersecurity, specifically to strengthen its ability to respond to this type of emerging risk that is increasingly on the agenda of both credit institution managers and authorities (including Supervisory ones). In 2024, the Bank made great progress in implementing the requirements imposed by the BNA for cybersecurity regulations, appointing a CISO and creating a cybersecurity committee.

As for the Compliance function, which was also formally autonomised in 2016, it has so far consolidated the efficiency and effectiveness of the activities associated with its assigned responsibilities. In this way, 2024 was a year in which the Compliance function, once the mechanisms, methodologies and tools at its disposal had been consolidated, operated normally — with improvements having been implemented in terms of the procedures for analysing account opening processes (KYC), as well as a workflow for the process, while maintaining readiness to respond to the present and future challenges it faces.

The activities carried out by the Compliance function include:

- Accompanying the commercial network when accepting customers, carrying out certain operations or selling services and products;

- Ensuring that the information produced and reported complies with applicable laws and legislation, particularly those of the BNA;

- Ensuring ethics/good conduct are implemented throughout the Bank as a whole:

- Evaluating the impact of regulations on the business, to better understand the risks involved versus cost/benefit ratio of necessary changes to processes/systems/products;

- Acting proactively and in a preventive manner when approving the risks of new products/processes and their respective changes;

- Defining mechanisms for detecting signs of unauthorised or fraudulent financial intermediation;

- Establishing measures to prevent and combat market abuse, money laundering and fraud.

In view of the importance of the issues related to the Prevention of Money Laundering (PML) and Combating the Financing of Terrorism (CFT), the following activities carried out by the Compliance function should also be highlighted:

- Monitoring customers using internal and external lists;
- Analysing Anti-Money Laundering (AML) forms;
- Analysing and approving the opening of accounts;
- Ensuring the adequacy of internal standards and procedures relating to the prevention of money laundering and combating the financing of terrorism (PML/CFT);
- Monitoring domestic and foreign operations;
- Accompanying the commercial network when accepting customers, carrying out certain operations or selling services and products;
- Acting as a liaison point between the Bank and the authorities responsible for PML/CFT, to resolve any internal or external issue related to PML/CFT;
- Contributing to the sharing of knowledge on PML/CFT matters.

The Internal Audit function has consolidated its processes and continued to develop its role as the 3rd line of defence through the execution of its risk-based activity plan, covering the Bank's main risks and ensuring a cross-sectional vision of its Internal Control and Risk Management System.

During 2024, the function carried out a diverse range of audits, including a wide-ranging audit on the Prevention of Money Laundering and Combating the Financing of Terrorism (PML/CFT), which identified a series of initiatives to strengthen the internal control system with regard to the PML/CFT processes implemented.

In addition, the function regularly followed up on the implementation of action plans relating to open deficiencies resulting from audits carried out and also those identified by other stakeholders, through carrying out quarterly follow-ups on the issues. The Audit and Internal Control Committee continues to report on a regular basis, and there is no need for more informal reporting to the board of directors on audit results or other issues deemed relevant.

Given this, 2024 was a year in which the Internal Audit function, once the mechanisms, methodologies and tools at its disposal had been consolidated, operated normally - without introducing any significant changes, providing a suitable response to the present and future challenges it faced.

Forecast

Notwithstanding the current economic and geopolitical environment, including the continued conflicts in Europe and the Middle East, and the outlook for the African economy, particularly the Angolan economy, BCH's strategy continues to be to focus on sustained growth, ensuring a flexible structure which provides for a swift and efficient response to the d emanding business and regulatory challenges facing the financial sector. Given this, in 2025 BCH proposes to:

- Continue to offer a structure of different financial products set apart from the rest and which can continue to meet our customers' needs;
- Maintain the Bank's commitment to sustained growth while retaining its profitability margin;
- Continue to focus on strengthening its Control functions (Risk Management, Compliance and Internal Audit) by continuing to implement best practices in this area and improving the efficiency and effectiveness of interna l processes, in response to the regulatory requirements in force;
- Rigorously and effectively monitor and implement any changes to the regulatory framework applicable to the financial sector and BCH;
- In the regulatory area, undertake any necessary developments in terms of risk management to enable BCH 7 to respond in an appropriate manner to the additional challenges and requirements that will result from the BNA's "supervisory equivalence" process (e.g. SREP, ICAAP, ILAAP);
- Maintain the focus on developing and implementing a plan which enables BCH to achieve alignment and compliance with the principles and requirements applicable to credit institutions in ESG (Environmental, Social, and Governance) areas;
- Reinforce our commitment to defining and implementing training plans that strengthen the skills of our employees and maintain the high levels of motivation of our teams.

Proposal for the Allocation of Profits

The Net Profit for the Year obtained in 2024, totalling 6 170 837 thousands AOA, will be invested as follows:

- 10% reinforcing Legal Reserves;
- The remainder will be transferred to Results Carried Forward.

The Board of Directors

Financial Statements

Income Statement

for the years ended December 31, 2024 & 2023

(amount in thousands of kwanzas)

	Notes	31.12.2024	31.12.2023
Interest and similar income	4	10 001 090	5 509 544
Interest and similar costs	4	(627 931)	(313 520)
Net interest income		**9 373 159**	**5 196 024**
Income from services and fees	5	1 873 055	1 121 001
Cost of services and fees	5	(419 179)	(205 749)
Foreign exchange results	6	3 349 847	1 238 515
Other operating results	7	(1 261 970)	(382 267)
Proceeds from banking activity		**12 914 912**	**6 967 949**
Staff costs	8	(1 775 834)	(1 554 411)
Third-party supplies and services	9	(2 338 794)	(1 470 473)
Depreciation and amortisation in the year	16 e 17	(459 861)	(336 188)
Impairment on loans to customers net of reversals and recoveries	15	1 890	(10 880)
Impairment for other financial assets net of reversals and recoveries	10, 11, 12 e 14	105 069	165 497
Profit and loss before tax		**8 447 382**	**3 783 411**
ITax on profits			
Current	18	(2 276 545)	(296 825)
Net profit for the year		**6 170 837**	**3 486 586**
Average number of ordinary shares in circulation		18 000 000	12 750 000
Basic earnings per share (in kwanzas)	22	343	273
Diluted earnings per share (in kwanzas)	22	343	273

The accompanying notes form an integral part of these financial statements

Balance

sheets as of 31 December 2024 and 2023

(amount in thousands of kwanzas)

	Notes	31.12.2024	31.12.2023
Asset			
Cash and deposits in central banks	10	10 491 929	9 606 185
Cash from other credit institutions	11	1 130 224	1 536 284
Investments in central banks and other credit institutions	12	55 479 637	13 109 636
Financial assets at fair value through other comprehensive income	13	43 656	43 656
Financial assets at amortized cost	14	9 859 474	26 684 930
Credit to customers	15	1 163 364	3 141 606
Other tangible assets	16	1 530 682	1 338 623
Intangible assets	17	837 739	687 623
Deferred tax assets	18	6 015	6 015
Other assets	19	2 809 354	1 581 779
Total Assets		**83 352 074**	**57 736 337**
Liabilities			
Customer funds and other loans	20	28 417 033	12 172 437
Current tax liabilities	18	2 711 790	245 609
Other liabilities	21	1 874 809	1 141 089
Total Liabilities		**33 003 632**	**13 559 135**
Equity			
Share Capital	22	20 000 000	20 000 000
Own shares	22	-3 000 000	-3 000 000
Other reserves and results carried forward	23	27 177 605	23 690 616
Net profit		6 170 837	3 486 586
Total equity		**50 348 442**	**44 177 202**
Total liabilities and equity		**83 352 074**	**57 736 337**

The accompanying notes form an integral part of these financial statements

Statements of Comprehensive Income

for the years ended December 31, 2024 & 2023

(amount in thousands of kwanzas)

	Notes	31.12.2024	31.12.2023
Net profit for the year		6 170 837	3 486 586
Other comprehensive income		–	–
Individual comprehensive income for the year		**6 170 837**	**3 486 586**

The accompanying notes form an integral part of these financial statements

Statement of Changes in Equity

for the years ended December 31, 2024 & 2023

(amount in thousands of kwanzas)

	Notes	Share Capital	Own Shares	Other Reserves and Results Carried Forward: Accounting Reserve	Effect of the change in accounting policies	Other reserves and Results Carried Forward	Total Other Reserves and Results Carried Forward	Net Profit	Total Equity
Balance as at 1 January 2023		**10 000 000**	**(3 000 000)**	**3 522 575**	**(8 289)**	**23 809709**	**27 323 995**	**6 365 776**	**40 689 771**
Allocation of profits	23 e 24	–	–	636 578	–	5 729 198	6 365 776	(6 365 776)	–
Acquisition of Own Shares	23 e 24	10 000 000	–	–	–	(10 000 000)	(10 000 000)		–
Net Profit	23 e 24	–	–	–	–	–	–	3 486 586	3 486 586
Other movements	23 e 24	–	–	–	–	845	845	–	845
Balance as at 31 December 2023		**20 000 000**	**(3 000 000)**	**4 159 152**	**(8 289)**	**19 539 753**	**23 690 616**	**3 486 586**	**44 177 202**
Balance as at 1 January 2024		**20 000 000**	**(3 000 000)**	**4 159 152**	**(8 289)**	**19 539 753**	**23 690 616**	**3 486 586**	**44 177 202**
Allocation of profits	23 e 24	–	–	348 659	–	3 137 927	3 486 586	(3 486 586)	–
Capital Increase	23 e 24	–	–	–	–	–	–	–	–
Net Profit	23 e 24	–	–	–	–	–	–	6 170 837	6 170 837
Other movements	23 e 24	–	–	–	–	403	403	–	403
Balance as at 31 December 2024		**20 000 000**	**(3 000 000)**	**4 507 811**	**(8 289)**	**22 678 083**	**27 177 605**	**6 170 837**	**50 348 442**

Statements of Cash Flows

for the years ended December 31, 2024 & 2023

(amount in thousands of kwanzas)

	Notes	31.12.2024	31.12.2023
Cash flows from operating activities			
Interest and other income		10 748 041	5 687 349
Interest and costs paid		(395 835)	(121 695)
Services and commissions received		1 871 248	1 120 523
Services and fees paid		(417 566)	(205 230)
Cash payments to employees and suppliers		(4 106 104)	(3 031 779)
		7 699 784	**3 449 168**
Changes in operating assets and liabilities			
Financial assets at fair value through profit or loss		3 349 852	1 238 515
Investments in credit institutions		(42 284 119)	26 422 623
Resources from credit institutions		(19 844)	(696 991)
Credit to customers		1 965 156	(1 211 768)
Customer funds and other loans		16 207 717	(11 790 937)
Other operating assets and liabilities		(1 898 443)	(877 756)
Net cash flows from operating activities, before taxes on profits		**(14 979 897)**	**16 532 854**
Taxes on profits paid		189 635	(371 872)
Net cash flows from operating activities		**(14 790 262)**	**16 160 982**
Cash flows from investment activities			
Financial assets at amortized cost		16 060 953	(8 623 310)
Disposal of non-current assets held for sale		(13 613)	425
Purchase/disposal of fixed assets		(579 762)	(672 359)
Financial Leasing Operations		(197 632)	(196 379)
Net cash flows from investing activities		**15 269 946**	**(9 491 623)**
Net cash variation and equivalents		**479 684**	**6 669 359**
Cash variation and equivalents at the start of the period		**11 142 469**	**4 473 110**
Net cash variation and equivalents		479 684	6 669 359
Cash variation and equivalents at the end of the period		**11 622 153**	**11 142 469**
Cash and cash equivalents encompass:			
Cash and deposits in central banks	10	10 491 929	9 606 185
Cash from other credit institutions	11 1 130 224	1 536 284	
Total		**11 622 153**	**11 142 469**

The accompanying explanatory notes form an integral part of these financial statements

Notes to the Financial Statements

1 -Introductory Note

By public deed of 17th June 2009, the Banco Comercial do Huambo, hereinafter referred to as the "Bank" or "BCH", was incorporated. The Bank began its commercial activity on 16 July 2010.

Originally a regional bank with its head office in the city of Huambo, its banking activity centred on providing support for small and medium-sized enterprises and contributing to the socio-economic development of the region in which it is based, BCH has more recently and over the last few years diversified its activity in order to offer a wider range of products and services, with greater added value for more discerning customers, and those more geographically suitable for the location that the Bank also has in the city of Luanda, the country's capital.

As part of its services, the Bank also offers its customers technical assistance, from the setting up a company to drawing up an economic and financial feasibility study. This support is innovative within the Angolan financial system and is available at the BCH branches in Huambo and Luanda.

As far as the shareholder structure is concerned and as mentioned in Note 24, the Bank is owned by Angolan shareholders, and the details of the shareholder structure are presented in that note.

2- Accounting Policies

2.1 Basis for Preparation

Under the provisions of Notice No 6/2016 of 22 June, of the Banco Nacional de Angola ("BNA"), BCH's financial statements were prepared on a going concern basis from the Bank's records and in accordance with the International Accounting Standards/International Financial Reporting Standards (IAS/IFRS). These financial statements refer to the Bank's individual activity as at 31 December 2024 and have been drawn up in order to comply with the requirements for presenting individual accounts as set out by the BNA.

IAS/IFRS include the accounting standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), and their predecessor bodies.

The financial statements presented here relate to the year ending 31 December 2024.

The accounting policies presented in this note have been applied consistently with those used in the financial statements as at 31 December 2024.

The financial statements are expressed in thousands of Kwanzas, rounded to the nearest thousand, and have been prepared in accordance with the historical cost principle, with the exception of assets recognised at fair value, namely financial assets held for trading, at fair value through profit or loss and financial assets at fair value through other comprehensive income.

The preparation of financial statements in accordance with IAS/IFRS requires the Bank to make judgements and estimates and to use assumptions that affect the application of accounting policies and the amounts of income, costs, assets and liabilities. Changes in these assumptions or differences between assumptions and reality could have impacts on current estimates and judgements. Areas that involve a greater degree of judgment or complexity, or where significant assumptions and estimates are used in preparing the financial statements are examined in Note 3.

The financial statements for the year ended 31 December 2024 were approved at a meeting of the Board of Directors on 25 April 2025.

2.2 Foreign Currency Transactions

Assets and liabilities denominated in foreign currency are recorded in accordance with the multi-currency system, i.e. in the respective currency denominations.

Transactions in foreign currency are converted into the functional currency (Kwanzas) at the exchange rate in force on the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are converted into the functional currency (Kwanzas) at the average exchange rate in force on the balance sheet date. The exchange differences arising from this conversion are recognised in the statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currency are converted into Kwanzas using the following methodology:

- Recorded at historical cost – at the average exchange rate in force on the date of the transaction..

- Recorded at fair value – at the average exchange rate in force on the date the fair value is determined and recognised against profit or loss, with the exception of those recognised in financial assets at fair value through other comprehensive income, the difference between which is recorded against equity.

The Bank's financial statements as at 31 December 2024 and 2023 are expressed in Angolan Kwanzas, with assets and liabilities denominated in other currencies having been converted into national currency on the basis of the indicative average exchange rate published by the Banco Nacional de Angola on those dates. On 31 December 2024 and 2023, the exchange rates of the Angolan Kwanza (AOA) against the United States Dollar (USD) and the Euro (EUR) were as follows:

	2024	2023
USD	912	828.8
EUR	949.48	915.99

2.3 Financial instruments

Financial instruments are presented, classified and measured in accordance with the principles defined in IAS 32 – Financial instruments: presentation and IFRS 9 – Financial instruments.

The classification of financial assets is determined at initial recognition and it is extremely rare that reclassifications are made. A financial asset may only be reclassified if there is a change in the business model for managing financial assets and, therefore, this reclassification requires approval and the updating of the accounting policy.

According to IFRS 9 – "Financial Instruments", financial assets can be classified into three categories with different measurement criteria – Amortised cost, Fair value through other comprehensive income ("FVOCI") and Fair value through profit or loss ("FVTPL").

2.3.1 Investments in Equity Instruments

Investments in equity instruments must be measured at fair value, with changes reflected in profit or loss, i.e. they are classified as "FVTPL". Investments in equity instruments are considered to be held for trading when the entity intends to trade the positions with a view to obtaining a short-term profit.

However, on initial recognition, there is an irrevocable option, on an instrument-by-instrument basis, to classify investments in equity instruments as "FVOCI". This option applies only to instruments that are not held for trading and that are not recognised as contingent by a buyer in a business combination in which IFRS 3 – 'Business Combinations' applies.

With the application of the irrevocable option to classify as "FVOCI", fair value profits and losses on investments in equity instruments designated as "FVOCI" will be recognised in other comprehensive income and can never be reclassified from capital to profit and loss (even when the investments are derecognised). Dividends attributed are recognised as income in the statement of comprehensive income when the right to receive them has been established.

2.3.2 Debt instruments

The classification of Debt instruments depends on the characteristics of the contractual cash flows and the business model associated with them.

2.3.2.1 Solely Payments of Principal and Interest on the principal amount outstanding (SPPI)

In the "HTC" and "HTC and Sell" business models, the classification and measurement of debt instruments also depends on the characteristics of the contractual cash flows.

In this way, for each financial asset, the Bank determines whether the expected contractual cash flows correspond exclusively to the payment of capital and principal on the outstanding capital, by carrying out SPPI tests.

2.3.2.2 Business model

Definition and documentation of the Business Model

The business model represents the way in which the Bank manages its financial assets in order to generate cash flows, which, according to IFRS 9, can be through the collection of contractual cash flows (Hold-to-Collect – "HTC"), a mixed model of collecting contractual cash flows and making sales when market opportunities are identified ("HTC and Sell") or other business models (e.g. trading).

The measurement categories are applied according to the business model assigned to the debt instruments – business model decision.

Business models do not depend on management's intentions for an individual instrument (i.e. it is not an instrument-by--instrument assessment). This analysis is carried out at a higher level of aggregation (i.e. on a portfolio-by-portfolio basis). The Institution may opt for more than one business model for managing its debt instruments.

Evaluating the business model requires judgement based on facts and circumstances. Thus, both quantitative factors (the frequency and expected value of sales) and qualitative factors (the purpose of the acquisition of financial assets, the reasons for any sale, how performance is managed and how employees are remunerated, etc.) should be considered.

According to IFRS 9, the following business models can be identified:

- Business model where the objectives are achieved by obtaining the contractual cash flows of the asset (Hold-to-Collect);

- Business model where the objectives are achieved both by obtaining the contractual cash flows of the asset and by selling it (Hold-to-Collect and Sell);

- Another business model.

Hold-to-Collect ("HTC")

Financial assets accounted for using an "HTC" model are managed in such a way as to obtain cash flows by collecting capital and principal payments over the life of the instruments. In this business model, sales should be circumstantial and an additional element to the objective of the business model. It typically involves a lower level of sales compared to other business models, both in terms of frequency and volume.

Although the aim of the "HTC" business model is to hold the financial assets in order to collect the contractual cash flows, the entity does not need to hold all the assets until maturity. A business model can be "HTC" even when some sales of financial assets have taken place or are expected to take place, as long as these sales are not significant.

Accordingly, the Bank has set the following limits for the instruments recognised in this category:

- 0% of the value of the portfolio is sold during the period;

- More than one sale per month

Hold-to-Collect and Sell ("HTC & Sell")
Both the collection of contractual cash flows and sales form an integral part of the objective of this business model. For the "HTC and Sell" category, the business model is often that of holding a portfolio of liquid assets in order to meet expected or unexpected commitments or to finance anticipated acquisitions. In this case, the classification of debt instruments focuses not on the business model itself, but on how these instruments are managed in order to fulfil the objectives of the business model.

A business model where the objective is achieved through both the collection of contractual cash flows and the sales of financial assets will typically have a higher frequency and value of sales compared to the "HTC" business model. This is due to the fact that sales of financial assets form an integral part of the objective of the business model and are not an ancillary part of it. However, there is no limit to the frequency or number of sales that can occur in this business model, as both forms are integral to achieving the objective of this business model.

Another business model
Any business model that does not fit into the two business models described above.

Financial assets and liabilities are recognised in the Bank's balance sheet on the date they are negotiated or contracted, unless it is expressly stipulated in the contract or in the applicable legal or regulatory regime that the rights and obligations inherent in the amounts transacted are transferred on a different date, in which case the latter will be the relevant date.

At the start, financial assets and liabilities are recognised at fair value plus transaction costs directly attributable to acquisition or issue, except for assets and liabilities at fair value through profit or loss where transaction costs are recognised immediately in profit or loss.

2.3.3 Credit to customers

O Credit to customers includes loans created by the Bank which are not intended to be sold in the short term and which are recognised on the date on which the amount of the loan is advanced to the customer.

Credit to customers is initially recorded at fair value and subsequently at amortised cost net of impairment. The associated transaction costs form part of the effective interest rate of these financial instruments. Interest recognized using the effective interest rate method is recognized in the net interest income.

To calculate the effective interest rate, future cash flows are estimated, considering all the contractual terms of the financial instrument. The calculation includes a set of fees that form an integral part of the effective interest rate, such as opening fees, management fees and renewal fees, transaction costs and all the premiums and discounts directly related to the transaction.

Credits to customers are initially recognised at fair value, plus transaction costs, less fees receivable, and are subsequently valued at amortised cost, using the effective interest rate method, and are shown in the balance sheet net of impairment losses.

Credits to customers are derecognised from the balance sheet when (i) the Bank's contractual rights to the respective cash flows have expired, (ii) the Bank has substantially transferred all the risks and benefits associated with holding them, or (iii) although the Bank has retained part but not substantially all of the risks and benefits associated with holding them, control over the assets has been transferred.

Under IFRS 9, the classification and measurement of the Bank's financial assets results from the combination of the Business Model chosen for the management of these assets and the results of the tests carried out to assess compliance with the SPPI (Solely Payments of Principal and Interest) criterion.

Accordingly, the business model specified for BCH's credit portfolio is Hold-to-Collect ("HTC") and, as a result of this decision, all loans to customers will be classified as HTC and measured at amortised cost, except in situations where there is non-compliance with the SPPI criterion. In cases where credit operations do not fulfil the SPPI criteria, they should be classified at fair value through profit or loss ("FVTPL").

2.3.3.1 Modification of customer credit exposures

Credit restructuring is understood to mean any change to the conditions in force for credit operations with customers in financial difficulties, which results in modifying the rights or duties of the parties. Most loans that are restructured due to the customer's financial difficulties are subject to a minimum 12-month healing period. In the event of successive modifications, the healing period restarts on the date of the last restructuring.

If a new recognised financial asset results from a contractual modification of a financial asset previously marked as restructured, it will continue to have this marking, and the healing period is also restarted from the date of the last restructuring.

2.3.3.2 Credits written off from assets

The Bank recognises a loan written off from assets when there is no reasonable expectation of recovering the asset and, for collateralised loans, when the funds from realising the collateral have already been received. This is recorded as such after all the actions taken by the Bank have proved unsuccessful.

Loans are written off in the accounts using impairment losses when they correspond to 100 per cent of the value of the loans considered non-recoverable.

Credits written off from assets are subject to periodic reconciliation in order to control the amount included in off-balance sheet accounts, where, in accordance with legal requirements, they must remain recorded for a minimum of ten years and as long as all recovery procedures have not been exhausted.

2.3.4 Determining the measurement method for financial assets

Financial assets are included for valuation purposes in one of the following categories:

– Financial assets at amortized cost;

– Financial assets at fair value through other comprehensive income;

– Financial assets at fair value through profit or loss.

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2.3.4.1 Financial assets at amortized cost

In the portfolio of financial instruments at amortised cost, these are recorded as financial assets when the following two conditions are met:

– Business Model There is a business model with the objective of holding the asset in order to obtain the contractual cash flows ("HTC"); and

– Compliance with SPPI criteria: The contractual conditions give rise to cash flows on specific dates, which are solely payments of principal and interest on the outstanding principal amount ("SPPI").

<u>Initial recognition:</u>

Financial assets measured at amortised cost are, on initial recognition, recorded at fair value plus any transaction costs directly attributable to their acquisition or issue. The fair value at initial recognition is normally the transaction price, provided that the asset does not have a below-market interest rate (IFRS 13 – 'Fair value: measurement and disclosure')

Subsequent measurement:

Income and expenses from financial instruments at amortised cost are recognised according to the following criteria:

- Interest is recorded in profit and loss, using the effective interest rate of the amortised cost of the asset. In the case of impaired financial assets (stage 3), the effective interest rate is applied to the amortised cost net of impairment;

- Changes in impairment losses are recognised as income or expense in the period to which they relate, under "Impairment of loans and advances to customers net of reversals and recoveries";

- Debt instruments issued in local currency indexed to the exchange rate of the United States Dollar are subject to the updating of the nominal value of the security in accordance with the variation in the respective exchange rate. Given this, the result of this updating of the security is reflected in the income statement for the year in which this occurs in the item "exchange rate results". Likewise, the effects of the exchange rate update of debt instruments in foreign currency (United States dollar) are recognised in the income statement in the item "exchange rate results".

2.3.4.2 Financial assets at fair value through other comprehensive income

In the portfolio of financial debt instruments at fair value through other comprehensive income, financial assets that fulfil the following two conditions are recorded:

- Business Model: if the debt instrument is held in a business model where the objective is to hold the asset in order to obtain its contractual cash flows and eventually profit from its sale ("HTC and Sell"); and
- Compliance with SPPI criteria: The contractual conditions give rise to cash flows on specific dates, which are solely payments of principal and interest on the outstanding principal amount.

Initial recognition:

"FVOCI" financial instruments are, at the time of initial recognition, recognised at fair value (in accordance with FRS 13 – 'Fair value: measurement and disclosure'), plus transaction costs.

Subsequent measurement:

Income and expenses from financial instruments at fair value through other comprehensive income are recognised according to the following criteria:

- Gains and losses on debt instruments classified as "FVOCI" resulting from changes in their fair value are recognised in other comprehensive income. At the time of their disposal, the respective gains or losses accumulated in other comprehensive income are reclassified to "Profit or loss on financial assets at fair value through other comprehensive income".

- Interest is recognised in the income statement in the item "Interest and similar income" and is determined using the effective interest method.

- In the case of foreign currency assets, the effects of the corresponding exchange rate updates are recognised in the income statement in the item "exchange rate results".

- Impairment losses or gains on reversals of impairment losses are recognised in the income statement in the item "Impairment from other financial assets".

On this basis, and at their initial recognition, investments in equity instruments not held for trading are also measured at fair value through other comprehensive income. These financial assets are initially and subsequently measured at fair value plus any transaction costs. Subsequent changes in fair value are recognised in other comprehensive income and cannot be reclassified to profit or loss. Any dividends obtained are recognised as income in the period in which they are attributed.

2.3.4.3 Financial assets at fair value through profit or loss

TAll financial assets that are not measured at amortised cost or fair value through other comprehensive income, in accordance with the criteria defined above, are measured at fair value through profit or loss. In particular, the following are measured on this basis: (i) all financial assets that do not pass the SPPI test and are not investments in equity instruments designated at fair value through other comprehensive income; (ii) financial assets that are not held within an "HTC" or "HTC and Sell" business model; and (iii) financial assets for which the fair value option is applied (to eliminate or significantly reduce a measurement inconsistency).

Initial recognition:

"FVOCI" financial instruments are, at the time of initial recognition, recognised at fair value (in accordance with IFRS 13 – 'Fair value: measurement and disclosure').

Subsequent measurement:

These assets are subsequently measured at fair value and changes in fair value are recognised immediately in the income statement.

On 31 December 2024 and 2023, the bank did not hold any financial assets at fair value through profit or loss.

2.3.5 Impairment of financial assets

O The impairment model developed in accordance with IFRS 9 is applicable to the following financial assets:

- All financial assets measured at amortised cost (including lease contracts where the Bank acts as lessor - IFRS 16 – 'Leases');

- Debt instruments measured at fair value through other comprehensive income ("FVOCI");

- Documentary credits and guarantees and sureties provided; and

- Assets from contracts with customers, as referred to in IFRS 15 – 'Revenue from contracts with customers'.

The identified impairment losses are recorded in the income statement and are subsequently reversed through the income statement if there is a reduction in the estimated loss amount, in a later financial year.

The aforementioned financial assets are subject to impairment tests at each reporting date. The impairment model determined in accordance with IFRS 9 translates into an Expected Credit Losses (ECL) model, which considers the expected losses over the life of the financial assets. This means that when determining the ECL, macroeconomic factors are considered which have changes that can have an impact on the expected losses.

In the expected loss model, assets subject to impairment calculation must be categorised into one of the following stages, depending on the change in credit risk since the asset was initially recognised:

– Stage 1 – From the initial recognition of the asset and whenever there has been no significant increase in the credit risk since that date, the assets are classified in stage 1. For these assets, an impairment corresponding to the ECL should be recognised for default events that may occur within a time window of 12 months following the reporting reference date.

– Stage 2 – If there has been a significant increase in risk since initial recognition, the assets should be classified in stage 2. In this category, impairment will correspond to the ECL for default events that may occur during the remaining lifetime of that asset (ECL lifetime).

– Stage 3 – Defaulting assets should be classified in this category, with impairment corresponding to the lifetime ECL. The Bank considers that there is a default when the asset is more than 90 days overdue. The following conditions are also indicators of default:

a. Significant financial difficulty of the issuer or borrower;

b. A breach of contract, such as a default or delay;

c. The borrower's lender(s), for economic or contractual reasons related to the borrower's financial difficulties, have granted the borrower facilities that they would not otherwise have granted;

d. It is likely that the borrower will enter into bankruptcy or other financial reorganisation;

e. The disappearance of an active market for that financial asset due to financial difficulties; or

f. The acquisition or creation of a financial asset at a large discount that reflects the credit losses which have incurred.

The stage 2 classification is based on observing a significant increase in credit risk (SICR) since initial recognition. The "SICR" is identified through various quantitative and qualitative criteria, such as arrears of more than 30 days, loans restructured due to financial difficulties, and other criteria listed in Instruction no. 8/2019 of the Banco Nacional de ngola.

Expected losses are a probability-weighted estimate of the reductions in the value of the cash flows resulting from the default over the relevant time frame and correspond to the present value of the estimated difference between the contractual cash flows and the expected cash flows of the financial assets ("cash shortfalls"). This estimate corresponds to an expected determined value which is the unbiased weighted average (through the respective occurrence probabilities) of various possible outcomes. Expected losses are discounted to the reporting date using the effective interest rate.

The calculation of the expected loss is based on historical and current information, but must also incorporate future projection scenarios that are reliable, reasonable, bearable and available without excessive cost or effort.

The IFRS 9 impairment calculation is complex and requires management decisions, estimates and assumptions, particularly in assessing whether there has been a significant increase in risk since the initial recognition.

<u>IInstruments with low credit risk</u>
The credit risk of a financial instrument is low if the borrower has a low probability of defaulting, has a strong capacity to fulfil its contractual obligations in the short term and if adverse changes in economic and business conditions in the long term may reduce the customer's ability to fulfil its contractual cash flow obligations. Financial instruments are not considered low credit risk when they are considered to have a low level of loss given default (LGD) simply because of the value of the guarantee and if they would not be considered low risk if that guarantee did not exist.

To determine whether a financial instrument has low credit risk, the Bank uses its internal credit risk ratings. These instruments should be considered to have low credit risk, considering all the terms and conditions of the financial instrument and not just its internal or external risk rating.

POCI Assets (Purchased or Originated Credit Impaired)

POCI assets are assets which have defaulted at the time of initial recognition which can originate from one of the following criteria:

- new financial assets originated after modification of contractual conditions that result in derecognition of the original asset and recognition of a new asset; and

- new customer contracts in default. The calculation of ECL for assets classified as POCI is determined by the following principles.

These financial assets are initially recognised at fair value plus transaction costs, with the corresponding effective interest rate determined by reference to their expected future cash flows and not their contractual cash flows. This effective interest rate is therefore an effective interest rate adjusted to the credit risk of the assets.

All changes in the expected cash flows of these financial assets following their initial recognition are treated as changes in the assets' impairment losses.

In the 2024 and 2023 financial years, there were no assets classified as POCI.y

The Bank calculates impairment losses by analysing loans individually or by collectively analysing homogeneous groups.

2.3.5.1 Individual analysis

The amount of impairment losses in individual terms is determined by analysing the total exposure of loans and advances to customers on a case-by-case basis. This individual analysis is carried out for the credits considered individually significant. The criteria specified by the Bank for identifying customers or economic groups that are individually significant and therefore subject to individual impairment analyses were as follows:

Segment	Criterion
Customers/economic groups for which there is observadas evidências objectivas de imparidade	0.1% of the amount of the institution's own funds
Customers/economic groups for which there is no objective evidence of impairment	0.5% of the amount of the institution's own funds

The global exposure amount for each customer/economic group does not involve the consideration of conversion factors for off-balance sheet exposures [CCF].

Impairment losses are calculated by comparing the present value of the expected future cash flows discounted at the original effective interest rate of each contract and the book value of each loan, and the losses are recognised in the income statement. The book value of impaired loans is shown in the balance sheet net of impairment losses. For loans with a variable interest rate, the discount rate used corresponds to the effective annual interest rate applicable in the period in which the impairment was determined.

2.3.5.2 Collective analysis

Loans that are not considered individually significant, or those the individual analysis of which has resulted in zero impairment, are grouped based on similar risk characteristics with the aim of determining impairment losses in collective terms. This analysis allows the Bank to recognize losses, the identification of which, in individual terms, will only occur in future periods. Impairment losses in collective terms are determined by considering the following aspects:

– Historical experience of losses in portfolios with similar risk;

– Knowledge of the current economic and credit environment and its influence on the level of historical losses; and

– Estimated period between the occurrence of the loss and its identification.

The methodology and assumptions used to estimate future cash flows are reviewed regularly by the Bank in order to monitor differences between estimated losses and actual losses.

Segmentation of the credit portfolio for collective analysis

In accordance with IFRS 9, non-significant customers are included in homogeneous segments with similar credit risk, considering the Bank's management model, and subject to collective impairment determination. This is to ensure that they have similar risk characteristics when analysing these exposures and determining their risk parameters.

As regards the segmentation of exposures for the purposes of calculating risk parameters, the Bank decided to do this on the basis of two vectors, that is, segmentation based on the type of customer and product (homogeneous populations) and risk buckets. Customers/operations are classified at each point in time on the basis of these two vectors, which form the basis for the subsequent estimation of risk parameters per segment.

Significant segmentation factors considered in defining homogeneous populations when estimating risk parameters were certain characteristics of credit operations, such as the type of customer and the type of product.

In order to ensure that the portfolio segmentation was consistent with regulatory requirements and had the statistical relevance needed to determine robust risk parameters, the following segmentation was specified:

Type of customer	Segment
Individuals	Overdrafts – Individuals Consumer Credit Mortgage Loan Other Loans Employees
Companies	Current Accounts Overdrafts – Companies Other Loans Guarantees Provided and CGI

In the financial assets portfolio, impairments are determined by attributing:

– A probability of default (PD) derived from the debt rating of the issuer or counterparty, respectively; and

– A loss, given default (LGD), which results from market parameters.

2.3.5.3 Collateral assessment process

The assessment of guarantees is regularly ensured, so that the Bank has up-to-date information on the value of these instruments and, consequently, its ability to mitigate the risk of credit operations.

As part of the conditions for approving credit operations, whenever the need to obtain a guarantee from the customer is specified, if the type of guarantee or collateral identified implies a request for an assessment to define and validate its value, a request for an assessment of the guarantee should be made to the Credit Department, so that it can contact and trigger the process with the external assessment companies with which the Bank has an established agreement.

With regard to the process involving the periodic reassessment of collateral, based on the requirements of Notice no. 10/2014, Instruction 8/2019 and Directive 13/2019, namely with regard to the criteria that have been defined for carrying out a new assessment of the mortgage collateral, it has been specified that the Credit Department will be responsible for identifying the guarantees that should be subject to reassessment and for triggering the respective process with external valuers.

As part of the impairment model, the Bank has laid down a set of guarantees that can support the credit operations contracted.

Whenever it is relevant as part of the credit recovery process and in order to determine the recoverable amount of the credit through the enforcement of existing guarantees or to support a credit restructuring operation, the Credit Division or the Legal Department may request a reassessment of the guarantees associated with the operations under their management.

2.4 Financial Liabilities

A financial instrument is classified as a financial liability when there is a contractual obligation for a settlement to be made by delivering cash or another financial asset, regardless of its legal form.

Financial liabilities are subsequently measured at amortised cost, except when they are held for trading (this is always the case with derivatives), or when the fair value option is applied. In these cases, financial liabilities are subsequently measured at fair value through profit or loss. For financial liabilities at amortised cost, the corresponding interest is recognised using the effective interest rate method and is shown in net interest income.

Non-derivative financial liabilities essentially include deposits from credit institutions and customers, loans and liabilities represented by securities.

Any gains or losses resulting from the settlement of financial liabilities are recognised in the income statement when they occur.

Financial guarantees are contracts that oblige the Bank to make specific payments in order to reimburse the holder for a loss incurred as a result of a debtor failing to fulfil a payment. Financial guarantees are subsequently measured at the higher of the corresponding expected credit losses and the amount of the initial commission received less the amounts already recognised as revenue in accordance with the provisions of IFRS 15.

2.5 Other Tangible Assets

***i.* Recognition and measurement**
Other tangible assets are recorded at acquisition cost less the respective accumulated amortisation and impairment losses. Cost includes expenses that are directly attributable to the acquisition of the goods.

***ii.* Subsequent costs**
Subsequent costs are recognised as a separate asset only if it is probable that future economic benefits will accrue to the Bank. Maintenance and repair costs are recognised as an expense as they are incurred on an accruals basis, in the item "General Administrative Expenses".

***iii.* Amortization**
Land is not amortised. Amortisations are calculated on a straight-line basis over the estimated useful life of the asset, which corresponds to the period in which the asset is expected to be available for use, according to the following expected useful life periods:

	Number of years
Own service properties	50
Works on leased buildings	10
Transport equipment	3
Furniture and equipment	10
Machines and tools	6 a 7
IT equipment	3
Interior fittings	10

Amortisations of the remaining assets are recorded in costs for the financial year.

IAS 36 – Impairment of assets annually requires that whenever there are indications that their recoverable amount be estimated, that an impairment loss should be recognised whenever the net value of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Recoverable value is defined as the higher between the asset's net sale value and its use value, the latter calculated on the basis of the current value of estimated future cash flows that are expected to be obtained from continued use of the asset and disposal of the asset at the end of its useful life.

2.6 Intangible Assets

Software
The costs incurred in acquiring software from third parties are capitalised, as are the additional expenses borne by the Bank necessary for its implementation. These costs are amortised on a straight-line basis over their estimated useful life, which is usually 5 years.

Costs directly related to the development of computer applications, which are expected to generate future economic benefits beyond one financial year, are recognised and recorded as intangible assets.

All other charges related to IT services are recognised as costs when incurred.

2.7 Leases

At the start of a contract, the Bank assesses whether a contract is, or contains, a lease. A lease is a contract or part of a contract that conveys the right to use an asset (the underlying asset) for a certain period in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Bank assesses whether:

- the contract involves the use of an identified asset – the asset may be specified explicitly or implicitly and must be physically distinct or represent substantially all the capacity of a physically non-distinct asset. Even if an asset is specified, the Bank does not have the right to use an identified asset if the supplier has the substantive right to replace that asset during the utilisation period;

- the Bank has the right to substantially obtain all the economic benefits from the use of the identified asset, during the entire period of utilisation; and.

- the Bank has the right to manage the use of the identified asset. The Bank has this right when it has the most important decision-making rights to change the manner and purpose with which the asset is used throughout the period of utilisation. In cases where the decision on how and for what purpose the asset is used is predetermined, the Bank has the right to manage the use of the asset if:

    - the Bank has the right to exploit the asset (or to have others exploit the asset in the manner it so determines) during the entire period of utilisation, without the supplier having the right to change these operational instructions; or

    - the Bank has designed the asset (or specific aspects of the asset) in such a way as to determine in advance the manner and purpose for which the asset will be used throughout the period of utilisation.

The Bank initially applied IFRS 16 on 1 January 2019 to lease contracts existing on that date or entered into afterwards.

At the start or the reassessment of a contract containing a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of their individual prices. However, for leases of buildings, ATMs and equipment in which it is the lessee, the Bank has chosen not to separate the non-lease components and to account for the lease and non-lease components as a single component.

2.7.1 As a lessee

The Bank recognises a right-of-use asset and a lease liability on the lease commencement date. The right-of-use asset is initially measured at cost, which includes the initial amount of the lease liability adjusted for all lease prepayments on or before the commencement date (less lease incentives received), plus any initial direct costs incurred and the estimated costs of dismantling and removing the underlying asset or restoring the underlying asset or the premises in which it is located.

Subsequently, the right-of-use asset is depreciated using the straight-line method from the start date until the end of the service life of the right-of-use asset or the end of the lease term, whichever ends first. The estimated service life of right-of-use assets is determined according to the same principles as Tangible Assets. In addition, the right-of-use asset is periodically deducted from impairment losses, if any, and adjusted by certain remeasurements of the lease liability.

Lease liabilities are measured initially at the present value of the lease payments that have not been made at that date, discounted at the interest rate implicit in the lease, if that rate can be easily determined. If the rate cannot be easily determined, the Bank's incremental financing rate should be used. As a rule, the Bank uses its incremental financing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that have not been made on that date:

- fixed payments (including fixed payments in substance), less lease incentives;

- variable payments that depend on an index or a rate, initially measured using the rate or index existing at the start date;

- amounts expected to be paid as residual value guarantees;

- the price involved in exercising a call option, if the Bank is reasonably certain to exercise that option; and

- payments of penalties for termination of the lease, if the lease term shows the exercise of an option to terminate the lease by the Bank.

Lease liabilities are measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments resulting from a change in an index or rate, when there is a change in the Bank's estimate of the amount expected to be paid under a residual value guarantee, or whenever the Bank changes its assessment of whether or not it expects to exercise a purchase, extension or cancellation option.

Whenever the lease liability is remeasured, the Bank recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Bank recognises this reduction in the income statement.

The Bank puts right-of-use assets that do not meet the definition of investment property under "Other Tangible Assets " and lease liabilities under "Other Liabilities" in the statement of its financial position.

Short-term leases and leases of low-value assets
The standard allows a lessee not to recognise right-of-use assets and short-term lease liabilities that have a lease term of 12 months or less and leases of low-value assets, and the payments associated with these leases are recognised as an expense using the straight-line method over the term of the contract.

The Bank opted to apply the exemption specified by IFRS 16 for recognising right-of-use assets and lease liabilities for short-term leases, where the lease term is 12 months or less, and leases of low-value assets. The Bank therefore recognises the expenses associated with these contracts directly under "General administrative expenses" in the income statement.

2.7.2 As a lessor
When the Bank acts as lessor, it determines at the start of the lease whether it should be classified as an operating lease or a finance lease.

To classify each lease, the Bank makes an overall assessment of whether the lease substantially transfers all the risks and benefits inherent to the ownership of the underlying asset. If the lease substantially transfers all the risks and benefits inherent to the ownership of the underlying asset, it is classified as a finance lease, otherwise as an operating lease. As part of this assessment, the Bank considers certain indicators such as whether the lease is for the majority of the asset's economic working life.

When the Bank is an intermediate lessor, it accounts for its interests in the main lease and the sublease separately. Subleases are classified by reference to the asset under the right of use arising from the original lease, and not by reference to the underlying asset. If the original lease is a short-term lease to which the Bank applies its exemption from recognition described above, the Bank classifies the sublease as an operating lease.

If a contract contains a lease and a non-lease component, the Bank will apply IFRS 15 to allocate the consideration provided for in the contract.

The Bank recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "General Administrative Expenses".

2.8 Tax on Profits

The Bank is subject to the tax regime set out in the Industrial Tax Code in force in Angola.

Corporation tax for the year is determined based on a rate of 30 per cent on the total value of pre-tax profits, adjusted according to the specific additions and deductions contained in the tax legislation in force. For tax purposes, the Bank is considered a Group A taxpayer.

With the publication of Law 19/14, which came into force on 1 January 2015, Industrial tax is subject to provisional settlement in a single instalment to be made in August, calculated by applying a 2% rate on the result of financial intermediation operations, determined in the first six months of the previous tax year, excluding income subject to capital investment tax, regardless of a basis for tax assessment in the year.

The tax returns are subject to review and correction by the tax authorities for a period of 10 years, which may result in possible corrections to the taxable profit for the financial years 2014 to 2022.

The Bank is also subject to the payment of IPU, at the rate of 0.5% on the asset value of properties used for the normal operation of its business, as laid down in Law No 18/11 of 21 April.

The Bank is also subject to indirect taxes, namely, customs taxes, Stamp Duty, Consumption Tax, as well as other fees.

Capital Investment Tax
Presidential Legislative Decree No 5/11, of 30 December, introduced several legislative amendments to the IAC Code, following the Tax Reform currently underway.

IAC is generally levied on income from the Bank's financial investments, namely income derived from investments, liquidity-providing operations and interest on Central Bank Securities.

The general rate is 10 per cent, but a reduced rate of 5 per cent (in the case of income from public debt securities with a maturity of three years or more) or a rate of 15 per cent may be applied. Under the terms of Article 47(1)(a), income subject to IAC will be deducted from Industrial Tax.,

Without prejudice to the above, as far as income from public debt securities is concerned, according to the latest position of the Tax Authority addressed to ABANC (letter with reference 196/DGC/AGT/2016, dated 17 May 2016), only income from securities issued on or after 1 January 2012 is subject to this tax.

It should also be noted that according to the Tax Authority's position, the exchange rate revaluations of public debt securities issued in national currency but indexed to foreign currency, issued since 1 January 2012, should be subject to Industrial Tax until the Banco Nacional de Angola is in a position to make the appropriate deduction of tax at the source for the Capital Investment Tax (IAC).

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

Deferred tax liabilities are recognised for all temporary taxable differences with the exception of goodwill that is not deductible for fiscal purposes, the differences resulting from initial recognition of assets and liabilities which do not affect either the accounting profit or the fiscal profit, and differences relating to investments in subsidiaries insofar as they will probably not be reversed in the future.

Deferred tax assets are recognised when it is probable that future taxable profits will be available to absorb temporary differences deductible for tax purposes (including tax losses carried forward).

2.9 Provisions

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

The measurement of provisions considers the principles specified in IAS 37 with regard to the best estimate of the expected cost, the most likely result of the ongoing actions as well as the risks and uncertainties inherent in the process.

In cases where the discount effect is materially relevant, the provisions correspond to the present value of expected future payments, discounted at a rate that considers the risk associated with the obligation.

Provisions are reviewed at the end of each reporting date and adjusted to reflect the best estimate, being reversed against the income statement in proportion to the payments that are not likely to take place.

Provisions are derecognised through their use for the liabilities for which they were initially set up or in cases where such liabilities have ceased to be observed.

2.10 Interest Recognition

Income and expenses from financial instruments measured at amortised cost (assets and liabilities) and measured at fair value through comprehensive income (assets) are recognised in the items interest and similar income or interest and similar charges (net interest income).

The effective interest rate is the rate that discounts estimated future payments or receipts over the expected lifetime of the financial instrument (or, where appropriate, over a shorter period) to the amount paid or received on acquisition or assumption of the financial asset or liability.

To determine the effective interest rate, the Bank estimates future cash flows considering all the contractual terms of the financial instrument (e.g. prepayment options), while not considering any 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.

2.11 Recognition of Income From Services and Fees

Income from services rendered and fees include commissions and fees not included in the effective interest rate of financial assets. This income includes, among other things, fees charged in connection with loan instalments, fees related to the non-use of credit lines and fees related to the provision of means of payment and cards.

This income is recognised in accordance with the provisions of IFRS 15 – Revenue from contracts with customers. The price associated with these transactions is generally fixed and does not have a significant financing component. The corresponding revenue is recognised when control over the services rendered is transferred to customers, which normally happens when the amounts in question are debited to customers.

When service income is an integral part of the effective interest rate of a financial instrument, the resulting income is re-cognised in net interest income.

2.12 Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents include amounts recognised in the balance sheet with a maturity of less than three months from the balance sheet date, including cash and deposits with other credit institutions.

Cash and cash equivalents exclude mandatory deposits made with Central Banks.

2.13 Financial Guarantees and Commitments

Financial guarantees are contracts that oblige the Bank to make specific payments in order to reimburse the holder for a loss incurred as a result of a debtor failing to fulfil a payment. Commitments are firm commitments with the aim of providing credit under predetermined conditions.

Liabilities arising from financial guarantees or commitments given to provide a loan at an interest rate below the market value are initially recognised at fair value, with the initial fair value being amortised over the useful life of the guarantee or commitment. Subsequently, the liability is recorded at the higher of the amortised value and the present value of any payment expected to be settled.

2.14 Earnings per Share

Basic earnings per share are calculated by dividing the result by the weighted average number of ordinary shares in circulation, excluding the average number of own shares held by the Bank.

For diluted earnings per share, earnings and the average number of ordinary shares in circulation are adjusted to reflect the effect of all potential ordinary shares treated as dilutive. Contingent or potential issues are treated as dilutive when their conversion into shares reduces earnings per share.

The average number of shares in circulation is adjusted retrospectively whenever there is an increase or decrease in the number of shares in circulation, without this resulting in a corresponding change in resources.

3 – Main Estimates and Judgments Used in Drawing Up the Financial Statements

The IAS/IFRS set out a series of accounting procedures and require the Board of Directors to apply judgements and make estimates in order to decide on which is the most appropriate accounting process. The main accounting estimates and judgements used in the application of accounting principles by the Bank are presented in this note, with the aim of improving the understanding of how their application affects the results reported by the Bank and their disclosure. An extended description of the main accounting policies used by the Bank is presented in Note 2 to the financial statements.

Given that in many situations there are alternatives to the accounting procedure adopted by the Board of Directors, the results reported by the Bank could be different if an alternative procedure were chosen. The Board of Directors considers that the choices made are appropriate and that the financial statements truly and appropriately show the financial position of the Bank and the results of its operations in all materially relevant aspects

3.1 Impairment Losses on Loans and Advances to Customers

The Bank periodically reviews its loan portfolio in order to assess the existence of impairment losses, as stated in the accounting policy described in Note 2.

The process of assessing the loan portfolio in order to determine whether an impairment loss should be recognised is subject to various estimates and judgements. This process includes factors such as the probability of default, credit ratings, the value of the collateral associated with each operation, recovery rates and estimates of both future cash flows and when they will be received.

Alternative methodologies and the use of other assumptions and estimates could result in different levels of recognised impairment losses, with a consequent impact on the Bank's profit and loss.

The Bank considers that the impairment determined on the basis of the methodology described in Note 2 adequately reflects the risk associated with its customer loan portfolio, considering the rules defined by IFRS 9.

3.2 Tax on Profits

In order to determine the overall amount of taxes on profits, certain interpretations and estimates had to be made. There are various transactions and calculations for which the determination of the tax payable is uncertain during the normal business cycle.

Other interpretations and estimates could result in a different level of tax on earnings, current and deferred, which are recognised in the period.

The Tax Authorities have the possibility of reviewing the Bank's calculation of the taxable amount for a period of ten years. Therefore, it is possible that there may be corrections to the taxable amount, resulting mainly from differences in the interpretation of tax legislation, which the Board of Directors considers unlikely to have a material effect on the financial statements.

3.3 Leases

The application of the requirements of IFRS 16 involves a series of judgements that can have a material impact on the financial statements. In particular, the carrying amount of right-of-use assets and lease liabilities is highly dependent on the estimate corresponding to the term of the leases and more specifically the number of renewals of the respective contracts.

4 – Net Interest Income

The balance of this item consists of:

(amount in thousands of kwanzas)

	31.12.2024		31.12.2023	
	Assets / liabilities at amortized cost	Total	Assets / liabilities at amortized cost:	Total
Interest and similar income				
Interest on loans to customers	580 863	580 863	474 361	474 361
Interest on balances and investments at credit institutions	6 763 254	6 763 254	2 134 483	2 134 483
Interest on financial assets at amortised cost	2 656 973	2 656 973	2 900 700	2 900 700
	10 001 090	**10 001 090**	**5 509 544**	**5 509 544**
Interest and similar costs				
Interest on central bank and customer funds	545 067	545 067	224 590	224 590
Lease Interest	82 864	82 864	88 930	88 930
	627 931	**627 931**	**313 520**	**313 520**
Net Interest Income	**9 373 159**	**9 373 159**	**5 196 024**	**5 196 024**

A The item interest on loans to customers records the interest on credit agreements granted to customers.

The item interest on financial assets at amortised cost refers to interest on public debt securities, namely bonds and treasury bills. The income from public debt securities, obtained from treasury bonds and treasury bills issued by the Angolan State is subject to Capital Investment Tax (IAC) and is deducted from the taxable amount for industrial tax purposes.

The item interest on central bank and customer funds essentially refers to interest paid to customers on funds capitalised at the Bank. This item has a cost of 545 067 thousands AOA in the 2024 financial year (31 December 2023: 224 590 thousands AOA), higher than the previous year, due to the increase in the number of customer deposits.

5 – Income from Services and Fees

The balance of this item consists of:

(amount in thousands of kwanzas)

	31.12.2024	31.12.2023
Income from services and fees		
For banking services rendered	1 873 055	1 121 001
Charges from services and fees		
For banking services rendered	419 179	205 749
	1 453 876	**915 252**

The following details are by type of fee:

(amount in thousands of kwanzas)

	31.12.2024	31.12.2023
Income from services and fees		
Commissions for electronic clearing	1 018 545	565 867
Transfer commissions	612 865	356 971
Commissions on dossiers	2 672	282
Commissions for remittance services	36 096	25 669
Commissions for guarantees and sureties provided	40 875	18 478
Commissions for opening credit	44 642	72 025
Commissions for banking services	54 772	32 876
Other commissions	62 589	48 834
	1 873 055	1 121 002
Costs of services and fees		
Commissions for electronic clearing	128 803	80 803
Commissions for securities management	58 955	6 873
Commissions for payment systems	316	126
Commission for provision of funds	222 382	111 981
Commissions for other services provided by third parties	8 722	5 967
	419 179	205 749
	1 453 876	**915 252**

The increase in the balance of this item is mainly the result of the increase in fees for electronic clearing in the amount of 1 018 545 thousands AOA (31 December 2023: 565 867 thousands AOA) and transfer fees in the amount of 612 865 thousands AOA (31 December 2023: 356 971 thousands of AOA).

6 – Foreign Exchange Results

The balance of this item consists of:

(amount in thousands of kwanzas)

	31.12.2024	31.12.2023
Results from Foreign Exchange Transactions		
Foreign Exchange Transactions	13 523 808	1 159 517
Currency Exchange Revaluation	(173 961)	78 998
	3 349 847	**1 238 515**

The "Foreign Exchange Transactions" item reflects the results of buying and selling foreign currency, in accordance with the accounting policy described in Note 2.2.

The "Foreign Exchange Revaluation" item includes the results of the foreign exchange revaluation of monetary assets and liabilities expressed in foreign currency in accordance with the accounting policy described in Note 2.2.

7 – Other Operating Results

The balance of this item consists of:

(amount in thousands of kwanzas)

	31.12.2024	31.12.2023
Penalties applied by regulatory bodies	(614 168)	(162 766)
Direct and indirect taxes	(423 354)	(211 108)
Other operating costs	(305 611)	(34 974)
Other operating income	81 163	26 581
	(1 261 970)	**(382 267)**

The item Direct and indirect taxes includes the amount of 184 596 thousands AOA (31 December 2023: 183 116 thousands AOA) for the Capital Investment Tax (IAC).

8 – Personnel Costs

The balance of this item consists of:

(amount in thousands of kwanzas)

	31.12.2024	31.12.2023
Members of the management and supervisory bodies		
Remunerations	609 860	582 590
Holiday and Christmas Allowance	113 705	193 592
Other Subsidies	3	12
Other remuneration and charges	63 658	63 556
	787 226	839 750
Employees		
Remunerations	588 711	469 703
Holiday and Christmas Allowance	162 529	39 916
Other Subsidies	114 923	97 200
	866 163	606 819
Other staff costs		
Salary expenses	118 900	103 681
Workplace accident insurance	3 545	4 161
.	122 445	107 842
	1 775 834	**1 554 411**

The costs of remuneration and other benefits attributed to members of the management and supervisory bodies for the 2024 and 2023 financial years refer entirely to remuneration and other short-term benefits.

The remuneration of the members of the management and supervisory bodies consisted of the following amounts:

(amount in thousands of kwanzas)

	31.12.2024			31.12.2023		
	Board of Administration	Supervisory Board	Total	Board of Administration	Supervisory Board	Total
Remuneration and other short-term benefits	49 566	2 727	52 293	49 566	1 749	51 315
Total	**49 566**	**2 727**	**52 293**	**49 566**	**1 749**	**51 315**

The number of Bank employees, considering permanent and fixed-term contracts, is broken down by professional category as follows:

(amount in thousands of kwanzas)

	31.12.2024		31.12.2023	
	Average for The Year	End of the Year	Average for The Year	End of the Year
Administration	5	5	5	5
Department	3	2	3	3
Head of Department	1	-	1	1
Administrative Area	32	34	32	30
Business Area	31	31	28	31
	71	**72**	**67**	**70**

9 – Third-Party Supplies and Services

The value of this item is made up as follows:

(amount in thousands of kwanzas)

	31.12.2024	31.12.2023
Consultancy and auditing	1 479 539	868 561
Rents and hire charges	35 560	10 110
Security, maintenance and repair	264 949	239 190
Communications	71 444	76 702
Various materials	200 383	29 107
Transport, travel and accommodation	17 826	23 857
Water, energy and fuel	5 894	6 006
Insurance	21 779	39 489
Publications, publicity and advertising	17 734	7 991
Cheque and card production services	207 857	158 756
Other third-party supplies	15 830	10 704
	2 338 794	**1 470 473**

The item consultancy and auditing includes the provision of auditing services, tax consultancy and IT services.

On 31 December 2024, the rents and leases item corresponds to short-term leases not included in the measurement of lease liabilities, as described in accounting policy 2.7.1.

10 – Cash and Deposits in Central Banks

The balance of this item consists of:

(amount in thousands of kwanzas)

	31.12.2024	31.12.2023
Cash		
Banknotes at branch counters	2 024 868	1 205 572
Banknotes in ATMs	278 581	158 652
	2 303 449	1 364 224
Deposits with Central Banks		
National Bank of Angola	8 188 480	8 241 961
	8 188 480	8 241 961
	10 491 929	**9 606 185**

The item Deposits at Central Banks includes compulsory deposits with the Banco Nacional de Angola, the purpose of which is to fulfil the legal requirements regarding the constitution of minimum cash holdings. It should be noted that there is no remuneration associated with these deposits.

As at 31 December 2024 and 2023, the minimum reserve requirements on demand deposits at the Banco Nacional de Angola are summarised in the following table:

(amount in thousands of kwanzas)

	31.12.2024			31.12.2023		
	USD	EUR	AOA	USD	EUR	AOA
Compulsory reserves						
Kwanzas	-	-	4 432 102	-	-	1 069 485
US Dollars	535	-	488 101	535	-	443 572
Euros	-	75	71 432	-	75	69 091
	535	75	4 991 634	535	75	1 582 147
Free reserves	-	-	3 196 846	-	-	6 659 813
			8 188 480			**8 241 961**

The balance of deposits at Central Banks is made up of demand deposits in local and foreign currency, which are non-interest-bearing, in order to meet the BNA's minimum reserve requirements and other effective liabilities.

The changes which occurred in impairment losses shown is the assets were as follows:

(amount in thousands of kwanzas)

	31.12.2024	31.12.2023
Opening balance	-	(1 121)
Net Allocations from Reversals	-	1 121
Final balance	**-**	**-**

All the exposures relating to deposits at central banks are at stage 1.

On 4 June 2010, BNA Instruction No 3/2010 came into force, establishing that compulsory reserves will now be made up in two currencies – AOA for accounts in AOA that form the reserve base and USD for accounts in foreign currency that form the reserve base.

In 2016, the BNA issued Instruction No 2/2016, which specifies that the reserves to be set aside in national currency are 30 per cent, with the exception of deposits from Local Government and Municipal Administrations, which are subject to a 50 per cent rate, and Central Government, which is subject to a 75 per cent rate. The coefficient for mandatory reserves in foreign currency is 15 per cent for customer deposit balances and 100 per cent for Local and Central Government deposit balances, as well as for Municipal Administrations.

In addition, Instruction No 04/2016 of 13 May specifies that the reserve base, with the exception of Central Government, Local Government and Municipal Government accounts, is 30%, with banks being able to comply with up to 20% with Treasury Bonds belonging to the banks' own portfolio, provided they were issued from January 2015 onwards and with the amount of the financing contracts made with the Ministry of Finance, complying with the weightings defined in the aforementioned Instruction.

11 – Deposits from Other Credit Institutions

The balance of the item Deposits from other credit institutions is made up as follows:

(amount in thousands of kwanzas)

	31.12.2024	31.12.2023
Deposits in financial institutions abroad	1 072 598	1 565 653
Pending transactions and settlement	57 773	(29 174)
	1 130 371	1 536 479
Impairment losses		
Deposits in financial institutions abroad	(147)	(195)
	1 130 224	**1 536 284**

As at 31 December 2024 and 2023, the item Deposits with financial institutions abroad includes the balances of accounts with the corresponding bank, and these amounts are part of the Bank's day-to-day business management without any associated remuneration.

The changes which occurred in impairment losses shown in the assets were as follows:

(amount in thousands of kwanzas)

	31.12.2024	31.12.2023
Opening balance	(195)	(22)
Net Allocations from Reversals	48	(173)
Final balance	**(147)**	**(195)**

All the exposures relating to deposits with other credit institutions are at stage 1.

12 – Investments in Central Banks and Other Credit Institutions

The breakdown of this item as at 31 December 2024 and 2023 was as follows:

(amount in thousands of kwanzas)

	31.12.2024	31.12.2023
Investments in Central banks in the country		
Deposits at the National Bank of Angola	54 381 423	11 107 143
	54 381 423	**11 107 143**
Investments in credit institutions abroad		
Short term investments	–	–
Repurchase agreement operations	1 097 533	2 004 736
Interest receivable	680	114
	1 098 21	2 004 850
Impairment losses	–	(2 357)
	55 479 637	**13 109 636**

The investments were set up as collateral for the issue of documentary credits alongside the corresponding items.

The reverse repurchase agreements relate to repos on Angolan public debt securities, denominated in Angolan currency, with a maturity of up to 3 months.

The analysis of investments in central banks and other credit institutions, by maturity, on 31 December 2024 and 20 2023 is as follows:

(amount in thousands of kwanzas)

	31.12.2024	31.12.2023
Up to 3 months	54 382 103	13 109 636
From 3 months to one year	1 097 533	–
Final balance	**55 479 637**	**13 109 636**

The changes which occurred in impairment losses shown is the assets were as follows:

(amount in thousands of kwanzas)

	31.12.2024	31.12.2023
Saldo inícial	(2 357)	(48 216)
Dotações Líquidas de Reversões	2 357	128 677
Utilizações e outros movimentos	–	(82 818)
Saldo final	**0**	**(2 357)**

All the exposures relating to investments in other credit institutions are at stage 1.

13 – Financial Assets at Fair Value Through Other Comprehensive Income

The breakdown of this item as at 31 December 2024 and 2023 was as follows:

(amount in thousands of kwanzas)

	31.12.2024	31.12.2023
Opening balance	43 656	43 656
Final balance	**43 656**	**43 656**

On 31 December 2024 and 2023, this item only included the Bank's stake in EMIS – Empresa Interbancária de Serviços, S.A.R.L. (EMIS), with head office in Luanda, in which the Bank holds less than 10 per cent of the capital.

EMIS was set up in Angola to manage electronic means of payment and complementary services.

The analysis of financial assets at fair value through other comprehensive income, by valuation levels, with reference to 31 December 2024 and 2023, is as follows:

(amount in thousands of kwanzas)

	Level 1	Level 2	Level 3	Total
Shares	–	–	43 656	43 656
Balance at 31 December 2024	**–**	**–**	**43 656**	**43 656**
Shares	–	–	43 656	43 656
Balance at 31 December 2023	**–**	**–**	**43 656**	**43 656**

In accordance with the IFRS, the fair value of these financial assets was determined in accordance with level 3 of the IFRS 13 fair value hierarchy (Note 27).

14 – Financial Assets at Amortized Cost

The breakdown of this item as at 31 December 2024 and 2023 was as follows:

(amount in thousands of kwanzas)

	3 1.12.2024	31.12.2023
Bonds and other fixed-yield securities		
From public issuers	888 101	8 626 733
Treasury Bills	9 053 980	18 191 752
Treasury Bonds in National Currency	9 942 081	26 818 485
Impairment		
Treasury Bills	–	1(12 884)
Treasury Bonds in National Currency	(82 607)	(120 671)
	(82 607)	(133 555)
	9 859 474	**26 684 930**

The fair value of the portfolio of financial assets at amortised cost is presented in Note 27, within the scope of the disclosure requirements specified in IFRS 7 and 13.

The breakdown of investments at amortised cost by maturity is as follows:

(amount in thousands of kwanzas)

	Less than three months	Between three months and one year	From one to five years	More than five years	Indeterminate duration	Total
From public issuers						
Treasury Bills	–	888 101	–	–	–	888 101
Treasury Bonds in National Currency	–	–	9 053 980	–	–	9 942 081
Balance at 31 December 2024	**–**	**888 101**	**9 053 980**	**–**	**–**	**9 942 081**
From public issuers						
Treasury Bills	–	8 626 733	–	–	–	8 626 733
Treasury Bonds in National Currency	–	–	18 191 752	–	–	18 191 752
Balance at 31 December 2023	**–**	**8 626 733**	**18 191 752**	**–**	**–**	**26 818 485**

The movements in impairment losses recognised in assets as a correction to investment values were as follows:

(amount in thousands of kwanzas)

	31.12.2024	31.12.2023
Opening balance	(133 555)	(169 427)
Net Allocations from Reversals	50 948	35 872
Final balance	**(82 607)**	**(133 555)**

All exposures relating to financial assets at amortised cost are at stage 1.

15 – Credit to Customers

The breakdown of this item as at 31 December 2024 and 2023 was as follows:

(amount in thousands of kwanzas)

	31.12.2024	31.12.2023
Credit falling due		
The companies		
Loans	987 074	1 434 663
Current account credit	518	1 509 614
	987 591	**2 944 277**
To individuals		
Loans	170 141	185 665
Overdrafts	7 091	518
	177 232	**186 183**
	1 164 824	**3 130 460**
Credit and interest overdue		
Up to 3 months	17	599
From 3 months to 1 year	4 128	17 928
	4 145	**18 526**
	1 168 968	**3 148 986**
Accumulated impairment losses	(5 605)	(7 380)
	1 163 364	**3 141 606**

As at 31 December 2024, there were no credit agreements with customers being restructured due to financial difficulties.

As at 31 December 2024 and 2023, the composition of the loan portfolio by residual maturity was as follows:

(amount in thousands of kwanzas)

	31.12.2024	31.12.2023
Up to 3 months	12 000	86 759
From 3 months to one year	–	30 487
From one to five years	1 021 968	1 745 320
More than five years	135 000	1 267 894
Indeterminate duration	–	18 526
	1 168 968	**3 148 986**

The Bank classifies instalments of principal or interest due on the day they fall due as overdue loans.

The movements in impairment losses recognised on the asset side as a correction to loan values were as follows:

(amount in thousands of kwanzas)

	31.12.2024	31.12.2023
Opening balance	17 380	4 238
Net Allocations from Reversals	(1 890)	10 880
Uses and other movements	115	(7 738)
Final balance	**5 605**	**7 380**

Credit exposures to customers broken down by stage of impairment are shown below:

– As at 31 December 2024:

(amount in thousands of kwanzas)

	Exposição em 31-12-2024				Imparidade 31.12.2024			
Segment	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Companies	**987 592**	**–**	**–**	**987 592**	**3 789**	**–**	**–**	**3 789**
Loans	987 074	–	–	987 074	3 789	–	–	3789
Current Accounts	518	–	–	518	–	–	–	–
Overdrafts	–	–	–	–	–	–	–	–
Individuals	**177 231**	**–**	**4 145**	**181 376**	**1 561**	**–**	**256**	**1 817**
Overdrafts	7 091	–	4 145	11 236	–	–	256	256
Loans	125 970	–	–	125 970	234	–	–	234
Employee	44 170	–	–	44 170	1 327	–	–	1 327
Total	**1 164 823**	**–**	**4 145**	**1 168 968**	**5 349**	**–**	**256**	**5 605**

– As at 31 December 2023:

(Montante em milhares de kwanzas)

	Exposure on 31-12-2023				Impairment 31.12.2023			
Segment	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Companies	**2 939 461**	**–**	**–**	**2 922 214**	**4 539**	**–**	**–**	**4 539**
Loans	1 434 423	–	–	1 434 423	4 464	–	–	4 464
Current Accounts	1 505 038	–	–	1 505 038	75	–	–	75
Overdrafts	–	–	–	–	–	–	–	–
Individuals	**198 199**	**6 371**	**4954**	**213 076**	**2 390**	**204**	**248**	**2 842**
Overdrafts	7	620	4 954	5 581	0	31	248	279
Loans	133 449	5 751	–	139 201	341	173	–	514
Employee	64 743	–	–	64 743	2 049	–	–	2 049
Total	**3 137 661**	**6 371**	**4 954**	**3 148 986**	**6 929**	**204**	**248**	**7 380**

The breakdown of loans and advances to customers falling due by type of rate is as follows:

(amount in thousands of kwanzas)

	3 1.12.2024	31.12.2023
TFixed rate	287 891	1 921 189
Variable Rate	881 077	1 227 797
	1 168 968	**3 148 986**

As at 31 December 2024 and 2023, the breakdown of loans and impairment by segment and by situation is as follows:

– As at 31 December 2024:

(amount in thousands of kwanzas)

Segment	Exposure Year 2024					Impairment Year 2024		
	Compliant credit	Noncompliant credit	Guarantees provided	Total exposure	Relative weight	Compliant credit	Noncompliant credit	Total impairmenl
Public Sector								
Companies	**987 592**	**–**	**–**	**987 592**	**84%**	**3 789**	**–**	**3 789**
Loans	987 074	–	–	987 074	84%	3789	–	3789
Current Accounts	518	–	–	518	0%	–	–	–
Overdrafts	–	–	–	–	0%	–	–	–
Guarantees Provided and CDI	–	–	–	–	0%	–	–	–
Individuals	**177 231**	**4 145**	**–**	**181 376**	**16%**	**1 561**	**256**	**1 817**
Overdrafts	7 091	4 145	–	11 236	1%	–	256	256
Loans	125 970	–	–	125 970	11%	234	–	234
Employee	44 170	–	–	44 170	4%	1 327	–	1 327
Total	**1 164 823**	**4 145**	**–**	**1 168 968**	**100%**	**5 349**	**256**	**5 605**

– As at 31 December 2023:

(amount in thousands of kwanzas)

Segment	Exposure Year 2023					Impairment Year 2023		
	Compliant credit	Noncompliant credit	Guarantees provided	Total exposure	Relative weight	Compliant credit	Noncompliant credit	Total impairmenl
Public Sector								
Companies	**2 944 277**	**–**	**195 824**	**3 140 101**	**94%**	**4 539**	**–**	**4 539**
Loans	1 434 663	–	–	1 434 663	43%	4 464	–	4 464
Current Accounts	1 509 614	–	–	1 509 614	45%	75	–	75
Overdrafts	–	–	–	–	0%	–	–	–
Guarantees Provided and CGI	–	–	195 824	195 824	6%	–	–	–
Individuals	**186 183**	**18 527**	**–**	**204 710**	**6%**	**2 588**	**253**	**2 842**
Overdrafts	518	18 527	–	19 045	1%	26	253	279
Loans	120 922	–	–	120 922	4%	514	–	514
Employee	64 743	–	–	64743	2%	2 049	–	2 049
Total	**3 130 460**	**18 527**	**195 824**	**3 344 811**	**100%**	**7 127**	**253**	**7 380**

As at 31 December 2024 and 2023, the breakdown of loans and impairment by year of concession for individuals and companies is as follows:

(amount in thousands of kwanzas)

Segment	31.12.2024			31.12.2023		
	Number of operations	Amount	Ilmpairment constituted	Number of operations	Amount	Impairment constituted
Companies						
Loans	17	987 07	3 789	16	1 434 423	4 463
Current Accounts	1	518	–	2	1 505 038	75
Overdrafts	–	–	–	–	–	–
Individuals						
Overdrafts	4	11 236	256	15	5 581	279
Employee	14	44 170	234	16	64 743	514
Loans	10	125 970	1 327	11	139 201	2 049
Total	**46**	**1 168 968**	**5 605**	**60**	**3 148 986**	**7 380**

As at 31 December 2023, the detail of exposures and impairment by segment is as follows:

(amount in thousands of kwanzas)

	Exposure Year 2024						Impairment Year 2024			
Segment	Exposure total	Credit in Stage 1	Credit in Stage 2	Of which being cured	Credit in Stage 3	Of which acquired on originated in impairment of credit	Impairment total	Credit in Stage 1	Credit in Stage 2	Credit in Stage 3
Income Credit	1 157 214	1 157 214	–	–	–	–	5 349	5 349	–	–
Guaranteed Current Accounts	518	518	–	–	–	–	–	–	–	–
Overdrafts	11 236	7 091	–	–	4 145	–	256	–	–	256
Total	1 168 968	1 164 823	–	–	4 145	–	5 605	5 349	–	256

As at 31 December 2023, the detail of exposures and impairment by segment is as follows:

(amount in thousands of kwanzas)

	Exposure Year 2023						Impairment Year 2023			
Segment	Exposure total	Credit in Stage 1	Credit in Stage 2	Of which being cured	Credit in Stage 3	Of which acquired on originated in impairment of credit	Impairment total	Credit in Stage 1	Credit in Stage 2	Credit in Stage 3
Income Credit	1 638 367	1 632 615	5 751	–	–	–	7 026	6 854	173	–
Guaranteed Current	1 505 038	1 505 038	–	–	–	–	75	75	–	
Overdrafts	5 581	7	620	–	4 954	–	256		31	248
Total	3 148 986	3 137 661	6 371	–	4 954	–	7 380	6 929	204	248

As at 31 December 2024, the detail of exposures and impairment constituted by interval of days in arrears is as follows:

(amount in thousands of kwanzas)

	Exposure Year 2024									Impairment Year 2024								
Segment	Exposures without significant increase in credit risk since initial recognition (Stage 1)			Exposures with significant increase in credit risk since initial recognition that are not impaired of credit (Stage 2)			Credit exposures in credit impairment (Stage 3)			Exposures without significant increase in credit risk since initial recognition i (Stage 1)			Exposures with significant increase in credit risk since initial recognition that are not impaired of credit (Stage 2)			Credit exposures in credit impairment (Stage 3)		
	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	>90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	>90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days
Credits from Rent	1 157 214	–	–	–	–	–	–	–	–	5 349	–	–	–	–	–	–	–	–
Guaranteed Current Accounts	518	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Overdrafts	7091	–	–	–	–	–	–	–	4 145	–	–	–	–	–	–	–	–	256
Total	1 164 823	–	–	–	–	–	–	–	4 145	5 349	–	–	–	–	–	–	–	256

As at 31 December 2023, the detail of exposures and impairment constituted by interval of days in arrears is as follows:

(amount in thousands of kwanzas)

	Exposure Year 2023									Impairment Year 2023								
Segment	Exposures without significant increase in credit risk since initial recognition (Stage 1)			Exposures with significant increase in credit risk since initial recognition that are not impaired of credit (Stage 2)			Credit exposures in credit impairment (Stage 3)			Exposures without significant increase in credit risk since initial recognition i (Stage 1)			Exposures with significant increase in credit risk since initial recognition that are not impaired of credit (Stage 2)			Credit exposures in credit impairment (Stage 3)		
	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	>90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	>90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days
Credits from Rent	1 632 614	–	–	–	–	5 751	–	–	–	6 854	–	–	–	–	173	–	–	–
Guaranteed Current Accounts	1 505 039	–	–	–	–	–	–	–	–	75	–	–	–	31	–	–	–	–
Overdrafts	7	–	–	–	620	–	–	–	4 954	–	–	–	–	–	–	–	–	248
Total	3 137 660	–	–	–	620	5 751	–	–	4 954	6 929	–	–	–	31	173	–	–	248

As at 31 December 2024, the detail of the fair value of the guarantees underlying the loan portfolio of the Companies, Construction and property development and Housing segments is as follows:

(amount in thousands of kwanzas)

Fair Value	Year2024							
	Companies				Housing			
	Property		Other real guarantees		Property		Other real guarantees	
	Number of Properties	Amount	Number	Amount	Number of Properties	Amount	Number	Amount
< 50 Thousands AOA	–	–	–	–	–	–	–	–
>= 50 e < 100 Thousands AOA	–	–	–	–	2	180 002	–	–
>= 100 e < 500 Thousands AOA	–	–	–	–	1	126 529	–	–
>= 500 e < 1.000 Thousands AOA	2	1 164 945	–	–	–	–	–	–
>= 1.000 e < 2.000 Thousands AOA	1	1 668 392	–	–	–	–	–	–
>= 2.000 e < 5.000 Thousands AOA	–	–	–	–	–	–	–	–
>= 5.000 Thousands AOA	–	–	–	–	–	–	–	–
Total	**3**	**2 833 337**	**–**	**–**	**3**	**306 531**	**–**	**–**

As at 31 December 2023, the detail of the fair value of the guarantees underlying the loan portfolio of the Companies, Construction and property development and Housing segments is as follows:

(amount in thousands of kwanzas)

Fair Value	Year 2023							
	Companies				Housing			
	Property		Other real guarantees		Property		Other real guarantees	
	Number of Properties	Amount	Number	Amount	Number of Properties	Amount	Number	Amount
< 50 Thousands AOA	–	–	–	–	1	49 567	–	–
>= 50 e < 100 Thousands AOA	–	–	–	–	–	–	–	–
>= 100 e < 500 Thousands AOA	–	–	–	–	2	73 587	–	–
>= 500 e < 1.000 Thousands AOA	2	1 331 365	–	–	–	–	–	–
>= 1.000 e < 2.000 Thousands AOA	1	1 900 831	–	–	–	–	–	–
>= 2.000 e < 5.000 Thousands AOA	–	–	–	–	–	–	–	–
>= 5.000 Thousands AOA	1	6 290 100	–	–	–	–	–	–
Total	**4**	**9 522 296**	**–**	**–**	**3**	**123 154**	**–**	**–**

As at 31 December 2024, the detail of the financing-guarantee ratio for the Corporate, Construction and property development and Housing segments is as follows:

(amount in thousands of kwanzas))

Segment	Year 2024					
	Number of Property	Number of other guarantees	Credit in Stage 1	CCredit in Stage 2	Credit in Stage 3	Impairment
Companies						
Without an associated guarantee	n.a	n.a	236 476	–	–	3 789
>= 100%	3	–	751 116	–	–	–
Housing						
Without an associated guarantee	n.a	n.a	55 053	–	–	–
>= 75% e < 100%	–	–	–	–	–	–
>= 100%	3	–	122 179	–	–	1 561
Other Credits						
Without an associated guarantee	n.a	n.a	–	–	4 145	256
>= 100%	–	–	–	–	–	0
Total	**6**	**0**	**1 164 824**	**0**	**4 145**	**5 605**

As at 31 December 2023, the detail of the financing-guarantee ratio for the Corporate, Construction and property development and Housing segments is as follows:

(amount in thousands of kwanzas)

	Year 2023					
Segment	**Number of Property**	**Number of other guarantees**	**Credit in Stage 1**	**Credit in Stage 2**	**Credit in Stage 3**	**Ilmpairment**
Companies						
Without an associated guarantee	n.a	n.a	242 171	-	-	4 393
>= 100%	4	-	2 697 290	-	-	146
Housing						
Without an associated guarantee	n.a	n.a	75 046	6 371	4 954	2 809
>= 75% e < 100%	2	-	119 016	-	-	32
>= 100%	1	-	4 138	-	-	-
Other Credits						
Without an associated guarantee	n.a	n.a	-	-	-	-
>= 100%	-	-	-	-	-	0
Total	**7**	**0**	**3 137 660**	**6 371**	**4 954**	**7 380**

16 – Other Tangible Assets

The breakdown of this item as at 31 December 2024 and 2023 is shown as follows:

(amount in thousands of kwanzas)

	3 1.12.2024	**31.12.2023**
Property		
From own service	206 819	206 819
Works on Properties	3 797	376
	210 616	**207 195**
Equipment		
Administrative	394 788	196 412
Banking	244 320	127 272
Security	25 345	17 585
Transport	91 718	52 550
Equipment	29 375	15 763
IT	184 945	64 016
Other	712 167	486 372
	1 682 658	**959 970**
Fixed assets in progress		
Other	156 996	608 066
	156 996	**608 066**
Right-of-use Assets	765 985	689 393
	765 985	**689 393**
Gross Tangible Asset	**2 816 255**	**2 464 624**
Accumulated depreciation	**1 285 573**	**1 126 001**
	1 530 682	**1 338 623**

The movement in Other Tangible Assets for the periods ending 31 December 2024 and 2023 is as follows:

(amount in thousands of kwanzas)

	Balance at 01.01.2024	Acquisitions/ Funds	Disposals/ Write-offs	Transfers and other adjustments	Balance at 31.12.2024
Property					
From own service	206 819	-	-	-	206 819
Works on Properties	376	3 421	-	-	3 797
	207 195	**3 421**	**-**	**-**	**210 616**
Equipment					
Administrative	196 412	215 412	(17 036)	-	394 788
Banking	127 272	117 048	-	-	244 320
Security	17 585	7 761	-	-	25 345
Transport	52 550	39 168	-	-	91 718
Equipment	15 763	13 612	-	-	29 375
IT	64 016	124 028	(3 099)	-	184 945
Other	486 372	225 795	-	-	712 167
	959 970	**742 824**	**(20 135)**	**-**	**1 682 658**
	1 167 165			-	1 893 275
Right-of-use Assets	**689 393**	**76 592**	**-**	**-**	**765 985**
Fixed assets in progress					
Other	608 066	76 124	(527 194)	-	156 996
	608 066	**76 124**	**(527 194)**	**-**	**156 996**
	2 464 624	**898 961**	**(527 330**	**-**	**2 816 255**
Accumulated amortizations					
Property					
From own service	(46 190)	(4 136)	-	-	(50 326)
Works on Properties	(377)	(303)	-	-	(680)
	(46 567)	**(4 439)**	**-**	**-**	**(51 006)**
Equipment					
Administrative	(100 796)	(29 334)	17 036	-	(113 093)
Banking	(84 576)	(35 006	-	-	(119 582)
Security	(11 064)	(1 979	-	-	(13 043)
Transport	(86 366)	(39 618)	-	-	(125 984)
Equipment	(3 143)	(7 921)	-	-	(11 064
Other	(415 521)	(89 366)	-	-	(504 886)
	(701 466)	**(203 223)**	**17 036**	**-**	**(887 652)**
Right-of-use Assets	**(377 969)**	**-**	**31 054**	**-**	**(346 915)**
	(1 126 001)	**(207 662)**	**48 090**	**-**	**(1 285 573)**
	1 338 623	**691 299**	**(499 240)**	**-**	**1 530 682**

(amount in thousands of kwanzas)

	Balance at 01.01.2023	Acquisitions/ Funds	Disposals/ Write-offs	Transfers and other adjustments	Balance at 31.12.2023
Property					
From own service	206 819	-	-	-	206 819
Works on Properties	2 898	-	(2 522)	-	376
	624 133	**-**	**(2 522)**	**-**	**207 195**
Equipment					
Administrative	156 099	57 429	(17 116)	-	196 412
Banking	116 423	15 931	(5 082)	-	127 272
Security	14 263	3 322	-	-	17 585
Transport	52 550	-	-	-	52 550
Equipment	13 455	2 308	-	-	15 763
IT	62 239	1 777	-	-	64 016
Other	488 155	389	(2 166)	-	486 372
	488 763	**81 155**	**(24 364)**	**-**	**959 970**
	1 112 896	81 155	(26 886)	-	1 167 165
Right-of-use Assets	**645 193**	**44 200**	**-**	**-**	**689 393**
Fixed assets in progress					
Other	216 026	392 040	-	-	608 066
	216 026	**392 040**	**-**	**-**	**608 066**
	1 974 115	**517 395**	**(26 886)**	**-**	**2 464 624**
Accumulated amortizations					
Property					
From own service	(42 053)	(4 136)	-	-	(46 190)
Works on Properties	(377)	-	-	-	(377)
	(42 430)	**(4 136)**	**-**	**-**	**(46 567)**
Equipment					
Administrative	(99 781)	(18 131)	17 116	-	(100 796)
Banking	(71 962)	(17 696)	5 082	-	(84 576)
Security	(9 653)	(1 411)	-	-	(11 064)
Transport	(72 152)	(14 214)	-	-	(86 366)
Equipment	(1 277)	(1 866)	-	-	(3 143)
Other	(51 177)	(366 510)	2 166	-	(415 521)
	(306 002)	**(54 975)**	**24 364**	**-**	**(701 466)**
Right-of-use Assets	**(277 305)**	**(100 664)**	**-**	**-**	**(377 969)**
	(941 786)	**(211 101)**	**26 886**	**-**	**(1 126 001)**
	1 032 329	**306 294**	**-**	**-**	**1 338 623**

17 – Intangible Assets

The breakdown of this item as at 31 December 2024 and 2023 is shown as follows:

(amount in thousands of kwanzas)

	3 1.12.2024	31.12.2023
Software	113 331	113 331
Students, projects and consulting	89 383	89 383
Other	1 078 042	847 815
	1 280 756	**1 050 529**
Fixed assets under construction		
Other – in progress	**396 760**	**308 652**
Accumulated Amortisation	**(839 777)**	**(671 558)**
	837 739	**687 623**

The change in the "Other" item essentially relates to the transfer of fixed assets from in progress to firm.

The movement in the item Intangible Assets for the periods ending 31 December 2024 and 2023 is as follows:

(amount in thousands of kwanzas)

	Balance at 01.01.2024	Acquisitions/ Funds	Disposals/ Write-offs	Transfers and other adjustments	Balance at 31.12.2024
Intangible assets	**1 359 181**	**259 757**	**(220 059)**	**278 637**	**1 677 516**
Software	113 331	–	–	–	113 331
Students, projects and consulting	89 383	–	–	–	89 383
Other	847 815	37 196	(3 903)	196 934	1 078 042
	1 050 529	37 196	(3 903)	196 934	1 280 756
Fixed assets in progress	308 652	222 561	(216 156)	81 703	396 760
Accumulated amortization	**(671 558)**	**(159 581)**	**3 903**	**(12 541)**	**(839 777)**
Software	(105 811)	–	–	–	(105 811)
Students, projects and consulting	(89 383)	–	–	–	(89 383)
Other	(476 365	(159 581)	3 903	(n12 541)	(644 584)
Net balance	**687 623**	**100 176**	**(216 155)**	**266 096**	**837 739**

(amount in thousands of kwanzas)

	Balance at 01.01.2023	Acquisitions/ Funds	Disposals/ Write-offs	Transfers and other adjustments	Balance at 31.12.2023
Intangible assets	**1 246 290**	**212 318**	**(99 427)**	**–**	**1 359 181**
Software	153 270		(39 939)	–	113 331
Students, projects and consulting	139 955	–	(50 572)	–	89 383
Other	718 210	6 460	(8 916)	132 061	847 815
	1011 435	6 460	(99 427)	132 061	1 050 529
Fixed assets in progress	234 855	205 858	–	(132 061)	308 652
Fixed assets in progress	**(645 898)**	**(125 087)**	**99 427**	**–**	**(671 558)**
Software	(145 750)		39 939	–	(105 811)
Students, projects and consulting	(139 944)	(11)	50 572	–	(89 383)
Other	(360 205)	(125 076)		8 916	(476 365)
Net balance	**600 392**	**87 231**	**–**	**–**	**687 623**

18 – *Taxes*

Income taxes (current or deferred) are reflected in the profit and loss for the year, except in cases where the transactions giving rise to them have been reflected in other equity items. In these situations, the corresponding tax is also reflected against equity, without affecting the income for the year.

The calculation of the current tax estimate for the year was calculated in accordance with article 64(1) and (2) of Law No 19/14 of 22 October, amended by Law No 26/20 of 20 July, which amends the Industrial Tax Code. Accordingly, the calculation of the current tax estimate for the year ending 31 December 2022 was based on a rate of 35%.

Tax returns are subject to review and correction by the tax authorities for a period of ten years and, due to different interpretations of tax legislation, may result in possible corrections to taxable profit for the financial years 2013 to 2022.

However, it is not expected that any correction related to these financial years will occur and, if it occurs, no significant impacts are expected on the financial statements.

Tax losses calculated in a given year, in accordance with Article 48(1) of the Industrial Tax Code and Law 26/20 of 20 July, can be deducted from taxable profits in the following five years.

The item Current taxes include taxes payable and recoverable through tax credits paid in recent years.

On 31 December 2024, provisional tax assessments totalled 67 349 thousands AOA (2023: 50 467 thousands AOA), so current tax liabilities decrease to 2 711 790 thousands AOA (2023: 245 609 thousands AOA).

Deferred taxes are calculated based on the tax rates expected to be in force on the date of the reversal of temporary differences, which correspond to the rates approved or substantially approved on the balance sheet date.

The deferred tax assets recognised in the balance sheet on 31 December 2024 and 2023 can be analysed as follows:

(amount in thousands of kwanzas)

	Assets		Liabilities		Net	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Impairment for loans to customers	–	–	–	–	–	–
Effective rate of credit commissions	76	–	–	–	76	76
Effective bond rate	–	–	–	–	–	–
Other tangible assets	1 177	–	–	–	1 177	1 177
Others	4 762	–	–	–	4 762	4 762
Deferred tax assets/(liabilities)	**6 015**	**–**	**–**	**–**	**6 015**	**6 015**

The Bank assessed the recoverability of its deferred taxes on the balance sheet based on expectations of future taxable profits. The movements in deferred tax items in the balance sheet had the following counterparts:

(amount in thousands of kwanzas)

	3 1.12.2024	31.12.2023
Opening balance	**6 015**	**6 015**
Recognised in profit or loss	–	–
Balance at the end (Assets/(Liabilities)	**6 015**	**6 015**

The reconciliation of the tax rate, in relation to the amount recognised in profit or loss, can be analysed as follows:

(amount in thousands of kwanzas)

	31.12.2024		31.12.2023	
	%	Value	%	Value
Profit and loss before tax		8 447 382		3 783 411
Tax rate		35%		35%
Tax calculated based on income tax rate		(2 956 584)		(1 324 194)
Tax benefits on income from public debt securities – Art. 47	38.63%	3 263 442	45.21%	1 710 383
Capital investment tax	–2.61%	(220 683)	–5.58%	(211 017)
Other	–27.97%	(2 362 720)	–12.48%	(471 997)
Tax in the year	**–26.95%**	**(2 276 545)**	**–7.85%**	**(296 825)**

Without prejudice to the above, as far as income from public debt securities is concerned, according to the latest position of the Tax Authority addressed to ABANC (letter with reference 196/DGC/AGT/2016, dated 17 May 2016), only income from securities issued on or after 1 January 2012 is subject to this tax.

It should also be noted that according to the Tax Authority's position, the exchange rate revaluations of public debt securities issued in national currency but indexed to foreign currency, issued since 1 January 2012, should be subject to Industrial Tax until the Banco Nacional de Angola is in a position to make the appropriate deduction of tax at source for the Capital Investment Task (IAC).

In addition, Presidential Legislative Decree No 5/11 of 30 December (revised and republished by Presidential Legislative Decree No 2/14 of 20 October) introduced a rule subjecting income from public debt securities resulting from Treasury Bonds and Treasury Bills issued by the Angolan state to IAC.

However, in accordance with the provisions of article 47 of the Industrial Tax Code (Law No 19/14 of 22 October), in force since 1 January 2015, income subject to IAC will be deducted from taxable income up to the level of net profit.

In determining taxable profit for the years ending 31 December 2024 and 2023, this income was deducted from taxable profit.

In the same way, the cost of assessing settlement of IAC is not accepted for tax purposes when calculating the taxable amount, in accordance with Article 18(1)(a) of the Industrial Tax Code.

Without prejudice to the above, as far as income from public debt securities is concerned, according to the latest position of the Tax Authority addressed to ABANC (letter with reference 196/DGC/AGT/2016, dated 17 May 2016), only income from securities issued on or after 1 January 2012 is subject to this tax.

19 – Other Assets

The breakdown of the item "Other assets" as at 31 December 2024 and 2023 was as follows:

(amount in thousands of kwanzas)

	3 1.12.2024	31.12.2023
Salary advances and prepayments	3 241	5 652
Prepaid expenses	165 381	122 584
Sundry debtors	1 969 149	1 093 971
Office supplies	16 239	86 012
Deposit Guarantee Fund	99 870	93 457
Other advances	555 473	180 103
Impairment losses	–	–
	2 809 354	**1 581 779**

As at 31 December 2024, the amount of 99 870 thousands AOA relates to the Bank's annual contribution to the Deposit Guarantee Fund, which was launched by the BNA during 2019 and is intended to cover the reimbursement of depositors.

The item "Sundry debtors" includes the amount of 683 956 thousands of AOA (2023: 616 063 thousands AOA) of amounts to be settled with third parties.

20 – Customer Funds and Other Loans

The balance of the item customer resources and other loans, as to its nature, can be shown as follows:

(amount in thousands of kwanzas)

	3 1.12.2024	31.12.2023
Demand Deposits		
In National Currency	20 767 770	8 228 263
In Foreign Currency	1 180 802	990 988
	21 948 572	9 219 251
Term deposits		
In National Currency	5 310 376	2 906 421
In Foreign Currency	1 158 085	46 765
	6 468 461	2 953 186
	28 417 033	**12 172 437**

The breakdown of customer funds and other loans by maturity as at 31 December 2024 and 2023 is as follows:

(amount in thousands of kwanzas)

	3 1.12.2024	31.12.2023
Payable at sight	**21 948 572**	**9 219 251**
Payable on maturity date		
Up to 3 months	5 406 020	881 091
From 3 months to one year	1 062 441	2 072 095
	6 468 461	2 953 186
	28 417 033	**12 172 437**

On 31 December 2024 and 2023, term deposits in local and foreign currency bore interest at average annual rates of 7.71% and 2.57% (2023: 6.97% and 2.23%), respectively.

The balance of the item customer resources and other loans, by segment, is as follows:
– As at 31 December 2024:

(amount in thousands of kwanzas)

	31/12/2024		
Segment	**In national currency**	**In foreign currency**	**Total**
Public Sector			
Companies	**21 225 827**	**345 047**	**21 570 874**
Demand Deposits	16 761 874	345 047	17 106 920
Term deposits	4 463 953	–	4 463 953
Individuals	**4 852 320**	**1 993 840**	**6 846 159**
Demand Deposits	4 005 897	835 755	4 841 652
Term deposits	846 423	1 158 085	2 004 508
Total	**26 078 146**	**2 338 887**	**28 417 033**

– As at 31 December 2023:

(amount in thousands of kwanzas)

Segment	31/12/2023 In national currency	In foreign currency	Total
Public Sector			
Companies	**6 010 318**	**211 918**	**6 222 236**
Demand Deposits	5 040 745	211 918	5 252 663
Term deposits	969 574	–	969 574
Individuals	**5 124 366**	**825 835**	**5 950 201**
Demand Deposits	3 187 519	779 069	3 966 588
Term deposits	1 936 847	146 765	1 983 613
Total	**11 134 684**	**1 037 753**	**12 172 437**

21 – Other Liabilities

This item is analysed as follows:

(amount in thousands of kwanzas)

	3 1.12.2024	31.12.2023
Tax charges payable – own	2 274	7 183
Suppliers	663 956	176 941
Personnel costs	222 352	114 410
Other administrative and commercialisation costs payable	(2 231)	7 055
Tax charges payable – withheld from third parties	277 988	220 856
Social Security Contributions	11 871	11 040
Lease Liability	565 778	471 885
Other creditors	132 821	131 719
Total	**1 874 809**	**1 141 089**

The "Other creditors" account relates to the following balances:

(amount in thousands of kwanzas)

	3 1.12.2024	31.12.2023
ATM clearing movements.	104 102	86 768
Other	28 719	44 95119
Total	**132 821**	**131 719**

The balance "Letters of credit" refers to deposits that are delivered as collateral on 31 December 2024 and 2023, although not settled on those dates.

On 31 December 2024, lease liabilities relate to leasing contracts for branch spaces, ATMs and equipment, recognised under IFRS 16. The non-discounted future lease payments relating to the contract under IFRS 16, by maturity, are as follows:

(amount in thousands of kwanzas)

	3 1.12.2024	31.12.2023
Less than 1 year	–	–
1 to 5 years	77 129	363 242
More than 5 years	405 785	19 713
Total undiscounted lease liabilities	**482 914**	**382 955**
Interest accrued on net interest income	82 864	88 930
Lease Liability 31.12.2023	**565 778**	**471 885**

22 – Capital

Banco Comercial do Huambo was set up in 2009 with share capital of 300 000 thousands AOA. In 2011, the Bank increased its share capital to 1 000 000 thousands AOA and in 2012 an increase in the share capital increase to 1 500 000 thousands AOA was subscribed to and approved, divided and represented by 1 500 000 shares, issued at par, with a nominal value of 1 000 AOA each. In 2014, the Bank increased its share capital to 2 265 249 thousands AOA, fully subscribed and paid up.

Despite the capital increase, on 31 December 2014 the Bank still did not meet the minimum share capital and regulatory own funds requirement of 2 500 000 thousands AOA required by the BNA through Notice no. 14/2013 of 15 November.

On 31 March 2016, the Bank asked the BNA for authorisation to carry out a capital increase by incorporation of reserves during the 2016 financial year, which was accepted by the BNA and which specified September 2016 as the deadline for its implementation. In July 2016 BCH recorded a capital increase of 734 751 thousands AOA in its financial statements.

In August 2023, in order to comply with the minimum share capital requirement imposed by the BNA, BCH increased its capital by incorporating free reserves in the amount of 10 000 000 thousands AOA.

As at 31 December 2024 and 2023, the distribution of shares among the Bank's shareholders is broken down as follow

(amount in thousands of kwanzas)

	31.12.2024				31.12.2023			
	Nominal value	No. of Shares	Total	% Equity	Nominal value	No. of Shares	Total	% Equity
Natalino Lavrador	1 000	10 300	10 300 000	51.50%	1 000	10 300	10 300 000	51.50%
António Mosquito	1 000	4 000	4 000 000	20.00%	1 000	4 000	4 000 000	20.00%
Minoru Dondo	1 000	2 000	2 000 000	10.00%	1 000	2 000	2 000 000	10.00%
Banco Comercial do Huambo	1 000	2 000	2 000 000	10.00%	1 000	2 000	2 000 000	10.00%
Sebastião Lavrador	1 000	1 100	1 100 000	5.50%	1 000	1 100	1 100 000	5.50%
Carlos Oliveira	1 000	600	600 000	3.00%	1 000	600	600 000	3.00%
		20 000	20 000 000	100.00%		20 000	20 000 000	100.00%

On 31 December 2024 BCH holds 2 000 own shares registered at the amount of 3 000 000 thousands AOA (31 December 2023: 3 000 000 thousands AOA).

Earnings per Share

In the financial years 2024 and 2023, the earnings per share and the dividend attributed in each financial year, relating to the previous year's profit, were as follows:

(amount in thousands of kwanzas)

	3 1.12.2024	31.12.2023
Net profit for the year	**6 170 837**	**3 486 586**
Weighted average number of ordinary shares issued (thousands)	20 000 000	20 000 000
Weighted average number of own shares in the portfolio (thousands)	(2 000 000)	(2 000 000)
Average number of ordinary shares in circulation (thousands)	**18 000 000**	**12 750 000**
Basic earnings per share(in kwanzas)	**343**	**273**

In 2023 and 2024 no potentially dilutive instruments were issued.

23 – Other Reserves and Results Carried Forward

The movements in the item equity during the periods ended 31 December 2024 and 2023 were as follows:

(amount in thousands of kwanzas)

	Share Capital	Other Reserves and Results Carried Forward				
		Accounting Reserve	Effect of the change in accounting policies	Other reserves and Results Carried Forward	Total Other Reserves and Results Carried Forward	Net Profit
Balance as at 1 January 2023	**7 000 000**	**3 522 575**	**(8 289)**	**23 809 709**	**27 323 995**	**6 365 776**
Constitution of the Legal Reserve	–	636 578	–	–	636 578	(636 578)
Allocation of profits	–	–	–	5 729 198	5 729 198	(5 729 198)
Own shares	–	–	–	–	–	–
Capital Increase	10 000 000	–	–	(10 000 000)	(10 000 000)	–
Net Profit	–	–	–	–	–	3 486 586
Other movements	–	–	–	845	845	–
Balance as at 31 December 2023	**17 000 000**	**4 159 152**	**(8 289)**	**19 539 753**	**23 690 616**	**3 486 586**
Balance as at 1 January 2024	**17 000 000**	**4 159 152**	**(8 289)**	**19 539 753**	**23 690 616**	**3 486 586**
Constitution of the Legal Reserve	–	348 659	–	–	348 659	(348 659)
Allocation of profits	–	–	–	3 137 927	3 137 927	(3 137 927)
Own shares	–	–	–	–	–	–
Capital Increase	–	–	–	–	–	–
Net Profit	–	–	–	–	–	6 170 837
Other movements	–	–	–	403	403	–
Balance as at 31 December 2024	**17 000 000**	**4 507 811**	**(8 289)**	**22 678 083**	**27 177 605**	**6 170 837**

The applicable Angolan legislation requires that the legal reserve be annually credited with at least 10 per cent of the annual net profit, up to the amount of the share capital.

In August 2023, BCH increased its share capital to comply with the BNA's minimum Share Capital requirement.

The capital increase involved the issue of 10 000 new shares for a nominal amount of 1 000 thousands AOA, which amounted to a share capital increase of 10 000 000 thousands AOA realised through the incorporation of free reserves.

The net profit for 2024 was used to reinforce legal reserves, in accordance with commercial law, and the remainder was transferred to retained earnings.

24 – Off-Balance Sheet Accounts

Liabilities for off-balance sheet items are detailed as follows:

(amount in thousands of kwanzas)

	3 1.12.2024	31.12.2023
Documentary credits	1 053 189	195 824
Guarantees and sureties received	13 607 885	21 972 759
Revocable credit lines available	4 183 548	4 812 793
Custody of customer securities	79 505	125 003

Documentary credits are irrevocable commitments by the Bank, on behalf of its customers, to pay/mandate payment of a specified amount to the supplier of a given good or service, within a stipulated period, against presentation of documents relating to the dispatch of the good or provision of the service. The condition of being irrevocable consists in the fact that its cancellation or amendment is not enforceable without the express agreement of all parties involved. Documentary credits at 31 December 2024 and 2023 are guaranteed by term deposits.

The revocable and irrevocable commitments represent contractual agreements for the granting of credit to the Bank's customers (e.g. unused credit lines) which, in general, are contracted for fixed periods or with other expiration requirements and, normally, require the payment of a commission. Substantially all current credit granting commitments require customers to maintain certain requirements which are verified when entering into these.

Despite the particularities of these commitments, consideration of these operations follows the same basic principles as any other commercial operation, namely that of the solvency of both the customer and the business underlying them, and the Bank requires that these operations be properly collateralised as appropriate. Since most of these are expected to expire without being used, the amounts indicated do not necessarily represent future cash requirements.

The financial instruments accounted for as Guarantees and other commitments are subject to the same approval and control procedures applied to the credit portfolio, particularly with regard to assessing the adequacy of the provisions set up. The maximum credit exposure is represented by the nominal value that could be lost in relation to contingent liabilities and other commitments assumed by the Bank in the event of default by the respective counterparties, without considering potential credit recoveries or collateral.

The Bank provides custody, asset management, investment management and advisory services involving decisions to buy and sell various types of financial instruments. For certain services provided, objectives and profitability levels are established for the assets under management.

Documentary credits are recorded as stage 1 and have no associated impairment since they have financial collateral that covers all the exposures.

25 – Transactions with Related Parties

According to IAS 24, the following are considered to be entities related to the Bank:

- Holders of qualified holdings – Shareholders, presuming that the shareholding is no less than 10%;

- Entities that are directly or indirectly in a control or group relationship – Subsidiaries, associated and jointly controlled companies;

- Members of the Bank's management and supervisory bodies and their spouses, descendants or ascendants up to the second degree of the direct line, considered to be the ultimate beneficiaries of the transactions or assets.

BCH balances with related entities were as follows:

- 31 December 2024:

(amount in thousands of kwanzas)

Related Entity	Demand Deposits	Term Deposits	Interest and similar costs	Credits	Interest and similar income
Shareholders	546 673	–	–	–	–
Members of the Board of Directors	150 466	–	–	26 489	355
Close relatives of shareholders and/or Board Members	328 406	24 950	722	–	–
Companies where Shareholders and close relatives having significant influence	187 831	2 183 251	33 704	–	–
	1 213 377	**2 208 201**	**34 426**	**26 489**	**355**

– As at 31 December 2023:

(amount in thousands of kwanzas)

Related Entity	Demand Deposits	Term Deposits	Interest and similar costs	Credits	Interest and similar income
Shareholders	791 856	35 000	143	–	–
Members of the Board of Directors	1 198 479	–	–	36 153	1 699
Close relatives of shareholders and/or Board Members	346 196	–	–	–	–
Companies where Shareholders and close r elatives having significant influence	324 967	658 251	9 064	–	–
Companies where the members of the Board of Directors have significant influence	–	–	–	–	–
	1 661 498	**693 251**	**9 207**	**36 153**	**1 699**

Below is a list of entities related to the Bank:

Shareholders, Members of the Board of Directors and Close Relatives

Natalino Lavrador

Valdomiro Minoru Dondo

António Mosquito

Sebastião Lavrador

Carlos Saturnino

Cristiana Lavrador

Salim Valimamade

Valdir Macedo Hamilton dos Santos

Hélia Cristina Nunes

Alexandra Teodora da C. Martins

Maria Helena Miguel

Regina Luísa Lagos dos Santos

UHY–A.Paredes & associados–Angola

Mário Silva Castelo Branco

Carlos Deosvaldo Fragoso Vaz

Agla Mara Tinoco Dondo

Eduarda Nassandjuka Mbakassy

Djavana Saturnino Oliveira

Fauzia Valimamade

Ana Maria de Azevedo Neto Lavrador

Maria José Lavrador

Sheila Eugénia Macedo Hamilton dos Santos

Yola Cristina da Silva Vieiga dos Santos

Edwaldo de Macedo Hamilton Santos

Sandra Carla Sampaio Nunes Lavrador

Companies where the related parties have significant control

Auto Zuid
Exata Engenharia LDA
Macon Transport
Consorcio Mayaca e Sol Maior
Amosmid Lda
Sol Maior Emp. Part. Lda
Bobs Comércio geral Lda
Taiping Lda
Parige Lda
Esplanada Grill Lda
Bacatral, sociedade de transp. LDA
M´bakassy & Filhos
Kulanda Belas Malls Gestao E Part LDA
Unitransfer Casa de Câmbios SA
Nocebo
Pérola de Gingko, Lda
Dgm Sistemas Informaticos
Envirobac Comercio gGeral, Lda
Kinaxixi Empreendimentos Imobiliários SA

26 – Fair Value of Financial Assets and Liabilities

Fair value is based on market prices, whenever these are available. If these do not exist, the fair value is estimated using internal models based on discounted cash flow techniques. The cash flow generation of the different instruments is based on their financial characteristics and the discount rates used incorporate both the market interest rate curve and the current risk levels of the respective issuer..

The fair value of the financial assets and liabilities held by the Bank as at 31 December 2024 and 2023 is presented as follows:

(amount in thousands of kwanzas)

	31.12.2024						
	Amortized Cost	Impairment	Valued at Fair Value			Book Value	Fair Value
			Level 1	Level 2	Level 3		
Assets							
Cash and deposits in central banks	10 491 929	–	–	–	–	10 491 929	10 491 929
Cash from other credit institutions	1 130 224	–	–	–	–	1 130 224	1 130 224
Investments in central banks and other credit institutions	55 479 637	–	–	–	–	55 479 637	55 479 637
Financial assets at fair value through other comprehensive income	–	–	–	–	43 656	43 656	43 656
Financial assets at amortized cost	9 942 081	(82 607)	–	–	–	9 859 474	7 949 195
Credit to customers	1 168 969	(5 605)	–	–	–	1 163 364	804 570
Total Assets	78 212 840	(88 212)	–	–	43 656	78 168 284	75 899 212
Liabilities							
Customer funds and other loans	28 417 033	–	–	–	–	28 417 033	28 417 033
Total Liabilities	28 417 033	–	–	–	–	28 417 033	28 417 033

(amount in thousands of kwanzas)

31.12.2023	Amortized Cost	Impairment	Valued at Fair Value Level 1	Level 2	Level 3	Book Value	Fair Value
Assets							
Cash and deposits in central banks	9 606 185	–	–	–	–	9 606 185	9 606 185
Cash from other credit institutions	1 536 284	–	–	–	–	1 536 284	1 536 284
Investments in central banks and other credit institutions	13 109 6365		–	–	–	13 109 6365	13 109 6365
Financial assets at fair value through other comprehensive income	–	–	–	–	43 656	43 656	43 656
Financial assets at amortized cost	26 818 485	(133 555)	–	–	–	26 684 930	26 469 720
Credit to customers	3 148 986	(7 380)	–	–	–	3 141 606	2 9626 130
Total Assets	54 219 576	(140 935)	–	–	43 656	54 122 297	53 691 611
Liabilities							
Customer funds and other loans	12 172 437	–	–	–	–	12 172 437	12 172 437
Total Liabilities	12 172 437	–	–	–	–	12 172 437	2 172 437

The Bank uses the following three-level fair value hierarchy when valuing financial instruments (assets or liabilities), which reflects the level of judgement, the observability of the data used and the importance of the parameters applied in determining the assessment of the instrument's fair value, in accordance with IFRS 13:

- **Level 1**: Fair value is determined on the basis of unadjusted quoted prices captured in transactions on active markets involving financial instruments identical to the instruments being valued. If there is more than one active market for the same financial instrument, the relevant price is that which prevails on the instrument's main market or the most advantageous market for which access exists;

- **Level 2**: Fair value is calculated using valuation techniques based on observable data in active markets, whether direct (prices, rates, spreads, etc.) or indirect (derivatives), and valuation assumptions similar to those that an unrelated party would use to estimate the fair value of the same financial instrument. It also includes instruments where their valuationis obtained through quotations published by independent entities but where those markets have less liquidity; and,

- **Level 3**: Fair value is determined on the basis of data that is not observable in active markets, using techniques and assumptions that market participants would use to value the same instruments, including assumptions about the inherent risks, the valuation technique used and the inputs used and processes for reviewing the accuracy of the values thus obtained.

The Bank considers an active market for a given financial instrument on the measurement date, depending on the volume of business and liquidity of the transactions carried out, the relative volatility of the quoted prices and the readiness and availability of information, and for this purpose it must fulfil the following minimum conditions:

- Frequent daily trading quoted prices over the last year;

- The quoted prices mentioned above change regularly;

- There are executable quoted prices from more than one entity.

A parameter used in a valuation technique is considered observable data on the market if the following conditions are met:

- If its value is determined in an active market;

– If there is an OTC market and it is reasonable to assume that the conditions of an active market are met, with the exception of the condition of trading volumes; and

– The value of the parameter can be obtained by inverse calculation of the prices of financial instruments and/or derivatives where the other parameters required for the initial valuation are observable on a liquid market or an OTC market in compliance with the previous paragraphs.

The main methods and assumptions used to estimate the fair value of the financial assets and liabilities recorded in the balance sheet at amortised cost are analysed as follows:

Cash and deposits at central banks, Deposits at other credit institutions and Investments in Central Banks and at other credit institutions
These assets are very short-term, such that the balance sheet value is a reasonable estimate of the respective fair value.

Investments at amortized cost
The fair value of these financial instruments is based on market prices, when available. If they do not exist, the fair value is estimated based on the updating of the expected future cash flows of equity and interest for these instruments.

For the purposes of this disclosure, it has been assumed that Treasury Bills have short-term residual maturities.

Credit to customers
The fair value of credit to customers is estimated based on the updating of expected cash flows from equity and interest, considering that the instalments are paid on the contractually specified dates.

The difference between the amortised cost of loans and advances to customers and their estimated fair value includes an amount of 215 476 thousands AOA corresponding to credit operations with a regulated rate (fixed rate of 7.5%) granted to the Bank under BNA Notice No 10/2020 of 3 April.

Funds from central banks and other credit institutions
These liabilities are very short-term, such that the balance sheet value is a reasonable estimate of the respective fair value.

Customer funds and other loans
The fair value of these financial instruments is estimated based on the updating of expected cash flows from equity and interest. The discount rate used is that which reflects the rates applied for deposits with similar characteristics on the balance sheet date. Considering that, in the vast majority of the Bank's portfolio of customer funds and other loans, the applicable interest rates are renewed for periods of less than one year, there are no material differences in their fair value.

27 – Activity Risk Management

The Bank is subject to a variety of risks in the course of its business. Risk management is carried out in a central manner in relation to the specific risks of each business.

The risk management policy aims to define the profile for each risk identified as material to the Bank, with a view to protecting the Bank's solidity, as well as the guidelines for implementing a risk management system that enables the identification, assessment, monitoring, control and reporting of all material risks inherent in the Bank's activity.

As such, it is particularly important to monitor and control the main financial risks – credit, market and liquidity – and non-financial risks – operational – to which the Bank's business is subject:

Main Risk Categories

Credit – Reflects the likelihood of negative impacts on results or capital due to the inability of a counterparty to fulfil its financial commitments to the institution, including possible restrictions on the transfer of payments from abroad.

Market – The concept of market risk reflects the probability of negative impacts on profits or capital due to adverse movements in interest and exchange rates and/or the prices of the different financial instruments involved, considering both the correlations between them and their respective volatilities. Market Risk thus includes interest rate risk, exchange rate risk and other price risks

Liquidity– This risk reflects the likelihood of negative impacts on profit and loss or capital arising from the institution's inability to have liquid funds to meet its financial obligations as they fall due.

Operational – Operational risk means the probability of negative impacts on results or capital arising from failures in analysing, processing or settling transactions, internal and external fraud, the use of subcontracted resources, inefficient internal decision-making processes, insufficient or inadequate human resources or infrastructures not being operational.

Risk Assessment

Credit Risk

It is the responsibility of the Risk Management Office to define and monitor the lines of credit and exposure limits applied to Customers and/or Economic Groups, considering the maximum regulatory exposure limits, the internal risk limits defined by the Bank, in accordance with the profile and risk appetite, as well as the risk analysis carried out and the identification of overall exposure limits and specific limits by product type or operation.

Credit risk analysis models play an essential role in the credit allocation decision process. In order to identify whether a particular Customer is eligible for a credit line, as well as whether it falls within the overall credit exposure limits defined by the Bank, the Risk Management Office issues an opinion on the Customer's risk quality and assesses the Bank's overall exposure and the possibility that the use of the line of credit could cause non-compliance with defined internal limits and regulatory limits.

For the purposes of the above, a monthly monitoring and control map is drawn up in accordance with Notice No. 03/2016. Credit risk models play an essential role in the credit allocation decision process. Thus, the decision-making process for granting a loan is based on a set of policies and parameters that are embodied in internal models.

The following provides information on the Bank's exposure to credit risk:

- 31 December 2024:

(amount in thousands of kwanzas)

	31/12/2024		
	Gross book value	Impairment	Net value added
Cash and deposits in central banks	10 491 929	-	10 491 929
Cash from other credit institutions	1 130 371	(147)	1 130 224
Financial assets at amortized cost	9 942 08	(82 607)	9 859 474
Credit to customers	1 168 969	(5 605)	1 163 364
Other assets	2 809 354	-	2 809 354
	42 691 914	(88 359)	25 454 345
Off balance sheet			
Documentary credits	1 053 189	-	1 053 189
Third-party assumed commitments	4 183 548	-	4 183 548
	5 236 737	-	5 236 737
	47 928 651	**(88 359)**	**30 691 082**

– 31 December 2023:

(amount in thousands of kwanzas)

	31/12/2023		
	Gross book value	Impairment	Net value added
Cash and deposits in central banks	9 606 185		9 606 185
Cash from other credit institutions	1 536 479	(195)	1 536 284
Financial assets at amortized cost	26 818 485	(133 555)	26 684 930
Credit to customers	3 148 986	(7 380)	3 141 606
Other assets	1 581 779	–	1 581 779
	42 691 914	(141 130)	42 550 784
Off balance sheet			
Documentary credits	1 195 824	–	195 824
Third-party assumed commitments	4 812 793	–	4 812 793
	5 008 617	–	5 008 617
	47 700 531	**(141 130)**	**47 559 401**

Details of exposures at amortised cost by level of risk and stage of impairment are presented below:

– 31 December 2024:

(amount in thousands of kwanzas)

	2024							
	Gross Exposure				Impairment			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Credit to customers								
Low Level of risk	–	–	–	–	–	–	–	–
Level A	–	–	–	–	–	–	–	–
Level B	–	–		–	–	–	–	–
Medium Level of risk	1 164 824	–	–	1 164 824	5 349	–	–	5 349
Level C	1 164 824	–	–	1 164 824	5 349	–	–	5 349
Level D	–	–		–	–	–	–	–
High Level of risk	–	–	4 145	4 145	–	–	256	256
Level E	–	–	–	–	–	–	–	–
Level F	–	–	–	–	–	–	–	–
Level G	–	–	4 145	4 145	–	–	256	256
Investments at Amortized Cost	**9 942 081**	**–**	**–**	**9 942 081**	**(82 607)**	**–**	**–**	**(82 607)**
Angolan State	9 942 081	–	–	9 942 081	(82 607)	–	–	(82 607)
	11 106 905	**–**	**–**	**11 106 905**	**(77 258)**	**–**	**–**	**(77 258)**

– 31 December 2023:

(amount in thousands of kwanzas)

	2023							
	Gross Exposure				Impairment			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Credit to customers								
Low Level of risk	–	–	–	–	–	–	–	–
Leve A	–	–	–	–	–	–	–	–
Leve B	–	–		–	–	–	–	–
Medium Level of risk	3 137 661	6 371	733	3 144 765	6 929	204	37	7 169
Leve C	3 136 590	6 371	733	3 143 695	6 897	204	37	7 137
Leve D	1 071	–		1 071	32	–	–	32
High Level of risk	–	–	4 221	4 221	–	–	211	211
Leve E	–	–	275	275	–	–	14	14
Leve F	–	–	3 402	3 402	–	–	170	170
Leve G	–	–	544	544	–	–	27	27
Investments at Amortized Cost	**26 818 485**	**–**	**–**	**26 818 485**	**(133 555)**	**–**	**–**	**(133 555)**
Angolan State	26 818 485	–	–	26 818 485	(133 555)	–	–	(133 555)
	29 956 146	**6 371**	**733**	**29 963 250**	**(126 626)**	**204**	**37**	**(126 386)**

Details of exposures by sectoral concentration of loans and advances to customers are presented below:

– 31 December 2024:

(amount in thousands of kwanzas)

	2024					
	Credit to Customers		Total Exposure	Relative Weight	Impairment	
	Accruing	Overdue			Value	Impairment/ Total Exposure
Companies	**995 318**	**–**	**995 318**	**100.0%**	**3 890**	**0.4%**
Wholesale and retail trade	983 362	–	9 83 362	98.8%	3 613	0.4%
Accommodation and catering (restaurants and similar)	–	–	–	0.0%	–	0.0%
Transportation, storage and communications	11 956	–	11 956	1.2%	277	2.3%
Individuals	**169 505**	**4 145**	**173 651**	**100.0%**	**1 714**	**3,1%**
Housing	11 163	0	118 163	68.0%	34	0.0%
Other purposes	51 342	4 145	55 487	32.0%	1 680	3.0%
	1 164 824	**4 1450**	**1 168 969**	**100.0%**	**4 145**	**0.5%**

– 31 December 2023:

(amount in thousands of kwanzas)

	2023					
	Credit to Customers		Total Exposure	Relative Weight	Impairment	
	Accruing	Overdue			Value	Impairment/ Total Exposure
Companies	**2 922 658**	**14 110**	**2 936 768**	**0%**	**34 539**	**0%**
Wholesale and retail trade	1 434 976	14 110	1 449 086	0%	3 210	0%
Accommodation and catering (restaurants and similar)	1 472 064	0	1 472 064	0%	858	0%
Transportation, storage and communications	15 618		15 618	%	471	3%
Individuals	**207 802**	**4 416**	**212 250**	**0%**	**2 842**	**3%**
Housing	118 937	0	118 969	0%	32	0%
Other purposes	88 865	4 416	93 281	0%	2 810	3%
	3 130 459	**18 526**	**3 149 018**	**0%**	**7 380**	**0%**

Market Risk

The Risk Management Office is responsible for controlling the market risks to which the Bank is exposed, and is responsible for identifying, quantifying, monitoring, evaluating, controlling, reporting and mitigating these risks.

Foreign exchange risk management is based on identifying the impact that variations in exchange rates relevant to the Bank may have on the value of exposures and respective cash flow regarding assets and liabilities.

In order to identify the impact that movements in exchange rates may have on these cash flows and thus estimate the possibility of financial losses, the Bank periodically analyses possible scenarios and simulations of movements in exchange rates, based on internal analysis and the Bank's expectations of their evolution.

With regard to information and analysis of foreign exchange risk, regular reporting on net foreign currency exposures is ensured on a monthly basis in accordance with Notice No 4/2016.

Interest rate risk control is guaranteed by the Risk Management Office. This type of risk occurs in the Bank's activity whenever it contracts operations with financial cash flows that are sensitive to interest rate variations. There is therefore interest rate risk, derived from variations in market reference interest rates, associated with mismatching in interest rate review periods between assets and liabilities held, reducing their expected profitability (net interest income) or increasing their financial cost.

The Bank's exposure to interest rate risk is monitored by analysing the level of compliance with the limits and maximum tolerable limits specified for exposure to this risk. This aspect of risk assesses the impact of shocks applied to interest rates on total exposure.

The quantification of interest rate risk is based on the total exposure to interest rate risk, i.e., the total amount of Assets and Liabilities sensitive to interest rate variations.

The sensitivity analysis to exchange rate risk is presented below, which calculates the impact on the profit or loss of the

Bank for a positive and negative variation of 5%, 10% and 20% in the exchange rate:

– 31 December 2024:

(amount in thousands of kwanzas)

Description	CHF	EUR	GBP	JPY	NAD	USD	ZAR	Impact on FP
Total currency at 31-12-2024	345	394 315	1 753	1 517 758	80	(454 746)	3 454 672	
Exchange rate on 31-12-2024	1 010,97	963,17	1 149,48	5,79	48,64	912,00	49,14	
Positive variation of 5%	17	18 990	101	439	0	(20 736)	8 488	0.000%
Positive variation of 10%	35	37 979	202	878	0	(41 473)	16 975	0.000%
Positive variation of 20%	70	75 958	403	1 756	1	(82 946)	33 950	0.000%
Negative variation of 5%	(17)	(18 990)	(101)	(439)	(0)	20 736	(8 488)	0.000%
Negative variation of 10%	(35)	(37 979)	(202)	(878)	(0)	41 473	(16 975)	0.000%
Negative variation of 20%	(70)	(75 958)	(403)	(1 756)	(1)	82 946	(33 950)	0.000%

Thus, any losses, in the worst-case scenario (a 20% change in the exchange rate), would only represent a residual impact on own funds of less than 0.01%.

With regard to interest rate risk, the sensitivity analysis of the Bank's exposure to interest rates is shown below, with reference to 31 December 2024:

(amount in thousands of kwanzas)

	Rate		
	LUIBOR at 12 months	LUIBOR at 1 month	Total
Balance at 31-12-2023			
Credit falling due	3 951	272 433	276 384
Overdue credit	-	-	-
	3 951	**272 433**	**276 384**
Positive variation of 1%	64	(360)	(296)
Positive variation of 2%	127	(1 703)	(1 576)
Positive variation of 5%	318	(5 733)	(5 415)
Negative variation of 1%	(64)	360	296
Negative variation of 2%	(127)	1 703	1 576
Negative variation of 5%	(318)	5 733	5 415

The Bank's assets and liabilities are broken down by type of rate as at 31 December 2024 and 2023 as follows:

– 31 December 2024:

(amount in thousands of kwanzas)

	31.12.2024			
	Exposure to		Not subject to risk of interest rate	Total
	Fixed rate	Variable rate		
Assets				
Cash and deposits in central banks	-	-	10 491 929	10 491 929
Cash from other credit institutions	-	-	1 130 224	1 130 224
Investments in central banks and other credit institutions	-	55 479 637	-	55 479 637
Financial assets at fair value through other comprehensive income	-	-	43 656	43 656
Financial assets at amortized cost	9 859 474	-	-	9 859 474
Credit to customers	287 891	881 077	-	1 168 968
	10 147 365	**56 360 714**	**11 665 809**	**78 173 888**
Liabilities				
Customer funds and other loans	-	-	28 417 033	28 417 033
	-	**-**	**28 417 033**	**28 417 033**
Total	**10 147 365**	**56 360 714**	**(16 751 224)**	**49 756 855**

– 31 December 2023:

(amount in thousands of kwanzas)

	31.12.2023			
	Exposure to		Not subject to risk of interest rate	Total
	Fixed rate	Variable rate		
Assets				
Cash and deposits in central banks	–	–	3 732 018	3 732 018
Cash from other credit institutions	–	–	741 092	741 092
Investments in central banks and other credit institutions	–	39 979 872	–	39 979 872
Financial assets at fair value through other comprehensive income	–	–	43 656	43 656
Financial assets at amortized cost	17 669 726	–	–	17 669 726
Credit to customers	1 921 189	1 220 417	– 3 141 606	
	19 590 915	**41 200 289**	**4 516 766**	**65 307 970**
Liabilities				
Customer funds and other loans	–	23 943 113	23 943 113	
	–	**–**	**23 943 113**	**23 943 113**
Total	**19 590 915**	**41 200 289**	**(19 426 347)**	**41 364 857**

The following table shows the average interest rates for the Bank's main categories of financial assets and liabilities for the years ending 31 December 2024 and 2023, as well as the respective average balances and income and costs for the year:

(amount in thousands of kwanzas)

	31.12.2024			31.12.2023		
	Average balance for the year	Interest for the year	Average interest rate	Average balance for the year	Interest for the year	Average interest rate
Applications						
Credit to customers	10 049 0%57	580 863	5.8%	6 669 102	474 361	7.1%
Cash and applications	39 122 130	6 763 254	17.3%	14 362 608	2 134 483	14.9%
Securities	18 315 858	2 656 973	14.5%	22 220 984	2 900 700	13.1%
Total Investments	**67 487 045**	**10 001 090**	14.8%	**43 252 693**	**5 509 544**	12.7%
Resources						
Customer and CB deposits	40 589 470	545 067	1.3%	36 115 550	224 590	0.6%
Lease Liabilities	565 778	82 864	14.6%	471 885	88 930	18.8%
Financial liabilities	**41 155 248**	**627 931**	1.5%	**36 587 435**	**313 520**	0.9%
Net Interest Income	**26 331 797**	**9 373 159**		**6 665 258**	**5 196 024**	

Under the terms of Article 6 of Notice No 08/2016 of 22 June, the Bank must inform the BNA whenever there is a potential reduction in the economic value of its banking portfolio equal to or greater than 20% of regulatory own funds or net interest income as a result of a change in the interest rate of 2%. During the financial years 2024 and 2023, the Bank complied with this requirement.

The breakdown of assets and liabilities by currency as at 31 December 2024 and 2023 is as follows:

– 31 December 2024:

(amount in thousands of kwanzas)

	31.12.2024				
	Kwanzas	United States of America dollars	Euros	Other currencies	Total
Assets					
Cash and deposits in central banks	9 932 396	488 101	71 432	–	10 491 929
Cash from other credit institutions	–	761 629	290 854	77 741	1 130 224
Investments in central banks and other credit institutions	55 479 637	–	–	–	55 479 637
Financial assets at fair value through other comprehensive income	43 656	–	–	–	43 656
Financial assets at amortized cost	9 859 474	–	–	–	9 859 474
Credit to customers	1 163 364	–	–	–	1 163 364
Other tangible assets	1 530 682	–	–	–	1 530 682
Intangible assets	837 739	–	–	–	837 739
Deferred tax assets	6 015	–	–	–	6 015
Other assets	1 574 640	49 993	1 006 330	178 391	2 809 354
	80 427 603	**1 299 723**	**1 368 615**	**256 133**	**83 352 074**
Liabilities					
Customer funds and other loans	26 078 202	1 497 262	820 321	21 247	28 417 033
Provisions	–	–	–	–	–
Current tax liabilities	2 711 790	–	–	–	2 711 790
Other liabilities	1 473 912	222 954	177 943	–	1 874 809
	30 263 904	**1 720 217**	**998 264**	**21 247**	**33 003 632**
	50 163 700	**(420 494)**	**370 351**	**234 885**	**50 348 442**

– 31 December 2023:

(amount in thousands of kwanzas)

	31.12.2023				
	Kwanzas	United States of America dollars	Euros	Other currencies	Total
Activos					
Cash and deposits in central banks	9 076 185	451 000	79 000	–	9 606 185
Cash from other credit institutions	–	426 254	996 030	114 000	1 536 284
Investments in central banks and other credit institutions	13 109 636	–	–	–	13 109 636
Financial assets at fair value through other comprehensive income	43 656	–	–	–	43 656
Financial assets at amortized cost	26 684 930	–	–	–	26 684 930
Credit to customers	3 141 606	–	–	–	3 141 606
Other tangible assets	730 557	–	–	–	730 557
Intangible assets	1 295 689	–	–	–	1 295 689
Deferred tax assets	–	–	–	–	–
Other assets	818 123	23 206	712 045	–	1 553 375
	54 900 382	**900 460**	**1 787 075**	**114 000**	**57 701 918**
Liabilities					
Customer funds and other loans	9 912 925	1 397 729	861 783	–	12 172 437
Provisions	–	–	–	–	–
Current tax liabilities	46 516	–	–	–	46 516
Other liabilities	1 059 819	31 088	50 181	–	1 141 088
	11 019 260	**1 428 817**	**911 965**	**–**	**13 360 041**
	43 881 122	**(528 356)**	**875 110**	**114 000**	**44 341 876**

Details of financial instruments with exposure to interest rate risk according to maturity or resetting date are given below:

(amount in thousands of kwanzas)

	31.12. 2024								
	Setting dates / Maturity dates								
	Spot	Between 1 to 3 months	Between 3 a 6 months	Between 6 months to 1 year	Between 1 to 3 years	Between 3 to 5 years	More than 5 years	Indeterminate	Total
Assets									
Investments with the central bank and other credit institutions	54 381 423	680	–	–	–	–	–	–	54 382 103
Bonds and securities	–	–	–	758 435	9 072 291	–	–	28 748	9 859 474
Credits	–	12 059	–	–	20 099	997 345	133 860	–	1 163 364
	54 381 423	**12 739**	**–**	**758 435**	**9 092 390**	**997 345**	**133 860**	**28 748**	**65 404 941**
Liabilities									
Deposits	21 948 572	5 406 020	–	1 062 441	–	–	–	–	28 417 033
	21 948 572	**5 406 020**	**–**	**1 062441**	**–**	**–**	**–**	**–**	**28 417 033**
Net exposure	**32 432 851**	**(5 393 281)**	**–**	**(304 006)**	**9 092 390**	**997 345**	**133 860**	**27 748**	**36 987 908**

Liquidity Risk

The Risk Management Office monitors mismatches arising from the use of short-term liabilities to cover medium- and long-term assets, in order to avoid liquidity impacts and shortfalls and to ensure that the institution's reserves are sufficient to meet daily cash needs, both cyclical and non-cyclical, as well as long-term needs.

As part of the liquidity risk quantification and assessment process, BCH periodically assesses resources in local currency (LC) and foreign currency (FC), with the aim of maintaining a satisfactory level of cash and cash equivalents to meet short-, medium- and long-term financial needs, both in normal and crisis scenarios.

Bearing in mind Instruction 19/2016, the bank draws up fortnightly and monthly charts to monitor possible outflows and inflows of liquidity in various time buckets and currencies in order to guard against future disruptions to better deal with managing capital.

On 31 December 2024 and 2023, the liquidity gap in the Bank's balance sheet was as follows structure:

- 31 December 2024:

(amount in thousands of kwanzas)

	31.12. 2024						
	Spot	Up to 3 months	Between 3 months at 1 year	Between 1 and 5 Years	More than 5 Years	Indeterminate Duration	Total
Activos							
Cash and deposits in central banks	2 303 599	–	–	–	–	8 188 330	10 491 929
Cash from other credit institutions	1 130 224	–	–	–	–	–	1 130 224
Investments in central banks and other credit institutions	–	54 382 103	1 097 533	–	–	–	55 479 637
Financial assets at fair value through other comprehensive income	–	–	–	–	–	43 656	43 656
Financial assets at amortized cost	–	–	758 435	9 072 291	–	28 749	9 859 474
Credit to customers	–	12 000	–	1 017 824	135 000	–	1 164 824
	3 433 823	**54 394 103**	**1 855 969**	**10 090 115**	**135 000**	**8 260 734**	**78 169 744**
Liabilities							
Resources from central banks and other credit institutions	–	–	–	–	–	–	–
Customer funds and other loans	21 948 572	5 406 020	1 062 441	–	–	–	28 417 033
	21 948 572	**5 406 020**	**1 062 441**	**–**	**–**	**–**	**28 417 033**
	(18 514 749)	**48 988 083**	**793 528**	**10 090 115**	**135 000**	**8 260 734**	**49 752 711**

– 31 December 2023:

(amount in thousands of kwanzas)

	31.12. 2023						
	Spot	Up to 3 months	Between 3 months at 1 year	Between 1 and 5 Years	More than 5 Years	Indeterminate Duration	Total
Assets							
Cash and deposits in central banks	1 364 220	–	–	–	–	8 241 965	9 606 185
Cash from other credit institutions	1 536 284	–	–	–	–	–	1 536 284
Investments in central banks and other credit institutions	–	13 109 636	–	–	–	–	13 109 636
Financial assets at fair value through other comprehensive income	–	–	–	–	–	43 656	43 656
Financial assets at amortized cost	–	–	8 165 965	18 518 965	–	–	26 684 930
Credit to customers	–	86 759	30 487	1 745 320	1 260 514	18 526	3 141 606
	2 900 504	**13 196 395**	**8 196 452**	**20 264 285**	**1 260 514**	**8 304 147**	**54 122 297**
Liabilities							
Resources from central banks and other credit institutions	–	–	–	–	–	–	–
Customer funds and other loans	9 219 251	881 061	2 072 125	–	–	–	12 172 437
	29 219 251	**881 061**	**2 072 125**	**–**	**–**	**–**	**12 172 437**
	(6 318 747)	**12 315 334**	**6 124 327**	**20 264 285**	**1 260 514**	**8 304 147**	**41 949 860**

The breakdown of contractual cash flows relating to capital is as follows:

(amount in thousands of kwanzas)

	31.12. 2024 Contractual residual periods									
	Spot	Up to 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 months to 1 Year	Between 1 and 3 Years	Between3 and 5 Years	More than 5 Years	Indeterminate	Total
Assets										
Cash and deposits in central banks	10 491 929	–	–	–	–	–	–	–	–	10 491 929
Cash in other financial institutions	1 130 224	–	–	–	–	–	–	–	–	1 130 224
Investments with the central bank and other credit institutions	–	54 382 103	1 097 533	–	–	–	–	–	–	55 479 637
Securities	–	–	–	–	758 435	9 072 291	–	–	28 748	9 859 474
Credits in the payment system	–	–	–	–	–	–	–	–	512 602	512 602
Credits			12 059			20 099	997 345	133 860		1 163 364
Other values	–	–	–	–	–	–	–	–	3 647 093	3 647 093
	11 622 153	**54 382 103**	**1 109 592**	**–**	**758 435**	**9 092 390**	**997 345**	**133 860**	**4 188 443**	**82 284 323**
Liabilities										
Deposits	21 948 572	–	5 406 020	–	1 062 441	–	–	–	–	28 417 033
Payment system obligations	–	–	–	–	–	–	–	–	–	–
Other obligations	–	–	–	–	–	–	–	–	4 586 599	4 586 599
	21 948 572	**–**	**5 406 020**	**–**	**1 062 441**	**–**	**–**	**–**	**4 586 599**	**33 003 632**
Liquidity Gap	**(10 326 419)**	**54 382 103**	**(4 296 428)**	**–**	**(304 006)**	**9 092 390**	**997 345**	**133 860**	**(398 156)**	**49 280 691**
Accumulated liquidity Gap	**(10 326 419)**	**44 055 684**	**39 759 256**	**39 759 256**	**39 455 251**	**48 547 641**	**49 544 986**	**49 678 847**	**49 280 691**	

Operational Risk
Operational risk management covers all of the bank's activities, making the various business units responsible for identifying and managing the risks associated with their activities. The risk management office identifies and assesses the specific periods of the main risks that could jeopardise achieving the bank's objectives, as well as carrying out continuous monitoring and developing measures to correct the risks identified.

The quantification of operational risk is calculated under the terms of Instructions No 16/2016 and No 17/2016, corresponding to 15 per cent of the average of the last three years of the annual exposure indicator, if positive, and calculated using the basic indicator method, which takes into account the sum of various items in the income statement, such as net interest income, net income from liquidity investments, net income from trading securities, net income from foreign exchange transactions and net income from financial services, which in turn is constant until the end of the period, changing only in December.

The amounts in these accounts have to do with the proper functioning and commitment of all areas of the institution and these are monitored on a regular basis and reported monthly to the regulatory body.

Capital Management and Solvency Ratio
The Bank's own funds are calculated in accordance with the applicable regulations, namely Notice No 05/2007 of 12 September, Instruction No 03/2011 of 08 June, Notice No 2/2015 of 26 January and Notice No 10/2014 of 05 December.

Financial institutions must maintain a level of own funds compatible with the nature and scale of their operations, duly weighted by the risks inherent to the operations, with a minimum Regulatory Solvency Ratio of 10 per cent.

Regulatory Own Funds consist of the following:

- Basic Own Funds – involving:
    - Paid-up Share Capital;
    - A Reserve to record the value of the monetary update of paid-up share capital;
    - Retained earnings from previous years;
    - Legal and statutory reserves and other reserves arising from undistributed earnings, or reserves set up for capital increases, and
    - Net profit for the year.

- Complementary Own Funds – involving:
    - Redeemable preference shares;
    - General funds and provisions;
    - Reserves from the realisation of own-use properties;
    - Subordinated debts and hybrid capital and debt instruments; and
    - Other amounts authorised by the BNA.

- Deductions – involving:
    - Shares in the institution itself which are being repurchased;
    - Redeemable preference shares with fixed and cumulative dividends;
    - Loans granted as capital;
    - Loans granted as capital; value of shareholdings;
    - Tax credits arising from tax losses;
    - Goodwill (transfer);
    - Other intangible assets net of amortisation; and
    - Other amounts, as determined by the BNA.

BNA Notice No 09/2016 establishes that for the purposes of calculating the Regulatory Solvency Ratio, the excess verified in the risk exposure limit per customer must be deducted from Regulatory Own Funds (FPR).

(amount in thousands of kwanzas)

	3 1.12.2024	31.12.2023
Regulatory Own Funds	52 806 710	44 169 698
Risk-Weighted Assets	21 132 776	24 102 292
Regulatory Capital Requirements	1 690 622	1 928 183
Capital requirements for credit risk	292 096	354 748
Capital requirements for market risk	-	-
Capital requirements for operational risk	1 398 526	1 573 436
Regulatory Solvency Ratio - Base	249.88%	183.26%.
Regulatory Solvency Ratio - Adjusted	249.88%	183.26%

28 – Recently Issued Accounting Standards and Pronouncements

New standards, amendments to standards and interpretations that became effective on 1 January 2024:
There were no voluntary changes in accounting policies during the year ended 31 December 2024.

The following standards, interpretations, amendments and revisions become mandatory in their application for the first time in the financial year beginning on 1 January 2024:

Clarification of the requirements for classifying liabilities as current or non-current (amendments to IAS 1 – Presentation of Financial Statements)
On 23 January 2020, the IASB issued an amendment to IAS 1 Presentation of Financial Statements to clarify how to classify debt and other liabilities as current and non-current.

The amendments clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement that an entity has the right to defer settlement of the liability for at least 12 months after the reporting period.

The changes are aimed at:

- specifying that an entity's right to defer settlement must exist at the end of the reporting period and must be substantive;

- clarifying that the ratios that the company must fulfil after the balance sheet date (i.e. future ratios) do not affect the classification of a liability on the balance sheet date. However, when non-current liabilities are subject to future ratios, companies must disclose information that allows users to understand the risk of these liabilities possibly being repaid within 12 months of the balance sheet date; and

- clarifying the requirements for classifying liabilities that an entity will settle, or may settle, by issuing its own e quity instruments (e.g. convertible debt).

This amendment is effective for periods after 1 January 2024.

The Bank does not foresee any significant impact resulting from the adoption of this standard.

Lease liabilities in a sale and leaseback transaction (amendments to IFRS 16 – Leases)
In September 2022, the IASB issued amendments to IFRS 16 – Leases which introduce a new accounting model for variable payments in a sale and leaseback transaction.

The changes confirm that:

- On initial recognition, the seller - lessee includes variable lease payments when measuring a lease liability arising from a sale and leaseback transaction.

- After initial recognition, the seller – lessee applies the general requirements for subsequent accounting of the lease liability, so that it does not recognise any gain or loss related to the right of use it retains.

A seller – lessee can adopt different approaches that satisfy the new subsequent measurement requirements.

In accordance with IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors, a seller –lessee will have to apply the changes retrospectively to sale and leaseback transactions entered into on or after the date of the initial application of IFRS 16. This means that it will have to identify and re-analyse the sale and leaseback transactions entered into since the implementation of IFRS 16 in 2019 and potentially restate those that included variable lease payments.

The Bank does not foresee any significant impact resulting from the adoption of this standard.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

On 25 May 2023, the International Accounting Standards Board (IASB) published Supplier Finance Arrangements with amendments to IAS 7 – Statement of Cash Flows and IFRS 7 – Disclosures of Financial Instruments.

The changes concern disclosure requirements relating to supplier finance arrangements – also known as supply chain financing, accounts payable financing or reverse-factoring arrangements.

The new requirements complement those already included in the IFRS standards and include disclosures on:

- Terms and conditions of supplier finance agreements;
- The amounts of the liabilities that are the subject of such arrangements, the extent to which suppliers have already received payments from the financers and the item under which these liabilities are presented in the balance sheet;
- Due date intervals; and
- Information on liquidity risk.

The Bank does not foresee any impact resulting from the adoption of this standard.

Standards, amendments and pronouncements issued but not yet effective for the Bank:

Amendments to IAS 21 — The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

On 15 August 2023, the International Accounting Standards Board (IASB) issued Lack of Exchangeability (Amendments to IAS 21 — The Effects of Changes in Foreign Exchange Rates) (the amendments).

The amendments clarify how an entity should assess whether a currency is exchangeable and how to determine a spot exchange rate when there is a lack of exchangeability.

A currency is considered exchangeable into another currency when an entity is able to exchange that currency for another at the measurement date and for a specified purpose. When a currency is not exchangeable, the entity is required to estimate the spot exchange rate.

Under the amendments, entities are required to provide new disclosures to help users assess the impact of using an estimated exchange rate in the financial statements. These disclosures may include:

- the nature and financial effects of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- the risks to the entity arising from the lack of exchangeability.

These changes apply to annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

The Bank did not apply any of these standards in the financial statements in the year ended 31 December 2024. Significant impacts on the financial statements arising from their adoption are not expected.

Changes to the Classification and Measurement of Financial Instruments
EOn 30 May 2024, the International Accounting Standards Board (IASB or Board) issued amendments to the classification and measurement requirements in IFRS 9 – Financial Instruments. The amendments aim to address diversity in the application of the standard, making the requirements more understandable and consistent.

These amendments have the following objectives:

- To clarify the classification of financial assets with environmental, social, and governance (ESG) and similar features, since these features in loans can affect whether the loans are measured at amortized cost or at fair value. To resolve any potential diversity in the practical application of this, the amendments clarify how the contractual cash flows of the loans should be assessed.

- To clarify the date on which a financial asset or financial liability is derecognized when its settlement is carried out through electronic payment systems. There is an accounting policy option that allows the derecognition of a financial liability before delivering the cash on the settlement date, if certain criteria are met.

- To improve the description of the term "non-recourse", according to the amendments, a financial asset has non-recourse features if the final right to receive cash flows from an entity iscontractually limited to the cash flows generated by specific assets. The presence of non-recourse features does not necessarily exclude the financial asset from meeting the SPPI, but its features need to be carefully analysed.

- To clarify that a contractually linked instrument must have a waterfall payment structure that creates a concentration of credit risk by allocating losses disproportionately among different tranches. The underlying pool may include financial instruments that do not fall within the scope of IFRS 9 classification and measurement (for example, finance lease contracts), but must have cash flows equivalent to the SPPI criterion.

The IASB also introduced additional disclosure requirements for investments in equities designated at fair value through other comprehensive income and financial instruments with contingent features, for example, features linked to ESG targets.

This alteration is effective for periods starting on or after 1 January 2026. Earlier adoption is permitted.

The Bank did not apply any of these standards in the financial statements in the year ended 31 December 2024. Significant impacts on the financial statements arising from their adoption are not expected.

Amendments to IFRS 9 and IFRS 7 – Contracts referencing nature-dependent electricity
EOn 18 December 2024, the International Accounting Standards Board (IASB) issued amendments to help companies better report the financial effects of contracts referencing nature-dependent electricity, which are often structured as power purchase agreements (PPAs).

Nature-dependent electricity contracts help companies secure their electricity supply from sources such as wind and solar power. The amount of electricity generated under these contracts can vary due to uncontrollable factors, such as weather conditions. Current accounting requirements may not adequately reflect how these contracts affect a company's performance.

To enable companies to better reflect these contracts in their financial statements, the IASB made specific amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The changes introduce:

- Clarification of the application of the "own-use" requirements;

- Permitting hedge accounting if such contracts are used as hedging instruments; and

- Introducing new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

This alteration is effective for periods starting on or after 1 January 2026. Earlier adoption is permitted.

The Bank did not apply any of these standards in the financial statements in the year ended 31 December 2024. Significant impacts on the financial statements arising from their adoption are not expected.

IFRS 18 Presentation and Disclosure in Financial Statements
EOn 9 April 2024, the International Accounting Standards Board (IASB or Board) issued the new standard, IFRS 18 Presentation and Disclosure in Financial Statements.

The principal changes introduced by this Standard are as follows:

- It promotes a more structured statement of profit or loss. In particular, it introduces a new subtotal, ''operating profit'' (along with its definition), and requires that all income and expenses be classified into three new distinct categories based on the main business activities of a company: Operational, Investment, and Financing.

- Entities are required to present an analysis of operating expenses directly in the statement of profit or loss — by nature, by function, or using a mixed approach.

- The Standard requires certain 'non-GAAP' performance measures used by the Entity to be disclosed in the financial statements. The Standard defines Management Performance Measures (MPMs) as subtotals of income and expenses that:

- are used in public communications outside the financial statements; and

- communicate management's view of an entity's financial performance.

For each MPM presented, entities must provide, in a single note to the financial statements, an explanation of why the measure provides useful information, how it is calculated, and a reconciliation to the most directly comparable subtotal or total specified by IFRS.

- The Standard introduces enhanced guidance on how entities aggregate and disaggregate information in the financial statements, including guidance on whether material information is presented in the primary financial statements or disclosed in more detail in the notes.

The Standard applies to annual reporting periods beginning on or after 1 January 2027 and applies retrospectively. Earlier application is permitted.

The Bank did not apply any of these standards in the financial statements in the year ended 31 December 2024. Significant impacts on the financial statements arising from their adoption are not expected.

IFRS 19 Subsidiaries without Public Accountability: Disclosures
On 9 May 2024, the International Accounting Standards Board (IASB) issued IFRS 19, Subsidiaries without Public Accountability: Disclosures, which permits eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. The application of IFRS 19 is expected to reduce the cost of preparing financial statements for subsidiaries while maintaining the usefulness of the information for users of their financial statements.

A subsidiary may elect to apply the new Standard in its consolidated, individual, or separate financial statements, provided that, at the reporting date:

- it does not have public accountability; and

- its parent prepares consolidated financial statements in accordance with IFRS.

A subsidiary applying IFRS 19 is required to state clearly, in its explicit and unreserved statement of compliance with IFRS, that IFRS 19 has been adopted.

The Standard applies to annual reporting periods beginning on or after 1 January 2027 and applies retrospectively. Earlier application is permitted.

The Bank did not apply the standard in advance.

Annual Improvements
On 18 July 2024, the International Accounting Standards Board (IASB) issued narrow amendments to IFRS Standards and accompanying guidance as part of its regular maintenance of the Standards.

These amendments include clarifications, simplifications, corrections and changes to improve the consistency of several IFRS Accounting Standards.

The IASB amended:

- IFRS 1 First-time Adoption of International Financial Reporting Standards, to clarify certain aspects related to hedge accounting for entities preparing IFRS financial statements for the first time in accordance with IFRS;

- IFRS 7 Financial Instruments Disclosures and its accompanying Guidance on implementation, to clarify:

  1. Application guidance regarding Gain or loss on derecognition; and

  2. Implementation guidance, including the Introduction, Fair value paragraph (disclosures about the difference between fair value and transaction price), and Credit risk disclosures.

- IFRS 9 Financial Instruments to:

  1. Require that entities initially measure a receivable without a significant financing component at the amount determined under IFRS 15, and

  2. Clarify that when a lease liability is derecognized, derecognition is accounted for under IFRS 9. However, when a lease liability is modified, the modification is accounted for under IFRS 16 Leases. The amendment specifies that when lease liabilities are derecognized under IFRS 9, the difference between the carrying amount and the consideration paid is recognized in profit or loss.

  3. IFRS 10 Consolidated Financial Statements, to clarify the determination of a "de facto agent"; and

  4. IAS 7 Statement of Cash Flows, to make minor amendments to the paragraph relating to Investments in subsidiaries, associates, and joint ventures.

The changes apply to annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

The Bank did not apply the standard in advance.

External Auditor's Report

C&S – Assurance and Advisory
Auditors and Consultants
Registered with the Order of Accountants and Accounting Experts of Angola as number E20180018
Registered with the Capital Markets Commission as no. 001/AE/CMC/02-19
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Banco Comercial do Huambo, S.A.

Report on the audit of the financial statements
Opinion

1. We have audited the attached financial statements of **Banco Comercial do Huambo, S.A.** ("the Bank"), which comprise the Balance Sheet as at 31 December 2024, showing total assets of 83 352 074 thousand Kwanzas and total equity of 50 348 442 thousand Kwanzas, including a net profit of 6 170 837 thousand Kwanzas, the Statements of Results, the statements of profit and loss and other comprehensive income, the changes in equity and the cash flow statement for the year then ended and the corresponding Notes to the accounts.
2. In our opinion, the financial statements referred to in paragraph 1 above present fairly and appropriately, in all material respects, the financial position of **Banco Comercial do Huambo, S.A**. on 31 December 2024, the statements of profit and loss and other comprehensive income from its operations, the 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).

Basis for the opinion

3. Our audit was conducted in accordance with the International Standards on Auditing (ISA) and other standards and the technical and ethical guidelines of the Order of Accountants and Accounting Experts of Angola. Our responsibilities under these standards are described in the section "Auditor's responsibilities for the audit of financial statements" below. We are independent of the Entity according to the law and we comply with the other ethical requirements under the code of ethics of the Order of Accountants and Accounting Experts of Angola.
4. We are convinced that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our auditing opinion.

Responsibilities of the Management Body and the Supervisory Body for the Financial Statements

5. The Board of Directors is responsible for:
   - preparation of financial statements that appropriately present the financial position, financial performance and cash flows of the Bank in accordance with the International Financial Reporting Standards issued by IASB – the International Accounting Standards Board;
   - preparation of the management report in the applicable legal and regulatory terms;
   - creation and maintenance of an appropriate internal control system to enable the preparation of financial statements free from material misstatement due to fraud or error;
   - adoption of accounting policies and criteria appropriate to the circumstances; and
   - assessing the Bank's ability to remain a going concern, disclosing, when applicable, matters that may raise significant doubts about the going concern of the business.
6. The Supervisory Board is responsible for overseeing the preparation and disclosure of the Bank's financial information.

Responsibilities of the Auditor for the audit of the Financial Statements

7. Our responsibility is to obtain reasonable assurance in issuing an independent opinion on whether the Financial Statements are free from material misstatement based on our audit, which was conducted in ac cordance with the Technical Standards of the Order of Accountants and Accounting Experts of Angola. Rea sonable assurance is a high level of assurance, but it is not a guarantee that an audit performed under ISA will always detect any material misstatement when it exists. Distortions may arise from fraud or be in error and are considered material if, alone or together, they can reasonably be expected to influence economic decisions of users taken on the basis of these financial statements.

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8. As part of an audit undertaken in accordance with ISA, we make professional judgments and maintain professional scepticism during the audit and also:
   - We identify and assess the risks of material misstatement of the financial statements, due to fraud or error, we design and perform audit procedures that respond to those risks, and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement due to fraud is greater than the risk of not detecting a material misstatement due to error, since fraud may involve collusion, counterfeiting, intentional omissions, false statements or overlapping of internal control;
   - We obtain an understanding of the internal control that is relevant to the audit for the purpose of designing audit procedures that are appropriate in the circumstances but not to express an opinion on the effectiveness of the Bank's internal control;
   - We assess the suitability of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by the Board of Directors;
   - We reach a conclusion on the appropriation of the use, by the Board of Directors, of the going concern assumption and, based on the audit evidence obtained, whether there is any material uncertainty related to events or conditions that could give rise to significant doubts about the Bank's capacity to continue its business activities. If we conclude that there is material uncertainty, we should draw attention in our report to the related disclosures included in the financial statements or, if these disclosures are not appropriate, modify our opinion. Our findings are based on audit evidence obtained as of the date of our report. However, future events or conditions may cause the Bank to discontinue its activities;
   - We assess the overall presentation, structure and content of the financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that ensures an appropriate presentation; and
   - We report to the Directors and the Supervisory Board, inter alia, the scope and planned timetable of the audit as well as significant audit conclusions including any significant deficiencies in internal control identified during the audit.
9. Our responsibility also includes verifying the consistency of the information contained in the management report with the financial statements.

Report on Other Legal and Regulatory Requirements for the Management Report

10. In compliance with the applicable legal requirements, we are of the opinion that the management report was prepared in accordance with applicable legal and regulatory requirements, the information contained therein is in accordance with the audited financial statements and, considering the knowledge of and appraisal of the Bank, we have not found any material misstatements.

Luanda, 25 April 2025

C&S – Assurance and Advisory, S.A.
Registered with the Order of Accountants and Accounting Experts of Angola as number E20180018 and with the Capital Markets Commission as number 001/AE/CMC/02-19

Represented by:

Henrique Manuel Camões Serra
(Accountant Expert no. 20130167

Report and Opinion of the Supervisory Board

REPORT AND OPINION OF THE SUPERVISORY BOARD

Dear Shareholders,

1. In compliance with the legal and statutory provisions, namely Law 1/04 of 13 February (Commercial Companies Law), Law 14/21 of 19 May (Law on the General Regime for Financial Institutions), in conjunction with Notice No. 1/22 of 28 January (Corporate Governance Code for Financial Institutions), we hereby submit for your consideration the Opinion of the Audit Board on the Report of the Board of Directors and Financial Statements for the financial year 2024 of Banco Comercial do Huambo, SA, comprising the Balance Sheet, which shows total assets of 83 352 074 thousand kwanzas, total liabilities of 33 003 632 thousand kwanzas and total equity of 50 348 442 thousand kwanzas, including a net profit of 6 170 837 thousand Kwanzas, and the Income Statements.

2. During the year we monitored the Bank's business developments, the regularity of its accounting records and compliance with the legal and statutory regulations in force as often and as extensively as we deemed appropriate, and received the information and clarifications requested from the Board of Directors and the Bank's various departments.

3. Within the scope of our duties, we carried out the analyses that are typical of our supervisory work to the depth and extent that we considered appropriate, and analysed the Balance Sheet and Income Statement and the respective accompanying Notes, documents that were prepared in accordance with the requirements of the International Accounting Standards (IAS) and the Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB).

4. We have taken note of the opinion of the External Auditors, which was issued without any reservation, stating that the Financial Statements present fairly, in all material respects, the financial position of Banco Comercial do Huambo, SA as at 31 December 2024, and its financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards.

5. In view of the above and considering the work conducted, we conclude the following:
   a. The Management Report of the Board of Directors and the Financial Statements of Banco Comercial do Huambo, SA, for the financial year 2024, comply with the legal and statutory provisions and appropriately express the Bank's financial situation as at 31 December 2024;
   b. The 2024 financial year was a positive one, with the bank posting a Net Profit of 6 170 837 thousand kwanzas;

6. Considering that the financial statements referred to above and the Management Report are in accordance with the applicable accounting, legal and statutory provisions and appropriately express the financial situation of Banco Comercial do Huambo, SA, as at 31 December 2024, we are of the opinion that the General Meeting:
    a) Approve the financial statements for the financial year 2024;
    b) Approve the proposal for the allocation of profit for the financial year 2024.

7. We would also like to express our appreciation to the Board of Directors and all the company employees with whom we had contact the cooperation provided.

Done and signed on 25 April 2025

Eurico César Gomes da S

UHY -A. Paredes e Associados Angola - Auditores e Consultores, S.A.
Chairperson

Mário S. Castelo Branco

Dr. Mário Castelo Branco
Member

Carlos D. F. Vaz

Dr. Carlos Deosvaído Fragoso Vaz
Member