CONSOLIDATED FINANCIAL STATEMENTS

ANNUAL REPORT
BANCO DE NEGÓCIOS INTERNACIONAL

2019

BancoBNI
Paixão pelo futuro

CONSOLIDATED BALANCE SHEET AT DECEMBER 31st 2019 AND 2018

AKZ'000

ASSETS	NOTES	31-12-2019	31-12-2018
CASH AND DEPOSITS AT CENTRAL BANKS	15	42 984 341	13 475 409
CASH AND DEPOSITS AT OTHER FINANCIAL INSTITUTIONS	16	8 612 597	4 858 582
INVESTMENTS AT CENTRAL BANKS AND OTHER FINANCIAL INSTITUTIONS	17	59 126 341	25 046 420
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	18	188 039	188 039
INVESTMENTS AT AMORTIZED COST	19	123 028 097	106 046 155
LOANS TO CUSTOMERS	20	87 423 422	86 887 739
NON-CURRENT ASSETS HELD FOR SALE	21	-	2 545 173
NON-CURRENT ASSETS HELD FOR SALE - DISCONTINUED OPERATIONS	21	211 533 357	148 854 474
OTHER TANGIBLE ASSETS	22	17 757 201	15 530 926
INTANGIBLE ASSETS	22	586 131	526 726
INVESTMENTS IN ASSOCIATES		-	-
CURRENT TAX ASSETS	23	327 452	287 509
DEFERRED TAX ASSETS	23	6 690 368	3 683 267
OTHER ASSETS	24	15 061 322	19 128 297
TOTAL ASSETS		573 318 668	427 058 716
LIABILITIES AND EQUITY			
RESOURCES FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	25	11 601 441	8 711 906
RESOURCES FROM CLIENTS AND OTHER DEBTS	26	310 646 966	254 186 525
PROVISIONS	27	2 904 783	1 868 547
CURRENT TAX LIABILITIES	23	-	5 353
SUBORDINATED LIABILITIES	28	19 256 384	9 338 775
OTHER LIABILITIES	29	11 759 070	7 230 748
NON-CURRENT LIABILITIES HELD FOR SALE - DISCONTINUED OPERATIONS	21	195 695 277	125 539 042
TOTAL LIABILITIES		551 863 921	406 880 896
SHARE CAPITAL	31	19 000 000	14 642 808
OWN SHARES	31	(339 713)	(339 713)
OTHER CAPITAL INSTRUMENTS	31	(2 657 820)	-
REVALUATION RESERVES	31	(292 054)	(323 712)
OTHER RESERVES AND RETAINED EARNINGS	30	(4 661 299)	(2 658 269)
NET INCOME FOR THE YEAR		1 828 595	2 888 080
CURRENCY TRANSLATION RESERVE	31	8 576 702	5 475 561
NON-CONTROLLING INTERESTS	21	336	493 065
TOTAL EQUITY		21 454 747	20 177 820
TOTAL LIABILITIES AND EQUITY		573 318 668	427 058 716

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

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CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED DECEMBER 31st 2019 AND 2018

AKZ'000

	NOTES	31-12-2019	31-12-2018
INTEREST AND SIMILAR INCOME	4	24 487 093	24 413 128
INTEREST AND SIMILAR CHARGES	4	(13 309 059)	(11 559 400)
NET INTEREST INCOME		11 178 034	12 853 728
INCOME FROM SERVICES AND COMMISSIONS	5	7 353 782	5 311 234
CHARGES WITH SERVICES AND COMMISSIONS	5	(3 532 544)	(1 723 199)
RESULTS OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	6	-	17 504
INVESTMENT INCOME AT AMORTISED COST	7	-	(985 291)
INCOME FROM FOREIGN EXCHANGE OPERATIONS	8	20 291 588	24 439 834
INCOME FROM THE SALE OF OTHER ASSETS	9	102 226	1 887
OTHER OPERATING RESULTS	10	61 313	178 528
NET INCOME FROM BANKING ACTIVITIES		35 454 399	40 094 225
STAFF COSTS	11	(8 837 605)	(6 879 891)
THIRD PARTY SUPPLIES AND SERVICES	12	(6 581 038)	(6 962 148)
DEPRECIATION AND AMORTIZATION FOR THE YEAR	22	(1 526 636)	(1 390 794)
NET PROVISIONS OF CANCELLATIONS	13	(2 285 736)	(7 680 460)
IMPAIRMENT FOR LOANS TO CUSTOMERS NET OF REVERSALS AND RECOVERIES	13 and 20	(9 819 033)	(9 862 735)
IMPAIRMENT FOR OTHER FINANCIAL ASSETS NET OF REVERSALS AND RECOVERIES	13	(1 310 080)	(389 446)
IMPAIRMENT FOR OTHER ASSETS NET OF REVERSALS AND RECOVERIES	13	-	(530 355)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS		5 094 271	6 398 396
INCOME TAX		1 965 964	(1 893 015)
CURRENTS	23	(741 619)	(423 526)
DEFERRED	23	2 707 583	(1 469 489)
INCOME AFTER TAX FROM CONTINUING OPERATIONS		7 060 235	4 505 381
RESULTS OF DISCONTINUED AND/OR ONGOING OPERATIONS	21	(5 231 849)	(1 741 061)
NET INCOME		1 828 386	2 764 320
RESULT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	21	(209)	(123 760)
NET INCOME AFTER NON-CONTROLLING INTERESTS		1 828 595	2 888 080

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

STATEMENT OF COMPREHENSIVE CONSOLIDATED INCOME FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

AKZ'000

	NOTES	31-12-2019	31-12-2018
NET INCOME FOR THE YEAR		**1 828 595**	**2 888 080**
ATTRIBUTABLE TO THE BANK'S SHAREHOLDERS		1 828 386	2 764 320
ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		(209)	(123 760)
ITEMS THAT MAY BE RECLASSIFIED TO RESULTS		**474 979**	**6 371 832**
EXCHANGE RATE DIFFERENCES	a)	3 101 141	5 888 460
CHANGES IN THE FAIR VALUE OF FINANCIAL ASSETS THROUGH OTHER COMPREHENSIVE INCOME	a)	31 658	483 372
OTHER CAPITAL INSTRUMENTS	a)	(2 657 820)	
ITEMS THAT WILL NOT BE RECLASSIFIED TO THE INCOME STATEMENT		**-**	**-**
TOTAL CONSOLIDATED COMPREHENSIVE INCOME		**2 303 574**	**9 259 912**
ATTRIBUTABLE TO THE BANK'S SHAREHOLDERS		**2 303 270**	**8 626 406**
ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**(114)**	**385 987**

(a) See statement of change in equity

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

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

AKZ'000

			RESERVES, RESULTS, AND OTHER COMPREHENSIVE INCOME								
	NOTES	CAPITAL	OWN SHARES	OTHER CAPITAL INSTRUMENTS	REVALUATION RESERVES	RESULTS CARRIED FORWARD	CURRENCY TRANSLATION RESERVE	TOTAL	NET INCOME FOR THE YEAR	NON-CONTROLLING INTERESTS	TOTAL EQUITY
BALANCE AT 1 JANUARY 2018		**14 642 808**	**(1 071 854)**	**-**	**(807 084)**	**(2 882 996)**	**1 860 704**	**(1 829 376)**	**2 384 803**	**384 802**	**14 511 183**
ACQUISITION OF OWN SHARES NET OF DISPOSALS		-	732 141	-	-	(732 141)	-	(732 141)	-	285 324	285 324
GAINS / (LOSSES) ON ACQUISITION / SALE OF OWN SHARES		-	-	-	627 238	(627 238)	-	-	-	-	-
CHANGES IN THE FAIR VALUE OF FINANCIAL ASSETS THROUGH OTHER COMPREHENSIVE INCOME		-	-	-	(143 866)	-	-	(143 866)	-	-	(143 866)
DISTRIBUTION OF DIVIDENDS		-	-	-	-	-	-	-	(400 556)	-	(400 556)
INCORPORATION INTO RETAINED EARNINGS		-	-	-	-	1 984 247	-	1 984 247	(1 984 247)	(78 938)	(78 938)
NET INCOME FOR THE YEAR		-	-	-	-	-	-	-	2 888 080	(123 760)	2 764 320
CURRENCY TRANSLATION RESERVE		-	-	-	-	(400 141)	3 614 857	3 214 716	-	25 637	3 240 353
BALANCE AT 31 DECEMBER 2018		**14 642 808**	**(339 713)**	**-**	**(323 712)**	**(2 658 269)**	**5 475 561**	**2 493 580**	**2 888 080**	**493 065**	**20 177 820**
JV CHANGES IN FINANCIAL ASSETS THROUGH OTHER COMPREHENSIVE INCOME		-	-	-	31 658	-	-	31 658	-	-	31 658
SOCIAL FUND	31	-	-	-	-	-	-	-	(609 309)	-	(609 309)
DISTRIBUTION OF DIVIDENDS	31	-	-	-	-	-	-	-	(67 702)	-	(67 702)
INCORPORATION INTO RETAINED EARNINGS	31	4 357 192	-	-	-	(2 146 123)	-	(2 146 123)	(2 211 069)	(493 065)	(493 065)
NET INCOME FOR THE YEAR		-	-	-	-	-	-	-	1 828 595	(209)	1 828 386
CURRENCY TRANSLATION RESERVE	31	-	-	-	-	143 093	3 101 141	3 244 234	-	545	3 244 779
GAINS / (LOSSES) ON THE ACQUISITION / SALE OF BNI EUROPA SHARES	31	-	-	(2 657 820)	-	-	-	-	-	-	(2 657 820)
BALANCE AT 31 DECEMBER 2019		**19 000 000**	**(339 713)**	**(2 657 820)**	**(292 054)**	**(4 661 299)**	**8 576 702**	**3 623 349**	**1 828 595**	**336**	**21 454 747**

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEARS ENDED DECEMBER 31st 2019 AND 2018

AKZ'000

	NOTES	31-12-2019	31-12-2018
INTEREST AND INCOME RECEIVED		20 914 794	25 299 314
INTEREST AND COSTS PAID		(13 309 059)	(11 557 742)
SERVICES AND COMMISSIONS RECEIVED		7 353 782	5 311 234
SERVICES AND COMMISSIONS PAID		(3 532 544)	(1 748 037)
CREDIT RECOVERIES		244 388	392 056
CONTRIBUTIONS TO THE PENSION FUND		(67 702)	-
CASH PAYMENTS TO EMPLOYEES AND SUPPLIERS		(11 203 188)	(13 804 688)
FOREIGN EXCHANGE TRANSACTIONS		3 509 376	2 770 043
CHANGES IN OPERATING ASSETS AND LIABILITIES			
APPLICATIONS AND RESOURCES AT CENTRAL BANKS		2 486 190	15 670 339
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		-	6 452 087
INVESTMENTS AND RESOURCES AT CREDIT INSTITUTIONS		(366 116)	4 138 474
LOANS TO CUSTOMERS		31 843	(14 722 785)
CUSTOMER RESOURCES AND OTHER LOANS		(2 229 447)	(19 040 150)
OTHER OPERATING ASSETS AND LIABILITIES		6 621 274	(7 975 060)
INCOME TAX PAID		(786 915)	(423 526)
CASH FLOWS FROM OPERATING ACTIVITIES		**9 666 676**	**(9 238 441)**
INVESTMENTS AT AMORTIZED COST		16 586 399	(7 130 221)
PURCHASE OF IMMOBILIZATION		(4 151 044)	(2 557 100)
NET CASH FLOWS FROM INVESTING ACTIVITIES		**12 435 355**	**(9 687 321)**
ISSUE / (REPAYMENT) OF SUBORDINATED LIABILITIES		3 015 051	-
DIVIDENDS ON ORDINARY SHARES PAID		(609 309)	(400 556)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**2 405 742**	**(400 556)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	15 and 16	18 333 991	37 387 481
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		8 755 174	272 828
NET CHANGE IN CASH AND CASH EQUIVALENTS		24 507 773	(19 326 318)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**51 596 938**	**18 333 991**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31st 2019 AND 2018

NOTE 1
INTRODUCTORY NOTE

Banco de Negócios Internacional, S.A., hereinafter also referred to as "Bank" or "BNI", with headquarter in Luanda, is a privately-held bank incorporated on February the 2nd, 2006 the corporate object of which is to carry on banking business, in accordance with and within the limits of Angolan law. The commercial activity began on November 13th, 2006. BNI's shareholder structure is disclosed in Note 31.

The structure of the BNI Group is presented below, detailing the companies in which the Bank has a direct or indirect holding of 20% or more, or over which it exercises control or has significant influence in management, and which were included in the consolidation perimeter as of 31 December 2019 and 2018:

	YEAR OF INCORPORATION	HEADQUARTERS	ACTIVITY	% ECONOMIC INTEREST	CONSOLIDATION METHOD
BNI ASSET MANAGEMENT	2016	LUANDA	ASSET MANAGEMENT	99.99%	INTEGRAL
BNI EUROPA	2012	LISBON	BANK	99.99%	INTEGRAL

As a result of the intention to sell and the start of the respective sale process in December 2016, the Bank classified its subsidiary BNI Europa (BNIE) as a discontinued operation, being presented at balance sheet level under the items Non-current assets held for sale and Non-current liabilities held for sale and at income statement level under income from discontinued operations (see Note 39).

NOTE 1
1.1 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements now presented reflect the assets, liabilities, income, expenses, other comprehensive income and cash flows of the Banco de Negócios Internacional and its subsidiaries ("Group") and the results attributable to the Group from its investments in associates, if any.

The accounting policies have been consistently applied by all the Group's subsidiaries and associates for the periods covered by these consolidated financial statements.

A) SUBSIDIARIES

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed or has rights to the variability of returns arising from its involvement with that entity, and may take possession of that entity through the power it holds over that entity (de facto control) and having the ability to affect those variable returns through the power it exercises over the relevant activities of the entity.

As established in IFRS 10, the Group reviews the objective and structure of how an entity's operations are developed in assessing control over the entity. Subsidiaries are fully consolidated from the moment the Group assumes control over their activities until such control ceases, except when the subsidiaries are considered immaterial in the context of the Group's operations. The participation of third parties in these companies is presented under the heading of non-controlling interests.

The accumulated losses of a subsidiary are attributed to non-controlling interests in the proportions held, which may imply the recognition of non-controlling interests of negative value.

In a step acquisition operation that results in the acquisition of control, any minority interest previously held is revalued at fair value against the income statement when calculating goodwill. In a partial sale, resulting in the loss of control over a subsidiary, any remaining minority interest retained is revaluated at fair value at the date of sale and the gain or loss resulting from this revaluation is recognised in the income statement.

B) ASSOCIATES

Associated companies are all those over which the Group has the power to exercise significant influence over its financial and operating policies, although it does not have control. Normally, the Group is presumed to have significant influence when it has the power to exercise more than 20% of the voting rights of the associate but less than 50% of the voting rights. Even when the voting rights are less than 20%, the Group may exercise significant influence through the participation in the management of the associate or in the composition of the Board of Directors with executive powers.

Investments in associates are recorded in the Group's consolidated financial statements by the equity method, from the moment the Group acquires significant influence until the moment it ceases. The book value of investments in associates includes the value of the respective goodwill determined in the acquisitions and is presented net of any impairment losses. Impairment tests are performed for investments in associates, whenever there are signs of impairment. Impairment losses recognised in prior years may be reversed, up to the limit of accumulated impairment losses.

In a step acquisition operation that results in the acquisition of significant influence, any previously held interest is revalued at fair value against the income statement when the equity method is first applied.

When the Group's share of losses in an associate equals or exceeds its interest in that associate, the equity method is discontinued unless the Group has a legal or constructive obligation to recognize such losses or make payments on behalf of the associate.

Gains or losses on the sale of shares in associated companies are recorded against income even if the sale does not result in the loss of significant influence. Dividends attributed by associates reduce the balance sheet value recorded by the Group.

At 31 December 2019 and 2018, the Group does not hold any investments in associated companies.

C) GOODWILL

Goodwill represents the difference between the acquisition cost of the participation thus determined and the fair value attributable to the assets, liabilities and contingent liabilities acquired.

In accordance with IFRS 3 - Concentration of Business Activities, the Group measures goodwill as the difference between the fair value of the business acquisition, including the fair value of any minority interest previously held, and the fair value attributable to the assets acquired and liabilities assumed, and any equity instruments issued. Fair values are determined at the acquisition date. Costs directly attributable to the acquisition are recognised in costs at the time of acquisition.

At the acquisition date, the Group recognises as non-controlling interests the amounts corresponding to the proportion of the fair value of the assets acquired and liabilities assumed without the respective portion of goodwill. Therefore, the goodwill recognised corresponds only to the portion attributable to the shareholders of the Group.

Positive goodwill is recorded as an asset at cost and is not amortised, in accordance with IFRS 3. In the case of investments in associates, goodwill is included in the respective balance sheet value determined based on the equity method. Negative goodwill is recognised directly in the income statement in the period the acquisition occurs. Goodwill impairment losses are not reversible in the future.

The recoverable amount of goodwill recorded as an asset is reviewed annually, regardless of any signs of impairment. Any impairment losses determined are recognised in the income statement. The recoverable amount corresponds to the higher of value in use and market value less costs to sell. In determining value in use, estimated future cash flows are discounted at a rate that reflects market conditions, time value and business risks.

D) TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The acquisition of non-controlling interests that does not result in a change of control over a subsidiary is accounted for as a transaction with shareholders and, as such, no additional goodwill is recognised as a result of this transaction. The difference between the acquisition cost and the carrying amount of the non-controlling interests acquired is recognised directly in reserves. Similarly, gains or losses arising from disposals of non-controlling interests, which do not result in a loss of control over a subsidiary, are always recognised against reserves.

Gains or losses arising from the dilution or sale of a part of the shareholding in a subsidiary, with loss of control, are recognised by the Group in the income statement.

E) TRANSCRIPTION OF FINANCIAL STATEMENTS IN FOREIGN CURRENCY

The financial statements of each of the Group's subsidiaries and associates are prepared in their functional currency, defined as the currency of the economy in which those subsidiaries and associates operate. The consolidated financial statements of the Group are prepared in kwanzas, which is the functional currency of the BNI.

The financial statements of Group companies whose functional currency differs from the kwanza are transcribed to kwanzas in accordance with the following criteria:

- Assets and liabilities are translated at the exchange rate at the balance sheet date;
- Income and expenses are translated using the approximate exchange rates at the dates of the transactions;
- The exchange differences calculated between the value of the conversion into kwanzas of the patrimonial situation at the beginning of the year and its value converted at the exchange rate in force on the balance sheet date to which the consolidated accounts relate shall be recorded against reserves. Similarly, in relation to the results of subsidiaries and associated companies, exchange differences resulting from the conversion into kwanzas of the results for the year, between the exchange rates used in the income statement and the exchange rates in force on the balance sheet date, will be recorded against reserves. On the date of sale of the company, these differences will be recognised in the income statement as part of the gain or loss resulting from the sale.

F) BALANCES AND TRANSACTIONS ELIMINATED IN THE CONSOLIDATION

Balances and transactions between Group companies, including any unrealised gains or losses arising from intra-group transactions, are eliminated in the consolidation process, except where unrealised losses indicate the existence of impairment that should be recognised in the consolidated accounts.

Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in them. Unrealised losses are also eliminated, but only in situations where they do not indicate the existence of impairment.

NOTE 2
MAIN ACCOUNTING POLICIES
2.1 BASIS OF PRESENTATION

In accordance with the provisions of The National Bank of Angola's Notice no. 6/2016 of June 22nd, the consolidated financial statements of Banco de Negócios Internacional, S.A. for the years beginning on or after January 1st, 2006 are prepared in accordance with International Financial Reporting Standards ("IFRS").

IFRS comprise 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 Group's consolidated financial statements now presented relate to the year ended December 31st 2019 and were prepared in accordance with the IFRS in force at that date, and effective as of January 1st 2019.

The accounting standards and their interpretation recently issued, but not yet effective and that the Group has not yet applied in the preparation of its financial statements can be analysed in Note 38.

The consolidated financial statements are expressed in thousands of kwanzas (Akz' 000), rounded to the nearest thousand and were prepared on a going concern basis. They were prepared under the historical cost convention, with the exception of assets and liabilities recorded at their fair value, namely derivative financial instruments, financial assets, and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income.

The preparation of consolidated financial statements in accordance with IFRS requires the Group to make judgments and estimates and use assumptions that affect the application of accounting policies and the amounts of income, expenses, assets, and liabilities. Changes in such assumptions or differences from reality could have an impact on current estimates and judgments. The areas involving a higher level of judgment or complexity, or where significant assumptions and estimates are used in the preparation of the consolidated financial statements are analysed in Note 3.

The consolidated financial statements and the management report for the year ended 31 December 2019 were approved at the meeting of the Board of Directors on 17 March 2020 and will be submitted for approval to the Annual General Meeting which has the power to amend them. However, the Board of Directors believes that they will be approved without significant changes.

The accounting policies are consistent with those used in the preparation of the consolidated financial statements of the previous period, with the exception of the first adoption of IFRS 16 "Leases" on January 1st, 2019, as referred in Note 2.22, which established the new requirements regarding scope, classification/recognition and measurement of leases.

In accordance with IFRS 16, the Group applied this standard retrospectively ("*modified retrospective*" option) with the impacts of the transition recognised on January 1st, 2019. Therefore, the comparative information was not restated.

IFRS 16 replaces IAS 17, with an impact on accounting by the lesses who are now required to recognise a lease liability reflecting future lease payments and a 'right to use' asset for all lease contracts except certain short-term leases and low value assets. The definition of a lease contract has also been changed and is based on 'the right to control the use of an identified asset'. In respect of the transitional regime, the new standard may be applied retrospectively, or a modified retrospective approach may be followed.

NOTE 2
2.2 FINANCIAL ASSETS AND LIABILITIES - IFRS 9

2.2.1 CLASSIFICATION OF FINANCIAL ASSETS

The Group classifies its financial assets in one of the following valuation categories:

- Investments at amortized cost;
- Financial assets at fair value through other comprehensive income; and
- Financial assets at fair value through profit or loss.

The rating requirements for debt and equity instruments are presented as follows:

DEBT INSTRUMENTS

Debt instruments are instruments that meet the definition of a financial liability from the perspective of the issuer, such as loans, public and private bonds and receivables acquired from customers with non-recourse factoring contracts.

The classification and subsequent valuation of these instruments in the previous categories is based on the following two elements:

- the Group's business model for financial asset management, and
- the contractual cash flow characteristics of financial assets.

A) FINANCIAL ASSETS AT AMORTISED COST

A financial asset is classified in the category "Financial assets at amortised cost" when all of the following conditions are met:

- is managed with a business model whose objective is to hold financial assets to receive contractual cash flows, and
- the contractual conditions give rise to cash flows on specific dates, which are only payments of principal and interest on the outstanding principal amount.

In addition to debt instruments managed on the basis of a business model whose objective is to receive their contractual cash flows (treasury bills, government bonds, bonds issued by companies and commercial paper) the category Financial assets at amortised cost also includes "Investments in central banks and other credit institutions", "Investments at amortised cost", "Loans to customers".

B) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

- is managed as a business model whose objective combines the receipt of contractual cash flows from financial assets and their sale, and
- the contractual conditions give rise to cash flows on specific dates, which are only payments of principal and interest on the outstanding principal amount.

C) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

A financial asset is classified in the category "Financial assets at fair value through profit or loss" whenever, due to the Group's business model or due to the characteristics of its contractual cash flows, it is not appropriate to classify the financial assets in any of the above categories. At transition date, in order to classify financial assets in this category, the Group also considered whether it expects to recover the carrying amount of the asset through sale to a third party.

Also included in this portfolio are all instruments for which any of the following characteristics are fulfilled:

- are originated or acquired with the purpose of trading them in the short term.
- are part of a group of jointly identified and managed financial instruments for which there is evidence of recent actions with the aim of achieving short-term gains.
- are derivative instruments that neither meet the definition of a financial guarantee contract nor have been designated as hedging instruments.

BUSINESS MODEL EVALUATION

The business model reflects the way in which the Group manages its assets from a cash flow generation perspective. Therefore, it is important to understand whether the Group's objective is only to receive the contractual cash flows from the assets ("*Hold to collect*") or to receive the contractual cash flows and the cash flows from the sale of the assets ("*Hold to collect and sell*"). If neither of these situations is applicable (e.g. the financial assets are held for trading), then the financial assets are classified as part of "other" business model and recognised at fair value through profit or loss. The factors considered by the Group in identifying the business model for a set of assets include past experience in how cash flows are received, how the performance of the assets is evaluated and reported to management, how risks are evaluated and managed, and how directors are remunerated.

Securities held for trading are held primarily with the purpose of being sold in the short term or are part of a portfolio of jointly managed financial instruments for which there is clear evidence of a recent pattern of short-term gains. These securities are classified under "other" business models and recognised at fair value through profit or loss.

The evaluation of the business model does not depend on the intentions for an individual instrument, but on a set of instruments, considering the frequency, value, timing of sales in previous years, the reasons for those sales and expectations regarding future sales. Less frequent or infrequent sales, or sales close to the maturity of the asset and sales motivated by increased credit risk of financial assets or to manage concentration risk, among others, may be compatible with the model of holding assets to receive contractual cash flows. If a financial asset contains a contractual clause that may change the timing or value of the contractual cash flows (such as early repayment or extension clauses), the Group determines whether the cash flows that will be generated during the life of the instrument, due to the exercise of the contractual clause, are only payments of principal and interest on the outstanding principal.

If a financial asset includes a periodic interest rate adjustment, but the frequency of this adjustment does not coincide with the term of the reference interest rate (for example, the interest rate is adjusted every three months), the Group assesses, at the time of initial recognition, this inconsistency in the interest component to determine whether the contractual cash flows represent only payments of principal and interest on the outstanding principal. Contractual conditions that, on initial recognition, have a minimal effect on the cash flows or depend on the occurrence of exceptional or highly unlikely events (such as liquidation by the issuer) do not preclude their classification in the portfolios at amortized cost or at fair value through other comprehensive income.

SPPI ASSESSMENT

When the business model involves holding assets in order to (i) receive the contractual cash flows or (ii) receive the contractual cash flows and sell these assets, the Group assesses whether the cash flows of the financial instrument correspond solely to payments of principal and interest on the outstanding principal (the "SPPI" test - solely payments of principal and interest). In this assessment, the Group considers whether the contractual cash flows are consistent with a basic loan contract, i.e., interest includes only considerations of the time value of money, credit risk, other normal credit risks and a profit margin that is consistent with a basic loan contract. When the contractual terms introduce risk exposure or cash flow variability that is inconsistent with a simple loan contract, the financial asset is classified and measured at fair value through profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows correspond only to payments of principal and interest on the outstanding principal ("SPPI" test).

EQUITY INSTRUMENTS

Equity instruments are instruments that meet the definition of equity from the perspective of the issuer, i.e. they are instruments that do not contain a contractual obligation to pay and show a residual interest in the net assets of the issuer. An example of equity instruments are ordinary shares.

Investments in equity instruments are an exception to the general valuation criteria described above. As a general rule, the Group exercises the option, on initial recognition, to irrevocably designate as financial assets at fair value through profit or loss those investments in equity instruments that are not classified as held for trading and that, if not exercised, would be classified as financial assets at fair value through profit or loss. Impairment losses (and reversals of impairment) are not recorded separately from other changes in fair value.

2.2.2 CLASSIFICATION OF FINANCIAL LIABILITIES

An instrument is classified as a financial liability when there is a contractual obligation for it to be settled by delivery of cash or another financial asset, regardless of its legal form.

Financial liabilities are derecognised when the underlying obligation is settled, expires, or is cancelled. Non-derivative financial liabilities include resources from central banks and other credit institutions, resources from customers and other loans.

The Group designates, on initial recognition, certain financial liabilities at fair value through profit or loss (Fair Value Option) provided that at least one of the following requirements is met:

- financial liabilities are managed, valued, and analysed internally based on their fair value;
- derivative transactions are entered into for the purpose of economic hedging of such assets or liabilities, thereby ensuring consistency in the valuation of assets or liabilities and derivatives (*accounting mismatch*); or
- financial liabilities contain embedded derivatives.

2.2.3 RECOGNITION AND INITIAL VALUATION OF FINANCIAL INSTRUMENTS

At the time of their initial recognition all financial instruments will be recorded at their fair value. For those financial instruments that are not carried at fair value through profit or loss, the fair value is adjusted by adding or subtracting transaction costs directly attributable to their acquisition or issue. For financial instruments at fair value through profit or loss, directly attributable transaction costs are recognised immediately in the income statement.

Transaction costs are defined as expenses directly attributable to the acquisition or disposal of a financial asset, or to the issue or assumption of a financial liability, that would not have been incurred if the Group had not made the transaction. These include, for example, commissions paid to intermediaries (such as promoters) and expenses to formalize mortgages. Financial assets are recognised in the balance sheet on the date of the transaction - the date on which the Group undertakes to purchase the assets, unless there is a contractual or applicable legal stipulation that the transfer of rights occurs at a later date.

On initial recognition, when the fair value of financial assets and liabilities differs from the transaction price, the entity shall recognise this difference as follows:

- When fair value is evidenced by the price in an active market of an equivalent asset or liability (i.e. level 1 inputs) or by a valuation technique using only observable market data, the difference is recognised as a gain or loss; and
- In all other cases, the difference is deferred, and the time of initial recognition of the gain or loss is determined individually. This difference may then be (i) amortised over the life of the instrument, (ii) deferred until the fair value of the instrument can be determined using observable market data, or (iii) recognised through settlement of the asset or liability.

2.2.4 SUBSEQUENT VALUATION OF FINANCIAL INSTRUMENTS

After its initial recognition, the Group values its financial assets at (i) amortised cost, (ii) fair value through other comprehensive income or (iii) fair value through profit or loss.

Trade receivables that do not have a significant financing component and trade receivables and short-term debt instruments that are initially valued at transaction price or outstanding principal, respectively, are valued at this amount less impairment losses.

Immediately after initial recognition, an impairment loss is also recognised for expected credit losses (ECL) for financial assets measured at amortised cost and investments in debt instruments measured at fair value through other comprehensive income, resulting in the recognition of a loss in profit or loss when the asset originated.

Financial liabilities are initially recorded at fair value less transaction costs incurred and subsequently at amortised cost, using the effective interest rate method, with the exception of financial liabilities designated at fair value through profit or loss, which are recorded at fair value.

2.2.5 INCOME AND EXPENDITURE ON FINANCIAL INSTRUMENTS

Income and expenses from financial instruments at amortised cost are recognised in accordance with the following criteria:

i. Interest is recorded in the income statement under "Interest and similar income" and "Interest and similar charges" using the effective interest rate of the transaction on the gross carrying amount of the transaction (except for impaired assets where the interest rate is applied on the net carrying amount of the impairment).
ii. Other changes in value are recognised in the income statement as income or expense when the financial instrument is derecognised from the balance sheet under "Investment income at amortised cost", when it is reclassified, and in the case of financial assets, when there are impairment losses or gains on recovery, which are recorded under "Impairment for loans and advances to customers net of reversals and recovery", in the case of loans and advances to customers or "Impairment for other financial assets net of reversals and recovery" in the case of other financial assets.

Treasury Bonds issued in local currency indexed to the US dollar exchange rate are subject to exchange rate adjustment. The result of the exchange rate adjustment is reflected in the income statement of the period in which it occurs. The result of the exchange rate adjustment of the nominal value of the security is reflected in the item "Exchange rate results" and the result of the exchange rate adjustment of the discount and accrued interest is reflected in the item "Financial margin - Interest and similar income".

Income and expenses from financial instruments at fair value through profit or loss are recognised in accordance with the following criteria:

i. Changes in fair value are recorded directly in the income statement, separating the part attributable to income from the instrument, which is recorded as interest or dividends according to its nature in the items "Interest and similar income" and "Income from equity instruments", respectively, and the rest, which is recorded as income from financial operations in the item "Income from financial assets and liabilities measured at fair value through profit or loss".
ii. Interest on debt instruments is recorded in the income statement under "Interest and similar income" and is calculated using the effective interest rate method.

Income and expenses from financial assets at fair value through other comprehensive income are recognised in accordance with the following criteria:

i. Interest or, where applicable, dividends are recognised in the income statement "Interest and similar income" and "Income from equity instruments", respectively. For interest, the procedure is the same as for assets at amortised cost.

ii. Exchange rate differences are recognised in the profit and loss account under "Foreign exchange result" in the case of monetary financial assets and in other comprehensive income in the case of non-monetary financial assets.

iii. In the case of debt instruments, impairment losses or gains on their recovery are recognised in the income statement under "Impairment for other financial assets net of reversals".

iv. The remaining changes in value are recognised in other comprehensive income.

Thus, when a debt instrument is measured at fair value through other comprehensive income, the amounts recognised in the income statement are the same as those that would be recognised if measured at amortised cost.

When a debt instrument measured at fair value through other comprehensive income is derecognised from the balance sheet, the gain or loss recorded in other comprehensive income is reclassified to profit or loss for the period. On the other hand, when an equity instrument measured at fair value through other comprehensive income is derecognised from the balance sheet, the gain or loss recorded in other comprehensive income is not reclassified to the profit and loss account but is retained under reserves.

2.2.6 RECLASSIFICATIONS BETWEEN CATEGORIES OF FINANCIAL INSTRUMENTS

Only if the Group decided to change its business model to financial asset management, would it reclassify all affected financial assets in accordance with the requirements of IFRS 9. This reclassification would be made prospectively from the reclassification date. In accordance with IFRS 9, changes in the business model are expected to occur infrequently. Financial liabilities cannot be reclassified between portfolios.

2.2.7 FAIR VALUE

The methodology used by the Group to determine the fair value of the securities is as follows:

- Average trading price on the day of clearing or, when not available, the average trading price on the previous business day;
- Probable net realisable value obtained by adopting an internal valuation technique or model;
- Price of similar financial instrument, considering, as a minimum, payment and maturity terms, credit risk and currency or index; and
- Price set by the National Bank of Angola.

As required by IFRS 13, financial instruments are measured in accordance with the valuation levels described in note 36.

2.2.8 MODIFICATION OF CREDITS

Occasionally the Group renegotiates or modifies the contractual cash flows of loans and advances to customers. In this situation, the Group assesses whether the new terms of the contract are substantially different from the original terms. The Group makes this analysis considering, among others, the following factors:

- If the debtor is in financial difficulties, if the change only reduces the contractual cash flows to an amount that the debtor is expected to be able to pay;
- Whether any significant new term has been introduced, such as profit sharing or equity-based return, that substantially affects credit risk;
- Significant extension of the maturity of the contract when the debtor is not in financial difficulty;
- Significant change in interest rate;
- Change in the currency in which the credit was contracted; and
- Inclusion of collateral, a guarantee or other credit enhancement significantly affecting the credit risk associated with the loan.

If the terms of the contract are significantly different, the Group derecognises the original financial asset and recognises the new asset at fair value, calculating its new effective interest rate. The renegotiation date is considered the initial recognition date for the purpose of calculating impairment, including for the purpose of assessing whether a significant increase in credit risk has occurred. However, the Group also assesses if the new financial asset recognised is impaired on initial recognition, especially when the renegotiation is related to the debtor's failure to make the originally agreed payments. Differences in the accounting amount are recognised in the income statement, as a gain or loss on derecognition.

If the terms of the contract are not significantly different, the renegotiation or modification does not result in derecognition and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a gain or loss from this modification in the income statement. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or adjusted effective interest rate for impaired, originated or acquired financial assets).

2.2.9 DERECOGNITION THAT DOES NOT RESULT FROM A MODIFICATION

Financial assets granted are derecognised when the associated cash flows are extinguished, collected or disposed of and the (i) Group substantially transfers all risks and rewards of ownership of the asset or (ii) the Group neither transfers nor holds substantially all risks and rewards of ownership of the asset and has no control over the asset. Gains and losses arising from the sale of loans and advances to customers are recorded in Other operating income. These gains or losses correspond to the difference between the fixed sale value and the book value of these assets, net of impairment losses.

The Group enters into transactions in which it has the contractual right to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all risks and rewards. These transactions result in the derecognition of the asset if the Group:

- It has no obligation to make payments unless it receives equivalent amounts of assets;
- It is prohibited to sell or pledge the assets; and
- Have an obligation to remit any cash flows it receives from assets without material delay.

The guarantees granted by the Group (shares and bonds) through repurchase agreements and securities lending and borrowing operations are not derecognised because the Group holds all of the risks and rewards based on the pre-established repurchase price, thus not meeting the derecognition criteria (see Note 2.8).

Financial liabilities are derecognised when the underlying obligation is settled, expires, or is cancelled.

2.2.10 WRITE-OFF POLICY

The Group proceeds with the write-off of financial assets, in part or in their entirety, at the moment it concludes there is no reasonable expectation of receipt, leading to an extreme scenario of total impairment. The indicators that show no reasonable expectation of receipt are (i) the closing of operations and (ii) the cases where recovery depends on the receipt of a collateral, but where the value of the collateral is so low that there is no reasonable expectation of recovering the asset in full.

The rules implemented for the selection of credits that may be subject to asset write-off are the following:

- Credits may not have an associated security interest;
- Loans must be totally closed (registered in overdue credit in its entirety and without outstanding debt);
- Credits may not bear the mark of overdue renegotiated credits or be involved under an active payment arrangement.

2.2.11 IMPAIRMENT OF FINANCIAL ASSETS

Impairment losses are recognised for all financial assets, except for assets classified or designated at fair value through profit or loss and equity instruments designated at fair value through other comprehensive income. Assets subject to impairment assessment include those belonging to the customer credit portfolio, including credit commitments and financial guarantees, debt instruments and investments and deposits with other credit institutions. Impairment losses are recognised in the income statement and are subsequently reversed through the income statement if there is a reduction in the estimated loss in a subsequent year.

Off-balance sheet items such as financial guarantees and undrawn credit commitments are also subject to impairment assessment.

The measurement of impairment at each reporting date is made according to the three-stage model of expected credit losses:

Stage 1 - From initial recognition and until there is a significant increase in credit risk, impairment is recognized in the amount of expected credit losses if the default occurs within 12 months from the reporting date.

Stage 2 - With a significant increase in credit risk compared to the initial recognition date of the financial asset, exposures are classified as stage 2 and impairment is recognised in the amount of expected credit losses for the remaining period of the financial asset.

Stage 3 - For financial assets considered as impaired, impairment is recognized in the amount of expected credit losses for the remaining period of the financial asset. All exposures that present at least one of the default criteria in the Group's definition of default are classified as stage 3.

ASSESSMENT OF SIGNIFICANT INCREASE IN CREDIT RISK

The identification of a significant increase in credit risk requires significant judgment. The movements between Stage 1 and Stage 2 are based, where possible, on a comparison of the credit risk of the instrument at the reporting date with the credit risk at the time of origination. The assessment is generally made at the level of the instrument but may consider information at the level of the debtor.

This assessment is made at each reporting date on the basis of a set of indicators of a qualitative and/or non-statistical quantitative nature. Instruments with a delay of more than 30 days are generally considered to have recorded a significant increase in credit risk. In the case of credit to customers, other criteria are also considered, such as the existence of restructuring due to financial difficulties, default in the BNA's Central Credit Information and Risk Centre (CIRC), amongst others.

Exposures that are not in default and for which there has been a significant increase in credit risk compared with the initial recognition date are classified under Stage 2.

DEFINITION OF NON-COMPLIANCE

The definition of default was developed considering the credit risk management processes, namely with regard to the credit recovery component, as well as international best practices in this field. The definition of non-compliance may differ between segments and considers both qualitative and quantitative factors. Non-compliance criteria are applied at the operation level in private customers and at the debtor level in corporate customers. Non-compliance will occur when there are more than 90 days of material delay and/or when it is considered less likely that the debtor will fully meet its obligations, for example due to the existence of written-off capital or multiple restructuring of credit operations. The definition of non-compliance is applied consistently from period to period.

Exposures in non-compliance are classified under Stage 3.

MEASUREMENT OF EXPECTED CREDIT LOSSES

Expected credit losses are a probability weighted estimate of reductions in the value of cash flows resulting from non-compliance over the relevant horizon. For credit commitments, estimates of expected credit losses consider a part of the limit that is expected to be used over the relevant period. For financial guarantees, estimates of credit losses are based on the expected payments under the guarantee contract.

Expected credit losses are based on a set of possible outcomes and consider all reasonable and supportable information available including expectations about future cash flows and historical experience of credit losses (in the case of loans to customers). The measurement of expected credit losses is, primarily, the product of the probability of default (PD) of the instrument, loss given default (LGD) and the exposure at default (EAD) discounted to the reporting date using the effective interest rate.

With regard to the balances of " Deposits with other credit institutions ", "Investments in other credit institutions" and "Investments at amortised cost", the rating of the entity, or if not available, of the country in which it is based, is checked. Based on studies by external rating agencies, the PD of companies with the entity's rating and the LGD associated with the default events verified is considered. Regarding the balances of Angolan public debt securities in national currency, which are classified under "Investments at amortised cost", the PD for sovereign debt rated Ba and the LGD for sovereign default events is considered. Expected credit losses are discounted to the reporting date using the effective interest rate.

INDIVIDUAL ANALYSIS

In the balances of 'Loans and advances to customers', the assessment of the existence of impairment losses in individual terms is determined, on a case-by-case basis, through an analysis of total credit exposure. For each loan considered individually significant, the Group assesses, at each balance sheet date, the existence of objective evidence of impairment.

The materiality criteria indicated for the identification of individually significant customers by BNI are 0.1% of the amount of Own Funds for customers/economic groups with signs of impairment and 0.5% of the amount of Own Funds for customers/economic groups without signs of impairment.

The overall exposure amount of each client/economic group does not consider the application of conversion factors for off-balance sheet exposures.

In determining impairment losses, the following factors are considered on an individual basis:

- the total exposure of each customer to the Group and the existence of overdue credit;
- the economic and financial viability of the client's business and its ability to generate sufficient means to service the debt in the future;
- the existence, nature and estimated value of collateral associated with each credit;
- the client's assets in situations of liquidation or bankruptcy;
- the existence of privileged creditors;
- the client's indebtedness to the financial sector;
- upstream and the estimated recovery times; and
- other factors.

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

COLLECTIVE ANALYSIS

The balances of 'Loans and advances to customers', which are not subject to individual analysis, are grouped on the basis of similar risk characteristics, taking into account the type of customer, the sector, the type of product, the existing collateral, the state of delay and other relevant factors. Collective impairment reflects: (i) the expected value of capital and interest that will not be recovered, and (ii) the impact of delays in the recovery of capital and interest. The time value of money is directly incorporated in the calculation of the impairment of each operation.

The estimate of expected credit loss on a collective basis is obtained for each specific exposure, considering a level of segmentation of the portfolio that reflects the way the Group manages its risks, and being the relevant parameters (PD and LGD) modelled based on the experience of historical loss in operations with similar credit risk characteristics, adjusted for the current economic situation and future expectations. The approaches are designed to maximise the use of available information (both historical, current, and prospective) that is reliable and bearable for each segment and that has a collective nature.

The following segments are considered in the measurement of expected credit losses to customers:

- Companies;
- Public entities;
- Employees;
- Individuals with rental operations; and
- Private individuals with revolving operations.

PD is the probability that an exposure will default at a certain point in time based on the exposure status at the beginning of the observation period. PD is calculated based on historical information from the Group's credit portfolio, on which current and prospective information is incorporated. The incorporation of prospective information in the calculation of the expected loss is thus carried out through the PD parameter.

The LGD is the percentage loss expected to occur if exposure goes into default. The Group estimates the LGD parameter on the basis of the historical recovery rates after the entry into default of exposures, also considering the time in default and the probability of exposures returning to a regular situation after entry into default.

NOTE 2
2.3 DERIVATIVE FINANCIAL INSTRUMENTS

The Group may carry out derivative financial instruments transactions within the scope of its business, managing its own positions based on market expectations or satisfying its clients' needs.

All derivative instruments are recorded at fair value on the date they are traded and changes in fair value are recognised in the income statement unless they qualify as cash flow hedge or net investment in foreign operations. Derivatives are also recorded in off-balance sheet accounts at their reference value (notional value). Derivative financial instruments are classified as hedging (hedge, provided all conditions for designation are met) or trading, depending on their purpose.

HEDGE DERIVATIVES

The Group decided to continue applying the hedge accounting requirements of IAS 39 at the time of the first adoption of IFRS 9, as provided for in the latter standard.

The Group designates derivatives and other financial instruments to hedge interest rate and exchange rate risks arising from its business. Derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Hedge derivatives are recorded at fair value and gains or losses arising from revaluation are recognised in accordance with the hedge accounting model adopted.

A hedging relationship exists when:

- formal documentation of the coverage is available at the start date of the relationship;
- coverage is expected to be highly effective;
- the effectiveness of the coverage can be reliably measured;
- the hedge is valued on an ongoing basis and is effectively determined to be highly effective over the financial reporting period; and
- in relation to a hedging of a forecast transaction, it is highly probable and presents an exposure to variations in cash flows that could ultimately affect results.

i. Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the income statement, together with changes in the fair value of the asset, liability or group of assets and liabilities that are to be hedged in respect of the risk being hedged. If the hedging relationship no longer meets the requirements for hedge accounting, the derivative financial instrument is transferred to the trading category and hedge accounting is subsequently discontinued (the adjustment made to the carrying amount of a hedging instrument, in which the effective interest rate method is used, is amortised through profit and loss over the period to maturity and recognised in net interest income). If the hedged asset or liability corresponds to a fixed income instrument, the cumulative gain or loss from changes in the interest rate risk associated with the hedged item until the date of discontinuance of the hedge is amortised through profit or loss over the remaining period of the hedged item.

ii. Cash flow hedge

Changes in the fair value of derivatives, which qualify for cash flow hedges, are recognised in equity - revaluation reserves - in the effective portion of hedging relationships. Changes in the fair value of the ineffective portion of the hedging relationships are recognised in the income statement when they occur.

The cumulative amounts in equity are reclassified to profit or loss for the year in the periods in which the hedged item affects profit or loss.

When the hedging instrument is derecognised, or when the hedge relationship no longer meets the requirements for hedge accounting or is revoked, the hedge relationship is discontinued prospectively. Thus, changes in fair value accumulated in equity up to the date of discontinuance of the hedge may be:

- deferred for the remaining duration of the hedged instrument; or
- recognised immediately in the profit and loss account if the hedged instrument has expired.

In the case of a discontinued hedge of a future transaction, changes in the fair value of the derivative recorded in equity remain recognised in equity until the future transaction is recognised in the income statement. When the transaction is no longer expected to occur, the cumulative gains or losses recorded against equity are recognised immediately in the income statement.

At 31 December 2019 and 2018, the Group did not hold hedge derivatives.

NOTE 2
2.4 FOREIGN EXCHANGE TRANSACTIONS

Foreign exchange transactions are translated into the functional currency (Kwanza) at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the balance sheet date. The exchange differences resulting from the translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies and recorded at historical cost are translated into the functional currency at the exchange rate prevailing on the date of the transaction. Non-monetary assets and liabilities recorded at fair value are translated into the functional currency at the exchange rate prevailing at the date the fair value is determined and recognised in the income statement, except for those recognised at fair value through other comprehensive income, the difference of which is recognised against reserves.

As at 31 December 2019 and 2018, the AOA exchange rates against the currencies relevant to the Group's activity were as follows:

	2019	2018
USD	482,227	308,607
EUR	540,817	353,015

On the date of their contracting, foreign currency spot and forward purchases and sales are immediately recorded in the spot or forward currency position, whose content and revaluation criteria are as follows:

SPOT CURRENCY POSITION:

The spot foreign exchange position in each currency shall be determined by the net balance of that currency's assets and liabilities, as well as of spot transactions pending settlement and forward transactions maturing within two business days thereafter. The spot foreign exchange position is revalued daily on the basis of the average exchange rate published by the BNA on that date, giving rise to the movement of the foreign exchange position account (national currency), against results.

FORWARD CURRENCY POSITION:

The forward foreign exchange position in each currency shall correspond to the net balance of forward transactions pending settlement, excluding those maturing within two working days thereafter. All contracts relating to these operations (currency forwards), are revalued at or in the absence of forward exchange rates, by calculating them on the basis of the interest rates applicable to the residual maturity of each operation. The difference between the countervalues in Kwanzas at the forward revaluation rates applied and the countervalues at the contracted rates, which represent the cost or income or the revaluation cost of the forward foreign exchange position, is recorded under assets or liabilities, against "Foreign exchange results".

NOTE 2
2.5 OTHER TANGIBLE ASSETS

Other tangible assets are stated at acquisition cost less accumulated depreciation and impairment losses. The cost includes expenses that are directly attributable to the acquisition of the assets. This cost includes: (a) the "deemed cost" determined at the date of transition to IFRS, which corresponds to the net value carried forward from the previous standard, including legal revaluations; and (b) the acquisition cost of assets acquired or constructed after that date.

Works/benefits carried out on third-party buildings/installations are capitalised, being depreciated by the shortest between their useful life and the period of time that Management expects to occupy these facilities.

Subsequent costs are recognised as a separate asset only if it is probable that future economic benefits will flow to the Group. Maintenance and repair costs are recognised as an expense in the period in which they are incurred on an accruals basis.

The land is not depreciated. Depreciation is calculated on a straight-line basis over the following expected useful lives:

	YEARS OF USEFUL LIFE
REAL ESTATE FOR OWN USE (BUILDINGS)	25 TO 50
EQUIPMENT	
FURNITURE AND MATERIAL	8 and 10
MACHINES AND TOOLS	4 and 10
IT EQUIPMENT	3 and 6
INDOOR FACILITIES	4 and 10
TRANSPORT MATERIAL	4
SAFETY EQUIPMENT	10

When there is an indication that an asset may be impaired, IAS 36 - Impairment of Assets - requires its recoverable amount to be estimated and an impairment loss recognised whenever the net value of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement. Whenever it is found that the original signs of impairment no longer exist, impairment losses are reversed up to the value that the assets would have had if the losses had never been recognised.

The recoverable amount is determined as the higher of its net selling price and its value in use, which is calculated based on the present value of estimated future cash flows expected to arise from the continuing use of the asset and its disposal at the end of its useful life.

NOTE 2
2.6 INTANGIBLE ASSETS

The costs incurred with the acquisition of software from third parties are capitalized, as well as the additional expenses borne by the Group necessary for its implementation. These costs are amortised on a straight-line basis over their estimated useful lives, which normally are between 3 and 5 years. Costs that are directly associated with the development of identifiable specific software applications, and that will probably generate economic benefits beyond one year, are recognised as intangible assets.

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

NOTE 2
2.7 INVESTMENT PROPERTIES

The Group classifies as investment properties those properties held for rental or for capital appreciation or both. Investment properties are initially recognised at cost, including directly related transaction costs, and subsequently at fair value. Changes in fair value determined at each balance sheet date are recognised in the income statement. Investment properties are not depreciated.

Subsequent related expenditures are capitalised when it is probable that the Group will derive future economic benefits in excess of the initially estimated level of performance.

The fair value of the Group's investment properties is determined based on reports of independent appraisers with relevant recent experience in valuing similar properties. Income and expenses for the period are recognised in the income statement, as well as changes in fair value.

NOTE 2
2.8 ASSETS ASSIGNED UNDER REPURCHASE AGREEMENT AND SECURITIES LENDING

Securities sold under repurchase agreements (repos) at a fixed price or at a price equal to the selling price plus an interest inherent in the maturity of the operation are not unknown on the balance sheet. The corresponding liability is recorded in amounts payable to other credit institutions or to customers, as appropriate. The difference between sale price and repurchase price is treated as interest and deferred over the life of the agreement using the effective interest rate method.

Securities purchased with a reverse repos at a fixed price or at a price equal to the purchase price plus an interest inherent in the term of the operation are not recognised in the balance sheet, the purchase price being recorded as loans to other credit institutions or customers, as appropriate. The difference between purchase and resale price is treated as interest and deferred over the life of the agreement using the effective interest rate method.

Securities sold through loan agreements are not unknown on the balance sheet and are classified and valued in accordance with the accounting policy referred to in Note 2.2. Securities received through loan agreements are not recognised in the balance sheet.

NOTE 2
2.9 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets are classified as held for sale when their carrying amount is intended to be realised mainly through a sale transaction rather than its continuing use in the Group's activities.

Non-current assets, groups of non-current assets held for sale (groups of assets together with the corresponding liabilities, which include at least a non-current asset) and discontinued operations are classified as held for sale when there is an intention to sell those assets and liabilities and the assets or groups of assets are available for immediate sale and their sale is highly probable (within one year).

The Group also classifies as non-current assets held for sale those non-current assets or groups of assets acquired for the purpose of sale, which are available for immediate sale and whose sale is highly probable.

Immediately before their classification as non-current assets held for sale, the measurement of all non-current assets and all assets and liabilities included in a group of assets for sale is performed in accordance with the applicable IFRS. After their reclassification, these assets or groups of assets are measured at the lower of cost and fair value less costs to sell or the carrying amount (if applicable).

The classification of expenses and income associated with a discontinued operation is only made at the level of the Income Statement when the asset to be sold corresponds to an operating segment or a significant geographical area.

When, due to changes in circumstances of the BNI, non-current assets no longer meet the conditions to be classified as held for sale, these assets shall be reclassified according to the nature of the assets and shall be remeasured at the lower of (i) the book value before they were classified as held for sale, adjusted for any depreciation expense, and (ii) the recoverable amounts of the items at the date they are reclassified according to their nature. These adjustments are recognised in the income statement.

NOTE 2
2.10 ASSETS RECEIVED FOR CREDIT RECOVERY

The Group classifies properties held for credit recovery under Non-current assets held for sale when there is an expectation of sale within a maximum period of one year and under Other assets when that period is exceeded. Properties are initially measured at the lower of their fair value net of costs of sale and the carrying amount of the asset at the date the sale was made or the judicial auction of the asset.

The valuations of these properties are carried out in accordance with one of the following methodologies, applied according to the specific situation of the property:

a) Market Method
The Market Comparison Criterion refers to transaction values of similar and comparable properties to the property under study obtained through market research carried out in the area.

b) Income Method
The purpose of this method is to estimate the value of the property from the capitalisation of its net rent, discounted to the present time, using the discounted cash flow method.

c) Cost Method
The Cost Method is a criterion that breaks down the value of property into its fundamental components: value of urban land and the value of urbanity; value of construction; and value of indirect costs.

The evaluations carried out are conducted by independent bodies specialised in this type of services. The valuation reports are analysed internally with a process adequacy assessment, comparing the sales values with the revaluated values of the properties.

Subsequently, these assets are measured at the lower of cost and fair value less costs to sell, and unrealised losses are recognised in the income statement. When the carrying amount corresponds to the fair value less costs to sell, the fair value level of the hierarchy of IFRS 13 corresponds to level 3.

NOTE 2
2.11 LEASES

The Group classifies its lease operations as finance leases or operating leases according to their substance and not their legal form. Leases are classified as finance leases when the risks and rewards incidental to ownership of an asset are transferred to the lessee. All other lease transactions are classified as operating leases.

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FINANCIAL LEASES

From the lessee's perspective, finance lease contracts are recorded at inception as assets and liabilities at the fair value of the leased property, which is equivalent to the present value of outstanding lease instalments. Lease payments consist of the financial charge and the financial amortisation of the capital. Financial charges are charged to the periods during the lease term in order to produce a constant periodic interest rate on the remaining balance of the liability for each period.

From the lessor's perspective, assets held under finance leases are recorded in the balance sheet as capital leased at the equivalent value to the net investment of the finance lease. Rents are made up of financial income and the financial amortisation of the capital. The recognition of financial income reflects a constant periodic rate of return on the lessor's remaining net investment.

OPERATIONAL LEASES

Payments made by the Group under operating lease contracts are recorded at cost in the periods to which they relate.

IFRS 16 POLICY ADOPTED FROM 1 JANUARY 2019

On the start date of each contract, the Group assesses whether the scope of the contract corresponds to a lease or contains a lease. A lease is defined as a contract, or part of a contract, whereby the right to control the use of an identifiable asset, for a certain period of time, is granted in return for a consideration.

To determine whether a contract grants the right to control the use of an identifiable asset for a specified period of time, the Group assesses whether, during the period of use of the asset, it has cumulatively: (i) the right to obtain substantially all economic benefits derived from the use of the identifiable asset; and (ii) the right to control the use of the identifiable asset.

At the date of entry into force of the lease, the Group recognises an asset under a right of use at its cost, which corresponds to the initial amount of the adjusted lease liability of: (i) any prepayments; (ii) lease incentives received; and (iii) initial direct costs incurred.

To the asset under right of use, the estimate of removing and/or restoring the underlying asset and/or its location, when required by the lease contract, may be added.

The asset under right of use is subsequently depreciated using the straight-line method from the effective date until the lower of the end of the asset's useful life and the lease term. Additionally, the asset under the right of use is reduced by impairment losses, when applicable, and adjusted by eventual remeasurements of the lease liability.

At the date, the lease becomes effective, the Group recognises the lease liabilities measured at the present value of future lease payments, which include fixed payments less lease incentives receivable, variable lease payments, and amounts expected to be paid as a guaranteed residual value.

Lease payments also include the exercise price of reasonably certain purchase or renewal options to be exercised by the Group, or payments of lease termination penalties, if the lease term reflects the entity's option to terminate the contract. Services purchased from the lessor under the lease contract are separated and recorded according to their nature and are not considered as a component of the lease for the purposes of determining the value of the lease liability.

In calculating the present value of future lease payments, the Group uses an incremental financing interest rate if the interest rate implicit in the lease is not easily determinable.

Subsequently, the value of the lease liabilities is increased by the value of interest and decreased by lease payments (rents).

NOTE 2
2.12 TAXES ON PROFITS

Income taxes recorded in profit and loss include the effect of current and deferred taxes. Tax is recognised in the income statement, except when related to items that are moved in equity, which implies its recognition in equity. Deferred taxes recognised in equity arising from revaluation of available-for-sale financial assets and cash flow hedges are, when they exist, subsequently recognised in the income statement when gains or losses giving rise to the deferred tax are recognised in the income statement.

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

With the publication of Law 19/14, which came into force on 1 January 2015, Industrial tax is provisionally assessed in a single instalment to be made in August, calculated by applying a rate of 2% on the result derived from financial intermediation operations, calculated in the first six months of the previous tax year, excluding income subject to capital gains tax, regardless of the existence of taxable income in the year.

II. DEFERRED TAX
Deferred taxes are calculated, in accordance with the balance sheet liability method, on temporary differences between the book value of assets and liabilities and their tax base, using the tax rates approved or substantially approved at the balance sheet date and expected to be applied when the temporary differences are reversed.

Deferred tax liabilities are recognised for all taxable temporary differences except for differences arising on initial recognition of assets and liabilities that do not affect either accounting or taxable profit and for differences relating to investments in subsidiaries to the extent that they are unlikely to reverse in the future.

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

NOTE 2
2.13 PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when (i) the Group 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 settlement will be required and (iii) a reliable estimate of the obligation can be made.

The measurement of provisions considers the principles defined in IAS 37 regarding the best estimate of the expected cost, the most likely outcome of ongoing actions and considering the risks and uncertainties inherent to the process.

Where the effect of discounting is material, provisions corresponding to the present value of expected future payments discounted at a rate that considers the risk associated with the bond.

Provisions are reviewed at the end of each reporting date and adjusted to reflect the best estimate and are reversed against results in proportion to the payments that are not probable.

Provisions are derecognised through their use for the obligations for which they were originally created or in cases where these are no longer met.

If the future expenditure of resources is not likely, it is a contingent liability. Contingent liabilities are always subject to disclosure, except in cases where the possibility of their realisation is remote.

The provisions related to legal and tax lawsuits, opposing the Group to third parties, are constituted in accordance with the internal risk assessments made by the Board, with the support and advice of its legal advisors.

Within the scope of the Group's activity, financial guarantees are provided, and credit commitments assumed with third parties, which are off-balance sheet items (see Note 32), and therefore contingent liabilities may be converted into credit exposures to be recorded in the Group's balance sheet. At each reporting date, the Group assesses the potential credit risk involved in these contracts in accordance with the ECL model (see Note 2.2.11) and whenever it estimates losses due to credit risk, it records the respective provision in the balance sheet.

NOTE 2
2.14 RECOGNITION OF INTEREST

Interest income and expense for financial instruments assets and liabilities measured at amortised cost are recognised under interest and similar income or interest and similar charges (net interest income), using the effective interest rate method. Interest at the effective interest rate on available-for-sale financial assets is also recognised in Net interest income, as well as on financial assets and liabilities at fair value through profit or loss.

The effective interest rate is the rate that discounts estimated future payments or receipts during the expected life of the financial instrument (or, when appropriate, a shorter period) to the net present value of the balance sheet asset or liability.

To determine the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument (e.g. prepayment options), not considering possible impairment losses. The calculation includes all fees paid or received considered as part of the effective interest rate, transaction costs and all premiums or discounts directly related with the transaction, except for financial assets and liabilities at fair value through profit or loss.

In the case of financial assets or groups of similar financial assets for which impairment losses were recognised, interest income is determined based on the interest rate used to discount future cash flows in measuring the impairment loss.

Interest income recognised in the income statement arising from contracts classified in Stage 1 or 2 is determined by applying the effective interest rate of each contract over its gross balance sheet value, which corresponds to its amortised cost, before deduction of impairment. For financial assets included in Stage 3, interest is recognised in the income statement based on its balance sheet value net of impairment. Interest is always recognised prospectively, i.e. for financial assets included in Stage 3, interest is recognised over the amortised cost (net of impairment) in subsequent years.

For derivative financial instruments, except for those that are classified as hedging instruments, the interest component is not separated from changes in its fair value but is classified as Income from assets and liabilities measured at fair value through profit or loss. For hedging derivatives of interest rate risk and associated with financial assets or financial liabilities recognised in the Fair Value Option category, the interest component is recognised under interest and similar income or interest and similar charges (Net interest income).

NOTE 2
2.15 RECOGNITION OF DIVIDENDS

Dividends (income from equity instruments) are recognised in the income statement when the right to receive them is attributed.

NOTE 2
2.16 RECOGNITION OF INCOME FROM SERVICES AND COMMISSIONS

Income from services and commissions is recognised in accordance with the following criteria:

- when they are obtained as services are provided, they are recognised in the income statement in the period to which they relate;
- when they result from the provision of services, they shall be recognised when the said service is completed.

When they are an integral part of the effective interest rate of a financial instrument, income arising from fees and commissions is recorded in the net interest income.

NOTE 2
2.17 FIDUCIARY ACTIVITIES

Assets held as part of fiduciary activities are not recognised in the Group's financial statements. The results obtained from services and commissions arising from these activities are recognised in the income statement in the period in which they occur.

NOTE 2

2.18 RESULTS ON FINANCIAL OPERATIONS

Income from financial operations includes gains and losses generated by financial assets and liabilities at fair value through profit or loss, including embedded derivatives and dividends associated with these portfolios.

These earnings also include the gains on sales of financial assets at fair value through other comprehensive income. Changes in fair value of hedging derivative financial instruments and of hedged instruments, when applicable to fair value hedge relationships, are also recognised here.

NOTE 2

2.19 CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the balance sheet date and a risk of changes in fair value, including cash and deposits with other credit institutions. Cash and cash equivalents exclude deposits of a mandatory nature made with Central Banks.

NOTE 2

2.20 PERFORMANCE AND FINANCIAL GUARANTEES AND COMMITMENTS

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

Performance guarantees are contracts that result in one of the parties being compensated if it fails to fulfil its contractual obligation. Performance guarantees are initially recognised at fair value, which is usually evidenced by the value of commissions received over the life of the contract. Upon breach of contract, the Group has the right to reverse the guarantee, the amounts being recognised as Loans and advances to customers, after the transfer of the compensation of losses to the beneficiary of the guarantee.

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

NOTE 2

2.21 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net income attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding, excluding the average number of ordinary shares held by the Group.

For diluted earnings per share, the average number of ordinary shares outstanding is adjusted to reflect the effect of all potential ordinary shares treated as dilutive. Contingent or potential issues are treated as dilutive when their conversion to shares decreases earnings per share.

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

NOTE 2

2.22 ADOPTION OF IFRS 16

IFRS 16 mandatory for periods beginning after 1 January 2019 eliminates the distinction between operating and finance leases for lessee entities, as previously provided by IAS 17. Alternatively, it introduces a new uniform accounting model for all leases that resembles the accounting that had been applied for finance leases under IAS 17.

The Group adopted this new standard as from 1 January 2019, opting for the modified retrospective method with assets equal to liabilities (adjusted for any prepayments on assets), and therefore did not restate comparatives for 2018 nor had impacts on retained earnings from previous years. The Group's operating leases are mainly made up of rents from branches, central services, and employee apartments.

In measuring lease liabilities, the Group used incremental interest rates to discount future rents due for most contracts under the standard. The average incremental interest rate applied is 17% for all contracts, considering the uniform type of assets (real estate) and the Group's risk profile.

In applying IFRS 16 for the first time, the Group used the following practical arrangements permitted by the standard:

- Applied a single discount rate for a portfolio of leases with reasonably similar characteristics;
- It excluded any initial direct costs in the measurement of the right of use assets at the date of initial application;
- Recognised as short-term leases all assets with a contractual term to terminate after 12 months of the application of the standard.

It was established as Group policy:

- The exclusion of short-term leases from the scope of the standard;
- The exclusion of low-value assets, with the value in kwanzas equivalent to USD 5,000 at the date of commencement of the lease being established as the low value threshold.

Below we indicate the impact of the adoption of the new IFRS 16 on opening balances as of 1 January 2019:

AKZ'000

	IAS 17	IMPACT OF IFRS 16	IFRS 16
RIGHTS OF USE		2 041 965	2 041 965
OTHER ASSETS	169 136	(32 017)	137 119
TOTAL ASSETS	**169 136**	**2 009 948**	**2 179 084**
LEASE RESPONSIBILITIES	-	2 041 965	2 041 965
TOTAL LIABILITIES	**-**	**2 041 965**	**2 041 965**

NOTE 3
SIGNIFICANT ESTIMATES AND JUDGMENTS USED IN THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

IFRS set out a number of accounting treatments and require the Board of Directors to make judgments and estimates necessary to decide on the most appropriate accounting treatment. The main accounting estimates and judgements used in the application of the accounting principles by the Group are presented in this Note, in order to improve understanding of how their application affects the Group's reported results and their disclosure. A broader description of the main accounting policies used by the Group is presented in Note 2 to the consolidated financial statements.

Considering that, in many situations, there are alternatives to the accounting treatment adopted by the Board of Directors, the results reported by the Group could be different if a different treatment were chosen. The Board of Directors believes that the choices made are appropriate and that the consolidated financial statements present fairly, in all material respects, the financial position of the Group and the results of its operations.

NOTE 3
3.1 FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS AND OTHER FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

Fair value is based on market quotes, where available, and in the absence of a quotation is determined using prices of similar recent transactions carried out under market conditions, or based on valuation methodologies based on discounted future cash flow techniques considering market conditions, time value, yield curve and volatility factors. These methodologies may require the use of assumptions or judgments in estimating fair value.

Consequently, the use of different methodologies or different assumptions or judgements in the application of a given model could lead to different financial results from those reported in Note 18.

NOTE 3
3.2 IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS AT AMORTISED COST OR FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (OCI)

The determination of impairment losses for financial instruments involves judgements and estimates in relation to the following aspects, among others:

a) Significant increase in credit risk:
Impairment losses correspond to the expected losses in case of *default* over a 12-month time horizon, for stage 1 assets, and to the expected losses considering the probability of occurrence of a *default* event at some point until the maturity date of the financial instrument, for stage 2 and 3 assets. An asset is classified as stage 2 whenever there has been a significant increase in its credit risk since its initial recognition. In assessing the existence of a significant increase in credit risk, the Group takes into consideration qualitative and quantitative, reasonable, and sustainable information.

b) Definition of asset groups with common credit risk characteristics:
When expected credit losses are measured on a collective basis, financial instruments are grouped on the basis of common risk characteristics. The Group monitors the adequacy of credit risk characteristics on a regular basis to assess whether they remain similar. This procedure is necessary to ensure that, in the event of a change in credit risk

characteristics, the segmentation of assets is reviewed. This review may result in the creation of new portfolios or the transfer of assets to existing portfolios that better reflect their credit risk characteristics.

c) Likelihood of non-compliance:
The probability of non-compliance represents a determining factor in the measurement of expected credit losses. The probability of non-compliance corresponds to an estimate of the probability of non-compliance over a given time period, which is calculated on the basis of historical data, assumptions, and expectations about future conditions.

d) Loss due to non-compliance:
It corresponds to an estimate of loss in a non-compliance scenario. It is based on the difference between the contractual cash flows and those that the Group expects to receive, via the cash flows generated by the customer's business or credit collateral. The calculation of the estimated loss given non-compliance is based, among other things, on the different recovery scenarios, historical information, the costs involved in the recovery process and the estimated valuation of the collaterals associated with the credit operations.

The Group performs a periodic review of its financial instruments in order to assess the existence of impairment losses, as referred in the accounting policy described in Note 2.2.

Alternative methodologies and the use of different assumptions and estimates could result in different levels of impairment losses recognised and reported in Notes 18, 19 and 20, with a consequent impact in the income statement of the Group.

NOTE 3
3.3 TAXES ON PROFITS

In order to determine the overall amount of tax on profits it was necessary to make certain interpretations and estimates. There are several transactions and calculations for which the determination of taxes payable is uncertain during the normal business cycle.

Other interpretations and estimates could result in a different level of income taxes, current and deferred, recognised in the year, and presented in Note 23.

The Tax Authorities have the possibility to review the Group's calculation of taxable income for a period of five years. In this way, it is possible that there may be corrections to the taxable income, mainly as a result of differences in interpretation of the tax legislation, which the Board of Directors believes will not have a materially relevant effect on the consolidated financial statements.

NOTE 3
3.4 REAL ESTATE RECEIVED IN DONATION

The Group classifies properties held for credit recovery under the item Non-current assets held for sale (Note 21) when there is an expectation of sale within a maximum period of one year and under the item Other assets (Note 24) when that period is exceeded. Properties are initially measured at the lower of their fair value net of costs to sell and the carrying amount of the asset at the date the sale was made or the judicial auction was concluded.

As referred to in Note 2.10 the valuations of these properties are performed in accordance with one of the following methodologies, applied in accordance with the specific situation of the property: market method, yield or cost.

The evaluations carried out are conducted by independent bodies specialised in this type of services. The valuation reports are analysed internally with a process adequacy assessment, comparing the sales values with the revaluated values of the properties.

NOTE 4
NET INTEREST INCOME

The value of this item is composed of:

AKZ'000

31.12.2019	FROM ASSETS/LIABILITIES TO AMORTISED COST	FROM ASSETS/LIABILITIES TO FAIR VALUE THROUGH PROFIT OR LOSS	TOTAL
INTEREST AND SIMILAR INCOME	**24 487 093**	**-**	**24 487 093**
INTEREST ON CREDIT TO CUSTOMERS	13 843 526	-	13 843 526
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	-	-	-
INTEREST ON LIQUID ASSETS AND INVESTMENTS IN CREDIT INSTITUTIONS	924 359	-	924 359
INVESTMENT INTEREST AT AMORTISED COST	9 719 208	-	9 719 208
INTEREST AND SIMILAR CHARGES	**(13 309 059)**	**-**	**(13 309 059)**
INTEREST ON RESOURCES OF CENTRAL BANKS AND CREDIT INSTITUTIONS	(2 766 813)	-	(2 766 813)
INTEREST ON CUSTOMER FUNDS	(9 858 768)	-	(9 858 768)
INTEREST ON SUBORDINATED LIABILITIES	(683 478)	-	(683 478)
NET INTEREST INCOME	**11 178 034**	**-**	**11 178 034**

AKZ'000

31.12.2018	FROM ASSETS/LIABILITIES TO AMORTISED COST	FROM ASSETS/LIABILITIES TO FAIR VALUE THROUGH PROFIT OR LOSS	TOTAL
INTEREST AND SIMILAR INCOME	**24 390 404**	**22 724**	**24 413 128**
INTEREST ON CREDIT TO CUSTOMERS	14 274 950	-	14 274 950
INTEREST FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	-	22 724	22 724
INTEREST ON LIQUID ASSETS AND INVESTMENTS IN CREDIT INSTITUTIONS	526 332	-	526 332
INVESTMENT INTEREST AT AMORTISED COST	9 589 122	-	9 589 122
INTEREST AND SIMILAR CHARGES	**(11 559 400)**	**-**	**(11 559 400)**
INTEREST ON RESOURCES OF CENTRAL BANKS AND CREDIT INSTITUTIONS	(925 775)	-	(925 775)
INTEREST ON CUSTOMER FUNDS	(10 246 125)	-	(10 246 125)
INTEREST ON SUBORDINATED LIABILITIES	(387 500)	-	(387 500)
NET INTEREST INCOME	**12 831 004**	**22 724**	**12 853 728**

NOTE 5
RESULTS OF SERVICES AND COMMISSIONS

The value of this item is composed of:

AKZ'000

	31-12-2019	31-12-2018
INCOME FROM SERVICES AND COMMISSIONS	**7 353 782**	**5 311 234**
VISA AND MASTERCARD	2 696 646	1 963 546
TRANSFERS	2 091 885	1 182 259
OPENING OF LINES OF CREDIT	2 073 061	925 046
DOCUMENTARY CREDIT	13 502	19 872
OTHER BANKING SERVICES	210 003	868 600
OTHER COMMITMENTS	102 802	122 580
SECURITIES	165 883	229 331
CHARGES FROM SERVICES AND COMMISSIONS	**(3 532 544)**	**(1 723 199)**
VISA AND MASTERCARD	(1 370 006)	(1 206 777)
IRREVOCABLE LINES OF CREDIT	(33 949)	(24 545)
OTHER COMMISSIONS	(2 128 589)	(491 877)
RESULT WITH COMMISSIONS	**3 821 238**	**3 588 035**

The item "Visa and Mastercard" refers to commissions received or paid for cards of different flags. The item "Other banking services" includes commission income resulting from the protocol signed between the Group and the Ministry of Finance for revenue collection. The item "Other commitments" includes income with guarantees provided.

NOTE 6

RESULTS OF FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The value of this item is composed of:

AKZ'000

	31.12.2019			31.12.2018		
	INCOME	COSTS	TOTAL	INCOME	COSTS	TOTAL
RESULTS ON ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-	17 504	-	17 504

As at 31 December 2018, this heading refers to the change in fair value of Angolan government bonds indexed to the USD, with interest on these bonds being recognised in the net interest income (Note 4) and the exchange rate revaluation of these bonds being recognised in the Foreign Exchange Income item (Note 8). In 2018, the Group sold the entire portfolio of securities recorded at fair value through profit and loss.

NOTE 7

INVESTMENT INCOME AT AMORTISED COST

The value of this item is composed of:

AKZ'000

	31.12.2019			31.12.2018		
	INCOME	COSTS	TOTAL	INCOME	COSTS	TOTAL
INVESTMENT INCOME AT AMORTISED COST	-	-	-	-	(985 291)	(985 291)

The results generated in 2018 related to investments at amortized cost relate to a one-off sale of Angolan treasury bonds indexed to the USD.

NOTE 8

NET INCOME FROM FOREIGN EXCHANGE OPERATIONS

The value of this item is composed of:

		AKZ'000
	31-12-2019	31-12-2018
INCOME	**23 571 753**	**35 379 783**
CURRENCY REVALUATION	(540 282)	2 299 928
SALE OF FOREIGN CURRENCY	5 421 370	5 731 093
EXCHANGE RATE REVALUATION OT'S INDEXED	18 690 665	27 348 762
COSTS	**(3 280 165)**	**(10 939 949)**
CURRENCY REVALUATION	(1 368 171)	(7 978 899)
SALE OF FOREIGN CURRENCY	(1 911 994)	(2 961 050)
NET INCOME FROM FOREIGN EXCHANGE OPERATIONS	**20 291 588**	**24 439 834**

This item includes the results arising from the exchange revaluation of monetary assets and liabilities denominated in foreign currency, including treasury bonds indexed to the USD, and the results arising from the sale of foreign currency.

NOTE 9

RESULTS OF THE SALE OF OTHER ASSETS

The value of this item is composed of:

		AKZ'000
	31-12-2019	31-12-2018
TANGIBLE ASSETS	102 226	1 887
INTANGIBLE ASSETS	-	-
RESULTS OF DISPOSAL OF ASSETS	**102 226**	**1 887**

NOTE 10

OTHER OPERATING RESULTS

The value of this item is composed of:

		AKZ'000
	31-12-2019	31-12-2018
INCOME	**1 335 588**	**1 199 578**
CREDIT RECOVERY	244 388	392 056
OTHER INCOME	1 091 200	807 522
COSTS	**(1 274 275)**	**(1 021 050)**
TAXES AND LEVIES NOT RELATED TO RESULTS	(300 841)	(234 174)
PENALTIES IMPOSED BY REGULATORY AUTHORITIES	(7 750)	(32 754)
OTHER COSTS	(965 684)	(754 122)
OTHER OPERATING RESULTS	**61 313**	**178 528**

NOTE 11
PERSONNEL COSTS

The value of this item is composed of:

		AKZ'000
WAGES AND SALARIES	31-12-2019	31-12-2018
MANAGEMENT AND SUPERVISORY BODIES	**(3 318 272)**	**(1 996 693)**
BASE SALARY	(1 618 361)	(723 400)
SUBSIDIES AND BONUSES	(1 699 911)	(1 273 293)
EMPLOYEES	**(5 103 391)**	**(4 581 622)**
BASE SALARY	(2 983 972)	(2 585 483)
SUBSIDIES AND BONUSES	(2 119 419)	(1 996 139)
SOCIAL CHARGES	**(338 813)**	**(209 558)**
MANDATORY	(326 029)	(203 535)
OPTIONAL	(12 784)	(6 023)
OTHER COSTS	**(77 129)**	**(92 018)**
PERSONNEL COSTS	**(8 837 605)**	**(6 879 891)**

The other costs relate to employee training costs and confraternization events.

The costs with the remuneration and other benefits attributed to key personnel of the Group are shown below:

	BOARD OF DIRECTORS					AKZ'000
	EXECUTIVE BOARD	OTHER ELEMENTS	TOTAL	AUDITING COMMITTEE	OTHER KEY MANAGEMENT PERSONNEL	TOTAL
31 DECEMBER 2019						
REMUNERATION AND OTHER SHORT-TERM BENEFITS	1 949 467	-	1 949 467	30 508	29 049	2 009 025
VARIABLE REMUNERATION	-	-	-	-	-	-
LONG-TERM BENEFITS AND OTHER SOCIAL CHARGES	116 325	-	116 325	2 306	2 468	121 098
OTHER REMUNERATION AND SENIORITY AWARDS	1 188 149	-	1 188 149	-	-	1 188 149
TOTAL	**3 253 941**	**-**	**3 253 941**	**32 814**	**31 517**	**3 318 272**
31 DECEMBER 2018						
REMUNERATION AND OTHER SHORT-TERM BENEFITS	1 331 831	243 257	1 575 088	18 079	28 477	1 621 644
VARIABLE REMUNERATION	1 887	303	2 190	-	352	2 542
LONG-TERM BENEFITS AND OTHER SOCIAL CHARGES	72 420	10 761	83 181	-	1 995	85 176
OTHER REMUNERATION AND SENIORITY AWARDS	51 934	-	51 934	-	-	-
TOTAL	**1 458 072**	**254 321**	**1 712 393**	**18 079**	**30 824**	**1 709 362**

Other key management personnel" are the Directors General and Advisors to the Board of Directors. Employees have no benefits associated with the existence of a pension fund.

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

	31-12-2019	31-12-2018
		AKZ'000
DIRECTION FUNCTIONS	115	108
MANAGEMENT FUNCTIONS	137	121
SPECIFIC FUNCTIONS	448	230
ADMINISTRATIVE AND OTHER FUNCTIONS	80	302
	780	**761**

NOTE 12
THIRD-PARTY SUPPLIES AND SERVICES

The value of this item is composed of:

	31-12-2019	31-12-2018
		AKZ'000
CONSULTING AND AUDITING	(2 788 042)	(2 306 692)
RENTS AND LEASES	(1 179 520)	(1 414 628)
OTHER THIRD-PARTY SUPPLIES AND SERVICES COSTS	(589 695)	(665 094)
FEES AND REGULAR FEES	(393 024)	(651 652)
TRAVEL AND REPRESENTATION	(663 098)	(625 826)
SECURITY AND SURVEILLANCE	(283 049)	(605 776)
ADVERTISING AND PUBLICATIONS	(317 916)	(365 265)
COMMUNICATIONS AND DISPATCH	(276 525)	(250 644)
WATER, ENERGY, AND FUEL	(47 434)	(57 900)
INSURANCES	(42 735)	(18 671)
TOTAL	**(6 581 038)**	**(6 962 148)**

NOTE 13
PROVISIONS AND IMPAIRMENTS FOR LOANS TO CUSTOMERS, OTHER ASSETS, GUARANTEES AND OTHER COMMITMENTS

The value of this item is composed of:

	BALANCE AT 31.12.2018	REVERSALS / (APPROPRIATIONS)	USES	TRANSFERS	EXCHANGE RATE DIFFERENCES AND OTHERS	BALANCE AT 31.12.2019
						AKZ'000
CREDIT IMPAIRMENT (NOTE 20)	(29 521 615)	(9 819 033)	6 848 842	-	(4 485 796)	(36 977 601)
IMPAIRMENT FOR GUARANTEES AND OTHER COMMITMENTS (NOTE 27)	(742 580)	(1 711 247)	-	-	-	(2 453 827)
OTHER PROVISIONS FOR RISKS AND CHARGES (NOTE 27)	(1 125 967)	(574 489)	1 249 500	-	-	(450 956)
IMPAIRMENT OF OTHER ASSETS (NOTE 24)	(1 630 646)	(445 867)	-	-	(550 630)	(2 627 143)
IMPAIRMENT ON OTHER FINANCIAL ASSETS (NOTES 17 AND 19)	(429 359)	(864 213)	-	-	(662 617)	(1 956 189)
TOTAL PROVISIONS AND IMPAIRMENT	**(33 450 167)**	**(13 414 849)**	**8 098 342**	**-**	**(5 699 043)**	**(44 465 716)**

AKZ'000

	BALANCE AT 31.12.2017	REVERSALS / (APPROPRIATIONS)	USES	TRANSFERS	IMPACT OF IFRS 9	EXCHANGE RATE DIFFERENCES AND OTHERS	BALANCE AT 31.12.2018
CREDIT IMPAIRMENT (NOTE 20)	(16 330 442)	(9 862 735)	7 720 770	-	(6 748 978)	(4 300 230)	(29 521 615)
IMPAIRMENT FOR GUARANTEES AND OTHER COMMITMENTS (NOTE 27)	(100 617)	(641 963)	-	-	-	-	(742 580)
OTHER PROVISIONS FOR RISKS AND CHARGES (NOTE 27)	(1 039)	(7 038 497)	5 913 569	-	-	-	(1 125 967)
IMPAIRMENT OF OTHER ASSETS (NOTE 24)	(377 050)	(530 355)	-	-	-	(723 241)	(1 630 646)
IMPAIRMENT ON OTHER FINANCIAL ASSETS (NOTES 17 AND 19)	-	(389 446)	-	-	(143 059)	178 910	(429 359)
TOTAL PROVISIONS AND IMPAIRMENT	**(16 809 148)**	**(18 462 996)**	**13 634 339**	**-**	**(6 892 037)**	**(4 844 561)**	**(33 450 167)**

NOTE 14
EARNINGS PER SHARE

Basic earnings per share:

AKZ'000

	31-12-2019	31-12-2018
CONSOLIDATED RESULT	1 828 386	2 764 320
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(209)	(123 760)
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK	**1 828 595**	**2 888 080**
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES ISSUED (THOUSANDS)	2 000	2 000
AVERAGE NUMBER OF ORDINARY SHARES OUTSTANDING (THOUSANDS)	**1 954**	**1 954**
BASIC EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK (UNITS)	**936**	**1 478**

Basic earnings per share are equivalent to diluted earnings per share. The share capital increase was made by incorporation of retained earnings and therefore had no impact on the number of shares of the Bank (see Note 31).

NOTE 15
CASH AND DEPOSITS AT CENTRAL BANKS

The value of this item is composed of:

AKZ'000

	31-12-2019	31-12-2018
CASH	**6 277 429**	**4 590 727**
AOA	4 165 032	3 716 330
USD	130 588	396 522
EUR	1 864 795	382 074
GBP	115 435	94 953
ZAR	1 084	611
NAD	495	237
NATIONAL BANK OF ANGOLA	**36 706 912**	**8 884 682**
AOA	28 437 237	3 641 109
USD	413 252	5 243 573
EUR	7 856 423	-
TOTAL	**42 984 341**	**13 475 409**

The balance Deposits at the National Bank of Angola includes mandatory deposits of AKZ 28,437,237 thousand (31 December 2018: AKZ 3,641,109 thousand), the purpose of which is to satisfy the legal requirements regarding the constitution of minimum cash holdings. Cash and cash equivalents are not remunerated.

On 31 December 2019, the reserve requirements are calculated in accordance with Directive 08/DMA/DRO/2019 of 24 October, which revoked Instruction No. 10/2019 of 19 July, which provides for a reserve base in national currency ("NB") and foreign currency ("SR"), whose coefficient to be applied to the daily balances of the items comprising it is 22% for MN and 15% for ME. The coefficient of Mandatory Reserves to be applied on the daily balances of the Central Government accounts is 100% for ME and Local Government and Municipal Administrations is 100% for foreign exchange.

On 31 December 2019, the Demandability for the reserve base in MN and ME is calculated weekly on the arithmetic average of the balances calculated in the respective accounts according to the formula indicated in the Instruction. The Mandatory Reserves in foreign currency may be met by 20% with the amounts deposited with the BNA and 80% with treasury bonds in foreign currency.

NOTE 16
CASH AND CASH EQUIVALENTS AT OTHER CREDIT INSTITUTIONS

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

		AKZ'000
	31-12-2019	31-12-2018
AT CREDIT INSTITUTIONS ABROAD	**7 384 584**	**4 182 875**
EUR	1 698 779	1 627 313
USD	5 578 923	2 536 842
GBP	40 447	12 215
ZAR	66 435	6 505
CREDITS IN THE PAYMENT SYSTEM	**1 218 024**	**673 150**
CHEQUES TO COLLECT	**10 293**	**2 557**
IMPARITY	**(304)**	**-**
TOTAL	**8 612 597**	**4 858 582**

Cheques to collect on credit institutions were sent for collection in the first working days following the reference date. There is no remuneration for deposits.

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NOTE 17
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS

As at 31 December 2019 and 2018, this balance is analysed as follows:

		AKZ'000
	31-12-2019	31-12-2018
INVESTMENTS IN CREDIT INSTITUTIONS ABROAD	**59 081 625**	**25 071 859**
COLLATERAL DEPOSITS	5 456 803	3 794 074
LIQUIDITY TRANSFERS	53 624 822	21 277 785
ACCRUED INTEREST	**70 026**	**191 762**
ACCUMULATED IMPARITY	**(25 310)**	**(217 201)**
TOTAL	**59 126 341**	**25 046 420**

As at 31 December 2019, investments in credit institutions abroad are remunerated at an average interest rate of 1.36% (as at 31 December 2018: 1.98%).

The currency exposure of investments in central banks and other credit institutions is shown below:

		AKZ'000
	31-12-2019	31-12-2018
INVESTMENTS IN CREDIT INSTITUTIONS ABROAD	**59 081 624**	**25 071 859**
USD	53 673 459	25 071 859
EUR	5 408 165	-
ACCRUED INTEREST	**70 026**	**191 762**
USD	70 026	191 762
EUR	-	-
ACCUMULATED IMPARITY	**(25 309)**	**(217 201)**
USD	(25 106)	(217 201)
EUR	(201)	-
ZAR	(2)	-
TOTAL	**59 126 341**	**25 046 420**

The breakdown of investments in central banks and other credit institutions by maturity dates, as at 31 December 2019 and 2018, is as follows:

		AKZ'000
	31-12-2019	31-12-2018
UP TO 3 MONTHS	30 906 495	21 016 662
FROM 3 TO 6 MONTHS	1 932 303	2 482 557
FROM 6 MONTHS TO 1 YEAR	26 287 543	1 547 201
MORE THAN 1 YEAR	-	-
INDEFINITE TERM	-	-
TOTAL	**59 126 341**	**25 046 420**

NOTE 18
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The exposure value recognised under this heading corresponds to the Group's participation in EMIS and the Alliance, both measured at historical cost.

AKZ'000

	31-12-2019				
	CURRENCY	NOMINAL VALUE	ACQUISITION COST	FAIR VALUE ADJUSTMENT	BALANCE VALUE
EMIS- EMPRESA INTERBANCÁRIA DE SERVIÇOS SARL	AOA	88 189	88 189	-	88 189
ALIANÇA SEGUROS	AOA	99 850	99 850	-	99 850
TOTAL		**188 039**	**188 039**	**-**	**188 039**

AKZ'000

	31-12-2018				
	CURRENCY	NOMINAL VALUE	ACQUISITION COST	FAIR VALUE ADJUSTMENT	BALANCE VALUE
EMIS - EMPRESA INTERBANCÁRIA DE SERVIÇOS SARL	AOA	88 189	88 189	-	88 189
ALIANÇA SEGUROS	AOA	99 850	99 850	-	99 850
TOTAL		**188 039**	**188 039**	**-**	**188 039**

In accordance with the accounting policy described in Note 2.2, the Group assesses on a regular basis whether there is objective evidence of impairment in its portfolio of assets at fair value through other comprehensive income following the judgment criteria described in the referred note.

NOTE 19
INVESTMENTS AT AMORTISED COST

As at 31 December 2019 and 31 December 2018, this balance is analysed as follows:

AKZ'000

	31-12-2019	31-12-2018
FROM PUBLIC BROADCASTERS		
BONDS AND OTHER FIXED-INCOME SECURITIES	122 836 589	104 225 911
AOA	102 452 854	92 984 884
USD	20 383 735	11 241 027
ACCRUED INTEREST	**2 122 387**	**1 994 518**
ACCUMULATED IMPARITY	**(1 930 879)**	**(174 274)**
TOTAL	**123 028 097**	**106 046 155**

As at 31 December 2019 and 2018, the breakdown of held-to-maturity instruments by maturity is as follows:

		AKZ'000
	31-12-2019	31-12-2018
LESS THAN 1 MONTH	7 932 141	2 303 500
FROM 1 TO 3 MONTHS	6 153 830	13 851 092
FROM 3 TO 6 MONTHS	5 994 312	6 904 618
FROM 6 MONTHS TO 1 YEAR	1 075 719	21 700 213
FROM 1 TO 3 YEARS	39 045 848	36 884 334
FROM 3 TO 5 YEARS	8 122 818	15 162 933
MORE THAN 5 YEARS	54 703 429	9 237 937
INDEFINITE TERM	-	1 528
TOTAL	**123 028 097**	**106 046 155**

In accordance with the accounting policy described in Note 2.2.4, immediately after initial recognition, an impairment for expected credit losses (ECL) is also recognised for financial assets measured at amortised cost, resulting in the recognition of a loss in the income statement when the asset originated.

NOTE 20
LOANS TO CUSTOMERS

As at 31 December 2019 and 2018, this balance is analysed as follows:

		AKZ'000
	31-12-2019	31-12-2018
NET CREDIT	**87 423 422**	**86 887 739**
GROSS CREDIT	**124 401 023**	**116 409 354**
FALLING DUE CREDIT	113 085 296	104 648 798
OVERDUE CREDIT	11 315 727	11 760 556
IMPARITY	**36 977 601**	**29 521 615**
IN NATIONAL CURRENCY		
BUSINESS AND PUBLIC SECTOR	93 237 998	94 806 218
INDIVIDUALS	6 791 090	6 654 246
IMPARITY	22 609 231	21 528 100
IN FOREIGN CURRENCY		
BUSINESS AND PUBLIC SECTOR	22 994 955	14 079 165
INDIVIDUALS	1 376 980	869 725
IMPARITY	14 368 370	7 993 515

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The breakdown of loans and advances to customers by residual maturity as at 31 December 2019 and 2018 is as follows:

		AKZ'000
RESIDUAL MATURITY	31-12-2019	31-12-2018
UP TO 30 DAYS	21 021 338	18 945 868
FROM 30 TO 90 DAYS	189 467	4 727 311
FROM 90 TO 180 DAYS	7 911 622	444 702
180 TO 365 DAYS	7 979 156	28 101 237
FROM 1 TO 2 YEARS	30 359 319	10 440 413
FROM 2 TO 5 YEARS	28 605 927	17 367 171
MORE THAN 5 YEARS	28 334 194	36 382 652
TOTAL GROSS CREDIT	**124 401 023**	**116 409 354**

The detail of the gross credit exposure and the impairment amount by segment as at 31 December 2019 and 2018 is as follows:

	EXPOSURE YEAR 2019											
SEGMENT	TOTAL EXPOSURE	CREDIT IN STAGE 1	OF WHICH CURED	OF WHICH RESTRUCTURED	CREDIT IN STAGE 2	OF WHICH CURED	OF WHICH RESTRUCTURED	OF WHICH ACQUIRED OR ORIGINATED IN CREDIT IMPAIRMENT	CREDIT IN STAGE 3	OF WHICH CURED	OF WHICH RESTRUCTURED	OF WHICH ACQUIRED OR ORIGINATED IN CREDIT IMPAIRMENT
COMPANY	104 765 059	13 490 314	256 798	-	58 268 828	28 757 118	15 754 690	-	33 005 917	12 508 648	13 767 752	-
PUBLIC ENTITY	11 467 894	11 467 894	-	-	-	-	-	-	-	-	-	-
EMPLOYEE	2 383 118	2 333 040	20 916	-	33 030	-	2 435	-	17 048	17 048	17 048	-
PRIVATE - PRODUCT RENTS	3 477 030	1 903 855	33 110	-	146 481	19 348	52 332	-	1 426 694	51 952	202 524	-
PRIVATE - PRODUCT REVOLVING	2 307 922	226 747	12	-	2 078 920	767	-	-	2 255	-	-	-
TOTAL	**124 401 023**	**29 421 850**	**310 836**	**-**	**60 527 259**	**28 777 233**	**15 809 457**	**-**	**34 451 914**	**12 577 648**	**13 987 324**	**-**

	IMPARITY YEAR 2019			
SEGMENT	TOTAL IMPARITY	CREDIT IN STAGE 1	CREDIT IN STAGE 2	CREDIT IN STAGE 3
COMPANY	35 974 856	411 817	30 461 174	5 101 865
PUBLIC ENTITY	188 840	188 840	-	-
EMPLOYEE	37 561	27 243	4 128	6 190
PRIVATE - PRODUCT RENTS	383 416	40 231	40 328	302 857
PRIVATE - PRODUCT REVOLVING	392 928	72 791	318 894	1 243
TOTAL	**36 977 601**	**740 922**	**30 824 524**	**5 412 155**

	EXPOSURE YEAR 2018											
SEGMENT	TOTAL EXPOSURE	CREDIT IN STAGE 1	OF WHICH CURED	OF WHICH RESTRUCTURED	CREDIT IN STAGE 2	OF WHICH CURED	OF WHICH RESTRUCTURED	OF WHICH ACQUIRED OR ORIGINATED IN CREDIT IMPAIRMENT	CREDIT IN STAGE 3	OF WHICH CURED	OF WHICH RESTRUCTURED	OF WHICH ACQUIRED OR ORIGINATED IN CREDIT IMPAIRMENT
COMPANY	91 755 861	9 673 073	11 176	-	66 722 594	197 839	48 522 585	-	15 360 194	84 700	1 830 235	-
PUBLIC ENTITY	17 129 521	17 129 521	-	-	-	-	-	-	-	-	-	-
EMPLOYEE	1 404 556	1 310 237	10 897	-	92 397	3 104	51 405	-	1 922	-	-	-
PRIVATE - PRODUCT RENTS	2 725 509	972 496	82 986	-	709 823	76 159	320 268	-	1 043 190	24 424	213 713	-
PRIVATE - PRODUCT REVOLVING	3 393 907	295 199	12	-	3 098 209	93	-	-	499	-	-	-
TOTAL	**116 409 354**	**29 380 526**	**105 071**	**-**	**70 623 023**	**277 195**	**48 894 258**	**-**	**16 405 805**	**109 124**	**2 043 948**	**-**

	IMPARITY YEAR 2018			
SEGMENT	TOTAL IMPARITY	CREDIT IN STAGE 1	CREDIT IN STAGE 2	CREDIT IN STAGE 3
COMPANY	28 681 663	337 760	24 997 409	3 346 494
PUBLIC ENTITY	-	-	-	-
EMPLOYEE	63 648	38 672	23 178	1 798
PRIVATE - PRODUCT RENTS	745 657	29 404	205 361	510 892
PRIVATE - PRODUCT REVOLVING	30 647	2 564	27 602	481
TOTAL	**29 521 615**	**408 400**	**25 253 550**	**3 859 665**

The detail of the amount of gross credit exposure and of the amount of impairment constituted for the individually and collectively analysed exposures, by sector of activity, as at 31 December 2019 and 2018 is presented below:

		YEAR 2019	
SECTOR		INDIVIDUAL IMPARITY	COLLECTIVE IMPARITY
COMPANIES			
AGRICULTURE, ANIMAL PRODUCTION, HUNTING AND FORESTRY	TOTAL EXPOSURE	-	861 280
	IMPARITY	-	30 567
MINING AND QUARRYING	TOTAL EXPOSURE	4 151 049	5 610
	IMPARITY	3 385 104	157
MANUFACTURING INDUSTRIES	TOTAL EXPOSURE	9 240 650	227 734
	IMPARITY	3 151 557	32 129
FOOD, BEVERAGE, AND TOBACCO INDUSTRIES	TOTAL EXPOSURE	38	903
	IMPARITY	-	26
BASIC METALS AND METAL PRODUCTS INDUSTRIES	TOTAL EXPOSURE	-	617
	IMPARITY	-	70
ELECTRICITY, GAS AND WATER PRODUCTION AND DISTRIBUTION	TOTAL EXPOSURE	-	28 990
	IMPARITY	-	3 271
CONSTRUCTION	TOTAL EXPOSURE	16 922 889	294 156
	IMPARITY	10 389 696	21 593
WHOLESALE AND RETAIL TRADE	TOTAL EXPOSURE	21 763 939	4 954 833
	IMPARITY	11 396 052	535 991
ACCOMMODATION AND CATERING (RESTAURANTS AND SIMILAR)	TOTAL EXPOSURE	6 593 379	704 858
	IMPARITY	64 348	109 002
TRANSPORT, STORAGE, AND COMMUNICATIONS	TOTAL EXPOSURE	7 352 365	1 778 131
	IMPARITY	1 370 530	110 856
FINANCIAL ACTIVITIES	TOTAL EXPOSURE	7 325 393	2 629
	IMPARITY	3 926 734	74
REAL ESTATE, RENTING AND BUSINESS ACTIVITIES	TOTAL EXPOSURE	8 885 657	2 223 678
	IMPARITY	256 937	80 264
EDUCATION	TOTAL EXPOSURE	-	748 798
	IMPARITY	-	19 983
HEALTH	TOTAL EXPOSURE	-	55 030
	IMPARITY	-	6 177
OTHER COMMUNITY, SOCIAL AND PERSONAL SERVICE ACTIVITIES	TOTAL EXPOSURE	10 448 464	188 043
	IMPARITY	1 019 392	58 400
INTERNATIONAL BODIES AND OTHER EXTRA-TERRITORIAL INSTITUTIONS	TOTAL EXPOSURE	-	5 946
	IMPARITY	-	5 946
PUBLIC ADMINISTRATION, DEFENCE, AND COMPULSORY SOCIAL SECURITY	TOTAL EXPOSURE	11 372 641	95 253
	IMPARITY	188 840	-
INDIVIDUALS			
CONSUMPTION	TOTAL EXPOSURE	387 289	3 365 771
	IMPARITY	19 487	227 576
HOUSING	TOTAL EXPOSURE	-	2 032 049
	IMPARITY	-	170 117
OTHER PURPOSES	TOTAL EXPOSURE	637	2 382 324
	IMPARITY	32	396 693
TOTAL	**TOTAL EXPOSURE**	**104 444 390**	**19 956 633**
	IMPARITY	**35 168 709**	**1 808 892**

		YEAR 2018	
SECTOR		INDIVIDUAL IMPARITY	COLLECTIVE IMPARITY
COMPANIES			
AGRICULTURE, ANIMAL PRODUCTION, HUNTING AND FORESTRY	TOTAL EXPOSURE	979 662	35 683
	IMPARITY	26 148	3 752
MINING AND QUARRYING	TOTAL EXPOSURE	4 098 905	3 922
	IMPARITY	1 797 738	106
MANUFACTURING INDUSTRIES	TOTAL EXPOSURE	5 675 051	40 811
	IMPARITY	164 278	4 822
FOOD, BEVERAGE, AND TOBACCO INDUSTRIES	TOTAL EXPOSURE	-	7 426
	IMPARITY	-	198
BASIC METALS AND METAL PRODUCTS INDUSTRIES	TOTAL EXPOSURE	-	780
	IMPARITY	-	20
ELECTRICITY, GAS AND WATER PRODUCTION AND DISTRIBUTION	TOTAL EXPOSURE	-	72 326
	IMPARITY	-	8 662
CONSTRUCTION	TOTAL EXPOSURE	5 017 416	1 089 294
	IMPARITY	1 999 980	271 386
WHOLESALE AND RETAIL TRADE	TOTAL EXPOSURE	13 510 886	2 960 553
	IMPARITY	2 655 053	560 875
ACCOMMODATION AND CATERING (RESTAURANTS AND SIMILAR)	TOTAL EXPOSURE	6 921 556	560 432
	IMPARITY	578 202	112 848
TRANSPORT, STORAGE, AND COMMUNICATIONS	TOTAL EXPOSURE	12 270 785	2 653 299
	IMPARITY	6 544 919	201 837
FINANCIAL ACTIVITIES	TOTAL EXPOSURE	6 131 897	9 890
	IMPARITY	2 941 874	1 081
REAL ESTATE, RENTING AND BUSINESS ACTIVITIES	TOTAL EXPOSURE	10 243 798	599
	IMPARITY	1 798 088	16
OTHER COMMUNITY, SOCIAL AND PERSONAL SERVICE ACTIVITIES	TOTAL EXPOSURE	33 287 221	1 623 125
	IMPARITY	8 095 730	132 767
INTERNATIONAL BODIES AND OTHER EXTRA-TERRITORIAL INSTITUTIONS	TOTAL EXPOSURE	1 579 668	110 397
	IMPARITY	767 414	13 869
PRIVATE			
CONSUMPTION	TOTAL EXPOSURE	496 003	1 322 686
	IMPARITY	52 966	272 305
HOUSING	TOTAL EXPOSURE	-	1 465 376
	IMPARITY	-	203 524
OTHER PURPOSES	TOTAL EXPOSURE	1 156 108	3 083 799
	IMPARITY	50 667	260 490
TOTAL	**TOTAL EXPOSURE**	**101 368 956**	**15 040 398**
	IMPARITY	**27 473 057**	**2 048 558**

We present below the exposure to past due operations and additionally the distribution of these exposures according to the form of impairment calculation

LOANS TO CUSTOMERS	YEAR 2019 STAGES OF IMPARITY STAGE 1	STAGE 2	STAGE 3	TOTAL
WITH IMPAIRMENT ASSIGNED ON THE BASIS OF INDIVIDUAL ANALYSIS	20 171 865	52 653 071	32 282 792	105 107 728
OVERDUE LOANS AND INTEREST	-	223 520	9 300 350	9 523 870
IMPARITY	468 731	30 088 551	4 611 427	35 168 709
WITH IMPAIRMENT ASSIGNED ON THE BASIS OF COLLECTIVE ANALYSIS	9 436 846	8 258 603	2 387 930	20 083 379
OVERDUE LOANS AND INTEREST	929	88 579	1 702 348	1 791 856
IMPARITY	272 191	735 973	800 728	1 808 892
ACCRUALS AND DEFERRALS	(186 861)	(384 415)	(218 808)	(790 084)
TOTAL	29 421 850	60 527 259	34 451 914	124 401 023

LOANS TO CUSTOMERS	YEAR 2018 CLASS OF NON-COMPLIANCE UP TO 1 MONTH	FROM 1 MONTH TO 3 MONTHS	FROM 3 MONTHS TO 1 YEAR	FROM 1 YEAR TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
WITH IMPAIRMENT ASSIGNED ON THE BASIS OF INDIVIDUAL ANALYSIS	92 770 816	-	561 078	11 775 834	-	105 107 728
OVERDUE LOANS AND INTEREST	223 520	-	389 749	8 910 601	-	9 523 870
IMPARITY	34 816 454	-	178 625	173 630	-	35 168 709
WITH IMPAIRMENT ASSIGNED ON THE BASIS OF COLLECTIVE ANALYSIS	18 058 677	90 732	1 180 828	673 130	80 012	20 083 379
OVERDUE LOANS AND INTEREST	2 536	90 729	1 124 255	574 336	-	1 791 856
IMPARITY	1 195 336	35 595	179 744	318 290	79 927	1 808 892
ACCRUALS AND DEFERRALS	(699 447)	(573)	(10 993)	(78 566)	(505)	(790 084)
TOTAL	110 130 046	90 159	1 730 913	12 370 398	79 507	124 401 023

LOANS TO CUSTOMERS	YEAR 2019 STAGES OF IMPARITY STAGE 1	STAGE 2	STAGE 3	TOTAL
WITH IMPAIRMENT ASSIGNED ON THE BASIS OF INDIVIDUAL ANALYSIS	22 783 770	64 227 375	14 968 060	101 979 205
OVERDUE LOANS AND INTEREST	-	177	9 807 778	9 807 955
IMPARITY	268 561	24 450 785	2 753 711	27 473 057
WITH IMPAIRMENT ASSIGNED ON THE BASIS OF COLLECTIVE ANALYSIS	6 773 629	6 820 804	1 536 509	15 130 942
OVERDUE LOANS AND INTEREST	741	678 851	1 273 009	1 952 601
IMPARITY	139 839	802 765	1 105 954	2 048 558
ACCRUALS AND DEFERRALS	(176 873)	(425 156)	(98 764)	(700 793)
TOTAL	29 380 526	70 623 023	16 405 805	116 409 354

LOANS TO CUSTOMERS	YEAR 2018 CLASS OF NON-COMPLIANCE UP TO 1 MONTH	FROM 1 MONTH TO 3 MONTHS	FROM 3 MONTHS TO 1 YEAR	FROM 1 YEAR TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
WITH IMPAIRMENT ASSIGNED ON THE BASIS OF INDIVIDUAL ANALYSIS	87 482 016	-	7 533 964	6 963 225	-	101 979 205
OVERDUE LOANS AND INTEREST	177	-	3 051 118	6 756 660	-	9 807 955
IMPARITY	24 813 519	-	2 081 336	578 202	-	27 473 057
WITH IMPAIRMENT ASSIGNED ON THE BASIS OF COLLECTIVE ANALYSIS	13 011 513	693 611	496 389	864 307	65 122	15 130 942
OVERDUE LOANS AND INTEREST	1 262	689 903	496 389	765 047	-	1 952 601
IMPARITY	739 383	246 105	264 509	733 439	65 122	2 048 558
ACCRUALS AND DEFERRALS	(601 358)	(4 151)	(48 054)	(46 840)	(390)	(700 793)
TOTAL	99 892 171	689 460	7 982 299	7 780 692	64 732	116 409 354

The table below shows the amount of credit overdue by stages of impairment and by time band of the seniority of the first delay.

	YEAR 2019			
	STAGES OF IMPARITY			
OVERDUE LOANS AND INTEREST	STAGE 1	STAGE 2	STAGE 3	TOTAL
WITH IMPAIRMENT ASSIGNED IN INDIVIDUAL ANALYSIS	-	223 520	9 300 350	9 523 870
WITH IMPAIRMENT ASSIGNED IN COLLECTIVE ANALYSIS	929	88 579	1 702 348	1 791 856
TOTAL	**929**	**312 099**	**11 002 698**	**11 315 726**

	YEAR 2019				
	CLASS OF NON-COMPLIANCE				
OVERDUE LOANS AND INTEREST	CREDIT OVERDUE UP TO 30 DAYS	CREDIT OVERDUE BETWEEN 30 AND 90 DAYS	CREDIT OVERDUE BETWEEN 90 AND 180 DAYS	CREDIT OVERDUE FOR MORE THAN 180 DAYS	TOTAL
WITH IMPAIRMENT ASSIGNED IN INDIVIDUAL ANALYSIS	223 520	-	-	9 300 350	9 523 870
WITH IMPAIRMENT ASSIGNED IN COLLECTIVE ANALYSIS	2 536	90 729	438 156	1 260 435	1 791 856
TOTAL	**226 056**	**90 729**	**438 156**	**10 560 785**	**11 315 726**

	YEAR 2018			
	STAGES OF IMPARITY			
OVERDUE LOANS AND INTEREST	STAGE 1	STAGE 2	STAGE 3	TOTAL
WITH IMPAIRMENT ASSIGNED IN INDIVIDUAL ANALYSIS	-	177	9 807 778	9 807 955
WITH IMPAIRMENT ASSIGNED IN COLLECTIVE ANALYSIS	741	678 851	1 273 009	1 952 601
TOTAL	**741**	**679 028**	**11 080 787**	**11 760 556**

	ANO 2018				
	CLASS OF NON-COMPLIANCE				
OVERDUE LOANS AND INTEREST	CREDIT OVERDUE UP TO 30 DAYS	CREDIT OVERDUE BETWEEN 30 AND 90 DAYS	CREDIT OVERDUE BETWEEN 90 AND 180 DAYS	CREDIT OVERDUE FOR MORE THAN 180 DAYS	TOTAL
WITH IMPAIRMENT ASSIGNED IN INDIVIDUAL ANALYSIS	177	-	551 831	9 255 947	9 807 955
WITH IMPAIRMENT ASSIGNED IN COLLECTIVE ANALYSIS	1 262	689 903	432 586	828 850	1 952 601
TOTAL	**1 439**	**689 903**	**984 417**	**10 084 797**	**11 760 556**

The detail of exposures and impairment by segment and by interval of days of delay is as follows:

	PRESENTATION YEAR 2019								
	STAGE 1			STAGE 2			STAGE 3		
SEGMENT	<=30 DAYS	>30 DAYS AND <=90 DAYS	>90 DAYS	<=30 DAYS	>30 DAYS AND <=90 DAYS	>90 DAYS	<=30 DAYS	>30 DAYS AND <=90 DAYS	>90 DAYS
COMPANY	13 490 313	-	-	58 266 297	2 424	108	19 957 032	-	13 048 885
PUBLIC ENTITY	11 467 894	-	-	-	-	-	-	-	-
EMPLOYEE	2 333 040	-	-	33 030	-	-	17 048	-	-
PRIVATE - PRODUCT RENTS	1 903 856	-	-	60 983	85 497	-	292 631	2 238	1 131 825
PRIVATE - PRODUCT REVOLVING	226 747	-	-	2 078 920	-	-	2 255	-	-
TOTAL	**29 421 850**	**-**	**-**	**60 439 230**	**87 921**	**108**	**20 268 966**	**2 238**	**14 180 710**

	IMPARITY YEAR 2019								
	STAGE 1			STAGE 2			STAGE 3		
SEGMENT	<=30 DAYS	>30 DAYS AND <=90 DAYS	>90 DAYS	<=30 DAYS	>30 DAYS AND <=90 DAYS	>90 DAYS	<=30 DAYS	>30 DAYS AND <=90 DAYS	>90 DAYS
COMPANY	411 817	-	-	30 460 730	420	23	4 301 244	-	800 622
PUBLIC ENTITY	188 840	-	-	-	-	-	-	-	-
EMPLOYEE	27 243	-	-	4 128	-	-	6 190	-	-
PRIVATE - PRODUCT RENTS	40 231	-	-	6 742	33 587	-	171 697	1 588	129 571
PRIVATE - PRODUCT REVOLVING	72 791	-	-	318 894	-	-	1 243	-	-
TOTAL	740 922	-	-	30 790 494	34 007	23	4 480 374	1 588	930 193

	EXPOSURE YEAR 2018								
	STAGE 1			STAGE 2			STAGE 3		
SEGMENT	<=30 DAYS	>30 DAYS AND <=90 DAYS	>90 DAYS	<=30 DAYS	>30 DAYS AND <=90 DAYS	>90 DAYS	<=30 DAYS	>30 DAYS AND <=90 DAYS	>90 DAYS
COMPANY	9 673 073	-	-	66 408 789	313 805	-	91 866	-	15 268 328
PUBLIC ENTITY	17 129 521	-	-	-	-	-	-	-	-
EMPLOYEE	1 310 237	-	-	92 397	-	-	1 922	-	-
PRIVATE - PRODUCT RENTS	972 496	-	-	345 512	364 311	-	472 451	11 345	559 394
PRIVATE - PRODUCT REVOLVING	295 199	-	-	3 098 210	-	-	498	-	-
TOTAL	29 380 526	-	-	69 944 908	678 116	-	566 737	11 345	15 827 722

	IMPARITY YEAR 2018								
	STAGE 1			STAGE 2			STAGE 3		
SEGMENT	<=30 DAYS	>30 DAYS AND <=90 DAYS	>90 DAYS	<=30 DAYS	>30 DAYS AND <=90 DAYS	>90 DAYS	<=30 DAYS	>30 DAYS AND <=90 DAYS	>90 DAYS
COMPANY	337 760	-	-	24 913 665	83 745	-	30 798	-	3 315 695
PUBLIC ENTITY	-	-	-	-	-	-	-	-	-
EMPLOYEE	38 672	-	-	23 178	-	-	1 798	-	-
PRIVATE - PRODUCT RENTS	29 404	-	-	49 548	155 813	-	97 434	6 547	406 911
PRIVATE - PRODUCT REVOLVING	2 564	-	-	27 602	-	-	481	-	-
TOTAL	408 400	-	-	25 013 993	239 558	-	130 511	6 547	3 722 606

As at 31 December 2019, the breakdown of loans by segment and by year of operations is as follows:

	COMPANY			PUBLIC ENTITY			COLLABORATOR		
CONCESSION YEAR	NUMBER OF OPERATIONS	AMOUNT	IMPARITY ESTABLISHED	NUMBER OF OPERATIONS	AMOUNT	IMPARITY ESTABLISHED	NUMBER OF OPERATIONS	AMOUNT	IMPARITY ESTABLISHED
2014 AND EARLIER	84	54 656 125	27 438 040	1	95 253	-	26	391 344	4 739
2015	14	7 405 190	1 783 760	-	-	-	8	41 955	482
2016	19	11 474 543	3 812 794	-	-	-	18	402 919	6 129
2017	17	7 261 904	295 584	2	6 712 064	111 452	10	103 087	1 135
2018	20	11 013 434	1 830 378	1	4 660 577	77 388	44	367 624	11 438
2019	106	12 953 863	814 300	-	-	-	137	1 076 189	13 638
TOTAL	260	104 765 059	35 974 856	4	11 467 894	188 840	243	2 383 118	37 561

CONCESSION YEAR	PRIVATE - PRODUCT RENTS NUMBER OF OPERATIONS	AMOUNT	IMPARITY ESTABLISHED	PRIVATE - PRODUCT REVOLVING NUMBER OF OPERATIONS	AMOUNT	IMPARITY ESTABLISHED
2014 AND EARLIER	26	757 568	83 439	2 113	1 981 564	293 969
2015	12	770 219	34 688	78	42 534	13 849
2016	20	420 811	172 843	100	52 637	18 293
2017	19	90 336	36 183	43	6 349	2 126
2018	54	217 938	25 606	137	93 388	22 975
2019	71	1 220 158	30 657	163	131 450	41 716
TOTAL	**202**	**3 477 030**	**383 416**	**2 634**	**2 307 922**	**392 928**

The detail of the gross credit exposure and impairment amount by segment as at 31 December 2019 and 2018 is as follows:

SEGMENT		YEAR 2019 INDIVIDUAL IMPARITY	COLLECTIVE IMPARITY
COMPANY	TOTAL EXPOSURE	92 683 823	12 081 236
	IMPARITY	34 960 350	1 014 506
PUBLIC ENTITY	TOTAL EXPOSURE	11 372 641	95 253
	IMPARITY	188 840	-
EMPLOYEE	TOTAL EXPOSURE	-	2 383 118
	IMPARITY	-	37 561
PRIVATE - PRODUCT RENTS	TOTAL EXPOSURE	387 289	3 089 741
	IMPARITY	19 487	363 929
PRIVATE - PRODUCT REVOLVING	TOTAL EXPOSURE	637	2 307 285
	IMPARITY	32	392 896
TOTAL	**TOTAL EXPOSURE**	**104 444 390**	**19 956 633**
	IMPARITY	**35 168 709**	**1 808 892**

SEGMENT		YEAR 2018 INDIVIDUAL IMPARITY	COLLECTIVE IMPARITY
COMPANY	TOTAL EXPOSURE	82 682 608	9 073 253
	IMPARITY	27 369 424	1 312 239
PUBLIC ENTITY	TOTAL EXPOSURE	17 034 237	95 284
	IMPARITY	-	-
EMPLOYEE	TOTAL EXPOSURE	-	1 404 556
	IMPARITY	-	63 648
PRIVATE - PRODUCT RENTS	TOTAL EXPOSURE	468 053	2 257 456
	IMPARITY	94 174	651 483
PRIVATE - PRODUCT REVOLVING	TOTAL EXPOSURE	1 184 058	2 209 849
	IMPARITY	9 459	21 188
TOTAL	**TOTAL EXPOSURE**	**101 368 956**	**15 040 398**
	IMPARITY	**27 473 057**	**2 048 558**

The movements in impairment by stages from 31 December 2018 to 31 December 2019 are presented as follows:

AKZ'000

IMPARITY	STAGE 1	STAGE 2	STAGE 3	TOTAL
01.01.2018	**702 699**	**17 823 434**	**4 553 287**	**23 079 420**
INCREASES	72 853	8 460 201	3 874 436	12 407 490
REVERSALS	(322 783)	(1 134 778)	(1 087 193)	(2 544 754)
USES	-	(9 248)	(7 711 523)	(7 720 771)
EXCHANGE RATE DIFFERENCES AND OTHERS	(44 369)	113 941	4 230 658	4 300 230
31.12.2018	**408 400**	**25 253 550**	**3 859 665**	**29 521 615**
INCREASES	467 432	7 016 297	5 556 218	13 039 947
REVERSALS	(135 057)	(1 466 468)	(1 619 390)	(3 220 915)
USES	-	(4 464 504)	(2 384 338)	(6 848 842)
EXCHANGE RATE DIFFERENCES AND OTHERS	147	4 485 649	-	4 485 796
31.12.2019	**740 922**	**30 824 524**	**5 412 155**	**36 977 601**

The disclosure of risk factors associated with the impairment model by segment is as follows:

	IMPARITY YEAR 2019			
	PROBABILITY OF NON-COMPLIANCE			
SEGMENT	STAGE 1	STAGE 2	STAGE 3	LOSS DUE TO NON-COMPLIANCE
COMPANY	10.9%	13.5%	100.0%	38.35%
EMPLOYEE	4.2%	4.4%	100.0%	30.87%
PRIVATE - PRODUCT RENTS	7.7%	36.7%	100.0%	49.97%
PRIVATE - PRODUCT REVOLVING	79.5%	79.5%	100.0%	44.60%

	IMPARITY YEAR 2018			
	PROBABILITY OF NON-COMPLIANCE			
SEGMENT	STAGE 1	STAGE 2	STAGE 3	LOSS DUE TO NON-COMPLIANCE
COMPANY	4.4%	35.1%	100.0%	44.60%
EMPLOYEE	4.4%	38.6%	100.0%	72.00%
PRIVATE - PRODUCT RENTS	5.5%	52.6%	100.0%	64.52%
PRIVATE - PRODUCT REVOLVING	1.2%	1.4%	100.0%	57.61%

The loss given the non-compliance shown per segment in the table above is a weighted average of the segment's operations and this risk factor is calculated according to the customer's time overdue.

The breakdown of the restructured loan portfolio by restructuring measure applied is as follows:

	YEAR 2019											
	CREDIT IN STAGE 1			CREDIT IN STAGE 2			CREDIT IN STAGE 3			CREDIT IN STAGE 4		
MEASURE APPLIED	NUMBER OF OPERATIONS	EXPOSURE	IMPARITY	NUMBER OF OPERATIONS	EXPOSURE	IMPARITY	NUMBER OF OPERATIONS	EXPOSURE	IMPARITY	NUMBER OF OPERATIONS	EXPOSURE	IMPARITY
INCREASED REPAYMENT TERM	-	-	-	3	474 007	14 437	8	6 348 658	85 548	11	6 822 665	99 985
CHANGE IN THE FREQUENCY OF PAYMENT OF INTEREST AND/OR CAPITAL	-	-	-	10	3 196 924	2 620 963	28	1 304 408	206 766	38	4 501 332	2 827 729
INTRODUCTION OF A GRACE PERIOD FOR CAPITAL AND/OR INTEREST	-	-	-	6	12 081 336	5 808 330	4	5 804 800	2 263 483	10	17 886 136	8 071 813
CAPITALIZATION OF INTEREST	-	-	-	1	2 435	40	1	16 262	5 812	2	18 697	5 852
FORGIVENESS OF INTEREST AND/OR PARTIAL CAPITAL	-	-	-	1	25 528	1 392	-	-	-	1	25 528	1 392
INTEREST RATE REDUCTION	-	-	-	1	29 227	3 523	1	409 581	44 969	2	438 808	48 492
OTHER	-	-	-	-	-	-	2	103 615	62 254	2	103 615	62 254
TOTAL	**-**	**-**	**-**	**22**	**15 809 457**	**8 448 685**	**44**	**13 987 324**	**2 668 832**	**66**	**29 796 781**	**11 117 517**

	YEAR 2018											
	CREDIT IN STAGE 1			CREDIT IN STAGE 2			CREDIT IN STAGE 3			CREDIT IN STAGE 4		
MEASURE APPLIED	NUMBER OF OPERATIONS	EXPOSURE	IMPARITY	NUMBER OF OPERATIONS	EXPOSURE	IMPARITY	NUMBER OF OPERATIONS	EXPOSURE	IMPARITY	NUMBER OF OPERATIONS	EXPOSURE	IMPARITY
INCREASED REPAYMENT TERM	-	-	-	10	5 818 149	518 246	3	37 722	30 033	13	5 855 871	548 279
CHANGE IN THE FREQUENCY OF PAYMENT OF INTEREST AND/OR CAPITAL	-	-	-	37	4 284 570	2 336 663	15	1 459 813	199 140	52	5 744 383	2 535 803
INTRODUCTION OF A GRACE PERIOD FOR CAPITAL AND/OR INTEREST	-	-	-	22	37 853 369	17 954 823	3	357 784	77 185	25	38 211 153	18 032 008
CAPITALIZATION OF INTEREST	-	-	-	2	46 166	2 602	-	-	-	2	46 166	2 602
FORGIVENESS OF INTEREST AND/OR PARTIAL CAPITAL	-	-	-	1	81 570	18 566	1	8−4 700	28 055	2	166 270	46 621
INTEREST RATE REDUCTION	-	-	-	2	641 641	71 757	-	-	-	2	641 641	71 757
OTHER	-	-	-	3	168 793	30 879	2	103 929	70 410	5	272 722	101 289
TOTAL	**-**	**-**	**-**	**77**	**48 894 258**	**20 933 536**	**24**	**2 043 948**	**404 823**	**101**	**50 938 206**	**21 338 359**

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

		AKZ'000
	YEAR 2019	YEAR 2018
INITIAL BALANCE OF THE RESTRUCTURED LOAN PORTFOLIO	**50 938 206**	**52 787 980**
CREDITS RESTRUCTURED IN THE PERIOD	8 963 910	6 205 666
ACCRUED INTEREST ON RESTRUCTURED LOAN PORTFOLIO	319 020	469 150
SETTLEMENT OF RESTRUCTURED CLAIMS (PARTIAL OR TOTAL)	(9 162 955)	(598 542)
CREDITS RECLASSIFIED FROM 'RESTRUCTURED' TO 'NORMAL	(21 261 400)	(7 926 048)
OTHER	-	-
FINAL BALANCE OF THE RESTRUCTURED LOAN PORTFOLIO	**29 796 781**	**50 938 206**

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Restructured loans, by sector, show the following exposure and impairment:

	YEAR 2019			
	CREDIT			
SECTOR	FALLING DUE	EXPIRED	TOTAL	IMPARITY
COMPANIES	28 031 741	1 490 701	29 522 442	10 997 007
INDIVIDUALS				
CONSUMPTION	139 206	135 133	274 339	120 510
HOUSING	-	-	-	-
OTHER PURPOSES	-	-	-	-
TOTAL	**28 170 947**	**1 625 834**	**29 796 781**	**11 117 517**

	YEAR 2019			
	STAGES OF IMPARITY			
SECTOR	STAGE 1	STAGE 2	STAGE 3	IMPARIDADE
COMPANIES				29 522 442
INDIVIDUALS				
CONSUMPTION	-	54 767	219 572	274 339
HOUSING	-	-	-	-
OTHER PURPOSES	-	-	-	-
TOTAL	**-**	**15 809 457**	**13 987 324**	**29 796 781**

	YEAR 2018			
	CREDIT			
SECTOR	FALLING DUE	EXPIRED	TOTAL	IMPARITY
COMPANIES	48 632 096	1 720 724	50 352 820	21 119 250
INDIVIDUALS				
CONSUMPTION	104 847	58 089	162 936	61 025
HOUSING	42 597	-	42 597	15 815
OTHER PURPOSES	244 430	135 423	379 853	142 269
TOTAL	**49 023 970**	**1 914 236**	**50 938 206**	**21 338 359**

	YEAR 2018			
	STAGES OF IMPARITY			
SECTOR	STAGE 1	STAGE 2	STAGE 3	IMPARIDADE
COMPANIES	-	48 522 585	1 830 235	50 352 820
INDIVIDUALS				
CONSUMPTION	-	98 783	64 153	162 936
HOUSING	-	42 597	-	42 597
OTHER PURPOSES	-	230 293	149 560	379 853
TOTAL	**-**	**48 894 258**	**2 043 948**	**50 938 206**

As at 31 December 2019 and 2018, the fair value of guarantees underlying the loan portfolio of the corporate, construction and real estate development and housing segments is detailed as follows:

	YEAR 2019											
	COMPANY				CONSTRUCTION AND REAL ESTATE DEVELOPMENT				HOUSING			
	REAL ESTATE		OTHER REAL GUARANTEES		REAL ESTATE		OTHER REAL GUARANTEES		REAL ESTATE		OTHER REAL GUARANTEES	
FAIR VALUE	NUMBER OF PROPERTIES	AMOUNT	NUMBER	AMOUNT	NUMBER OF PROPERTIES	AMOUNT	NUMBER	AMOUNT	NUMBER OF PROPERTIES	AMOUNT	NUMBER	AMOUNT
< 50 MAOA	2	17 393	46	298 590	-	-	5	113 221	14	278 670	-	-
>= 50 MAOA AND <100 MAOA	-	-	-	-	-	-	-	-	3	199 811	-	-
>=100 MAOA AND < 500 MAOA	16	3 805 192	3	1 212 601	-	-	1	111 000	15	2 054 122	-	-
>= 500 MAOA AND <1000 MAOA	4	2 948 686	-	-	-	-	-	-	-	-	-	-
>=1000 MAOA AND <2000 MAOA	5	8 550 675	4	5 716 749	-	-	2	2 816 396	-	-	-	-
>=2000 MAOA AND <5000 MAOA	6	22 868 759	3	7 917 124	-	-	1	4 340 043	-	-	-	-
>=5000 MAOA	5	68 551 463	-	-	-	-	-	-	-	-	-	-
TOTAL	**38**	**106 742 168**	**56**	**15 145 064**	**-**	**-**	**9**	**7 380 660**	**32**	**2 532 603**	**-**	**-**

	YEAR 2018											
	COMPANY				CONSTRUCTION AND REAL ESTATE DEVELOPMENT				HOUSING			
	REAL ESTATE		OTHER REAL GUARANTEES		REAL ESTATE		OTHER REAL GUARANTEES		REAL ESTATE		OTHER REAL GUARANTEES	
FAIR VALUE	NUMBER OF PROPERTIES	AMOUNT	NUMBER	AMOUNT	NUMBER OF PROPERTIES	AMOUNT	NUMBER	AMOUNT	NUMBER OF PROPERTIES	AMOUNT	NUMBER	AMOUNT
< 50 MAOA	8	138 412	96	1 448 556	-	-	7	233 324	17	328 416	-	-
>= 50 MAOA AND <100 MAOA	22	1 723 276	22	1 473 672	-	-	-	-	3	199 811	-	-
>=100 MAOA AND < 500 MAOA	13	3 233 188	24	4 932 927	1	400 560	1	400 560	2	458 000	-	-
>= 500 MAOA AND <1000 MAOA	4	2 936 550	10	7 930 574	1	609 499	-	-	-	-	-	-
>=1000 MAOA AND <2000 MAOA	6	7 465 354	7	10 122 694	1	1 851 642	1	1 810 807	-	-	-	-
>=2000 MAOA AND <5000 MAOA	9	32 455 311	9	25 718 151	-	-	1	2 777 463	-	-	-	-
>=5000 MAOA	5	67 421 363	-	-	-	-	-	-	-	-	-	-
TOTAL	**67**	**115 373 454**	**168**	**51 626 574**	**3**	**2 861 701**	**10**	**5 222 154**	**22**	**986 227**	**-**	**-**

The financing/guarantee ratio of the corporate, construction and real estate development and housing segments as at 31 December 2019 and 2018 is as follows:

	YEAR 2019					
SEGMENT/RATIO	NUMBER OF PROPERTIES	NUMBER OF OTHER GUARANTEES	CREDIT IN STAGE 1	CREDIT IN STAGE 2	CREDIT IN STAGE 3	IMPARITY
COMPANIES						
NO ASSOCIATED GUARANTEE	N.A.	N.A.	1 428 633	23 718 553	7 477 596	13 924 499
<50%	22	45	353 589	1 706 414	14 782 637	1 713 456
>=50% E <75%	6	2	1 961 807	1 639 453	3 414 255	2 939 373
>=75% E <100%	3	1	4 068 064	1 266 431	143 838	134 466
>=100%	7	8	5 418 002	13 156 605	7 012 137	6 851 774
CONSTRUCTION AND REAL ESTATE DEVELOPMENT						
NO ASSOCIATED GUARANTEE	N.A.	N.A.	211 578	1 661 327	175 454	1 527 408
<50%	-	7	48 641	576 790	-	5 919
>=50% E <75%	-	-	-	-	-	-
>=75% E <100%	-	-	-	-	-	-
>=100%	-	2	-	14 543 255	-	8 877 961
HOUSING						
NO ASSOCIATED GUARANTEE	N.A.	N.A.	329 746	-	223 962	152 392
<50%	14	-	647 950	-	-	7 968
>=50% E <75%	3	-	104 112	-	-	1 190
>=75% E <100%	14	-	511 845	-	-	6 095
>=100%	1	-	214 434	-	-	2 472
TOTAL	**70**	**65**	**15 298 401**	**58 268 828**	**33 229 879**	**36 144 973**

SEGMENT/RATIO	YEAR 2018 NUMBER OF PROPERTIES	NUMBER OF OTHER GUARANTEES	CREDIT IN STAGE 1	CREDIT IN STAGE 2	CREDIT IN STAGE 3	IMPARITY
COMPANIES						
NO ASSOCIATED GUARANTEE	N.A.	N.A.	15 414 109	7 540 321	1 677 399	2 989 731
<50%	10	11	1 878 843	8 257 994	84 700	2 598 989
>=50% E <75%	3	4	340 170	10 472 802	-	4 170 455
>=75% E <100%	11	15	1 490 807	24 817 883	8 961 268	9 125 101
>=100%	35	43	7 119 353	10 330 757	4 392 265	7 526 021
CONSTRUCTION AND REAL ESTATE DEVELOPMENT						
NO ASSOCIATED GUARANTEE	N.A.	N.A.	3 193	406 410	-	176 097
<50%	2	1	-	-	-	-
>=50% E <75%	1	-	-	2 947 711	-	148 273
>=75% E <100%	-	-	-	1 353 054	-	1 225 080
>=100%	1	6	556 119	595 662	244 562	721 916
HOUSING						
NO ASSOCIATED GUARANTEE	N.A.	N.A.	-	-	-	-
<50%	2	-	13 513	-	-	407
>=50% E <75%	3	-	-	-	-	-
>=75% E <100%	14	-	-	-	-	-
>=100%	17	-	1 174 142	42 597	235 124	203 117
TOTAL	**99**	**80**	**27 990 249**	**66 765 191**	**15 595 318**	**28 885 187**

NOTE 21
NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE - DISCONTINUED OPERATIONS

As a consequence of the decision to sell the shareholding in BNIE and considering that the operations of this entity correspond to a geographic area separate from the operations of the group, in accordance with IFRS 5 - Non-current assets held for sale and discontinued operations, BNIE is presented in the consolidated financial statements as discontinued operations.

Following the contract signed in December 2017 between Banco BNI and an investor for the sale of the majority of the capital held in Banco BNI Europa, on 3 March 2020 BNI informed the Board of Directors of Banco BNI Europa that all the conditions precedent to the sale of a qualified shareholding, which considers the sale of 80.1% of the share capital of Banco BNI Europa, were met.

However, on 20 March 2020 Banco BNI, sole shareholder of Banco BNI Europa, informed the Board of Directors that it had been informed on the same day that the Capital Investor had communicated its intention not to definitively honour the qualified shareholding contract entered into in December 2017, even if all the agreed conditions were met. The Group is already making efforts to identify a new investor and dispose of the participation during the year 2020.

For the purpose of consolidating the assets and liabilities of discontinued operations, the respective balances and transactions with Group entities were eliminated.

		AKZ'000
	31-12-2019	31-12-2018
ASSETS FROM DISCONTINUED OPERATIONS		
BNI EUROPA	211 533 357	148 854 474
LIABILITIES FROM DISCONTINUED OPERATIONS		
BNI EUROPA	195 695 277	125 539 042

At 31 December 2018, the balance of Non-current assets held for sale was fully transferred to Other assets (Note 24). The nature of the balance is that of real estate received as a gift due to the time they remain in the portfolio, to the extent that they no longer comply with one of the conditions set out in IFRS 5, according to which the sale of such real estate should be highly probable, i.e. it should be completed within one year from the date of its classification in that category. The detail of the properties as at 31 December 2018 is as follows:

						AKZ'000
DESIGNATION	DATE PURCHASED	ACQUISITION VALUE	IMPARITY	NET BOOK VALUE	FAIR VALUE	EVALUATION DATE
LUANDA SUL LAND	2018-12-17	751 013	-	751 013	759 616	01-NOV-17
HOUSING COMPLEX	2018-12-17	1 794 160	-	1 794 160	2 158 060	01-JAN-18
TOTAL		**2 545 173**		**2 545 173**	**2 917 676**	

Considering the existence of a reserve for limited scope in the audit report for the year ended 31 December 2019 of this subsidiary issued on 6 April 2020, a consolidation adjustment was made to the statutory financial statements of BNI Europa in the amount of Kwanzas 1 996 422 thousand net of tax effect related to the derecognition of deferred tax assets, which were subject to the said reserve for limited scope. The balance sheet and profit and loss account of BNI Europa as at 31 December 2019, without consolidation adjustments, translated at EUR/AKZ exchange rate, are presented as follows:

BNI EUROPA BALANCE SHEET		AKZ'000
	31-12-2019	31-12-2018
ASSETS		
CASH AND DEPOSITS AT CENTRAL BANKS	20 465 389	13 031 589
CASH AND DEPOSITS AT OTHER FINANCIAL INSTITUTIONS	1 127 069	3 058 906
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	1 887 448	4 140 683
FINANCIAL ASSETS HELD FOR TRADING	30 166	-
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	241 474	984 800
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	-	1 176 883
HEDGE DERIVATIVES	178 596	-
INVESTMENTS AT AMORTIZED COST	128 900 162	91 051 817
LOANS TO CUSTOMERS	44 449 201	30 428 846
OTHER TANGIBLE ASSETS	1 406 709	246 238
INTANGIBLE ASSETS	2 654 847	1 781 316
CURRENT TAX ASSETS	51 897	116 383
DEFERRED TAX ASSETS	3 480 846	1 555 825
OTHER ASSETS	9 300 176	1 281 188
TOTAL ASSETS	**214 173 980**	**148 854 474**
LIABILITIES AND EQUITY		
RESOURCES FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	60 038 527	48 876 395
RESOURCES FROM CUSTOMERS AND OTHER DEBTS	137 817 050	91 677 598
PROVISIONS	92 099	58 796
CURRENT TAX LIABILITIES	95 556	88 727
DEFERRED TAX LIABILITIES	-	-
HEDGE DERIVATIVES	1 539 858	90 554
FINANCIAL LIABILITIES HELD FOR TRADING	10 025	12 722
OTHER LIABILITIES	3 546 477	1 017 992
TOTAL LIABILITIES	**203 139 592**	**141 822 784**
SHARE CAPITAL	7 284 363	4 069 089
REVALUATION RESERVES	(1 016)	(35 138)
OTHER RESERVES AND RETAINED EARNINGS	(2 823 468)	(1 125 753)
NET INCOME FOR THE YEAR	(3 235 636)	(1 764 968)
CURRENCY TRANSLATION RESERVE	9 810 145	5 888 460
TOTAL EQUITY	**11 034 388**	**7 031 690**
TOTAL LIABILITIES AND EQUITY	**214 173 980**	**148 854 474**

BNI EUROPA PROFIT AND LOSS STATEMENT		AKZ'000
	31-12-2019	31-12-2018
INTEREST AND SIMILAR INCOME	7 847 314	3 955 807
INTEREST AND SIMILAR CHARGES	(3 268 551)	(1 633 755)
NET INTEREST INCOME	**4 578 763**	**2 322 052**
INCOME FROM EQUITY INSTRUMENTS	-	-
INCOME FROM SERVICES AND COMMISSIONS	303 432	295 765
CHARGES FROM SERVICES AND COMMISSIONS	(112 882)	(79 677)
INCOME FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	25 441	940 519
INVESTMENT INCOME AT AMORTISED COST	(1 833)	102 586
HEDGE ACCOUNTING RESULTS	18 785	-
RESULTS OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	44 537	198 553
EXCHANGE RATE RESULTS	54 063	(209 427)
OTHER OPERATING RESULTS	(19 404)	(92 974)
NET INCOME FROM BANKING ACTIVITY	**4 890 902**	**3 477 397**
STAFF COSTS	(1 901 954)	(1 118 521)
THIRD PARTY SUPPLIES AND SERVICES	(2 144 874)	(1 368 062)
DEPRECIATION AND AMORTIZATION FOR THE YEAR	(755 762)	(238 573)
PROVISIONS NET OF CANCELLATIONS	(1 543)	(34 618)
IMPAIRMENT FOR LOANS TO CUSTOMERS NET OF REVERSALS AND RECOVERIES	(4 044 446)	(2 860 488)
IMPAIRMENT FOR OTHER FINANCIAL ASSETS NET OF REVERSALS AND RECOVERIES	-	-
IMPAIRMENT FOR OTHER ASSETS NET OF REVERSALS AND RECOVERIES	(46 939)	(3 520)
IMPAIRMENT ON INTANGIBLE ASSETS	-	-
NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS	**(4 004 616)**	**(2 146 385)**
TAXES ON RESULTS	768 980	381 417
CURRENTS	(72 244)	(67 663)
DEFERRED	841 224	449 080
NET INCOME	**(3 235 636)**	**(1 764 968)**

The table below shows the reconciliation of Banco BNI Europa's statutory financial statements with the non-controlling interests shown in the balance sheet and profit and loss account at 31 December 2019:

	% SHARE	EQUITY	NET INCOME
BANCO BNI EUROPA		**11 034 388**	**(3 235 636)**
IDA ADJUSTMENT		(1 996 422)	(1 996 422)
BANCO BNI EUROPA (ADJUSTED)		**9 037 966**	**(5 232 058)**
BANCO BNI	99.996%	9 037 604	(5 231 849)
NON-CONTROLLING INTERESTS	0.004%	336	(209)

NOTE 22
TANGIBLE AND INTANGIBLE ASSETS

At 31 December 2019 and 2018, tangible assets are presented as follows:

AKZ'000

	31.12.2018	ADOPTION OF IFRS 16	ADDITIONS	DISPOSALS	REGULARIZATIONS/ TRANSFERS	31.12.2019
TANGIBLE ASSETS						
FURNITURE, UTENSILS, FACILITIES, AND EQUIPMENT	21 901 745	-	3 583 619	(36 667)	-	25 448 697
OTHER FIXED ASSETS	-	-	-	-	-	-
FIXED ASSETS IN PROGRESS	1 413 937	-	107 769	(1 129 225)	-	392 481
RIGHTS OF USE	-	1 020 983	-	-	-	1 020 983
TOTAL	**23 315 681**	**1 020 983**	**3 691 388**	**(1 165 892)**	**-**	**26 862 161**
ACCUMULATED DEPRECIATION						
FURNITURE, UTENSILS, FACILITIES, AND EQUIPMENT	(7 784 755)	-	(1 320 029)	(176)	-	(9 104 960)
OTHER FIXED ASSETS	-	-	-	-	-	-
TOTAL	**(7 784 755)**	**-**	**(1 320 029)**	**(176)**	**-**	**(9 104 960)**
NET TANGIBLE ASSETS	**15 530 926**	**1 020 983**	**2 371 359**	**(1 166 068)**	**-**	**17 757 201**

The additions in 2019 relate mainly to the renewal of the Group's car fleet and the acquisition of branches that were previously being leased.

AKZ'000

	31.12.2017	ADDITIONS	DISPOSALS	REGULARIZATIONS/ TRANSFERS	31.12.2018
TANGIBLE ASSETS					
FURNITURE, UTENSILS, FACILITIES, AND EQUIPMENT	19 841 014	700 948	(13 160)	1 372 943	21 901 745
OTHER FIXED ASSETS	-	-	-	-	-
FIXED ASSETS IN PROGRESS	1 373 731	41 609	(1 403)	-	1 413 937
TOTAL	**21 214 745**	**742 557**	**(14 563)**	**1 372 943**	**23 315 681**
ACCUMULATED DEPRECIATIONS					
FURNITURE, UTENSILS, FACILITIES, AND EQUIPMENT	(6 606 118)	(1 165 418)	9 607	(22 826)	(7 784 755)
OTHER FIXED ASSETS	-	-	-	-	-
TOTAL	**(6 606 118)**	**(1 165 418)**	**9 607**	**(22 826)**	**(7 784 755)**
NET TANGIBLE ASSETS	**14 608 627**	**(422 861)**	**(4 956)**	**1 350 117**	**15 530 926**

The movement under intangible assets as at 31 December 2019 and 2018, is presented as follows:

AKZ'000

	31-12-2019	31-12-2018
GROSS INTANGIBLE ASSETS		
OPENING BALANCE	**2 784 685**	**2 343 085**
ADDITIONS	281 142	441 600
DISPOSALS	(15 130)	-
REGULARIZATIONS / TRANSFERS	-	-
CLOSING BALANCE	**3 050 697**	**2 784 685**
ACCUMULATED DEPRECIATION		
OPENING BALANCE	**(2 257 959)**	**(2 055 409)**
ADDITIONS	(206 607)	(202 550)
DISPOSALS	-	-
REGULARIZATIONS / TRANSFERS	-	-
CLOSING BALANCE	**(2 464 566)**	**(2 257 959)**
NET INTANGIBLE ASSETS	**586 131**	**526 726**

NOTE 23
TAXES

The Group is subject to Industrial Taxation and is considered a Group A taxpayer.

Income tax (current or deferred) is reflected in the profit and loss for the year, except where the transactions giving rise to it have been reflected in other equity items. In these situations, the corresponding tax is also reflected against shareholders' equity, not affecting the profit for the financial year.

The calculation of current tax for the years ended 31 December 2019 and 2018 was calculated in accordance with Article 4(1) and (2) of Law 19/14 of 22 October, with a tax rate of 30%.

Tax returns are subject to review and correction by the tax authorities for a period of 5 years and may result, due to different interpretations of tax legislation, in possible corrections to taxable profit for the years 2015 to 2018. However, no correction for these years is expected to occur and, should it occur, no significant impacts on the consolidated financial statements are expected.

Tax losses determined in a given year, as provided for in Article 46 of the Industrial Tax Code, may be deducted from taxable profits in the three subsequent years.

Deferred taxes are calculated on the basis of tax rates that are anticipated to be in force at the date of the reversal of temporary differences, which correspond to the rates approved or substantially approved at the balance sheet date. Therefore, for 2019 and 2018, deferred tax was, in general terms, calculated on the basis of a rate of 30%.

The deferred tax assets recognised in the balance sheet at 31 December 2019 and 31 December 2018 are detailed as follows

AKZ'000

	31.12.2018	RECOGNIZED IN RESULTS	RECOGNIZED IN RESERVATIONS	OTHER	31.12.2019
IMPAIRMENT ON FINANCIAL INVESTMENTS	1 454 002	3 912 134		99 839	5 465 975
TRANSITION ADJUSTMENTS TO IFRS	662 866	(157 170)		99 839	605 535
TRANSITION ADJUSTMENTS TO IFRS 9	1 525 235	(1 006 216)		99 839	618 858
TAX LOSSES REPORTABLE	-	-	-	-	-
OTHER	41 163	(41 163)			-
DEFERRED TAX ASSETS	**3 683 267**	**2 707 583**	**-**	**299 517**	**6 690 368**

The Group assessed the recoverability of its deferred taxes in the balance sheet based on expected future taxable profits.

The income from public debt securities resulting from Treasury Bonds and Treasury Bills issued by the Angolan State until 31 December 2012, the issue of which is regulated by the Framework Law on Direct Public Debt (Law no. 16/02, of 5 December), as well as by Regulatory Decrees no. 51/03 and 52/03, of 8 July, enjoy exemption from all taxes. This is complemented by the provisions of Article 23(1)(c) of the Industrial Tax Code (Law 18/92, of 3 July), in force until 31 December 2014, which expressly states that income from any Angolan public debt securities shall not be considered as income for the purposes of calculating the Industrial Tax payable.

Income from public debt securities resulting from Treasury Bonds and Treasury Bills issued by the Angolan State, after 31 December 2012, are subject to Capital Investment Tax, as defined in paragraph k) of number 1 of Article 9 of Presidential Legislative Decree no. 2/2014 of 20 October. Income taxed as Capital Tax is not subject to Industrial Tax, as provided for in Article 47 of the Industrial Tax Code (Law no. 19/14 of 12 October).

Therefore, in determining the taxable income for the years ended December 31st, 2019 and 2018, such income was deducted from taxable income.

Similarly, the cost determined in the assessment of Capital Application Tax (IAC) is excluded from the costs accepted for assessment of taxable income, as provided for in paragraph a) of number 1 of article 18 of the Industrial Tax Code.
In 2019 and 2018, the Group presents in the current tax account the amount of IAC cost recognised in the income statement, as it considers that this tax complies with the requirements defined in IAS 12 to be considered as current tax.

AKZ'000

	31.12.2019		31.12.2018	
	%	VALUE	%	VALUE
PROFIT BEFORE TAX		**5 094 271**		**6 398 396**
TAX RATE	30%		30%	
TAX ASSESSED ON THE BASIS OF TAX RATE		1 528 281		1 919 519
TAX BENEFITS ON INCOME FROM PUBLIC DEBT SECURITIES		3 175 607		2 853 539
UNFORESEEN PROVISIONS		(3 539 927)		(2 896 795)
(INCOME)/NON-DEDUCTIBLE EXPENSES		(693 881)		441 026
TAX LOSSES REPORTABLE		1 128 297		2 201 164
OTHER		(1 689 009)		(4 518 452)
EXCESS ESTIMATE IMPOSED		(121 891)		(62 034)
IAC		(529 096)		(361 493)
INDUSTRIAL TAX FOR THE YEAR	**-15%**	**(741 619)**	**-7%**	**(423 526)**
DEFERRED TAXATION		2 707 585		(1 469 487)
INDUSTRIAL TAX FOR THE YEAR		**1 965 964**		**(1 893 015)**

NOTE 24
OTHER ASSETS

As at December 31st 2019 and 2018, the balance Other assets is analysed as follows:

AKZ'000

	31-12-2019	31-12-2018
OTHER ASSETS		
REAL ESTATE	10 512 784	8 333 767
OTHER DEBTORS	1 160 156	2 045 467
LETTERS OF CREDIT PENDING SETTLEMENT	1 838 989	3 880 685
AGT COMMISSIONS	191 414	2 631 392
OTHER OPERATIONS PENDING SETTLEMENT	1 812 030	1 933 110
ANTICIPATED EXPENSES	1 641 230	1 587 129
OTHER ASSETS	521 498	337 029
ARTISTIC HERITAGE	10 364	10 364
IMPAIRMENT LOSSES ON OTHER ASSETS	(2 627 143)	(1 630 646)
TOTAL	**15 061 322**	**19 128 297**

The increase recorded in 2019 in "Real Estate" results from a transfer of non-current assets held for sale (Note 21), due to the fact that they no longer comply with the criteria set out in IFRS 5 to be classified in that category.

The reduction in commissions receivable from the AGT results from the liquidation carried out by the Ministry of Finance during the financial year of the outstanding balances from 2018 and previous years.

As of 31 December 2019, several debtors are composed mainly of letters of credit pending settlement (1,838,989 thousand AOA and tax collection commissions receivable from AGT (191,413 thousand AOA).

The detail of the fair value and net book value of the properties received in payment or execution, by type of property and by seniority as at 31 December 2019 is as follows:

31-12-2019			AKZ'000
TYPE OF PROPERTY	NUMBER OF PROPERTIES	FAIR VALUE OF THE ASSET	NET BOOK VALUE
BUILDINGS CONSTRUCTED			
COMMERCIAL	5	10 025 390	5 737 031
LAND	2	7 256 871	4 775 753
TOTAL	7	17 282 261	10 512 784

31-12-2019					AKZ'000
TIME ELAPSED SINCE DONATION/EXECUTION	< 1 YEAR	>= 1 YEAR < 3 YEARS	>= 3 YEAR < 5 YEARS	>= 5 YEAR	TOTAL
BUILDINGS CONSTRUCTED					
COMMERCIAL	-	5 645 410	-	91 621	5 737 031
LAND	-	4 559 430	-	216 323	4 775 752
TOTAL		10 204 840	-	307 944	10 512 784

During 2019, no real estate was received in kind. The increase in comparison with December 31st, 2018 is justified by the transfer of the properties previously recorded under Non-current Assets Held for Sale (Note 21), due to the fact that they no longer comply with the criteria set out in IFRS 5 to be classified in that category.

31-12-2018			AKZ'000
TYPE OF PROPERTY	NUMBER OF PROPERTIES	FAIR VALUE OF THE ASSET	NET BOOK VALUE
BUILDINGS CONSTRUCTED			
COMMERCIAL	4	6 291 550	3 774 337
LAND	1	5 100 904	4 559 431
TOTAL	5	11 392 454	8 333 768

31-12-2018					AKZ'000
TIME ELAPSED SINCE DONATION/EXECUTION	< 1 YEAR	>= 1 YEAR < 3 YEARS	>= 3 YEAR < 5 YEARS	>= 5 YEAR	TOTAL
BUILDINGS CONSTRUCTED					
COMMERCIAL	-	3 466 393	216 323	91 621	3 774 337
LAND	-	4 559 431	-	-	4 559 431
TOTAL		8 025 824	216 323	91 621	8 333 768

NOTE 25
RESOURCES FROM CENTRAL BANKS AND OTHER FINANCIAL INSTITUTIONS

The Group does not hold central bank resources at 31 December 2019 and 2018. The balance Resources from other credit institutions is presented as follows:

		AKZ'000
	31-12-2019	31-12-2018
RESOURCES OF OTHER FINANCIAL INSTITUTIONS		
INTERBANK MONEY MARKET	10 877 503	8 194 740
LOANS	-	-
OBLIGATIONS IN THE PAYMENT SYSTEM	723 938	517 166
TOTAL	11 601 441	8 711 906

NOTE 26
RESOURCES FROM CUSTOMERS AND OTHER LOANS

The balance of the caption Customers' funds and other loans is made up as follows:

		AKZ'000
	31-12-2019	31-12-2018
SIGHT DEPOSITS	146 262 034	110 695 211
TIME DEPOSITS	164 384 932	143 491 314
TIME DEPOSITS	163 822 417	142 964 539
OTHER	562 515	526 775
TOTAL	310 646 966	254 186 525

The breakdown of resources from customers and other loans by residual maturity, as at 31 December 2019 and 2018, is presented as follows:

		AKZ'000
	31-12-2019	31-12-2018
SIGHT DEPOSITS	146 262 034	110 695 211
DEMANDABLE IN TIME		
LESS THAN 1 MONTH	20 790 610	32 710 464
FROM 1 TO 3 MONTHS	23 716 309	30 859 903
FROM 3 TO 6 MONTHS	42 812 978	24 963 858
FROM 6 MONTHS TO 1 YEAR	59 137 476	43 985 450
FROM 1 TO 3 YEARS	15 009 412	10 094 406
FROM 3 TO 5 YEARS	17 348	48 603
MORE THAN 5 YEARS	2 900 799	828 630
TOTAL	310 646 966	254 186 525

NOTE 27
PROVISIONS

At 31 December 2019 and 2018, the item Provisions shows the following balances:

AKZ'000

	31-12-2019	31-12-2018
PROVISIONS		
OFF-BALANCE SHEET EXPOSURE	2 453 827	742 580
OTHER PROVISIONS	450 956	1 125 967
TOTAL	**2 904 783**	**1 868 547**

The movement in the year of provisions is shown in Note 13.

Provisions on off-balance sheet exposure relate to impairment losses calculated for off-balance sheet credit exposures at each reference date, namely guarantees given.

The other provisions as at 31 December 2019 relate to potential contingencies arising from inspections by the General Tax Authority.

NOTE 28
SUBORDINATED LIABILITIES

The subordinated liabilities item is composed of non-perpetual subordinated debt. The main features of subordinated liabilities are presented as follows:

AKZ'000

31.12.2019	DESIGNATION	CURRENCY	DATE OF ISSUE	ISSUANCE VALUE	BOOK VALUE	INTEREST RATE	MATURITY
	OBLIGATIONS	AOA	25-11-2016	5 000 000	14 497 068	7.75%	25-11-2023
	OBLIGATIONS	AOA	15-10-2019	4 000 000	4 759 316	5.50%	15-10-2026
TOTAL				**9 000 000**	**19 256 384**		

AKZ'000

31.12.2018	DESIGNATION	CURRENCY	DATE OF ISSUE	ISSUANCE VALUE	BOOK VALUE	INTEREST RATE	MATURITY
	OBLIGATIONS	AOA	25-11-2016	5 000 000	9 338 775	7.75%	25-11-2023
TOTAL				**5 000 000**	**9 338 775**		

The movement during 2019 and 2018 under subordinated liabilities was as follows:

AKZ'000

	BALANCE AT 31.12.2018	ISSUANCE	REFUNDS	EXCHANGE VARIATION	BALANCE AT 31.12.2019
OBLIGATIONS	9 338 775	9 917 609	-	-	19 256 384
TOTAL	**9 338 775**	**9 917 609**	**-**	**-**	**19 256 384**

AKZ'000

	BALANCE AT 31.12.2017	ISSUANCE	REFUNDS	PURCHASES (NET)	EXCHANGE VARIATION	BALANCE AT 31.12.2018
OBLIGATIONS	5 038 946	-	-	-	4 299 829	9 338 775
TOTAL	**5 038 946**	**-**	**-**	**-**	**4 299 829**	**9 338 775**

NOTE 29
OTHER LIABILITIES

AKZ'000

	31-12-2019	31-12-2018
OTHER LIABILITIES		
DIVIDENDS PAYABLE	-	-
OF A FISCAL NATURE	851 261	237 319
OF A CIVIL NATURE	8 104 494	5 965 041
LEASE LIABILITY	1 100 757	-
PERSONNEL, WAGES, AND SALARIES	1 702 558	1 028 388
TOTAL	**11 759 070**	**7 230 748**

The tax item includes mainly stamp duty, capital investment tax and special tax on bank transactions to be settled. The item related to personnel, wages and salaries includes provisions for holidays, holiday subsidy and bonuses to employees.

The item associated with other liabilities of a civil nature includes the accrual of costs incurred during the year for which the respective invoices have not yet been received as well as a balance of AOA 5,822,810 thousand invoices pending settlement of letters of credit associated with a client.

NOTE 30
OTHER RESERVES AND RETAINED EARNINGS

According to Article 89 of the Basic Law for Financial Institutions, the legal reserve must be credited annually with at least 10% of the annual net profit, until the share capital competes.

Therefore, the balance of the items at 31 December 2019 and 2018 is identified below:

		AKZ'000
	31-12-2019	31-12-2018
LEGAL RESERVE	6 167 537	4 813 518
RETAINED EARNINGS	543 305	3 900 354
EFFECT OF CHANGES IN ACCOUNTING POLICIES	(11 372 141)	(11 372 141)
TOTAL	**(4 661 299)**	**(2 658 269)**

In 2019 there was an increase in share capital by incorporation of retained earnings in the amount of 4 357 192 thousand AOA.

The currency translation reserve increased in 2019 from AOA 3 101 141 thousand to AOA 8 576 702 thousand as a consequence of the devaluation of the EUR (functional currency of the financial statements of Banco BNI Europa) against the AOA.

The movements occurred in 2019 and 2018 under Legal reserves and retained earnings are detailed in the Statement of Changes in Equity.

NOTE 31
SHARE CAPITAL, OWNSHARES, REVALUATION RESERVES AND OTHER CAPITAL INSTRUMENTS

As of 31 December 2019, the Group's share capital of AKZ 19,000,000 thousand was represented by 1,953,600 fully subscribed and paid-up ordinary shares and 46,400 own shares (total of 2,000,000 shares).

						AKZ'000
		31.12.2019			31.12.2018	
	%	TOTAL SHARES	SHARE CAPITAL	%	TOTAL SHARES	SHARE CAPITAL
MÁRIO ABÍLIO PINHEIRO RODRIGUES M. PALHARES (1)	37.28%	745,600	7,083,200	37.28%	745,600	5,458,839
JOÃO BAPTISTA DE MATOS (2)	11.63%	232,600	2,209,700	11.63%	232,600	1,702,959
BGI - SOCIETÉ DES BRASSERIES ET GLACIERES INTER.	10.00%	200,000	1,900,000	10.00%	200,000	1,464,281
IVAN LEITE MORAIS	5.29%	105,800	1,005,100	5.29%	105,800	774,605
SALIM ANWARALI KAMANI	5.00%	100,000	950,000	5.00%	100,000	732,140
JOSÉ TEODORO GARCIA BOYOL	4.38%	87,600	832,200	5.41%	108,200	792,176
ARNALDO LEIRO OCTÁVIO	4.32%	86,400	820,800	4.32%	86,400	632,569
JOAQUIM MANUEL NUNES	3.70%	74,000	703,000	3.70%	74,000	541,784
LEONEL DA ROCHA PINTO	3.21%	64,200	609,900	3.21%	64,200	470,034
MÁRIO DE ALMEIDA DIAS	2.14%	42,800	406,600	1.11%	22,200	162,535
RUI DA CRUZ	2.11%	42,200	400,900	2.11%	42,200	308,963
MANUEL ARNALDO CALADO	1.10%	22,000	209,000	1.10%	22,000	161,071
CELSO MIGUEL LEIRO FURTADO	1.00%	20,000	190,000	1.00%	20,000	146,428
ANTÓNIO DE SOUSA MARQUES DE OLIVEIRA	0.50%	10,000	95,000	0.50%	10,000	73,213
OTHER SHAREHOLDERS (3)	6.02%	120,400	1,143,800	6.02%	120,400	881,497
TREASURY SHARES	2.32%	46,400	440,800	2.32%	46,400	339,713
NET TOTAL	**100%**	**2,000,000**	**19,000,000**	**100%**	**2,000,000**	**14,642,808**

(1) Registration process pending; (2) Inventory process (inheritance) pending before the Court (3) Sale of the shares of two shareholders underway.

AKZ'000

	31-12-2019	31-12-2018
OWN SHARES	**(339 713)**	**(339 713)**
REVALUATION RESERVES:		
RESULTS GENERATED WITH THE ACQUISITION OF OWN SHARES	-	(179 846)
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	(292 054)	(143 866)

Following the sale in 2018 of own shares, above, the potential gains that had been generated with the acquisition of those shares and that were recorded under Revaluation reserves were transferred (recycled) to Retained Earnings in proportion to the shares sold. As of December 31st, 2019, the holdings of shares by members of the management and supervisory bodies are as follows:

AKZ'000

	%	TOTAL ACTIONS	SHARE CAPITAL	PURCHASE
MÁRIO ABÍLIO PINHEIRO RODRIGUES M. PALHARES	37.28%	745 600	7 083 200	VALOR NOMINAL
JOSÉ TEODORO GARCIA BOYOL	4.38%	87 600	832 200	VALOR NOMINAL

In 2017 and 2018, the Group did not reflect the impact of IAS 29 on its consolidated financial statements for the years then ended. If the Group had applied IAS 29 during that period, the impact in accumulated terms at January 1st, 2019 would have been null and void under Revaluation reserves, which incorporates the effect of the monetary restatement of the share capital at that date of AOA 100 162 919 thousand.

Additionally, in 2019, Banco BNI acquired 7% of Banco BNI Europa for 6 million Euros, which resulted in a loss of 2 657 820 thousand AOA recorded under Other capital instruments.

NOTE 32
GUARANTEES AND OTHER COMMITMENTS

The amounts of guarantees and sureties provided and commitments to third parties are analysed as follows:

AKZ'000

	31-12-2019	31-12-2018
GUARANTEES AND SURETIES PROVIDED	45 529 597	38 683 727
GUARANTEES AND SURETIES RECEIVED	(456 571 858)	(380 694 253)
COMMITMENTS TO THIRD PARTIES	3 783 150	3 139 921
COMMITMENTS ENTERED INTO BY THIRD PARTIES	(10 771)	(10 771)

The guarantees and sureties provided are banking operations that do not translate into mobilisation of funds by the Group.

Documentary credits are irrevocable commitments by the Group, on behalf of its customers, to pay / have paid a specified amount to the supplier of a given good or service, within a specified period, against presentation of documents relating to the dispatch of the goods or provision of the service. The condition of irrevocability is that it cannot be cancelled or altered without the express agreement of all parties involved.

Revocable and irrevocable commitments have contractual agreements for granting credit to Group customers (e.g. undrawn credit lines), which are generally contracted for fixed periods or with other expiry requirements and usually require the payment of a commission. Substantially all existing credit commitments require customers to maintain certain requirements when contracting.

Notwithstanding the particularities of these commitments, the assessment of these operations follows the same basic principles of any other commercial operation, namely the solvency of both the client and the underlying business, and the Group requires that these operations be duly colaterised when necessary. Since most of them are expected to expire without having been used, the amounts indicated do not necessarily represent future cash needs.

The financial instruments accounted as Guarantees and other commitments are subject to the same approval and control procedures applied to the loan portfolio, namely in relation to the assessment of the adequacy of provisions constituted as described in the accounting policy described in Note 2.2.4 the maximum credit exposure is represented by the nominal value that could be lost related to contingent liabilities and other commitments assumed by the Group in the event of default by the respective counterparties, without taking into account potential recoveries of credit or collateral.

The Group provides custody, asset management, investment management and advisory services involving decision-making for the purchase and sale of various types of financial instruments. For certain services provided, objectives and profitability levels are established for the assets under management.

The Group, in the scope of the fiduciary activity, undertakes the custody of client values.

NOTE 33
TRANSACTION WITH RELATED PARTIES

The Group's transactions with the other related parties as at 31 December 2019 and 2018, as well as the respective costs and revenues recognised during the period, are summarised as follows:

	31.12.2019				31.12.2018			
	ASSETS	LIABILITIES	INCOME	COSTS	ASSETS	LIABILITIES	INCOME	COSTS
SHAREHOLDERS	182 588	14 027 848	3 437	473 226	1 198 096	8 193 622	2 901	689 989
MEMBERS OF CORPORATE BODIES	865 059	3 309 938	55 892	59 178	527 804	1 548 865	32 249	41 817
SHAREHOLDER SUBSIDIARIES AND ASSOCIATES	1 078 234	3 413 012	177 725	118 377	N.D.	N.D.	N.D.	N.D.
OTHER	202 052	933 049	47 683	36 263	N.D.	N.D.	N.D.	N.D.
TOTAL	**2 327 933**	**21 683 847**	**284 737**	**687 044**	**1 725 900**	**9 742 487**	**35 150**	**731 806**

We present below the entities related with asset balances with the Group as of 31 December 2019 materially relevant:

SHAREHOLDERS	MEMBERS OF CORPORATE BODIES
MARIO ABILIO PINHEIRO R MOREIRA PALHARES	MARIO ABILIO PINHEIRO R MOREIRA PALHARES
JOAO BAPTISTA MATOS	JOSE TEODORO GARCIA BOYOL
BGI - SOCIETE DES BRASSERIES ET GLACIERES INTER	SANDRO CUNHA PEREIRA AFRICANO
IVAN LEITE MORAIS	PEDRO PAULO LOURO PALHARES
SALIM ANWARALI KAMANI	HELIO RICARDO COELHO DOMINGOS PITRA
JOSE TEODORO GARCIA BOYOL	CARLOS ALBERTO ALVES CEITA
ARNALDO LEIRO OCTAVIO	EVA MANUELA CORTEZ ARAUJO
JOAQUIM MANUEL NUNES	JULIO PAULO MAGALHAES LOPES
LEONEL ROCHA PINTO	JEAN BAPTIST DOMINIQUE BERNARD FISCEL
MARIO ALMEIDA DIAS	MANUEL ARNALDO SOUSA CALADO
RUI ANTONIO CRUZ	DINA MARIA LEOTE OLIVEIRA
MANUEL ARNALDO SOUSA CALADO	LICINIO MANUEL MENEZES ASSIS
CELSO MIGUEL LEIRO FURTADO	CARLOS MARIA SILVA FEIJO
ANTONIO SOUSA MARQUES OLIVEIRA	GASPAR DOS SANTOS CARDOSO
	RUI ANTONIO CRUZ
	VANDA ADRIANO MARQUES COSTA
	CELSO MIGUEL LEIRO FURTADO
	LOURENCO GOMES DUARTE
	ARNALDO LEIRO OCTAVIO

SHAREHOLDER SUBSIDIARIES AND ASSOCIATES	OTHER
BNI ASSET	DIRECT FAMILY MEMBERS OF CORPORATE BODIES
ALIANÇA SEGUROS	
CAZOLI IMOBILIARIA LDA	
ACERA ANGOLA LDA	
LIFE VINTAGE LDA	
NOSIANGOLA, LIMITADA	
BNI EUROPA	

NOTE 34
BOOK VALUE OF FINANCIAL INSTRUMENTS

The book value of the financial instruments assets and liabilities distributed according to their measurement category is shown below:

AKZ'000

	31.12.2019		
	VALUED AT FAIR VALUE	VALUED AT AMORTIZED COST	VALUED AT HISTORICAL COST
ASSETS			
CASH AND DEPOSITS AT CENTRAL BANKS	-	42 984 341	-
CASH AND DEPOSITS AT OTHER FINANCIAL INSTITUTIONS	-	8 612 597	-
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	-	59 126 341	-
LOANS TO CUSTOMERS	-	87 423 422	-
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	188 039	-	-
INVESTMENTS AT AMORTIZED COST	-	123 028 097	-
LIABILITIES			
RESOURCES FROM CUSTOMERS AND OTHER DEBTS	-	310 646 966	-
RESOURCES FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	-	11 601 441	-
SUBORDINATED LIABILITIES	-	19 256 384	-

AKZ'000

	31.12.2018		
	VALUED AT FAIR VALUE	VALUED AT AMORTIZED COST	VALUED AT HISTORICAL COST
ASSETS			
CASH AND DEPOSITS AT CENTRAL BANKS	-	13 475 409	-
CASH AND DEPOSITS AT OTHER FINANCIAL INSTITUTIONS	-	4 858 582	-
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	-	25 263 621	-
LOANS TO CUSTOMERS	-	86 887 739	-
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	188 039	-	-
INVESTMENTS AT AMORTIZED COST	-	106 046 155	-
LIABILITIES			
RESOURCES FROM CUSTOMERS AND OTHER DEBTS	-	254 186 525	-
RESOURCES FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	-	8 711 906	-
SUBORDINATED LIABILITIES	-	9 338 775	-

Financial assets at fair value through other comprehensive income at 31 December 2019 and 2018 are valued in accordance with the valuation hierarchy level 3 of IFRS 13. The sensitivity analysis of the main variables used in the respective valuation of these assets, as required by IFRS 13, was not performed because they are financial assets with immaterial individual value.

NOTE 35
NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS

The table below shows the gains and losses generated by financial assets and liabilities, namely resulting from the combination of interest paid and received, changes in fair value and impairment on loans and advances to customers and financial assets.

AKZ'000

	31.12.2019		
	IN RETURN FOR RESULTS		
	EARNINGS	LOSSES	LIQUID
ASSETS			
CASH AND DEPOSITS AT CREDIT INSTITUTIONS	924 359	-	924 359
LOANS TO CUSTOMERS	15 916 587	-	15 916 587
INVESTMENTS AT AMORTIZED COST	9 885 091	-	9 885 091
LIABILITIES			
RESOURCES FROM CUSTOMERS AND OTHER DEBTS	-	(9 858 768)	(9 858 768)
RESOURCES FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	-	(2 766 813)	(2 766 813)
SUBORDINATED LIABILITIES	-	(683 478)	(683 478)
TOTAL	**26 726 037**	**(13 309 059)**	**13 416 978**

AKZ'000

	31.12.2018		
	IN RETURN FOR RESULTS		
	EARNINGS	LOSSES	LIQUID
ASSETS			
CASH AND DEPOSITS AT CREDIT INSTITUTIONS	526 332	(217 201)	309 131
LOANS TO CUSTOMERS	14 274 950	(9 862 735)	4 412 215
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	40 228	-	40 228
INVESTMENTS AT AMORTIZED COST	**9 589 122**	**(174 274)**	**9 414 848**
LIABILITIES			
RESOURCES FROM CUSTOMERS AND OTHER DEBTS	-	(10 246 125)	(10 246 125)
RESOURCES FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	-	(925 775)	(925 775)
SUBORDINATED LIABILITIES	-	(387 500)	(387 500)
TOTAL	**24 430 632**	**(21 813 610)**	**2 617 022**

NOTE 36
FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is based on market quotations, whenever these are available. If these are not available, fair value is estimated through internal models based on cash flow discounting techniques. The cash flow of the different instruments is generated 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.

Thus, the fair value obtained is influenced by the parameters used in the valuation model, which necessarily incorporate some degree of subjectivity, and exclusively reflects the value attributed to the different financial instruments.

The fair value of the financial assets and liabilities recorded in the balance sheet at amortised cost is presented as follows:

AKZ'000

	31.12.2019				
	NET BOOK VALUE	FAIR VALUE OF FINANCIAL INSTRUMENTS	DIFFERENCE	ASSETS VALUED AT HISTORICAL COST	TOTAL BOOK VALUE
FINANCIAL ASSETS					
CASH AND DEPOSITS AT CENTRAL BANKS	42 984 341	42 984 341	-	-	42 984 341
CASH AND DEPOSITS AT OTHER FINANCIAL INSTITUTIONS	8 612 597	8 612 597	-	-	8 612 597
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	59 126 341	59 126 341	-	-	59 126 341
LOANS TO CUSTOMERS	87 423 422	87 423 422	-	-	87 423 422
INVESTMENTS AT AMORTIZED COST	123 028 097	122 836 589	191 508	-	123 028 097
FINANCIAL LIABILITIES					
RESOURCES FROM CUSTOMERS AND OTHER DEBTS	310 646 966	310 646 966	-	-	310 646 966
RESOURCES FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	11 601 441	11 601 441	-	-	11 601 441
SUBORDINATED LIABILITIES	19 256 384	19 256 384	-	-	19 256 384

AKZ'000

	31.12.2018				
	NET BOOK VALUE	FAIR VALUE OF FINANCIAL INSTRUMENTS	DIFFERENCE	ASSETS VALUED AT HISTORICAL COST	TOTAL BOOK VALUE
FINANCIAL ASSETS					
CASH AND DEPOSITS AT CENTRAL BANKS	13 475 409	13 475 409	-	13 475 409	13 475 409
CASH AND DEPOSITS AT OTHER FINANCIAL INSTITUTIONS	4 858 582	4 858 582	-	4 858 582	4 858 582
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	25 046 420	25 046 420	-	25 046 420	25 046 420
LOANS TO CUSTOMERS	86 887 739	86 887 739	-	86 887 739	86 887 739
INVESTMENTS AT AMORTIZED COST	106 046 155	105 551 679	494 476	106 046 155	106 046 155
FINANCIAL LIABILITIES					
RESOURCES FROM CUSTOMERS AND OTHER DEBTS	254 186 525	254 186 525	-	254 186 525	254 186 525
RESOURCES FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	8 711 906	8 711 906	-	8 711 906	8 711 906
SUBORDINATED LIABILITIES	9 338 775	9 338 775	-	9 338 775	9 338 775

The Group uses the following fair value hierarchy, with three levels in the valuation of 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 fair value of the instrument, in accordance with IFRS 13:

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

Level 2: Fair value is determined using valuation techniques that are supported by observable data in active markets, whether direct (prices, rates, spreads…) or indirect (derivatives), and valuation assumptions similar to those that an unrelated party would use in estimating the fair value of the same financial instrument. It also includes instruments whose valuation is obtained through quotations disclosed by independent entities but whose markets have lower liquidity; and,

Level 3: Fair value is determined using 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, valuation technique used, and inputs used and contemplated processes to review the accuracy of the values thus obtained.

The Group considers an active market for a given financial instrument, on the measurement date, depending on the turnover and liquidity of the operations carried out, the relative volatility of quoted prices and the readiness and availability of information, and for this purpose should verify the following minimum conditions:

- Existence of frequent daily trading quotes in the last year;
- The above quotations change regularly;
- There are executable quotations from more than one entity;

A parameter used in a recovery technique is considered to be observable on the market if the following conditions are met:

- Whether its value is determined in an active market;
- whether there is an OTC market and it is reasonable to assume that active market conditions exist, with the exception of the condition of trading volumes; and,
- The value of the parameter can be obtained by calculating inversely the prices of financial instruments and/or derivatives where the other parameters necessary for the initial valuation are observable in a liquid market or an OTC market that complies with the previous paragraphs.

The fair value hierarchy of financial assets and liabilities measured at amortised cost is as follows:

				AKZ'000
	31.12.2019			
		HIERARCHY OF VALUATION		
ASSETS AND LIABILITIES AT AMORTIZED COST	FAIR VALUE		LEVEL 2	LEVEL 3
ASSETS				
CASH AND DEPOSITS AT CENTRAL BANKS	42 984 341	-	42 984 341	-
CASH AND DEPOSITS AT OTHER FINANCIAL INSTITUTIONS	8 612 597	-	8 612 597	-
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	59 126 341	-	59 126 341	-
LOANS TO CUSTOMERS	87 423 422	-	-	87 423 422
INVESTMENTS AT AMORTIZED COST	122 836 589	-	122 836 589	-
LIABILITIES				
RESOURCES FROM CUSTOMERS AND OTHER DEBTS	310 646 966	-	310 646 966	-
RESOURCES FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	11 601 441	-	11 601 441	-
SUBORDINATED LIABILITIES	19 256 384	-	19 256 384	-

				AKZ'000
	31.12.2018			
		HIERARCHY OF VALUATION		
ASSETS AND LIABILITIES AT AMORTIZED COST	FAIR VALUE		LEVEL 2	LEVEL 3
ASSETS				
CASH AND DEPOSITS AT CENTRAL BANKS	13 475 409	-	13 475 409	-
CASH AND DEPOSITS AT OTHER FINANCIAL INSTITUTIONS	4 858 582	-	4 858 582	-
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	25 046 420	-	25 046 420	-
LOANS TO CUSTOMERS	86 887 739	-	-	86 887 739
INVESTMENTS AT AMORTIZED COST	105 551 679	-	105 551 679	-
LIABILITIES				
RESOURCES FROM CUSTOMERS AND OTHER DEBTS	254 186 525	-	254 186 525	-
RESOURCES FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	8 711 906	-	8 711 906	-
SUBORDINATED LIABILITIES	9 338 775	-	9 338 775	-

Cash and deposits and investments in central banks and other credit institutions

Given the short maturity and high liquidity of the financial instruments, the fair value is equal to the amortised cost.

Investments at amortized cost

The fair value of these financial instruments is based on market quotations, when available. If not available, the fair value is estimated based on the discount of the expected future cash flows of capital and interest for these instruments.

Loans to customers

The fair value of loans and advances to customers is estimated based on the discount of the expected cash flows of capital and interest, considering that the instalments are paid on the contractually defined dates. Future cash flows expected from homogeneous loan portfolios, such as mortgage loans, are estimated on a portfolio basis. The discount rates used are the current rates for loans with similar characteristics.

Resources from central banks and other credit institutions

The fair value of these liabilities is estimated based on the discount of the expected future cash flows of capital and interest, assuming that the instalment payments occur on the dates that have been contractually defined.

Resources From Customers and Other Debts

The fair value of these financial instruments is estimated based on the discounted expected cash flows of capital and interest. The discount rate used is that which reflects the rates applied to deposits with similar characteristics at the balance sheet date. Considering that the applicable interest rates are renewed for periods of less than one year, there are no material differences in their fair value.

Subordinated liabilities

Fair value is based on quoted market prices when available; if not available, it is estimated based on the discounted expected future cash flows of capital and interest for these instruments. If these do not exist, the fair value calculation is based on the use of numerical models, based on cash flow discounting techniques that, to estimate the fair value, use the market interest rate curves adjusted by the associated factors, predominantly the credit risk and the commercial margin, the latter only in the case of issues placed with the Group's non-institutional customers.

NOTE 37
ACTIVITY RISK MANAGEMENT

The Group is subject to various risks in the course of its business. Risk management is carried out in a centralised manner to the specific risks of each business.

The Group's risk management policy aims to maintain, at all times, an adequate relationship between its equity and the activity carried out, as well as the corresponding evaluation of the risk/return profile by business line.

In this context, the monitoring and control of the main types of financial risks - credit, market, liquidity, real estate and operational - to which the Group's activity is subject is of particular importance.

MAIN RISK CATEGORIES

Credit - Credit risk is associated with the degree of uncertainty of the recovery of the investment and its return, due to the incapacity of either a debtor (and its guarantor, if any), thus causing a financial loss to the creditor. Credit risk is evident in debt securities or other receivables.

Market - The concept of market risk reflects the potential loss that may be recorded by a given portfolio as a result of changes in (interest and exchange) rates and/or in the prices of the different financial instruments that comprise it, considering both the correlations between them and the respective volatilities. Thus, Market Risk encompasses interest rate, exchange rate and other price risks.

Liquidity - Liquidity risk reflects the Group's inability to meet its obligations associated with financial liabilities at each maturity date, without incurring significant losses as a result of a deterioration in the conditions of access to funding (funding risk) and/or the sale of its assets at values below those normally practiced in the market (market liquidity risk).

Property - Property risk results from possible negative impacts on the Group's results or capital level due to fluctuations in the market price of property.

Operational - Operational risk means the potential loss resulting from failures or inadequacies in internal processes, people or systems, or potential losses resulting from external events.

INTERNAL ORGANISATION

As a basic element for the success of the activity, the Group considers it fundamental to implement and preserve adequate risk management, which should materialize in the definition of the Group's risk appetite and in the implementation of strategies and policies aimed at achieving its objectives taking into account the defined risk appetite, ensuring that it remains within pre-defined limits and is subject to adequate and continuous supervision.

The Board of Directors of the BNI is responsible for approving risk appetite, overall risk policy, and specific policies for significant risks. This includes the approval of the highest-level principles and rules to be followed in the Group's risk management as well as the guidelines that should dictate the allocation of capital to the different risks and business lines. The Board of Directors, through the Risk Management Committee, ensures that there is adequate risk control and effective management systems in all areas of the Group.

The Risk Management Committee is responsible for periodically monitoring the overall levels of risk incurred, ensuring that they are compatible with the objectives and strategies approved for the development of the activity.

The risk management function is carried out by the Risk Management Office whose head is the "*Risk Officer*". It is responsible for monitoring and reporting the Group's risk situation, namely: establishing and promoting risk management policies, procedures, methodologies and tools; monitoring the risk taking of operational units and promoting the importance of control at the level of the first line of defence ensured by the operational units; collecting relevant information from the operational units in order to regularly control the risk appetite metrics; automatically producing (whenever possible) risk appetite reports.

The *Compliance* Office, responsible for the *compliance* function, covers all areas, processes and activities of the companies that make up the Group and its mission is to contribute to the prevention and mitigation of "compliance risks", which translate into the risk of legal or regulatory sanctions, financial loss or loss of reputation as a result of failure to comply with the application of laws, regulations, codes of conduct and good banking practices, promoting respect by the Group and its employees for all applicable regulations through independent intervention, together with all the Group's organic units.

The risk and *compliance* functions report functionally to an executive director who does not accumulate responsibility for operational units and hierarchically to the Board of Directors through the Committees made up of non-executive directors in which they participate.

RISK ASSESSMENT

CREDIT RISK

Credit risk models play an essential role in the credit decision-making process. Therefore, the decision process for credit portfolio operations is based on a set of policies using scoring models for the Private and Business customer portfolios and scoring models for the Corporate segment.

Credit decisions depend on risk ratings and compliance with various rules on financial fitness and the behaviour of bidders. There are relative scoring models for the main portfolios of credit to individuals, namely housing credit, and individual credit, contemplating the necessary segmentation between customers and noncustomers (or recent customers).

In the field of corporate credit, internal rating models are used for medium and large companies, differentiating the construction sector and the third sector from other sectors of activity, while the Business Scoring model is applied for Individual Entrepreneurs (ENI) and Microenterprises clients.

Below is information regarding the Group's exposure to credit risk:

AKZ'000

2019	GROSS BOOK VALUE	IMPARITY	NET BOOK VALUE
PATRIMONIAL			
CASH AND DEPOSITS AT CENTRAL BANKS	42 984 341	-	42 984 341
CASH AND DEPOSITS AT OTHER FINANCIAL INSTITUTIONS	8 612 901	(304)	8 612 597
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	59 151 651	(25 310)	59 126 341
LOANS TO CUSTOMERS	124 401 023	(36 977 601)	87 423 422
INVESTMENTS AT AMORTIZED COST	124 958 976	(1 930 879)	123 028 097
OTHER VALUES	17 688 465	(2 627 143)	15 061 322
PROPERTY EXPOSURE	**377 797 357**	**(41 561 237)**	**336 236 120**
GUARANTEES PROVIDED	4 195 245	-	4 195 245
COMMITMENTS GIVEN TO THIRD PARTIES	41 816 578	-	41 816 578
OFF-BALANCE SHEET EXPOSURE	**46 011 823**	**-**	**46 011 823**
TOTAL	**423 809 180**	**(41 561 237)**	**382 247 943**

AKZ'000

2018	GROSS BOOK VALUE	IMPARITY	NET BOOK VALUE
PATRIMONIAL			
CASH AND DEPOSITS AT CENTRAL BANKS	13 475 409	-	13 475 409
CASH AND DEPOSITS AT OTHER FINANCIAL INSTITUTIONS	4 858 582	-	4 858 582
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	25 307 905	(261 485)	25 046 420
LOANS TO CUSTOMERS	116 409 354	(29 521 615)	86 887 739
INVESTMENTS AT AMORTIZED COST	106 220 429	(174 274)	106 046 155
OTHER VALUES	20 758 943	(1 630 646)	19 128 297
PROPERTY EXPOSURE	**287 030 622**	**(31 588 020)**	**255 442 602**
GUARANTEES PROVIDED	38 683 727	(742 580)	37 941 147
COMMITMENTS GIVEN TO THIRD PARTIES	3 139 921	-	3 139 921
OFF-BALANCE SHEET EXPOSURE	**41 823 648**	**(742 580)**	**41 081 068**
TOTAL	**328 854 270**	**(32 330 600)**	**296 523 670**

	YEAR 2019						
	LOANS TO CUSTOMERS					IMPARITY	
SECTOR	FALLING DUE	EXPIRED	GUARANTEES PROVIDED	TOTAL EXPOSURE	RELATIVE WEIGHT	VALUE	IMPARITY/EXP TOTAL
COMPANIES							
AGRICULTURE, ANIMAL PRODUCTION, HUNTING AND FORESTRY	861 280	-	164 796	1 026 076	1%	31 728	3%
MINING AND QUARRYING	4 156 659	-	59 833	4 216 492	3%	3 386 106	80%
MANUFACTURING INDUSTRIES	9 448 676	19 708	2 013 157	11 481 541	7%	3 193 752	28%
FOOD, BEVERAGE, AND TOBACCO INDUSTRIES	941	-	11 790 814	11 791 755	7%	116 938	1%
BASIC METALS AND METAL PRODUCTS INDUSTRIES	617	-	81 371	81 988	0%	680	1%
ELECTRICITY, GAS AND WATER PRODUCTION AND DISTRIBUTION	28 990	-	-	28 990	0%	3 271	11%
CONSTRUCTION	17 199 401	17 644	2 005 732	19 222 777	11%	10 428 292	54%
WHOLESALE AND RETAIL TRADE	25 853 924	864 848	15 014 277	41 733 049	25%	12 068 704	29%
ACCOMMODATION AND CATERING (RESTAURANTS AND SIMILAR)	576 265	6 721 972	12 048 703	19 346 940	11%	1 894 508	10%
TRANSPORT, STORAGE, AND COMMUNICATIONS	8 985 665	144 831	99 800	9 230 296	5%	1 482 779	16%
FINANCIAL ACTIVITIES	7 328 022	-	-	7 328 022	4%	3 926 808	54%
REAL ESTATE, RENTING AND BUSINESS ACTIVITIES	8 791 856	2 317 479	1 595 146	12 704 481	7%	360 314	3%
EDUCATION	748 798	-	-	748 798	1%	19 983	3%
HEALTH	55 030	-	54 788	109 818	0%	9 233	8%
OTHER COMMUNITY, SOCIAL AND PERSONAL SERVICE ACTIVITIES	10 636 507	-	231 227	10 867 734	6%	1 078 948	10%
INTERNATIONAL BODIES AND OTHER EXTRA-TERRITORIAL INSTITUTIONS	5 946	-	-	5 946	0%	5 946	100%
PUBLIC ADMINISTRATION, DEFENCE, AND COMPULSORY SOCIAL SECURITY	11 467 894	-	-	11 467 894	7%	188 840	2%
INDIVIDUALS							
CONSUMPTION	2 546 877	1 206 183	369 954	4 123 014	2%	259 566	6%
HOUSING	2 008 988	23 061	-	2 032 049	1%	170 117	8%
OTHER PURPOSES	2 382 961	-	-	2 382 961	2%	396 724	17%
TOTAL	**113 085 297**	**11 315 726**	**45 529 598**	**169 930 621**		**39 023 237**	**23%**

	ANO 2018						
	LOANS TO CUSTOMERS					IMPARITY	
SECTOR	FALLING DUE	EXPIRED	GUARANTEES PROVIDED	TOTAL EXPOSURE	RELATIVE WEIGHT	VALUE	IMPARITY/EXP TOTAL
COMPANIES							
AGRICULTURE, ANIMAL PRODUCTION, HUNTING AND FORESTRY	1 015 345	-	2 217 789	3 233 134	2%	58 060	2%
MINING AND QUARRYING	4 102 827	-	152 438	4 255 265	3%	1 799 779	42%
MANUFACTURING INDUSTRIES	5 682 071	33 791	1 914 326	7 630 188	5%	214 543	3%
FOOD, BEVERAGE, AND TOBACCO INDUSTRIES	7 426	-	7 426 619	7 434 045	5%	94 497	1%
BASIC METALS AND METAL PRODUCTS INDUSTRIES	780	-	1 645 298	1 646 078	1%	20 912	1%
ELECTRICITY, GAS AND WATER PRODUCTION AND DISTRIBUTION	72 326	-	-	72 326	0%	8 662	12%
CONSTRUCTION	5 860 676	246 034	1 957 388	8 064 098	5%	2 296 751	28%
WHOLESALE AND RETAIL TRADE	16 086 696	384 743	11 790 850	28 262 289	18%	3 473 106	12%
ACCOMMODATION AND CATERING (RESTAURANTS AND SIMILAR)	567 811	6 914 177	7 710 713	15 192 701	10%	788 975	5%
TRANSPORT, STORAGE, AND COMMUNICATIONS	14 772 046	152 038	805 916	15 730 000	10%	6 756 989	43%
FINANCIAL ACTIVITIES	5 589 956	551 831	-	6 141 787	4%	2 942 955	48%
REAL ESTATE, RENTING AND BUSINESS ACTIVITIES	7 745 110	2 499 287	1 742 998	11 987 395	8%	1 846 307	15%
OTHER COMMUNITY, SOCIAL AND PERSONAL SERVICE ACTIVITIES	34 817 033	93 313	1 021 078	35 931 424	23%	8 241 242	23%
INTERNATIONAL BODIES AND OTHER EXTRA-TERRITORIAL INSTITUTIONS	1 674 861	15 204	-	1 690 065	1%	781 283	46%
INDIVIDUALS							
CONSUMPTION	1 607 256	211 433	-	1 818 689	1%	325 271	18%
HOUSING	1 228 786	236 590	-	1 465 376	1%	203 524	14%
OTHER PURPOSES	3 817 793	422 115	298 315	4 538 222	3%	312 874	7%
TOTAL	**104 648 799**	**11 760 556**	**38 683 728**	**155 093 082**		**30 165 730**	**19%**

With regard to credit risk, the portfolio of securitised financial assets maintains its dominant position in sovereign bonds of the Republic of Angola.

The geographical concentration of credit risk at 31 December 2019 and 2018:

					AKZ'000
2019	ANGOLA	OTHER COUNTRIES IN AFRICA	EUROPE	OTHER	TOTAL
CASH AND DEPOSITS AT CENTRAL BANKS	42 984 341	-	-	-	42 984 341
CASH AND DEPOSITS AT OTHER FINANCIAL INSTITUTIONS	1 228 317	34 224	3 954 977	3 395 079	8 612 597
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	(25 614)	1 457 571	52 719 504	4 974 880	59 126 341
LOANS TO CUSTOMERS	87 423 422	-	-	-	87 423 422
INVESTMENTS AT AMORTIZED COST	123 028 097	-	-	-	123 028 097
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	188 039	-	-	-	188 039
TOTAL	**254 826 602**	**1 491 795**	**56 674 481**	**8 369 959**	**321 362 837**

AKZ'000

2018	ANGOLA	OTHER COUNTRIES IN AFRICA	EUROPE	OTHER	TOTAL
CASH AND DEPOSITS AT CENTRAL BANKS	8 884 682	-	-	4 590 727	13 475 409
CASH AND DEPOSITS AT OTHER FINANCIAL INSTITUTIONS	2 557	22 426	2 963 555	1 870 044	4 858 582
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	-	910 080	20 912 358	3 223 982	25 046 420
LOANS TO CUSTOMERS	86 887 739	-	-	-	86 887 739
INVESTMENTS AT AMORTIZED COST	106 046 155	-	-	-	106 046 155
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	188 039	-	-	-	188 039
TOTAL	**202 009 172**	**932 506**	**23 875 913**	**9 684 753**	**236 502 344**

For the purposes of credit risk mitigation, collateral mortgages, and financial collaterals, which allow a direct reduction in the value of the position, are relevant. Also considered are both personal protection guarantees with a substitution effect on the exposure.

In terms of direct reduction, credit operations collateralised by financial guarantees are included, namely, deposits, Angolan state bonds among other similar ones.

With regard to mortgage-backed securities, the asset valuations are carried out periodically (annually) by independent valuers or by the institution's own structure unit, independent of the commercial area. The revaluation of the assets is carried out by means of on-site valuations, by a technical valuer, in accordance with the best practices adopted in the market.

The impairment model is described in Note 2.2.11.

MARKET RISK

With regard to market risk information and analysis, regular reporting on financial asset portfolios is ensured. In terms of own portfolios, several risk limits are defined. Different exposure limits are also defined per Issuer, by type/class of asset and credit quality level (*rating*). *Stop Loss* and *Loss Trigger* limits are also defined for positions held for trading and available for sale.

The Group also maintains compliance with Notice no. 08/2016 of 16 May regarding Interest Rate Risk in the banking book (financial instruments not held in the trading book).

The investment portfolio is fully concentrated in National Treasury bonds.

The assessment of the interest rate risk originated by operations in the banking portfolio is carried out by risk sensitivity analysis.

Based on the financial characteristics of each contract, the respective projection of expected cash flows is made, according to the rate reset dates and possible behavioural assumptions considered.

The aggregation, for each of the currencies analysed, of the expected cash flows in each of the time intervals makes it possible to determine the interest rate gaps by refixing maturity.

Following the recommendations of the National Bank of Angola's Instruction no. 06/2016 of 08 August, the Group calculates its exposure to balance sheet interest rate risk based on the methodology defined in the instruction.

The Group's assets and liabilities are broken down by type of rate as at 31 December 2019 and 2018 as follows:

AKZ'000

2019	EXPOSURE TO FIXED RATE	EXPOSURE TO VARIABLE RATE	NOT SUBJECT TO INTEREST RATE RISK	DERIVATIVES	TOTAL
ASSETS	**258 012 561**	**11 565 299**	**51 784 977**	**-**	**321 362 837**
CASH AND DEPOSITS AT CENTRAL BANKS	-	-	42 984 341	-	42 984 341
CASH AND DEPOSITS AT OTHER FINANCIAL INSTITUTIONS	-	-	8 612 597	-	8 612 597
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	59 126 341	-	-	-	59 126 341
LOANS TO CUSTOMERS	75 858 123	11 565 299	-	-	87 423 422
INVESTMENTS AT AMORTIZED COST	123 028 097	-	-	-	123 028 097
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	-	-	188 039	-	188 039
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-	-	-
LIABILITIES	**(195 242 757)**	**-**	**(146 262 034)**	**-**	**(341 504 791)**
RESOURCES FROM CUSTOMERS AND OTHER DEBTS	(164 384 932)	-	(146 262 034)	-	(310 646 966)
RESOURCES FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	(11 601 441)	-	-	-	(11 601 441)
SUBORDINATED LIABILITIES	(19 256 384)	-	-	-	(19 256 384)
TOTAL	**62 769 804**	**11 565 299**	**(94 477 057)**	**-**	**(20 141 954)**

AKZ'000

2018	EXPOSURE TO FIXED RATE	EXPOSURE TO VARIABLE RATE	NOT SUBJECT TO INTEREST RATE RISK	DERIVATIVES	TOTAL
ASSETS	**115 619 136**	**102 361 178**	**18 522 030**	**-**	**236 502 344**
CASH AND DEPOSITS AT CENTRAL BANKS	-	-	13 475 409	-	13 475 409
CASH AND DEPOSITS AT OTHER FINANCIAL INSTITUTIONS	-	-	4 858 582	-	4 858 582
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	25 046 420	-	-	-	25 046 420
LOANS TO CUSTOMERS	58 257 005	28 630 734	-	-	86 887 739
INVESTMENTS AT AMORTIZED COST	32 315 711	73 730 444	-	-	106 046 155
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	-	-	188 039	-	188 039
LIABILITIES	**(161 541 995)**	**-**	**(110 695 211)**	**-**	**(272 237 206)**
RESOURCES FROM CUSTOMERS AND OTHER DEBTS	(143 491 314)	-	(110 695 211)	-	(254 186 525)
RESOURCES FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	(8 711 906)	-	-	-	(8 711 906)
SUBORDINATED LIABILITIES	(9 338 775)	-	-	-	(9 338 775)
TOTAL	**(45 922 859)**	**102 361 178**	**(92 173 181)**	**-**	**(35 734 862)**

The detail of the financial instruments with exposure to interest rate risk according to maturity or resetting date as at 31 December 2019 and 2018:

AKZ'000

2019	UP TO 1 MONTH	1 TO 3 MONTHS	3 TO 6 MONTHS	FROM 6 MONTHS TO 1 YEAR	FROM 1 YEAR TO 3 YEARS	FROM 3 YEARS TO 5 YEARS	MORE THAN 5 YEARS	UNDETERMINED	TOTAL
ASSETS									
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	16 473 278	14 458 831	1 932 303	26 287 543	-	-	-	(25 614)	59 126 341
LOANS TO CUSTOMERS	30 072 510	189 025	1 600 154	5 967 123	28 062 588	19 981 264	22 564 339	(21 013 581)	87 423 422
INVESTMENTS AT AMORTIZED COST	9 863 020	6 153 830	5 994 312	1 075 719	39 045 848	8 122 818	54 703 429	(1 930 879)	123 028 097
TOTAL ASSETS	56 408 808	20 801 686	9 526 769	33 330 385	67 108 436	28 104 082	77 267 768	(22 970 074)	269 577 860
LIABILITIES									
RESOURCES FROM CUSTOMERS AND OTHER DEBTS	(20 787 301)	(23 716 762)	(42 814 263)	(59 138 129)	(15 010 330)	(17 348)	(107 190)	(2 793 609)	(164 384 932)
RESOURCES FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	(654 241)	(10 072 246)	-	(805 257)	-	-	-	(69 697)	(11 601 441)
SUBORDINATED LIABILITIES	-	-	-	-	-	(14 497 068)	(4 759 316)	-	(19 256 384)
TOTAL LIABILITY	(21 441 542)	(33 789 008)	(42 814 263)	(59 943 386)	(15 010 330)	(14 514 416)	(4 866 506)	(2 863 306)	(195 242 757)
NET EXPOSURE	34 967 266	(12 987 322)	(33 287 494)	(26 613 001)	52 098 106	13 589 666	72 401 262	(25 833 380)	74 335 103

AKZ'000

2018	UP TO 1 MONTH	1 TO 3 MONTHS	3 TO 6 MONTHS	FROM 6 MONTHS TO 1 YEAR	FROM 1 YEAR TO 3 YEARS	FROM 3 YEARS TO 5 YEARS	MORE THAN 5 YEARS	UNDETERMINED	TOTAL
ASSETS	26 991 954	17 673 201	10 575 925	37 063 709	37 754 481	31 440 730	70 008 861	(13 528 547)	217 980 314
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	9 289 738	7 135 760	2 695 599	2 392 734	-	-	-	3 532 589	25 046 420
LOANS TO CUSTOMERS	16 105 831	4 756 030	43 286	28 185 713	8 090 728	12 858 835	34 442 815	(17 595 499)	86 887 739
INVESTMENTS AT AMORTIZED COST	1 596 385	5 781 411	7 837 040	6 485 262	29 663 753	18 581 895	35 566 046	534 363	106 046 155
LIABILITIES	(28 453 867)	(38 669 393)	(25 089 601)	(44 765 943)	(10 145 352)	(10 520 681)	(843 822)	(3 053 336)	(161 541 995)
RESOURCES FROM CUSTOMERS AND OTHER DEBTS	(28 056 135)	(31 406 474)	(25 089 601)	(44 765 943)	(9 094 097)	(1 181 906)	(843 822)	(3 053 336)	(143 491 314)
RESOURCES FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	(397 732)	(7 262 919)	-	-	(1 051 255)	-	-	-	(8 711 906)
SUBORDINATED LIABILITIES	-	-	-	-	-	(9 338 775)	-	-	(9 338 775)
NET EXPOSURE	(1 461 913)	(20 996 192)	(14 513 676)	(7 702 234)	27 609 129	20 920 049	69 165 039	(16 581 883)	56 438 319

The sensitivity to balance sheet interest rate risk, by currency, is calculated by the difference between the present value of the discounted interest rate mismatch at market interest rates and the discounted value of the same cash flows simulating parallel shifts of the market interest rate curve.

As at 31 December 2019 and 2018, the sensitivity analysis of financial instruments to interest rate changes is as follows:

AKZ'000

2019	-200bp	-100bp	-50bp	+50bp	+100bp	+200bp
INTEREST AND SIMILAR INCOME	(24 138 895)	(12 069 448)	(6 034 724)	6 034 724	12 069 448	24 138 895
INTEREST AND SIMILAR CHARGES	23 566 563	11 783 281	5 891 641	(5 891 641)	(11 783 281)	(23 566 563)
TOTAL	(572 332)	(286 167)	(143 083)	143 083	286 167	572 332

AKZ'000

2018	-200bp	-100bp	-50bp	+50bp	+100bp	+200bp
INTEREST AND SIMILAR INCOME	(182 069)	(91 034)	(45 517)	45 517	91 034	182 069
INTEREST AND SIMILAR CHARGES	122 264	62 771	33 844	(33 844)	(62 771)	(122 264)
TOTAL	**(59 805)**	**(28 263)**	**(11 673)**	**11 673**	**28 263**	**59 805**

Pursuant to Article 6 of Notice No. 08/2016 of 16 May, the Group shall inform the National Bank of Angola whenever there is a potential reduction in the economic value equal to or greater than 20% of the regulatory own funds in its banking portfolio. During the years 2019 and 2018, the Group complied with this requirement.

The breakdown of financial instruments assets and liabilities by currency as at 31 December 2019 and 2018 is presented (i) not considering financial instruments indexed to foreign currency and (ii) considering financial instruments indexed to foreign currency.

i) Exposure not considering the effect of indexation:

2019	KWANZAS	UNITED STATES DOLLARS	EUROS	OTHER	TOTAL
ASSETS	**213 989 436**	**90 306 826**	**16 842 987**	**223 588**	**321 362 837**
CASH AND DEPOSITS AT CENTRAL BANKS	32 602 271	543 839	9 721 218	117 013	42 984 341
CASH AND DEPOSITS AT OTHER FINANCIAL INSTITUTIONS	1 228 317	5 578 923	1 698 779	106 578	8 612 597
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	-	53 718 076	5 408 268	(3)	59 126 341
LOANS TO CUSTOMERS	77 098 671	10 310 029	14 722	-	87 423 422
INVESTMENTS AT AMORTIZED COST	102 872 138	20 155 959	-	-	123 028 097
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	188 039	-	-	-	188 039
LIABILITIES	**(210 143 881)**	**(91 779 481)**	**(39 572 893)**	**(8 536)**	**(341 504 791)**
RESOURCES FROM CUSTOMERS AND OTHER DEBTS	(180 447 439)	(91 775 748)	(38 415 243)	(8 536)	(310 646 966)
RESOURCES FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	(10 440 058)	(3 733)	(1 157 650)	-	(11 601 441)
SUBORDINATED LIABILITIES	(19 256 384)	-	-	-	(19 256 384)
TOTAL	**3 845 555**	**(1 472 655)**	**(22 729 906)**	**215 052**	**(20 141 954)**

2018	KWANZAS	UNITED STATES DOLLARS	EUROS	OTHER	TOTAL
ASSETS	**182 344 344**	**51 380 299**	**2 662 566**	**115 135**	**236 502 344**
CASH AND DEPOSITS AT CENTRAL BANKS	7 357 439	5 640 095	382 074	95 801	13 475 409
CASH AND DEPOSITS AT OTHER FINANCIAL INSTITUTIONS	2 557	2 563 971	2 272 720	19 334	4 858 582
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	-	25 046 420	-	-	25 046 420
LOANS TO CUSTOMERS	79 851 342	7 028 625	7 772	-	86 887 739
INVESTMENTS AT AMORTIZED COST	94 944 967	11 101 188	-	-	106 046 155
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	188 039	-	-	-	188 039
LIABILITIES	**(184 384 256)**	**(62 413 830)**	**(25 427 234)**	**(11 886)**	**(272 237 206)**
RESOURCES FROM CUSTOMERS AND OTHER DEBTS	(167 782 562)	(62 413 830)	(23 978 247)	(11 886)	(254 186 525)
RESOURCES FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	(7 262 919)	-	(1 448 987)	-	(8 711 906)
SUBORDINATED LIABILITIES	(9 338 775)	-	-	-	(9 338 775)
TOTAL	**(2 039 912)**	**(11 033 531)**	**(22 764 668)**	**103 249**	**(35 734 862)**

ii) Exposure considering the effect of indexation:

2019	KWANZAS	UNITED STATES DOLLARS	EUROS	OTHER	TOTAL
ASSETS	**135 063 853**	**169 232 409**	**16 842 987**	**223 588**	**321 362 837**
CASH AND DEPOSITS AT CENTRAL BANKS	32 602 271	543 839	9 721 218	117 013	42 984 341
CASH AND DEPOSITS AT OTHER FINANCIAL INSTITUTIONS	1 228 317	5 578 923	1 698 779	106 578	8 612 597
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	-	53 718 076	5 408 268	(3)	59 126 341
LOANS TO CUSTOMERS	77 098 671	10 310 029	14 722	-	87 423 422
INVESTMENTS AT AMORTIZED COST	23 946 555	99 081 542	-	-	123 028 097
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	188 039	-	-	-	188 039
LIABILITIES	**(156 966 650)**	**(144 956 712)**	**(39 572 893)**	**(8 536)**	**(341 504 791)**
RESOURCES FROM CUSTOMERS AND OTHER DEBTS	(146 441 962)	(125 781 225)	(38 415 243)	(8 536)	(310 646 966)
RESOURCES FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	(10 440 058)	(3 733)	(1 157 650)	-	(11 601 441)
SUBORDINATED LIABILITIES	(84 630)	(19 171 754)	-	-	(19 256 384)
TOTAL	**(21 902 797)**	**24 275 697**	**(22 729 906)**	**215 052**	**(20 141 954)**

2018	KWANZAS	UNITED STATES DOLLARS	EUROS	OTHER	TOTAL
ASSETS	**108 613 899**	**125 110 744**	**2 662 566**	**115 135**	**236 502 344**
CASH AND DEPOSITS AT CENTRAL BANKS	7 357 439	5 640 095	382 074	95 801	13 475 409
CASH AND DEPOSITS AT OTHER FINANCIAL INSTITUTIONS	2 557	2 563 971	2 272 720	19 334	4 858 582
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	-	25 046 420	-	-	25 046 420
LOANS TO CUSTOMERS	79 851 342	7 028 625	7 772	-	86 887 739
INVESTMENTS AT AMORTIZED COST	21 214 522	84 831 633	-	-	106 046 155
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	188 039	-	-	-	188 039
LIABILITIES	**(174 060 787)**	**(72 737 299)**	**(25 427 234)**	**(11 886)**	**(272 237 206)**
RESOURCES FROM CUSTOMERS AND OTHER DEBTS	(166 759 649)	(63 436 743)	(23 978 247)	(11 886)	(254 186 525)
RESOURCES FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	(7 262 919)	-	(1 448 987)	-	(8 711 906)
SUBORDINATED LIABILITIES	(38 219)	(9 300 556)	-	-	(9 338 775)
TOTAL	**(65 446 888)**	**52 373 445**	**(22 764 668)**	**103 249**	**(35 734 862)**

The sensitivity analysis of the equity value of financial instruments to changes in exchange rates at 31 December 2019 and 2018 is also presented, for i) exposure not considering financial instruments indexed to foreign currency and ii) considering financial instruments indexed to foreign currency. The sensitivity analysis expresses the impact on the equity value of financial instruments of the change in the value of the foreign currency against the kwanza.

i) Variation in the equity value of financial instruments not considering the effect of indexation:

AKZ'000

2019	-20%	-10%	-5%	5%	10%	20%
UNITED STATES DOLLARS	751 964	375 982	187 991	(187 991)	(375 982)	(751 964)
EUROS	440 069	220 035	110 017	(110 017)	(220 035)	(440 069)
OTHER	(42 659)	(21 330)	(10 665)	10 665	21 330	42 659
TOTAL	**1 149 374**	**574 687**	**287 343**	**(287 343)**	**(574 687)**	**(1 149 374)**

AKZ'000

2018	-20%	-10%	-5%	5%	10%	20%
UNITED STATES DOLLARS	(1 057 360)	(528 680)	(264 340)	264 340	528 680	1 057 360
EUROS	(651 961)	(325 981)	(162 990)	162 990	325 981	651 961
OTHER	20 651	10 326	5 163	(5 163)	(10 326)	(20 651)
TOTAL	**(1 688 670)**	**(844 335)**	**(422 167)**	**422 167**	**844 335**	**1 688 670**

ii) Variation in the equity value of financial instruments considering the effect of indexation:

AKZ'000

2019	-20%	-10%	-5%	5%	10%	20%
UNITED STATES DOLLARS	(4 397 706)	(2 198 853)	(1 099 427)	1 099 427	2 198 853	4 397 706
EUROS	440 069	220 035	110 017	(110 017)	(220 035)	(440 069)
OTHER	(42 659)	(21 330)	(10 665)	10 665	21 330	42 659
TOTAL	**(4 000 296)**	**(2 000 148)**	**(1 000 075)**	**1 000 075**	**2 000 148**	**4 000 296**

AKZ'000

2018	-20%	-10%	-5%	5%	10%	20%
UNITED STATES DOLLARS	11 624 035	5 812 018	2 906 009	(2 906 009)	(5 812 018)	(11 624 035)
EUROS	(651 961)	(325 981)	(162 990)	162 990	325 981	651 961
OTHER	20 651	10 326	5 163	(5 163)	(10 326)	(20 651)
TOTAL	**10 992 725**	**5 496 363**	**2 748 182**	**(2 748 182)**	**(5 496 363)**	**(10 992 725)**

The result of the *stress test* presented corresponds to the expected impact (before tax) on equity, including minority interests, due to a 20% appreciation in the exchange rate of each currency against the Kwanza.

LIQUIDITY RISK

The assessment of liquidity risk is made using internal metrics defined by the Group's management, namely exposure limits. This control is reinforced with the monthly execution of sensitivity analyses, in order to characterize the Group's risk profile and ensure that its obligations in a scenario of liquidity crisis are met.

The control of liquidity levels is aimed at maintaining a satisfactory level of liquidity to meet short, medium and long term financial needs. Liquidity risk is monitored on a daily basis and several reports are prepared for monitoring purposes and for monitoring and decision support in the ALCO Committee.

The evolution of the liquidity situation is made, in particular, based on estimated future cash flows for various time horizons, considering the Group's balance sheet. The liquidity position on the day of analysis and the amount of assets considered highly liquid in the portfolio of uncommitted securities are added to the values calculated, thus determining the accumulated liquidity gap for various time horizons. In addition, the liquidity positions are also monitored from a prudential point of view, calculated in accordance with the rules required by the National Bank of Angola (Instruction no. 06/2016 of 8 August).

At 31 December 2019 and 2018, the liquidity gap on the Group's balance sheet presented the following structure:

AKZ'000

2019	AT SIGHT	UP TO 1 MONTH	1 TO 3 MONTHS	3 TO 6 MONTHS	FROM 6 MONTHS TO 1 YEAR	FROM 1 YEAR TO 3 YEARS	FROM 3 YEARS TO 5 YEARS	MORE THAN 5 YEARS	UNDETERMINED	TOTAL
ASSETS	**95 289 404**	**12 716 342**	**20 801 686**	**9 526 769**	**33 330 385**	**67 108 436**	**28 104 082**	**77 949 906**	**(23 464 173)**	**321 362 837**
CASH AND DEPOSITS AT CENTRAL BANKS	42 984 341	-	-	-	-	-	-	-	-	42 984 341
CASH AND DEPOSITS AT OTHER FINANCIAL INSTITUTIONS	8 612 597	-	-	-	-	-	-	-	-	8 612 597
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	13 649 333	2 823 945	14 458 831	1 932 303	26 287 543	-	-	-	(25 614)	59 126 341
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	-	-	-	-	-	-	-	-	188 039	188 039
INVESTMENTS AT AMORTIZED COST	-	9 863 020	6 153 830	5 994 312	1 075 719	39 045 848	8 122 818	54 703 429	(1 930 879)	123 028 097
LOANS TO CUSTOMERS	30 043 133	29 377	189 025	1 600 154	5 967 123	28 062 588	19 981 264	23 246 477	(21 695 719)	87 423 422
LIABILITIES	**(147 796 610)**	**(19 906 966)**	**(33 789 009)**	**(42 814 263)**	**(59 943 385)**	**(15 010 330)**	**(14 514 416)**	**(4 866 506)**	**(2 863 306)**	**(341 504 791)**
RESOURCES FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	(654 241)	-	(10 072 246)	-	(805 257)	-	-	-	(69 697)	(11 601 441)
RESOURCES FROM CUSTOMERS AND OTHER DEBTS	(147 142 369)	(19 906 966)	(23 716 763)	(42 814 263)	(59 138 128)	(15 010 330)	(17 348)	(107 190)	(2 793 609)	(310 646 966)
SUBORDINATED LIABILITIES	-	-	-	-	-	-	(14 497 068)	(4 759 316)	-	(19 256 384)
GAP	**(52 507 206)**	**(7 190 624)**	**(12 987 323)**	**(33 287 494)**	**(26 613 000)**	**52 098 106**	**13 589 666**	**73 083 400**	**(26 327 479)**	**(20 141 954)**
ACCUMULATED GAP	**(52 507 206)**	**(59 697 830)**	**(72 685 153)**	**(105 972 647)**	**(132 585 647)**	**(80 487 541)**	**(66 897 875)**	**6 185 525**	**(20 141 954)**	**(40 283 908)**

AKZ'000

2018	AT SIGHT	UP TO 1 MONTH	1 TO 3 MONTHS	3 TO 6 MONTHS	FROM 6 MONTHS TO 1 YEAR	FROM 1 YEAR TO 3 YEARS	FROM 3 YEARS TO 5 YEARS	MORE THAN 5 YEARS	UNDETERMINED	TOTAL
ASSETS	**33 332 841**	**11 993 105**	**17 673 200**	**10 575 925**	**37 063 709**	**37 754 481**	**31 440 730**	**70 008 861**	**(13 340 508)**	**236 502 344**
CASH AND DEPOSITS AT CENTRAL BANKS	13 475 409	-	-	-	-	-	-	-	-	13 475 409
CASH AND DEPOSITS AT OTHER FINANCIAL INSTITUTIONS	4 858 582	-	-	-	-	-	-	-	-	4 858 582
INVESTMENTS IN CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	-	9 289 738	7 135 760	2 695 599	2 392 734	-	-	-	3 532 589	25 046 420
LOANS TO CUSTOMERS	14 473 030	1 632 801	4 756 030	43 286	28 185 713	8 090 728	12 858 835	34 442 815	(17 595 499)	86 887 739
INVESTMENTS AT AMORTIZED COST	525 820	1 070 566	5 781 410	7 837 040	6 485 262	29 663 753	18 581 895	35 566 046	534 363	106 046 155
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	-	-	-	-	-	-	-	-	188 039	188 039
LIABILITIES	**(113 876 760)**	**(25 366 665)**	**(38 152 227)**	**(25 089 601)**	**(44 765 943)**	**(10 145 352)**	**(10 520 681)**	**(843 822)**	**(3 053 336)**	**(271 814 387)**
RESOURCES FROM CUSTOMERS AND OTHER DEBTS	(113 479 028)	(25 366 665)	(31 406 474)	(25 089 601)	(44 765 943)	(9 094 097)	(1 181 906)	(843 822)	(3 053 336)	(254 280 872)
RESOURCES FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	(397 732)	-	(6 745 753)	-	-	(1 051 255)	-	-	-	(8 194 740)
SUBORDINATED LIABILITIES	-	-	-	-	-	-	(9 338 775)	-	-	(9 338 775)
GAP	**(80 543 919)**	**(13 373 560)**	**(20 479 027)**	**(14 513 676)**	**(7 702 234)**	**27 609 129**	**20 920 049**	**69 165 039**	**(16 393 844)**	**(35 312 043)**
ACCUMULATED GAP	**(80 543 919)**	**(93 917 479)**	**(114 396 506)**	**(128 910 182)**	**(136 612 416)**	**(109 003 287)**	**(88 083 238)**	**(18 918 199)**	**(35 312 043)**	**(70 624 086)**

PROPERTY RISK

Property risk results from exposure to property (either from credit recovery processes or investment property), as well as to property fund units held in the securities portfolio.

These exposures are regularly monitored, and scenario analyses are carried out to estimate potential impacts of changes in the real estate market on the portfolios of real estate investment funds, investment properties and real estate given in hand.

OPERATIONAL RISK

An operational risk management system is in place which is based on the identification, assessment, monitoring, measurement, mitigation and reporting of this type of risk.

The Group's Risk Department performs the corporate function of operating risk management, which is supported by the existence of interlocutors in different organic units that ensure the proper implementation of operating risk management within the Group.

CAPITAL MANAGEMENT AND SOLVENCY RATIO

The Group's own funds are calculated in accordance with the applicable regulatory rules, namely Notice 2/2016. The requirements for the solvency ratio are set out in Notice No 3/2016, Notice No 4/2016 and Notice No 5/2016. The applicable instructions are the following: Instruction No 12/2016, Instruction No 13/2016, Instruction No 14/2016, Instruction No 15/2016, Instruction No 16/2016, Instruction No 17/2016 and Instruction No 18/2016.

Angolan financial institutions shall maintain a level of own funds consistent with the nature and scale of operations duly weighted by the risks inherent in the operations, with a minimum Regulatory Solvency Ratio of 8.5%.

A summary of the Group's capital requirements calculations for 31 December 2019 is presented below:

	AKZ'000
	31.12.2019
CREDIT RISK WEIGHTED ASSETS	
WEIGHTING 0%	-
WEIGHTING 8%	800 882
WEIGHTING 20%	6 253 872
WEIGHTING 35%	2 315 234
WEIGHTING 50%	28 459 802
WEIGHING 75%	1 905 327
WEIGHTING 100%	149 895 162
WEIGHTING 150%	15 661 432
TOTAL CREDIT RISK WEIGHTED ASSETS	**205 291 711**
CAPITAL REQUIREMENTS: CREDIT RISK	**20 529 171**
OVERALL NET CURRENCY POSITION	22 796 890
FOREIGN EXCHANGE RISK	1 823 751
CAPITAL REQUIREMENTS: MARKET RISK	**1 823 751**
OPERATING RISK WEIGHTED ASSETS	95 340 024
CAPITAL REQUIREMENTS: OPERATIONAL RISK	**4 767 001**
TOTAL CAPITAL REQUIREMENTS	**27 119 924**
OWN FUNDS	
BASE	32 240 758
COMPLEMENTARY	7 884 242
DEDUCTIONS FROM ORIGINAL AND ADDITIONAL OWN FUNDS	(733 330)
TOTAL REGULATORY OWN FUNDS	**39 391 670**
SOLVABILITY RATIO	**14.52%**
BASIC SOLVABILITY RATIO	**11.89%**

NOTE 38
RECENTLY ISSUED ACCOUNTING STANDARDS AND INTERPRETATIONS

1. NEW STANDARDS, AMENDMENTS TO THE STANDARDS AND INTERPRETATIONS WHICH BECAME EFFECTIVE ON 1 JANUARY 2019

The standards below became effective on 1 January 2019. None of the standards had a material impact on the Group's accounts and they were incorporated in the Group's accounts as at 31 December 2019:

IFRS 16 (NEW) - "LEASES"

This standard supersedes IAS 17, with a significant impact on accounting by lessees who are now required to recognise a lease liability reflecting future lease payments and a 'right of use' asset for all lease contracts except certain short-term leases and low value assets. The definition of a lease contract has also been changed and is based on the 'right to control the use of an identified asset'. For the transitional regime, the new standard may be applied retrospectively, or a modified retrospective approach may be followed. The impact can be found in Note 2.22.

IFRS 9 (AMENDMENT) - 'ELEMENTS OF PREPAYMENT WITH NEGATIVE COMPENSATION'.

This change introduces the possibility of classifying financial assets with negative prepayment conditions at amortised cost, provided that specific conditions are met, rather than at fair value through profit or loss. No material impacts are expected as a result of the future adoption of this standard.

IAS 19 (AMENDMENT) - "CHANGES, REDUCTIONS AND SETTLEMENTS IN DEFINED BENEFIT PLANS".

This amendment to IAS 19 requires an entity: (i) use discounted assumptions to determine the current service cost and net interest for the remaining period after the change, reduction or liquidation of the plan; and (ii) recognise in profit or loss for the year as part of the cost of past service, or as a gain or loss on liquidation any reduction in the excess of the hedge, even if the excess of the hedge has not previously been recognised because of the impact of the asset ceiling. The impact on the asset ceiling is always recorded in the Other Comprehensive Income and cannot be recycled as a result of the financial year.

IAS 28 (AMENDMENT) - "LONG-TERM INVESTMENTS IN ASSOCIATES AND JOINT VENTURES".

This change clarifies that long-term investments in associates and joint ventures, which are not being measured using the equity method, are accounted for under IFRS 9. Long-term investments in associates and joint ventures are subject to the impairment model of estimated losses before being added for impairment testing of the overall investment in an associate or joint venture, when there are indicators of impairment.

IMPROVEMENTS TO STANDARDS 2015 - 2017

This cycle of improvements affects the following standards: IAS 23, IAS 12, IFRS 3 and IFRS 11.

IFRIC 23 (NEW) - "UNCERTAINTY OVER THE TREATMENT OF INCOME TAX".

This is an interpretation of IAS 12 - 'Income Tax', referring to the measurement and recognition requirements to be applied when there is uncertainty as to the acceptance of a certain tax treatment by the tax authorities regarding income tax. In case of uncertainty about the tax authorities' position on a specific transaction, the entity should make its best estimate and record the income tax assets or liabilities under IAS 12, and not under IAS 37 - 'Provisions, contingent liabilities and contingent assets', based on the expected or the most probable value. The application of IFRIC 23 may be retrospective or modified retrospectively. No material impacts are expected as a result of the future adoption of this standard.

2. PUBLISHED STANDARDS (NEW AND AMENDED) AND INTERPRETATIONS, THE APPLICATION OF WHICH SHALL BE MANDATORY FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2020:

IAS 1 AND IAS 8 (AMENDMENT) – "DEFINITION OF MATERIAL"

This amendment introduces a change to the concept of material and clarifies that mention of unclear information refers to situations whose effect is similar to omitting or distorting such information, and the entity must assess materiality considering the financial statements as a whole. Clarifications are also made as to what is meant by 'major users of financial statements', defined as current and future investors, lenders and creditors' who rely on the financial statements for a significant part of the information they need.

CONCEPTUAL FRAMEWORK - "CHANGES IN REFERENCE TO OTHER IFRSS".

As a result of the publication of the new Conceptual Framework, the IASB introduced changes to the text of several standards and interpretations, such as: IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, SIC 32, in order to clarify the application of the new definitions of asset / liability and expense / income, in addition to some of the characteristics of financial information. These changes are of retrospective application unless impracticable.

IFRS 3 (AMENDMENT) – "BUSINESS DEFINITION"

This amendment is a revision to the business definition for the purpose of accounting for business combinations. The new definition requires an acquisition to include a substantial input and process that together generate outputs. Outputs are now defined as goods and services that are provided to customers, that generate financial investment income and other income, excluding returns in the form of cost reductions and other economic benefits to shareholders. Concentration tests' are now permitted to determine whether a transaction relates to the acquisition of an asset or a business.

IFRS 9, IAS 39 AND IFRS 7 (AMENDMENT) - "REFORM OF REFERENCE INTEREST RATES".

These changes are part of the first phase of the IASB's 'IBOR reform' project and allow exemptions related to the benchmark reform for reference interest rates. The exemptions relate to hedge accounting, in terms of: (i) risk components; (ii) the 'highly probable' requirement; (iii) prospective valuation; (iv) the retrospective effectiveness test (for IAS 39 adopters); and (v) the recycling of the cash flow hedge reserve, and aim to ensure that the reform of the benchmark interest rate does not lead to the termination of hedge accounting. However, any ineffectiveness of hedges assessed shall continue to be recognised in the income statement.

IFRS 17 (NEW) - 'INSURANCE CONTRACTS

This new standard replaces IFRS 4 and is applicable to all entities that issue insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. IFRS 17 is based on the current measurement of technical liabilities at each reporting date. The current measurement may be based on a complete (building block approach) or simplified (premium allocation approach) model. The recognition of the technical margin is different depending on whether it is positive or negative. IFRS 17 is retrospectively applicable.

NOTE 39
SUBSEQUENT EVENTS

On 3 March 2020, BNI informed the Board of Directors of Banco BNI Europa that all the conditions precedent to the sale of a qualified shareholding, which considers the sale of 80.1% of Banco BNI Europa's share capital, were met. However, on 20 March 2020 Banco BNI, sole shareholder of Banco BNI Europa, informed the Board of Directors that it had been informed that same day that the Capital Investor had communicated its intention not to definitively honour the qualified shareholding agreement entered into in December 2017, even if all the agreed conditions were met. In this context, the Board of Directors of Banco BNI Europa and Banco BNI will review the 2020-2024 Business Plan, which had been prepared under the assumption that the acquisition of a majority stake in Banco BNI Europa by the Capital Investor would take place.

As is widely known, the issue of Coronavirus called COVID-19 has had sensitive developments in recent weeks in several countries, including Angola, and there are reports that some sectors of the economy may be affected by direct and indirect effects caused by the disease, such as tourism, transport and some services. Bearing in mind the activity developed by the Group, the Board of Directors does not estimate any material effects at the level of the 2019 consolidated financial statements as a result of the above event. However, given the uncertainty of these possible effects, the Bank's Board of Directors is unable to estimate and quantify at this date the future impacts of Coronavirus on the Angolan economy and in particular on the Group's own business. We will continue to assess this situation carefully over the next financial year.

In addition to the matter referred to in the previous paragraphs, we are not aware of any facts or events after 31 December 2019 that justify adjustments in the disclosure in the Notes to the Accounts for the year analysed, that affect the situations and/or information therein disclosed in a significant manner and/or that have changed or are expected to change significantly the Group's financial position, results and/or activities.

OPINION
OF THE INDEPENDENT AUDITOR

pwc

Relatório do Auditor Independente

Ao Conselho de Administração do
Banco de Negócios Internacional, S.A.

Introdução

1 Auditámos as demonstrações financeiras consolidadas anexas do Banco de Negócios Internacional, S.A., as quais compreendem o Balanço consolidado em 31 de Dezembro de 2019 que evidencia um total de 573 318 668 milhares de Kwanzas e um capital próprio consolidado de 21 454 747 milhares de Kwanzas, incluindo um resultado líquido consolidado de 1 828 595 milhares de Kwanzas, a Demonstração de Resultados consolidada, a Demonstração do Rendimento Integral consolidada, a Demonstração de Alterações no Capital Próprio consolidada e a Demonstração dos Fluxos de Caixa consolidada do exercício findo naquela data e o correspondente Anexo.

Responsabilidade do Conselho de Administração pelas Demonstrações Financeiras consolidadas

2 O Conselho de Administração é responsável pela preparação e apresentação de modo apropriado destas demonstrações financeiras consolidadas de acordo com as Normas Internacionais de Relato Financeiro (IFRS) em vigor e pelo controlo interno que determine ser necessário para possibilitar a preparação de demonstrações financeiras consolidadas isentas de distorção material devido a fraude ou a erro.

Responsabilidade do Auditor

3 A nossa responsabilidade consiste em expressar uma opinião independente sobre estas demonstrações financeiras consolidadas com base na nossa auditoria, a qual foi conduzida de acordo com as Normas Técnicas da Ordem dos Contabilistas e Peritos Contabilistas de Angola. Estas normas exigem que cumpramos requisitos éticos e que planeemos e executemos a auditoria para obter segurança razoável sobre se as demonstrações financeiras estão isentas de distorção material.

4 Uma auditoria envolve executar procedimentos para obter prova de auditoria acerca das quantias e divulgações constantes das demonstrações financeiras consolidadas. Os procedimentos seleccionados dependem do julgamento do auditor, incluindo a avaliação dos riscos de distorção material das demonstrações financeiras consolidadas devido a fraude ou a erro. Ao fazer essas avaliações do risco, o auditor considera o controlo interno relevante para a preparação e apresentação das demonstrações financeiras consolidadas pela entidade a fim de conceber procedimentos de auditoria que sejam apropriados nas circunstâncias, mas não com a finalidade de expressar uma opinião sobre a eficácia do controlo interno da entidade. Uma auditoria inclui também avaliar a adequação das políticas contabilísticas usadas e a razoabilidade das estimativas contabilísticas feitas pelo Conselho de Administração, bem como avaliar a apresentação global das demonstrações financeiras consolidadas.

5 Estamos convictos que a prova de auditoria que obtivemos é suficiente e apropriada para proporcionar uma base para a nossa opinião de auditoria com reservas.

PricewaterhouseCoopers (Angola), Limitada
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Bases para a Opinião com Reservas

6 No final de 2018, a Associação Angolana de Bancos ("ABANC") e o Banco Nacional de Angola ("BNA") expressaram uma interpretação de que não se encontravam cumpridos a totalidade dos requisitos previstos na IAS 29 – Relato financeiro em economias hiperinflacionárias ("IAS 29") para que a economia Angolana fosse considerada hiperinflacionária no exercício findo em 31 de Dezembro de 2018. Consequentemente, a Administração do Banco decidiu continuar a não aplicar as disposições constantes na IAS 29 às suas demonstrações financeiras consolidadas a 31 de Dezembro de 2018. Naquela data a taxa de inflação acumulada nos últimos três anos ultrapassa os 100%, independentemente do índice utilizado, o que é uma condição quantitativa objectiva que nos leva a considerar, para além da existência de outras condições previstas na IAS 29, que a moeda funcional das demonstrações financeiras consolidadas do Banco em 31 de Dezembro de 2018 corresponde à moeda de uma economia hiperinflacionária. Nestas circunstâncias, o Banco deveria ter apresentado as suas demonstrações financeiras consolidadas em 31 de Dezembro de 2018 de acordo com as disposições previstas na IAS 29. Apesar de Angola não ser considerada uma economia hiperinflacionária com referência a 31 de Dezembro de 2019, o Banco deveria apresentar a informação financeira consolidada comparativa com referência a 31 de Dezembro de 2018 de acordo com as disposições previstas na IAS 29. Não obtivemos, contudo, informações suficientes que nos permitam quantificar com rigor os efeitos desta situação em 31 de Dezembro de 2018, que entendemos serem materiais nas rubricas de Outras reservas e resultados transitados e Resultado líquido do exercício. Os impactos acumulados da IAS 29 nas demonstrações financeiras consolidadas do exercício findo em 31 de Dezembro de 2019 foram considerados imateriais, na medida em que o maior impacto em 31 de Dezembro de 2018 diz respeito a itens monetários, os quais representam a grande maioria dos itens do balanço consolidado do Banco.

Opinião com reservas

7 Em nossa opinião, excepto quanto aos efeitos do assunto descrito na secção "Bases para a Opinião com Reservas", as demonstrações financeiras consolidadas referidas no parágrafo 1 acima apresentam de forma apropriada, em todos os aspectos materialmente relevantes, a posição financeira consolidada do Banco de Negócios Internacional, S.A. em 31 de Dezembro de 2019 e o seu desempenho financeiro consolidado e fluxos de caixa consolidados relativo ao exercício findo naquela data, em conformidade com as Normas Internacionais de Relato Financeiro (IFRS) em vigor.

Ênfase

8 Chamamos a atenção para a informação divulgada na nota 39 do anexo contendo as notas explicativas, relativa aos possíveis impactos da pandemia do COVID-19 na economia e, consequentemente, na actividade futura do Banco.

21 de Abril de 2020

PricewaterhouseCoopers (Angola), Limitada
Registada na Ordem dos Contabilistas e Peritos Contabilistas de Angola com o nº E20170010
Representada por:

Ricardo Santos

Ricardo Santos, Perito Contabilista Nº 20120086

OPINION
OF THE SUPERVISORY BOARD

BANCO DE NEGÓCIOS INTERNACIONAL, S.A.

CONTAS CONSOLIDADAS

Parecer do Conselho Fiscal

1. Dando cumprimento ao mandato que V. Exas. nos conferiram e em conformidade com as disposições legais em vigor no País, nomeadamente da Lei nº 1/04, de 13 de Fevereiro de 2004, Lei das Sociedades Comerciais, submetemos à apreciação de Vªs. Exªs. o parecer do Conselho Fiscal sobre as Demonstrações Financeiras Consolidadas do exercício findo em 31 de Dezembro de 2019, relativos ao **"Grupo Financeiro BNI"**, constituído, para efeitos de Consolidação, pelo ***BNI - Banco de Negócios Internacional, S.A.***, o ***BNI Asset Management, S.A. e o resultado do BNI-Europa.***

2. Estas compreendem o Balanço consolidado, que evidencia um total de 573 318 668 milhares de Kwanzas, Passivo de 551 863 921 milhares de Kwanzas, e um Capital Próprio consolidado de 21 454 747 milhares de Kwanzas, incluindo um resultado líquido consolidado de 1 828 595 milhares de Kwanzas e interesses que não controlam de 209 milhares de Kwanzas, a Demonstração de Resultados consolidados, a Demonstração do Rendimento Integral consolidado, a Demonstração de Alterações no Capital Próprio consolidado e a Demonstração dos Fluxos de Caixa consolidados do exercício findo naquela data e o correspondente Anexo.

3. O Conselho Fiscal acompanhou as actividades desenvolvidas pelo Grupo BNI durante o exercício económico findo em 31 de Dezembro de 2019, procedeu ao exame das Demonstrações Financeiras, obteve os informações e esclarecimentos que se julgaram pertinentes, além de observar os demais procedimentos tidos como indispensáveis.

4. Quanto a interpretação e reconhecimento da IAS 29 – Relato financeiro em economias hiperinflacionárias ("IAS 29") para que a economia Angolana seja considerada hiperinflacionária no exercício findo em 31 de Dezembro de 2019, o Conselho Fiscal considera que os requisitos de base alteraram-se positivamente e recomenda a Administração do Banco a rever os pressupostos apresentados pelos auditores para a manutenção da "reserva por desacordo", solicitar explicações fundamentadas e de aplicação adequáveis e efectivas para Angola de acordo plenitude da norma.

5. Não obstante o supra referido, o Conselho Fiscal recomenda para o exercício económico de 2020:

   i) O Conselho Fiscal recomenda a adequação do Plano Estratégico do GRUPO FINANCEIRO BNI para os próximos 2 anos, considerando o ambiente económico e financeiro de Angola e do mundo, particularmente pela baixa acentuada do preço do petróleo, nas limitações resultantes dos processos de alienação de activos detidos para venda com grande impacto em imparidades, no fraco poder compra das populações e da incerteza do impacto do COVID -19 na economia, para uma melhor apreciação quanto à leitura da conjuntura no sector financeiro angolano e mundial.

   ii) O Conselho Fiscal recomenda, que em resultado da adopção da "IFRS 9", sejam levantadas e acauteladas as implicações de todos os contratos em vigor, de natureza Comercial, Laboral e Fiscal e muito especialmente junto do BNA nos aspectos inerentes à Lei de Base das Instituições Financeiras e outras Leis aplicáveis para os vários cenários e medidas de futuro dos accionistas.

6. Com base no resultado da fiscalização exercida nos moldes referidos no parágrafo #3 acima, consideramos que:

   i. os documentos de prestação de contas preparados pelo Conselho de Administração, em nosso entender, foram elaborados de acordo com os princípios contabilísticos consagrados no Plano Contabilístico das Instituições Financeiras (CONTIF), nos termos do Instrutivo nº 9/2007, de 19 de Setembro, emitido pelo BNA, com as actualizações introduzidas pela Directiva n.º 04/DSI/2011, e descrevem sumariamente a actividade desenvolvida pelo Banco e ajudam a interpretar os resultados apurados, na medida em que evidenciam os factos mais relevantes e os factores que para eles contribuíram;

   ii. Não tomamos conhecimento de qualquer situação ou deliberação estatutária que fosse contrária às normas em vigor e a continuidade das operações que possam pôr em causa a razoabilidade das Demonstrações Financeiras apresentadas e a continuidade do negócio.

7. Assim, com base no exposto, e considerando que os documentos referidos em #1 permitem, no seu conjunto, a compreensão da situação financeira e dos resultados do BANCO, é nossa opinião que as Demonstrações Financeiras relativas ao exercício findo em 31 de Dezembro de 2019, traduzem, em todos os aspectos materialmente relevantes, a

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posição Financeira e Patrimonial do **"GRUPO FINANCEIRO BNI"** naquela data, estando em condições de serem submetidos à Assembleia Geral, visando a sua aprovação.

8. Parecer

Assim, com base no exposto, é nossa opinião que as Demonstrações Financeiras relativas ao exercício findo em 31 de Dezembro de 2019, traduzem, em todos os aspectos materialmente relevantes, a posição Financeira e Patrimonial do **"GRUPO FINANCEIRO BNI"** naquela data, podendo ser submetidas à Assembleia Geral visando a sua aprovação.

Luanda, aos 29 de Abril de 2020

O Conselho Fiscal

Manuel Arnaldo Sousa Calado
(Presidente)

Licínio de Assis
(Vogal)

Dina Leote
(Vogal)

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