Annual Reports 2023

BCI
É daqui

The merit of another year of achievements, of positive results, of small and great victories belongs to:

Our employees
Our effort
Our teamwork
Our dedication
Our sleepless nights
Our daily struggles
Our perseverance
Our professionalism
Our innovation
Our trust
Our clients
Our partners
Everyone
It belongs here

INDEX

É meu.

É de todos. É daqui.

REPORT OF THE BOARD OF DIRECTORS

Francisco Pinto Machado Costa
Vice-Chairperson of the Board of Directors and Chief Executive Officer

Carlos Agostinho do Rosário
Chairperson of the Board of Directors

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

As the economic and market trend studies predicted, the year 2023 was characterised by various challenges that influenced the national economic situation, particularly at domestic level, instability in the north of the country and the occurrence of adverse climate phenomena. At the international level, the continuation of the military conflict in Europe and the emergence of a new conflict in the Middle East, among others, marked the global macroeconomic context.

At the economic level, there were signs of recovery in the global economy, driven by the slowdown in inflation, which resulted from the adoption of a restrictive monetary policy by the world's main central banks.

As far as the Mozambican economy is concerned, there has also been a favourable growth trend, leveraged above all by the extractive industry, with a notable contribution from the agriculture and related activities sector and the transportation sector.

Over the course of the year, the domestic financial sector witnessed a progressive integration between the personalised services offered to customers and the adoption of robust technological innovations aimed at meeting market challenges and strengthening financial inclusion in the country. The process of innovation and modernisation of the National Payment System was at the centre of the Financial System's attention, in a significant operation related to the introduction of a new platform, which gave shape to the effective implementation of a single payment network in Mozambique, whose realisation presented a number of challenges, which were met overall.

This process involved the introduction of proximity scanning technology (Contactless) in bank cards and POS and the modernisation of the ATM fleet, as well as the introduction of new functionalities and greater interoperability between commercial banks and electronic money institutions.

In this context, in which the banking sector has become more demanding and competitive, BCI has remained focused on its short- and medium-term objectives and has redoubled its efforts to provide its customers with the best levels of service in the market, through a commitment to proximity and the launch of segmented commercial campaigns, enabling customer loyalty and boosting business growth. The Bank has given particular importance to boosting digital channels, namely eBanking, the Host-to-host Platform, mobile applications (BCI App and Mobile Banking service -*134# and WhatsApp Banking), with the aim of promoting greater adoption and use by Customers, thus asserting itself as part of the strategies outlined by BCI to improve its Customer experience.

Positioning itself as a universal bank, BCI's business model is based on providing a complete range of financial products and services structured to meet the specific needs of its Customers, covering Personal Banking, Small and Medium-sized Business Banking, Large Corporate Banking and Institutional Customers and Bancassurance.

Commercial Banking as a whole represents the predominant area of BCI's business, both in terms of turnover and results achieved, supported by a network of 211 business units, including 28 Exclusive BCI Centres, 2 Integrated Centres, 1 Corporate BCI Centre, 2 Private BCI Centres and 2 Mobile Banks. In addition to the physical network and digital banking platforms, BCI now has 520 Automated Teller Machines (ATMs), as well as 10,831 Payment Terminals (POS) installed in the Merchant network and distributed nationwide.

Confirming the merit of the strategic path taken, BCI maintained its leadership of the Mozambican banking sector throughout 2023 in the three main business indicators, achieving a market share of 25.80% in Credit, 25.39% in Deposits and 22.89% in Assets, concerning December 2023.

This leadership position is accompanied by a permanent concern to contribute positively to Mozambican economic and social development, not only through the Bank's activities in providing financial services that support the dynamics of the productive sector and facilitate domestic and international trade, but also through numerous initiatives within the framework of the Corporate Social Responsibility Policy, mentioned below.

The Bank's performance in 2023 was honoured with awards from various domestic and international organisations, such as the Mozambique Stock Exchange, PMR Africa, Global Finance Magazine, World Economic Magazine and Euromoney, which demonstrates the relationship of trust that BCI has maintained with its Customers and the general public, and the market's recognition of the Bank's achievements and results.

BCI's record of positive growth has been constant over the last few years. The differentiating factor is a solid team focused on qualitative and quantitative objectives, prepared to overcome difficulties and obstacles and take advantage of the opportunities that our market presents in the various aspects of the banking business and also in the various parts of the country where BCI is present.

We would like to emphasise the decisive implementation of the 2021-2024 BCI Strategic Plan, which guides the initiatives and actions to be taken by the Bank in order to generate value for its stakeholders, based on 4 fundamental pillars: **Sustainability**, which aims to strengthen the Bank's risk management and governance model; **Efficiency**, which aims to promote organisational change and develop Human Resources; **Quality**, to position the Bank as a benchmark in the market in terms of quality of service provided; and **Profitability**, which aims to increase the Bank's profitability in all business areas.

Underpinned by these pillars, the Bank invested heavily in improving systems and processes and in qualifying and empowering its human resources, with a focus on technical knowledge, ethics, conduct and deontology and consumer protection, in particular by creating better capacity for handling customer complaints, as well as acting to mitigate them by systematically analysing their causes and origins. Of particular note in this regard is the fact that in 2023, 811 face-to-face and elearning training programmes were delivered, totalling 100,125 hours, covering all the Bank's employees.

Also in terms of Human Resources management, the dissemination of concepts aimed at ensuring ethical and transparent action in all processes and towards the different stakeholders was intensified, resulting in strengthening of the organisational culture, a better working environment, greater proximity and appreciation of people. These initiatives were carried out as part of an internal project called 'humanizar' (to humanise), based on three main vectors, namely Approximation, Appreciation and Recognition, which aims to refocus the organisation's orientation on its employees and thus make working relationships more welcoming and enjoyable.

BCI is also committed to offering equal access to work for Mozambicans, through a policy of equal treatment and opportunities for all employees, regardless of their gender or social origin. This policy has enabled the Bank to achieve gender balance in its workforce, which, concerning December 2023, was made up of 55% women and 45% men. It should also be noted that, on the same date, the ratio of Mozambican employees totalled 99.6%.

As part of its Corporate Social Responsibility Policy, BCI has strengthened its commitment to promoting sustainability, social inclusion and the well-being of Mozambican communities through various support programmes for Education, Health, Arts and Culture, Environmental Protection and Sports. These actions have been deeply integrated into BCI's activities since its foundation, and help to emphasise its position as the 'Bank of Mozambicans'.

This positioning is also reflected in the BCI brand, which, in all its dimensions, adopts an identity of belonging to local values, ethics and transparency in its activities, and proximity to customers.

Additionally, through this positioning, BCI reinforces its commitment to contributing to Mozambique's sustainable development and to modernising the financial system through innovation in the offer of products and services, maintaining its focus on customer service and observing the best practices in terms of governance and conduct of financial institutions.

In order to ensure excellent customer service and achieve high levels of satisfaction in their contact with BCI's different channels, the Bank has adopted a combination of priorities such as the continuous training of employees in all Bank areas, the simplification and automation of processes, the constant updating of digital platforms and the development of literacy programmes on the use and security of electronic means of payment. BCI's ultimate goal is to serve its customers and the market better and better, always creating value for all stakeholders.

To achieve these objectives, we have relied particularly on the trust of all our Customers, the commitment of our Employees and the support of the Bank's shareholders, who are the most important parts of our business.

We would also like to highlight the contribution of various institutional partners such as the Mozambique Interbank Company (SIMO), the Bank of Mozambique and the Ministry of Finance, for their ongoing support and encouragement.

On behalf of ourselves and the Board of Directors, we are deeply grateful to all our stakeholders for their participation in BCI's success, which has enabled us to make a decisive contribution to the growth and modernisation of the Mozambican financial system, a fact of which we are very proud.

KEY FINANCIAL INDICATORS

(Thousands of Meticais)

	Dec-22	Dec-23	Δ% 23/22	Δ Absolute
Balance				
Total Assets (Net)	202 176 368	209 856 237	3,80%	7 679 868
Turnover	229 566 875	233 269 304	1,61%	3 702 429
Loans and Advances to Customers	70 718 796	73 738 642	4,27%	3 019 846
Customer Funds	158 848 079	159 530 663	0,43%	682 583
Net Worth[1]	19 991 086	22 655 930	13,33%	2 664 845
Transformation Ratio	44,16%	45,85%	1,69pp	
Turnover per Employee	84 649	85 322	0,80%	673
Results				
Net Operating Income	20 208 737	20 940 776	3,62%	732 039
Net Interest Income	15 705 074	15 728 388	0,15%	23 314
Complementary Margin	4 503 663	5 212 388	15,74%	708 725
Operating Costs[2]	8 620 792	9 019 102	4,62%	398 310
Impairments and Provisions for Year[3]	671 577	1 884 891	180,67%	1 213 314
Income Tax	2 838 256	1 855 349	(34,63%)	(982 907)
Net Income	8 078 112	8 181 434	1,28%	103 322
Return				
Net Operating Income / Average Net Assets	10,37%	10,16%	(0,20pp)	
Return on Average Total Assets (ROAA)	4,18%	3,89%	(0,28pp)	
Return on Earning Asset (ROEA)	32,91%	29,74%	(3,17pp)	
Operating Costs / Net Operating Income (Cost-to-income)[4]	42,66%	43,07%	0,41pp	
Net Operating Income per Employee	7 452	7 659	207,79	
Credit Quality				
Non-Performing Loan Ratio (NPL) EBA Methodology[5]	5,48%	3,84%	(1,64pp)	
Non-Performing Loans Ratio (NPL) BdM Methodology[6]	14,43%	11,02%	(3,41pp)	
Coverage of Overdue Loans by Impairment of EBA Loans	102,69%	111,50%	8,81pp	
Coverage of Overdue Loans by Impairment of BdM Loans	74,06%	80,25%	6,19pp	
Cost of Risk	0,49%	0,18%	(0,31pp)	
Solvency				
Own Funds[7]	19 131 180	21 796 561	13,93%	2 665 381
Risk-Weighted Assets	75 466 342	89 551 074	18,66%	14 084 732
Equity / Total Assets Ratio	13,88%	14,69%	0,8pp	
Core Tier I Ratio	26,59%	25,19%	(1,4pp)	
Solvency Ratio[8]	25,35%	24,34%	(1,0pp)	
Market Share				
Deposits	25,41%	25,39%	(0,02pp)	
Loans and Advances to Customers	24,25%	25,80%	1,55pp	
Assets	23,68%	22,89%	(0,79pp)	
Other Indicators				
No. of Branches	211	211	0,00%	-
No. of Employees	2 712	2 734	0,81%	22
No. of Customers	2 178 206	2 285 251	4,91%	107 045
No. of ATMs	532	520	(2,26%)	(12)
No. of POS	13 427	10 831	(19,33%)	(2 596)

[1] Net Worth: includes Share Capital, Legal Reserve, Revaluation Reserves, Other Reserves and Retained Earnings and Own Shares.
[2] Operating costs: includes Employee Costs, General Administrative Costs and Depreciation for the Year.
[3] Impairments and Provisions for the Year: includes the net increase in Credit Impairment, Impairment of Other Assets, Miscellaneous Provisions for the Year and Recovery of Write-Offs.
[4] Considering the Credit Recovery item under write-off in the Net Operating Income, the Cost-to-income ratio would be 39.95% in 2023 and 42.43% in 2022.
[5] Non-performing loan ratio (NPL): calculated in accordance with the criteria established by the European Banking Authority (EBA).
[6] Non-Performing Loan Ratio (NPL): calculated based on Bank of Mozambique regulations (overdue loans including instalments falling due). During the second quarter of 2020, the BdM recommended revising the regulatory NPL concept, which now includes all restructured loans overdue by 1 day or more.
[7] Own funds: calculated on the basis established by Bank of Mozambique, which is based on the Basel II rules.
[8] Solvency Ratio: calculated on the basis of the methodology outlined by Bank of Mozambique, which reflects the Basel II rules and presumes greater stringency in controlling institutions' capital adequacy levels.

É meu.
É de todos. É daqui.

BCI
Who we are

”As the largest bank in the Mozambican financial system, we are committed to the Mozambican economy, our customers and our community. With a robust governance structure and a strong risk culture, the success of the Bank’s path has been recognised by the market..”

Francisco Costa, President of the Executive Committee

BCI's identity is marked by the financial and business culture of the Caixa Geral de Depósitos and Banco Português de Investimento Groups. The essential features of this culture are management independence, organisational flexibility, teamwork, the ability to anticipate and innovate, stringent risk management and the secure creation of value..

OUR MISSION

To actively contribute to Mozambique's economic and social development, creating Value and generating Satisfaction for Customers, Shareholders, Employees, Partners and the Community in general, in a socially responsible and sustainable manner.

OUR VISION

To be a Bank with a Mozambican culture and a benchmark for the financial system in sub-Saharan Africa, in terms of the application of best practices, competitiveness, innovation and quality of service.

BCI's activity and relationship with its stakeholders respects **Our Values:**

Closeness

Being ever **closer to our Customers** and potential Customers, through a network of capillary points of sale in the main urban centres and rural areas.

Accessibility

Making **access channels permanently available that are simple and easy to use**, allowing each Customer to choose the one that best suits them at any given time.

Quality

Offering a **level of service appropriate to each segment**, promoting, measuring and improving Customer satisfaction.

Friendliness

Being recognised for the high level of professionalism, cordiality and friendliness of our Employees.

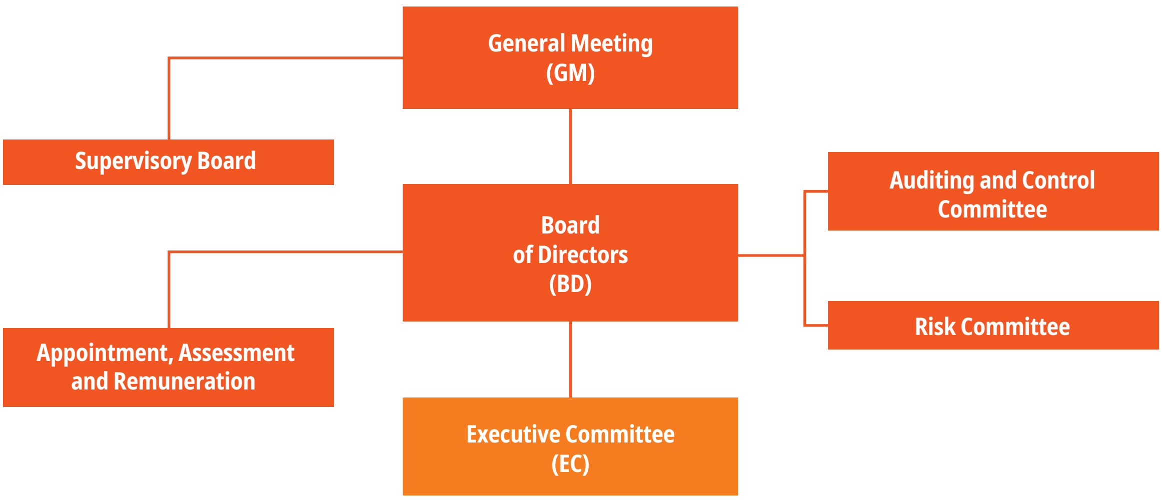
Ethics and Transparency

Acting with integrity, honesty and transparency to preserve our Customers' interests.

The 2021-2024 Strategic Plan, guides the initiatives and actions taken by the Bank in order to generate value for our stakeholders and is based on 4 Pillars:

GOVERNING BODIES AND GOVERNANCE MODEL

BCI's governance model ensures a clear distribution of roles and responsibilities between the different management and control bodies and committees, thereby promoting efficiency and transparency in the decision-making process, appropriate risk management and limiting the occurrence of potential conflicts of interest, with the aim of generating value for its stakeholders sustainably. BCI's Governance structure comprises the General Meeting, the Board of Directors and its specialised Corporate Governance support committees, namely the Auditing and Control Committee, the Risk Committee and the Appointment, Assessment and Remuneration Committee, as well as the Executive Committee, with the Supervisory Board as its supervisory body.



The Board of Directors is responsible, among other things, for exercising BCI's broadest powers of management and representation, subject to the resolutions of the General Meeting, approving the Strategic Plan, approving the policies on risk identification, assessment and management and the internal control measures to effectively manage and mitigate the risks to which the Bank is exposed, particularly those of Money Laundering and Terrorist Financing. The Board of Directors is also responsible for approving corporate governance policies in line with the provisions of the Articles of Association, applicable laws and regulations, as well as ensuring the continuous improvement of the Governance and Supervisory Model implemented. The Board of Directors delegates the Bank's day-to-day management to the Executive Committee, setting the limits of its powers.

Continuous monitoring of the relevant control functions by the Board of Directors is ensured by its Special Advisory and Corporate Governance Support Committees, made up of non-executive members of the Board, in order to guarantee the separation and independence of control functions from management functions.

Special Advisory and Corporate Governance Support Committees

Risk Committee

- **Assessing** and promoting the effectiveness of the Risk and Compliance Functions.
- **Monitoring** BCI's risk strategy and risk appetite.
- **Monitoring** the management policies for all risks related to the BCI's activity, both financial and non-financial.
- **Monitoring** rating processes.
- **Outlining** and updating an action plan for all risks.

Auditing and Control Committee

- **Monitoring** the activity of the Executive Committee.
- **Promoting and monitoring** compliance with legal and regulatory provisions, the Bank's Articles of Association, internal rules and recommendations issued by supervisory bodies, and general policies and internal rules and practices.
- **Monitoring the** preparation and disclosure of financial information.
- **Ensuring** the **adequacy** and fulfilment of the accounting policies, criteria and practices adopted by BCI, under the terms of the applicable accounting framework.
- **Assessing** and **promoting** the effectiveness and efficiency of the Internal Audit Function.

Appointment, Assessment and Remuneration

- **Promoting** and **monitoring** the drafting and implementation at BCI of CGD's corporate rules on the assessment, appointment and remuneration of employees, including members of governing bodies.
- **Identifying** and **assessing** candidates for management and supervisory bodies, promoting diversity in these bodies.
- **Presenting,** on an annual basis, proposals for the remuneration policy, including discretionary pension benefits, for members of the management and supervisory bodies to BCI's General Meeting.

The fist managers of the control functions (Risk Management, Internal Audit and Compliance) report, in functional terms, to the respective managers of these functions in the CGD Group and to the respective specialised committees of the Board of Directors, which guarantees their greater independence from the Bank's management, particularly the Executive Committee.

As for the Bank's day-to-day management, the Executive Committee delegates the monitoring and decision-making on certain specific issues to its Delegated Boards and General Committees, namely the Strategic Forum (FE), General Committee for Business Continuity (CCN), Extended Credit Board (CAC), Delegated Credit Council (CDC), Delegated Rating Council (CDRT), Costs and Investment Committee (CCI), Capital, Assets and Liabilities Committee (CALCO), Information Systems Committee (IT Steering), Operational Committee (CO), Delegated Data Protection Council (CDPD) and Credit Risk Monitoring Committee (CARC), which, in addition to the members of the Executive Committee, are attended by the heads of the areas relevant to the issues analysed, decided and monitored by the committee in question.

As at 31 December 2023, the composition of BCI's governing bodies, whose three-year term of office began in 2023, was represented by the following organisational chart:

Board of the General Meeting

Chairman: **Prof. José** Francisco **de Faria Costa**
Secretary: **Dr. Sérgio** Alexandre Cruz de Matos e Gois **Caupers**
Secretary: **Dr. Maveja** Aboobacar Ismael **Mulima**

Company Secretary

Secretary: **Dr. Sérgio** Alexandre Cruz de Matos e Gois **Caupers**

Board of Directors (CA)

Chairman: **Dr. Carlos** Agostinho **do Rosário**
1st Vice-Chairman: **Dr. José** João **Guilherme**
2nd Vice-Chairman: **Dr. Pedro** Simões Almeida Bissaia **Barreto**
3rd Vice-Chairman: **Dr. Francisco** Pinto Machado **Costa**
Voting Members: **Dr. João** Paulo Tudela **Martins**
Dr. Pedro Ferraz Correia dos **Reis**
Dr. Luis Filipe Costa Reis Marques de **Aguiar**
Eng.º Rogério Paulo Cabacinha **Lam**
Dr. Ibraimo Abdul Gafur Cassamo **Bhai**
Dr. George Lenon Ibraimo **Mandawa**
Dr. Raúl António Correia Saraiva **de Almeida**
Dr. Luis Miguel Gubert Morais **Leitão**
Dra. Cecília Figueiredo **Gaspar**

Executive Committee (CE)

Chairman: **Dr. Francisco** Pinto Machado **Costa**
Voting Members: **Dr. Pedro Ferraz** Correia dos **Reis**
Dr. Luís Filipe Costa Reis Marques de **Aguiar**
Eng.º Rogério Paulo Cabacinha **Lam**
Dr. Ibraimo Abdul Gafur Cassamo **Bhai**
Dr. George Lenon Ibraimo **Mandawa**
Dr. Raúl António Correia Saraiva **de Almeida**

Supervisory Board (CF)

Chairman: **Dr. Frederico** José Ortigão da Silva **Pinto**
Voting Member: **Dr. José** Manuel Nunes **Liberato**
Voting Member: **Dr. Mário** Vicente **Sitoe**
Alternate: **Dr. João** Miguel Pacheco de **Sales Luis**

Auditing and Control Committee (CAC)

Chairman – **Dr. Luis** Miguel Gubert Morais **Leitão**
Voting Member – **Dr. João** Paulo Tudela **Martins**
Voting Member – **Dra. Cecília** Figueiredo **Gaspar**

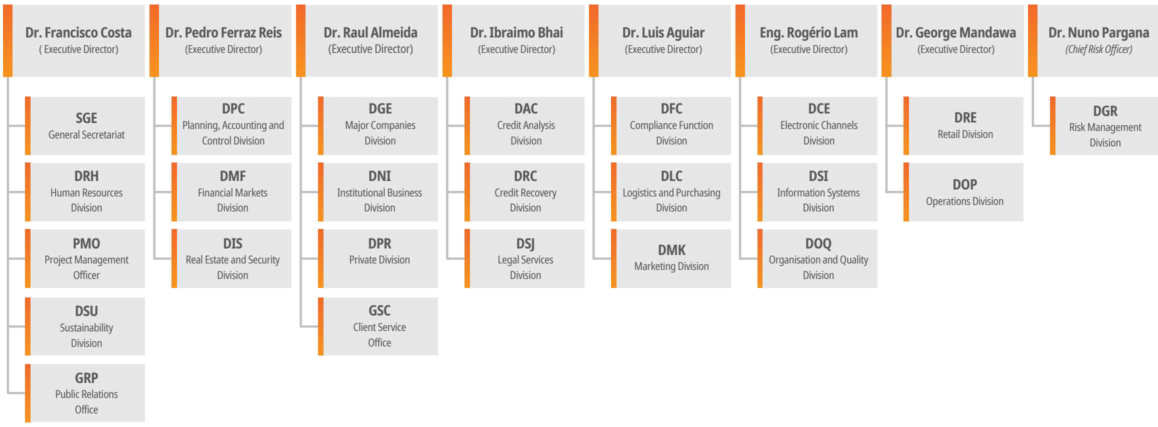
Risk Committee - (CR)

Chairman – **Dr. João** Paulo Tudela **Martins**
Voting Member – **Dr. Luis** Miguel Gubert Morais **Leitão**
Voting Member – **Dra. Cecília** Figueiredo **Gaspar**

Appointment, Assessment and Remuneration Committee (CNAR) - CA Committee

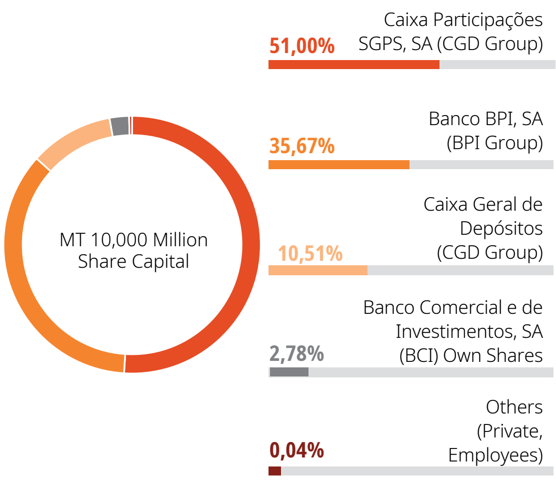
Chairman – **Dra. Cecília** Figueiredo **Gaspar**
Voting Member – **Dr. João** Paulo Tudela **Martins**
Voting Member – **Dr. Luis** Miguel Gubert Morais **Leitão**

EXECUTIVE COMMITTEE PORTFOLIOS



CORPORATE STRUCTURE

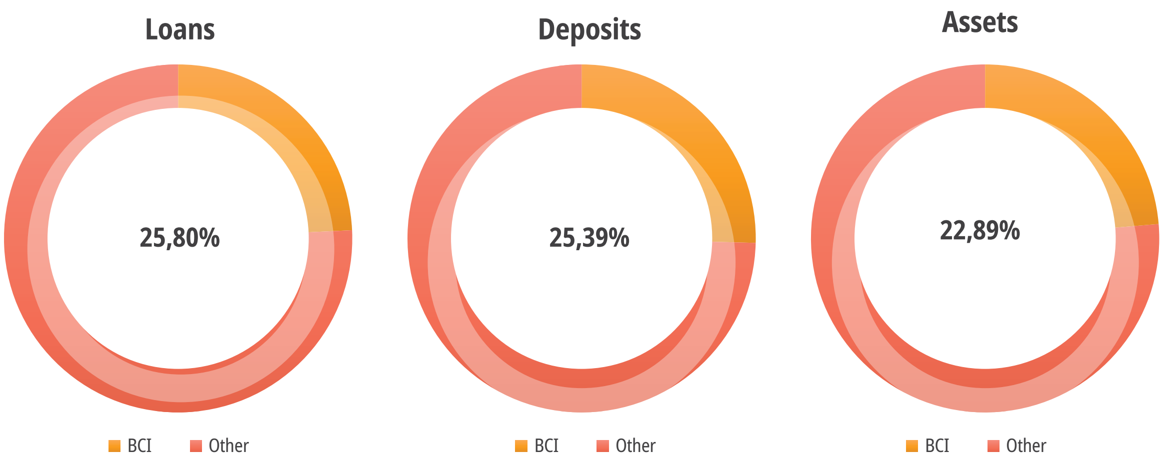
The bank's shareholder structure as at 31 December 2023 consisted of three major institutional investors (Caixa Participações SPGS, S.A., Banco BPI, SA and Caixa Geral de Depósitos, S.A.). which together held 97.18% of the shares, and various other minority investors, with around 0.04%, as well as 2.78% of own shares. The Bank's share capital is represented by 1,000,000,000 (one billion) shares with a nominal value of ten meticais each.



Due to the size of CGD Group's stake in BCI's shareholder structure and the subsequent consolidation of the financial statements, which implies the need for full compliance with the Group's corporate rules, policies and standards in terms of business management, as well as alignment in terms of reporting requirements and models, BCI is, albeit indirectly, subject to the regulatory framework of the Bank of Portugal and the European Central Bank, without neglecting compliance with the Mozambican legal framework, which implies greater stringency and prudence in the business management model. It should be noted that the fact that CGD is considered a systemically important institution in the Portuguese financial system and, as a result, is subject to stricter capital adequacy requirements on a consolidated basis, reinforces the need for high prudence in BCI's management, which is embodied in the internal and corporate risk appetite limits that guide the pursuit of the Bank's activity.

BCI'S SIZE

BCI's Market Shares as at December 2023 (%) - A Consolidation of Leadership

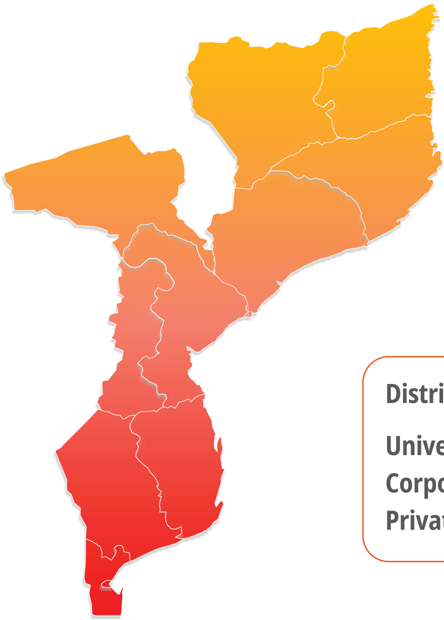


Despite a challenging macroeconomic context, with impacts on the financial system particularly in terms of liquidity and the subsequent increase in competition for deposits, the Bank maintained its market leadership in the three main business indicators, taking advantage of its broad distribution network and focusing on strengthening its relationship with customers and its commitment to service quality.

BCI serves 2.3 million customers in the domestic market and is the largest financial institution operating in the Mozambican Financial System in terms of business volume (Credit and Deposits) and Assets. Market shares totalled 25.80% in Credit, 25.39% in Deposits and 22.89% in Assets in 2023.

Distribution Network and Customer Segmentation

Commercial banking is BCI's predominant area, both in terms of business volume and results. The business model is based on providing a complete and diversified range of financial products and services, structured to meet the specific needs of Retail, Corporate and Institutional Customers, through a specialised, omnichannel and fully integrated distribution network.



Customers

2.3 Million (+5%)
From customers

31% Digital customers

13% Mobile Wallet

Universal:	Corporate:	Institucional:	Private:
+4,91%	+3,40%	+9,70%	+2,40%

Distribution Network

Universal: 204 branches | 2 Integrated Centres | 2 Banks: Mobile

Corporate: 1 Integrated Centre | Specialised Desks: Agribusiness, Energy and Oil and GAS

Private: 2 Private Centres

BCI has 211 commercial units in its physical network (including 28 Exclusive Centres, 2 Integrated Centres, 1 Corporate Centre, 2 Private Banking Centres and 2 Mobile Banks), 520 ATMs and 10,831 POSs. BCI offers ebanking services (Retail and Corporate), Call Centre (BCI Direct), mobile applications (BCI App and Mobile), and WhatsApp Banking, thus ensuring the provision of banking services and products to all customer segments.

Awards and Recognition in 2023

As in previous years, the success of our strategy and our commitment to service quality in the various lines of business and areas of operation was recognised and honoured in 2023 by a number of important international and national bodies. The various honours awarded most notably include:

Classification Entity	Awards
PMR ÁFRICA	*Diamond Arrow Awards* nas categorias: • Corporate Banking • Credit Cards, • Personal banking Companies/Institutions
Global Finance Magazine	• *Best Foreign Exchange Bank in Mozambique* 2023
World Economic Magazine	• Melhor Banco Comercial 2023 • Melhor Banco no segmento *Private* em Moçambique 2023
Euromoney	• Best bank in Mozambique 2023 • Best SME Bank 2023. • Corporate Banking Leader 2023
Mozambique Stock Exchange	• Largest custody bank by shareholder registration in the CVM

É meu.
É de todos. É daqui.

The BCI Brand
É daqui.
Is from here.

"Marketing will continue to focus on leading initiatives that promote the brand's attractiveness, improve the customer's journey in interacting with the Bank and contribute to business growth and profitability."

Amilcar Aguiar, Deputy Central Manager, Marketing Division

THE BCI BRAND - THE IMPORTANCE OF BEING FROM HERE

In Mozambique, there is a bank that is proud to say that everything it does is from Mozambique. That bank is us, Banco Comercial e de Investimentos (BCI), which is evident in our slogan **"É Daqui"** (Is From Here). This positioning is demanding as it implies extreme care in the design of the offer or the causes or events we support, because everything has to fulfil the basic promise: **"Ser Daqui"** (Being From Here).

The areas of impact of this promise are varied and seek to meet the needs of the target segments, the economic and social evolution of the country, but also to strengthen the self-esteem of Mozambicans by valuing what is theirs, which is **"Daqui"** (From Here).

We will continue our policy of strategically positioning the BCI brand as a Mozambican bank in 2023, that values national culture, proximity to customers and the community, and that contributes to Mozambique's economic and social development, creating value and generating satisfaction for our customers, partners and the community in general, to sustainably fulfil our social responsibility.

BCI Urban Advertising

An advertising campaign aimed at promoting the use of Electronic Channels, public transport stops and billboards, publicising their main features and advantages for BCI customers and non-customers. To support the promotion of this Offer and convey the message that the bank is always accessible to its Customers, a series of advertising pieces were developed for the main media, in line with the motto of the institutional campaign **"Banco em qualquer lugar, no BCI vai"** (Your Bank anywhere, with BCI).

COMMERCIAL DYNAMISATION AND BRAND ACTIVATION

As part of activities aimed at the various segments, namely Individual Customers, Small and Medium-sized Companies, Large Companies and Institutional Customers (Public Companies, State Institutions and NGOs), and in line with the strategy outlined, we adopt specific actions to promote Customer loyalty, attract new Customers, raise Funds and place Loans. In addition, we organise actions to promote various banking solutions such as Payment Methods and Electronic Banking Services. The actions carried out include the following:

Consumer Loans - 2023 Civil Servants Loan Campaign

We have strengthened our focus and commitment to supporting civil servants through consumer loan on terms that are different from the market, with a particular emphasis on the ability to disburse loan applications in a very short time (48 hours on average). These are solutions developed to meet the needs of Retail Customers, offering new possibilities in terms of placement and management of financing, and repayment is made in fixed instalments. This solution is essentially aimed at making it easier for customers to manage their income by eliminating the unpredictability of loan instalments associated with potential variations in benchmark interest rates.

BCI Business Cards - Promotion campaign in partnership with Vodacom

We developed a Commercial Promotion Campaign for BCI Empresas - Serviço Universal e ATM Depósitos debit cards, in partnership with Vodacom-Busines, where customers were eligible to win various prizes, such as laptops, mobile phones and, for 12 months, voice, mobile data and fixed internet services. The target audience for this campaign is all current and potential business customers, namely sole traders and small, medium and large companies.

Contactless Cards Campaign - Fast and Convenient Transactionsat BCI Vai

In conjunction with BCI's adoption of contactless technology for bank cards, we launched an advertising campaign to inform customers and the general public about the new contactless system, highlighting the benefits and convenience of this technology, conveying confidence and security to users.

The campaign's motto is 'Contactless Technology, Fast and Convenient Transactions, At BCI Vai', and it aims to reach a wide audience looking for ease in financial transactions. This concept is associated with the practical side of contactless payments, allowing users to save time, avoid queues and make low-value transactions more convenient.

BCI Contactless Card Withdrawal Incentive Campaign

We have launched a BCI Contactless Card Withdrawal Incentive Campaign at Branches, with the aim of encouraging customers to withdraw and activate their new cards, and to be in with a chance to win various prizes.

Salary Processing - Commercial Dynamisation Campaign

Aimed at organisations (companies or institutions) that make various payments to their employees. The campaign's strategic objectives include promoting simplification and efficiency in the process of paying Companies' bonds. With this service, Customers make their payments through a single operation and fulfil the Company's periodic expenses comfortably and securely. Transactions can be carried out at the Branch or via the Internet (ebanking), using Excel or PS2 files aligned with the standard model.

Customer Database Update Campaign

We continued this campaign to streamline the process of updating the data of Customers who do not have the mandatory documents uploaded to the database, namely their ID card, NUIT, Declaration of Residence, Income Statement and, additionally, the PEP Declaration for Customers classified as Politically Exposed Persons.

BOOSTING SALES AT EVENTS AND TRADE FAIR

We strengthened our Commercial Dynamism by taking part in events and trade fairs throughout 2023, most notably:

7th Edition of Feirão dos Usados

Once again we were present at the 'Feirão dos usados', an event aimed at selling used cars, with a warranty, and in excellent condition, at promotional prices, in the city of Maputo, which this year was its 7th edition.

This fair, which featured more than a hundred vehicles, attracted many interested parties, customers and the general public, who had the opportunity to see them and even buy them, with various financial solutions provided by BCI, namely leasing and car loans, with subsidised interest rates, supported by a simplified sales circuit.

The Power of Networking - Organised by ANJE

In August, we attended a workshop organised by the National Association of Young Entrepreneurs of Mozambique (ANJE) on the theme of the Power of Networking. Participation was ensured through a Stand for brand activation and the promotion of the Bank's range of products.

FACIM 2023 - Commercial Dynamisation

In 2023, it took part in FACIM with a commercial aspect essentially aimed at the mass market segment. The public attending FACIM was an opportunity for us to place and/or promote Products and Services aimed at the various Segments outlined by the bank.

In this 58th edition, we represented ourselves through a stand where we tried to highlight values such as Mozambicanness, Proximity and Trust, with different phrases to caption the images that referred to the Bank's support and sponsorship in the areas of sustainability, humanisation and education.

8th Mozambique Gas and Energy Summit and Exhibition

On 27 and 28 September, we took part as a co-sponsor in the 8th Mozambique Gas and Energy Summit and Exhibition, where we were part of the panel entitled 'Financing Projects: New Structures and Innovative Strategies Supporting the Expansion of Energy Projects', and led one of the discussion panels on the subject of Project Finance.

5th Mozgrow Fair

BCI has been a partner of FUNDASO (Soico Foundation) in organising this fair since its first edition, always supporting the event. This year's Fair was organised under the slogan Competitiveness and Growth, with a theme-based plan geared towards sustainable and efficient production. Our participation was based on four strands:

- Institutional intervention in the form of a speech, as a strategic partner of the Soico Foundation (FUNDASO), the promoter of this initiative;
- Exhibition stand to promote the Bank's products and services to support companies operating in the agribusiness sector, thus reinforcing BCI's image as a bank that supports the agribusiness sector;
- We moderated one of the discussion panels, where we had the opportunity to talk about our positioning as partners for SMEs operating in the agribusiness sector.
- Presentation of financing solutions available to support the treasury and investment projects of companies operating in the agribusiness sector.

1st EU-Mozambique Investment Forum

We were present at the European Union-Mozambique Investment Forum, Global Gateway, which was attended by European companies, Mozambican companies and government representatives from neighbouring countries.

The Forum was geared towards small, medium and large companies and investors.

Education and Financial Inclusion

Since the Bank of Mozambique launched the Financial Education Programme as part of the Savings Day celebrations, within the framework of the Financial Sector Development Strategy, BCI has been ready to respond to the challenge of contributing to the development of financial literacy among Mozambicans, and has since carried out various actions to raise awareness to savings and the use of financial services. The actions will take the form of talks, training sessions, workshops, games and competitions related to the theme, as well as the distribution of gifts alluding to the date in various institutions and media:

- The Country's Primary and Secondary schools;
- National Universities;
- Public and Private Institutions and Non-Governmental Organisations (NGOs);
- Social Media;
- Media Channels.

Financial Literacy initiatives were carried out throughout the year, most notably Global Money Week in March and World Savings Day in October.

What drives us to go further
To overcome any obstacle
To go beyond expectations
Is what unites us
It's the capability of each individual
Combined with the capability of
everyone

It belongs to teamwork
It belongs to everyone. It belongs here.

É meu.
É de todos. É daqui.

The Economy in 2023

"The global macroeconomic environment continued to test the resilience of growth in several economies, following the high levels of monetary policy tightening in the face of high inflation. In the midst of this scenario, Mozambique has reinforced its measures by increasing the coefficient of mandatory Reserves, but the increase in the capacity of the extractive sector has supported the economy's growth."

Valdmar Guambe, Financial Markets Division

INTERNATIONAL ECONOMY

Preliminary estimates of economic activity in 2023 point to a recovery in the global economy, despite the negative impacts of the adoption of a restrictive monetary policy by the world's main Central Banks in order to contain the inflation rate's acceleration.

In this context, the International Monetary Fund (IMF), in January 2024, revised upwards its estimate of global economic growth in 2023 and its projection for 2024, by 1bp and 2bp to 3.1% and 3.2%, respectively.

GDP Growth Rate - Main Economic Blocs

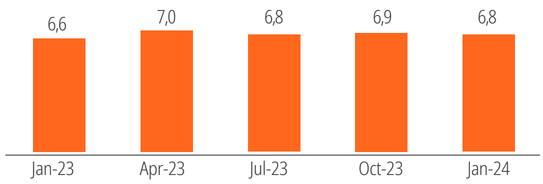
	Projections		
GDP growth rate (%)	**2022**	**2023***	**2024***
World Economy	3,5	3,1	3,1
Developed Economies	2,6	1,6	1,5
Emerging and Developing Economies	4,1	4,1	4,1

Source: FMI, January 2024
*Estimate
** Outlook

Inflation Outlook for 2023

IMF estimates that global inflation will slow from the 8.7% recorded in 2022 to 6.8% in 2023 and forecasts that it will continue to slow to 5.8% in 2024, in a context of restrictive monetary policy adopted by the main Central Banks and an improvement in the supply of commodities worldwide.

World Inflation in 2023 (%)



Source: IMF, in its World Economic Outlook reports released between January 2023 and 2024

Developed Economies

For the advanced economies bloc, the IMF report estimates growth of 1.6% in 2023 and expects growth of 1.5% in 2024, representing a slowdown compared to the 2.6% expansion seen in 2022.

For the United States of America (USA) economy, annualised growth is estimated at 2.5% in 2023, an expansion of 6bp compared to 2022, and a slowdown to 2.1% is projected for 2024. As for inflation, in January 2023 it stood at 6.4% and slowed steadily to 3% in June (the lowest level seen since March 2021), ending the year at 3.4% as a result of the restrictive stance adopted by the Federal Reserve (Fed), thus still remaining above the 2% target.

It is estimated that the Eurozone economy will grow by 0.5% in 2023, compared to 3.4% the previous year, a slowdown induced by the high cost of financing in order to contain inflationary pressures. As a result, inflation slowed from 8.6% in January 2023 to 2.9% in December, but still above the 2% target set by the European Central Bank (ECB). Economic growth of 0.9% is expected for 2024.

GDP growth rate in Developed Economies

		Projections	
GDP growth rate (%)	**2022**	**2023***	**2024***
Developed Economies	2,6	1,6	1,5
USA	1,9	2,5	2,1
Eurozone	3,4	0,5	0,9

Source: FMI, October 2023
*Estimate
** Outlook

Emerging and Developing Economies

IMF's estimate of economic growth in Emerging and Developing Countries for the years 2023 and 2024 shows a continuation of the 4.1% recorded in 2022 and a slight increase to 4.2% in 2025.

China's economic activity could have grown by 5.2% in 2023, mainly as a result of the impact of the monetary stimulus measures adopted over the period, including cuts in benchmark interest rates and constant injections of liquidity by the country's Central Bank to boost economic activity. The world's second largest economy is expected to grow by 4.6% in 2024.

For sub-Saharan Africa, IMF estimates growth of 3.3% in 2023 and forecasts an expansion of 3.8% in 2024, remaining below the record average of 4.8%. The estimated slowdown from the 4.0% growth seen in 2022 largely reflects the impacts of climate change and the global economic climate.

Among the countries in this region, it is worth highlighting South Africa's GDP (one of Mozambique's largest trading partners), with an estimated growth of around 0.6% in 2023, after 1.9% in 2022. The 2024 outlook was revised downwards from 1.2% to 1.0%, due to the impact of increased logistical constraints, including those in the Transport and Energy sector, on the economy's performance.

GDP Growth Rate of Emerging and Developing Economies

		Projections	
GDP growth rate (%)	**2022**	**2023***	**2024***
Emerging and Developing Economies	4,1	4,1	4,1
Russia	-1,2	3	2,6
China	3,0	5,2	4,6
India	7,2	6,7	6,5
Latin America and the Caribbean	4,2	2,5	1,9
Sub-Saharan Africa	4,0	3,3	3,8
Niger	3,3	2,8	3,0
South Africa	1,9	0,6	1

Source: FMI, October 2023
*Estimate
** Outlook

Monetary Policy

Several Central Banks revised their benchmark interest rates upwards in 2023, in order to contain the rising levels of inflation generated by the conflict between Russia and Ukraine. The evolution of the general price level, economic growth and labour market data will determine the monetary authorities' decisions throughout 2024.

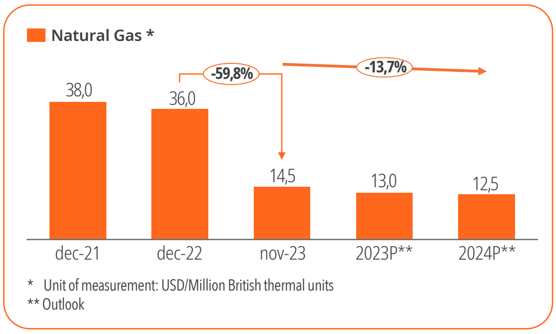
It should be noted that in the US, the Federal Reserve (FED) revised the benchmark interest rate upwards by 100bp over the course of the year, to a range between 5.25% and 5.50%. In Europe, the ECB increased the cost of borrowing by 200bp to 4.5%. In South Africa, the SARB revised its key interest rate upwards by 125bp to 8.25%.

However, in the opposite direction, during the same period the People's Bank of China maintained an expansionary monetary policy, revising down its key interest rate by 20bp to 3.45% in order to boost economic activity.

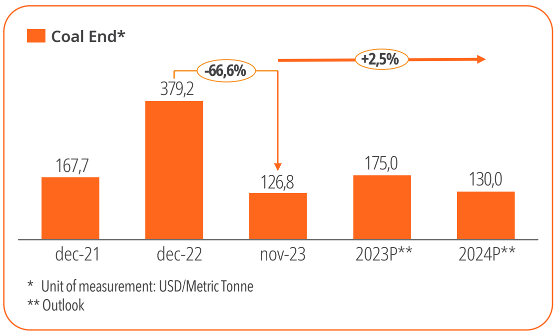
Commodities[1]

According to the World Bank, commodity prices depreciated by 24% in 2023, penalised by the restrictive monetary policy adopted by the main Central Banks, conditioning the growth of global economic activity.

Between December 2022 and December 2023, the average price of **natural gas** in Europe fell, as the European Union replaced imports of Russian gas with gas from Norway and North Africa, making it possible to reach 95% of the total capacity of reserves before winter. There was also less demand for natural gas in Europe, due to efficiency gains, policies to manage demand and weaker production in the industrial sector.



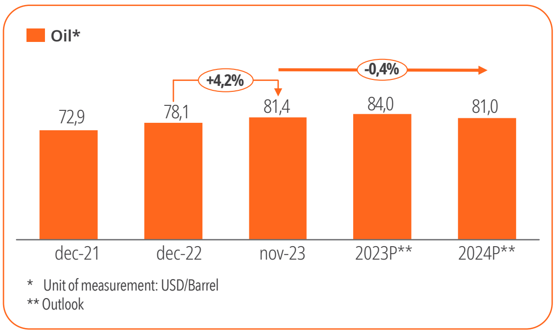
The price of **thermal coal** depreciated, penalised by its continued substitution by less polluting energy sources, as well as by the increase in production in China, associated with the lifting of safety measures that had been imposed on some of that country's coal mines following a series of workplace accidents.

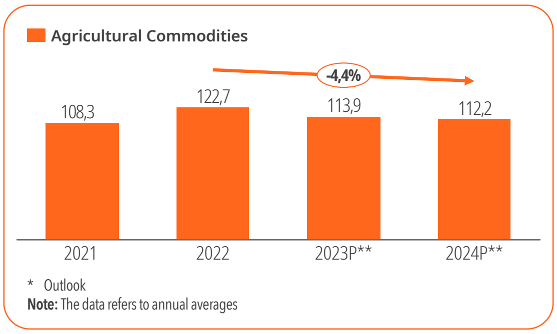


[1] End-of-period figures

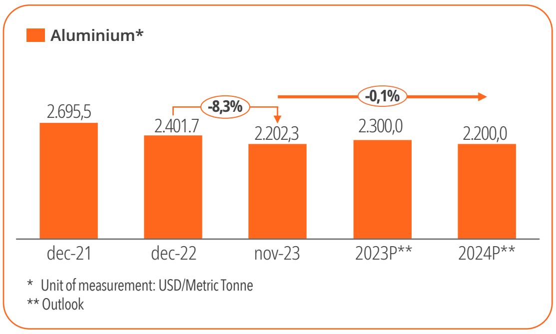
In the same period, the price of Brent depreciated, but the average throughout 2023 was around USD 80 per barrel, supported by the voluntary cuts made by OPEC+, especially the reduction in supply by Saudi Arabia (1 million barrels per day) and Russia (500,000 barrels per day).

Agricultural commodity prices depreciated in 2023, reflecting the increase in supply (following the agreements reached between Russia and Ukraine, allowing wheat to be disposed of, as well as the increase in production by the world's main producers) and the reduction in demand, conditioned by restrictive monetary conditions





The price of aluminium fell following weak economic activity in China, especially in the industrial and construction sectors. Globally, high benchmark interest rates have limited financing and investment, as well as penalising the construction sector, which contributes to weak demand for the metal in a context of abundant supply.



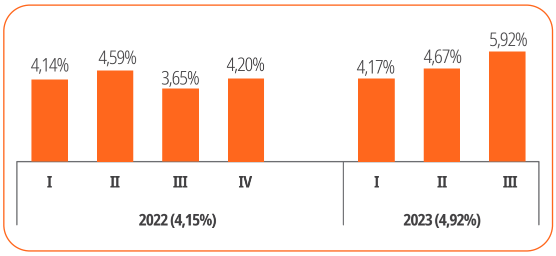
Sources: Commodities Charts
World Bank, Pink Sheet released in December 2023; and
World Bank, Price forecast released in October 2023.
Note: Prices reflect the monthly average.

MOZAMBIQUE'S ECONOMY

Gross Domestic Product (GDP)

According to figures released by Statistics Portugal, Mozambique's economy grew by 5.92% year-on-year in the third quarter of 2023, compared to 4.67% in the previous quarter and 4.17% in the first quarter, giving a year-to-date growth of 4.90%.

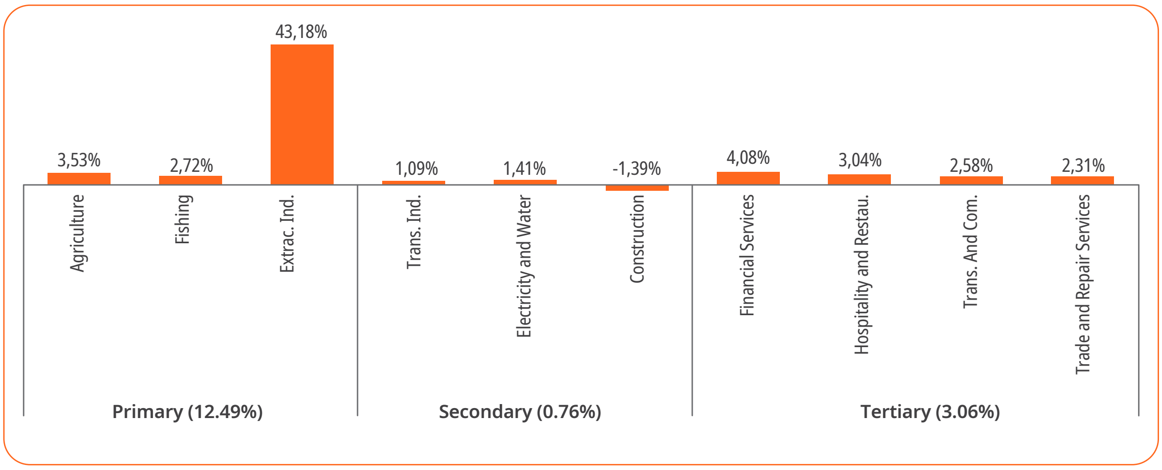
Real GDP growth rate - Q3 of 2023



Source: Statistics Portugal

According to the Bank of Mozambique, this growth reflects the increase in the production of liquefied natural gas (LNG), in a context that emphasises the recovery of the manufacturing industry (after four quarters of contraction), justified by the improvement in access to raw materials by the food industry.

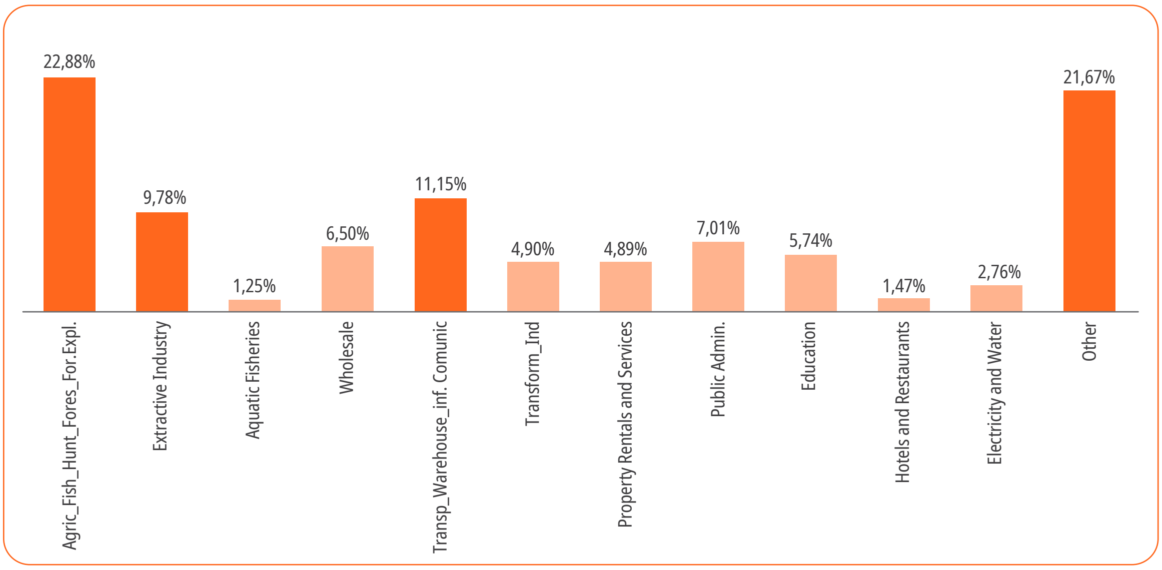
Sectors with the most dynamic growth in the economy in Q3 of 2023



Source: Statistics Portugal

Concerning quarterly GDP by sector of activity, it's worth highlighting the participation of the Agriculture, Livestock, Hunting, Forestry, Logging and Related Activities sectors with a combined weight of 22.88%, followed by Transport, Storage and Supporting Transport Activities and Information and Communications with a weight of 11.16%.

Weight of business sectors in GDP - Q3 of 2023



Source: Statistics Portugal

Economic Outlook for Mozambique

The outlook for economic growth under the Economic and Social Plan and State Budget for 2024 points to a real economic growth rate of around 5.0% in 2023, based essentially on the following assumptions:

- An average annual inflation rate of 7.0%;
- A gradual recovery in economic activity, sustained by the positive performance of the Extractive Industry (18.6%), Agriculture (5.7%) and Transport (5.5%) sectors;
- A level of Net International Reserves of USD 2,235.0 million, capable of covering 3.0 months of imports, excluding major projects.
- An increase from USD 3,353 million to USD 4,778 million in the level of Foreign Direct Investment, largely influenced by the resumption of TotalEnergies' investments in the Rovuma Basin.

In addition, the Bank of Mozambique forecasts moderate GDP growth in the short term, which, excluding LNG production, will be sustained by the performance of the primary (agriculture and coal production) and tertiary sectors (transport and communication services, and hotels and restaurants), in a context in which the performance of the secondary sector will continue to be conditioned and the prices of the main export commodities will continue to constrain the expansion of economic activity.

GDP evolution in Mozambique

GDP evolution	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24P
Real Growth Rate (%)	3,44%	2,32%	-1,20%	2,33%	4,15%	5,01%	5,00%

Source: Statistics Portugal, February 2024; IMF, World economic growth outlook database released in February 2024 and IMF PRESS RELEASE 23/371

Inflation

Year-on-year inflation stood at 5.30% in December 2023, representing a slowdown of around 6bp compared to the 5.36% recorded in the previous month, mainly due to lower prices for food and non-alcoholic beverages.

According to the Bank of Mozambique, for the medium term, the outlook for inflation prevails in the single digits, largely reflecting the stability of the Metical and the impact of its monetary policy measures.

As far as risks are concerned, at a domestic level the uncertainties regarding the impact of climate shocks on the prices of goods stand out, as does the continued high pressure on public spending. In the international context, it is important to highlight the uncertainties surrounding the continuation of the conflict between Russia and Ukraine and the recent evolution of the crisis in the Middle East, with possible effects on the evolution of oil and food prices.

Inflation rate evolution in 2023

Mozambique	dec/22	jan/23	feb/23	mar/23	apr/23	may/23	jun/23	jul/23	aug/23	sep/23	oct/23	nov/23	dec/23
Monthly	1,35%	0,98%	0,97%	1,33%	0,24%	-0,39%	-0,58%	-0,34%	-0,12%	0,34%	0,30%	1,17%	1,29%
Accumulated	10,91%	0,98%	1,96%	3,32%	3,58%	3,16%	2,57%	2,22%	2,10%	2,44%	2,75%	3,96%	5,30%
12M average	10,28%	10,44%	10,74%	11,08%	11,18%	11,00%	10,59%	10,00%	9,32%	8,65%	8,07%	7,59%	7,13%
Year-on-year	10,91%	9,78%	10,30%	10,82%	9,61%	8,23%	6,81%	5,67%	4,93%	4,63%	4,75%	5,36%	5,30%

Source: Statistics Portugal/January 2024

Exchange Rates

As in 2022, throughout this year the Metical has remained stable against the Dollar, although there have been pressures on demand, having appreciated against the Rand (by 7.96%) and depreciated against the Euro (by 3.62%), as a result of the performance of these currencies on the international market.

Changes in the exchange rates of the main foreign benchmark currencies

2023 Exchange Rate Evolution	dec/22	jan/23	feb/23	mar/23	apr/23	may/23	jun/23	jul/23	aug/23	sep/23	oct/23	nov/23	dec/23
USD/MZN	63,87	63,88	63,88	63,88	63,88	63,89	63,88	63,89	63,89	63,89	63,89	63,90	63,90
ZAR/MZN	3,77	3,66	3,47	3,61	3,49	3,23	3,39	3,61	3,41	3,40	3,41	3,40	3,47
EUR/MZN	68,18	69,18	67,47	69,56	70,18	68,20	69,61	70,47	69,47	67,72	67,80	69,82	70,65

Source: Bank of Mozambique, 2023

Interest Rates

The Bank of Mozambique kept the benchmark interest rates unchanged in 2023. These decisions were based on the risks and uncertainties associated with the inflation projections, in particular:

- Domestically, the prevalence of pressure on public spending and uncertainties about the likelihood of extreme weather events; and
- Abroad, in addition to the conflict between Russia and Ukraine, there are uncertainties about the continuation and spread of the current conflict in the Middle East and the potential impact on fuel and food prices.

However, the Central Bank decided to revise upwards the coefficients of Mandatory Reserves for liabilities in domestic currency from 10.5% to 39.0% and in foreign currency from 11.5% to 39.5%, in order to absorb the excessive liquidity in the banking system, which tends to generate inflationary pressure.

Director rates evolution in 2023

2023 Evolution of Headline Rates	dec/22	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
FPC	20,25	20,25	20,25	20,25	20,25	20,25	20,25	20,25	20,25	20,25	20,25	20,25	20,25
FPD	14,25	14,25	14,25	14,25	14,25	14,25	14,25	14,25	14,25	14,25	14,25	14,25	14,25
MIMO	17,25	17,25	17,25	17,25	17,25	17,25	17,25	17,25	17,25	17,25	17,25	17,25	17,25
ROs in domestic currency	10,50	10,50	28,00	28,00	28,00	28,00	39,00	39,00	39,00	39,00	39,00	39,00	39,00
ROs in foreign currency	11,50	11,50	28,50	28,50	28,50	28,50	39,50	39,50	39,50	39,50	39,50	39,50	39,50
PLR system	22,60	22,60	22,60	22,60	23,50	23,50	23,50	24,10	24,10	24,10	24,10	24,10	24,10

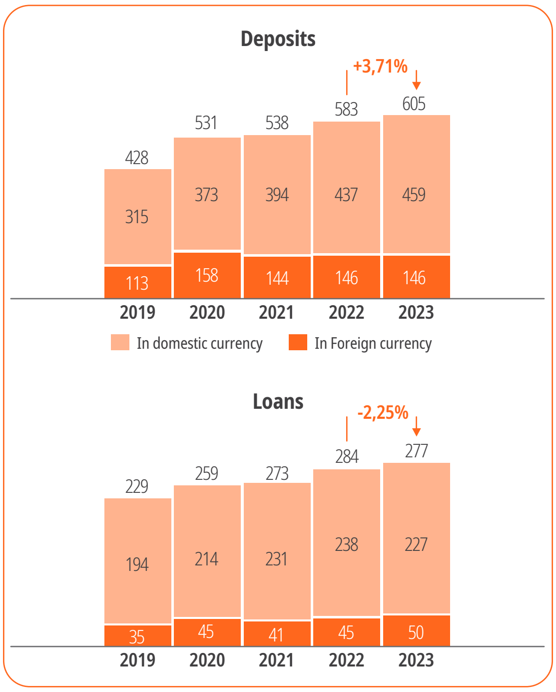
Source: Bank of Mozambique, 2023

Deposits and Credits

According to data from the Bank of Mozambique, in December 2023, the balance of the Financial System's deposit portfolio increased by MT 21.6 billion to MT 605 billion, compared to December 2022, with an emphasis on the increase in Domestic Currency Deposits.

With regard to the Credit portfolio, there was a drop in the volume of financing to the economy by MT 6.4 billion, from MT 283.5 billion in 2022 to MT 277.2 billion in 2023, indicating a timid dynamic in consumption and private investment, which could be explained by the prevalence of restrictive monetary conditions.

Deposits and Credit evolution (Billion Meticais)



Source: Bank of Mozambique

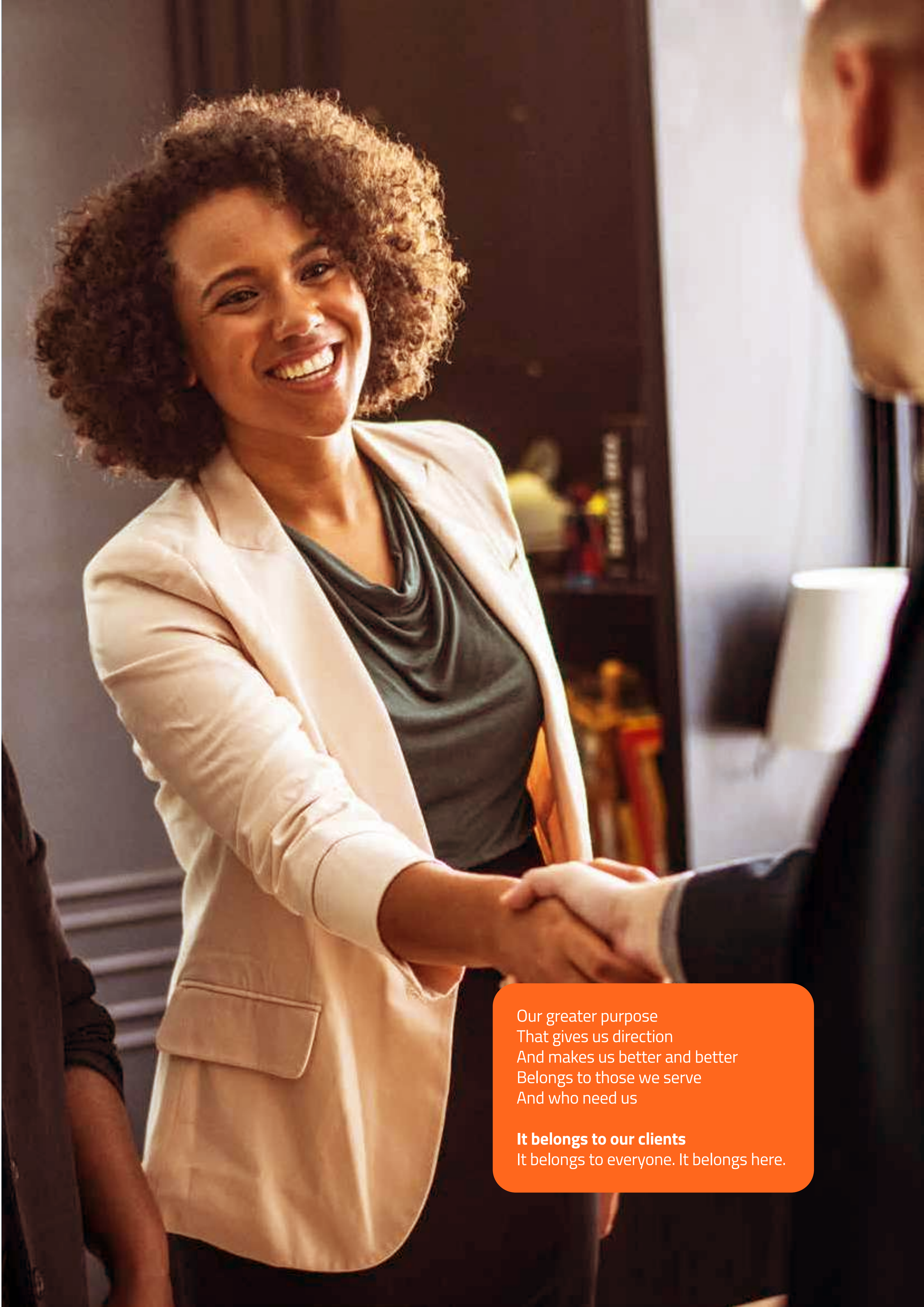
Financial System

The Bank of Mozambique remained active in strengthening the legal framework and reinforcing the robustness of the financial system in 2023, to adapt it to the growing risks inherent in its activity and the dynamics of the domestic and international economy, having issued a series of regulations (Notices and Circulars), most notably the following:

2023 Legislation and Regulations		
Mar/22	*Notice no. 01/GBM/2023 of 24 March*	*Regulations on the Calculation and Constitution of mandatory Reserves*
Mar/23	*Notice no. 02/GBM/2023 of 31 March*	*Approves the Repatriation and Conversion of Re-export Revenues of Petroleum Products*
Ago/23	*Notice no. 03/GBM/2023 of 10 August*	*Approves the Regulation for carrying out the activity of Agent*
Sep/23	*Notice no. 04/GBM/2023 of 14 September*	*Approves the Register of Virtual Asset Service Providers*
Oct/23	*Notice no. 05/GBM/2023 of 16 October*	*Establishes the rules that must be observed when disclosing and making available pre-contractual credit information*
Oct/23	*Notice no. 06/GBM/2023 of 16 October*	*Approves the Regulation on Prudential Ratios and Limits for Mutual Guarantee Companies*

It should be noted that during the current year, as part of the modernisation of the National Payment System promoted by the Bank of Mozambique, the system came into operation:

- On 19 November (in full), the Single National Electronic Payments Network, a platform that processes all national and international electronic payments through various channels, such as ATMs, POS and USSD; and
- On 24 November, the Real-Time Gross Settlement (RTGS) platform was launched to guarantee the availability of funds in real time.



Our greater purpose
That gives us direction
And makes us better and better
Belongs to those we serve
And who need us

It belongs to our clients
It belongs to everyone. It belongs here.

É meu.
É de todos. É daqui.

Customer – The Centre of Our Business

RETAIL AND CORPORATE DIVISION

"The success achieved by the Retail Management teams in relation to their main objectives was evident in 2023, despite the market challenges faced throughout the year.
Looking to the future, we are convinced that 2024 will be even better because the Retail and Corporate Department agenda includes a firm commitment to significantly improving service quality, reaffirming our commitment to excellence and customer satisfaction."

Ivo Maiche, Head of Department, Retail and Corporate Division

RETAIL AND CORPORATE BANKING

Commercial activity during 2023 was particularly affected by several relevant specific factors. On the one hand, high interest rates were maintained despite the fact that inflation had decreased significantly, which in a way represented a huge challenge for the market, particularly in terms of demand and access to credit. On the other hand, there was strong pressure on our branch network due to the migration process to the Euronet platform, both because of the temporary unavailability of some services on remote channels and because of the massive replacement of the card base. It should be emphasised that the response to this challenge proved to be very positive, given that we delivered more than 1 million cards with the new technology (contactless) and ensured the migration of the entire POS and ATM fleet to the Euronet platform.

The challenges mentioned above served as internal motivation, forcing us to restructure our organisational model in order to maintain our customer service levels and strengthen our leadership position as a retail and small and medium-sized enterprise bank in Mozambique. In this context, we have invested heavily in improving our systems and in the qualification and training of our Human Resources, with a focus on promoting a growing improvement in the customer experience and their level of satisfaction, with a particular focus on our ability to handle and mitigate customer complaints, despite the aforementioned constraints inherent in the process of migrating to Euronet.

The main pillars of our commercial strategy in 2023 included:

- Continually focusing on consumer credit for civil servants, which led to a significant increase in the number of operations and the volume of credit disbursed;
- Increasing the customer portfolio, combined with improving the experience in all the interactions of each business unit, which we achieve by providing excellent customer service.
- Boosting digital and remote channels, a particularly important factor in the context of strong pressure on the network during the migration process, which resulted in strong take-up of the ebanking service, where we achieved a 125% increase in the number of active contracts.

In fact, maintaining our focus on CUSTOMER SERVICE and our commitment to the sustainable development of the business, in 2024 we intend to further strengthen the expansion of our brand and our position as the 'Bank of Mozambicans', providing proximity banking and guaranteeing a better customer experience in their relationship with the Bank.

É meu.
É de todos. É daqui.

Customer – The Centre of Our Business

CORPORATE AND INVESTMENT BANKING

"Through the Corporate and Investment Banking area, BCI continued to secure a prominent position in this important customer segment. With a solid and specialised team, we have been involved in the country's main development dossiers and projects, confirming our natural vocation to be the preferred bank for Mozambican companies."

Hugo Costa, Head of Department, Corporate and Investment Division

CORPORATE AND INVESTMENT BANKING

Corporate and Investment Banking are priority segments in BCI's commercial strategy. In this context, we have a team that is highly qualified to serve the country's demanding large-company segment with high-quality standards, and our proximity to customers is ensured directly by the Corporate teams in Maputo, Beira, Nampula and Pemba, and indirectly in the other development centres, through the support of our extensive commercial network.

The year 2023 was marked by a challenging macroeconomic context, with high interest rates and strong pressure on liquidity imposed by increases in the compulsory reserve coefficients. Even so, we maintained high levels of loans to companies, continued to structure very important strategic investment operations, and expanded our Corporate Customer portfolio , ensuring that we maintained high levels of service and reinforced our excellent relationship and proximity to our customers. We would also like to highlight the strengthening and consolidation of important relations with national and multinational companies involved in major national projects, from oil&gas to agriculture, mining, logistics, services and others, with a significant impact on the portfolio of resources, both in domestic and foreign currency.

Continued investment in training our teams has made it possible, among other things, to increase capacity and efficiency in trade finance operations, where we recorded high volumes of import and export operations, as well as a significant increase in the volume of foreign exchange operations.

The continued focus on digital platforms, namely internet banking and host-to-host integration solutions, have enabled us to expand our Customers' access to innovative, secure and resilient digital systems, helping to strengthen and solidify our mutual relationship and involvement.

Our service model is based on an integrated offer of products and services, which is why we have worked in coordination with the Bank's retail and personal areas to open accounts for the various stakeholders, taking advantage of the opportunities and synergies that come with being a bank with an offer structured to meet the needs of different segments.

We have a local Investment Banking team specialising in setting up medium-and long-term structured operations, as well as developing specific investment, financing or advisory solutions.

Developing specific investment, financing or advisory solutions in the following areas:

Strategic and Financial Consultancy
Company valuations, financial restructuring, structuring, negotiating public-private partnerships, mergers and acquisitions.
1

Structured Financing
Structuring, setting up, negotiating and placing structured - finance project , large corporate risk project investments. structured finance with banking syndicates.
2

Capital Market
Structuring, setting up, negotiating and placing structured - finance project , large corporate risk project investments. structured finance with banking syndicates.
3

We also operate a Specialised Business area subdivided into Desks which support sectors that we consider to be key to the country's economy, namely Agribusiness, Renewable Energy Sources and Local Content. These are teams that we have been developing and training for two decades, and who have dedicated themselves to supporting these sectors with their expertise, enabling the implementation of accessible credit lines and financing solutions that are structuring the development of the business fabric, through local and international partnerships with an economic and social impact.

Agribusiness

Financing agribusiness, with particular emphasis on SMEs, remains a strategic priority for BCI, which maintains its position as a benchmark in financing this sector.

Our contribution to the development of agribusiness value chains is based, among other things, on the specialised technical support provided by the Agrodesk team, developing partnerships that enable the structuring of credit lines with differentiated conditions dedicated to the sector, and participating in platforms for promotion, debate and the search for solutions that contribute to the sector's progress. Among other things, this has been one way in which BCI has indirectly supported small farmers who find themselves in the value chain of agribusiness companies.

Renewable Energy Sources

Our concern with sustainability and energy efficiency issues motivated us, from an early stage, to invest in training, specialisation and obtaining and know-how in the renewable energy sector, which has great development potential in Mozambique.

The strategic decision to invest in this sector is aimed at creating conditions for analysing and financing projects that incorporate sustainable energy solutions, helping an increasingly large number of companies to access and take advantage of the economic, social and environmental benefits of energy-efficient solutions.

Since the BCI Eco Ambiental Line, a partnership with KfW and the Bank of Mozambique, has reached its maximum utilisation limit and the BCI SUPER Credit Line - Sustainability and Productive Use of Renewable Energy Sources, in partnership with the United Nations Industrial Development Agency (UNIDO) and the Energy Fund (FUNAE), has come to an end, we continue to study and analyse new options and partnerships to implement throughout 2024, while remaining committed to Sustainability, Renewable Energy Sources and Energy Efficiency.

Local Content

The development of the value chains associated with mega-projects, such as those in the Oil & Gas sector, is one of the main focuses of our attention. We therefore want to make our contribution to facilitating access for SMEs to these value chains, seeking to develop creative and accessible solutions in partnership with the main, public and/or private stakeholders in these major projects, which will enable more and more Mozambican SMEs to enter the orbit of mega-projects.

One example is the partnership we have established with the South African multinational SASOL, through launching a credit line solely dedicated to supporting Mozambican SMEs that increase business in the province of Inhambane, where the Pande and Temane natural gas project is being developed.

The SASOL BCI Business Line is a clear example of promoting and fostering local content, which continues to provide access to bank finance for dozens of SMEs under very favourable conditions.

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Customer – The Centre of Our Business

PRIVATE BANKING

“2023 was a challenging year, given the macroeconomic context. Even so, through synergies with the Bank’s other business areas and with external organisations, which led to new business opportunities being captured, it was possible to achieve growth in the Private portfolio in terms of resources, both in domestic and foreign currency.

We will remain committed to providing excellent personalised service in 2024, maintaining greater proximity to our customers and offering financial solutions adapted to their different needs. Internally, maintaining our contribution to the growth of the Bank’s business with the commercial areas, to position ourselves as the best private banking centre in Mozambique.”

Aida Furtela, Head of Department, Private Banking Division

PRIVATE BANKING

Private Banking offers a differentiated service model, with dedicated support and carefully designed services that meet the expectations of each Customer and provide the best solutions for Private Customers in this segment.

2023 proved to be particularly challenging in terms of the macroeconomic and market context, against a backdrop of high competition.

Despite the challenges, we managed to maintain satisfactory levels of service, focusing on getting closer to our customers and strengthening the relationship in order to further boost loyalty. We are stepping up our strategy through monthly internal campaigns, structured according to needs, to achieve our objectives.

We invested in synergies with the BCI teams dedicated to the other business segments (Retail, Institutional Business and Large Companies), focusing on attracting new Customers and increasing activity, with an integrated approach to the Bank's products and services as a whole, which brought positive results.

In the first quarter of the year, we boosted the commercial campaign for placing credit (through non-banking products) in partnership with ProComputers with the support of the Marketing Division, which consisted of selling branded electronic devices (Apple and Samsung), and Private contributed significantly to the high level of sales achieved by BCI.

In terms of the customer funds portfolio (domestic currency and foreign currency), compared to the close of 2022, in 2023 we recorded growth of approximately 6.7%. This positive result came about mainly in July, with the implementation of a 'strong campaign focused on fundraising', in close collaboration with the Bank's other Divisions.

The excellence of the service provided to our 2,315 Customers, through our 15 managers in the 4 service centres (Maputo, Matola, Beira and Nampula), resulted in BCI being recognised as the best Private Banking in Mozambique by World Economic Magazine,, a distinction achieved for the third year running.

For 2024, we expect to maintain the trajectory of increasing the portfolio of funds, increasing Customer satisfaction through excellent service, to preserve our position as the best Private Banking in Mozambique.

Electronic Banking - Innovation and Digital Transformation

"We currently live in a time of transformation, where new habits and needs are emerging, while always respecting our past and our traditions. As part of this new era of digital transformation, we are focused on and committed to applying our knowledge and innovation to the development of Mozambique and Mozambicans, creating a more prosperous and closer future, exploiting new business opportunities and responding to the needs of our customers and partners."

Arafat Bique, Head of Department, Electronic Channels Division.

ELECTRONIC BANKING - INNOVATION AND DIGITAL TRANSFORMATION

In a challenging macroeconomic context, the evolution of electronic and digital banking is intrinsically linked to the humanisation of the business and technological advances.

In 2023, the national banking sector witnessed a progressive integration between the need to offer personalised services to customers and the adoption of robust technological innovations to meet the challenges of the market, particularly in strengthening the country's financial inclusion. Here we highlight some of the main 'milestones' achieved, namely with the successful migration of the National Payment System platform, which introduced new functionalities and services with a particular focus on the implementation of contactless technology, covering the migration of 1.4 million bank cards. Also noteworthy was the modernisation and migration of the POS fleet of more than 10,831 units, as well as the continued renovation of the ATM fleet, which covered a total of 520 units. It was also possible to ensure a significant increase in interoperability between the traditional financial system (banking) and mobile wallet operators, expanding transfer capacities between the various market stakeholders, with gains for consumers of digital services in Mozambique.

Conduct Risk Management and Compliance in Electronic Banking

In line with technological advances, behavioural risk management and compliance have become crucial areas in electronic banking, which is why we have developed and implemented strict control and monitoring mechanisms to ensure compliance with current regulations.

Business ethics and integrity have also become vital pillars in designing and offering digital services, through a strong organisational culture shaped to promote responsibility and transparency in all interactions with customers, thus mitigating potential conduct risks and ensuring compliance with regulatory guidelines.

The particular focus on "**customer experience"**, has allowed us to identify opportunities to improve the solutions we offer, which is why we have seen a growing convergence between the humanisation of business and technology, combined with strict management of conduct risk and compliance. These factors have not only strengthened our competitive position, but also solidified the relationship of trust with our customers.

DIGITAL SERVICES

Internet DAKI (ebanking and App)

The ebanking and App channels showed significant growth at the same time, especially the App channel, which concentrated on functional improvements and the introduction of new services.

The market's digitalisation and the adoption of new payment habits have resulted in substantial increases in the customer base, turnover and number of transactions.

TALK DAKI: Remote Customer Service

The customer base growth combined with greater interaction between the customer and the Bank has given the Fala DAKI service a strategic extension in customer service, offering daily support (24/24) and free of charge, enabling uninterrupted communication between BCI and its customers. As well as making the toll-free phone line available, the customer service and scheduling modules (CallBacks) have been reinforced, as well as customer authentication during calls, factors that have made it possible to expand the range of remotely available support operations.

NATIONAL PAYMENT SYSTEM

Innovation and Integration

The strategy of consolidating the national payment system was driven by advances in the SIMOrede platform, where we maintain our leading position in the ATM and POS network, as well as in the number of customers using bank cards, with significant investments in innovation, security and expansion of the payment networks that can be transacted through our terminals.

POS DAKI and ATM DAKI: Facilitating Business Transactions and Customer Service

Daki POS terminals offered financial and operational solutions for merchants, reflecting a considerable increase in operations and transaction volume, as well as the acceptance of various international payment networks such as VISA, Mastercard and Amex.

At the same time, Daki ATMs remained vital for carrying out banking operations, especially in rural and peri-urban areas, while witnessing an increase in the number and volume of withdrawals.A parceria estratégica com a VISA mantém-se determinante para a introdução de inovações e ferramentas de prevenção à fraude, refletindo um crescimento notável nas transações não presenciais (comercio *on-line*).

DAKI Payment Methods/Bank Cards

The migration to the new SIMOrede platform saw the entire card base migrated, offering its users more comfort, security and convenience through the introduction of **contactless technology**.

The strategic partnership with VISA remains decisive for introducing innovations and fraud prevention tools, reflecting a notable growth in non-face-to-face transactions (online commerce).

The year 2023 also marks the creation of the Payment System Monitoring Unit (UMSP), which reinforces the Bank's culture of prioritising the management of conduct and compliance risks..

This Unit aims to strengthen internal control procedures, particularly focusing on monitoring and preventing fraud, conduct and compliance, with specialised resources dedicated to monitoring and continuously evaluating the payment system. In this way, it is ensured that all operations and transactions carried out comply with internal policies, external regulations and ethical standards, in close liaison with other areas of the Bank, also providing guidance, training and support to ensure that all employees understand and comply with the standards of conduct and compliance established.

This initiative represents our ongoing commitment to strengthening risk management practices, aiming to safeguard the integrity of the payment system and reinforce customer and stakeholder trust in the institution.

The Future...

Although the sector is constantly evolving, we anticipate a strategy where **humanisation, technological innovation and regulatory compliance will continue to be priorities**. In addition, the commitment to providing banking services that combine technological efficiency with human 'empathy' will also remain at the centre of our priorities in the coming years.

Technology

“We excelled in the migration of the national payment system and the launch of the real-time gross settlement system in 2023, both for our technical excellence and for our ability to collaborate with all the players, realising these transformative projects, which were particularly challenging given BCI’s size.
We will return to the topics of digitalisation in 2024, to improve the Customer experience on the different channels, transaction security and process efficiency.”

Raúl Azevedo, Head of Deparment, Information Technology Division

TECHNOLOGY

2023 was marked by the **implementation of the project to migrate the means of payment processor to the Euronet system**. This project required adapting architecture, interfaces, processes and applications, particularly those that support payments and those that serve electronic channels. In this context, technology played a vital role in the migration process itself, both through the robotisation of migration processes and through the evolution of processes and applications, in particular the support for card migration, with the digitalisation of the entire process, from notifying Customers, to the logistics and control of card distribution and, finally, the delivery of the card to the end Customer and its activation, in order to make the entire process more agile and expeditious, in a secure manner, and thus make it possible to respond to the huge influx of Customers resulting from the need to replace all debit and credit cards.

2023 was also the year of the launch of the Real-Time Gross Settlement (RTGS) system and the new automated clearing house, as part of the modernisation of the national payment system. This project required the implementation of a new architecture to meet the needs of processing a high volume of messages in real time, and the reformulation of existing interfaces, applications and control mechanisms to support the new process and interaction with the new platform.

Also noteworthy is the acceleration of the implementation of the cybersecurity strategy, in order to respond to an increasingly challenging context in this area, where the implementation of a new, highly specialised security operations centre, responsible for monitoring, preventing, detecting, investigating and responding to cyber threats, on a continuous basis, 24 hours a day, 7 days a week, a service that is complemented by the continuous monitoring of the Dark Web, should be highlighted.

Other initiatives were carried out to guarantee the security of information and transactions, such as extending the use of OTP to other channels and operations, as well as approving operations using biometrics, extending SIM Swap validations and validating telephone data at the INCM. Also noteworthy is the implementation of fully centralised device management, particularly for mobile devices, in order to respond securely to users' mobility needs.

In terms of applications, it is important to mention the expansion of the new Cash Control process to all the branches in our network, the implementation of the Generic Credit Increase, and support for the extension of the insurance offer, in the field of new products and services.

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É de todos. É daqui.

People - A dedicated and Committed Team

"The success that BCI has enjoyed reflects the dedication and commitment of its employees to achieving the Bank's objectives."

Paula Boca, Head of Department, Human Resources Division

Our team reflects the diversity of communities, respects diversity and equal opportunities and non-discrimination, and adapts to the new business environment, guiding its actions by full and strict compliance with the law and high standards of ethical values.

In 2023, in terms of Human Resources management, we strengthened the guiding principle of disseminating concepts aimed at ensuring ethical and transparent action in all processes and towards the different stakeholders, resulting in the reinforcement of an organisational culture with a better working environment, greater proximity and appreciation of people.

Continuous investment in the valorisation, training and well-being of People translates into motivation for a better response in contact with customers. In this context, staff training particularly focused on the areas of Compliance and Customer Orientation, which made it possible to achieve a high level of awareness of their duties and responsibilities.

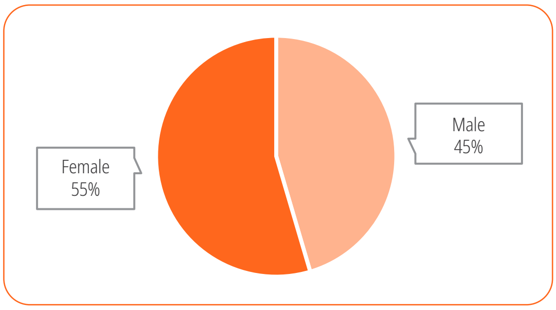
Activities, Indicators and Results

In 2023, our staff totalled 2,734, 99.6% of whom were Mozambican, demonstrating our strong commitment to national staff.

We continued with our graduate integration programme, which gave around 394 recent graduates their first professional experience (151 more compared to 2022).

The proportion of Mozambican staff in management positions (95.4%) confirms our commitment to developing and valuing local human capital, materialising in practice our brand image as a bank with a distinctly Mozambican culture.

The distribution by gender is mostly represented by 55% of women, a difference of ten percentage points compared to men.

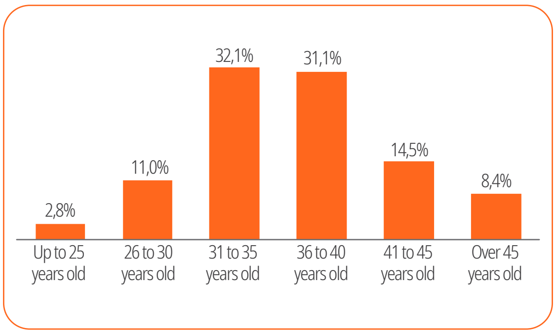


As a result of the extensive and vast branch network, the distribution of Human Resources by functional area continues to show that the Commercial Area concentrates most of the workforce (62.3%).

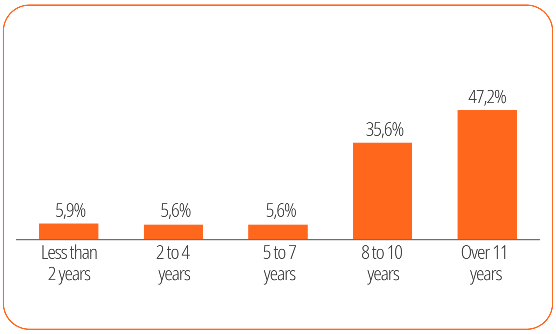
The age structure remained mainly represented by young people, with 45.9% of the workforce up to age 35. Employees' average age was 37 and the average length of service was 11 years.

These indicators reflect the bank's loyalty strategy and the image of a young bank with energy, dynamism and the experience to fulfil its commitment to its customers and other stakeholders with confidence.

Age distribution in 2023 (%)



Distribution by seniority in 2023 (%)



Remuneration, Rewards and Retention

During 2023, in the context of the employee retention and loyalty policy, it was possible to recognise and value 2,136 employees (80% of the workforce) by changing their remuneration and/or functional situation.

In order to mitigate the effects of inflation on capacity and purchasing power, we made an extraordinary remuneration adjustment covering 738 employees (27.4% of the workforce), with a particular focus on the lowest paid employees, and 206 employees were promoted to positions of greater responsibility in the Bank's different structures and hierarchical levels. Also as part of the policy of encouraging and promoting internal mobility, 57 employees took on a new professional challenge by moving to different areas of the Bank.

2,573 employees (95.7% of the workforce) benefited from Variable Remuneration, materialised by the award of a monetary bonus proportional to their contribution to results.

A monthly average of 1,303 employees (47.7% of the workforce) were also rewarded with monetary incentives for achieving the commercial goals set for 2023.

The turnover of Human Resources stood at 4.0% and the disengagement rate at 4.3%.

Training, Motivation and Development

Training continues to be an essential element of our Human Resources strategy, aligned with the Bank's global strategy, as an instrument for developing critical skills for the business, as well as technical support and regulatory skills.

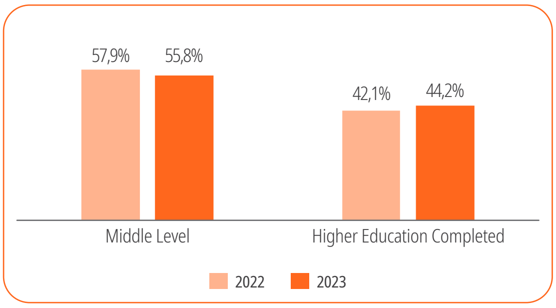
For the year 2023, the contribution in terms of training volume totalled 100,126 hours.

Training programmes were held on Know Your Customer (KYC), Compliance and Customer Orientation. A total of 811 training programmes took place, with 12,388 participants.

The policy of awarding scholarships to employees has contributed towards improving and developing skills, essentially in terms of taking higher-education academic courses, with a total of 52 scholarships having been awarded in 2023 to attend Bachelor's and Master's study programmes (12 more compared to 2022).

As a result of this investment over the years, 44.2% of the workforce had completed higher education.

Distribution of Employees by Academic Qualifications



Organisational Culture

Culture, Health and Well-Being

The health and well-being programmes have distinguished themselves in a unique and particular way in all the internal processes aimed at promoting the physical and mental health and happiness of employees.

Providing employees and their families with access to health services through a vast network of service providers nationwide, with the Bank reimbursing between 80% and 100% of medical and medication costs, continues to be a differentiating and motivating factor.

In 2023, the records of frequency of access to medical services point to more than 82,239 uses.

The strong investment we have made in organisational culture is aimed at creating a working environment that enhances employee relations at all levels, promoting recognition, proximity and people development actions, enhancing organisational values and ensuring greater involvement of people in building solutions for improvements that impact on the day-to-day lives of employees and the institution.

Throughout the year, actions were carried out such as:

- Meetings between employees and the Chairman of the Executive Committee, promoting **relation building culture** where the various contributions to improvements for the Bank were presented;
- Extension of an additional month of maternity leave and one week for paternity leave;
- Updating the value of funeral grants;
- Allocation of a paid day off on the employee's birthday;
- Family support in the event of an employee's bereavement;
- Greater employee involvement in social causes.

Risk, Compliance and Conduct

RISK MANAGEMENT

“In terms of risk management, 2023 was yet another year of challenges, especially liquidity risk at a national level, given the restrictive policy implemented by the supervisor. As expected from the 1st bank in the systemic importance ranking, BCI fully complied with the regulatory metrics, ensuring its solidity and strong risk culture, with careful monitoring by the Bank’s Executive Committee, Risk Committee and Board of Directors. For 2024, in addition to monitoring cross-cutting risks, particular attention will be paid to climate and environmental risks.”

Farhana Razak, Head of Department, Risk Managment Division.

RISK MANAGEMENT

For BCI, risk management is a highly important activity, for which the guiding principles, organisational structure, responsibilities and evaluation and monitoring system are set out in the Risk Management Policy and Risk Management Programme. The Bank's Risk Management policy endeavours to maintain an appropriate relationship between Equity, Sustainability and Profitability.

BCI's Risk Management function is based on a governance model that aims both to comply with the best practices in this area, as established in the Risk Management Guidelines, and to guarantee the solidity and effectiveness of the system for identifying, measuring, monitoring, reporting and controlling financial risks (credit, market, liquidity, interest rate on the balance sheet) and non-financial risks (strategy and business, operational, IT, reputational, climate and environmental), compliance and conduct) to which the Bank is or may be exposed.

The head of BCI's Risk Management Function is the Chief Risk Officer (CRO), who reports hierarchically and functionally to BCI's Risk Committee and CGD's CRO, and is completely independent of the Executive Committee. The CRO is globally responsible for monitoring the Bank's risk management framework and, in particular, for ensuring that the Risk Management Function works properly and effectively, and is also responsible for informing and clarifying the members of the management and supervisory bodies about the risks incurred, the overall risk profile and the degree of compliance with the established risk tolerance levels.

Risk control and monitoring is carried out by a dedicated structure, the Risk Management Department (DGR), which is responsible for managing and controlling the Bank's risks. This department's objectives include financial stability, solvency and soundness, ensuring the identification, assessment, measurement, monitoring, control and reporting of the risks to which the Bank is exposed and the interrelationships between them, in order to ensure the coherent integration of their partial contributions, which remain within the level of risk appetite outlined by the Board of Directors and which do not significantly affect the institution's financial situation, while continuously ensuring compliance with external standards and legal and regulatory requirements in these matters. The DGR coordinates the realisation of cross-cutting exercises, as part of regulatory processes or internal initiatives, monitors and promotes the resolution of recommendations identified internally and externally, contributing to the effectiveness of the Internal Control System, and disseminates and improves the risk culture throughout the Bank, increasing the effectiveness and efficiency of risk management.

For adequate and effective risk management, the Bank has formalised its risk appetite, approved by the Board of Directors through two documents (the Risk Appetite Framework and the Risk Appetite Statement), which outline the levels of risk that the Bank is willing to assume, considering its risk and business strategies, and the respective framework in CGD Group's Risk Appetite. The RAS is updated annually, along with the other Strategic Risk Processes, which include the annual risk profile self-assessment, where the institution's risk profile is assessed, the associated management, control and governance structures, as well as the emergence of new risks (emerging or potential), included in the Risk taxonomy.

The year 2023 continued to be marked by several challenges inherent, on an international level, to the inflationary pressure at a global level resulting from the continuation of the conflict between Russia and Ukraine and the emergence of a new conflict in the Middle East and, on a national level, to the restrictive monetary policy implemented by the Bank of Mozambique. These factors contributed to the persistence of the challenges faced by the banking sector, most notably the worsening of the Mandatory Reserves Coefficient and the application of a 150% risk weight to Mandatory Reserves in foreign currency. These events have reinforced the need for Risk to be a strong pillar of the Bank's solidity and confidence.

It should also be noted that in April 2023, the Bank of Mozambique named BCI first in the ranking of systemically important banks. This decision led to the Bank having to comply with an additional capital cushion, bringing the minimum solvency ratio from the regulatory 12% + 2% buffer (14%) to 12% + 3% (15%).

Despite the adverse macroeconomic climate, BCI fulfilled the objectives set out in terms of risk management this year, namely:

- ✓ Implementation of new Risk management and reporting tools, including the automation of existing reports, also ensuring the integration of the Risk vision in the implementation of the 'single source of truth'[2] of the CGD Group;
- ✓ Full compliance with regulatory reporting;
- ✓ Strengthening the governance framework of the Risk Management Function (FGR) by reviewing and approving various corporate regulations, corresponding to practical guidelines for the FGR's actions;
- ✓ Mitigation of Operational Risk and reinforcement of the Internal Control System, in line with the Bank's Strategic Plan, through the timely implementation of Action Plans aimed at resolving various internal control deficiencies, as well as the dissemination of the Risk Culture throughout the Bank;

[2] Single Data Source.

- ✓ Implementation of the Climate and Environmental Risk Management Policy, in line with the Bank's Strategy and under the terms of the European Banking Authority (EBA) guidelines on internal governance, which takes into account internationally recognised good practices in this area and contributes to the institution's response to the objectives established in international agreements, as well as the Sustainability and Sustainable Financing and Energy Transition Policies; and
- ✓ Strengthening Credit Risk management tools (Ratings, Scorings, Central Balance Sheet, Impairment Model), the development of a new tool for Credit Monitoring - Predictive Model for Prioritising Contacts for the Recovery and Resolution of various non-performing loans in line with the objectives set out in the Bank's Strategic Plan.

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É de todos. É daqui.

Compliance and Conduct Management

"The Bank is governed by a compliance culture and high standards of ethics and conduct. Compliance Risk Management at BCI is rooted across the board in all areas of the Bank and is governed by robust policies and processes, in line with the best market practices, in strict compliance with legal and corporate requirements, with the ultimate aim of protecting Customers and the Bank's Capital, by anticipating the identification of risks, their real causes, their mitigation and monitoring."

Bento Vilanculo, Head of Department, Compliance Function Division

COMPLIANCE MANAGEMENT

The Compliance function's activity in 2023 was based on the implementation and consolidation of a wide range of processes and procedures to support approved internal policies, which led to improved levels of legal compliance in various areas of the Bank's operations. In fact, BCI has implemented a regulatory compliance programme to create internal mechanisms to avoid any criminal liability, as well as promoting a culture committed to ethics and high standards of business conduct. The programme includes: (i) Code of Conduct; (ii) Plan for the prevention of corruption and related offences; and (iii) Whistleblowing Channel.

Code of Conduct

BCI's Code of Conduct is a set of ethical rules that form the conscience of professionals when carrying out their duties at the institution.

In 2023, actions were maintained to ensure the implementation of the management model, including its dissemination, which is ongoing. As part of this, a course in the form of e-learning on the Code of Conduct is permanently available, as well as training in the form of lectures. On the basis of this course, around 508 employees were trained.

Additionally, the internal campaign on Conduct and Ethics, which began in December 2021, continued throughout 2023. For 2023, the campaign was based on the distribution of personalised notepads and mugs with the name of each employee and a 'word cloud' related to the values and principles of the code of conduct (Integrity, Professionalism, Transparency, Respect, among others), always aligned to raise awareness and remind employees of the way they should be recognised and act as members of this cohesive institution, with harmonised benchmarks in line with the position BCI occupies in the country.

As part of monitoring the implementation of the Code of Conduct, a continuous improvement process has been set up to identify and resolve ethical dilemmas.

Plan for the Prevention of Corruption and Related Offences

In compliance with the recommendations of national and international authorities in the field of preventing corruption and related offences, as well as the commitment made in internal regulations, BCI has been drawing up and has had in place since 2019 a plan for preventing corruption and related offences to minimise the risk of corruption and related offences to which it is exposed. The plan, which is a dynamic management tool, is reviewed every 3 years, or whenever there is a change in the institution's duties or organisational or corporate structure that justifies its revision, in order to accommodate and map new risks that may be identified in the course of BCI's activities, as well as those responsible for adopting measures to mitigate them.

During the financial year in question, training was given in the form of lectures on preventing corruption and related offences, which included practical cases. These actions involved a total of 124 employees.

Whistleblowing Channel

BCI has implemented a system for reporting irregular practices, an alternative to the usual reporting chain, which allows employees to communicate legitimate and significant concerns about matters related to the institution's activity. Reports of irregularities or complaints can be made in writing, verbally or both, with confidentiality and anonymity being guaranteed by the Compliance Officer, to whom the reports are addressed.

The channel is widely publicised among the institution's employees, including through training sessions in the form of lectures, which have covered a total of 508 employees.

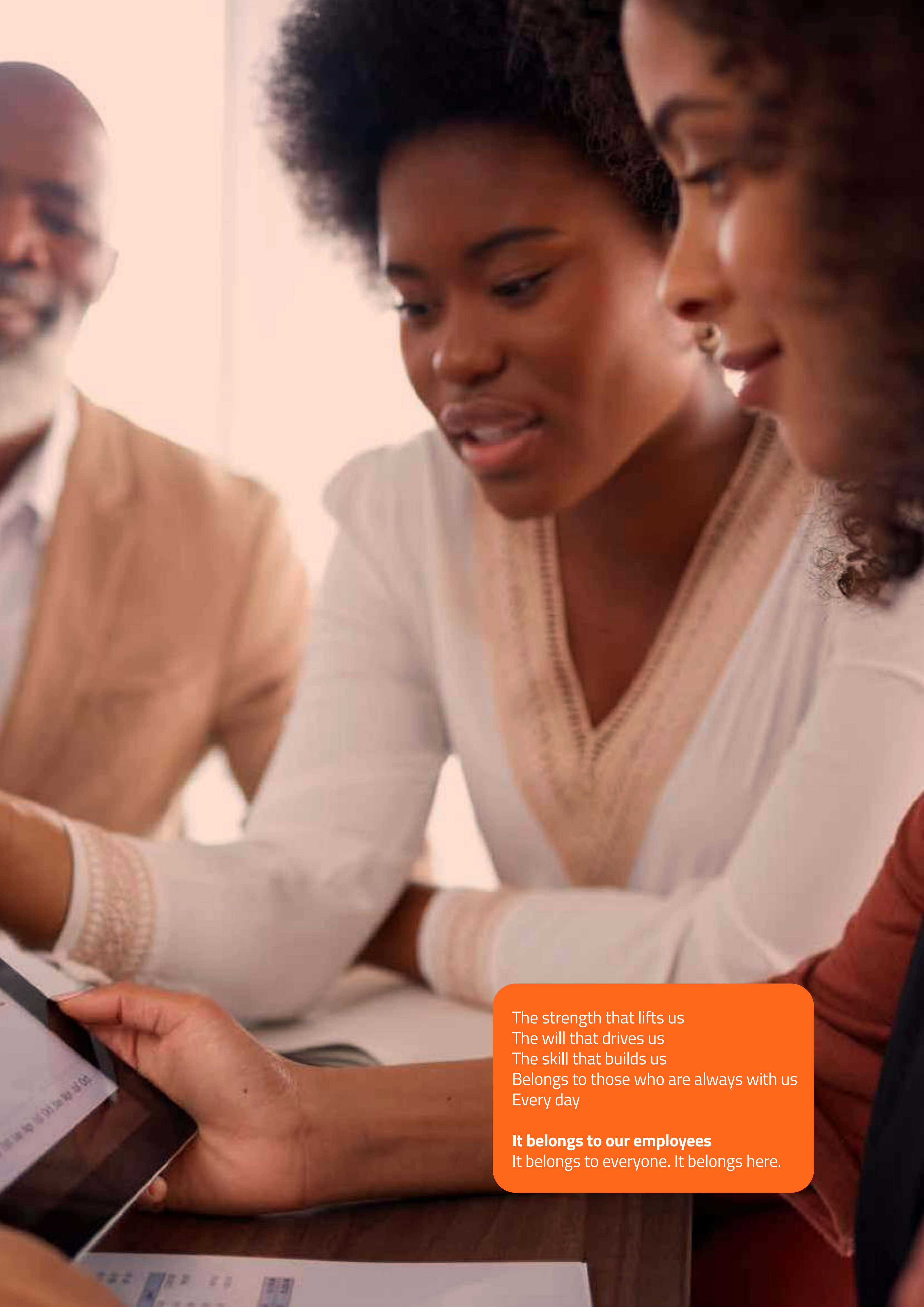
Other relevant Compliance matters

There were again legislative and regulatory changes in 2023, but without major changes or impacts compared to the one previously approved in 2022. The reformulation was essentially aimed at bringing the legislative framework into line with the United Nations Convention, the Security Council Resolutions and GAFI's 40 recommendations. Of particular note are the matters concerning the improvement of measures for Preventing Money Laundering and Combating the Financing of Terrorism (AML/CFT). In this regard, BCI has maintained its commitment to the highest practices in the field of AML/CFT to comply with the legal and regulatory standards in force, in particular with the recent Law no. 14/2023, of 28 August and its Regulation, Decree no. 53/2023, of 31 August, as well as the recommendations of the relevant international entities on this matter.

Within this framework, a set of policies, procedures and control systems has been outlined and implemented to identify, assess, understand and mitigate the possible risks inherent in its customers and established business relationships.

To this end, BCI is equipped with the appropriate IT tools to monitor banking activity as part of AML/CFT, in particular the applications dedicated to monitoring accounts and clients (carried out continuously, systematically and according to indicators established based on a risk-based approach), classifying the risk profile of customers and filtering transactions and sanctioned entities, politically exposed persons and holders of other political and public positions.

As part of the process of creating customers, differentiated due diligence is carried out according to the money laundering risk profile and also in accordance with the Internal Client Acceptance Policy, published on BCI's institutional website.



The strength that lifts us
The will that drives us
The skill that builds us
Belongs to those who are always with us
Every day

It belongs to our employees
It belongs to everyone. It belongs here.

Social Responsibility Contributing to our Community

"In terms of Corporate Social Responsibility, we ensure the Bank's participation in initiatives that have an impact on the well-being of communities, with support for health and education in particular, as well as making a considerable contribution to protecting the environment and biodiversity through strategic partnerships."

Ana Zara, Head of Department, Marketing Division

SOCIAL RESPONSIBILITY - CONTRIBUTING TO OUR COMMUNITY

BCI boosted its ongoing commitment to energising Corporate Social Responsibility actions, strategically integrating them into its operations in the Mozambican market.

It launched a series of activities during 2023, as part of various programmes to support education, health, sport, sustainability and social inclusion for the well-being of Mozambican communities.

SUPPORT FOR SOCIAL INCLUSION

In the context of Corporate Social Responsibility, the Bank plays a vital role by devoting significant efforts to promoting the social inclusion of the most vulnerable sections of society:

Supporting Flood Victims in the Zambézia Province

In response to the damage caused by the severe weather in the Zambezia province due to the passage of tropical cyclone Freddy, ,BCI provided support to the flood victims , at the beginning of 2023, by donating batches of various basic necessities.

Supporting the Sopa Solidária Programme - Makobo Platform

Makobo is a social forum that organises an action called 'Sopa Solidária' (Solidarity Soup), which consists of making soup for people in vulnerable conditions, mainly children, the elderly and disabled people. Over the course of 2023, BCI organised five sessions in which the Bank's employees, including senior staff, voluntarily took part in making this meal and distributing it to the beneficiaries.

Supporting the Nutritional Reinforcement Programme - Winnua

For around eight years, BCI has been supporting the School Feeding Programme in Lobué, a small community on the outskirts of the Mocuba district in the Zambézia province, which consists of distributing a mug of soya milk every school day, benefiting around 480 children.

Social Responsibility Action associated with Children's Day

As a way of celebrating Children's Month, International Children's Day and the Day of the African Child, BCI provided moments of joy, relaxation and learning at the Bank's headquarters for vulnerable children from the Mamana Wa Kurula Home Shelter Centre, located in the Maputo province, Boane district.

Supporting Lar Madre Clara

In order to provide comfort for the children housed at Lar Madre Clara, located in the Marracuene district, BCI has equipped the dormitories with bunk beds and curtains to provide a more comfortable and harmonious environment.

SUPPORTING EDUCATION

BCI has contributed to developing education through several initiatives, including donating computer equipment to schools, encouraging reading by offering literary and educational works to libraries, giving school supplies to orphanages, supporting scientific conferences and awarding prizes to final-year students from secondary and higher education study programmes at the country's main universities and polytechnics.

Supporting the Girl Move Academy

BCI has supported the Girl Move Academy, based in Nampula province, by investing in training scholarships for the CHANGE programme and the Leadership and Social Innovation programme, which is aimed at young women between the ages of 20 and 30, with a bachelor's or master's degree, and promotes a new generation of young women leaders and agents of change for sustainable development.

Supporting the Study Centre at the São Vicente de Paulo School in Chókwè

BCI sponsored the study centre project at the São Vicente de Paulo School in Chokwé, as part of the 'Um Pequeno Gesto Uma Grande Ajuda' (A Small Gesture - A Big Help) programme, which operates in the Gaza province.

This support has benefited around 256 children and young people enrolled between 1st and 12th grade.

The children who attend this programme experience a vulnerable economic situation in deprived households. The programme combines an educational support component with a poverty alleviation component in which beneficiaries receive a food boost on the day they attend the Study Support room.

Support for the Zintava Primary School

BCI has joined forces with the Baobá Association (BTA) to build school infrastructure, including three classrooms, at the Zintava Primary School in Marracuene, Maputo Province.

SUPPORTING HEALTH

Supporting the Gastroenterology Service

The Gastroenterology Service at Maputo Central Hospital has once again received support from BCI, which has provided elastic bands every year for the treatment of patients diagnosed with Upper Digestive Haemorrhage (UDA). This support has resulted in a significant improvement in patient treatment.

Supporting the rehabilitation of bathrooms at Manhiça District Hospital

BCI has helped to minimise the suffering of patients at Manhiça District Hospital by rehabilitating the toilets in that facility, thus improving hygiene conditions there.

Supporting the Maputo Central Hospital Blood Bank

The Bank's employees organised a voluntary blood drive to support the National Blood Service (SENASA) at Maputo Central Hospital, as part of World Blood Donor Day.

Solidarity Christmas in the Paediatric Services of Hospitals nationwide

BCI's support for Paediatric Services nationwide at Christmas time has been carried out annually for around 24 years, and consists of giving food baskets and toys to hospitalised children and their carers. This action is carried out by the Bank's employees and senior executives.

ENVIRONMENT AND SUSTAINABILITY

As part of environmental responsibility, the following noteworthy actions are carried out by BCI:

Supporting the Maputo Pedalando programme

BCI joined the 'Maputo Pedalando' programme, an initiative of the Maputo Municipality through the Mobility, Transport and Traffic Department and the Education and Sports Department. It is a programme that aims to ensure the promotion of healthy habits, fostering citizenship and sustainable mobility, so that they serve as vehicles for promoting the transformation of urban values.

Partnership with BIOFUND

Support for biodiversity protection projects through the Bio Card, a biodegradable debit card, whose use by customers allows BCI to channel part of the proceeds to support the projects of the Foundation for the Conservation of Biodiversity (BIOFUND), namely:

- Conservation and sustainable management of natural resources and aquatic and terrestrial biodiversity;
- Preservation of endangered rhinos in Mozambique, in the Sábiè Game Park region, by placing electronic tracking tags;
- Protection of an endangered giant palm called Raphia australis, located in the Bobole Botanical Reserve, Marracuene district, Maputo province;
- BCI's participation in the Marine Biodiversity Conference and Exhibition on the topic '- Technology for training and raising awareness to the value of coastal and marine biodiversity in Mozambique'.

SUPPORTING CULTURE

BCI has contributed to promoting art and culture through various initiatives, most notably the dissemination of literary and artistic works by various social players, in order to highlight their projects. BCI's intervention in this area is materialised, in particular, by sponsoring the publication of various literary and scientific works, as well as making the media libraries in Maputo, Beira, Nampula and Ilha de Moçambique available for bibliographic consultations.

Literary works supported:

- Língua e Educação em Moçambique Subsídios para uma Política Linguística Orientada para a Cidadania Global, by Sarita Monjane Henriksen;
- The ombudsman: Materialização e consolidação da democracia em Moçambique, by Lídia Soares;
- As Três Amigas e o Semáforo do Toque, by Lurdes Faife;
- Café com Livro, by Elarte Produções;
- Constituição Ambiental e Principal Legislação Ambiental, by Edson Macuácua;

- Entre Margens: diálogo intercultural e outros textos, by Sara Jonas Laisse;
- Children's audiobook 'Sabes o que eu vejo', Editora Trinta Zero Nove (ETZN);
- Ibo ou Wibu- Viagem à minha juventude, by Omar Abdala Anlawe;
- Collective Memoir on the Building of the Mozambique Air Force (1975-1992), by the group of former Mozambique Air Force combatants;
- Prática Forense Civil, by Clover Bila.

Visual arts exhibits hosted in the Bank's spaces:

- Port of Maputo, painting exhibit by Mário Secca;
- Faces of Africa, an exhibit of paintings and drawings by Rachid Gutiérrez;
- D Pen art III, exhibit of mixed techniques based on bird feathers, by Marlenis Fabret;
- Arte Que Veste, exhibit of wooden ornaments by Sónia Sultuane;
- 27 Reasons to celebrate, an exhibit of paintings by João Timane;
- Galeria Zerou, exhibit of paintings by Mário Tique;
- O Criador, String Art Exhibit by Camadias Azarias;
- Gentil com toda a gente, Art exhibit by students from the Pequenos Sábios school;
- Cores e Feeling, an exhibit of paintings and drawings by Rui Tadeu;
- Annual exhibit by ENAV students in Painting, Sculpture, Ceramics and Graphic Arts;
- A outra face da lógica, an exhibit of paintings and drawings by Lourdes Silva.

BCI's support has also been geared towards institutions that promote and preserve Mozambique's national identity and cultural progress, such as: National Singing and Dancing Company, National School of Visual Arts (ENAV), Radio Mozambique (Ngoma Mozambique Programme), Maputo City Council (Book Fair), among others.

SUPPORTING SPORT

In this area, BCI's commitment is mirrored in the multiple initiatives developed throughout 2023 in collaboration with various partners, within the framework of encouraging the practice of sport:

Mozambican Football Federation (FMF)

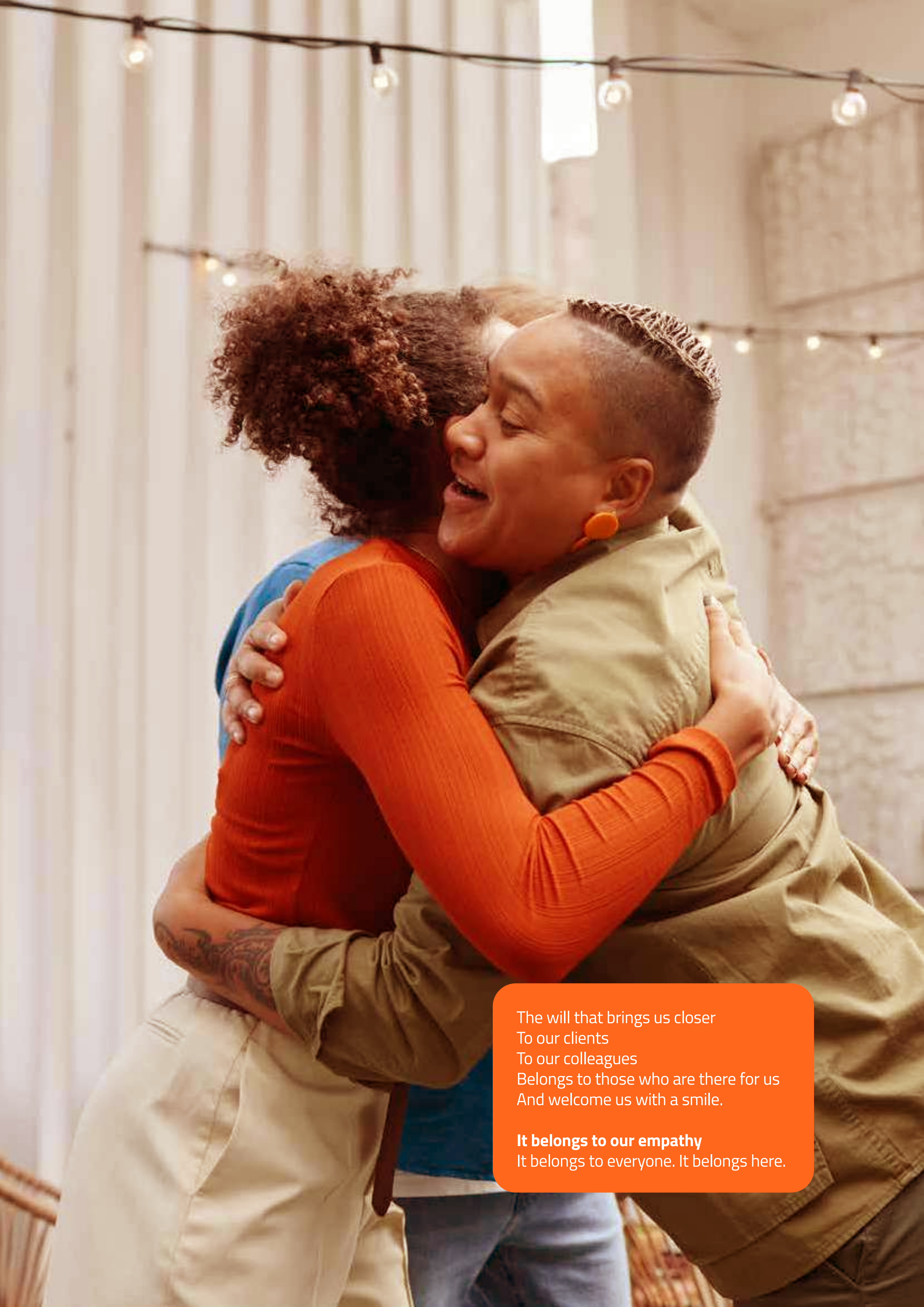
BCI's support for the FMF has helped to strengthen the training conditions for the national football teams, in particular the national 11-a-side team (Mambas), which in 2023 secured its qualification for CAN 2024.

Offering balls to primary schools across the country

BCI launched a campaign to offer 'BCI Balls' to primary schools nationwide, in which the Bank distributed 15,000 balls to schools across the country. This initiative was developed in coordination with the Ministry of Education and Human Development, to help encouraging the practice of sport in schools.

BCI International Chess Tournament

BCI, in partnership with the Chess Federation, organised the International Chess Cup competition, with the participation of national and international chess players (Southern Africa), which took place in the municipal district of Katembe, in the city of Maputo.



The will that brings us closer
To our clients
To our colleagues
Belongs to those who are there for us
And welcome us with a smile.

It belongs to our empathy
It belongs to everyone. It belongs here.

É meu.
É de todos. É daqui.

Strategy Implementation 2023 Financial Analysis

"The implementation of the 2021-2024 Strategic Plan has ensured a positive performance of BCI's financial results, despite the challenging economic environment, allowing the bank to continue to contribute to the domestic economy and generate value for our stakeholders."

Daniela Santos, Head of Department, Planning, Accounting and Control Division

The year 2023 continued to be marked by a number of challenges, including, domestically, military instability in the Cabo Delgado area, adverse climate phenomena, worsening public sector indebtedness and, internationally, the continuation of the war between Russia and Ukraine and the emergence of a new conflict in the Middle East, as well as volatility in the financial markets.

Despite this uncertain scenario, Mozambique's economy has consolidated its recovery trajectory, recording real growth in Gross Domestic Product (GDP) accumulated up to the third quarter of around 4.90%, reflecting the increase in Liquefied Natural Gas (LNG) production, as well as the recovery of the manufacturing industry, justified by improved access to raw materials by the food industry.

With regard to Monetary Policy, the Bank of Mozambique decided to maintain the MIMO benchmark rate at 17.25% and revised upwards the coefficients of Mandatory Reserves for liabilities in domestic currency from 10.50% to 39.0%, in cumulative terms, and in foreign currency from 11.5% to 39.5%, with the aim of absorbing excess liquidity in the banking system, which has the potential to generate inflationary pressure. These measures led to an increase in the System's Prime Rate by 150 bp to 24.10%, reflecting the impact of the deterioration of liquidity risk in the system on the cost premium.

In this context, there was a slowdown in year-on-year inflation, which reached 5.30% in December 2023 (after 10.9% in December 2022), as a result of the fall in the prices of the main commodities on the international market, in a context where the US dollar continues to strengthen against the main currencies, restrictive monetary policy and exchange rate stability.

Additionally, the Bank of Mozambique stopped reimbursing the sale of foreign currency for fuel imports, which aggravated the pressure on the foreign exchange market and on the USD liquidity of commercial banks.

The Mozambican banking system marked a milestone in 2023 with the migration to the new electronic payment platform provided by Euronet. The operationalisation of this platform in the Mozambican market marks the modernisation and evolution of the National Payment System to levels in line with international standards, giving customers greater security and convenience when processing their transactions. However, the process of migrating to the Euronet platform implied a change in the banks' business model, as it resulted in a reduction in fee income from transactions on electronic channels due to the unavailability of some services, which are gradually being resumed, as well as an increase, albeit temporary, in fee and service costs, above all due to the massive issuing of cards.

Despite the challenging macroeconomic context, BCI has remained resilient, preserving the robustness and solidity that over the last few years has been built on stringency, financial discipline and a strict risk control policy. In this way, the Bank closed the 2023 financial year with a Net Profit of MT 8,181.4 million, driven by sustainable growth in Operating Income, comfortable liquidity levels and adequate control of Operating Costs.

RESULTS AND PROFITABILITY

Despite a context of major challenges and uncertainties, and the strong impact of the increases in the Mandatory Reserves coefficients on Net Interest Income, BCI achieved a Net Profit of MT 8,181.4 million in December 2023, which corresponds to a growth of MT +103.32 million (+1.03%) compared to the MT 8,078.11 million achieved in 2022. This result had a positive impact on the profitability indicators, in particular the Return on Equity (ROE) and Return on Assets (ROA), which stood at 29.74% and 3.89%, respectively, in line with the strategic objectives, without, however, neglecting full compliance with the limits imposed in the Risk Appetite Framework in force at the Bank.

This evolution reflects the pursuit of the objectives set out in the 2021-2024 Strategic Plan, in which the focus is on diversifying the loan portfolio, maintaining a strong position as a bank that supports the economy by granting loans with a controlled risk, a fact that has made it possible to achieve significant growth in Operating Income (MT +732.03 million; +3.62%), accompanied by efficient management of overheads (+4.62%), which has resulted in better operational efficiency with the Cost-to-income ratio standing at 43.07% (+0.41 pp compared to 2022). However, this result was conditioned by the high increase in Impairments and Provisions (MT +1,213.31 million; >100%), given the Bank's prudent policy in assessing risks and the need to cover its assets in the face of an adverse economic context, as well as the anticipation of potential losses related to some one-off and transitory events.

Net Income:	**8.181 mios** (+1,28% 2022)	**ROE:**	**29,74%** (-3,17p.p 2022)
ROA:	**3,89%** (+0,28p.p 2022)	***Cost-to-Income:***	**43,07%** (+0,41p.p 2022)

The Operating Income's good performance (+3.62%) was the result of the increase in Complementary Margin (MT +708.07 million) essentially impacted by income from financial transactions and the reduction in extraordinary and prior-year losses, as well as the slight increase in Net Interest Income (MT +23.31 million). This evolution in net interest income was heavily penalised by the increase in the mandatory Reserves in 2023, which resulted in a reduction in investments in interest-bearing assets, in exchange for non-interest-bearing balances with the Bank of Mozambique. This was also influenced by the addition of around MT 200.59 million to Interest on Loans to Customers, against Staff Costs, relating to the cost of subsidised loans to Employees. Without this effect, the Net Interest Margin decreased in 2023 (MT -177.27 million). With regard to Taxes, there was a reduction (-34.63%) explained by the recording of Deferred Tax Assets for Temporary Differences, relating to Impairments recognised over the last few years, which are not accepted as a cost to be deducted from the tax base by the Tax Authority, particularly Real Estate, Debtors, Securities and Credit Impairments above the minimum provisions calculated in accordance with Bank of Mozambique rules, and which were therefore added to the tax base in 2022 and 2023, resulting in Deferred Tax Income of MT 1.1 billion.

It should be noted that both the 2023 and 2022 Net Profit were impacted by various extraordinary positive and negative effects.

As far as the positive extraordinary effects are concerned, the Deferred Tax Income mentioned above should be highlighted. With regard to the negative effects, the impact of the upgrade project for the Euronet platform should be highlighted, namely the increase in costs to deal with the upgrade process and the loss of revenue associated with the change in business model and the temporary unavailability of some services.

(Thousands of Meticais)

Profit-and-Loss Account	dec-22	dec-23	Variation	
			Absolute	Relative
Net Interest Income	15 705 074	15 728 388	23 314	0,15%
Complementary Margin	4 503 663	5 212 388	708 725	15,74%
Net Operating Income	**20 208 737**	**20 940 776**	**732 039**	**3,62%**
Staff Costs	4 579 434	5 140 646	561 212	12,26%
Other Administrative Expenditure	3 098 935	3 025 795	-73 140	-2,36%
Depreciation and Amortisation	942 423	852 661	-89 762	-9,52%
Structural Costs	**8 620 792**	**9 019 102**	**398 310**	**4,62%**
Provisions, Impairment of Loans and Other Assets	671 577	1 884 891	1 213 314	180,67%
Income Before Taxes	**10 916 367**	**10 036 783**	**-879 585**	**-8,06%**
Tax	2 838 256	1 855 349	-982 907	-34,63%
Net Income	**8 078 112**	**8 181 434**	**103 322**	**1,28%**

Net Interest Income

The Bank of Mozambique has revised upwards the coefficients of the Mandatory Reserves in domestic currency and ME, in 2023, in order to absorb excess liquidity in the financial system, which resulted in a negative volume effect on interest on Investments in Credit Instituitions and Financial Assets.

In this context, net interest income totalled MT 15,728.39 million in December 2023, an increase of MT 23.31 million (+0.15%) compared to the MT 15,705.07 million recorded in the same period in 2022. This performance was conditioned by the significant increase in Mandatory Reserves in January and May, which culminated in a reduction in liquidity that could be invested, offset by an increase in non-interest-bearing balances with the Bank of Mozambique in domestic and foreign currency.

The increase in Interest and Similar Income (+9.95%) was due to the positive performance of Credit Interest (+14.36%), boosted by the repricing of the portfolio as a result of the rise in the Prime Rate, which made it possible to maintain profitability levels in a context of reduced demand for credit as a result of the restrictive monetary policy. The growth in consumer credit in domestic currency also contributed to this trend, and it should be noted that interest on loans represents the component with the greatest weight in the structure of interest and similar income, with a weight of 55.81% in 2023 (December 2022: 53.66%).

Interest on Financial Assets also grew by 9.19%, due to the rise in rates of return on these instruments, most notably Treasury Bonds, despite the fall in the portfolio due to lower investment in Treasury Bills.

Interest on Investments in Credit Instituitions decreased (-5.76%) as a result of the increase in the coefficients of the Mandatory Reserves and the subsequent reduction in excess liquidity, as mentioned above.

Interest and similar charges recorded an unfavourable performance (+33.56%), impacted by the rise in the cost of funding, determined by the increase in the cost of remunerating customer deposits associated with the market context, with a greater impact on interest on term deposits in domestic currency, as well as by the increase in the portfolio of deposits in domestic currency.

(Thousands of Meticais)

Net Interest Income	dec-22	dec-23	Variation	
			Absolute	Relative
Interest and Similar Income	21 924 212	24 105 849	2 181 638	9,95%
Interest and Similar Costs	6 306 616	8 422 830	2 116 214	33,56%
Net fees associated with amortised cost	87 478	45 369	(42 109)	-48,14%
Net Interest Income	**15 705 074**	**15 728 388**	23 314	0,15%
Financial Margin Rate	**9,86%**	**8,73%**		

It should be noted that the Net Interest Income was also influenced by the addition of MT 200.59 million against Personnel Costs, relating to the cost of subsidised loans to Employees. Without this effect, the Net Interest Margin decreased in 2023 (MT -177.27 million).

Net Fee and Commission Income

Net fees fell by 24.17% (MT -566.12 million) compared to 2022. This reduction was primarily attributable to the unfavourable performance of Commissions Paid, which increased by 46.53%, directly influenced by the process of migrating means of payment to the Euronet system, insofar as domestic transactions made with means of payment still assigned to the previous network at terminals already migrated to the Euronet platform were accounted for as VISA transactions.

Also contributing to this evolution was the reduction in Commissions Received (MT -93.5 million) reflecting the change in pricing and the non-collection of some commissions, in compliance with Notice no. 13/2017, as well as the temporary unavailability of payment methods and some services on the Euronet platform, following the migration process.

Notwithstanding the negative performance mentioned above, it is important to emphasise the positive evolution seen in income from Transfer Commissions for mobile portfolios due to the increase in the volume of transactions, and Guarantees Provided, due to the increase in the issue of Bank Guarantees

(Thousands of Meticais)

Net Fees	dec-22	dec-23	Variation	
			Absolute	Relative
For guarantees provided	320 117	346 076	25 959	8,11%
For services rendered	524 886	542 964	18 078	3,44%
Electronic Banking	2 173 797	2 042 245	-131 551	-6,05%
Other fee income	268 764	240 855	-27 909	-10,38%
Fees Received	**3 357 520**	**3 263 999**	**(93 522)**	**-2,79%**
For services provided to third parties	3 358	6 003	2 646	78,79%
Electronic Banking	853 417	1 301 828	448 411	52,54%
Correspondent fees	81 762	61 758	-20 004	-24,47%
Other fee expenses	77 108	118 654	41 546	53,88%
Fees Paid	**1 015 645**	**1 488 244**	**472 599**	**46,53%**
Net Fees	**2 341 875**	**1 775 755**	**-566 120**	**-24,17%**
Net Fees/Net Operating Income	**11,59%**	**8,48%**		

Income from Financial transactions

Profits from Financial transactions totalled MT 2,595.09 million in 2023, which corresponds to an increase of MT +444.14 million (+20.65%) compared to the same period last year. This increase was fuelled by a rise in the business of buying and selling currency, in a context of exchange rate stability.

(Thousands of Meticais)

Income from Financial transactions	dec-22	dec-23	Variation	
			Absolute	Relative
Income from Financial transactions	**2 150 941**	**2 595 090**	**444 149**	**20,65%**
Gains on Financial Transactions	141 809 928	143 600 339	1 790 411	1,3%
Losses on Financial Transactions	139 658 988	141 005 250	1 346 262	1,0%
Result from Financial Transactions/Net Operating Income	**10,64%**	**12,39%**		

Other Operating Income

Other Operating Income increased by 841.81 million MT to 829.03 million MT in December 2023, compared to a negative 12.78 million MT in 2022. This evolution is justified by the significant reduction in Other Operating Expenditure (MT -949.09 million) reflecting the higher volume of Extraordinary and Prior-Year Losses recorded in 2022, impacted by the return of some fees relating to the period from April 2018 to December 2021, in compliance with Notice no. 13/2017, as well as the payment of tax withholdings relating to VISA and Mastercard invoices.

(Thousands of Meticais)

Other Operating Income	dec-22	dec-23	Variation	
			Absolute	Relative
Operating Income	1 526 070	1 418 797	(107 273)	-7,0%
Expenses Reimbursed	181 451	207 641	26 190	14,4%
Income from the Provision of Miscellaneous Services	426 106	469 949	43 843	10,3%
Other	918 513	741 207	(177 306)	-19,3%
Operating Expenditure	1 538 853	589 763	(949 089)	-61,7%
Losses for the previous year and Extraordinary losses	1 204 693	202 894	(1 001 799)	-83,2%
Other	334 160	386 869	52 710	15,8%
Total	**(12 783)**	**829 033**	**841 817**	**6585,35%**

Structural Costs

BCI continued to develop a series of initiatives based on cost containment and efficiency gains in 2023, by optimising processes, renegotiating contracts and centralising procurement, through the work of the Costs and Investments Committee.

Of the total Structural Costs, 57.0% correspond to staff Costs (53.12% in 2022), 33.55% to General Administrative Costs (35.95% in 2022) and 9.45% to Amortisation and Depreciation (10.93% in 2022).

In this context, Structural Costs, which include Staff Costs, General Administrative Costs and Depreciation for the year, totalled MT 9,019.10 million, a moderate increase on the previous year in the order of 4.62% (MT +389.31 million).

This growth was influenced by the combined effect of the increase in Staff Costs (+12.26%) and the reduction in General Administrative Expenses (-2.36%) and Amortisation for the Year (-9.52%).

(Thousands of Meticais)

Structural Costs	dec-22	dec-23	Variation	
			Absolute	Relative
Staff Costs	4 579 434	5 140 646	561 212	12,26%
Other Administrative Expenditure	3 098 935	3 025 795	(73 140)	-2,36%
Depreciation and Amortisation	942 423	852 661	(89 762)	-9,52%
Structural Costs	**8 620 792**	**9 019 102**	**398 310**	**4,62%**
Net Operating Income	**20 208 737**	**20 940 776**	**732 039**	**3,62%**
Cost-To-Income	**42,66%**	**43,07%**		**0,41pp**

Staff Costs

Staff Costs remain the component with the greatest weight in the cost structure, standing at MT 5,140.65 million in 2023 compared to MT 4,579.43 million in 2022, translating into an absolute increase of MT 561.21 million (+12.26%). This figure for 2023 Staff Costs includes the MT 200.59 million corresponding to the impact of the subsidised interest rate on loans to employees, which, as mentioned above, was added to Interest Credit against Personnel Expenses, in accordance with the IFRS.

Removing the impact of this adjustment, Staff Costs would amount to MT 4,940.06 million in 2023, translating into an absolute increase of MT 360.63 million (+7.87%) compared to 2022, reflecting the impact of updating the annual salary scale and the merit promotion process, as well as the increase in Medical Assistance and Medication costs relating to the benefits that employees enjoy from hospital services and medical treatments.

(Thousands of Meticais)

Staff Costs	dec-22	dec-23	Variation	
			Absolute	Relative
Remuneration of Management and Supervisory Bodies	275 855	280 376	4 521	1,64%
Remuneration of Employees	3 741 797	4 061 176	319 379	8,54%
Fixed Remuneration	1 640 301	1 702 703	62 402	3,80%
Subsidies	1 758 597	1 867 445	108 848	6,19%
Other Remuneration	342 898	491 028	148 130	43,20%
Social Security Contribution	171 313	181 551	10 238	5,98%
Other Staff Costs	390 470	617 544	227 074	58,15%
Total	**4 579 43**	**5 140 646**	**561 212**	**12,26%**
SC/Net Operating Income Ratio	**22,66%**	**24,55%**	**1,89pp**	

General Administrative Expenditure

General Administrative Costs totalled MT 3,025.80 million at the end of 2023, down 2.36% (MT -73.14 million) on the MT 3,098.94 million recorded in the same period of the previous year. This reduction was influenced by the Data Communication line item's good performance, reflecting the reduction in costs with the SMS transaction notification service, which is now processed internally, as well as the reduction in the volume of SMS processed, in line with the fall in the number of transactions on digital channels due to the temporary unavailability of services when migrating to the Euronet platform.

Despite the reduction seen above, this performance was mitigated by the increase in the following line items:

i. Savings, impacted by the high consumption of plastics for cards, due to the mass replacement of cards with units of contactless technology, as part of the migration to the Euronet platform;

ii. IT, by acquiring new software and renewing existing software, as part of initiatives to automate processes and mitigate risks; and

iii. Retainers and Fees, impacted by the increase in costs with the outsourcing of some services.

(Thousands of Meticais)

General Administrative Expenditure	dec-22	dec-23	Variation	
			Absolute	Relative
Water, Energy and Fuel	93 361	211 613	18 252	9,44%
Printed Material and Consumables	124 864	196 791	71 927	57,60%
Service and Repair Material	30 617	2 600	(28 017)	-91,51%
Rents and Lease	62 198	71 957	9 759	15,69%
Communications and Shipping Expenses	1.049.424	686.399	(363.026)	-34,59%
Travel, Lodging and Representation	78 635	90 200	11 565	14,71%
Advertising and Publishing	94 607	58 785	(35 821)	-37,86%
Maintenance and Repair	376 278	353 574	(22 704)	-6,03%
Training and Staff Development	32 147	26 582	(5 564)	-17,31%
Insurance	50.746	57.977	7.231	14,25%
Other Third-Party Services and Supplies	559 870	714 104	154 234	27,55%
Total	**3 098 935**	**3 025 795**	**(73 140)**	**-2,36%**
GAE /Net Operating Income Ratio	**15,33%**		**(0,89pp)**	

The reduction in the General Administrative Expenses to Banking Income ratio, from 15.25% in 2022 to 13.52% in 2023 (-1.73 pp), has shown that the improvements implemented to maximise cost efficiency are having the desired effect.

Amortisation and Depreciation for the Year

Amortisation for the Year in 2023 stood at MT 852.66 million, down 9.52% on the MT 942.42 million recorded in the same period last year. This decrease resulted from the amortisation of assets, in their entirety, over 2022, particularly Intangible Assets, especially software from the previous Payment System.

(Thousands of Meticais)

Amortisations	dec-22	dec-23	Variation	
			Absolute	Relative
Tangible Assets	808 769	813 241	4 472	0,55%
For Own Use	481 927	522 408	40 481	8,40%
Properties	89 024	88 612	(412)	-0,46%
Equipment	392 903	433 797	40 894	10,41%
Construction works in leased buildings	38 811	38 121	(690)	-1,78%
Assets under operating lease	288 031	252 712	(35 319)	-12,26%
Intangible Assets	133 654	39 420	(94 234)	-70,51%
Total	**942 423**	**852 661**	**(89 762)**	**-9,52%**
Amortisation/Net Operating Income Ratio	**4,66%**	**4,07%**	**(0,59pp)**	

Efficiency Ratio

The Bank showed an improvement in operational efficiency, with the Cost-to-Income ratio standing at 43.07% in 2023, compared to 42.66% in the same period in 2022 (+0.41 pp). This evolution was due to the growth in the Bank's core income (+3.62%) being lower than the growth in Structural Costs (+4.62%), given the impact of the increase in Mandatory Reserves and the upgrade to Euronet, despite the strategy of optimising and rationalising costs throughout 2023. Recalculating the Cost-to-income ratio, considering the Recovery of Credits at write-off in Net Operating Income, the ratio would be 39.95% in 2023 (42.43% in 2022).

(Thousands of Meticais)

Structural Costs	dec-22	dec-23	Variation	
			Absolute	Relative
Staff Costs	4 579 434	5 140 646	561 212	12,26%
General Administrative Expenditure	3 098 935	3 025 795	(73 140)	-2,36%
Operating Costs	7 678 369	8 166 441	488 072	6,4%
Amortisations	942 423	852 661	(89 762)	-9,5%
Structural Costs	**8 620 792**	**9 019 102**	**398 310**	**4,62%**
Net Operating Income	**20 208 737**	**20 940 776**	**732 039**	**3,6%**
Cost-to-Income	**42,66%**	**43,07%**	**(0,41pp)**	
SC/Net Operating Income Ratio	22,7%	24,5%	1,9pp	
GAE/Net Operating Income Ratio	15,3%	14,4%	(0,9pp)	
Amortisation/Net Operating Income Ratio	4,7%	4,1%	(0,6pp)	

Impairment of Loans and Other Assets and Net Provisions

In 2023, Net Impairments and Provisions totalled MT 1,884.8 million, an increase of MT +1,213.31 million compared to the MT 671.57 million recorded in 2022. The following operations made in 2023 should be noteworthy:

- ✓ Reinforcement for some exposures considered to be of increased risk;
- ✓ Reinforcement of Impairments due to the implementation of an EBA (European Banking Authority) Corporate Standard.
- ✓ A high volume of recoveries of loans that had been written off in previous years, totalling MT 1,635.1 million, including the amount of MT 1,011.9 million relating to the recovery by agreement between the parties of a customer's operation that had already been written off.
- ✓ Reinforcement of provisions for the return of fees as part of compliance with Notice no. 13/2017, as well as for civil proceedings in which the Bank is involved, and reinforcement of Impairments of Other Assets, to deal with the process of changing the payment system.

(Thousands of Meticais)

Net Impairment and Net Provisions	dec-22	dec-23	Variation	
			Absolute	Relative
Provisions	(852 311)	(605 641)	-246 671	-28,94%
Loans	512 093	(132 610)	644 703	-125,90%
Net Reinforcement	405 361	(1 767 629)	2 172 990	-536,06%
Recovery of Interest and Non-Performing Loans	106 732	1 635 019	-1 528 287	1431,89%
Impairment of Other Assets[1]	(331 358)	(1 146 640)	815 282	246,04%
Total	**(671 577)**	**(1 884 891)**	**1 213 314**	**180,67%**

[1]Includes Impairment of Other Debtors and Other Applications, as well as Other Tangible Assets, Financial Assets and Non-Current Assets Held for Sale

Tax for the Financial Year

Taxes for 2023 fell by 34.6% (MT -982.9 million) compared to the same period in 2022. This favourable evolution was boosted, to a large extent, by the recording of Deferred Tax Assets in December 2023, relating to Impairments not accepted as a cost by the Tax Authority (Real Estate, Debtors, Securities and part of the Credit impairments that exceed the provisions calculated in accordance with Bank of Mozambique rules), set up over the last few years. Having met the IFRS criteria for recording Deferred Tax Assets, and taking into account that a significant part of these impairments were added to the tax base in 2022 and 2023, Deferred Tax Income for Temporary Differences totalled MT 1,100.1 million. However, it should be noted that the main line item continues to be the withholding tax on interest on debt securities and MMI operations, totalling MT 2,010.7 million.

(Thousands of Meticais)

Tax for the Financial Year	dec-22	dec-23	Variation	
			Absolute	Relative
Current Tax	980 859	651 681	(329 178)	-33,56%
Withholding Tax on Debt Securities and MMI	1 857 397	2 010 712	153 315	8,25%
Adjustment of Taxes for Past Years	0	293 047	293 047	
Deferred tax	0	(1 100 090)	(1 100 090)	
Total	**2 838 256**	**1 855 349**	**-982 907**	**-34,63%**

BALANCE SHEET

The evolution of the balance sheet was strongly conditioned in 2023, by the increase in the coefficients of mandatory Reserves in domestic currency and foreign currency from 10.50% to 39.00% and from 11.50% to 39.50%, respectively, which affected available liquidity. Overall, BCI's financial performance was positive, with an increase in Deposits (+0.4%) and Equity (+9.9%), which led to an overall growth in Assets of 3.80%, standing at MT 209,856.23 million, compared to the MT 202,176.37 million recorded in 2022, with an increase in the Credit Portfolio and Cash and Deposits, as opposed to a reduction in Loans and Advances to Credit Institutions and Financial Assets.

The gross portfolio of loans and advances to customers, excluding loans financed by consigned resources, rose by 6.43% to stand at MT 67,210.96 million in December 2023, compared to MT 63,150.19 million in the same period of the previous year, reflecting the growth in consumer loans, due to the initiatives implemented under the 2021 to 2024 Strategic Plan, in a context of weak dynamics in loans for investment due to high interest rates.

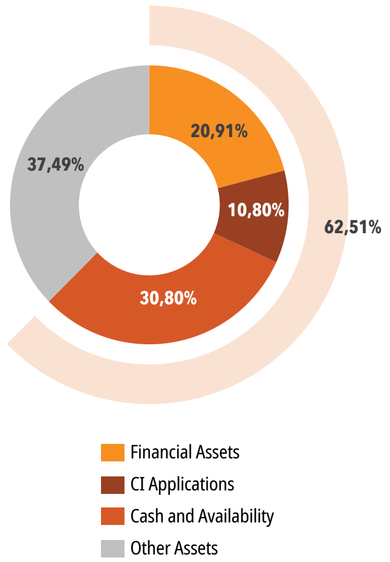
Total Assets: **209.856 mios** (+3,80% 2022)	**Turnover: 233.269 mios** (+1,61% 2022)
Transformation Ratio: **45,85%** (+1,69p.p 2022)	**Equity:** **30.837 mios** (+9,9% 2022)

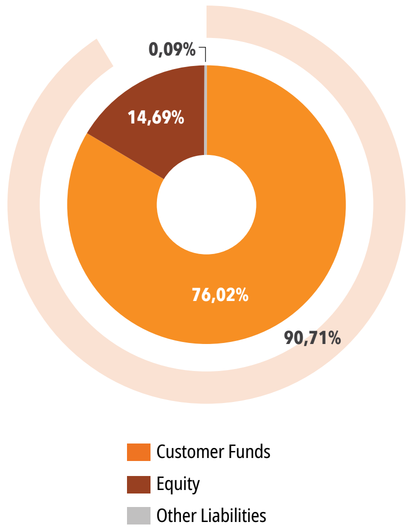
In terms of Liabilities, there was an increase of 2.82% to stand at MT 179,018.87 million at the end of 2023, compared to MT 174,107.17 million in 2022, mainly reflecting the evolution of Customer Deposits in Domestic Currency, which reached MT 131,201.43 million, an increase of 3.77% compared to the figure recorded in the same period in 2022 (MT 126,440.85 million). This evolution in deposits, combined with the increase in credit (excluding credit granted with consigned resources), led to an increase in the commercial gap and an increase in the transformation ratio, which stood at 43.85% in 2023, compared to 44.16% in the previous year.

Equity totalled MT 30,837.36 million in December 2023, corresponding to a positive evolution of 9.86% (MT +2,768.17 million) compared to the MT 28,069.20 million recorded in December 2022.

In this way, the structure of the Balance Sheet showed that the Bank has adequate levels of liquidity, with a total of 62.51% of Assets made up of the aggregate of Financial Assets, Loans and Advances to Credit Institutions and Cash and Cash Equivalents. Total assets were 90.71% financed by Customer deposits and shareholders' Equity.

Liquidity





Other Assets include: Investment Property, Investments in Subsidiaries and Associates, Current and Deferred Tax Assets and Other Assets.

Other Liabilities include: Liabilities represented by securities, Other Subordinated Liabilities, Current and Deferred Tax Liabilities, Other Liabilities and Provisions.

Balance sheet as at 31 December 2022 and 31 December 2023

(Thousands of Meticais)

Balance Sheet Structure	dec-22	dec-23	Variation	
			Absolute	Relative
Assets				
Cash and Availability	26 573 434	64 633 640	38 060 206	143,2%
Investments at Credit Institutions	46 467 926	22 661 869	(23 806 056)	-51,2%
Financial Assets	53 773 011	43 878 968	(9 894 043)	-18,40%
Of which with a repurchase agreement	-	-	-	
Loans and Advances to Customers	63 150 198	67 210 965	4 060 767	6,4%
Of which Loan with Consigned Funds	5 286 941	4 097 469	(1 189 471)	-
Non-Current Assets Held for Sale	1 184 195	1 082 142	(102 054)	-8,6%
Property and equipment and right-to-use assets	6 570 452	6 417 580	(152 871)	-2,3%
Other Assets[1]	4 457 153	3 971 072	(486 080)	-10,9%
Total Assets	**202 176 368**	**209 856 237**	**7 679 868**	**3,80%**
Liabilities				
Customer Funds	158 848 079	159 530 663	682 583	0,4%
Resources from Central Banks	138 803	89 144	(49 659)	-35,8%
Of which received as collateral under a repurchase agreement	-	-	-	-
Credit Institution Resources	1 053 591	1 131 612	78 021	7,4%
Consigned Funds	5 908 740	4 249 709	(1 659 031)	-28,1%
Other Liabilities[2]	8 157 958	14 017 745	5 859 788	71,8%
Equity	28 069 198	30 837 364	2 768 167	9,9%
Total Liabilities and Equity	**202 176 368**	**209 856 237**	**7 679 868**	**3,80%**

[1]Includes: Investment Properties, Investments in subsidiaries and associates, Current and deferred tax assets and Other Assets
[2]Includes: Liabilities represented by securities, Subordinated Liabilities, Current and deferred tax liabilities, Other Liabilities and Provisions

Loans and Advances to Customers

Despite the challenging macroeconomic context, characterised by high interest rates and a subsequent reduction in demand for credit, the Gross Customer Loans portfolio, excluding Loans with Consigned Resources, totalled 69,641.72 million in MT, an increase of 6.43% on the figure recorded on 31 December 2022 (65,431.86 million MT)The increase was mainly due to the following factors:

i. Increase in Credit in Domestic Currency (MT +4,904.47 million; +8.60%), due to the growth in Consumer Credit in MT +4,393.03 million (+7.93%), particularly due to the strong performance of the Civil Servants financing campaign (CEDSIF); e
ii. Reduction in Loans with Consigned Funds (MT -1,189.47 million) influenced by the partial amortisation in accordance with the payment plan, which took place in 2023.

With this evolution, the Bank managed to maintain its leadership position throughout 2023, reaching 25.80% market share in December 2023 (December 2022: 24.25%).

As for the Net Credit Portfolio, it increased by 6.43% (MT +4,060.77 million) compared to the same period in 2022, totalling MT 67,210.96 million compared to MT 63,150.20 million.

As in previous years, the Bank's loan portfolio remained concentrated in the Retail and Corporate segments, contributing 66.05% in December 2023 (62.15% in December 2022).

(Thousands of Meticais)

Loans and Advances to Customers	dec-22	dec-23	Variation	
			Absolute	Relative
Loans to Customers (Gross ex Consigned Funds)	65 431 855	69 641 173	4 209 317	6,43%
Credit Domestic Currency	57 004 388	61 908 865	4 904 476	8,60%
Foreign Currency Credit	8 427 467	7 732 308	(695 159)	-8,25%
Credit with Consigned Funds	5 286 941	4 097 469	(1 189 471)	-22,50%
Gross Credit (Total)	70 718 796	73 738 642	3 019 846	4,27%
Accumulated Loan Impairment	(7 568 598)	(6 527 677)	1 040 921	-13,75%
Loans and Advances to Customers (Net)	**63 150 198**	**67 210 965**	**4 060 767**	**6,43%**

Asset Quality and Impairment

The quality of the Bank's Assets showed an improvement, with the regulatory NPL ratio reaching 11.02% in 2023 (14.43% in 2022), as a result of the write-offs and regularisations of operations recorded throughout 2023, which together with the evolution of Impairments, resulted in an improvement in the coverage of NPL by Impairments to 80.25% (74.06%: Dec.22).

Accumulated impairment totalled MT 6,527.68 million at the end of December 2023, which translates into a reduction of MT 1,040.92 million compared to December 2022. This favourable trend in Credit Impairment led to a reduction in the cost of credit risk of 0.30 pp to 0.18% in 2023, compared to 0.49% at the end of 2022. Asset quality as measured by the NPL ratio calculated using the EBA criteria also improved, from 5.48% in 2022 to 3.84% in 2023. NPL coverage by impairments and by impairments and collateral improved to 111.50% and 120.58% respectively.

Indicators calculated according to European Banking Authority (EBA) criteria

(Thousands of Meticais)

Credit Quality	dec-22	dec-23	Variation
Non-Performing Loans (NPL)	7 370 473	5 854 447	(1 516 025 497)
Accumulated Loan Impairment	7 568 598	6 527 677	(1 040 920 958)
NPL Ratio (%)	5,48%	3,84%	(0,016pp)
NPL coverage by impairments (%)	102,69%	111,50%	0,088pp
NPL coverage by impairments + Collateral (%)	119,62%	120,58%	0,010pp
Cost of Risk Ratio (%)	0,49%	0,18%	(0,003pp)

Indicators calculated according to Bank of Mozambique criteria

(Thousands of Meticais)

Credit Quality	dec-22	dec-23	Variation
Non-Performing Loans (>90 days)	10 219 832	8 134 560	(2 085 273)
Accumulated Loan Impairment	7 568 598	6 527 677	(1 040 921)
NPL Ratio (%)	14,43%	11,02%	(3,41pp)
Coverage of Overdue Loans by Impairments (%)	74,06%	80,25%	6,19pp

Securities Portfolio

At the end of December 2023, the Bank's Securities Portfolio, which includes Financial Assets at Amortised Cost and Financial Assets at Fair Value, amounted to MT 43,878.97 million, which represents a negative variation of 18.40% (MT -9,894.04 million), when compared to the MT 53,773.01 million recorded in 2022. This reduction was due to the high volume of Treasury Bills maturing in 2023, which were not replaced to the same extent in order to guarantee liquidity to cope with the increase in Mandatory Reserves. At the same time, in terms of the composition of the portfolio, there was a greater investment in Treasury Bonds as a result of these providing a higher return than Treasury Bills.

It should be noted that Financial Assets accounted for 20.86% of the Bank's Assets in December 2023, compared to 26.53% in 2022.

(Thousands of Meticais)

Financial Assets	dec-22	dec-23	Variation	
			Absolute	Relative
Amortised Cost	**46 848 025**	**39 915 728**	**(6 932 298)**	**-14,80%**
Treasury Bills	31 936 388	22 233 843	(9 702 545)	-30,38%
Treasury Bonds	14 854 501	17 620 688	2 766 186	18,62%
Other Securities	57 136	61 197	4 061	7,11%
Fair Value Through Comprehensive Income	**7 156 879**	**4 229 368**	**(2 927 511)**	**-40,90%**
Treasury Bills	6 461 051	2 096 538	(4 364 513)	-67,55%
Treasury Bonds	451 551	1 888 406	1 436 854	318,20%
Other Securities	244 277	244 424	148	0,06%
Total Impairment	**(231 893)**	**(291 802)**	**(59 910)**	**25,84%**
Total	**53 773 011**	**43 853 293**	**(9 919 718)**	**-18,45%**

Investments in Credit Institutions (CIs)

Investments in CI's totalled MT 22,661.87 million in 2023, a significant reduction of 51.23% (MT -23,806.06 million) compared to the MT 46,467.92 million recorded in the same period of 2022, which represents 10.78% of total Assets (22.92% in December 2022).

Investments in CI's in Portugal fell by MT 16,772.17 million (-56.89%) compared to the figure recorded in December 2022, impacted by the lower volume of Reverse Repos following the reduction in liquidity due to the increase in Mandatory Reserves in domestic currency.

The volume of foreign investments fell by 41.41% to MT 9,951.58 million in 2023 compared to December 2022, due to the increase in Mandatory Reserves in foreign currency (December 2023: 39.50% vs December 2022: 11.50%) and the reduction in the Foreign Currency Deposit Portfolio.

(Thousands of Meticais)

CI applications	dec-22	dec-23	Variation	
			Absolute	Relative
In Mozambique	29 482 926	12 710 752	-16 772 174	-56,89%
At Bank of Mozambique	29 307 838	12 530 498	-16 777 340	-57,25%
In Other CIs	175 088	180 254	5 166	2,95%
Foreign	16 985 564	9 951 575	-7 033 989	-41,41%
Impairment	564	458	-106	-18,84%
Total	**46 467 926**	**22 661 869**	**-23 806 056**	**-51,23%**

Financing Structure

The financing structure of BCI's Assets continued to be characterised last year by the consolidation of the Customer Deposits portfolio as the main source of funding, amounting to 75.84%, with Equity financing Assets by 14.65%.

(Thousands of Meticais)

Financing Structure	dec-22	dec-23	
Customer Funds	158 848 079	159 530 663	0,43%
Credit Institution Resources	1 192 394	1 220 755	2,38%
Consigned Funds	5 908 740	4 249 709	-28,08%
Other Liabilities[1]	8 157 958	14 017 745	71,83%
Equity	28 069 198	30 837 364	9,86%
Total	**202 176 368**	**209 856 237**	**3,80%**

[1]Includes: Liabilities represented by securities, Other Subordinated Liabilities Current and deferred tax liabilities, Other liabilities and Provisions

Customer Funds

In a context of restrictive monetary policy in order to contain inflation, the Bank of Mozambique decided to change the minimum amounts of Mandatory Reserves in 2023, which reduced the liquidity position of banking institutions in general and consequently increased competition for resources within the system. As for BCI, Customer Funds totalled MT 159,530.66 million in December 2023 compared to MT 158,848.08 million in the same period in 2022, representing an increase of MT +682.58 million, due to the Bank's strategy of maintaining customer deposits as a measure to ensure the maintenance of a robust liquidity position.

The evolution of Resources was also due to the growth of nominal GDP, the Monetary Base and credit to the economy. Thus, the Bank maintained its market share, reaching 25.39% in December 2023 (25.41% in December 2022), thus remaining the market leader.

(Thousands of Meticais)

Customer Funds	dec-22	dec-23	Variation		Weight on Total	
			Absolute	Relative	dec-22	dec-23
Deposits in Domestic Currency	**126 407 921**	**131 173 236**	**- 4 765 315**	**3,77%**	**79,30%**	**81,87%**
On Demand	82 264 782	88 771 678	6 506 896	7,91%	51,61%	55,41%
Term	43 426 432	41 591 469	(1 834 963)	-4,23%	27,24%	25,96%
Other Deposits[1]	247 688	253 058	5 370	2,17%	0,16%	0,16%
Interest Payable	469 019	557 031	88 012	18,77%	0,29%	0,35%
Deposits in Foreign Currency	**32 440 159**	**28 357 426**	**(4 082 733)**	**-12,59%**	**20,35%**	**17,70%**
On Demand	15 017 618	12 689 893	(2 327 725)	-15,50%	9,42%	7,92%
Term	17 305 713	15 503 425	(1 802 289)	-10,41%	10,86%	9,68%
Other Deposits[1]	30 502	28 587	(1 915)	-6,28%	0,02%	0,02%
Interest Payable	86 326	135 521	49 195	56,99%	0,05%	0,08%
Total	**159 403 425**	**160 223 215**	**819 790**	**0,51%**		

[1]Includes: Deposits redeemable at notice and Other Deposits

Deposits by Currency and Product

Deposits in domestic currency increased by MT 4,765.31 million (+3.77%) compared to the previous year, and account for 81.87% of the total Customer Deposits portfolio (December 2022: 79.30%). This development was mainly seen in Current Deposits (+7.91%) with an absolute growth of 6.507 billion MT, offset by the reduction in Term Deposits in domestic currency of 1.834,96 billion MT (-4.23%).

In a context of exchange rate stability, Foreign Currency Deposits fell by 12.59% (MT -4,082.73 million), a reduction in both Demand Deposits (-15.50%) and Term Deposits (-10.41 per cent).

(Thousands of Meticais)

Customer Funds	dec-22	dec-23	Variation	
			Absolute	Relative
Demand Deposits	**97 282 399**	**101 461 571**	**4 179 172**	**4,30%**
Domestic Currency	82 264 782	88 771 678	6 506 896	7,9%
Foreign Currency	15 017 618	12 689 893	(2 327 725)	-15,5%
Term Deposits	**60 732 146**	**57 094 894**	**(3 637 252)**	**-6,0%**
Domestic Currency	43 426 432	41 591 469	(1 834 963)	-4,2%
Foreign Currency	17 305 713	15 503 425	(1 802 289)	-10,4%
Other Deposits	**833 535**	**974 198**	**140 663**	**16,9%**
Total	**158 848 080**	**159 530 663**	**682 583**	**0,4%**

Transformation Ratio

Despite the challenging macroeconomic scenario, BCI has endeavoured to strengthen its position as a driving force behind economic activity by granting credit to the economy without, however, neglecting to maintain a prudent and robust credit, liquidity and solvency risk management profile, and in line with established policies, good international practices and local regulations. As a result, in December 2023, BCI had a transformation ratio, excluding credit financed by consigned resources, of 43.27%, corresponding to an increase of 2.45 pp (40.82% achieved in 2022). This increase reflects a growth in the Credit portfolio (+6.43%) that is higher than the growth in Customer Funds (+0.43%).

(Thousands of Meticais)

Transformation Ratio	dec-22	dec-23	Variation	
			Absolute	Relative
Customer Funds	158 848 079	159 530 663	682 583,22	0,43%
Total Credit (Excluding Consigned Funds)	65 431 855	69 641 173	4 209 317,28	6,43%
Transformation Ratio	**40,82%**	**43,27%**	**2,45pp**	

Note: if Consigned Funds were included, the ratio would be Dec.23: 45.85% vs Dec.22: 44.16%

Equity and Solvency

In December 2023, equity totalled 30,837.36 million MT, 2,768.16 million MT more than in the same period in 2022 (28,069.20 million MT). This evolution was essentially influenced by the Net Profit for the year.

Despite the positive evolution of Equity, and the subsequent increase in Regulatory Equity by MT 2,665.38 million, the Capital Adequacy Ratios deteriorated, with the Basic Equity Ratio (Tier I Ratio) standing at 24.93% (26.15% in December 2022) and the Global Solvency Ratio (calculated in accordance with Basel II rules) standing at 24.34% in December 2023, down from 25.35% in 2022, while remaining comfortably above the minimum required by the Bank of Mozambique. This increase in the Solvency Ratio was the result of an increase in Risk Weighted Assets, essentially in the credit risk component, impacted by the worsening of the Mandatory Reserves coefficient in foreign currency.

In turn, the Liquidity Ratio maintained a robust level, well above the regulatory level (25%), standing at 43.08% in December 2023 (2022: 71.82%), an evolution explained by the sharp rise in Mandatory Reserves.

(Thousands of Meticais)

Equity	dec-22	dec-23	Variation	
			Absolute	Relative
Share Capital	10 000 000	10 000 000	-	0,0%
Legal Reserve	5 024 980	7 448 413	2 423 434	48,2%
Other Reserves and Retained Earnings	5 306 494	5 459 807	153 312	2,9%
Revaluation Reserves	-62 328	25 770	88 099	-141,3%
Own Shares	-278 060	-278 060	0	0,0%
Net income for the Year	8 078 112	8 181 434	103 322	1,3%
Total	**28 069 198**	**30 837 364**	**2 768 167**	**9,86%**

PROPOSED APPROPRIATION OF PROFITS

In accordance with Decree-Law no. 01/2022 - Commercial Code, with Law no. 20/2020, of 31 December - Credit Institutions and Financial Companies Law, and other applicable legislation, taking into account the Bank's own funds position, as well as the solvency and liquidity ratio significantly above prudential limits, thus ensuring a robust capital and liquidity situation at the Bank, the Board of Directors has submitted to the General Shareholders' Meeting the following proposed appropriation of Net Profit for the year ending 31 December 2023, in the amount of MT 8,181,434,085.75 (Eight thousand, one hundred and eighty-one million, four hundred and thirty-four thousand, eighty-five meticais and seventy-five cents):

- ✓ Legal Reserves (31.19%): MT 2,551,586,623.47 (Two thousand, five hundred and fifty-one million, five hundred and eighty-six thousand, six hundred and twenty-three meticais and forty-seven centavos);
- ✓ Free Reserves (5.87%): MT 480,257,230.84 (Four hundred and eighty million, two hundred and fifty-seven thousand, two hundred and thirty meticais and eighty-four centavos);
- ✓ Distribution of Dividends (62.94%): MT 5,149,590,231.44 (Five thousand, one hundred and forty-nine million, five hundred and ninety thousand, two hundred and thirty-one meticais and forty-four centavos).

APPROVAL OF THE MANAGEMENT REPORT

This annual Management Report of Banco Comercial e de Investimentos, SA was approved by the Board of Directors on 26 February 2024 and is signed by its members:

Dr. Carlos Agostinho do Rosário
(Chairman)

Eng. Rogério Paulo Cabacinha Lam
(Voting Member and Executive Director)

Dr. José João Guilherme
(Vice-Chairman)

Dr. Ibraimo Adbul Gafur Cassamo Bhai
(Voting Member and Executive Director)

Dr. Pedro Simões Almeida Bissaia Barreto
(Vice-Chairman)

Dr. George Lenon Ibraimo Mandawa
(Voting Member and Executive Director)

Dr. Francisco Pinto Machado Costa
(Vice-Chairman and Chairman of the Executive Board)

Dr. Raúl António Correia Saraiva de Almeida
(Voting Member and Executive Director)

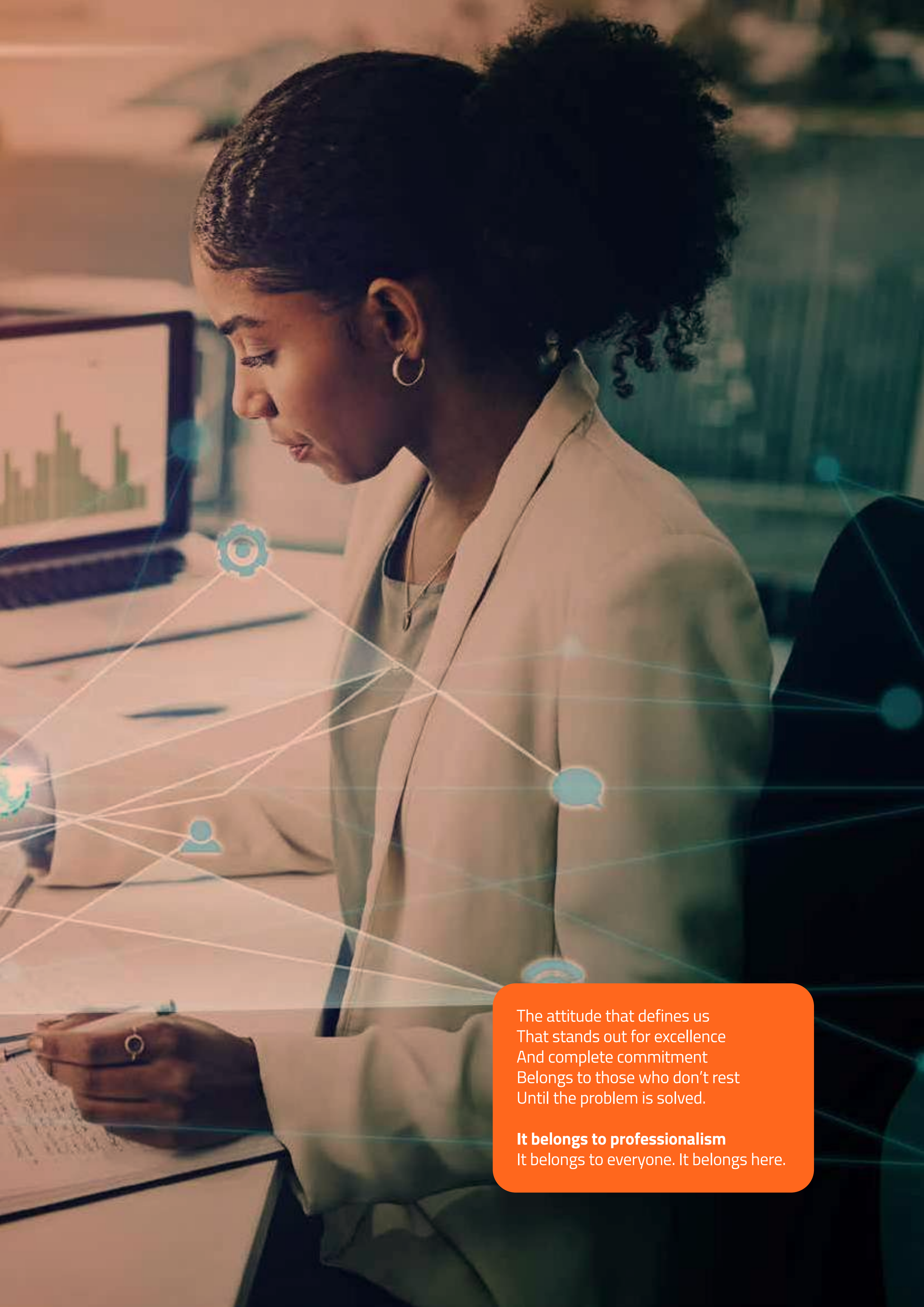
Dr. Pedro Ferraz Correira dos Reis
(Voting Member and Executive Director)

Dr. João Paulo Tudela Martins
(Voting Member)

Dr. Luis Filipe Costa Reis Marques de Aguiar
(Voting Member and Executive Director)

Dr. Luis Miguel Gubert Morais Leitão
(Voting Member)

Dr. Cecília Figueiredo Gaspar
(Voting Member)



The attitude that defines us
That stands out for excellence
And complete commitment
Belongs to those who don't rest
Until the problem is solved.

It belongs to professionalism
It belongs to everyone. It belongs here.

FINANCIAL STATEMENTS

CONSOLIDATED AND INDIVIDUAL INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2022

Values expressed in meticais

		Group		Bank	
	Notes	Dec-23	Dec-22	Dec-23	Dec-22
Interest and similar income	9.1	24 081 511 968	21 898 621 524	24 105 849 396	21 924 211 702
Interest and similar costs	9.1	(8 415 915 167)	(6 295 860 930)	(8 422 830 148)	(6 306 616 071)
Strict net interest income		**15 665 596 801**	**15 602 760 594**	**15 683 019 248**	**15 617 595 631**
Net fees associated with amortised cost	9.2	45 368 795	87 478 191	45 368 795	87 478 191
Net interest income		**15 710 965 596**	**15 690 238 785**	**15 728 388 043**	**15 705 073 822**
Gains/(losses) derecognising financial assets at fair value through other comprehensive income	9.3	9 546 174	10 985 072	9 546 174	10 985 072
Income from equity instruments	9.4	2 963 353	12 645 387	2 963 353	12 645 387
Fee and commission income	9.5	3 263 998 933	3 357 520 390	3 263 998 933	3 357 520 478
Expenditure on fees and commissions	9.5	(1 488 256 473)	(1 015 666 516)	(1 488 243 937)	(1 015 645 417)
Income from financial transactions	9.6	2 595 089 236	2 150 940 749	2 595 089 560	2 150 940 586
Other operating income	9.7	862 214 100	50 106 397	829 033 434	(12 783 169)
Operating results		**20 956 520 919**	**20 256 770 264**	**20 940 775 560**	**20 208 736 759**
Staff costs	9.8	(5 144 646 090)	(4 583 012 798)	(5 140 645 977)	(4 579 434 222)
Other administrative expenditure	9.9	(3 027 757 301)	(3 101 998 056)	(3 025 794 928)	(3 098 934 985)
Impairment of loans and advances to customers and credit institutions	9.10	(132 610 333)	512 092 566	(132 610 333)	512 092 566
Impairment of other assets	9.10	(1 146 639 811)	(331 358 089)	(1 146 639 811)	(331 358 089)
Depreciation and amortisation	9.20/ 9.21/ 9.22	(835 168 069)	(923 630 102)	(852 660 953)	(942 423 150)
Net provisions	9.32	(605 640 849)	(852 311 441)	(605 640 849)	(852 311 441)
Pre-tax earnings		**10 064 058 466**	**10 976 552 344**	**10 036 782 709**	**10 916 367 438**
Income taxes	9.11	(1 861 781 747)	(2 854 801 915)	(1 855 348 621)	(2 838 255 529)
Net Income		**8 202 276 719**	**8 121 750 429**	**8 181 434 088**	**8 078 111 909**
Consolidated profit attributable to:					
Bank shareholders		8 190 867 975	8 089 966 588	8 181 434 088	8 078 111 909
Non-controlling interests		11 408 743	31 783 840	-	-
Earnings per Share					
Basic earnings per share	9.12	8,44	8,35	8,42	8,31
Diluted earnings per share	9.12	8,44	8,35	8,42	8,31

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

CONSOLIDATED AND INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDING 31 DECEMBER 2023 AND 31 DECEMBER 2022

Values expressed in meticais

		Group		Bank	
	Notes	Dec-23	Dec-22	Dec-23	Dec-22
Net Income		**8 202 276 719**	**8 121 750 429**	**8 181 434 088**	**8 078 111 909**
Items that can subsequently be reclassified to					
profit or loss:		88 098 722	(2 059 958)	88 098 722	(2 059 958)
Fair value result on financial assets		(28 191 592)	659 187	(28 191 592)	659 187
Deferred tax	9.23/ 9.29	**59 907 130**	**(1 400 771)**	**59 907 130**	**(1 400 771)**
	9.34				
Items that cannot subsequently be reclassified to					
profit or loss:		35 691 000	32 344 000	35 691 000	32 344 000
Actuarial gains and losses		(11 421 120)	(10 350 080)	(11 421 120)	(10 350 080)
Change during the year	9.30	**24 269 880**	**21 993 920**	**24 269 880**	**21 993 920**
Deferred tax	9.23/ 9.29				
Integral income		**8 286 453 729**	**8 142 343 578**	**8 265 611 098**	**8 098 705 058**
Consolidated profit attributable to:					
Bank shareholders		**8 275 044 986**	**8 110 559 738**	**8 265 611 098**	**8 098 705 058**
Non-controlling interests		**11 408 743**	**31 783 840**	**-**	**-**
		8 286 453 729	**8 142 343 578**	**8 265 611 098**	**8 098 705 058**

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

CONSOLIDATED AND INDIVIDUAL BALANCE SHEETS FOR THE YEARS ENDING 31 DECEMBER 2023 AND 31 DECEMBER 2022

Values expressed in meticais

	Notes	Group		Bank	
		Dec-23	Dec-22	Dec-23	Dec-22
ASSETS					
Cash and Cash Equivalents at central banks	9.13	61 667 286 526	22 620 912 014	61 667 285 720	22 620 911 208
Loans and advances to credit institutions	9.14	2 966 357 802	3 952 526 279	2 966 354 404	3 952 522 556
Investments at credit institutions	9.15	22 661 869 264	46 467 925 673	22 661 869 264	46 467 925 673
Financial assets at amortised cost	9.16	39 671 581 100	46 616 132 646	39 671 581 100,00	46 616 132 646
Financial assets at fair value through other comprehensive income	9.16	4 207 386 684	7 156 878 592	4 207 386 684	7 156 878 592
Loans and advances to customers	9.17	67 088 121 844	63 004 834 611	67 210 964 844	63 150 197 914
Investments in subsidiaries	9.18	-	-	460 059	460 059
Non-current assets held for sale	9.19	1 082 141 781	1 184 195 295	1 082 141 781	1 184 195 295
Investment Properties	9.20	717 773 364	1 157 221 862	222 544 892	614 397 857
Property and equipment and assets under right of use	9.21	6 450 922 732	6 574 542 066	6 417 580 265	6 570 451 681
Intangible Assets	9.22	219 191 565	313 270 549	219 191 565	313 257 705
Current tax assets	9.23	678 682 320	-	671 114 526	-
Deferred tax assets	9.23	1 146 221 379	89 847 880	1 144 347 004	87 957 615
Other assets	9.24	1 310 393 499	3 014 122 923	1 713 414 413	3 441 079 494
TOTAL ASSETS		**209 867 929 860**	**202 152 410 390**	**209 856 236 521**	**202 176 368 295**
LIABILITIES					
Resources from Central Banks	9.25	89 143 689	138 803 181	89 143 689	138 803 181
Credit institution resources	9.26	1 131 611 516	1 053 590 740	1 131 611 516	1 053 590 740
Customer funds	9.27	159 498 656 217	158 816 073 060	159 530 662 556	158 848 079 339
Consigned Funds	9.28	4 249 709 152	5 908 739 846	4 249 709 152	5 908 739 846
Current tax liabilities	9.29	-	468 636 998	-	456 974 045
Deferred tax liabilities	9.29	62 433 671	68 460 195	62 433 671	68 460 195
Liabilities with established benefit plans	9.30	153 323 000	161 841 000	153 323 000	161 841 000
Other Liabilities	9.31	12 356 967 023	6 166 276 500	12 392 050 148	6 236 525 003
Provisions	9.32	1 409 938 376	1 234 157 397	1 409 938 376	1 234 157 397
TOTAL LIABILITIES		**178 951 782 644**	**174 016 578 917**	**179 018 872 108**	**174 107 170 746**
EQUITY					
Share Capital	9.33	10 000 000 000	10 000 000 000	10 000 000 000	10 000 000 000
Reserves and retained earnings	9.34	12 915 318 146	10 247 312 537	12 933 990 524	10 269 145 842
Own shares	9.33	(278 060 200)	(278 060 202)	(278 060 200)	(278 060 202)
Net income for the year		8 202 276 720	8 121 750 429	8 181 434 089	8 078 111 909
Bank shareholders		8 190 867 974	8 089 966 586	-	-
Non-controlling interests		11 408 746	31 783 843	-	-
Non-controlling interests		76 612 550	44 828 709	-	-
TOTAL EQUITY		**30 916 147 216**	**28 135 831 473**	**30 837 364 413**	**28 069 197 549**
TOTAL LIABILITIES AND EQUITY		**209 867 929 860**	**202 152 410 390**	**209 856 236 521**	**202 176 368 295**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING AT 31 DECEMBER 2023

Values expressed in meticais

	Notes	Equity	Own Shares	Fair-value Reserves	Legal Reserve	Other Reserves and Retained Earnings
Balance as at 1 January 2023		**10 000 000 000**	**(278 060 202)**	**(42 383 335)**	**5 026 122 781**	**5 188 973 539**
Comprehensive income for the year						
Profit		-	-	-	-	-
Fair-value reserves (financial assets)	9.34	-	-	59 907 130	-	-
Actuarial gains and losses	9.34	-	-	-	-	-
		-	**-**	**59 907 130**	**-**	**-**
Dividends to shareholders (a)	9.12	-	-	-	-	157 234 099
		-	**-**	**-**	**-**	**157 234 099**
2022 net profit appropriation						
Reinforcement of reserves through results	9.34	-	-	-	2 423 433 573	
Other operations		-	2	-	-	3 160 927
		-	**2**	**-**	**2 423 433 573**	**3 160 927**
Balance as at 31 December 2023		**10 000 000 000**	**(278 060 200)**	**17 523 795**	**7 449 556 354**	**5 349 368 565**

	Notes	Reserve for actuarial gains and losses	Net Income for the Year	Non-controlling interests	Total
Balance as at 1 January 2023		**74 599 552**	**8 089 966 586**	**76 612 552**	**28 135 831 473**
Comprehensive income for the year					
Profit		-	8 190 867 974	11 408 744	8 202 276 718
Fair-value reserves (financial assets)	9.34	-	-	-	59 907 130
Actuarial gains and losses	9.34	24 269 880	-	-	24 269 880
		24 269 880	**8 190 867 974**	**11 408 744**	**8 286 453 728**
Dividends to shareholders (a)	9.12	-	(5 654 678 336)	-	(5 497 444 237)
		-	**(5 654 678 336)**	**-**	**(5 497 444 237)**
2022 net profit appropriation					
Reinforcement of reserves through results	9.34	-	(2 423 433 573)	-	-
Other operations		-	(11 854 677)	-	(8 693 748)
		-	**(2 435 288 250)**	**-**	**(8 693 748)**
Balance as at 31 December 2023		**98 869 432**	**8 190 867 974**	**88 021 296**	**30 916 147 216**

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

a) The amount of 157,234,099.00 MT refers to the effect of withholding the 2022 dividend on own shares

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 31 DECEMBER 2022

Valores expressos em meticais

	Notes	Share Capital	Own shares	Fair-value reserves	Legal reserve	Other reserves and retained earnings
Balance as at 1 January 2022		**10 000 000 000**	**(276 810 202)**	**(40 982 564)**	**3 465 112 763**	**5 101 273 911**
Comprehensive income for the year						
Lucros		-	-	-	-	-
Reservas de justo valor (activos financeiros)	9.34	-	-	(1 400 771)	-	-
Remensuração de planos de benefícios definidos	9.34	-	-	-	-	-
		-	**-**	**(1 400 771)**	**-**	**-**
Dividends to shareholders (a)	9.12	-	-	-	-	101 279 443
Net purchase of shares	9.33	-	(1 250 000)	-	-	(2 928 750)
			(1 250 000)	**-**	**-**	**98 350 693**
2021 net profit appropriation						
Reinforcement of reserves through results	9.34	-	-	-	1 561 010 018	-
Other operations		-	-	-	-	(10 651 065)
		-	**-**	**-**	**1 561 010 018**	**(10 651 065)**
Balance as at 31 December 2022		**10 000 000 000**	**(278 060 202)**	**(42 383 335)**	**5 026 122 781**	**5 188 973 539**

	Notes	Reserve for actuarial gains and losses	Net income	Non-controlling interests	Total
Balance as at 1 January 2022		**52 605 632**	**5 193 781 560**	**54 421 856**	**23 549 402 956**
Comprehensive income for the year					
Lucros		-	8 089 966 586	31 783 843	8 121 750 429
Reservas de justo valor (activos financeiros)	9.34	-	-	-	(1 400 771)
Remensuração de planos de benefícios definidos	9.34	21 993 920	-	-	21 993 920
		21 993 920	**8 089 966 586**	**31 783 843**	**8 142 343 578**
Dividends to shareholders (a)	9.12	-	(3 642 356 705)	-	(3 541 077 262)
Net purchase of shares	9.33	-	-	-	(4 178 750)
		-	**(3 642 356 705)**	**-**	**(3 545 256 012)**
2021 net profit appropriation					
Reinforcement of reserves through results	9.34	-	(1 551 424 855)	(9 585 163)	-
Other operations		-	-	(7 984)	(10 659 049)
		-	(1 551 424 855)	**(9 593 147)**	**(10 659 049)**
Balance as at 31 December 2022		**74 599 552**	**8 089 966 586**	**76 612 552**	**28 135 831 473**

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

a) The amount of 101,279,443.00 MT refers to the effect of withholding the 2021 dividend on own shares

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 31 DECEMBER 2023

Values expressed in meticais

	Notes	Equity	Own Shares	Fair-value Reserves	Legal Reserve
Balance as at 1 January 2023		**10 000 000 000**	**(278 060 202)**	**(42 383 333)**	**5 024 979 804**
Comprehensive income for the year					
Profit		-	-	-	-
Fair-value reserves (financial assets)	9.34	-	-	59 907 130	-
Actuarial gains and losses	9.34	-	-	-	-
		-	**-**	**59 907 130**	**-**
Dividends to shareholders (a)	9.34	-	-	-	-
		-	**-**	**-**	**-**
2022 net profit appropriation					
Reinforcement of reserves through results	9.34	-	-	-	2 423 433 573
Other operations		-	2	-	-
		-	**2**	**-**	**2 423 433 573**
Balance as at 31 December 2023		**10 000 000 000**	**(278 060 200)**	**17 523 797**	**7 448 413 377**

	Notes	Other Reserves and Retained Earnings	Reserves for actuarial gains and losses	Net Income for the Year	Total
Balance as at 1 January 2023		**5 211 949 823**	**74 599 548**	**8 078 111 909**	**28 069 197 549**
Comprehensive income for the year					
Profit		-	-	8 181 434 089	8 181 434 089
Fair-value reserves (financial assets)	9.34	-	-	-	59 907 130
Actuarial gains and losses	9.34	-	24 269 880	-	24 269 880
		-	**24 269 880**	**8 181 434 089**	**8 265 611 099**
Dividends to shareholders (a)	9.34	157 234 099	-	(5 654 678 336)	(5 497 444 237)
		157 234 099	**-**	**(5 654 678 336)**	**(5 497 444 237)**
2022 net profit appropriation					
Reinforcement of reserves through results	9.34	-	-	(2 423 433 573)	-
Other operations		-	-	-	2
		-	**-**	**(2 423 433 573)**	**2**
Balance as at 31 December 2023		**5 369 183 922**	**98 869 428**	**8 181 434 089**	**30 837 364 413**

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

a) The amount of 157,234,099.00 MT refers to the effect of withholding the 2022 dividend on own shares

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 31 DECEMBER 2022

Values expressed in meticais

	Notes	Share Capital	Own shares	Fair-value reserves	Legal reserve
Balance as at 1 January 2022		**10 000 000 000**	**(276 810 202)**	**(40 982 562)**	**3 463 969 786**
Comprehensive income for the year					
Profit		-	-	-	-
Fair-value reserves (financial assets)	9.34	-	-	(1 400 771)	-
Actuarial gains and losses	9.34	-	-	-	-
		-	**-**	**(1 400 771)**	**-**
Dividends to shareholders (a)	9.12	-	-	-	-
Net purchase of shares	9.33	-	(1 250 000,00)	-	-
		-	**(1 250 000,00)**	**-**	**-**
2021 net profit appropriation					
Reinforcement of reserves through results	9.34	-	-	-	1 561 010 018
		-	**-**	**-**	**1 561 010 018**
Balance as at 31 December 2022		**10 000 000 000**	**(278 060 202)**	**(42 383 333)**	**5 024 979 804**

	Notes	Other reserves and retained earnings	Reserves for actuarial gains and losses	Net profit	Total
Balance as at 1 January 2022		**5 113 599 130**	**52 605 628**	**5 203 366 723**	**23 515 748 503**
Comprehensive income for the year					
Profit		-	-	8 078 111 909	8 078 111 909
Fair-value reserves (financial assets)	9.34	-	-	-	(1 400 771)
Actuarial gains and losses	9.34	-	21 993 920	-	21 993 920
		-	**21 993 920**	**8 078 111 909**	**8 098 705 058**
Dividends to shareholders (a)	9.12	101 279 443	-	(3 642 356 705)	(3 541 077 262)
Net purchase of shares	9.33	(2 928 750)	-	-	(4 178 750)
		98 350 693,00	**-**	**(3 642 356 705,00)**	**(3 545 256 012)**
2021 net profit appropriation					
Reinforcement of reserves through results	9.34	-	-	(1 561 010 018)	-
		-	**-**	**(1 561 010 018)**	**-**
Balance as at 31 December 2022		**5 211 949 823**	**74 599 548**	**8 078 111 909**	**28 069 197 549**

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

The amount of 101,279,443.00 MT refers to the effect of withholding the 2021 dividend on own shares

CONSOLIDATED AND INDIVIDUAL CASH FLOW STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2023 AND 31 DECEMBER 2022

Values expressed in meticais

		Group		Bank	
	Notes	Dec-23	Dec-22	Dec-23	Dec-22
Operational activities					
Interest, fees, currency trading and other income received		20 771 889 609	20 552 989 563	19 120 885 002	20 405 445 997
Interest, fees and other expenses paid		(9 795 039 539)	6 942 365 770)	(9 801 941 984)	(6 953 099 694)
Payments to employees and suppliers		(8 527 607 318)	(9 198 531 856)	(8 514 502 337)	(9 188 377 878)
Interest received on Securities		7 974 104 633	6 960 602 237	7 974 104 633	6 960 602 237
Net income and expenses		**10 423 347 385**	**11 372 694 174**	**8 778 545 314**	**11 224 570 662**
Increases (reductions) in:					
Investments at credit institutions		23 565 728 789	(14 141 108 352)	23 565 728 789	(14 141 108 352)
Loans and advances to customers		(6 013 830 117)	2 077 581 599	(4 356 290 940)	2 216 556 048
Securities portfolio		9 810 654 300	(9 013 722 704	9 750 694 290	(9 052 729 223)
Other assets		2 081 499 225	1 287 927 656	2 445 805 458	1 483 201 120
Net cash flow from operating assets		**29 444 052 197**	**(19 789 321 801)**	**31 405 937 597**	**(19 494 080 407)**
Increases (reductions) in:					
Deposits from Central Banks and other credit		27 726 343	(144 067 192)	77 385 835	(79 398 953)
institutions		545 375 927	12 002 641 631	545 375 987	12 002 283 541
Customer funds					
Other Liabilities		(2 080 410 851)	(3 253 348 012)	(2 381 315 358)	(3 100 116 263)
Net cash flow from operating liabilities		**(1 507 308 581)**	**8 605 226 427**	**(1 758 553 536)**	**8 822 768 325**
Net cash from operating activities		**38 360 091 001**	**188 598 800**	**38 425 929 375**	**553 258 580**
Investment activities					
Acquisitions of tangible assets		(863 833 121)	(505 368 927)	(863 833 121)	(807 368 927)
Acquisitions of intangible assets		(103 648 748)	-	(103 648 748)	-
Disposal of tangible assets		1 438 438 262	581 464 429	1 397 467 771	581 464 429
Net cash flow from investing activities		**470 956 393**	**76 095 502**	**429 985 902**	**(225 904 498)**
Financing activities					
Purchasing shares	9.33	-	(1 250 000)	-	(1 250 000)
Dividends distributed	9.13	(550 905 865)	(3 541 077 264)	(550 905 865)	(3 541 077 264)
Repayments of financing operations through leasing contracts	9.21	(293 680 169)	(270 018 403)	(333 078 157)	(332 678 346)
Net cash flow from financing activities		**(844 586 034)**	**(3 812 345 667)**	**(883 984 022)**	**(3 875 005 610)**
Increase in cash and cash equivalents		37 962 051 274	(3 423 757 087)	37 947 521 169	(3 423 757 251)
Effect of exchange rate differences		24 410 086	(123 894 277)	24 410 086	(123 894 277)
Cash and cash equivalents at beginning of period		26 379 110 879	29 926 762 243	26 379 106 350	29 926 757 878
Cash and cash equivalents at end of period		**64 365 572 239**	**26 379 110 879**	**64 351 037 605**	**26 379 106 350**

Reconciliation with balance sheet balances:

Values expressed in meticais

	Notes	Group Dec-23	Group Dec-22	Bank Dec-23	Bank Dec-22
Cash and cash equivalents		**64 365 572 239**	**26 379 110 879**	**64 351 037 605**	**26 379 106 350**
(+) Cheques to be collected from foreign credit institutions	9.15	28 976 789	29 290 259	28 976 789	29 290 259
(+) Cheques to be collected from credit institutions in the country	9.15	253 625 730	165 037 155	253 625 730	165 037 155
Total		**64 648 174 758**	**26 573 438 293**	**64 633 640 124**	**26 573 433 764**
Cash and Cash Equivalents at Central Banks	9.14	61 667 286 526	22 620 912 014	61 667 285 720	22 620 911 208
Loans and advances to credit institutions	9.15	2 980 888 232	3 952 526 279	2 966 354 404	3 952 522 556

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

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NOTES TO THE CONSOLIDATED AND INDIVIDUAL ACCOUNTS

SUMMARY OF ACCOUNTING POLICIES

1. Introductory note

Banco Comercial e de Investimentos, S.A. (hereinafter referred to as BCI or simply the Bank) is a public limited company incorporated on 17 January 1996 for an indefinite period of time. BCI began operating on 19 April 1997. BCI has its headquarters in Maputo and is governed by its articles of association and other legislation applicable to the sector.

BCI's core business includes providing banking services throughout the national territory. The subsidiaries IMOBCI, Limitada (IMOBCI) and BPI Moçambique, S.A. (BPI Moçambique) are dedicated to real estate and investment banking consultancy, respectively. The Bank and its subsidiaries together are hereinafter referred to as the Group. The subsidiary BPI Moçambique, S.A. is no longer active and is in the process of merging with BCI.

BCI is a subsidiary of the Caixa Geral de Depósitos group.

2. Bases of presentation

Following the provisions of Bank of Mozambique Notice No. 4/GBM/2007 of 30 March, the financial statements for the year ended 31 December 2023 were prepared in accordance with the International Financial Reporting Standards ('IFRS') in force on 1 January 2023. The IFRS include the standards issued by the International Accounting Standards Board ('IASB') and interpretations issued by the International Financial Reporting Interpretations Committee.

The financial statements have been prepared based on the historical cost principle, modified by applying fair value to financial assets at fair value through other comprehensive income.

The preparation of financial statements in accordance with IFRS requires the formulation of judgements, estimates and assumptions for applying accounting policies, and the main estimates and interpretations associated with applying accounting policies are described in Note 8.

These financial statements are expressed in Metical (MT), rounded to the nearest unit, and approved by the Board of Directors and the General Shareholders Meeting, and if necessary the shareholders may amend the financial statements after they have been issued.

3. Declaration of conformity

The Bank's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

4. Presentation of financial statements

The Bank presents its balance sheet in order of liquidity, based on the intention and ability to recover or settle the assets or liabilities, respectively, and the financial assets and liabilities in the balance sheet are generally disclosed in unmatched form, except where IFRS offsetting criteria are permitted.

5. Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those used in the previous financial year, except for the adoption of the following standards, amendments and revisions, which have mandatory application for the first time in the financial year beginning 1 January 2023:

IAS 1 (amendment), 'Disclosure of accounting policies'. Amendment to the disclosure requirements for accounting policies based on the definition of 'material' rather than 'significant'. Information relating to an accounting policy is considered material if, without it, users of the financial statements would not be able to understand other financial information included in those same financial statements. Information on immaterial accounting policies does not need to be disclosed. IFRS Practice Statement 2 was also amended to clarify how the concept of 'material' applies to the disclosure of accounting policies. This change to the standard had no impact on the Bank's financial statements.

IAS 8 (amendment), 'Disclosure of accounting estimates'. Introduction of the definition of an accounting estimate and how it differs from changes in accounting policies. Accounting estimates are now defined as monetary values subject to uncertainty in their measurement, used to realise the objective(s) of an accounting policy. This change to the standard had no impact on the Bank's financial statements.

IFRS 17 (new and amendment), 'Insurance contracts'. This new standard replaces IFRS 4 and applies to all issuers of insurance, reinsurance or investment contracts with discretionary profit-sharing characteristics if they are also issuers of insurance contracts. Under IFRS 17, issuers of insurance contracts need to assess whether the policyholder can benefit from a particular service as part of a claim, or whether that service is independent of the claim/risk event, and separate the non-insurance component. According to IFRS 17, entities must identify insurance contract portfolios on initial recognition and divide them into at least the following groups: i) contracts that are onerous on initial recognition; ii) contracts that do not present a significant possibility of subsequently becoming onerous; and iii) remaining contracts in the portfolio. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty related to insurance contracts. IFRS 17 requires an entity to recognise income as it provides insurance services (and not when it receives the premiums) and to provide information on the gains from the insurance contract that it expects to recognise in the future. IFRS 17 provides for three measurement methods for accounting for different types of insurance contracts: i) General measurement model ('GMM'); ii) Premium allocation approach(PAA'); and iii) Variable fee approach ('VFA'). IFRS 17 is retrospective with some exemptions on the transition date. These changes to the standard had no impact on the Bank's financial statements.

IFRS 17 (amendment), 'Initial application of IFRS 17 and IFRS 9 - Comparative Information'. This amendment applies only to insurers in the transition to IFRS 17, and allows the adoption of an 'overlay' in the classification of a financial asset for which the entity does not apply retrospectively, as part of IFRS 9. This amendment aims to avoid temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented in the initial application of IFRS 17: (i) the application of financial assets to financial assets; (ii) the presentation of comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset, but without requiring an entity to apply the impairment requirements of IFRS 9; and (iii) the obligation to use reasonable and supported information available at the transition date to determine how the entity expects that financial asset to be classified in accordance with IFRS 9. This amendment in standards had no impact on the Bank's financial statements.

IAS 12 (amendment), 'Deferred tax related to assets and liabilities associated with a single transaction'. IAS 12 now requires entities to recognise deferred tax on certain specific transactions when their initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences. The subject transactions refer to the registration of: i) right-of-use assets and lease liabilities; and ii) provisions for dismantling, restoration or similar liabilities, and the corresponding amounts recognised as part of the cost of the related asset, when on the date of initial recognition they are not relevant for tax purposes. These temporary differences are excluded from the scope of the exemption from recording deferred taxes on the initial recognition of assets or liabilities. This amendment is applied retrospectively. This amendment in standards had no impact on the Bank's financial statements.

IAS 12 (amendment), 'International taxation reform - Pillar Two model rules'. Following the implementation of the rules of the OECD's Global Anti-Base Erosion GloBE (""), there may be significant impacts on the calculation of deferred taxes of the entities covered at this date which are difficult to estimate. This amendment to IAS 12 introduces: i) a temporary exception to the requirements to recognise and disclose information on deferred tax assets and liabilities related to Pillar Two; and ii) additional disclosure requirements for affected entities (entities belonging to multinational groups with consolidated revenues of €750 million in at least two of the last four years), such as: the fact that the exception has been applied, the current tax expense that relates to the Pillar Two rules, and the reasonable estimate of the impact of the application of the Pillar Two rules between the date of publication of the legislation and the date of its entry into force. This amendment in standards had no impact on the Bank's financial statements.

i) New standards and amendments and interpretations issued by the IASB with mandatory application in future financial years

The standards and interpretations that have been issued but have not become effective as of the date of the Bank's financial statements are disclosed below. The Bank will comply with the following new standards and interpretations from the established date of entry into force.

IAS 7 (amendment) and IFRS 7 (amendment), 'Supplier financing arrangements' (effective for financial years beginning on or after 1 January 2024). Supplier financing agreements are characterised by the existence of a financier who undertakes to pay the balances that an entity owes to its suppliers and the entity, in turn, agrees to pay in accordance with the terms and conditions of the agreements, on the same date, or later, than the date of payment to the suppliers. The amendments introduced require an entity to make additional disclosures about the supplier financing agreements negotiated to enable: i) assessing how supplier financing arrangements affect the entity's liabilities and cash flows; and ii) understanding the effect of supplier financing arrangements on an entity's exposure to liquidity risk, and how the entity would be affected if the arrangements were no longer available. The additional requirements complement the presentation and disclosure requirements that already exist in the IFRS, as established by the IFRS CI in the December 2020 Agenda Decision of Dec. The impact of adopting this change to the standard on the Bank's financial statements is still being analysed.

IAS 21 (amendment) 'Effects of changes in foreign exchange rates: Lack of exchangeability' (to be applied to financial years beginning on or after 1 January 2025). This amendment adds the requirements for determining whether a currency can be exchanged for another currency (exchangeability) and establishing how to determine the spot exchange rate to be used when it is not possible to exchange a currency over a long period. This amendment also requires the disclosure of information that makes it possible to understand how the currency that cannot be exchanged for another currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows, in addition to the spot exchange rate used on the reporting date and how it was determined. The impact of adopting this amendment as a standard on the Bank's financial statements is still being analysed.

6. Bases of Consolidation
(a) Subsidiary companies (IFRS10)

BCI holds, directly and indirectly, financial stakes in subsidiary companies. Subsidiaries or affiliates are those entities in which the Bank has control or the power to manage the company's financial and operating policies, is exposed, or has rights, to variable returns from its involvement with the investment and can affect those returns through its power over the investment. In BCI's individual financial statements, subsidiaries are valued at historical cost.

The acquisition of subsidiaries is recorded using the purchase method. The cost of an acquisition is measured at the fair value of the assets delivered, equity instruments issued and liabilities incurred or assumed on the acquisition date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value on the acquisition date, regardless of the existence of non-controlling interests. The excess of the acquisition cost over the fair value of the Group's interest in the identifiable assets acquired is recognised as goodwill. If the acquisition cost is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Costs directly attributable to the acquisition are recognised when they occur in the income statement.

When at the date of acquisition of control the Group already holds a previously acquired stake, the fair value of that stake contributes to the determination of goodwill or badwill.

When control is acquired in a percentage of less than 100%, when applying the purchase method, non-controlling interests may be measured at fair value, or in proportion to the fair value of the assets and liabilities acquired, this option being set out in each transaction.

The negative results generated in each period by subsidiaries with non-controlling interests are allocated in the percentage held by them, regardless of whether they have a negative balance.

Transactions between Group companies and balances and income and costs in transactions between Group companies are eliminated in consolidation, as are profits and losses resulting from transactions between Group companies that are recognised in assets. The accounting policies of associates are amended when necessary to ensure consistency with the group's policies.

Subsidiaries are fully consolidated from the date control is transferred to the group and cease to be consolidated from the date control ceases.

(b) Changes in holdings in subsidiaries without change of control

Transactions with non-controlling interests are accounted for as capital transactions, i.e. transactions with the owners in their capacity as associates. The difference between the fair value of any consideration paid and the relevant interest acquired and the book value of the associate's net assets is recognised in equity. Gains or losses on disposals of non-controlling interests are also recognised in equity.

(c) Disposal of subsidiaries

When the group ceases to have control of a subsidiary, but retains an interest in the previously controlled entity, the carrying amount of the holding is revalued to fair value on the date of disposal. The book value is recognised in profit or loss.

7. Summary of material accounting policies

The main accounting policies applied in the preparation of these financial statements have been applied consistently throughout the financial years presented here.

7.1 Foreign currency transactions (IAS 21)

The items included in the financial statements are measured and presented in Metical, the functional and presentation currency of the Group and the Bank.

Transactions in foreign currency are initially converted into meticais at the exchange rate published by the Bank of Mozambique in force on the transaction date. On the balance sheet date, monetary assets and liabilities denominated in foreign currency are converted into meticais at the daily exchange rate published by the Bank of Mozambique and exchange differences are recognised in the statement of comprehensive income for the period to which they relate. As at 31 December 2023 and 31 December 2022 the following exchange rates were applied:

Currency	31-12-2023	31-12-2022
EUR	70,65	68,18
USD	63,90	63,87
ZAR	3,47	3,77

Non-monetary assets in foreign currency valued at historical cost are converted at the exchange rate in force on the date the transaction took place. Non-monetary assets in foreign currency valued at fair value are converted at the exchange rate in force on the date the fair value is determined.

7.2 Recognition of interest and fees
7.2.1 Interest and similar income/similar charges

Net interest income comprises income and interest charges on financial instruments that are recognised in the Bank's income statement over the life of the financial instrument. When calculating interest income on loans, the impairment of stage 3 customers is deducted, in accordance with IFRS 9.

7.2.2 Income from fees and commissions

Income from fees and commissions comes from various services that the Bank provides to its customers. Fee and commission income is generally recognised in the income statement on an accrual basis and deferred over time, except for income and fees relating to immediate services. Other fees and commissions refer to the costs of transactions and services provided by third parties, which are recognised in the income statement over the term of the services or when the services are rendered.

Guarantees provided: This commission arises from operations involving the issue of guarantees, where the Bank becomes a guarantor of third party obligations and is responsible for the resulting credit risk. This fee is recognised in the income statement using the accrual and deferral principle.

Services rendered: It comprises various services that the Bank provides to its customers, including: deposits, custody of securities, brokerage. These fees are recognised in the income statement immediately after the service is rendered.

Electronic banking: Under this line item the Bank records commissions from ATM transactions, card annuities, POS transactions and top-up purchases. These fees are recognised in the income statement immediately when the service is rendered, except for card annuities which are specialised for 12 months.

Investment banking: Fees charged for financial advice given to customers on setting up and structuring financial transactions. These fees are recognised in the income statement when the service is rendered.

7.3 Basic and diluted earnings per share (IAS 33)

Basic earnings per share are calculated by dividing the profit attributable to the Bank's equity holders by the weighted average number of ordinary shares issued, excluding the average number of ordinary shares purchased by the Bank and held as treasury shares.

Diluted earnings per share are calculated by adjusting the profit attributable to shareholders and the weighted average number of ordinary shares outstanding, assuming conversion of all dilutive potential ordinary shares (weighted average number of other shares) at the reporting date.'

7.4 Cash and cash equivalents

In the cash flow statement, cash and cash equivalents include amounts recognised in the balance sheet with a maturity of less than three months from the date of issue or acquisition and a low risk of changes in fair value, including cash and deposits with other credit institutions.

7.5 Financial assets (IFRS 9)

Financial assets can be classified into three categories using different measurement criteria (fair value through profit or loss, fair value through other comprehensive income and amortised cost). The classification of assets depends on the business model within which the financial assets are managed and the characteristics of the contractual cash flows.

Regular purchases and sales of financial assets are recognised on the transaction date, which is the date on which the Group undertakes to buy or sell the assets.

The Bank classifies financial assets as follows:

A financial asset is measured at amortised cost ('CA') if the following criteria are met:

- The asset is held for the purpose of receiving contractual cash flows; and
- The contractual cash flows of the assets represent only exclusive payments of equity and interest ('SPPI').

Financial assets included in this category are initially recognised at fair value and subsequently measured at amortised cost. Interest income on these assets is recognised using the effective interest rate method. Any gains or losses generated by their derecognition are recognised directly in the income statement.

A financial asset is measured at fair value through other comprehensive income ('JVORI') if the following criteria are met:

- The asset is held for the purpose of receiving contractual cash flows or for a future sale; and
- The contractual cash flows of the assets represent only exclusive payments of equity and interest ('SPPI').

Additionally, in the initial recognition of an equity instrument that is not held for trading, and in which there is no contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, the Group may irrevocably choose to classify it in the JVORI category. This option is exercised on a case-by-case, investment-by-investment basis and is only available for financial instruments that fulfil the definition of an equity instrument set out in IAS 32. It cannot be used for financial instruments classified as an equity instrument in the issuer's sphere under the exceptions set out in paragraphs 16A to 16D of IAS 32.

Financial assets included in the JOVRI category are initially recognised and subsequently measured at fair value. Changes in fair value are recognised in comprehensive income ('RI'), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in net income.

Debt instruments at fair value through other comprehensive income are initially recognised at fair value plus transaction costs and subsequently measured at fair value. Changes in the fair value of these financial assets are recognised against other comprehensive income and, on disposal, the respective gains or losses accumulated in other comprehensive income are reclassified to profit or loss.

Debt instruments at fair value through other comprehensive income are also subject, from their initial recognition to the calculation of impairment losses for expected credit losses. Estimated impairment losses are recognised in the income statement against other comprehensive income and do not reduce the carrying amount of the financial asset in the balance sheet.

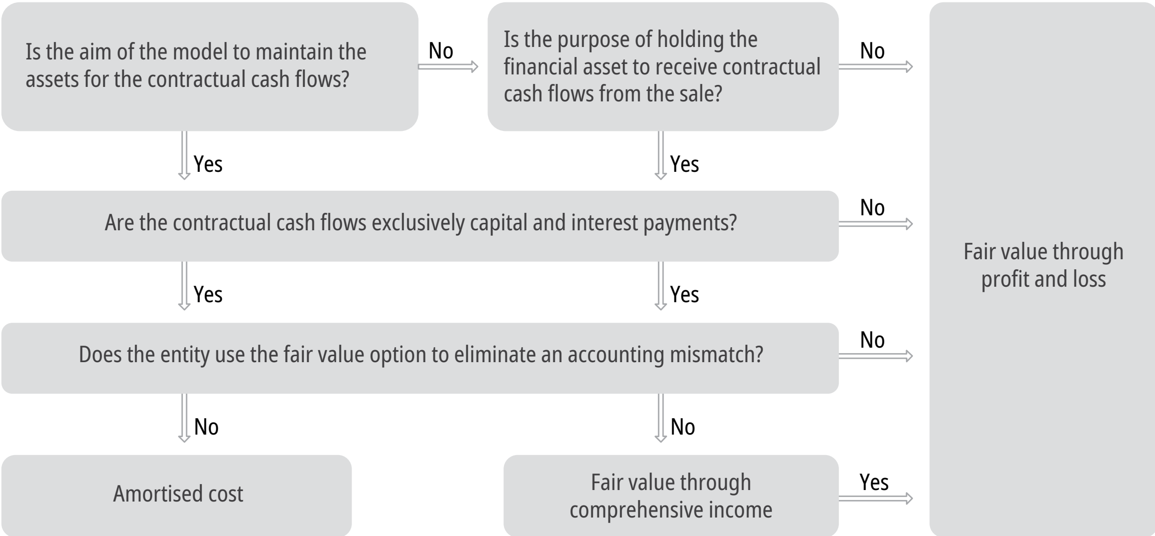
Interest, premiums or discounts on financial assets at fair value through other comprehensive income are recognised using the effective interest rate method.

Equity instruments at fair value through other comprehensive income are initially recognised at fair value plus transaction costs and subsequently measured at fair value. Changes in the fair value of these financial assets are recognised against other comprehensive income. Dividends are recognised in the income statement when the right to receive them is assigned.

No impairment is recognised for equity instruments at fair value through other comprehensive income and the respective gains or losses relating to changes in fair value are transferred to 'retained earnings' when they are derecognised.

<u>The Fair Value Through Profit or Loss ('JVAR') category is the residual category</u>. Financial assets should be classified as JVOAR if they do not fulfil the JVRI or CA criteria. Financial assets included in the JVOAR category must be measured at fair value with all changes recognised in net income. Transaction costs associated with these financial assets are recognised in the income statement when incurred.

The following image represents the classification process applied by the Bank:



Derecognition and modification of financial assets

The bank derecognises a financial asset when, and only when, the contractual right to receive the cash flows expires or the financial asset is transferred and the transfer qualifies for derecognition. The bank transfers a financial asset if, and only if, the contractual rights to receive the cash flows from that financial asset are transferred or if the contractual rights to receive the cash flows are maintained but it assumes a contractual obligation to deliver those cash flows to one or more beneficiaries. In the event that the contractual rights to receive the cash flows are maintained, the bank treats the transaction as a transfer only if all the following conditions are met:

(i) the bank has no obligation to pay amounts to the beneficiary except those received from the original asset;

(ii) the bank is prevented by the terms of the transfer agreement from selling the original asset; and

(iii) the bank is obliged to pay the cash flows received without material delay and is not allowed to reinvest these cash flows until they are paid

Business model and SPPI test

The Bank reviews its Business Model on an annual basis, which is categorised as follows:

1. Amortised cost (Holding to receive contractual cash flows);

(i) Application made to receive contractual cash flows;

(ii) Cash flows represent capital and interest payments;

(iii) They are measured at book value until maturity;

2. Fair value through other comprehensive income (Holding to receive contractual cash flows and/or sell)

(i) Application made to receive contractual cash flows or future sales;

(ii) Cash flows represent capital and interest payments;

(iii) They are measured daily at fair value (provided by CGD).

Securities are categorised when they are registered.

According to IFRS 9, the classification and measurement of financial assets depends on the characteristics of the contractual cash flows. In this way, for each financial asset, the bank determines whether the expected contractual cash flows correspond solely to capital and interest payment, as outlined by IFRS 9, on the outstanding capital, by carrying out the SPPI test. The SPPI test is based on analysing the performance and covenants of the financial asset. To this end, the bank assesses whether the contractual conditions relating to capital and interest are consistent with the conditions normally associated with a basic credit agreement, where the most relevant aspects are generally the component of the financial instrument's yield relating to the time value of money and the credit risk, and may include considerations relating to liquidity risk, costs associated with financing the operation and the associated profit margin. In this way, the bank checks whether the performance of the financial assets includes any element that introduces exposure to risks or volatilities not consistent with a basic credit agreement, including the existence of mismatches between the components of the instrument's return (for example, the periodicity of the index different from the periodicity of the review of the interest rate paid). It also assesses whether the contractual cash flows that may be generated over the life of the instrument are solely capital and interest payments on the outstanding principal if the financial asset includes any contractual condition that may alter the term or amount of the contractual cash flows.

Fair value levels of financial assets

The Bank measures fair value using the following fair value hierarchy which reflects the importance of the inputs used in the measurement:

- Level 1: Quoted market price (unadjusted) on an active market for an identical instrument;
- Level 2: Valuation techniques based on observable data, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets considered less active and other valuation techniques in which all inputs are directly or indirectly observable from market data;
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the evaluation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the evaluation of the instrument. This category includes instruments that are valued on the basis of quotes for similar instruments whenever there is a need for significant unobservable adjustments or assumptions to reflect differences between instruments.

Impairment of financial assets

The Bank calculates impairment for financial assets at amortised cost and financial assets at fair value through other comprehensive income (debt instruments) in accordance with IFRS 9, which establishes a calculation model based on expected losses. The methodology applied by the Bank is disclosed in Note 9.37.

7.6 Leases (IFRS 16)

IFRS 16 determines that a contract is or contains a lease if it grants the right to use and control an identifiable asset for a period of time in exchange for payments of consideration and this assumption affects only the lessee.

Classification and measuring

a) Classification

The rule provides for an option not to classify low-value contracts or contracts with a term of up to one year as leases. The Bank has opted to classify only contracts with a term of more than 1 year as leases and has excluded ATM space leases from the classification because they are of low value. The term used in all the analyses is equivalent to the number of leases that will have to be paid from the entry into force until the end of each contract, taking into account the probability of its renewal within the time horizon equivalent to two of the Bank's Strategic Plans (6 years).

b) Measurement

The lease asset must be measured initially at cost, which includes: the initial measurement of the lease liability, plus payment or minus incentives paid on or before the effective date, plus initial direct costs and estimated costs to dismantle, remove or refurbish the asset at the end. Subsequently, the asset shall be measured at its cost minus any accumulated depreciation and accumulated impairments; alternatively, IAS 36 Impairment of Assets shall be applied to determine whether the asset under right of use is impaired and account for any identified impairment loss. The Bank's lease assets are recognised at cost.

Lease liabilities should be measured at the present value of the fixed lease payments. These payments must be updated at the rate implicit in the contract, where applicable, or, alternatively, using the discount rate, which is the rate that the lessee would have to pay if he took out a loan to purchase the asset in the same market, under the same conditions (term, quality of the asset, guarantees). Subsequently, the liability should be measured by the increase in the value of the interest and reduced by the value of the payments with the interest component recognised in the income statement.

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

Non-current assets (or disposal groups) are classified as held for sale whenever their carrying amount is expected to be essentially recovered through sale and sale is considered highly probable. These assets can be isolated assets or part of a group of assets and liabilities to be aligned (aligned group) or part of a business unit to be sold (discontinued operations). For an asset (or disposal group) to be classified under this line item, the following requirements must be met:

- The sale is very likely to occur;
- The sale is expected to take place up to a year from the asset's classification in the account heading;
- There must be an expectation that the sale will materialise within one year of the asset being classified under this line item, except in situations where the delay in selling the asset is caused by events or circumstances beyond the control of the entity and there is sufficient evidence that the entity remains committed to its plan to sell the asset. There are the following exceptions:

a) At the date an entity commits to planning the sale of a non-current asset (or disposal group), it reasonably expects that other entities (non-buyers) will impose conditions on the transfer of the asset (or disposal group) that extend the period required for the sale to be completed; and i. The actions necessary to fulfil these conditions may not be initiated until a firm purchase commitment has been obtained; and ii. A firm purchase commitment is highly likely within a year.
b) An entity obtains a firm purchase commitment and, as a result, the buyer or other entities unexpectedly impose conditions on the transfer of the non-current asset (or disposal group), previously classified as held for sale, that will extend the period required for the sale to be completed; and i. Timely action has been taken to address the conditions; and ii. A favourable resolution of the facts conditioning the delay is expected.
c) During the initial one-year period, circumstances occur that were previously considered unlikely and, as a result, a non-current asset (or disposal group) previously classified as held for sale is not sold by the end of that period; and i. During the initial one-year period, the entity took the necessary actions to respond to the change in circumstances; ii. The non-current asset (or disposal group) is being widely publicised at a price that is reasonable, given the change in circumstances.

If any of these exceptions apply, the asset may remain classified under this line item for longer than one year.

The assets recorded under this line item are not amortised or depreciated and are valued at the lower of cost or fair value minus costs to sell. The fair value of these assets is determined on the basis of valuations carried out by specialised entities. If the balance sheet value is lower than the fair value minus costs to sell, impairment losses are recognised under the appropriate line item.

Real estate and other auctioned assets obtained through the recovery of overdue loans are recorded at their auction value and the amount owed is settled when the respective legal proceedings are concluded, against the value of the loan.

Also recorded under this line item are the Bank's tangible assets that have been taken out of use (discontinued property and equipment) and are in the process of being sold. These assets are transferred from tangible assets at book value (acquisition cost net of accumulated depreciation and impairment) on the date they become held for sale and are subsequently revalued in the same way as assets received through loan recovery.

When, due to changes in the Group's circumstances, non-current assets and/or disposal groups no longer fulfil the conditions to be classified as held for sale, these assets and/or disposal groups are reclassified pursuant to the underlying nature of the assets and are measured at the lower of:

i) the book value they had before they were classified as held for sale, adjusted by any depreciation expenses, if these assets had not been classified as held for sale, and
ii) the recoverable amounts of the items on the date they are reclassified according to their underlying nature. These adjustments are recognised in the income statement.

Changes in impairment losses of a non-current asset held for sale are recognised in the income statement under the line item 'Impairment of other assets (Note 9.10)'. No potential capital gains are recognised on these assets.

On the date of sale, the capital gains or losses realised on these assets are recorded in the income statement under the line item 'Other operating income (Note 9.7)'.

7.8 Impairment of non-financial assets (IAS 36)

Non-financial assets, such as tangible and intangible assets with an established useful life, are subject to impairment tests when, and only when, certain events or circumstances indicate that the book value of the assets may not be recoverable.

The Bank assesses at each reporting date, or more frequently if changes have occurred that indicate that a particular asset may be impaired, whether there are indications that a non-financial asset may be impaired. If such an indication exists, the Bank estimates the respective recoverable amount and, if this is lower than the carrying amount, the asset is impaired and reduced to its recoverable amount.

An impairment loss is recognised for the amount of the excess of the asset's carrying amount over its recoverable amount, the recoverable amount being the higher of an asset's fair value minus costs to sell and its value in use. To determine the existence of impairment, assets are allocated to the lowest level for which there are separate identifiable cash flows (cash-generating units).

The calculation of fair value minus costs to sell can be based on:

i) the contractually agreed-upon selling price in a transaction between unrelated third parties, minus selling costs; ii)
ii) the market price if the asset is traded on an active market; or
iii) the fair value calculated based on an estimate of the future cash flows that any market agent would expect to obtain from the asset.

When calculating the value in use, the discounted cash flow methodology is applied, which the entity expects to obtain from the asset, in accordance with management's strategy and budgets.

At each balance sheet date, the Bank reassesses whether there is any indication that a previously recognised impairment loss may no longer exist or may have reduced. If there is such an indication, the Bank estimates the recoverable amount of the asset and reverses previously recognised impairment losses only if there have been changes in the estimates used to estimate the recoverable amount since the loss was recognised. When an impairment loss is recorded or reversed, the depreciation/amortisation of the respective assets is recalculated prospectively in accordance with the recoverable amount adjusted for the impairment recognised.

7.9 Investment properties (IAS 40)

The Bank considers properties (land and buildings) to be investment properties if they are held to earn rental income and/or for capital appreciation, and not for the purpose of investment: (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business. Investment properties are initially measured at cost and transaction costs are included in the initial measurement. After initial recognition, the Bank values investment properties according to the cost model, following the same accounting policy as tangible assets. Income from investment properties is recognised under the line item 'Other operating income' (Note 9.7). And the estimated useful life of investment property is between 10 and 50 years.

7.10 Tangible assets (IAS 16)

Tangible assets used by the Bank in the course of its business are recognised at acquisition cost minus depreciation and accumulated impairment losses. Subsequent costs are recognised as a separate asset only if future economic benefits are likely to flow to the Bank. Maintenance and repair costs and other costs associated with their use are recognised in the income statement in the period in which they are incurred.

Depreciation of tangible assets is calculated on a systematic basis over the estimated useful life of the asset, which corresponds to the period in which the asset is expected to be available for use:

Type of tangible asset	Years of useful life
Properties	50
Construction works in leased buildings	10 a 50
Equipment	4 a 14

The Bank regularly analyses the adequacy of the estimated useful life of its tangible assets. Changes in the expected useful life of assets are recorded by changing the depreciation period or method, as appropriate, and are treated as changes in accounting estimates.

The costs of third-party buildings are depreciated over a period compatible with their expected usefulness or the lease contract.

Analyses are carried out periodically to identify evidence of impairment in tangible assets. Whenever the net book value of tangible assets exceeds their recoverable value, an impairment loss is recognised and reflected in the results for the year. The recoverable amount is determined as the higher of the fair value minus costs to sell and the value in use of the asset, the latter being calculated based on the present value of the estimated future cash flows arising from the continued use and disposal of the asset at the end of its established useful life. The Bank reverses impairment losses in the income statement for the period up to the production of the acquisition value, minus accumulated depreciation, as if the asset had not been impaired, if there is a subsequent increase in the asset's recoverable amount.

A tangible asset item is no longer recognised when it is disposed of or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the sale proceeds and the carrying amount of the asset) is recognised in the income statement for the period.

7.11 Intangible assets (IAS 38)

The Bank recognises as intangible assets the costs of acquiring, developing or preparing computer applications (software) for its own use. In cases where the requirements of IAS 38 are met, direct internal costs incurred in developing computer applications are capitalised as intangible assets.

When acquired individually, intangible assets are recognised at cost, which comprises: i) the purchase price, including costs of intellectual rights and fees after deducting any discounts; and ii) any cost directly attributable to preparing the asset for its intended use.

Intangible assets are recorded at acquisition cost, minus amortisations and accumulated impairment losses. Amortisation is recorded on a systematic basis over the estimated useful life of the assets, which is usually 5 years. The amortisation period and the amortisation method for intangible assets with an established useful life are reviewed at the end of each period and changes in the expected useful life are recorded as changes in estimates.

The cost of maintaining computer applications is recognised as an expense in the year in which it is incurred.

7.12 Financial liabilities (IAS 32 and IFRS 9)

The classification of financial instruments at initial recognition depends on their objectives and characteristics.

Financial liabilities are recognised in the Bank's balance sheet on the contract date at their fair value plus directly attributable transaction costs, except for liabilities at fair value through profit or loss where transaction costs are immediately recognised in profit or loss.

After initial recognition, deposits and other financial resources from customers and credit institutions are valued at amortised cost, based on the effective interest rate method.

A financial liability ceases to be recognised when the respective obligation is satisfied, cancelled or expires. When the liability is replaced by another from the same borrower under substantially different conditions, or when the conditions of an existing liability are substantially modified, such modification or exchange is treated as the recognition of a new liability, and consequently the derecognition of the original liability, with the difference between the respective amounts being recognised in profit or loss for the period.

Financial liabilities are only offset, and their net value presented in the balance sheet, when the Bank has the right to offset them and intends to settle on a net basis or realise the asset and settle the liability simultaneously.

7.13 Income tax (IAS 12)

Income tax (current or deferred) is translated in income for the year, except for cases in which the originating transactions have been translated in other own equity items. In these situations, the corresponding tax is also translated against own equity, not affecting the income for the year.

Current tax

The current tax asset or liability is estimated based on the amount expected to be recovered or paid to the tax authorities. The statutory tax rate used to calculate the amount is that in force on the balance sheet date.

Current tax is calculated based on the taxable profit for the year, which differs from the accounting result due to adjustments to the tax base resulting from expenses or income that are not relevant for tax purposes or will only be taken into account in other accounting periods.

Management periodically assesses the positions taken in tax returns in situations where the applicable tax regulations are subject to interpretation and creates provisions, where appropriate, based on the amounts expected to be paid to the tax authorities. The Tax Authority can make income tax corrections up to 5 years back.

Withholding taxes resulting from the 20% rate are recognised as a tax expense in the Income Statement.

Deferred tax

Deferred tax assets and liabilities correspond to the amount of tax recoverable and payable in future periods resulting from temporary differences between the value of an asset or liability in the balance sheet and its tax base. Tax losses carried forward and tax benefits also give rise to deferred tax assets.

Deferred tax assets are recognised to the extent that future taxable profits are likely to be available against which the deferred tax assets can be offset.

Deferred taxes were calculated on the basis of the tax rates decreed for the period in which the respective asset or liability is expected to be realised.

Deferred tax assets are recognised to the extent that future taxable profits are likely to be available to utilise the temporary difference. Deferred tax liabilities are recognised for all taxable temporary differences, except those relating to: (a) the initial recognition of goodwill; or (b) the initial recognition of assets and liabilities, which:

(i) do not result from a concentration of business activities;
(ii) do not affect the accounting or tax result at the date of the transaction; and
(iii) do not give rise to equal taxable and deductible temporary differences at the date of the transaction.

However, with regard to taxable temporary differences related to investments in subsidiaries, these are not recognised to the extent that:

i) the parent company is able to control the period of the reversal of the temporary difference; and
ii) it is likely that the temporary difference will not reverse in the near future.

7.14 Employee benefits (IAS 19)

The liability for established benefit pension plans relating to the employees of the former Banco de Fomento was incorporated into the Bank's liabilities under the deed of the merger dated 4 December 2003.

The now-defunct Banco de Fomento signed the Collective Bargaining Agreement (CBA) of 30 December 1997, which is in force for the banking sector, under which its locally hired employees and their families are entitled to cash benefits in the form of old-age, disability and survivor's pensions.

These benefits are calculated based on the employee's length of service and salary at the date of retirement and updated based on the salary scales annexed to the CBA, which are revised annually.

However, since the workers are registered with the National Social Security Institute, the Bank's responsibilities consist of paying supplements to their pensions. As at 31 December 2021, these supplements covered 68 employees of the former Banco de Fomento, as shown in note 9.27.

The value of liabilities for past services is determined annually by specialised actuaries using the Projected Unit Credit method and actuarial assumptions deemed appropriate. The Bank recognises under line item Staff Costs (Note 9.8) the impact of current services and interest costs, calculated by the actuary each year.

Gains and losses arising from differences between the actuarial and financial assumptions used and the values actually realised, as well as those resulting from changes in actuarial assumptions, are recognised in Equity, under line item 'Established benefit plan remeasurement reserves'. The Bank does not have a fund set up to cover established benefit plan liabilities. As such, the liability is recognised directly in liabilities and assumed in full with the Bank's assets.

On the transition date, the Bank adopted the exception provided for in IFRS 1, of not recalculating deferred actuarial gains and losses since the start of the plans.

7.15 Provisions and contingent liabilities (IAS 37)

The Bank recognises provisions when it has a present obligation (legal or constructive) resulting from past events, for which the future outflow of financial resources is probable and can be reliably determined. The amount of the provision corresponds to the best estimate of the amount to be disbursed to settle the liability on the balance sheet date. Provisions are measured on a present value basis, and the effect of updating their time value is recognised as a provision expense.

Provisions for other risks are intended to cover:

(i) Liabilities with guarantees provided and other off-balance sheet commitments, determined based on an analysis of the risk of the operations and the respective customers; and,
(ii) Legal, tax and other contingencies arising from BCI Group's activities.

7.16 Guarantees (IFRS 9)

In the course of its business, the Bank grants guarantees, credit letters and sureties. These guarantees are recorded in off-balance sheet accounts and are periodically analysed to determine the credit risk to which the Bank is exposed and recognise impairment. These guarantees are disclosed as contingent liabilities.

These operations are periodically analysed to determine the credit risk to which the Bank is exposed and to recognise impairment. To this end, they are subject to the methodology applied to the credit portfolio, with the particularity that Credit Conversion Factors (CCFs) are used to calculate the exposure at risk.

CCFs resulting from the process of calibrating the risk factors of the Impairment Model are applied to the limits (Unutilised Lines) and regulatory CCFs outlined under Bank of Mozambique Notice no. 11/GBM/2013 are used for the remaining operations.

7.17 Treasury stock 32 (IAS 32)

The Bank's own shares are deducted from equity and no gains or losses realised on their sale are recognised in the financial statements. Remuneration received is recognised in the financial statements under reserves for own shares.
7.18 Dividends on ordinary shares (IAS 10)
Dividends on ordinary shares are recognised as a liability and deducted from equity when they are declared and are no longer at the Bank's discretion.

7.19 Business continuity

The financial statements have been prepared on a business continuity basis.

The Directors have reviewed the Bank's budgets and cash flow forecasts for the next three years and consider that the Bank can continue operating on a business continuity basis under current and forecast economic conditions. These budgets and cash flow forecasts include projections of the impact on the Bank's capital, funding and liquidity needs, all of which remained within internal targets and above regulatory requirements.

Based on this review, and considering the current financial position and the history of profitable transactions, the directors are convinced that the Bank has adequate resources to continue in business for the foreseeable future and, therefore, the business continuity assumption is maintained, is applicable and has been adopted in the preparation of these annual financial statements.

8. Main estimates and interpretations associated with the application of accounting policies

The IFRS establish a set of accounting policies that require the Board of Directors to make judgements and estimates. The estimates and associated assumptions are based on historical experience and other factors considered reasonable under the circumstances, and are a foundation for judgements on the values of assets and liabilities whose valuation is not evident from other sources. The main accounting estimates used by the Bank are analysed as follows:

<u>Impairment of loans and advances to customers (note 9.37)</u>

Impairment losses on loans and advances to customers are determined in accordance with the methodology set out in note 9.36 a. Credit risk. Therefore, the determination of impairment of individually analysed assets results from a specific assessment made by the Bank based on knowledge of its customers' circumstances and the guarantees associated with the operations in question.

The determination of impairment by collective analysis is based on historical and forward-looking parameters determined for comparable types of transactions, taking into account estimates of default and recovery.

The Bank considers that the impairment determined on the basis of this methodology adequately reflects the risk associated with its loan portfolio, taking into account the principles outlined by IFRS 9.

In determining impairment losses, the bank makes the following judgements:

✓ Significant Increase in credit risk (SICR)

The bank assesses whether there has been any significant deterioration in the credit risk of exposures since they were first recognised in the balance sheet. To this end, the SICR methodology is being implemented, which, based on the Rating and Scoring Models, will assess, on each reporting date, the level of PD (probability of default) degradation since the initial date of its recognition in the balance sheet. The recording of a significant deterioration (worsening) of the PD implies that this exposure is moved from Stage 1 to 2, resulting in an increase in the recognition of expected losses.

✓ Forward Looking

In the process of estimating the risk factors (PDs, LGDs, BMs and CCFs), the bank applies adjustments according to the projection of macroeconomic variables, if in the regression analyses these have a material impact on previous estimates. This analysis is based on outlining 3 macroeconomic scenarios (Base, Favourable and Adverse) and with different weightings.

✓ Outlining Default

With each report, the bank assesses the existence of additional events that could lead to a customer and/or exposure going from Performing to Non-Performing, resulting in a worsening of expected losses, by worsening the respective PDs (100%) and a possible worsening of the LGD.

Fair value of financial instruments (note 9.39)

Determining the fair value of financial instruments for which there is no observable market price requires the use of valuation techniques, the basis of which is described in note 9.40. For financial instruments that are not frequently traded and whose market price is not transparent, the determination of fair value is less objective, requiring varying degrees of judgement, depending on the concentration of liquidity, uncertainty about market values, pricing assumptions and other risks affecting the specific instruments.

Employee benefits (Note 9.30)

BCI's liabilities for post-employment benefits granted to its employees are determined annually, based on actuarial valuations carried out by independent experts. These actuarial valuations incorporate financial and actuarial assumptions regarding mortality, disability, wage growth and pensions, among others. The assumptions adopted correspond to the Bank's and its actuaries' best estimate of the future behaviour of the variables. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Income tax (Note 9.10)

Income taxes (current and deferred) are determined by the Bank based on the rules established by the tax framework. However, in some situations, tax legislation is not sufficiently clear and objective and can give rise to different interpretations. In these cases, the amounts recorded result from the Bank's best understanding of the appropriate framework for its operations, which may be revised depending on the position and interpretation of the Tax Authorities.

Impairment of non-financial assets

Property in use recorded under Property and equipment and property recorded under non-current assets held for sale are subject to impairment losses as mentioned in note 7.8.

For properties in use, at each reporting date, the Board of Directors checks for indicators of impairment based on the branches' profitability. In cases where the agencies are not profitable, the fair value of the assets is calculated based on valuation methodologies supported mainly by external valuations, which use different fair value calculation techniques, taking into account the estimates of the management body, the market conditions in which they operate and certain assumptions or judgements.

For non-current assets held for sale, the fair value of the assets is calculated based on valuation methodologies supported mainly by external valuations, which use different fair value calculation techniques, taking into account the estimates of the management body, the market conditions in which they operate and certain assumptions or judgements.

Alternative methodologies and the use of different assumptions and estimates could result in a different level of impairment of these assets.

Provisions and contingent liabilities

The decision to recognise provisions and measure them takes into account the assessment made by the Board of Directors of the risks and uncertainties associated with ongoing processes and the expectation of realising future cash flows, concerning the best information available at the closing date of the financial statements.

9. Other notes to the consolidated and individual accounts

9.1 Strict net interest income

This line item is broken down as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Interest and similar income				
Interest on cash and cash equivalents	852 218	2 800 304	852 145	2 800 304
Interest on investments at credit institutions	2 769 237 113	2 938 534 448	2 769 237 113	2 938 534 448
Interest on loans and advances to customers	13 430 253 331	11 739 713 689	13 454 590 832	11 765 303 867
Interest on financial assets	7 881 169 306	7 217 573 083	7 881 169 306	7 217 573 083
	24 081 511 968	**21 898 621 524**	**24 105 849 396**	**21 924 211 702**
Interest and similar costs				
Interest on Central Banks' resources	245 052 050	12 596 673	245 052 050	12 596 673
Interest on funds from other credit institutions	102 014 643	58 506 603	102 014 649	58 506 603
Interest on customers' deposits	7 569 747 189	5 793 424 893	7 569 747 189	5 793 425 006
Interest on consigned resources	459 061 069	384 940 929	459 061 069	384 940 929
Interest on financial liabilities	-	6 001 244	-	6 001 244
Other interest and similar costs	40 040 216	40 390 588	46 955 191	51 145 616
	8 415 915 167	**6 295 860 930**	**8 422 830 148**	**6 306 616 071**
	15 665 596 801	**15 602 760 594**	**15 683 019 248**	**15 617 595 631**

The interest on financial assets line item was broken down as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Interest on financial assets				
Financial assets at amortised cost	998 916 259	858 533 326	998 916 259	858 533 326
Financial assets with repurchase agreements	-	6 516 219	-	6 516 219
Financial assets at fair value through other comprehensive income	6 882 253 047	6 352 523 538	6 882 253 047	6 352 523 538
	7 881 169 306	**7 217 573 083**	**7 881 169 306**	**7 217 573 083**

9.2 Net fees associated with amortised cost

This line item is broken down as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Fees received associated with amortised cost				
Customer loans	104 984 732	114 189 194	104 984 732	114 189 194
	104 984 732	**114 189 194**	**104 984 732**	**114 189 194**
Fees paid associated with amortised cost				
Other operations	59 615 937	26 711 003	59 615 937	26 711 003
	59 615 937	**26 711 003**	**59 615 937**	**26 711 003**
	45 368 795	**87 478 191**	**45 368 795**	**87 478 191**

9.3 Gains/(losses) derecognising financial assets at fair value through other comprehensive income

This line item is broken down as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Earnings	21 066 399	11 493 878	21 066 399	11 493 878
Losses	(11 520 225)	(508 806)	(11 520 225)	(508 806)
	9 546 174	**10 985 072**	**9 546 174**	**10 985 072**

9.4 Income from equity instruments

This line item is broken down as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Income				
In resident entities				
Emose	2 963 353	12 645 387	2 963 353	12 645 387
	2 963 353	**12 645 387**	**2 963 353**	**12 645 387**

The amount of 2,963,353.00 MT (2022: 12,645,387.00 MT) in the income from capital instrument line item refers to dividends received from Empresa Moçambicana de Seguros (EMOSE), on account of shares held by the Bank.

9.5 Net fee and commission income

This line item is broken down as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Fee and commission income				
For guarantees provided	346 076 342	320 116 846	346 076 342	320 116 846
For services rendered	542 963 548	524 885 772	542 963 548	524 885 860
For operations on behalf of third parties	91 858 497	69 957 088	91 858 497	69 957 088
Electronic Banking	1 566 456 059	1 636 089 974	1 566 456 059	1 636 089 974
Other fee income	716 644 487	806 470 710	716 644 487	806 470 710
	3 263 998 933	**3 357 520 390**	**3 263 998 933**	**3 357 520 478**
Expenditure on fees and commissions				
For services provided to third parties	6 015 762	3 378 762	6 003 226	3 357 663
Electronic Banking	1 207 870 040	792 581 197	1 207 870 040	792 581 197
Correspondent fees	61 758 403	81 762 379	61 758 403	81 762 379
Other fee expenses	212 612 268	137 944 178	212 612 268	137 944 178
	1 488 256 473	**1 015 666 516**	**1 488 243 937**	**1 015 645 417**
	1 775 742 460	**2 341 853 874**	**1 775 754 996**	**2 341 875 061**

9.6 Income from financial transactions

This line item is broken down as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Gains on financial transactions				
Exchange transactions	143 501 786 072	141 753 583 516	143 501 786 072	141 753 583 353
Other Operations	98 553 006	56 345 051	98 553 006	56 345 051
	143 600 339 078	**141 809 928 567**	**143 600 339 078**	**141 809 928 404**
Losses on financial transactions				
Exchange transactions	141 004 291 085	139 658 187 260	141 004 290 761	139 658 187 260
Other Operations	958 757	800 558	958 757	800 558
	141 005 249 842	**139 658 987 818**	**141 005 249 518**	**139 658 987 818**
Income from financial transactions	**2 595 089 236**	**2 150 940 749**	**2 595 089 560**	**2 150 940 586**

9.7 Other operating income

This line item is broken down as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Other operating income				
Office costs	277 861 443	272 097 298	277 861 443	272 097 298
Issuing statements, cheques	13 807 892	9 437 078	13 807 892	9 437 078
Cheque book/savings book	178 280 011	144 571 777	178 280 011	144 571 777
Cost reimbursement	141 332 596	118 347 794	141 332 596	118 347 794
Other operating income	847 838 019	1 048 017 452	807 514 858	981 615 555
	1 459 119 961	**1 592 471 399**	**1 418 796 800**	**1 526 069 502**
Other operating costs				
Subscriptions and donations	7 158 219	3 523 189	7 158 219	3 523 189
Tax and rates	14 020 780	13 907 129	11 048 780	10 501 115
Losses on other tangible assets	81 659 803	3 772 830	81 659 803	3 772 830
Closing accounts	227 960 694	259 376 233	227 960 694	259 376 233
Other operating costs	266 106 365	1 261 785 621	261 935 870	1 261 679 304
	596 905 861	**1 542 365 002**	**589 763 366**	**1 538 852 671**
	862 214 100	**50 106 397**	**829 033 434**	**(12 783 169)**

Other operating income - The amount of 847,838,019.00 MT (2022: 1,048,017,452.00 MT) in the 'Other operating income' line includes income generated by investment properties in the amount of 44,423,102.00 MT (2022: 71,662,580.00 MT) and recoveries of uncollectible interest and interest on arrears in the order of 373,365,455.00 MT (2022: 368,907,866.00 MT).

Other operating expenses - The variation of 999,743,434.00 MT in the 'Other operating expenses' line item was essentially due to the negative extraordinary effect in 2022, associated with the return of commissions to customers for the years 2018 to 2022, as well as the record relating to the payment of IRPC withholding tax and VAT on VISA and Mastercard contracts for the years 2017 to 2021.

9.8 Staff costs

This line item is broken down as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Remuneration of management and supervisory bodies	280 375 536	275 854 624	280 375 536	275 854 624
Remuneration of employees	4 264 814 632	3 744 759 926	4 261 761 824	3 741 797 015
Mandatory Social Charges	181 704 729	171 445 328	181 550 879	171 312 676
Optional Social Charges	292 530 014	274 316 418	292 530 014	274 316 418
Liabilities with established benefit plans	29 519 311	28 844 000	29 519 311	28 844 000
Other staff costs	95 701 868	87 792 502	94 908 413	87 309 489
	5 144 646 090	**4 583 012 798**	**5 140 645 977**	**4 579 434 222**

In the periods under review, the remuneration line item includes the following costs relating to remuneration paid to members of the Bank's Board of Directors:

- 180,076,699.00 MT (2022: 175,207,148.00 MT) relating to monthly salaries; and
- 100,298,838.00 MT (2022: 100,647,476.00 MT) relating to other remuneration.

The Bank's social security contribution amounts to 170,323,056.00 MT (2022: 160,611,351.00 MT). Liabilities for established benefit plans represent a charge for the Bank and are a reinforcement of past service liabilities.

The amount of pension liabilities is made up of (i) current service costs of 2,060,000.00 MT (2022: 5,996,000.00 MT) and (ii) interest costs of 27,459,000.00 MT (2022: 22,848,000.00 MT).

Permanent Staff

In 2023 and 2022, the average number of permanent staff at the end of the period was as follows:

	Dec-23		Dec-22	
	Average for the period	End of period	Average for the period	End of period
Senior managers	128	131	121	127
Other managers	1 412	1 464	1 366	1 358
Administrative staff	1 143	1 107	1 219	1 190
Other employees	35	32	40	37
	2 718	**2 734**	**2 746**	**2 712**

9.9 Other administrative expenditure

This line item is broken down as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Third-party supplies				
Water, energy and fuel	211 652 872	193 502 503	211 613 465	193 361 003
Consumables	196 790 844	124 864 237	196 790 844	124 864 237
Other third-party supplies	22 538 687	53 478 274	22 538 687	53 478 274
	430 982 403	**371 845 014**	**430 942 996**	**371 703 514**
Third-party services				
IT	379 707 002	265 264 415	379 650 411	265 204 629
Travel, accommodation and representation	90 200 263	78 635 051	90 200 263	78 635 051
Advertising and publishing	58 785 195	94 606 581	58 785 195	94 606 581
Maintenance and repair	353 574 226	376 278 436	353 574 226	376 278 436
Consultancy services	336 319 920	268 635 172	334 887 062	266 758 526
Cleaning services	60 771 959	62 500 556	60 771 959	62 500 556
Rents and leases	72 133 117	62 714 133	71 957 082	62 198 488
Communications and office costs	686 398 657	1 049 424 339	686 398 657	1 049 424 339
Security and Surveillance	147 708 999	143 720 790	147 708 999	143 720 790
Fund transfer	106 650 054	97 144 348	106 650 054	97 144 348
Training	26 582 389	32 146 784	26 582 389	32 146 784
Insurance	57 977 190	50 745 806	57 977 190	50 745 806
Recruitment	536 342	122 801	536 342	122 801
Database	40 427 816	39 636 362	40 427 816	39 636 362
Other Third-Party Services	179 001 769	108 577 468	178 744 287	108 107 974
	2 596 774 898	**2 730 153 042**	**2 594 851 932**	**2 727 231 471**
	3 027 757 301	**3 101 998 056**	**3 025 794 928**	**3 098 934 985**

The external auditors did not provide the Bank with any services that could lead to a conflict of interest or impair the quality of the audit work, namely in areas related to financial information technology, internal auditing, valuations, legal defence and recruitment, among others.

The amount of 71,957,082.00 MT (2022: 62,198,488.00 MT) recorded under 'Rents and leases' includes short-term leases and low-value leases, which totalled 34,880,359.00 MT (2022: 23,260,552.00 MT).

Third-party services:

IT - The positive variation in this line item compared to the same period in the previous year is essentially due to the renewal of existing software and the acquisition of new software.

Communications and office costs - The reduction in this line item is due to:

- ✓ Reduction in SMS traffic costs due to the temporary unavailability on Euronet's platform of some services/channels (Mobile USSD, Mobile Account, etc.); and

✓ Payment of IRPC in the amount of 175 million meticais in 2022, relating to the costs of connection services to international networks

9.10 Impairment of assets

Operations in the Group's impairment during the periods ended 31 December 2023 and 31 December 2022 were as follows:

	Balance as at 31.12.2022	Constitutions\ Reinforcements	Reversals	Uses
Impairment of loans and advances to customers (Note 9.17)	**7 568 598 045**	6 043 734 286	(4 275 967 987)	(3 095 860 059)
Impairment of investments in credit institutions (Note 9.15)	**563 895**	618 846	(755 938)	-
Impairment of financial assets (Note 9.16)	**231 892 573**	69 683 800	(11 834 118)	-
Impairment of tangible assets (Note 9.21)				
Properties in use	**97 493 245**	55 138 586	(481 736)	-
Impairment of non-current assets held for sale (Note 9.19)				
Properties	**1 226 703 799**	253 818 167	(28 538 252)	(81 323 016)
Impairment of investment properties (Note 9.20)	**43 163 826**	-	-	-
Impairment of intangible assets (Note 9.22)	**17 172 070**	193 842	-	-
Impairment of other assets (Note 9.24)	**741 740 617**	850 441 861	(41 782 339)	(290 648 683)
	9 927 328 070	**7 273 629 388**	**(4 359 360 370)**	**(3 467 831 758)**

	Exchange rate difference	Balance as at 31.12.2023	Credit recovery and interest
Impairment of loans and advances to customers (Note 9.17)	287 172 691	**6 527 676 976**	(1 635 018 874)
Impairment of investments in credit institutions (Note 9.15)	30 834	**457 637**	-
Impairment of financial assets (Note 9.16)	2 110 329	**291 852 584**	-
Impairment of tangible assets (Note 9.21)			-
Properties in use	-	**152 150 095**	-
Impairment of non-current assets held for sale (Note 9.19)			-
Properties	-	**1 370 660 698**	-
Impairment of investment properties (Note 9.20)	-	**43 163 826**	-
Impairment of intangible assets (Note 9.22)	-	**17 365 912**	-
Impairment of other assets (Note 9.24)	-	**1 259 751 456**	-
	289 313 854	**9 663 079 184**	**(1 635 018 874)**

	Balance as at 31.12.2021	Constitutions\ Reinforcements	Reversals	Uses
Impairment of loans and advances to customers (Note 9.17)	**9 392 352 303**	3 001 350 148	(2 981 583 461)	(1 843 520 945)
Impairment of investments in credit institutions (Note 9.15)	**439 697**	241 372	(142 971)	(222 497)
Impairment of financial assets (Note 9.16)	**192 886 055**	51 506 928	(9 218 414)	(3 281 996)
Impairment of tangible assets (Note 9.21)				
Properties in use	**472 454 753**	-	(357 723 260)	(17 238 248)
Impairment of non-current assets held for sale (Note 9.19)				
Properties	**514 887 907**	727 087 800	(4 972 657)	(10 299 251)
Impairment of investment properties (Note 9.20)	**-**	43 163 826	-	-
Impairment of intangible assets (Note 9.22)	**12 994 729**	4 177 341	-	-
Impairment of other assets (Note 9.24)	**921 499 496**	123 222 944	(245 886 419)	(57 095 404)
	11 507 514 940	**3 950 750 359**	**(3 599 527 182)**	**(1 931 658 341)**

	Adjustments	Balance as at 31.12.2022	Credit recovery and interest
Impairment of loans and advances to customers (Note 9.17)	-	**7 568 598 045**	(106 731 817)
Impairment of investments in credit institutions (Note 9.15)	248 294	**563 895**	-
Impairment of financial assets (Note 9.16)	-	**231 892 573**	-
Impairment of tangible assets (Note 9.21)			-
Properties in use	-	**97 493 245**	-
Impairment of non-current assets held for sale (Note 9.19)			-
Properties	-	**1 226 703 799**	-
Impairment of investment properties (Note 9.20)	-	**43 163 826**	-
Impairment of intangible assets (Note 9.22)	-	**17 172 070**	-
Impairment of other assets (Note 9.24)	-	**741 740 617**	-
	248 294	**9 927 328 070**	**(106 731 817)**

Operations in the Bank's impairment during the periods ended 31 December 2023 and 31 December 2022 were as follows:

	Balance as at 31.12.2022	Constitutions\ Reinforcements	Reversals	Uses
Impairment of loans and advances to customers (Note 9.17)	**7 568 598 045**	6 043 734 286	(4 275 967 987)	(3 095 860 059)
Impairment of investments in credit institutions (Note 9.15)	**563 895**	618 846	(755 938)	-
Impairment of financial assets (Note 9.16)	**231 892 573**	69 683 800	(11 834 118)	-
Impairment of tangible assets (Note 9.21)				
Properties in use	**97 493 245**	55 138 586	(481 736)	-
Impairment of non-current assets held for sale (Note 9.19)				
Properties	**1 226 703 799**	253 818 167	(28 538 252)	(81 323 016)
Impairment of investment properties (Note 9.20)	**43 163 826**	-	-	-
Impairment of intangible assets (Note 9.22)	**17 172 070**	193 842	-	-
Impairment of other assets (Note 9.24)	**737 134 327**	850 441 861	(41 782 339)	(290 648 683)
	9 922 721 780	**7 273 629 388**	**(4 359 360 370)**	**(3 467 831 758)**

	Exchange rate difference	Balance as at 31.12.2023	Credit recovery and interest
Impairment of loans and advances to customers (Note 9.17)	287 172 691	**6 527 676 976**	(1 635 018 874)
Impairment of investments in credit institutions (Note 9.15)	30 834	**457 637**	-
Impairment of financial assets (Note 9.16)	2 110 329	**291 852 584**	-
Impairment of tangible assets (Note 9.21)			
Properties in use	-	**152 150 095**	-
Impairment of non-current assets held for sale (Note 9.19)			
Properties	-	**1 370 660 698**	-
Impairment of investment properties (Note 9.20)	-	**43 163 826**	-
Impairment of intangible assets (Note 9.22)	-	**17 365 912**	-
Impairment of other assets (Note 9.24)	-	**1 255 145 166**	-
	289 313 854	**9 658 472 894**	**(1 635 018 874)**

	Balance as at 31.12.2021	Constitutions\ Reinforcements	Reversals	Uses
Impairment of loans and advances to customers (Note 9.17)	**9 392 352 303**	3 001 350 148	(2 981 583 461)	(1 843 520 945)
Impairment of investments in credit institutions (Note 9.15)	**439 697**	241 372	(142 971)	(222 497)
Impairment of financial assets (Note 9.16)	**192 886 055**	51 506 928	(9 218 414)	(3 281 996)
Impairment of tangible assets (Note 9.21)				
Properties in use	**472 454 753**	-	(357 723 260)	(17 238 248)
Impairment of non-current assets held for sale (Note 9.19)				
Properties	**514 887 907**	727 087 800	(4 972 657)	(10 299 251)
Impairment of investment properties (Note 9.20)	**-**	43 163 826	-	-
Impairment of intangible assets (Note 9.22)	**12 994 729**	4 177 341	-	-
Impairment of other assets (Note 9.24)	**916 893 206**	123 222 944	(245 886 419)	(57 095 404)
	11 502 908 650	**3 950 750 359**	**(3 599 527 182)**	**(1 931 658 341)**

	Adjustments	Balance as at 31.12.2022	Credit recovery and interest
Impairment of loans and advances to customers (Note 9.17)	-	**7 568 598 045**	(106 731 817)
Impairment of investments in credit institutions (Note 9.15)	248 294	**563 895**	-
Impairment of financial assets (Note 9.16)	-	**231 892 573**	-
Impairment of tangible assets (Note 9.21)			
Properties in use	-	**97 493 245**	-
Impairment of non-current assets held for sale (Note 9.19)			
Properties	-	**1 226 703 799**	-
Impairment of investment properties (Note 9.20)	-	**43 163 826**	-
Impairment of intangible assets (Note 9.22)	-	**17 172 070**	-
Impairment of other assets (Note 9.24)	-	**737 134 327**	-
	248 294	**9 922 721 780**	**(106 731 817)**

It should be noted that the amount of 3,095,860,059.00 MT (2022: 1,843,520,945.00 MT) of credit impairment utilisations refers to credit write-offs made during the period.

Credit recovery

The Bank received the amount of 1,011,938,400 MT in 2023, relating to the recovery of a credit operation, by agreement between the parties. This operation had already been written off against assets. This amount is recognised under impairment of loans and advances to customers (reversals).

9.11 Tax expenditure

As at 31 December 2023 and 2022, the line item 'Income tax for the year' was detailed as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Taxes:				
Current tax				
Tax estimate	658 184 621	997 477 657	651 680 918	980 858 655
Withholding tax (20%)	2 010 711 634	1 857 396 874	2 010 711 634	1 857 396 874
Tax for previous years	293 076 523	32 000	293 046 523	-
	2 961 972 778	**2 854 906 531**	**2 955 439 075**	**2 838 255 529**
Deferred tax (9.23/ 9.29)	**(1 100 191 031)**	**(104 616)**	**(1 100 090 454)**	**-**
	1 861 781 747	**2 854 801 915**	**1 855 348 621**	**2 838 255 529**

The reconciliation of the effective tax rate for the years ended 31 December 2023 and 2022 is as follows:

	Bank	
	Dec-23	Dec-22
Profit before tax (RAI)	**10 036 782 709**	**10 916 367 438**
Tax at the nominal rate (32%)	**3 211 770 467**	**3 493 237 580**
Tax corrections		
Non-deductible provisions and impairment losses	691 535 991	565 035 518
Impairment of tangible investment assets	72 089 573	231 076 846
Others not accepted for tax purposes	169 347 637	117 851 595
Replacement of taxed provisions	(88 033 272)	(292 978 311)
Net interest on BT, OT and liquidity swaps	(3 405 029 477)	(3 133 364 573)
Current tax	**651 680 918**	**980 858 655**
Withholding tax (20%)	**2 010 711 634**	**1 857 396 874**
Tax for previous years	**293 046 523**	**-**
	2 955 439 075	**2 838 255 529**
Effective tax rate	**29,45%**	**26,00%**

9.12 Basic and diluted earnings per share

This line item is broken down as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Profit for the year (A)	8 202 276 719	8 121 750 429	8 181 434 088	8 078 111 909
Total number of shares (B)	1 000 000 000	1 000 000 000	1 000 000 000	1 000 000 000
Number of own shares (C)	27 806 020	27 806 020	27 806 020	27 806 020
Average number of shares excluding treasury shares (B-C)	972 193 980	972 193 980	972 193 980	972 193 980
Basic earnings per share [A/(B-C)]	**8,44**	**8,35**	**8,42**	**8,31**
Diluted earnings per share [A/(B-C)]	**8,44**	**8,35**	**8,42**	**8,31**

Basic and diluted earnings per share are obtained by dividing the profit for the year by the average number of shares (total number of shares excluding treasury shares). In the financial year there were no convertible instruments, so diluted earnings are the same as basic and diluted earnings per share.

The Bank acquired shares from small shareholders who expressed their interest in selling at the price set by the Bank during 2022. There were no acquisitions on these terms in 2023.

9.13 Cash and cash equivalents at central banks

This line item is broken down as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Cash	6 530 179 557	7 448 602 719	6 530 178 751	7 448 601 913
Deposits at the Bank of Mozambique	55 137 106 969	15 172 309 295	55 137 106 969	15 172 309 295
	61 667 286 526	**22 620 912 014**	**61 667 285 720**	**22 620 911 208**

The line item Deposits at the Bank of Mozambique includes deposits set up to fulfil the requirements for the constitution of mandatory reserves. The scheme in force as at 31 December 2023, as set out in Bank of Mozambique Notice 08/GBM/2019, determines the maintenance of deposits in domestic currency with the Central Bank, at a coefficient of 39.00%, and 39.50% in foreign currency, on the average balance of residents' deposits, non-residents' deposits and state deposits. These compulsory deposits are not remunerated.

9.14 Loans and advances to credit institutions

This line item is broken down as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Demand deposits and other cash and cash equivalents				
In credit institutions in the country	3 398	3 723	-	-
In foreign credit institutions	2 683 751 885	3 758 195 142	2 683 751 885	3 758 195 142
	2 683 755 283	**3 758 198 865**	**2 683 751 885**	**3 758 195 142**
Cheques pending collection				
In credit institutions in the country	253 625 730	165 037 155	253 625 730	165 037 155
In foreign credit institutions	28 976 789	29 290 259	28 976 789	29 290 259
	282 602 519	**194 327 414**	**282 602 519**	**194 327 414**
	2 966 357 802	**3 952 526 279**	**2 966 354 404**	**3 952 522 556**

9.15 Investments at credit institutions

This line item is broken down as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Investments in credit institutions in the country				
Interbank money market	12 500 000 400	29 200 002 855	12 500 000 400	29 200 002 855
Loans - short-term	853 346	1 154 726	853 346	1 154 726
Loans - medium- and long-term	10 065 650	4 677 304	10 065 650	4 677 304
Deposits	169 335 000	169 255 500	169 335 000	169 255 500
Interest receivable	30 497 452	107 835 426	30 497 452	107 835 426
	12 710 751 848	**29 482 925 811**	**12 710 751 848**	**29 482 925 811**
Investments at foreign credit institutions				
Deposits	9 939 512 000	16 898 892 422	9 939 512 000	16 898 892 422
Interest receivable	12 063 053	86 671 335	12 063 053	86 671 335
	9 951 575 053	**16 985 563 757**	**9 951 575 053**	**16 985 563 757**
Impairment (Note 9.10)	**(457 637)**	**(563 895)**	**(457 637)**	**(563 895)**
	22 661 869 264	**46 467 925 673**	**22 661 869 264**	**46 467 925 673**

At the balance sheet date, the maturity profile of investments in credit institutions was as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Up to 1 month	22 652 261 193	40 536 963 000	22 652 261 193	40 536 963 000
Between 1 and 3 months	-	5 740 712 823	-	5 740 712 823
Between 3 months and 1 year	-	186 131 478	-	186 131 478
Between 1 and 3 years	2 627 574	3 970 290	2 627 574	3 970 290
More than 3 years	7 438 134	711 977	7 438 134	711 977
	22 662 326 901	**46 468 489 568**	**22 662 326 901**	**46 468 489 568**
Impairment (Note 9.10)	**(457 637)**	**(563 895)**	**(457 637)**	**(563 895)**
	22 661 869 264	**46 467 925 673**	**22 661 869 264**	**46 467 925 673**

Source: Reconciliations Unit

Below is a summary of the weighted average rates of return on investments in credit institutions by type of investment:

Average Remuneration Rate	
CI applications in the country	**Interest rates**
Deposits	8,13
Loans - short-term	39,41
Loans - medium- and long-term	24,39
Interbank money market	17,25
CI applications abroad	
Deposits	5,39

9.16 Financial assets at amortised cost / at fair value through other comprehensive income

In accordance with IFRS 9, the Bank categorises its securities portfolio into two groups:

- ✓ Financial assets at amortised cost; and
- ✓ Financial assets at fair value through other comprehensive income.

In the year under review, the line item of financial assets at amortised cost for the Group and the Bank is as follows:

Financial assets at amortised cost

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Debt instruments				
Issued by national organisations				
Treasury Bonds	16 771 650 488	14 259 812 660	16 771 650 488	14 259 812 660
Treasury Bills	21 263 249 530	30 647 594 749	21 263 249 530	30 647 594 749
Issued by foreign entities				
Bonds FAST FERRY	49 778 917	48 038 592	49 778 917	48 038 592
	38 084 678 935	**44 955 446 001**	**38 084 678 935**	**44 955 446 001**
Interest receivable	**1 856 773 674**	**1 892 579 218**	**1 856 773 674**	**1 892 579 218**
Impairment (Note 9.10)	**(269 871 509)**	**(231 892 573)**	**(269 871 509)**	**(231 892 573)**
	39 671 581 100	**46 616 132 646**	**39 671 581 100**	**46 616 132 646**

Source: Reconciliations Unit

In the year under review, the line item of financial assets at fair value through other comprehensive income for the Group and the Bank is as follows:

Financial assets at fair value through other comprehensive income

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Debt instruments				
Issued by national organisations				
Treasury Bonds	1 765 648 806	505 310 152	1 765 648 806	505 310 152
Treasury Bills	1 932 824 557	6 161 189 142	1 932 824 557	6 161 189 142
	3 698 473 363	**6 666 499 294**	**3 698 473 363**	**6 666 499 294**
Other securities (shares)				
EMOSE	254 157 780	254 157 780	254 157 780	254 157 780
SIMO	97 164 366	97 164 366	97 164 366	97 164 366
GCI	233 699	233 699	233 699	233 699
	351 555 845	**351 555 845**	**351 555 845**	**351 555 845**
Fair Value	**(92 108 871)**	**(180 207 596)**	**(92 108 871,00)**	**(180 207 596)**
Interest receivable	**271 447 422**	**319 031 049**	**271 447 422**	**319 031 049**
Impairment (Note 9.10)	**(21 981 075)**	**-**	**(21 981 075)**	**-**
	4 207 386 684	**7 156 878 592**	**4 207 386 684**	**7 156 878 592**

Source: Reconciliations Unit

The breakdown of capital instruments is as follows:

EMOSE shares - The bank holds 12,707,889 shares in EMOSE - Empresa Moçambicana de Seguros, which are classified at fair value through other comprehensive income, whose fair value as at 31/12/2023 was 190,618,335.00 MT, with these shares generating a dividend to the bank in the order of (2022: 12,645,387.00 MT).

SIMO shares - The Bank holds 971,643 shares in SIMO - Sociedade Interbancária de Moçambique, which are classified at fair value through other comprehensive income, whose fair value as at 31/12/2023 totalled 53,572,147.00 MT (2022: 28,008,806.00 MT);

GCI shares - The bank holds 18,899 shares in GCI - Sociedade Gestora de Capital de Risco, a Group company, which are classified at fair value through other comprehensive income, whose fair value as at 31/12/2023 was 233,699.00 MT, the same as at 31/12/2022;

The table below shows the weighted average rates of return on treasury bills and treasury bonds in 2023:

Description	2023
T-Bonds	18.74%
T-Bill	18.50%

Debt financial instruments are classified in stage 1 in both 2023 and 2022 for the purposes of calculating impairments.

Operations in the Group's financial assets during the years under review were as follows:

	Dec.22	Additions	Deductions	Joint Venture	Exchange rate difference	Dec.23
Financial assets at amortised cost						
Treasury Bonds	**14 854 501 353**	6 521 188 977	(3 729 277 643,00)	-	-	**17 646 412 687**
Treasury Bills	**31 936 387 619**	44 005 256 816	(53 707 801 739,00)	-	-	**22 233 842 696**
Bonds Fast Ferry	**57 136 247**	1 991 060	-	-	2 069 909	**61 197 216**
	46 848 025 219	**50 528 436 853**	**(57 437 079 382,00)**	**-**	**2 069 909**	**39 941 452 599**
Fair-value financial assets through other comprehensive income						
Treasury Bonds	**510 986 532**	1 700 016 649	(351 113 510,00)	29 567 578	-	**1 889 457 249**
Treasury Bills	**6 401 615 442**	9 593 839 924	(13 958 352 522,00)	58 383 585	-	**2 095 486 429**
Other securities (shares)	**244 276 618**	-	-	147 563	-	**244 424 181**
	7 156 878 592	**11 293 856 573**	**(14 309 466 032,00)**	**88 098 726**	**-**	**4 229 367 859**
	54 004 903 811	**61 822 293 426**	**(71 746 545 414,00)**	**88 098 726**	**2 069 909**	**44 170 820 458**

In terms of residual maturity, financial assets are distributed as follows:

Financial assets at amortised cost

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
1 month maturity	1 393 214 073	3 329 597 504	1 393 214 073	3 329 597 504
Maturity over 1 month < 6 months	15 659 013 931	18 462 959 489	15 659 013 931	18 462 959 489
Maturity over 6 months < 12 months	8 218 531 253	11 193 809 774	8 218 531 253	11 193 809 774
Maturity over 12 months	14 670 693 350	13 861 658 452	14 670 693 350	13 861 658 452
	39 941 452 607	**46 848 025 219**	**39 941 452 607**	**46 848 025 219**
Impairment (Note 9.10)	**(269 871 507)**	**(231 892 573)**	**(269 871 507)**	**(231 892 573)**
	39 671 581 100	**46 616 132 646**	**39 671 581 100**	**46 616 132 646**

Financial assets at fair value through other comprehensive income

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
1-month maturity	311 113 525	279 641 279	311 113 525	279 641 279
Maturity over 1 month < 6 months	1 409 726 379	3 822 552 288	1 409 726 379	3 822 552 288
Maturity over 6 months < 12 months	627 704 859	2 355 367 196	627 704 859	2 355 367 196
Maturity over 12 months	1 880 822 996	699 317 829	1 880 822 996	699 317 829
	4 229 367 759	**7 156 878 592**	**4 229 367 759**	**7 156 878 592**
Impairment (Note 9.10)	**(21 981 075)**	**-**	**(21 981 075)**	**-**
	4 207 386 684	**7 156 878 592**	**4 207 386 684**	**7 156 878 592**

9.17 Loans and advances to customers

In consolidated terms, loans and advances to customers are as follows:

	Group					
	Dec-23			Dec-22		
	Domestic Currency	Foreign Currency	Total	Domestic Currency	Foreign Currency	Total
Outstanding loans						
Companies						
Loans	6 387 961 371	10 195 539 609	16 583 500 980	10 136 212 530	11 183 541 527	21 319 754 057
Current account credits	1 266 753 139	1 099 812 043	2 366 565 182	1 939 515 764	1 059 599 717	2 999 115 481
Financial leasing - furniture	511 072 161	-	511 072 161	700 930 400	-	700 930 400
Financial leasing - real estate	2 386 993 835	-	2 386 993 835	2 552 848 424	-	2 552 848 424
Credit cards	139 149 743	-	139 149 743	177 262 973	-	177 262 973
Discount on bills of exchange and promissory notes	187 974 159	19 553 400	207 527 559	258 656 800	47 583 150	306 239 950
Bank overdrafts	1 734 972 268	85 855	1 735 058 124	404 633 904	196 455 664	601 089 568
	12 614 876 676	**11 314 990 908**	**23 929 867 584**	**16 170 060 795**	**12 487 180 059**	**28 657 240 853**
Retail						
Housing	1 507 670 297	106 205 113	1 613 875 410	1 559 211 234	122 206 057	1 681 417 291
Consumption	33 294 089 624	9 025 879	33 303 115 504	24 747 365 764	7 305 301	24 754 671 065
Other loans	715 436 903	-	715 436 903	1 091 937 503	-	1 091 937 503
	35 517 196 824	**115 230 993**	**35 632 427 817**	**27 398 514 501**	**129 511 358**	**27 528 025 860**
	48 132 073 500	**11 430 221 900**	**59 562 295 401**	**43 568 575 296**	**12 616 691 417**	**56 185 266 713**
Interest receivable, net of deferred income	791 564 822	116 304 350	907 869 172	484 629 578	213 603 380	698 232 958
			60 470 164 573			**56 883 499 671**
Fees associated with amortised cost (net)	(57 115 566)	(19 655 381)	(76 770 947)	(68 755 286)	(26 352 462)	(95 107 748)
Overdue loans and interest	12 920 359 269	302 045 925	13 222 405 194	12 873 738 917	911 301 816	13 785 040 733
Impairment (Note 9.10)	-	-	(6 527 676 976)	6 459 467 673	1 109 130 372	(7 568 598 045)
			67 088 121 844			**63 004 834 611**

In individual terms, loans and advances to customers are as follows:

	Bank					
	Dec-23			Dec-22		
	Domestic Currency	Foreign Currency	Total	Domestic Currency	Foreign Currency	Total
Outstanding loans						
Companies						
Loans	6 387 961 371	10 195 539 609	16 583 500 980	10 136 212 530	11 183 541 527	21 319 754 057
Current account credits	1 388 427 308	1 099 812 043	2 488 239 351	2 083 149 358	1 059 599 717	3 142 749 075
Financial leasing - furniture	511 072 161	-	511 072 161	700 930 400	-	700 930 400
Financial leasing - real estate	2 386 993 835	-	2 386 993 835	2 552 848 424	-	2 552 848 424
Credit cards	139 149 743	-	139 149 743	177 262 973	-	177 262 973
Discount on bills of exchange and promissory notes	187 974 159	19 553 400	207 527 559	258 656 800	47 583 150	306 239 950
Bank overdrafts	1 734 972 268	85 855	1 735 058 124	404 633 904	196 455 664	601 089 568
	12 736 550 845	**11 314 990 908**	**24 051 541 753**	**16 313 694 389**	**12 487 180 058**	**28 800 874 447**
Retail						
Housing	1 507 670 297	106 205 113	1 613 875 410	1 559 211 234	122 206 057	1 681 417 291
Consumption	33 294 089 624	9 025 879	33 303 115 504	24 747 365 764	7 305 301	24 754 671 065
Other loans	715 436 903	-	715 436 903	1 091 937 503	-	1 091 937 503
	35 517 196 824	**115 230 993**	**35 632 427 817**	**27 398 514 501**	**129 511 358**	**27 528 025 859**
	48 253 747 669	**11 430 221 900**	**59 683 969 570**	**43 712 208 890**	**12 616 691 416**	**56 328 900 306**
Interest receivable, net of deferred income	792 733 653	116 304 350	909 038 003	486 359 287	213 603 380	699 962 667
			60 593 007 573			**57 028 862 973**
Fees associated with amortised cost (net)	(57 115 566)	(19 655 381)	(76 770 947)	(68 755 285)	(26 352 462)	(95 107 747)
Overdue loans and interest	12 920 359 269	302 045 925	13 222 405 194	12 873 738 917	911 301 816	13 785 040 733
Impairment (Note 9.10)			(6 527 676 976)			(7 568 598 045)
			67 210 964 844			**63 150 197 914**

As at 31 December 2023 and 2022, the sectoral structure of the Bank's loan portfolio is as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Agriculture and Fishing	1 042 250 491	1 250 650 140	1 042 250 491	1 250 650 140
Industry	1 378 648 672	1 163 624 460	1 378 648 672	1 163 624 460
Energy	1 769 392 850	2 366 865 384	1 769 392 850	2 366 865 384
Construction	4 413 719 380	5 665 352 642	4 413 719 380	5 665 352 642
Hospitality and Tourism	1 017 528 704	1 261 944 666	1 017 528 704	1 261 944 666
Trade and Services	6 892 105 567	9 521 093 300	6 892 105 567	9 521 093 300
Transportation	10 567 927 575	10 435 127 234	10 567 927 575	10 435 127 234
Non-monetary Financial institutions	135 304 680	161 099 635	135 304 680	161 099 635
Retail	39 377 105 964	31 575 056 024	39 377 105 964	31 575 056 024
Other	6 190 716 711	6 466 471 692	6 312 390 880	6 610 105 286
	72 784 700 595	**69 867 285 177**	**72 906 374 764**	**70 010 918 771**
Interest receivable, net of deferred income	907 869 172	801 255 227	909 038 003	802 984 936
Fees associated with amortised cost (net)	(76 770 947)	(95 107 748)	(76 770 947)	(95 107 748)
Impairment (Note 9.10)	(6 527 676 976)	(7 568 598 045)	(6 527 676 976)	(7 568 598 045)
	67 088 121 844	**63 004 834 611**	**67 210 964 844**	**63 150 197 914**

As at 31 December 2023 and 2022, the residual maturity of outstanding loans, including interest already accrued, was as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Up to three months	1 866 726 919	9 541 671 981	1 989 569 919	9 687 035 284
More than three months and less than one year	5 808 134 451	10 493 490 699	5 808 134 451	10 493 490 699
More than one year and less than five years	34 085 735 293	28 177 217 350	34 085 735 293	28 177 217 350
More than five years	18 709 567 910	8 671 119 640	18 709 567 910	8 671 119 640
	60 470 164 573	**56 883 499 670**	**60 593 007 573**	**57 028 862 973**

In the same period, the ageing of loans and accrued interest had the following structure:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Up to three months	5 170 846 843	3 565 208 269	5 170 846 843	3 565 208 269
Three to six months	293 587 638	468 999 600	293 587 638	468 999 600
From six months to one year	546 660 129	1 129 675 723	546 660 129	1 129 675 723
One to three years	1 167 464 555	2 183 753 112	1 167 464 555	2 183 753 112
More than three years	6 043 846 029	6 437 404 029	6 043 846 029	6 437 404 029
	13 222 405 194	**13 785 040 733**	**13 222 405 194**	**13 785 040 733**

9.18 Investments in subsidiaries

As at 31 December 2023 and 2022, the financial information of the subsidiaries is as follows:

		Group				Bank			
		Dec-23		Dec-22		Dec-23		Dec-22	
	Type	Share (%)	Value (MZN	Share (%)	Value (MZN	Share (%)	Value (MZN	Share (%)	Value (MZN
Subsidiary									
BPI MOZAMBIQUE	Subsidiary	100,00%	59	100,00%	59	100,00%	59	100,00%	59
IMOBCI, Lda	Subsidiary	10,00%	460 000	10,00%	460 000	10,00%	460 000	10,00%	460 000
			460 059		**460 059**		**460 059**		**460 059**
Impairment			-		-		-		-
			460 059		**460 059**		**460 059**		**460 059**
Consolidation adjustments			(460 059)		(460 059)		(460 059)		(460 059)
			-		-		-		-

The consolidation adjustments mentioned above refer to the cancellation of intra-group balances between BCI and IMOBCI, given that BPI Mozambique is no longer active.

Although the Bank's stake in IMOBCI is 10%, it has control over this entity through exposure to and rights over variable returns through its relationship and the ability to affect these returns through the power it wields, which, in accordance with IFRS 10, obliges it to consolidate this entity using the full consolidation method and to consider it as a subsidiary.

Below is a brief description of the subsidiary companies:

IMOBCI, limitada, incorporated on 28 February 1997, with registered offices at Avenida 25 de Setembro, nº1465, Maputo, Mozambique. IMOBCI's main object involves managing real estate investments, in all its forms, namely the realising urbanisations, allotments and real estate developments, the purchase, sale, construction, maintenance and restoration of real estate, administering and operating any real estate, measuring and commercialising real estate and carrying out studies, consultancy and the provision of related services.

In terms of the 2023 financial year, IMOBCI had:

Line items:	Dec-23	Dec-22
Net income for the year	12 676 382	35 315 379
Total Current and Non-Current Assets	581 193 497	640 036 270
Total Current and Non-Current Liabilities	483 392 060	554 911 213

BPI Moçambique, Sociedade de Investimento, S.A. is a limited liability company, incorporated on 22 July 1999 as BPI Dealer - Sociedade Financeira de Corretagem (Moçambique), SA, for an indefinite period, and transformed into an investment company on 12 July 2013, whose activity began on 17 April 2014, after approval by the Bank of Mozambique, and has its registered office in Maputo, at Rua dos Desportistas 833, Edifício JAT V - 1, 1ºandar in Maputo.

The company is currently out of business and is in the process of merging with BCI.

In the 2023 financial year, BPI Mozambique had:

Lines	Dec-23	Dec-22
Net income for the year	(244 049)	(254 145)
Total current and non-current assets	42 846 687	42 851 202
Total current and non-current liabilities	69 815 560	69 459 560

9.19 Non-current assets held for sale

This line item includes properties that were obtained through credit recovery under the conditions laid down in IFRS 5. As at 31 December 2023 and 2022, it was as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Gross Value				
Start of the period	2 410 899 094	1 692 768 434	2 410 899 094	1 692 768 434
Acquisitions	3 500 000	-	3 500 000	-
Disposals and write-offs	(415 190 510)	(54 243 621)	(415 190 510)	(54 243 621)
Reclassifications	453 593 895	772 374 281	453 593 895	772 374 281
	2 452 802 479	**2 410 899 094**	**2 452 802 479**	**2 410 899 094**
Impairment (Note 9.10)	(1 370 660 698)	(1 226 703 799)	(1 370 660 698)	(1 226 703 799)
Carrying amount	**1 082 141 781**	**1 184 195 295**	**1 082 141 781**	**1 184 195 295**

Source: DPC

Non-current assets held for sale by category are shown in the table below:

Type	Quantity	Balance Gross Value	Impairment balance	Balance Present Value
Agriculture	1	17 671 000	-5 091 550	12 579 450
Commercial building	3	338 487 028	-188 563 310	149 923 718
Multifunctional Building	5	478 529 158	-131 195 028	347 334 130
Factory	4	914 036 139	-717 348 179	196 687 960
Housing	25	308 181 771	-152 774 008	155 407 763
Hospitality	2	215 679 793	-115 887 662	99 792 131
Bakery	1	5 222 000	-2 804 000	2 418 000
Food	1	1 059 629	-	1 059 629
Land - urban	1	43 968 497	-43 968 497	-
Hospital Unit	1	129 967 464	-13 028 464	116 939 000
Total	**44**	**2 452 802 479**	**-1 370 660 698**	**1 082 141 781**

Sale is determined by specialised companies which issue valuation reports on the properties recorded in this category, and for this purpose the companies use the income method. The fair value for this type of property is classified in terms of hierarchy at level 3.

9.20 Investment properties

The Investment Properties line item showed the following evolution, in terms of gross values and depreciation, in the years ended 31 December 2023 and 2022:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Gross Value				
Start of the period	1 390 351 045	1 186 781 227	795 368 746	876 368 746
Acquisitions	-	284 569 818	-	-
Disposals and write-offs	(514 877 891)	(481 281 337)	(473 907 400)	(481 281 337)
Reclassifications	(11 635 000)	400 281 337	(11 635 000)	400 281 337
	863 838 154	**1 390 351 045**	**309 826 346**	**795 368 746**
Accumulated depreciation				
Start of the period	189 965 357	122 877 296	137 807 063	81 132 027
Depreciation for the period	49 478 275	69 653 060	37 731 922	59 240 035
Disposals and write-offs	(8 768 618)	(71 031 946)	(3 647 307)	(71 031 946)
Reclassifications	(127 774 050)	68 466 947	(127 774 050)	68 466 947
	102 900 964	**189 965 357**	**44 117 628**	**137 807 063**
Impairment (Note 9.10)	**(43 163 826)**	**(43 163 826)**	**(43 163 826)**	**(43 163 826)**
Carrying amount	**717 773 364**	**1 157 221 862**	**222 544 892**	**614 397 857**

Source: DPC

The Bank holds a portfolio of investment properties measured at cost, whose fair value as at 31 December 2023 stood at 376,704,737.00 MT for the Bank, with these properties having generated rental income in the order of 44,423,102.00 MT (2022: 71,662,580.00 MT).

Income from these properties is recognised under Other Operating Income line item (Note 9.7).

9.21 Property and equipment and assets under right of use

As at 31 December 2023 and 2022, this line item was broken down as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Properties in use	5 726 260 195	5 889 320 023	5 719 440 147	5 882 499 975
Assets under right of use	1 032 716 161	1 175 674 747	1 179 877 156	1 322 835 742
Equipment				
Furniture and materials	452 123 909	449 483 542	451 541 611	448 901 241
Machinery and tools	154 959 554	154 221 231	154 959 554	154 221 231
Computer equipment	2 125 011 116	1 781 352 152	2 122 275 404	1 778 616 440
Indoor facilities	12 320 903	12 320 903	12 320 903	12 320 903
Vehicles	500 455 210	489 104 901	489 514 918	478 164 609
Security equipment	353 314 977	338 858 352	353 314 977	338 858 352
Other equipment	1 684 693 309	1 568 282 364	1 683 025 133	1 566 614 191
Other Tangible Assets	12 564 881	12 564 881	12 564 881	12 564 881
Current assets	656 891 216	409 672 448	594 212 087	346 993 319
	12 711 311 431	**12 280 855 544**	**12 773 046 771**	**12 342 590 884**
Accumulated depreciation	(6 108 238 604)	(5 608 820 233)	(6 203 316 411)	(5 674 645 958)
Accumulated impairment (Note 9.10)	(152 150 095)	(97 493 245)	(152 150 095)	(97 493 245)
	6 450 922 732	**6 574 542 066**	**6 417 580 265**	**6 570 451 681**

Operations in the Group's property and equipment and assets under right of use during the financial years under review were as follows:

	Properties in use	Equipment	Other Tangible Assets	Current assets	Assets under right of use	Total
Cost						
1 January 2022	**5 904 355 883**	**4 881 782 876**	**12 564 881**	**673 636 114**	**1 236 354 707**	**12 708 694 461**
Acquisitions	-	-	-	431 520 149	-	431 520 149
Disposals and write-offs	(113 906 658)	(394 866 849)	-	(14 686 350)	-	(523 459 857)
Revaluations	-	(23 343 232)	-	(251 876 017)	(61 100 155)	(336 319 404)
Reclassifications	-	-	-	-	420 195	420 195
Transfers	98 870 798	330 050 650	-	(428 921 448)	-	-
31 December 2022	**5 889 320 023**	**4 793 623 445**	**12 564 881**	**409 672 448**	**1 175 674 747**	**12 280 855 544**
Acquisitions	-	-	-	863 833 121	-	863 833 121
Disposals and write-offs	(394 034 290)	(57 875 735)	-	-	-	(451 910 025)
Revaluations	-	-	-	-	(52 483 475)	(52 483 475)
Reclassifications	95 065 512	(935 555)	-	67 361 420	(90 475 111)	71 016 266
Transfers	135 908 950	548 066 823	-	(683 975 773)	-	-
31 December 2023	**5 726 260 195**	**5 282 878 978**	**12 564 881**	**656 891 216**	**1 032 716 161**	**12 711 311 431**
Accumulated depreciation and impairment						
1 January 2022	**1 596 434 814**	**3 728 027 135**	**-**	**21 736 034**	**481 074 091**	**5 827 272 074**
Depreciation for the year	127 835 420	393 096 561	-	-	199 358 471	720 290 452
Impairment for the period	(374 961 508)	-	-	-	-	(374 961 508)
Disposals and write-offs	(17 344 769)	(385 285 929)	-	-	-	(402 630 698)
Revaluations	-	-	-	-	133 358	133 358
Reclassifications	353 323	(7 746 932)	-	-	(56 396 591)	(63 790 200)
31 December 2022	**1 332 317 280**	**3 728 090 835**	**-**	**21 736 034**	**624 169 329**	**5 706 313 478**
Depreciation for the year	126 732 534	433 976 865	-	-	185 547 521	746 256 920
Impairment for the period	54 656 850	-	-	-	-	54 656 850
Disposals and write-offs	(93 570 866)	(49 672 216)	-	-	-	(143 243 082)
Revaluations	-	-	-	-	(52 483 475)	(52 483 475)
Reclassifications	5 483 994	(2 986 389)	-	-	(53 609 597)	(51 111 992)
31 December 2023	**1 425 619 792**	**4 109 409 095**	**-**	**21 736 034**	**703 623 778**	**6 260 388 699**
Net amount						
31 December 2023	**4 300 640 403**	**1 173 469 883**	**12 564 881**	**635 155 182**	**329 092 383**	**6 450 922 732**
31 December 2022	**4 557 002 743**	**1 065 532 610**	**12 564 881**	**387 936 414**	**551 505 418**	**6 574 542 066**

Operations in the Bank's property and equipment and assets under right of use during the financial years under review were as follows:

	Properties in use	Equipment	Other Tangible Assets	Current assets	Assets under right of use	Total
Cost						
1 January 2022	**5 897 535 835**	**4 865 856 398**	**12 564 881**	**308 956 985**	**1 439 641 852**	**12 524 555 951**
Acquisitions	-	-	-	733 520 149	-	733 520 149
Disposals and write-offs	(113 906 658)	(394 866 849)	-	(14 686 350)	-	(523 459 857)
Revaluations	-	(23 343 232)	-	(251 876 017)	(117 226 305)	(392 445 554)
Reclassifications	-	-	-	-	420 195	420 195
Transfers	98 870 798	330 050 650	-	(428 921 448)	-	-
31 December 2022	**5 882 499 975**	**4 777 696 967**	**12 564 881**	**346 993 319**	**1 322 835 742**	**12 342 590 884**
Acquisitions	-	-	-	863 833 121	-	863 833 121
Disposals and write-offs	(394 034 290)	(57 875 735)	-	-	-	(451 910 025)
Revaluations	-	-	-	-	(52 483 475)	(52 483 475)
Reclassifications	95 065 512	(935 555)	-	67 361 420	(90 475 111)	71 016 266
Transfers	135 908 950	548 066 823	-	(683 975 773)	-	-
31 December 2023	**5 719 440 147**	**5 266 952 500**	**12 564 881**	**594 212 087**	**1 179 877 156**	**12 773 046 771**
Accumulated depreciation and impairment						
1 January 2022	**1 599 917 214**	**3 724 002 499**	**-**	**-**	**581 531 836**	**5 905 451 549**
Depreciation for the year	127 835 420	392 903 048	-	-	228 790 670	749 529 138
Impairment for the period	(374 961 508)	-	-	-	-	(374 961 508)
Disposals and write-offs	(17 344 769)	(385 285 929)	-	-	-	(402 630 698)
Revaluations	-	-	-	-	133 358	133 358
Reclassifications	353 323	(7 746 021)	-	-	(97 989 938)	(105 382 636)
31 December 2022	**1 335 799 680**	**3 723 873 597**	**-**	**-**	**712 465 926**	**5 772 139 203**
Depreciation for the year	126 732 534	433 796 747	-	-	214 979 720	775 509 001
Impairment for the period	54 656 850	-	-	-	-	54 656 850
Disposals and write-offs	(93 570 866)	(49 672 215)	-	-	-	(143 243 081)
Revaluations	-	-	-	-	(52 483 475)	(52 483 475)
Reclassifications	5 483 994	(2 986 389)	-	-	(53 609 597)	(51 111 992)
31 December 2023	**1 429 102 192**	**4 105 011 740**	**-**	**-**	**821 352 574**	**6 355 466 506**
Net amount						
31 December 2023	**4 290 337 955**	**1 161 940 760**	**12 564 881**	**594 212 087**	**358 524 582**	**6 417 580 265**
31 December 2022	**4 546 700 295**	**1 053 823 370**	**12 564 881**	**346 993 319**	**610 369 816**	**6 570 451 681**

As a result of IFRS 16, in the financial year ending 31 December 2023, the Bank incurred interest on leases in the amount of 46,769,439.00 MT and depreciation for the year on assets under right of use in the amount of 214,979,720.00 MT.

Operations during the period in the Bank's lease liabilities (included in 'Other liabilities' in Note 9.31):

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
As at 1 January	629 069 655	860 345 353	701 616 902	984 797 515
Interest accrual	39 854 464	38 742 705	46 769 439	49 497 733
Payments	(293 680 169)	(270 018 403)	(333 078 157)	(332 678 346)
End of period	**375 243 950**	**629 069 655**	**415 308 184**	**701 616 902**

Current assets include work on owned and leased buildings totalling 102,338,263 MT (2022: 66,703,266 MT) and the acquisition of miscellaneous equipment not yet in use totalling 186,476,454 MT (2022: 62,483,798 MT).

9.22 Intangible Assets

This line item was broken down as follows as at 31 December 2023 and 31 December 2022:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Automatic data processing system	810 743 412	771 148 467	810 150 829	770 555 884
Other intangible assets	425 457 887	423 823 634	425 457 887	423 823 634
Current intangible assets	141 295 890	226 160 720	141 088 636	225 953 466
	1 377 497 189	**1 421 132 821**	**1 376 697 352**	**1 420 332 984**
Accumulated amortisation	(1 140 939 712)	(1 090 690 202)	(1 140 139 875)	(1 089 903 209)
Accumulated impairment (Note 9.10)	(17 365 912)	(17 172 070)	(17 365 912)	(17 172 070)
	219 191 565	**313 270 549**	**219 191 565**	**313 257 705**

Operations in the Group's intangible assets during the years under review were as follows:

	Automatic data processing system	Other intangible	Current intangible assets	Total
Cost				
1 January 2022	**771 148 467**	**423 823 634**	**183 202 041**	**1 378 174 142**
Acquisitions	-	-	73 848 777	73 848 777
Reclassifications	-	-	(30 890 098)	(30 890 098)
31 December 2022	**771 148 467**	**423 823 634**	**226 160 720**	**1 421 132 821**
Acquisitions	-	-	103 648 748	103 648 748
Reclassifications	35 774 785	1 634 253	(184 693 418)	(147 284 380)
Transfers	3 820 160	-	(3 820 160)	-
31 December 2023	**810 743 412**	**425 457 887**	**141 295 890**	**1 377 497 189**
Amortisation and impairment				
1 January 2022	**568 491 829**	**401 475 686**	**30 826**	**969 998 341**
Amortisation for the period	116 016 050	17 639 714	30 826	133 686 590
Impairment (Note 9.10)	4 177 341	-	-	4 177 341
31 December 2022	**688 685 220**	**419 115 400**	**61 652**	**1 107 862 272**
Amortisation for the period	36 761 798	2 658 232	12 844	39 432 874
Impairment (Note 9.10)	193 842	-	-	193 842
Reclassifications	10 816 636	-	-	10 816 636
31 December 2023	**736 457 496**	**421 773 632**	**74 496**	**1 158 305 624**
Net amount				
31 December 2023	**74 285 916**	**3 684 255**	**141 221 394**	**219 191 565**
31 December 2022	**82 463 247**	**4 708 234**	**226 099 068**	**313 270 549**

Operations in the Bank's intangible assets during the years under review were as follows:

	Automatic data processing system	Other intangible	Current intangible assets	Total
Cost				
1 January 2022	**770 555 884**	**423 823 634**	**182 994 786**	**1 377 374 304**
Acquisitions	-	-	73 848 778	73 848 778
Reclassifications	-	-	(30 890 098)	(30 890 098)
31 December 2022	**770 555 884**	**423 823 634**	**225 953 466**	**1 420 332 984**
Acquisitions	-	-	103 648 748	103 648 748
Reclassifications	35 774 785	1 634 253	(184 693 418)	(147 284 380)
Transfers	3 820 160	-	(3 820 160)	-
31 December 2023	**810 150 829**	**425 457 887**	**141 088 636**	**1 376 697 352**
Amortisation and impairment				
1 January 2022	**567 821 399**	**401 422 562**	**-**	**969 243 961**
Amortisation for the period	116 014 263	17 639 714	-	133 653 977
Impairment (Note 9.10)	4 177 341	-	-	4 177 341
31 December 2022	**688 013 003**	**419 062 276**	**-**	**1 107 075 279**
Amortisation for the period	36 761 798	2 658 232	-	39 420 030
Impairment (Note 9.10)	193 842	-	-	193 842
Reclassifications	10 816 636	-	-	10 816 636
31 December 2023	**735 785 279,00**	**421 720 508,00**	**-**	**1 157 505 787,00**
Net amount				
31 December 2023	**74 365 550**	**3 737 379**	**141 088 636**	**219 191 565**
31 December 2022	**82 542 881**	**4 761 358**	**225 953 466**	**313 257 705**

In the financial years under review, current intangible assets essentially refer to costs incurred in developing computer applications and development projects that had not yet started operating on those dates.

The Bank has 2 intangible assets with a perpetual life as at 31 December 2023. The annual impairment test was carried out in accordance with the assumptions established in the accounting standard, and the following conclusions were reached:

- One of the assets was impaired, which led to the impairment of 193,841.96 MT being reinforced, keeping it as an intangible asset with a perpetual useful life;
- For the remaining asset, it was concluded that it was not impaired and continued to fulfil the conditions to be classified as an intangible asset with a perpetual useful life.

During the annual impairment test in 2021, it was identified that one of the assets no longer met the initial conditions that had determined its registration as an intangible asset with a perpetual useful life, and consequently a useful life was established and the respective amortisation was triggered, starting in 2021 and ending in 2022. This asset is fully depreciated as at 31 December 2022.

9.23 Tax assets

This line item is broken down as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Current tax assets				
IRPC recoverable	678 682 319	-	671 114 526	-
Deferred tax assets				
Due to temporary differences	1 146 221 380	89 847 880	1 144 347 004	87 957 615
	1 824 903 699	**89 847 880**	**1 815 461 530**	**87 957 615**

The breakdown of the Group's and Bank's current tax assets was as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Current tax assets				
Tax withholdings	36 234 003	39 516 656	35 899 151	39 181 818
Payment on account	1 300 402 937	484 962 793	1 286 896 293	484 702 793
Special payment on account	230 000	9 507 211	-	-
Estimated payable tax (Note 9.11)	(658 184 621)	(533 986 660)	(651 680 918)	(523 884 611)
	678 682 319	**-**	**671 114 526**	**-**

Operations in the Group's deferred tax assets during the years under review were as follows:

Group						
		By results		By equity		
	Dec-22	Expenditure	Income	Increase	Decrease	Dec-23
Deferred tax assets						
Impairment for loans and advances to customers	-	-	496 453 508	-	-	496 453 508,00
Impairment of tangible assets	-	-	510 244 119	-	-	510 244 119
Fair value of financial assets	60 162 095	-	-	-	(17 843 716)	42 318 379
Impairment of financial assets	-	-	93 392 827	1 938 172	-	95 330 999
Remeasurement of established benefit plans	27 795 520	-	-	-	(27 795 520)	-
Tax losses	1 890 265	-	100 577	-	(116 467)	1 874 375
	89 847 880	**-**	**1 100 191 031**	**1 938 172**	**(45 755 703)**	**1 146 221 380**

		By results		By equity		
	Dec-21	Expenditure	Income	Increase	Decrease	Dec-22
Deferred tax assets						
Fair value of financial assets	21 082 163	-	-	39 079 932	-	60 162 095
Remeasurement of established benefit plans	27 795 520	-	-	-	-	27 795 520
Tax losses	1 785 650	-	104 615	-	-	1 890 265
	50 663 333	**-**	**104 615**	**39 079 932**	**-**	**89 847 880**

Operations in the Bank's deferred tax assets during the years under review were as follows:

Bank						
		By results		By equity		
	Dec-22	Expenditure	Income	Increase	Decrease	Dec-23
Deferred tax assets						
Impairment for loans and advances to customers	-	-	496 453 508	-	-	496 453 508
Impairment of tangible assets	-	-	510 244 119	-	-	510 244 119
Fair value of financial assets	60 162 095	-	-	-	(17 843 716)	42 318 379
Impairment of financial assets	-	-	93 392 827	1 938 172,00	-	95 330 999
Remeasurement of established benefit plans	27 795 520	-	-	-	(27 795 520)	-
	87 957 615	**-**	**1 100 090 454**	**1 938 172**	**(45 639 236)**	**1 144 347 005**

		By results		By equity		
	Dec-21	Expenditure	Income	Increase	Decrease	Dec-22
Deferred tax assets						
Fair value of financial assets	21 082 163	-	-	39 079 932	-	60 162 095
Remeasurement of established benefit plans	27 795 520	-	-	-	-	27 795 520
	48 877 683	**-**	**-**	**39 079 932**	**-**	**87 957 615**

To calculate deferred tax, the group applied a tax rate of 32%.

9.24 Other Assets

The other assets line item is as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Debtors and other investments				
Shareholder debtors (Note 9.36)	-	1 419 000 000	-	1 419 000 000
Debtors of group companies (Note 9.35)	-	-	418 649 808	448 013 044
Other resident debtors	1 448 685 653	1 280 634 821	1 436 634 415	1 272 530 838
Non-resident debtors	145 855 448	139 734 933	144 935 448	138 814 933
	1 594 541 101	**2 839 369 754**	**2 000 219 671**	**3 278 358 815**
Income receivable				
Other income receivable	47 037 727	53 198 815	47 037 727	53 198 815
	47 037 727	**53 198 815**	**47 037 727**	**53 198 815**
Deferred expenses				
Rents	14 374 764	22 754 306	8 115 818	7 120 526
Insurance	43 384 600	18 093 796	43 384 600	18 093 796
Other deferred expenses	336 987 671	148 982 028	336 987 671	148 982 028
	394 747 035	**189 830 130**	**388 488 089**	**174 196 350**
Other regularisation accounts				
Exchange transactions	396 017	-	396 017	-
Compensation accounts	268 372 661	221 585 012	268 372 661	221 585 012
Other internal accounts	265 050 414	451 879 829	264 045 414	450 874 829
	533 819 092	**673 464 841**	**532 814 092**	**672 459 841**
Impairment (Note 9.10)	**(1 259 751 456)**	**(741 740 617)**	**(1 255 145 166)**	**(737 134 327)**
	1 310 393 499	**3 014 122 923**	**1 713 414 413**	**3 441 079 494**

Other resident debtors - Under this line item, the Bank records the properties it has received in lieu of payment but which are not yet available for sale, debtors in litigation and bonds paid.

Other income receivable - The Bank records under Other income receivable the amounts of transactions with customers, both for services rendered and leasing.

Other expenses with deferred expenses - Under this line item, the Bank records other expenses with deferred expenses, namely the amounts of invoices whose cost refers to more than one period (month), to recognise the cost in the period in which it refers, for example, the invoices associated with software maintenance, which are charged annually or half-yearly.

Other accruals and deferrals - Under this line item, the Bank records outstanding balances from cards for the Euronet network and other suspended operations.

9.25 Resources from central banks

This line item is broken down as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Resources from Central Banks				
Loans	88 938 852	138 483 767	88 938 852	138 483 767
Interest payable	204 837	319 414	204 837	319 414
	89 143 689	**138 803 181**	**89 143 689**	**138 803 181**

9.26 Credit Institution Resources

This line item is broken down as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Credit institutions' resources in the country				
Deposits	388 941 393	382 528 931	388 941 393	382 528 931
Interest payable	162 725	923 229	162 725	923 229
	389 104 118	**383 452 160**	**389 104 118**	**383 452 160**
Credit institutions' resources abroad				
Deposits	739 111 439	668 252 870	739 111 439	668 252 870
Interest payable	3 395 959	1 885 710	3 395 959	1 885 710
	742 507 398	**670 138 580**	**742 507 398**	**670 138 580**
	1 131 611 516	**1 053 590 740**	**1 131 611 516**	**1 053 590 740**

9.27 Customer Funds

The Group has the following breakdown for this line item:

	Dec-23			Dec-22		
	Domestic Currency	Foreign Currency	Total	Domestic Currency	Foreign Currency	Total
Demand deposits	88 771 678 135	12 689 893 131	101 461 571 266	82 264 781 684	15 017 617 632	97 282 399 316
Deposits redeemable at notice	40 299 769	28 587 298	68 887 067	52 924 587	29 782 510	82 707 097
Term deposits	41 591 468 867	15 503 424 851	57 094 893 718	43 426 432 330	17 305 713 380	60 732 145 710
Cheques and orders payable	212 169 517	588 740	212 758 257	194 763 148	719 049	195 482 197
	130 615 616 288	**28 222 494 020**	**158 838 110 308**	**125 938 901 749**	**32 353 832 571**	**158 292 734 320**
Interest payable	557 031 333	135 520 915	692 552 248	469 018 914	86 326 105	555 345 019
	131 172 647 621	**28 358 014 935**	**159 530 662 556**	**126 407 920 663**	**32 440 158 676**	**158 848 079 339**

The Bank has the following breakdown for this line item:

	Dec-23			Dec-22		
	Domestic Currency	Foreign Currency	Total	Domestic Currency	Foreign Currency	Total
Demand deposits	88 739 671 854	12 689 893 073	101 429 564 927	82 232 775 462	15 017 617 575	97 250 393 037
Deposits redeemable at notice	40 299 769	28 587 298	68 887 067	52 924 587	29 782 510	82 707 097
Term deposits	41 591 468 867	15 503 424 851	57 094 893 718	43 426 432 330	17 305 713 380	60 732 145 710
Cheques and orders payable	212 169 517	588 740	212 758 257	194 763 148	719 049	195 482 197
	130 583 610 007	**28 222 493 962**	**158 806 103 969**	**125 906 895 527**	**32 353 832 514**	**158 260 728 041**
Interest payable	557 031 333	135 520 915	692 552 248	469 018 914	86 326 105	555 345 019
	131 140 641 340	**28 358 014 877**	**159 498 656 217**	**126 375 914 441**	**32 440 158 619**	**158 816 073 060**

Term deposits guaranteeing customer credit operations in the year ending 31 December 2023 amount to 2,821,157,209.00 MT.

The weighted average rate of return on customer funds was 4.72% in 2023.

The residual maturity of term operations, including deposits redeemable at notice, was as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Up to 1 month	26 349 280 240	33 771 086 621	26 349 280 240	33 771 086 621
Between 1 and 3 months	17 173 819 228	11 445 675 651	17 173 819 228	11 445 675 651
Between 3 months and 1 year	13 003 644 317	15 002 068 999	13 003 644 317	15 002 068 999
Between 1 and 3 years	263 270 916	254 748 018	263 270 916	254 748 018
More than 3 years	373 766 084	341 273 518	373 766 084	341 273 518
	57 163 780 785	**60 814 852 807**	**57 163 780 785**	**60 814 852 807**

The distribution of customer funds (demand, term and redeemable at notice deposits) is as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Type of customers				
Companies	98 903 883 227	101 413 785 294	98 903 883 227	101 413 785 294
Retail	59 721 468 824	56 683 466 829	59 721 468 824	56 683 466 829
	158 625 352 051	**158 097 252 123**	**158 625 352 051**	**158 097 252 123**

9.28 Consigned funds

This line item is broken down as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
USAID	12 631 089	12 631 089	12 631 089	12 631 089
National Treasury Directorate	95 031 881	470 000 012	95 031 881	470 000 012
ANE/Road Fund	4 097 469 208	5 286 940 633	4 097 469 208	5 286 940 633
Other	13 683 004	19 664 332	13 683 004	19 664 332
	4 218 815 182	**5 789 236 066**	**4 218 815 182**	**5 789 236 066**
Interest payable	30 893 970	119 503 780	30 893 970	119 503 780
	4 249 709 152	**5 908 739 846**	**4 249 709 152**	**5 908 739 846**

ANE/Road Fund consigned funds refer to funds for financing infrastructure development under the management of the National Roads Administration. These funds were obtained from CGD and disbursements were made directly by this institution to pay the invoices of the construction companies that carried out the work. BCI is merely an intermediary, with the function of guaranteeing the operational management of financing in Mozambique, and consequently has no credit risk in this operation.

9.29 Tax liabilities

This line item is broken down as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Current tax liabilities				
IRPC payable	-	468 636 998	-	456 974 045
Deferred tax liabilities				
Due to temporary differences	62 433 671	68 460 195	62 433 671	68 460 195
	62 433 671	**537 097 193**	**62 433 671**	**525 434 240**

The amount of deferred taxes due to temporary differences arises from IRPC application on the fair value revaluation reserve of the financial assets portfolio and the liabilities of established benefit plans.

Operations in the Group's deferred tax liabilities during the years under review were as follows:

Group						
		By results		By equity		
	Dec-22	Expenditure	Income	Increase	Decrease	Dec-23
Deferred tax liabilities						
Fair value of financial assets	40 216 995	-	-	-	10 347 876	50 564 871
Remeasurement of actuarial gains and losses	28 243 200	-	-	(16 374 400)	-	11 868 800
	68 460 195	**-**	**-**	**(16 374 400)**	**10 347 876**	**62 433 671**

		By results		By equity		
	Dec-21	Expenditure	Income	Increase	Decrease	Dec-22
Deferred tax liabilities						
Fair value of financial assets	1 796 250	-	-	-	38 420 745	40 216 995
Remeasurement of actuarial gains and losses	17 893 120	-	-	-	10 350 080	28 243 200
	19 689 370	**-**	**-**	**-**	**48 770 825**	**68 460 195**

Operations in the Bank's deferred tax liabilities during the years under review were as follows:

Bank						
		By results		By equity		
	Dec-22	Expenditure	Income	Increase	Decrease	Dec-23
Deferred tax liabilities						
Fair value of financial assets	40 216 995	-	-			
Remeasurement of established benefit plans	28 243 200	-	-	-	10 347 876	50 564 871
	68 460 195	-	-	(16 374 400)	-	11 868 800
				(16 374 400)	**10 347 876**	**62 433 671**

		By results		By equity		
	Dec-21	Expenditure	Income	Increase	Decrease	Dec-22
Deferred tax liabilities						
Fair value of financial assets	1 796 250	-	-	-	38 420 745	40 216 995
Remeasurement of established benefit plans	17 893 120	-	-	-	10 350 080	28 243 200
	19 689 370	**-**	**-**	**-**	**48 770 825**	**68 460 195**

To calculate deferred tax, the group applied a tax rate of 32%

9.30 Liabilities with established benefit plans

Under the Collective Bargaining Agreement (CBA) in force in the banking sector, which was signed by the now defunct Banco de Fomento, locally hired employees and their families are entitled to cash benefits for old age, disability and survivors' pensions. The table below shows the number of participants covered by this pension plan.

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Number of Participants				
Labour Force	55	59	55	59
Retired Population	9	9	9	9
	64	**68**	**64**	**68**

In accordance with the accounting policy adopted by the Bank, the liability for employee pensions, based on the calculation of the actuarial value of projected benefits, is analysed as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Liabilities for past services	64 521 000	64 966 000	64 521 000	64 966 000
Liabilities to retired employees	88 802 000	96 875 000	88 802 000	96 875 000
Liabilities to pensioners	-	-	-	-
Liabilities for total services	153 323 000	161 841 000	153 323 000	161 841 000
Cost for the year	**29 519 000**	**28 844 000**	**29 519 000**	**28 844 000**

The basic assumptions used to calculate the actuarial value of the liabilities are in accordance with the requirements outlined in IAS 19 and are analysed as follows:

	Dec-23	Dec-22
Wage growth rate	5,00%	5,00%
Pension growth rate	3,00%	3,00%
Discount rate	17,25%	17,25%
Mortality table	TV - 73/77	TV - 73/77
Normal retirement age		
Men	60	60
Women	55	55

BCI employees covered by this pension plan will be awarded a pension supplement calculated based on the application of the benefits scheme of the CBA for the Banking Sector, minus the benefits they receive from the National Social Security Institute.

The pension plan does not have a constituted fund and therefore the entire calculated liability is assumed based on the Bank's Assets.

An established benefit plan is a pension plan that establishes an amount of pension benefit that an employee will be entitled to receive on their retirement date, depending on one or more factors such as age, years of service and salary.

The average age of employees receiving this pension supplement is 46.5 years and the pension can be calculated for a further 11.9 years.

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Liability as at 01 January	161,841,000	167,686,689	161,841,000	167,686,689
Current service costs	2,060,000	5,996,000	2,060,000	5,996,000
Cost with interest	27,459,000	22,848,000	27,459,000	22,848,000
Actuarial gains/losses on liabilities	(28,605,000)	45,091,000	(28,605,000)	45,091,000
Gain) / Loss of benefits	(7,086,000)	(143,000)	(7,086,000)	(143,000)
Pensions paid by the Bank	(2,346,000)	(2,345,689)	(2,346,000)	(2,345,689)
Change in discount rate	-	(77,292,000)	-	(77,292,000)
Liability as at 31 December	**153,323,000**	**161,841,000**	**153,323,000**	**161,841,000**

According to the actuarial study, the amount of gross earnings recognised is 35,691,000.00 MT.

Sensitivity Analysis

According to the assumptions used, an increase in the discount rate reduces liabilities, and a reduction in the rediscount rate increases liabilities, as shown in the table below:

Discount rate	Actuarial (Gains) / Losses	
	Value	%
1.0% increase	(12 558 215)	-8,2%
1.0% decrease	14 533 821	9,5%
Increase of 2.5%	(28 401 568)	-18,5%
Decrease of 2.5%	40 979 595	26,7%
5.0% increase	(48 801 845)	-31,8%
5.0% decrease	102 610 246	66,9%

9.31 Other Liabilities

The breakdown of the Other liabilities line item is as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Creditors				
Shareholder creditors (Note 9.35) (i)	4 946 157 489	41 331	4 946 157 489	41 331
Supplier Evaluation	250 506 764	217 118 243	250 506 764	217 118 243
Lease liabilities (Note 9.21) (ii)	375 243 950	629 069 655	415 308 184	701 616 902
Other creditors	18 477 392	20 345 689	18 477 392	20 345 689
Withheld tax	226 769 385	219 250 029	226 098 566	217 746 789
	5 817 154 980	**1 085 824 947**	**5 856 548 395**	**1 156 868 954**
Expenses payable				
Staff costs (iii)	470 332 204	391 390 734	470 332 204	391 390 734
Rents	13 121 089	8 198 055	11 956 150	8 428 055
Other charges payable (iv)	990 241 622	725 544 064	987 096 271	724 518 563
	1 473 694 915	**1 125 132 853**	**1 469 384 625**	**1 124 337 352**
Deferred income				
Other deferred income	118 416 763	211 065 889	118 416 763	211 065 889
	118 416 763	**211 065 889**	**118 416 763**	**211 065 889**
Other regularisation accounts				
Compensation accounts	687 568 691	365 015 824	687 568 691	365 015 824
Other internal accounts	4 260 131 674	3 379 236 987	4 260 131 674	3 379 236 984
	4 947 700 365	**3 744 252 811**	**4 947 700 365**	**3 744 252 808**
	12 356 967 023	**6 166 276 500**	**12 392 050 148**	**6 236 525 003**

The Other liabilities line item essentially includes:

(i) Shareholder creditors: amount of dividends net of tax not yet paid to the Bank's shareholders;

(ii) Lease liabilities: discounted amount of the lease liability (operations during the period);

(iii) Staff costs: essentially made up of the amount of holiday pay to be paid the following year;

(iv) Other charges payable: charges payable for services provided by various suppliers;

The breakdown of lease liabilities by maturity period was as follows.

	Dec-23	Dec-22
Up to 1 year	241 416 372,14	248 501 337,52
1 to 5 years	168 454 233,40	346 627 476,09
More than 5 years	5 437 578,02	106 488 088,39
	415 308 183,57	**701 616 902,00**

9.32 Provisions

Operations in Provisions during the financial years under review were as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Provisions for guarantees and commitments				
As at 1 January	93 455 360	152 943 601	93 455 360	152 943 601
Net increase in the provision in the period	14 078 065	(59 641 463)	14 078 065	(59 641 463)
Adjustments	(103 542)	153 222	(103 542)	153 222
	107 429 883	**93 455 360**	**107 429 883**	**93 455 360**
Provisions for qualified operations				
As at 1 January	12 929 655	12 929 655	12 929 655	12 929 655
	12 929 655	**12 929 655**	**12 929 655**	**12 929 655**
Miscellaneous provisions				
As at 1 January	1 127 772 383	324 143 497	1 127 772 383	324 143 497
Net increase in the provision in the period	591 562 784	911 952 904	591 562 784	911 952 904
Uses	(434 784 761)	(108 324 018)	(434 784 761)	(108 324 018)
Adjustments	5 028 433	-	5 028 433	-
	1 289 578 839	**1 127 772 383**	**1 289 578 839**	**1 127 772 383**
	1 409 938 376	**1 234 157 397**	**1 409 938 376**	**1 234 157 397**

Provisions for guarantees and commitments:

On the closing date, the Bank had impairments of 107,429,883.00 MT relating to Guarantees Provided, Import Documentary Credits and Unutilised Credit Lines, whose exposure at the time of the default(EAD) is calculated by applying the CCF.

Provisions for qualified operations:

The sum of 12,929,655.00 MT relates to the provisions set up as part of the due diligence carried out when Banco de Fomento was merged into BCI (30.11.2003). In this process, some operations were identified in the credit portfolios of the two banks that differed in terms of their degree of collectability, which required the comfort of both parties. The current balances in the Provisions account represent the potential reimbursement to shareholders as a result of the recoveries recorded in this customer group.

Miscellaneous provisions:

Sundry provisions as at 31/12/2023 consisted of:

- Provision of 143,800,599.00 MT - refers to amounts debited to the account held by BCI with CGD following a corporate decision that the remuneration of employees on mission at subsidiaries and affiliates should be fully borne by them. BCI's Board of Directors only agreed to this principle from January 2018 onwards, and requested the reimbursement of the amounts prior to that date;
- Provision of 1,020,587,887.00 MT - intended to cover the potential loss that may arise from some litigation proceedings in which the Bank is involved;
- Provision amounting to 125,190,353.00 MT - to cover the potential loss that may arise from some processes that constitute pos-

sible fraud and which are still under investigation at the reporting date.

9.33 Share Capital

The current shareholder structure of BCI - Banco Comercial e de Investimentos, S.A. breaks down as follows:

	Dec-23			Dec-22		
	No. of shares	%	Value	No. of shares	%	Value
Shareholder						
PARBANCA, SGPS, S.A.	510 000 000	51,00%	5 100 000 000	510 000 000	51,00%	5 100 000 000
BPI	356 731 952	35,67%	3 567 319 520	356 731 952	35,67%	3 567 319 520
Caixa Geral de Depósitos, S.A.	105 074 967	10,51%	1 050 749 670	105 074 967	10,51%	1 050 749 670
BCI (Own Shares)	27 806 020	2,78%	278 060 200	27 806 020	2,78%	278 060 200
Other	387 061	0,04%	3 870 610	387 061	0,04%	3 870 610
	1 000 000 000	**100%**	**10 000 000 000**	**1 000 000 000**	**100%**	**10 000 000 000**

BCI's accounts are consolidated by Grupo Caixa Geral de Depósitos, S.A., the entity that controls the Bank.

Operations in the Group and the Bank under the own shares line item during the year ended 31 December 2023 and 2022:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Balance at the beginning of the period	278 060 200	276 810 200	278 060 200	276 810 200
Purchasing shares	-	1 250 000	-	1 250 000
Balance at the end of the period	**-**	**1 250 000**	**-**	**278 060 200**

9.34 Reserves and retained earnings

Operations in the Group during the period under review were as follows:

	Legal Reserve	Fair-value Reserves	Retained earnings	Other Reserves	Actuarial gains and losses	Total
Balance 1 January 2022	**3 465 112 763**	**(40 982 564)**	**(39 360 149)**	**5 116 248 853**	**52 605 632**	**8 553 624 535**
2021 Retention of earnings	1 561 010 018	-	13 734 142	101 279 443	-	1 676 023 603
Share purchase premium	-	-	-	(2 928 750)	-	(2 928 750)
Other transactions	-	(1 400 771)	-	-	21 993 920	20 593 149
Balance 31 December 2022	**5 026 122 781**	**(42 383 335)**	**(25 626 007)**	**5 214 599 546**	**74 599 552**	**10 247 312 537**
Balance 1 January 2023	**5 026 122 781**	**(42 383 335)**	**(25 626 007)**	**5 214 599 546**	**74 599 552**	**10 247 312 537**
2022 Retained earnings	2 423 433 573	-	3 160 927	157 234 099	-	2 583 828 599
Other transactions	-	59 907 130	-	-	24 269 880	84 177 010
Balance 31 December 2023	**7 449 556 354**	**17 523 795**	**(22 465 080)**	**5 371 833 645**	**98 869 432**	**12 915 318 146**

Operations at the Bank during the period under review were as follows:

	Legal Reserve	Fair-value Reserves	Other Reserves	Remeasurement of actuarial gains and losses	Total
Balance 1 January 2022	**3 463 969 786**	**(40 982 564)**	**5 113 599 132**	**52 605 628**	**8 589 191 982**
2021 Retention of earnings	1 561 010 018	-	101 279 443	-	1 662 289 461
Share purchase premium	-	-	(2 928 750)	-	(2 928 750)
Other transactions	-	(1 400 771)	-	21 993 920	20 593 149
Balance 31 December 2022	**5 024 979 804**	**(42 383 335)**	**5 211 949 825**	**74 599 548**	**10 269 145 842**
Balance 1 January 2023	**5 024 979 804**	**(42 383 335)**	**5 211 949 825**	**74 599 548**	**10 269 145 842**
2022 Retained earnings	2 423 433 573	-	157 234 099	-	2 580 667 672
Other transactions	-	59 907 130	-	24 269 880	84 177 010
Balance 31 December 2023	**7 448 413 377**	**17 523 795**	**5 369 183 924**	**98 869 428**	**12 933 990 524**

There are no statutory restrictions on the distribution of Free Reserves and/or Retained Earnings.

The proposed appropriation of profits for 2022 provided for a distribution of dividends, which are detailed in the table below:

	Group	Bank
Dividends declared and paid:		
Majority shareholders	549 525 553	549 525 553
Minority shareholders	1 380 312	1 380 312
	550 905 865	**550 905 865**
Dividends declared but not paid:		
Own shares	157 234 099	157 234 099
Majority shareholders (Note 9.31)	4 945 729 979	4 945 729 979
Minority shareholders (Note 9.31)	427 510	427 510
	5 103 391 588	**5 103 391 588**

The proposed appropriation of profits for 2023, approved at the General Meeting, is specified in the Management Report.

In the year ended 31 December 2023, the Bank had the following reserves:

Legal reserve

The legal reserve is compulsory, in accordance with Law 15/2020 (the Credit Institutions and Financial Companies Act), and is made up of a portion of the net profit for the year;

Fair-Value Reserves

The fair-value reserve records the accumulated change net of deferred tax of financial assets at fair value through other comprehensive income;

Liability for established benefit plans (Actuarial reserve)

The liability for established benefit plans (Actuarial reserve) includes the actuarial variation in pension plans under the Collective Bargaining Agreement (ACT) in force in the banking sector, which had been signed by the now defunct Banco de Fomento;

Free reserves

Free reserves are those that have no pre-established use by the shareholders, are created when the shareholders resolve to do so and can be used to cover losses, for investments and for distribution to shareholders; and

Own share reserves

The own shares reserve records the amount of dividends that remunerate the Bank's own shares.

9.35 Off-Balance Sheet headings

In order to meet the needs of its customers, the Bank undertakes various commitments and has contingent liabilities. Although the associated bonds may not be recognised in the balance sheet, they have an inherent credit risk and therefore constitute part of the risk to which the Bank is exposed.

The overall contingent liabilities of the Group and the Bank are as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Contingent liabilities				
Financial Guarantees	12 994 540 965	10 743 018 532	12 994 540 965	10 743 018 532
Credit letters	1 661 689 845	1 269 450 957	1 661 689 845	1 269 450 957
Unused credit lines	8 165 670 340	8 729 282 864	8 165 670 340	8 729 282 864
	22 821 901 150	**20 741 752 353**	**22 821 901 150**	**20 741 752 353**

Financial assets written off by cash flows:

	Dec-23
Credits written off with expired cash flows	6 242 967 458
Credits written off with not yet expired cash flows	2 016 126 992
Total	**8 259 094 450**

Documentary credits commit the Bank to making payments on behalf of its clients in the event of a specific situation, usually related to the import or export of goods. Guarantees and documentary credits, by their nature, are exposed to similar credit risk.

9.36 Related Parties

Under IAS 24, related entities are those in which the Bank directly or indirectly exercises significant influence over its management and financial policy (Associates and Subsidiaries) and those that exercise significant influence over the Bank's management (Key staff: Members of the Board of Directors and Central Managers).

Various banking transactions, deposits, guarantees and other operations are carried out with related entities on a commercial basis in the normal course of business. The transactions carried out during the year with related parties and the respective balances as at 31 December 2023 are as follows:

	Shareholders	Subsidiaries	Key Staff	Total
Assets				
Loans and advances to credit institutions (i)	187 022 484	-	-	187 022 484
Loans and advances to credit institutions (ii)	1 727 225 466	-	-	1 727 225 466
Loans and advances to customers (iii)	-	122 843 000	583 207 920	706 050 920
Other assets	-	418 649 808	-	418 649 808
	1 914 247 950	**541 492 808**	**583 207 920**	**3 038 948 678**
Liabilities				
Resources from credit institutions (iv)	733 489 160	-	-	733 489 160
Consigned funds (v)	4 097 469 208	-	-	4 097 469 208
Customer funds	1 455	32 006 281	115 054 603	147 062 339
Other Liabilities	5 528 037 530	40 294 234	-	5 568 331 764
	10 358 997 353	**72 300 515**	**115 054 603**	**10 546 352 471**
Income				
Interest and similar income	59 184 525	24 337 495	55 182 169	138 704 189
Fee and commission income	-	-	304 258	304 258
	59 184 525	**24 337 495**	**55 486 427**	**139 008 447**
Expenditures				
Interest and similar costs	434 736 710	6 914 975	3 706 783	445 358 468
Expenditure on fees and commissions	1 006 575	-	13 206	1 019 781
	435 743 285	**6 914 975**	**3 719 989**	**446 378 249**
Off-balance sheet				
Guarantees received	72 168 863	262 103 512	907 493 091	1 241 765 466
Guarantees Provided	1 916 314 741	-	16 428	1 916 331 169
Commitments to Third Parties	72 177 727	-	-	72 177 727
	2 060 661 331	**262 103 512**	**907 509 519**	**3 230 274 362**

Loans to Key Staff include Home Loans, Consumer Loans, Credit Cards, Guarantees Provided, Documentary Credits and other loans on the Balance Sheet.

The credit granted to the Bank's key personnel is in line with the conditions approved for all employees, both as regards terms and rates. The rates are indexed to the system's Prime Rate and are subsidised depending on the term and purpose of the loan.

(i) Cash and cash equivalents with other credit institutions correspond to demand deposits with CGD Group, totalling 187,022,484.00 MT (equivalent to USD 2,926,799.00);

(ii) The amount of investments in credit institutions corresponds to the following operations:

a. Provision of short-term funds on the interbank money market at the following credit institution:

- ✓ CGD Group: 56,610,000.00 MT (equivalent to USD 885,915.00) remunerated at a rate of 3.90%;
- ✓ CGD Group: 423,900,000.00 MT (equivalent to USD 4,833,020.00) remunerated at a rate of 3.70%;
- ✓ CGD Group: 1,246,050,000.00 MT (equivalent to USD 14,000,000.00) remunerated at a rate of 5.15%;

(iii) The credit granted to subsidiaries corresponds to the current account credit including accrued interest to IMOBCI in the amount of 122,843,000.00 MT.

(iv) Resources from credit institutions relate to shareholders' deposits with the Bank, from Caixa Geral de Depósitos, totalling 733,489,160.00 MT , of which 726,164,540.00 MT relate to a CGD term deposit remunerated at 10.40% and the remaining 7,324,620 MT relate to a CGD demand deposit.

(v) The amount of 4,097,469,208.00 MT of consigned funds relates to the financing line granted to ANE Fundo de Estradas by CGD, in which BCI is merely an intermediary.

(vi) The amount of 5,495,255,532.00 MT in the dividends item relates to the gross dividends for 2022 not yet paid to CGD and BPI Portugal in the amounts of 3,478,051,091.00 MT and 2,017,204,441.00 MT, respectively.

In the periods under review, the remuneration line item includes the following costs relating to remuneration paid to members of the Bank's Board of Directors:

- 180,076,699.00 MT (2022: 175,207,148.00 MT) relating to monthly salaries; and
- 100,298,838.00 MT (2022: 100,647,476.00 MT) relating to other remuneration.

The Bank's social security contribution amounts to 170,323,056.00 MT (2022: 160,611,351.00 MT.

As at 31 December 2022, the total amount of assets, liabilities, expenses and off-balance sheet income and liabilities relating to operations carried out with related entities and key members of Management was as follows:

	Shareholders	Subsidiaries	Key Staff	Total
Assets				
Loans and advances to credit institutions (i)	810 242 315	-	-	810 242 315
Loans and advances to credit institutions (ii)	638 700 000	-	-	638 700 000
Loans and advances to customers (iii)	-	145 789 732	551 360 791	697 150 523
Other assets	1 419 000 000	448 013 044	-	1 867 013 044
	2 867 942 315	**593 802 776**	**551 360 791**	**4 013 105 882**
Liabilities				
Resources from credit institutions (iv)	662 630 591	-	-	662 630 591
Consigned funds (v)	5 286 940 633	-	-	5 286 940 633
Customer funds	1 455	32 006 222	483 410 483	515 418 160
Other Liabilities	121 389 490	72 777 247	-	194 166 737
	6 070 962 169	**104 783 469**	**483 410 483**	**6 659 156 121**
Income	25 512 257	25 579 241	63 644 523	114 736 021
Interest and similar income	-	88	751 738	751 826
Fee and commission income	**25 512 257**	**25 579 329**	**64 396 261**	**115 487 847**
Expenditures	301 607 427	10 755 028	13 648 956	326 011 411
Interest and similar costs	5 573 183	-	637 556	6 210 739
Expenditure on fees and commissions	**307 180 610**	**10 755 028**	**14 286 512**	**332 222 150**
Off-balance sheet	269 394 905	262 103 512	1 250 966 266	1 782 464 683
Guarantees received	417 085 097	-	13 637	417 098 734
Guarantees Provided	130 768 913	-	-	130 768 913
Commitments to Third Parties	**817 248 915**	**262 103 512**	**1 250 979 904**	**2 330 332 331**

Below is a list of entities related to the BCI Group.

Entities:	
Caixa Geral de Depósitos, S.A	Shareholder
Banco Português de Investimento, S.A	Shareholder
BPI Moçambique, Sociedade de Investimento, S.A	Subsidiary
IMOBCI, limitada.	Subsidiary

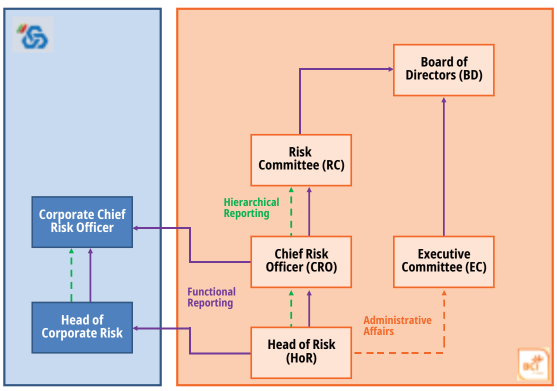
9.37 Risk Management

The Board of Directors (BC) guarantees that the risk management system implemented, as well as the processes and measures designed to ensure that the established risk limits are complied with, is adequate for the correct development of the business strategy, taking into account the Bank's profile and size. In accordance with best practices, and to ensure control of the risks incurred, the Bank has formalised its risk appetite, approved by the Board of Directors through two documents (the Risk Appetite Framework and the Risk Appetite Statement) which identify the relevant risks, outline the metrics for their assessment and indicate the limits, tolerance levels for their control and the respective recovery triggers.

Risk management is a highly important activity for the Bank, for which the guiding principles, organisational structure, responsibilities and assessing and monitoring system are set out in the Risk Management Policies and Risk Management Programme. The Bank's risk profile is prudent, due to the characteristics of the institution's governance model and its main financial shareholders (CGD and BPI), its size and age, as well as the regulatory requirements of internal and external supervision. The Bank's risk management policy endeavours to maintain an appropriate relationship between equity, sustainability and profitability. In this context, risk monitoring and control are particularly important.

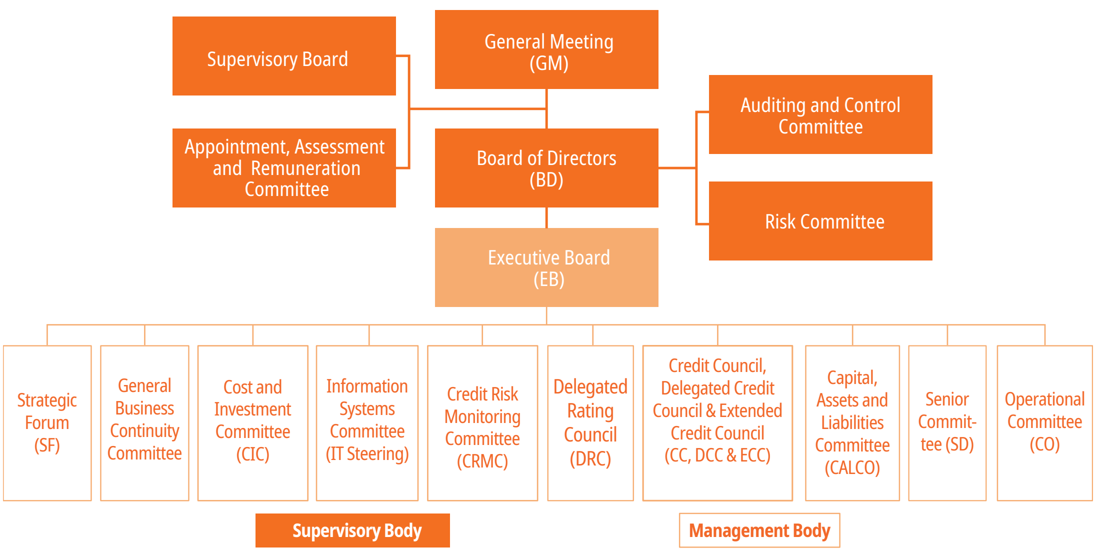
BCI's risk management function is part of the basic organisational model of the CGD Group's corporate risk function and simultaneously aims to comply with best practices in this area and guarantee the solidity and effectiveness of the system for identifying, measuring, monitoring, reporting and controlling financial risks (credit, market, liquidity and interest rate on the balance sheet) and non-financial risks (strategy and business, operational, IT and reputational) to which the Bank is or may be exposed.

The head of BCI's Risk Management Function is the Chief Risk Officer (CRO), who reports hierarchically and functionally to BCI's Risk Committee and CGD's CRO and is completely independent of the Executive Committee. The CRO is globally responsible for monitoring the Bank's risk management framework and, in particular, for ensuring that the Risk Management Function works properly and effectively, and is also responsible for informing and clarifying the members of the management and supervisory bodies about the risks incurred, the overall risk profile and the degree of compliance with the established risk tolerance levels.



Risk control and monitoring is carried out by a dedicated structure, the Risk Management Division (DGR), under the direct responsibility of the Head of Risk (HoR). The Risk Management Division is responsible for managing and controlling the Bank's risks, with the objectives of stability, solvency and financial soundness, ensuring the identification, assessment, measurement, monitoring, control and reporting of the risks to which the Bank is exposed and the interrelationships between them, in order to ensure the coherent integration of their partial contributions, that they remain at the level of risk appetite outlined by the Board of Directors and that they will not significantly affect the institution's financial situation, continuously ensuring compliance and conformity with external standards and legal and regulatory requirements in these matters. The DGR coordinates cross-cutting exercises as part of regulatory processes or internal initiatives, monitors and promotes the resolution of recommendations identified internally and externally, contributing to the effectiveness of the Internal Control System, and disseminates and improves the risk culture throughout the Bank, increasing the effectiveness and efficiency of risk management.

In order to better separate supervisory and management functions, as recommended by good practices, the Audit and Control and Risk Committees report directly to the Board of Directors and the Strategic Forum (CAFE), General Business Continuity Committee (CCN), Management Committee (CD), Credit Council (CC), Credit Delegate Council (CDC), Extended Credit Council (CAC), Capital, Assets and Liabilities Committee (CALCO), Information Systems Committee (IT Steering), Operating Committee (CO); Credit Risk Monitoring Committee (CARC); Delegated Rating Board (CDRT) and Cost and Investment Committee (CCI) of the Executive Board.



a. Credit Risk

Credit risk is the possibility of negative impacts on results and/or capital due to the inability of a counterparty to fulfil its financial commitments to the bank.

BCI has established a system for identifying, assessing and controlling the risk of its portfolio, which covers all customer segments and is active both at the time of granting credit and in monitoring the risk throughout the life of the operations.

Given the nature of the banking business, Credit Risk is of particular importance given its materiality, despite its interconnection with other risks.

The specific analysis of credit operations follows the principles and procedures established in the General Credit Regulations to establish the risk profile, essentially by assessing the following indicators, among others:

- Limits of exposure to credit risk, current debt capacity and assessment of the forecast debt repayment capacity. In the case of private customers, the credit limit and the assessment of the foreseeable ability to repay the debt is based on the calculation of the effort rate or the estimated value of the income/assets of the applicants, guarantors and/or sureties.
- Incidents and defaults, seizures or tax and social security debts;
- Value, robustness and liquidity of the real and/or personal guarantees to cover the credit and the subsequent mitigation of the associated risk in the event of enforcement due to default.

Three essential levels of competence are established for approving credit operations, depending on whether they are original or delegated. The aim of decentralising credit approval decisions is to ensure greater speed and efficiency in the process of analysing and granting credit, while safeguarding risk.

Determines the level of credit approval competence:

- The Accumulated Limit per Customer/Group;
- Verification of conditions for exclusion from the Delegation of Competences (e.g. existence of irregular credit, correlated credit).

Subsequently, the Bank keeps a constant watch on the behaviour of the portfolio's evolution (by geographical area, sector of activity, credit segment, counterparty, currency and maturity), and on the results and returns achieved in relation to the risks assumed.

Problem loans are also analysed on a regular basis, along with the degree to which they are covered by impairments/provisions, the evolution of write-offs and recoveries.

During the year, the search for continuous improvement in internal processes and procedures, and for the best practices and tools for identifying, assessing, managing and controlling credit risk, remained one of the main objectives for raising the quality of the Bank's credit portfolio and consequently reducing the likelihood of loss due to default. In this way, the impairment models in use, the rating model, the balance sheet centre, the scoring models and the development of a new model for prioritising customer contact in the event of financial difficulties were calibrated.

Additionally, as part of Credit Risk Management and Control and compliance with the institution's risk appetite, the various inherent regulations were updated and the evolution of the portfolio was continuously monitored, with particular focus on analysing Credit Concentration (customer/group, product, maturity, residual term, sector of activity and region), Correlated Credit (shareholders, subsidiaries and group companies, and employees) and High-Risk Credit (Loans to customers/groups with exposure equal to or greater than 10% of the value of the Bank's Own Funds), Credit Portfolio affected by the Covid Pandemic and Credit in default (NPL/NPE).

Credit-related risks

BCI makes Signature Credits available to its Customers (bank guarantees and documentary credits), which represent an obligation on the part of the Bank towards the beneficiaries. These products expose the Bank to risks similar to those of disbursement loans and are mitigated through similar processes.

Maximum exposure to credit risk without taking into account any guarantees

The table below shows the maximum exposure to Credit Risk by product and by business sector. The maximum exposure is presented in gross figures, not taking into account the possible effects of any guarantees/collateral.

The maximum exposure by financial asset as at 31 December 2023 and 31 December 2022 is as follows:

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Cash and Cash Equivalents at Central Banks	61 667 286 526	22 620 912 014	61 667 285 720	22 620 911 208
Loans and advances to credit institutions	2 966 357 802	3 952 526 279	2 966 354 404	3 952 522 556
Financial assets at amortised cost	39 671 581 100	46 616 132 646	39 671 581 100	46 616 132 646
Financial assets at fair value through other comprehensive income	4 207 386 684	7 156 878 592	4 207 386 684	7 156 878 592
Investments at credit institutions	22 661 869 264	46 467 925 673	22 661 869 264	46 467 925 673
Loans and advances to customers - Retail Banking				
Mortgage credits	1 732 704 587	1 813 047 991	1 732 704 587	1 813 047 991
Sales on instalments and finance leases	36 631 531 510	28 337 374 271	36 631 531 510	28 337 374 271
Credits - Card	467 256 876	478 608 492	467 256 876	478 608 492
Other credits and advances	7 103 385 996	10 433 877 710	7 103 385 996	10 433 877 710
Loans and advances to customers - Corporate and Investment Banking				
Credit for Large Companies	26 849 821 626	28 805 115 801	26 971 495 795	28 948 749 395
Accrued interest	907 869 172	800 516 139	909 038 003	802 245 847
Credit risk exposures relating to off-balance sheet items:				
- Unused credit lines	5 881 935 807	7 003 533 213	5 881 935 807	7 003 533 213
- Credit letters	1 033 986 252	1 358 959 833	1 033 986 252	1 358 959 834
- Financial guarantees	12 414 442 672	10 221 729 790	12 414 442 672	10 221 729 790
	224 197 415 874	**216 067 138 444**	**224 320 254 670**	**216 212 497 219**

The table above represents the Group's and the Bank's worst-case exposure in terms of credit risk as at 31 December 2023 and 2022. With regard to the assets shown on the balance sheet, the above presentation is based on the gross book value, except for off-balance sheet items at nominal value for which conversion ratios and others are applied.

Management is confident in its ability to continue to control and sustain minimum exposure levels in terms of the credit risk arising from its customer loan portfolio and investments in subsidiaries, based on the following:

- Mortgage loans and finance leases are backed by robust and valuable guarantees.
- Large companies have managers who monitor performance, the evolution of the customer's business and other factors that make it possible to identify signs of potential defaults in good time.

Of all the financial assets, 55.05% (2022: 70.82%) were issued by the Bank of Mozambique and 44.00% (2022: 28.41%) were issued by the Government of Mozambique, including instruments issued and/or guaranteed by the Treasury.

Guarantees and/or collateral

To cover credit risk, the Bank may accept Guarantees and/or Collateral, whose type and value depend on the counterparty's credit risk assessment.

These guarantees and/or collaterals are susceptible to devaluation during the life cycle of the associated credit, which means that their level of coverage deteriorates. In order to monitor the degree of coverage, frequent assessments (by independent assessors) must be carried out in the light of Notice 11/GBM/2013 (maximum every 3 years) or when the Bank deems it necessary.

The table below shows the main types of collateral:

Description of guarantees and/or collateral	Exchange value
Mortgages on industrial and/or commercial property	21 334 562 569
Guarantees provided by the state	20 020 301 999
Guarantee and/or surety from partners/ shareholders and/or third parties	24 695 266 780
Mortgages on owner-occupied housing	11 700 241 671
Pledge of deposits with BCI and/or financial shareholders (CGD/BPI)	5 339 100 198
Comfort letter from parent companies	12 393 559 942
Guarantees provided by other credit institutions	671 473 843
Pledge of shares/equipment/securities	322 571 983
Consignment of income	47 159 335 204
Other	8 881 644 335
Total	**152 518 058 524**

Credit quality by asset class

Loans and advances with maturities of less than 90 days are not considered to have their recoverable value reduced, unless there is information to the contrary. As at 31 December 2023, the figure was 5,170,846,843.00 MT (2022: 3,565,208,269.00 MT).

The table below shows the Group's credit quality by asset class.

Product	Collective Gross Carrying Amount	Individual Gross Carrying Amount	Total Carrying Amount	Net Guarantees - Collective	Net Guarantees - Individual
Mortgage loans	1 726 136 706	6 567 881	1 732 704 587	48 951 073	-
Sales on instalments and finance leases	36 605 223 604	26 307 906	36 631 531 510	232 192 280	-
Credit Cards	467 256 876	-	467 256 876	-	-
Other loans and advances	5 104 130 184	1 876 563 529	6 980 693 713	717 981 028	-
Loans to large companies	22 385 871 531	4 586 642 378	26 972 513 909	14 546 041 918	-
Total	**66 288 618 901**	**6 496 081 694**	**72 784 700 595**	**15 545 166 299**	**-**
Interest receivable	**851 309 236**	**56 559 936**	**907 869 172**	**-**	**-**
As at 31 December 2023	**67 139 928 137**	**6 552 641 630**	**73 692 569 767**	**15 545 166 29**	**-**
As at 31 December 2022	**64 675 206 354**	**5 993 334 049**	**70 668 540 403**	**15 990 905 324**	**2 496 762 48**

Product	Total Net Guarantees	Net Collective Exposure	Net Individual Exposure	Total net exposure
Mortgage loans	48 951 073	1 677 185 633	6 567 881	1 683 753 514
Sales on instalments and finance leases	232 192 280	36 373 031 325	26 307 906	36 399 339 231
Credit Cards	-	467 256 876	-	467 256 876
Other loans and advances	717 981 028	4 386 149 156	1 876 563 529	6 262 712 685
Loans to large companies	14 546 041 918	7 839 829 613	4 586 642 378	12 426 471 991
Total	**15 545 166 299**	**50 743 452 602**	**6 496 081 694**	**57 239 534 296**
Interest receivable	**-**	**-**	**-**	
As at 31 December 2023	**15 545 166 299**	**51 594 761 839**	**6 552 641 630**	**58 147 403 468**
As at 31 December 2022	**18 487 667 812**	**48 684 301 030**	**3 496 571 561**	**52 180 872 591**

The table below shows the Bank's credit quality by asset class.

Product	Collective Gross Carrying Amount	Individual Gross Carrying Amount	Total Carrying Amount	Net Guarantees - Collective	Net Guarantees - Individual
Mortgage loans	1 726 136 706	6 567 881	1 732 704 587	48 951 073	-
Sales on instalments and finance leases	36 605 223 604	26 307 906	36 631 531 510	232 192 280	-
Credit Cards	467 256 876	-	467 256 876	-	-
Other loans and advances	5 225 804 353	1 876 563 529	7 102 102 269	717 981 028	-
Loans to large companies	22 385 871 531	4 586 642 378	26 972 513 909	14 546 041 918	-
Total	**66 410 293 070**	**6 496 081 694**	**72 906 109 151**	**15 545 166 299**	**-**
Interest receivable	**852 478 067**	**56 559 936**	**909 038 003**	**-**	**-**
As at 31 December 2023	**67 262 771 137**	**6 552 641 630**	**73 815 412 767**	**15 545 166 299**	**-**
As at 31 December 2022	**64 820 569 657**	**5 993 334 049**	**70 813 903 706**	**15 990 905 324**	**2 496 762 488**

Product	Total Net Guarantees	Net Collective Exposure	Net Individual Exposure	Total net exposure
Mortgage loans	48 951 073	1 677 185 633	6 567 881	1 683 753 514
Sales on instalments and finance leases	232 192 280	36 373 031 325	26 307 906	36 399 339 231
Credit Cards	-	467 256 876	-	467 256 876
Other loans and advances	717 981 028	4 507 823 325	1 876 563 529	6 384 386 854
Loans to large companies	14 546 041 918	7 839 829 613	4 586 642 378	12 426 471 991
Total	**15 545 166 299**	**50 865 126 771**	**6 496 081 694**	**57 361 208 465**
Interest receivable	**-**	**-**	**-**	
As at 31 December 2023	**15 545 166 299**	**51 717 604 839**	**6 552 641 630**	**58 270 246 468**
As at 31 December 2022	**18 487 667 812**	**48 829 664 333**	**3 496 571 561**	**52 326 235 894**

Breakdown of overdue credit

As at 31 December 2023, the breakdown of overdue loans and interest by class of default was as follows:

	Up to three months	Three to six months	From six months to one year	One to three years	More than three years	Total
Overdue Loan						
Gross Value	5 170 846 843	293 587 638	546 660 129	1 167 464 555	6 043 846 029	13 222 405 194
Impairment	(545 865 165)	(149 510 198)	(296 239 261)	(816 061 283)	(1 648 205 990)	(3 455 881 898)
	4 624 981 678	**144 077 441**	**250 420 868**	**351 403 271**	**4 395 640 039**	**9 766 523 297**

It does not include provisions for bad debts and country risk.

As at 31 December 2022, the breakdown of overdue loans and interest by class of default was as follows:

	Up to three months	Three to six months	From six months to one year	One to three years	More than three years	Total
Overdue Loan						
Gross Value	3 565 208 269	468 999 600	1 129 675 723	2 183 753 112	6 437 404 029	13 785 040 733
Impairment	(381 435 983)	(273 612 566)	(946 046 301)	(1 630 770 715)	(1 682 649 806)	(4 914 515 371)
	3 183 772 286	**195 387 034**	**183 629 422**	**552 982 397**	**4 754 754 223**	**8 870 525 362**

It does not include provisions for bad debts and country risk.

Impairment

The loan impairment model, developed by BCI under IFRS 9, makes it possible to measure expected losses (impairment) according to the credit quality of borrowers and the level of existing collateral, by allocating loans to the following macro segments:

- **Stage 1** - Credit in fulfilment, with no signs of significant credit risk deterioration;
- **Stage 2** - Credit without default, but where significant credit risk deterioration criteria have been identified. This segment includes restructuring due to the customer's financial difficulties that have not triggered default criteria;
- **Stage 3** - Credit in default.

The risk factors used in the credit impairment model (12-month PD, PD lifetime, LGD, Behavioural Maturity and Credit Conversion Factor) are updated annually and are subject to backtesting and point-in-time adjustments to ensure that they adequately reflect market conditions.

The macroeconomic scenarios that support the forward-looking aspect of the risk factors are also updated annually, taking into account the most recent macroeconomic projections made available by CGD in conjunction with other institutions (e.g. the IMF, World Bank and Bank of Mozambique). When calculating impairment, three macroeconomic scenarios are considered (favourable, central and adverse), whose weighting is outlined by the CGD/BCI Research Office.

Base Scenario: 60%
Favourable Scenario: 30%
Adverse Scenario: 10%

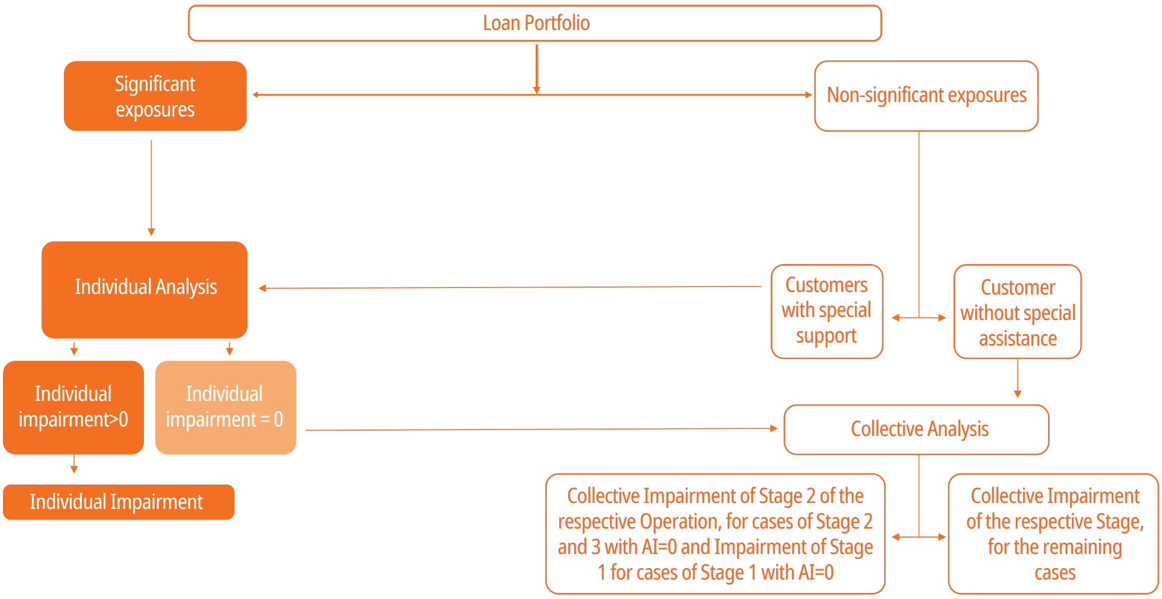
The loan impairment model maintains the concepts of collective impairment and individual impairment, as described below:

- **Collective Impairment Analysis** - for exposures considered individually non-significant, the expected loss is determined by risk sub-segments, which encompass assets with similar risk characteristics (credit segment, type of credit or purpose, payment behaviour history, among others);
- **Individual Impairment Analysis** - an individual assessment is carried out on customers with exposures considered indi-

vidually significant. The process involves the Bank's commercial areas, the Recovery Division, the Credit Risk Division and the Risk Management Division, with final validation by the Extended Credit Council (CAC).

Impairment assessment

According to IFRS 9, all loans must be assessed for impairment. The diagram below summarises the impairment calculation process at BCI.



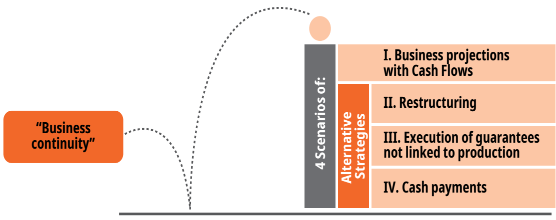
Individual Analysis

The Bank determines the appropriate individual impairment for each loan with significant exposure on an individual basis by assessing various factors, such as the counterparty's historical financial evolution, its future business plan, the ability to improve its economic performance after the emergence of some economic difficulty, the existence of other sources of financial support and the realisable value of guarantees/collateral received.

In terms of individual impairment analysis methodology, BCI observes the following dimensions:

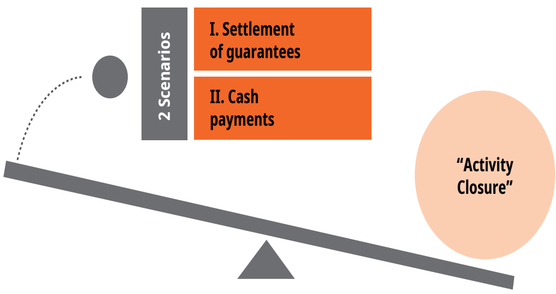
- **Business continuity Approach** (company in activity, and its liquidation is not foreseeable) - the debtor will continue to generate operating cash flows that can be used to repay the debt to all creditors. Additionally, collateral can be considered to the extent that it does not influence operating cash flows. This approach is considered more likely if the debtor's future cash flows are material and can be reliably estimated and/or if the level of collaterisation of the exposure is limited.

The image below summarises the four possible strategies in this approach:



- **Gone Concern Approach** (company in liquidation or at risk of liquidation) - the collateral is forfeited and the entity's operating cash flows cease. This approach is considered more likely in the following cases:

The image below summarises the possible strategies:



In the collateral enforcement scenario, the analyst responsible for the individual analysis must estimate the following parameters to determine the cash flows (NPV) that will cover the outstanding amount:

o Replacement time;
o Expected future value;
o Extra time to sell;
o Sale discount; and
o Incurred costs.

The individual analysis forms are valid annually for exhibitions classified as Stage 1, and quarterly for exhibitions classified at Stages 2 and 3, which does not invalidate their occasional updating as long as there are loss events or significant changes in the client's environment that so determine.

In the context of individual impairment evaluation of clients with broad exposure, the analysis is essentially centred on the following dimensions:

- Compliance with the contractual conditions agreed upon with the Bank;
- Assessment of the current and prospective economic and financial situation;
- Perspectives on the development of the customer's activity;
- Verification of the existence of credit and overdue interest transactions in the financial system;
- Adequacy of guarantees and collateral to mitigate credit granted;
- Analysis of historical information on the behaviour of client good pay.

For significant individually evaluated exposure in which objective situations of impairment were not identified, we proceed to investigate collective impairment in compliance with determined risk factors for credit with similar characteristics.

Collective analysis

The Bank assesses collective impairment for all loans that do not have individually significant exposure, as well as for loans with significant exposure for which there is no objective proof of individual impairment.

The assessment is made by breaking down the loans into homogeneous risk segments. ECL calculation through collective analysis is based on risk parameters such as Credit Conversion Factor (CCF), Probability of Default (PD), Loss Given Default (LGD) and Behavioural Maturity (BM) and assumes a projection of cash flows associated with the contract in order to calculate exposure over a given period.

Probability of default

The Probability of Default (PD) is the probability of a loan going into default within a given time horizon (or at a given point in time) based on the state of the loan at the time of analysis. According to the methodology developed for calculating ECL, the probability of default associated with an operation must be estimated using two different approaches: estimate of the Lifetime PD considering the operation service life, and the estimate of the PD at 12 months. Both PD estimates represent the probability of the credit operation defaulting by the time the operation matures or the period of time considered for calculation. The Lifetime PD, estimated over maturity, is only applicable to operations where there has been a significant deterioration in the associated credit risk (and considered at Stage 2), while the 12-month PD is applied to operations identified at Stage 1.

The PD curves are calculated based on historical information on the Bank's credit operations (7.5 years).

The behaviour of loans in the past and the observed default rates (ODR's), adjusted on the basis of macroeconomic forecasts, are used to estimate the future performance of operations with similar characteristics, i.e. in the same risk segment.

The Bank has currently established the following segments:

- Financial Institutions, Public Sector, Group and Institutional Companies
- Large and medium-sized companies
- Small business
- Consumption
- Housing
- Credit cards
- Overdraft facilities
- Other loans

The characteristics of the contracts are configured by the Bank and serve as parameters for segmenting the credit portfolio. Using statistical methods, the Bank calculates PD curves for each segment and level of impairment.

Loss Given default

Loss Given Default (LGD) represents the percentage of a loan's value that the Bank expects to lose when that loan goes into default. The LGD is dependent on the number of years for which the borrower of the operation is in default, the existence of collateral for the operation, the value of the collateral, the value of the legal right to that collateral, the likelihood of the collateral being foreclosed and the costs incurred in recovery proceedings.

All loans with at least one observed default within the selected historical period are used for the statistical calculation of the LGD. In the case of LGDs, the object of the statistical study is not the credit itself, but each state of default, which means that each 'new' entry in the state of default is considered a new observation. Thus, the observations taken into account for calculating LGDs will be the number of defaults and re-defaults for each loan in the entire portfolio.

The methodology for calculating LGDs is based on identifying recovery strategies after observing non-compliance. An LGD will be calculated for each of the recovery strategies and for each segment, based on the following parameters:

- Probability of the strategy - represents the probability of a defaulted loan achieving a certain recovery profile. Historical data on observed defaults (7.5 years) weighted by exposure in the event of default is used to calculate the probability;
- Loss per strategy - represents the expected loss for a specific strategy. Historical data on observed recoveries (7.5 years) weighted by exposure in the event of default is used to calculate the probability.

In addition, the current LGD methodology can be divided into two types of LGD:

- Cash LGD - corresponds to the LGD based on the loss probabilities observed for that segment, since losses are calculated based on the difference between the amount owed each month after the date of default;
- Collateral LGD - LGD calculated based on the future amount expected to be recovered through the collateral, updated to the present time.

Credit Conversion Factor

The Credit Conversion Factor (CCF) represents the percentage of off-balance sheet exposure that can be converted into on-balance sheet exposure until default. The methodology developed by the Bank is applied to operations with revolving credit utilisation limits, such as Credit Cards, Overdrafts and Current Accounts. Regulatory CCFs are used for Bank Guarantees and Documentary Credits.

Behavioural Maturity

Behavioural Maturity (BM) aims to identify the period of time during which the institution is exposed to credit risk. This parameter is typically calculated for operations in which the operation expiration date is undefined (e.g. Revolving Credit. Thus, the methodology established assumes that behavioural maturity is estimated for the following types of credit: Overdrafts, Current Accounts and Credit Cards. The risk factors are updated annually on the basis of historical information.

The impairment according to the model can be seen below.

	Group		Bank	
	Dec-23	Dec-22	Dec-23	Dec-22
Asset impairment				
- Individual Impairment	1 741 993 186	3 719 419 959	1 741 993 186	3 719 419 959
- Collective Impairment	4 785 683 790	3 849 178 086	4 785 683 790	3 849 178 086
	6 527 676 976	**7 568 598 045**	**6 527 676 976**	**7 568 598 045**
Off-balance-sheet impairment	107 429 883	93 455 360	107 429 883	93 455 360
	107 429 883	**93 455 360**	**107 429 883**	**93 455 360**

The analysis of gross loans to customers by class is as follows for the Bank:

Loans and advances as at 31 December 2023

	Total	Stage 1	Stage 2	Stage 3
Mortgage loans	1 740 686 475	1 590 130 786	37 757 075	112 798 613
Of which restructured	52 813 520	-	4 208 480	48 605 040
Consumer loans	36 952 928 453	33 459 294 989	2 426 838 929	1 066 794 536
Of which restructured	580 931 705	-	294 006 555	286 925 150
Other loans to individuals	1 022 740 581	722 470 171	109 960 146	190 310 264
Of which restructured	110 662 621	-	27 520 289	83 142 331
Total loans to individuals	**39 716 355 509**	**35 771 895 946**	**2 574 556 151**	**1 369 903 413**
Credit for large and medium-sized companies	24 699 155 395	14 125 320 005	6 232 175 882	4 341 659 508
Of which restructured	6 776 774 094	-	5 685 179 770	1 091 594 324
Credit for small businesses	466 057 785	265 405 764	71 543 184	129 108 836
Of which restructured	75 392 190	-	22 936 714	52 455 476
Credit to Institutions	8 933 844 077	6 961 889 002	1 958 681 642	13 273 434
Of which restructured	-	-	-	-
Total loans to companies	**34 099 057 258**	**21 352 614 771**	**8 262 400 708**	**4 484 041 779**
Total	**73 815 412 767**	**57 124 510 717**	**10 836 956 858**	**5 853 945 192**

Loans and advances as at 31 December 2022

	Total	Stage 1	Stage 2	Stage 3
Mortgage loans	1 821 579 718	1 646 036 217	66 235 252	109 308 248
Of which restructured	14 746 695	-	5 730 777	9 015 918
Consumer loans	28 581 178 798	25 925 718 581	1 914 426 981	741 033 236
Of which restructured	338 828 367	1 335 757	101 695 838	235 796 772
Other loans to individuals	1 442 404 404	1 031 004 753	168 612 773	242 786 877
Of which restructured	183 334 727	-	81 478 780	101 855 947
Total loans to individuals	**31 845 162 920**	**28 602 759 552**	**2 149 275 006**	**1 093 128 362**
Credit for large and medium-sized companies	28 059 430 877	15 275 620 037	6 879 331 932	5 904 478 908
Of which restructured	7 672 920 031	4 184 334	5 712 473 344	1 956 262 353
Credit for small businesses	814 204 790	324 230 904	117 906 512	372 067 373
Of which restructured	272 030 217	194 566	66 593 636	205 242 015
Credit to Institutions	10 095 105 120	10 092 754 095	2 299 217	51 808
Of which restructured	-	-	-	-
Total loans to companies	**38 968 740 787**	**25 692 605 036**	**6 999 537 662**	**6 276 598 090**
Total	**70 813 903 707**	**54 295 364 588**	**9 148 812 668**	**7 369 726 451**

Impairments by class are as follows:

Impairment of loans and advances as at 31 December 2023

	Total	Stage 1	Stage 2	Stage 3
Mortgage loans	71 157 634	10 205 760	4 257 435	56 694 439
Of which restructured	27 301 700	-	620 130	26 681 569
Consumer loans	1 454 055 396	680 263 852	83 573 687	690 217 857
Of which restructured	216 896 200	-	11 545 996	205 350 204
Other loans to individuals	172 672 858	11 094 671	14 318 924	147 259 263
Of which restructured	74 536 305	-	3 966 877	70 569 428
Total loans to individuals	**1 697 885 887**	**701 564 283**	**102 150 045**	**894 171 559**
Credit for large and medium-sized companies	4 614 495 308	134 840 891	2 382 748 603	2 096 905 814
Of which restructured	1 940 256 650	-	964 105 680	976 150 970
Credit for small businesses	121 915 866	3 346 318	9 067 758	109 501 790
Of which restructured	48 199 538	-	2 818 197	45 381 341
Credit to Institutions	93 379 914	32 797 295	60 435 799	146 819
Of which restructured	-	-	-	-
Total loans to companies	**4 829 791 088**	**170 984 504**	**2 452 252 161**	**2 206 554 423**
Total	**6 527 676 976**	**872 548 787**	**2 554 402 206**	**3 100 725 983**

Impairment of loans and advances to customers as at 31 December 2022

	Total	Stage 1	Stage 2	Stage 3
Mortgage loans	49 225 989	10 863 167	4 981 605	33 381 217
Of which restructured	7 572 910	-	423 487	7 149 423
Consumer credit	1 141 316 240	397 177 298	284 857 573	459 281 369
Of which restructured	169 920 178	20 701	15 940 309	153 959 168
Other loans to individuals	260 918 581	48 555 957	23 628 045	188 734 579
Of which restructured	87 493 068	-	10 162 611	77 330 458
Total loans to individuals	**1 451 460 810**	**456 596 422**	**313 467 224**	**681 397 164**
Credit to large and medium-sized companies	5 658 913 598	452 570 707	1 691 217 380	3 515 125 511
Of which restructured	2 690 864 874	90 370	1 070 158 919	1 620 615 586
Credit for small businesses	320 029 281	7 556 756	10 086 513	302 386 012
Of which restructured	192 096 510	6 006	6 884 859	185 205 645
Credit to institutions	138 194 356	138 118 959	26 422	48 975
Of which restructured	-	-	-	-
Total loans to companies	**6 117 137 235**	**598 246 422**	**1 701 330 315**	**3 817 560 497**
Total	**7 568 598 045**	**1 054 842 844**	**2 014 797 539**	**4 498 957 661**

Loans and advances to customers by sector, in stage 3, are as follows:

Sector	Dec-23		Dec-22	
	Stage 3 Loans and advances	Stage 3 Impairments	Stage 3 Loans and advances	Stage 3 Impairments
Agriculture	410 232 114	116 557 698	806 964 993	496 008 004
Trade and services	2 465 207 161	804 410 113	4 086 023 127	2 268 025 051
Construction	61 125 238	48 023 000	75 793 344	53 536 126
Teaching and education	459 626 845	281 112 854	504 743 897	311 726 138
Hospitality and Tourism	318 891 065	287 054 517	441 693 015	360 687 033
Industry	234 552 178	212 009 514	16 237 798	13 257 253
Other business sectors	518 267 158	444 326 490	239 976 535	219 583 490
Retail	1 369 304 721	893 949 583	1 092 974 007	681 267 561
Transportation	16 738 711	13 282 215	105 319 734	94 867 007
Total	**5 853 945 192**	**3 100 725 983**	**7 369 726 451**	**4 498 957 661**

Loans and advances to customers by product, in stage 3, are as follows:

Sector	Dec-23		Dec-22	
	Loan - Stage 3	Stage 3 Impairments	Loan - Stage 3	Stage 3 Impairments
Credit cards	34 923 403	26 923 623	31 939 596	24 339 325
Pledged Current Accounts	322 050 177	263 224 362	646 657 218	635 476 302
General Loans/Financing	2 392 145 393	540 343 479	2 626 346 317	673 378 002
Rent credit	2 992 039 048	2 204 635 135	3 602 230 386	2 754 380 309
Overdraft facilities	61 122 345	42 819 963	151 219 041	146 920 004
Promissory Notes	25 632 759	15 499 162	300 777 643	257 636 775
Leasing	26 032 066	7 280 258	10 556 251	6 826 944
Total	**5 853 945 192**	**3 100 725 983**	**7 369 726 451**	**4 498 957 661**

Loans and advances to customers by collateral, in stage 3, are as follows:

Sector	Dec-23 Loan - Stage 3	Dec-23 Collateral	Dec-23 Stage 3 Impairments	Dec-22 Loan - Stage 3	Dec-22 Collateral	Dec-22 Stage 3 Impairments
Guarantee (others)	168 474 463	293 129 135	147 578 902	369 216 316	765 987 164	313 705 164
Guarantee from credit institutions	-	-	-	721 271	7 389 888	1 947
State endorsement	1 737 016 961	3 932 038 958	198 724 355	1 813 662 377	3 866 322 931	212 199 455
Property Mortgages	2 159 707 411	2 535 774 010	1 440 275 926	3 243 482 392	3 355 498 833	2 411 802 696
Other Guarantees	1 038 646 487	1 513 325 785	673 092 539	738 047 151	976 635 175	446 020 005
Other financial pledges	-	-	-	-	-	-
Pledge of deposits at BCI	2 478 028	4 222 105	81 836	2 601 987	2 956 851	68 084
Equipment Pledge	201 611 460	14 656 028	200 872 364	231 284 054	245 902 497	229 776 242
No warranty	546 010 383	70 653 907	440 100 061	970 710 903	74 514 215	885 384 068
Total	**5 853 945 192**	**8 363 799 928**	**3 100 725 983**	**7 369 726 451**	**9 295 207 554**	**4 498 957 661**

Amounts recovered by Collateral

	Dec-23	Dec-22
Type of Collateral		
Property Mortgages	414 602 957	323 968 497
Deposit pledge at BCI	39 051 057	147 000 000

The transfer between stages is as follows:

Impairment of Loans and advances

	Total	Stage 1	Stage 2	Stage 3
Balance at the beginning of the period	**7 568 598 045**	**1 054 842 844**	**2 014 797 539**	**4 498 957 661**
Stage 1				
Transfer from Stage 2 to 1	(137 153 076)	12 730 878	(149 883 955)	-
Transfer from Stage 3 to 1	(17 945 473)	327 472	-	(18 272 945)
Stage 2				
Transfer from Stage 1 to 2	8 431 219	(135 058 879)	143 490 098	-
Transfer from Stage 3 to 2	(47 948 777)	-	10 367 590	(58 316 367)
Stage 3				
Transfer from Stage 1 to 3	491 477 887	(9 210 877)	-	500 688 765
Transfer from Stage 2 to 3	322 488 967	-	(59 740 710)	382 229 678
Written-off credits	(3 095 860 059)	-	-	(3 095 860 059)
Increase and decrease in impairments	1 435 588 242	(51 082 652)	595 371 644	891 299 250
Balance at the end of the period	**6 527 676 976**	**872 548 787**	**2 554 402 206**	**3 100 725 983**

Sensitivity Analysis

In order to promote the reliability of the estimates obtained in the impairment calculation, the following sensitivity analyses are carried out in relation to Collective Impairment:

- 5% increase in PD curves;
- 5% increase in LGD curves.

	Approved Scenario	Increased PD Scenario	Scenario Increase in LGD
Consolidated Impairment	3 492 433 562	3 546 404 558	3 550 955 531
Impacts	-	55 273 739	93 311 622
Total impact		**148 585 361**	

There is credit impairment in the following classes of loans and advances to customers at the Bank:

	Mortgage loans	Sales on instalments and finance leases	Card loans	Other loans and advances	Loans to large companies	Total
Overdue Loan						
Balance at the beginning of the year	29 416 947	539 444 110	14 228 029	472 496 588	3 858 929 697	4 914 515 371
Closed impaired accounts	-	-	-	-	3 096 095 682	3 096 095 682
Net impairment for the year	17 886 849	44 828 196	2 693 942	(229 132 204)	(4 391 005 938)	(4 554 729 155)
As at 31 December 2023	47 303 796	584 272 306	16 921 971	243 364 384	2 564 019 441	3 455 881 898
Outstanding loans						
Balance at the beginning of the year	19 809 042	601 872 130	34 511 452	59 711 793	1 938 178 256	2 654 082 674
Net impairment for the year	3 700 945	267 797 063	(19 865 218)	(40 055 658)	206 135 273	417 712 404
As at 31 December 2023	23 509 987	869 669 193	14 646 234	19 656 135	2 144 313 529	3 071 795 078
	70 813 783	**1 453 941 499**	**31 568 205**	**263 020 519**	**4 708 332 970**	**6 527 676 976**

Rating Models

Throughout 2021, the Bank implemented risk rating models for the non-financial companies segment to assess the creditworthiness of a given customer, by assigning a risk rating associated with the likelihood of the customer defaulting within a 12-month time horizon.

Therefore, considering the financial information available, a mixed model was outlined, considering the development and integration of two individual components - heuristic and statistical.

A — Heuristic model

The heuristic component is based on analysing questionnaires completed by BCI analysts to select relevant variables aligned with individual business perceptions.

B — Statistical Model

The statistical component corresponds to the construction of a logistic regression based on historical data and statistical criteria that prove the model's discriminating capacity.

C — Mixed Model

The final model is developed by integrating the two previous components, making it possible to incorporate the analysts' experience and the statistical model's objectivity.

Additionally, a complementary qualitative component was developed based on the completion of a qualitative analysis questionnaire which, despite not being included in the final rating assigned by the model, is intended to be applied only as complementary information to support the final decision on the rating assigned by the mixed model.

To this end, the customer portfolio of non-financial companies is broken down into 3 segments:

- ✓ Large Companies,
- ✓ Medium-sized Companies, and
- ✓ Small Businesses.

Exposure (on- and off-balance sheet credit) by rating notation:

		31 December 2023				
		Segment (MZN)				
Rating (Mscale)	PD (Mscale)	GE	ME	PN	Total	%
1	0,54%	12 099 298 736	588 501 278	80 436 408	**12 768 236 421**	**30,40%**
2	1,12%	6 106 703 770	564 841 591	-	**6 671 545 361**	**15,90%**
3	2,30%	-	-	36 755 774	**36 755 774**	**0,10%**
4	4,67%	8 794 947 532	858 989 704	-	**9 653 937 236**	**23,00%**
5	9,24%	868 486 733	223 439 686	44 447 407	**1 136 373 826**	**2,70%**
6	17,48%	566 814 504	556 703 955	26 375 638	**1 149 894 097**	**2,70%**
7	30,60%	445 603 477	137 220 366	213 463 213	**796 287 056**	**1,90%**
8	47,85%	5 068 938 627	136 678 562	-	**5 205 617 189**	**12,40%**
9	65,62%	-	-	12 117 922	**12 117 922**	**0,00%**
10	79,89%	-	-	2 154 585	**2 154 585**	**0,00%**
D	N/A	3 571 225 014	880 168 738	145 210 398	**4 596 604 150**	**10,90%**
Total		**37 522 018 392**	**3 946 543 880**	**560 961 345**	**42 029 523 618**	**100,00%**

b. Liquidity Risk

Liquidity risk is the possibility of an institution facing difficulties in meeting its obligations (especially short-term ones) as they fall due, or in securing the refinancing of assets held on its balance sheet, without incurring significant costs or losses. This risk is mitigated through asset management, based on their liquidity and the periodic monitoring of future cash flows.

Liquidity risk is managed and controlled by analysing the residual maturities of the different assets and liabilities on the balance sheet to show, at each of the various intervals considered, the difference between the volumes of cash inflow and outflow, as well as the magnitude of the respective liquidity gaps. Additionally, the degree to which short-term liabilities are covered by the net assets reserve is used as the foundation for liquidity management and control, as a way of showing how easy it is to meet obligations when they mature, without incurring additional costs by turning to the market.

The liquidity risk management policy and strategy is set out by the Board of Directors and monitored by the Capital, Assets and Liabilities Committee (CALCO), implemented by the Financial Markets Division (DMF) and controlled by the Risk Management Division (DGR).

Liquidity risk analyses are carried out at the weekly liquidity and market risk meetings, as well as in CALCO on a monthly basis, where the balances of the DO accounts (for the analyses of liquidity gaps by residual maturity) are broken down by maturity according to a replication key, which was outlined after a study of the historical stability of the DO balances - international practices point to this type of treatment in order to reflect the nature and structure of the balance sheet in the management of gaps. In order to manage surplus liquidity, the Bank has accessed auctions for the purchase of Treasury Bills with a reverse repurchase agreement (Reverse Repo) from the Bank of Mozambique (BM), in the maturities that provide the greatest profitability, as well as providing liquidity to Other Credit Institutions (OCIs). Therefore, as at 31 December 2023, the Bank had approximately MZN 12.5 billion invested in Reverse Repo.

It should be noted that up until the period in question, BM intervened in the market weekly, selling Treasury Bills with repurchase agreements (Repo) as the market required.

Additionally, the Bank has also invested in Treasury Bill and Treasury Bond auctions, which provide access to the Permanent Liquidity Provision Facility (FPC), available for commercial banks to borrow funds from BM. These funds are made available up to the discounted value of the eligible securities portfolio and for one (1) day. As at 31 December 2023, the Bank had around MZN 45,267 million in securities available for access to the FPC.

Summary of the Group's balance sheet items by maturity date as at 31 December 2023 and 2022:

31 December 2023	Up to 1 month	Between 1 and 3 months	Between 3 months and 1 year	Between 1 and 3 years	More than 3 years	Book Value
Cash and cash equiv. at central banks	61 667 286 526	-	-	-	-	61 667 286 526
Loans and advances to credit institutions	2 966 357 802	-	-	-	-	2 966 357 802
Investments at credit institutions	22 721 462 588	-	-	-	-	22 721 462 588
Financial assets	4 662 538 140	8 405 351 066	22 181 334 290	9 834 248 472	7 016 562 059	52 100 034 027
Loans and advances to customers	8 072 772 454	4 652 723 976	18 038 250 704	35 460 819 233	22 856 769 245	89 081 335 612
Total Assets	**100 090 417 510**	**13 058 075 042**	**40 219 584 994**	**45 295 067 705**	**29 873 331 304**	**228 536 476 555**
Resources from central banks	89 143 689	-	-	-	-	89 143 689
Deposits from other credit institutions	870 277 447	272 351 764	98 579	-	-	1 142 727 790
Customer funds	67 334 615 734	19 736 679 018	23 308 459 975	22 399 832 985	33 360 022 890	166 139 610 602
Consigned funds	24 187 014	53 333 354	1 473 104 448	2 382 143 727	679 186 933	4 611 955 476
Total liabilities	**68 318 223 884**	**20 062 364 136**	**24 781 663 002**	**24 781 976 712**	**34 039 209 823**	**171 983 437 557**
Liquidity GAP in MZN	**31 772 193 626**	**(7 004 289 094)**	**15 437 921 992**	**20 513 090 993**	**(4 165 878 519)**	**56 553 038 998**
Accumulated Liquidity GAP	**31 772 193 626**	**24 767 904 532**	**40 205 826 524**	**60 718 917 517**	**56 553 038 998**	**-**

31 December 2022	Up to 1 month	Between 1 and 3 months	Between 3 months and 1 year	Between 1 and 3 years	More than 3 years	Book Value
Total Assets	**104 358 371 356**	**29 188 646 585**	**25 993 762 893**	**35 466 918 727**	**31 375 989 618**	**226 383 689 179**
Total liabilities	**74 247 392 712**	**13 994 294 488**	**26 711 009 256**	**23 759 610 368**	**32 785 282 760**	**171 497 589 584**
Liquidity GAP in MZN	**30 110 978 644**	**15 194 352 097**	**(717 246 363)**	**11 707 308 359**	**(1 409 293 142)**	**54 886 099 595**
Accumulated Liquidity GAP	**30 110 978 644**	**45 305 330 741**	**44 588 084 378**	**56 295 392 737**	**54 886 099 595**	**-**

Summary of items on the Bank's balance sheet by maturity as at 31 December 2023 and 2022:

31 December 2023	Up to 1 month	Between 1 and 3 months	Between 3 months and 1 year	Between 1 and 3 years	More than 3 years	Book Value
Cash and cash equiv. at central banks	61 667 285 720	-	-	-	-	61 667 285 720
Loans and advances to credit institutions	2 966 354 404	-	-	-	-	2 966 354 404
Investments at credit institutions	22 721 462 588	-	-	-	-	22 721 462 588
Financial assets	4 662 538 140	8 405 351 066	22 181 334 290	9 834 248 472	7 016 562 059	52 100 034 027
Loans and advances to customers	8 195 615 454	4 652 723 976	18 038 250 704	35 460 819 233	22 856 769 245	89 204 178 612
Total Assets	**100 213 256 306**	**13 058 075 042**	**40 219 584 994**	**45 295 067 705**	**29 873 331 304**	**228 659 315 351**
Resources from central banks	89 143 689	-	-	-	-	89 143 689
Deposits from other credit institutions	870 277 447	272 351 764	98 579	-	-	1 142 727 790
Customer funds	67 366 622 073	19 736 679 018	23 308 459 975	22 399 832 985	33 360 022 890	166 171 616 941
Consigned funds	24 187 014	53 333 354	1 473 104 448	2 382 143 727	679 186 933	4 611 955 476
Total liabilities	**68 350 230 223**	**20 062 364 136**	**24 781 663 002**	**24 781 976 712**	**34 039 209 823**	**172 015 443 896**
Liquidity GAP in MZN	**31 863 026 083**	**(7 004 289 094)**	**15 437 921 992**	**20 513 090 993**	**(4 165 878 519)**	**56 643 871 455**
Accumulated Liquidity GAP	**31 863 026 083**	**24 858 736 989**	**40 296 658 981**	**60 809 749 974**	**56 643 871 455**	**-**

31 December 2022	Up to 1 month	Between 1 and 3 months	Between 3 months and 1 year	Between 1 and 3 years	More than 3 years	Book Value
Total Assets	**104 471 727 574**	**29 188 646 585**	**25 993 762 893**	**35 466 918 727**	**31 375 989 618**	**226 497 045 397**
Total liabilities	**74 279 398 991**	**13 994 294 488**	**26 711 009 256**	**23 759 610 368**	**32 785 282 760**	**171 529 595 863**
Liquidity GAP in MZN	**30 192 328 583**	**15 194 352 097**	**(717 246 363)**	**11 707 308 359**	**(1 409 293 142)**	**54 967 449 534**
Accumulated Liquidity GAP	**30 192 328 583**	**45 386 680 680**	**44 669 434 317**	**56 376 742 676**	**54 967 449 534**	**-**

Contractual cash flows from lease liabilities are as follows:

	Dec-23	Dec-22
Up to 1 year	241 416 372,14	248.501.337,52
1 to 5 years	168 454 233,40	346.627.476,09
More than 5 years	5 437 578,02	106.488.088,39
	415 308 183,57	**701.616.902,00**

c. Interest Rate Risk

Interest rate risk is the possibility of negative impacts on results or capital due to adverse movements in interest rates, due to maturity mismatches or interest rate reset periods, the lack of perfect correlation between the rates of asset and liability transactions in the different instruments, or the existence of embedded options in financial instruments on the balance sheet or off-balance sheet items. This risk occurs whenever, in the course of its business, the Bank contracts transactions with future financial flows that are sensitive to possible interest rate variations.

Balance sheet and banking book risk management and control are supported by a series of guidelines which include fixed limits for variables considered to be at a significant exposure level to this type of risk. The aim of complying with these guidelines is to ensure that the Bank is, at all times, in a position to manage the profitability-risk trade-off in terms of balance management, and that it is simultaneously in a position to set the most appropriate level of exposure and control the results of the different policies and risk positions taken on.

The management and control of interest rate risk makes use of simplified gap models (aggregation into residual interest rate review intervals of all assets and liabilities sensitive to its variation, thus obtaining the corresponding mismatches) or robust simulation technique models, including the Economic Value of Equity at Risk(impact on the economic value of capital of adverse variations in interest rates).

The management policy and strategy relating to interest rate risk is outlined by the Board of Directors and monitored by the Risk Committee and the Capital, Assets and Liabilities Committee (CALCO), implemented by the Financial Markets Division (FMD) and controlled by the Risk Management Division (RMD).

Summary of the items on the Group's balance sheet sensitive to interest rate changes, as at 31 December 2023 and 2022:

31 December 2023	Up to 1 month	Between 1 and 3 months	Between 3 months and 1 year	Between 1 and 3 years
Cash and cash equivalents at central banks	-	-	-	-
Loans and advances to credit institutions	-	-	-	-
Investments at credit institutions	22 661 869 264	-	-	-
Financial assets	3 923 504 000	7 204 643 191	18 314 208 545	8 061 528 395
Loans and advances to customers	7 064 489 526	2 958 381 998	12 157 764 402	26 101 999 825
Total Assets	**33 649 862 790**	**10 163 025 189**	**30 471 972 947**	**34 163 528 220**
Resources from central banks	89 143 689	-	-	-
Deposits from other credit institutions	860 621 480	270 892 619	97 417	-
Customer funds	26 265 372 162	17 192 453 169	14 264 889 086	53 705 654
Consigned funds	23 422 372	51 311 015	1 311 627 100	2 205 789 646
Total liabilities	**27 238 559 703**	**17 514 656 803**	**15 576 613 603**	**2 259 495 300**
Interest Rate GAP	**6 411 303 087**	**(7 351 631 614)**	**14 895 359 344**	**31 904 032 920**
Accumulated Interest Rate GAP	**6 411 303 087**	**(940 328 527)**	**13 955 030 817**	**45 859 063 737**

31 December 2022	Up to 1 month	Between 1 and 3 months	Between 3 months and 1 year	Between 1 and 3 years
Total Assets	**76 895 939 844**	**24 702 597 146**	**18 621 480 121**	**22 942 605 808**
Total liabilities	**59 495 517 578**	**11 766 346 835**	**16 827 900 573**	**2 269 706 099**
Interest Rate GAP	**17 400 422 266**	**12 936 250 311**	**1 793 579 548**	**20 672 899 709**
Accumulated Interest Rate GAP	**17 400 422 266**	**30 336 672 577**	**32 130 252 125**	**52 803 151 834**

31 December 2023	More than 3 years	Not Sensitive to interest rate	Book Value
Cash and cash equivalents at central banks	-	61 667 286 526	61 667 286 526
Loans and advances to credit institutions	-	2 966 357 802	2 966 357 802
Investments at credit institutions	-	-	22 661 869 264
Financial assets	6 375 083 653	-	43 878 967 784
Loans and advances to customers	18 805 486 093	-	67 088 121 844
Total Assets	**25 180 569 746**	**64 633 644 328**	**198 262 603 220**
Resources from central banks	-	-	89 143 689
Deposits from other credit institutions	-	-	1 131 611 516
Customer funds	234 185 473	101 488 050 673	159 498 656 217
Consigned funds	657 559 019	-	4 249 709 152
Total liabilities	**891 744 492**	**101 488 050 673**	**164 969 120 574**
Interest Rate GAP	**24 288 825 254**	**(36 854 406 345)**	**33 293 482 646**
Accumulated Interest Rate GAP	**70 147 888 991**	**33 293 482 646**	**-**

31 December 2022	More than 3 years	Not Sensitive to interest rate	Book Value
Total Assets	**22 077 876 522**	**23 131 491 601**	**188 371 991 042**
Total liabilities	**2 012 037 749**	**72 753 012 965**	**165 124 521 799**
Interest Rate GAP	**20 065 838 773**	**(49 621 521 364)**	**23 247 469 243**
Accumulated Interest Rate GAP	**72 868 990 607**	**23 247 469 243**	**-**

Summary of the items on the Bank's balance sheet sensitive to interest rate changes, as at 31 December 2023 and 2022:

31 December 2023	Up to 1 month	Between 1 and 3 months	Between 3 months and 1 year	Between 1 and 3 years
Cash and cash equivalents at central banks	-	-	-	-
Loans and advances to credit institutions	-	-	-	-
Investments at credit institutions	22 661 869 264	-	-	-
Financial assets	3 923 504 000	7 204 643 191	18 314 208 545	8 061 528 395
Loans and advances to customers	7 187 332 526	2 958 381 998	12 157 764 402	26 101 999 825
Total Assets	**33 772 705 790**	**10 163 025 189**	**30 471 972 947**	**34 163 528 220**
Resources from central banks	89 143 689	-	-	-
Deposits from other credit institutions	860 621 480	270 892 619	97 417	-
Customer funds	26 297 378 501	17 192 453 169	14 264 889 086	53 705 654
Consigned funds	23 422 372	51 311 015	1 311 627 100	2 205 789 646
Total liabilities	**27 270 566 042**	**17 514 656 803**	**15 576 613 603**	**2 259 495 300**
Interest Rate GAP	**6 502 139 748**	**(7 351 631 614)**	**14 895 359 344**	**31 904 032 920**
Accumulated Interest Rate GAP	**6 502 139 748**	**(849 491 866)**	**14 045 867 478**	**45 949 900 398**

31 December 2022	Up to 1 month	Between 1 and 3 months	Between 3 months and 1 year	Between 1 and 3 years
Total Assets	**77 009 296 868**	**24 702 597 146**	**18 621 480 121**	**22 942 605 808**
Total liabilities	**59 527 523 857**	**11 766 346 835**	**16 827 900 573**	**2 269 706 099**
Interest Rate GAP	**17 481 773 011**	**12 936 250 311**	**1 793 579 548**	**20 672 899 709**
Accumulated Interest Rate GAP	**17 481 773 011**	**30 418 023 322**	**32 211 602 870**	**52 884 502 579**

31 December 2023	More than 3 years	Not Sensitive to interest rate	Book Value
Cash and cash equivalents at central banks	-	61 667 285 720	61 667 285 720
Loans and advances to credit institutions	-	2 966 354 404	2 966 354 404
Investments at credit institutions	-	-	22 661 869 264
Financial assets	6 375 083 653	-	43 878 967 784
Loans and advances to customers	18 805 486 093	-	67 210 964 844
Total Assets	**25 180 569 746**	**64 633 640 124**	**198 385 442 016**
Resources from central banks	-	-	89 143 689
Deposits from other credit institutions	-	-	1 131 611 516
Customer funds	234 185 473	101 488 050 673	159 530 662 556
Consigned funds	657 559 019	-	4 249 709 152
Total liabilities	**891 744 492**	**101 488 050 673**	**165 001 126 913**
Interest Rate GAP	**24 288 825 254**	**(36 854 410 549)**	**33 384 315 103**
Accumulated Interest Rate GAP	**70 238 725 652**	**33 384 315 103**	**-**

31 December 2022	More than 3 years	Not Sensitive to interest rate	Book Value
Total Assets	**22 077 876 522**	**23 131 490 795**	**188 485 347 260**
Total liabilities	**2 012 037 749**	**72 753 012 965**	**165 156 528 078**
Interest Rate GAP	**20 065 838 773**	**(49 621 522 170)**	**23 328 819 182**
Accumulated Interest Rate GAP	**72 950 341 352**	**23 328 819 182**	**-**

The sensitivity of net interest income and economic value are complementary measures that provide an overall view of structural interest rate risk in the short and medium-long term, respectively.

The following table shows the sensitivity of net interest income and the economic value of sensitive assets and liabilities to interest rate risk as at 31 December 2023, for an instantaneous change in rates of 50 bps:

Values as a % of base scenario	Impact of Δ -50bps	Limit established in the RAS
Impact of the Repricing Gap on Results (Δ 50bps)	119,09	<350
Economic Value of Capital at Risk as a % of FP	2,29%	<5,00%

d. Foreign Exchange Risk

Foreign exchange rate is the possibility of negative impacts on results or capital due to adverse movements in exchange rates that result from the existence of gaps between the value of assets and liabilities held in a given currency.

The management policy and strategy relating to exchange rate risk is outlined by the Board of Directors and monitored by the Capital, Assets and Liabilities Committee (CALCO), implemented by the Financial Markets Division (FMD) and controlled by the Risk Management Division (RMD).

Foreign exchange positions are controlled on a daily basis based on the internal limits set out by CALCO and the ratios and prudential limits set by the Bank of Mozambique.

DMF closes its currency positions denominated in EUR and ZAR on a daily basis, keeping open positions in USD only, in accordance with the authorised limit. These positions are monitored on a daily basis by both the Bank's Risk Management Division and CGD's Risk Management Division. The latter calculates VaR and market value on a daily basis according to the following methodology:

VaR (Value at Risk): estimate of the maximum loss for a given holding period and a given level of confidence, assuming normal market behaviour. The methodology used is historical simulation (future events are fully explained by past events). The model parameters are: detention period: n days (n=10); - confidence level: 99% (n=10).

As at 31 December 2023 and 2022, the Group's exposure to currency risk is as follows:

31 December 2023	USD	EUR	ZAR
Cash and cash equivalents at central banks	11.071.537.003	186.498.733	93.604.274
Loans and advances to credit institutions	2.506.597.144	132.747.940	18.650.440
Investments at credit institutions	7.977.915.000	1.017.360.000	1.056.962.000
Financial assets	-	61.197.265	-
Loans and advances to customers	7.333.819.213	4.318.748.445	79.699.901
Other assets	107.809.909	176.905.413	2.661.629
Total Assets	**28.997.678.270**	**5.893.457.798**	**1.251.578.244**
Resources from central banks	-	-	-
Deposits from other credit institutions	3.095.618	37.055	154
Customer funds	25.722.649.218	1.318.946.316	1.079.967.576
Consigned funds	1.121.773	4.097.502.867	364.586
Other Liabilities	3.151.135.890	406.763.805	154.362.131
Total liabilities	**28.878.002.500**	**5.823.250.044**	**1.234.694.447**
Total Equity	**-**	**-**	**-**
Total Liabilities and Equity	**28.878.002.500**	**5.823.250.044**	**1.234.694.447**
Currency Differential	**119.675.770**	**70.207.754**	**16.883.797**

31 December 2022	USD	EUR	ZAR
Total Assets	**30.651.095.747**	**7.183.505.793**	**1.197.314.792**
Total liabilities	**30.437.008.775**	**7.126.630.154**	**1.236.158.189**
Total Equity	**-**	**-**	**-**
Total Liabilities and Equity	**30.437.008.775**	**7.126.630.154**	**1.236.158.189**
Currency Differential	**214.086.972**	**56.875.639**	**(38.843.397)**

31 December 2023	Other Currencies	Operations not sensitive to exchange rate variations	Book Value
Cash and cash equivalents at central banks	-	50.315.646.515	61.667.286.526
Loans and advances to credit institutions	54.644.328	253.717.949	2.966.357.802
Investments at credit institutions	56.610.000	12.553.022.264	22.661.869.264
Financial assets	-	43.817.770.519	43.878.967.784
Loans and advances to customers	-	55.355.854.285	67.088.121.844
Other assets	3.902.450	11.314.047.238	11.605.326.640
Total Assets	**115.156.779**	**173.610.058.769**	**209.867.929.860**
Resources from central banks	-	89.143.689	89.143.689
Deposits from other credit institutions	-	1.128.478.689	1.131.611.516
Customer funds	100.364.376	131.276.728.729	159.498.656.217
Consigned funds	-	150.719.926	4.249.709.152
Other Liabilities	4.192.563	10.266.207.680	13.982.662.070
Total liabilities	**104.556.939**	**142.911.278.714**	**178.951.782.644**
Total Equity	**-**	**30.916.147.216**	**30.916.147.216**
Total Liabilities and Equity	**104.556.939**	**173.827.425.930**	**209.867.929.860**
Currency Differential	**10.599.840**	**(217.367.160)**	**-**

31 December 2022	Other Currencies	Operations not sensitive to exchange rate variations	Book Value
Total Assets	**130.090.166**	**163.524.390.552**	**202.686.397.051**
Total liabilities	**124.041.339**	**135.626.727.119**	**174.550.565.578**
Total Equity	**-**	**28.135.831.473**	**28.135.831.473**
Total Liabilities and Equity	**124.041.339**	**163.762.558.592**	**202.686.397.051**
Currency Differential	**6.048.827**	**(238.168.041)**	**-**

As at 31 December 2023 and 2022, the Bank's exposure to currency risk is as follows:

31 December 2023	USD	EUR	ZAR
Cash and cash equivalents at central banks	11 071 537 003	186 498 733	93 604 274
Loans and advances to credit institutions	2 506 597 144	132 747 940	18 650 440
Investments at credit institutions	7 977 915 000	1 017 360 000	1 056 962 000
Financial assets	-	61 197 265	-
Loans and advances to customers	7 333 819 213	4 318 748 445	79 699 901
Other assets	107 809 909	176 905 413	2 661 629
Total Assets	**28 997 678 270**	**5 893 457 798**	**1 251 578 244**
Resources from central banks	-	-	-
Deposits from other credit institutions	3 095 618	37 055	154
Customer funds	25 722 649 218	1 318 946 316	1 079 967 576
Consigned funds	1 121 773	4 097 502 867	364 586
Other Liabilities	3 151 135 890	406 763 805	154 362 131
Total liabilities	**28 878 002 500**	**5 823 250 044**	**1 234 694 447**
Total Own Funds	**-**	**-**	**-**
Total Liabilities and Own Funds	**28 878 002 500**	**5 823 250 044**	**1 234 694 447**
Currency Differential	**119 675 770**	**70 207 754**	**16 883 797**

31 December 2022	USD	EUR	ZAR
Total Assets	**30 651 095 747**	**7.183.505.793**	**1.197.314.792**
Total liabilities	**30 437 008 775**	**7.126.630.154**	**1.236.158.189**
Total Own Funds	**-**	**-**	**-**
Total Liabilities and Own Funds	**30 437 008 775**	**7.126.630.154**	**1.236.158.189**
Currency Differential	**214 086 972**	**56.875.639**	**(38.843.397)**

31 December 2023	Other Currencies	Operations not sensitive to exchange rate variations	Book Value
Cash and cash equivalents at central banks	11 071 537 003	50 315 645 709	61 667 285 720
Loans and advances to credit institutions	2 506 597 144	253 714 551	2 966 354 404
Investments at credit institutions	7 977 915 000	12 553 022 264	22 661 869 264
Financial assets	-	43 817 770 519	43 878 967 784
Loans and advances to customers	7 333 819 213	55 478 697 285	67 210 964 844
Other assets	107 809 909	11 179 515 103	11 470 794 505
Total Assets	**28 997 678 270**	**173 598 365 430**	**209 856 236 521**
Resources from central banks	-	89 143 689	89 143 689
Deposits from other credit institutions	3 095 618	1 128 478 689	1 131 611 516
Customer funds	25 722 649 218	131 308 735 068	159 530 662 556
Consigned funds	1 121 773	150 719 926	4 249 709 152
Other Liabilities	3 151 135 890	10 301 290 805	14 017 745 195
Total liabilities	**28 878 002 500**	**142 978 368 178**	**179 018 872 108**
Total Own Funds	**-**	**30 837 364 413**	**30 837 364 413**
Total Liabilities and Own Funds	**28 878 002 500**	**173 815 732 591**	**209 856 236 521**
Currency Differential	**119 675 770**	**-217 367 160**	**-**

31 December 2022	Other Currencies	Operations not sensitive to exchange rate variations	Book Value
Total Assets	**130 090 166**	**163 538 246 408**	**202 700 252 907**
Total liabilities	**124 041 339**	**135 707 216 899**	**174 631 055 358**
Total Own Funds	**-**	**28 069 197 549**	**28 069 197 549**
Total Liabilities and Own Funds	**124 041 339**	**163 776 414 448**	**202 700 252 907**
Currency Differential	**6 048 827**	**238 168 040**	**-**

Exchange rate risk is mitigated and/or controlled by setting exposure limits, which take the form of VaR and Own Funds consumption limits.

In December 2023, the size of the exposure to exchange rate risk remains in line with the respective level of risk appetite established in BCI's Risk Appetite Statement, in accordance with corporate policies, making it possible to ensure a level of exchange rate risk that is controlled and aligned with the focus of commercial banking.

The table below shows the exchange rate metrics as at 31 December 2023:

Metrics	Unit	Dec-23
Total Absolute Net Exposure to Foreign Exchange Risk - Global Regulatory	%	1,94
Currency Position VaR	M MZN	38,45

e. Risk of environmental impacts

The Bank considers the risk of environmental impacts to be the risk of negative impacts on results or capital arising from climate change and affecting systems (natural and human) and regions.

Mozambique is prone to climate change (droughts, cyclones and floods) which could impact economic activity and human resources. Depending on the type of climate change, this could lead to a reduction in the Bank's business and results, which is why there is a risk.

The Bank is committed to ensuring Business Continuity in the event of anomalous events that could jeopardise the normal operation of its business by implementing a Business Continuity Management System (SGCN). It conducts a stress test programme supported by its own regulations, whose objectives include: informing the identification of new or emerging risks, assessing exposure to material risks under specific conditions and supporting the assessment of the adequacy of internal capital

9.38 Equity

BCI actively manages its capital to cover the risks inherent in its business. The Bank's capital is managed using the rules and in accordance with the ratios and prudential limits established by the Bank of Mozambique, fully complying with the minimum requirements imposed.

Equity Management

The main objective of capital management is to ensure that minimum requirements are met and that healthy ratios are maintained to ensure the continuity and sustainability of the business and maximise shareholder value.

As economic conditions and the risk characteristics of the Bank's business change, the capital structure may be adjusted to better suit the new situation. The bank's capital management objectives, policies and processes have been significantly strengthened, particularly in calculating internal capital adequacy under the ICAAP and Stress Testing.

Solvency Risk

The unimpaired capital and reserves are evidence of the shareholders' commitment to guaranteeing the continuity of the Bank's operations and solvency. The risk of insolvency is measured by the solvency ratio. The Bank and its shareholders are committed to holding sufficient capital to keep the solvency ratio above the minimum required by the Bank of Mozambique. As at 31 December 2023, the solvency ratio was 24.34% (2022: 27.40%). This remained above the Bank of Mozambique's recommendation (15%), which proves BCI's financial solidity.

This improvement is due to the internal generation of own funds resulting from the profits from the Bank's activity and the considerable increase in reserves.

	Dec-23	Dec-22
Basic own funds		
Realised capital	10 000 000 000	10 000 000 000
Capital Issue Premiums	864 265 127	864 265 127
Reserves, retained income	14 986 098 921	12 538 395 468
Negative revaluation reserves, intangible assets and other deductible items	(3 528 833 891)	(3 665 089 523)
Tier I Total Capital	**22 321 530 156**	**19 737 571 072**
Other	17 511 386	7 718 361
Tier II Total Capital	**17 511 386**	**7 718 361**
Deduction from total own funds	(542 480 346)	(614 816 817)
Eligible own funds	**21 796 561 197**	**19 130 472 616**
Credit risk-weighted assets		
On the balance sheet	77 925 989 453	61 746 890 360
Off-balance sheet	8 776 566 373	5 351 896 552
Operational Risk	2 728 190 276	2 448 688 660
Market Risk	120 327 967	260 681 331
Capital adequacy ratio (Tier I)	24,93%	28,27%
Capital adequacy ratio (Tier II)	0,02%	0,01%
Solvency ratio	**24,34%**	**27,40%**

Market Risk

	Dec-23		Dec-22	
	Net Positions		Net Positions	
	Long	Short	Long	Short
CURRENCIES:				
USD	38 211 963	-	227 292 308	-
EUR	52 445 471	-	27 412 708	-
ZAR	19 099 453	-	-	37 307 898
GBP	3 615 564	-	4 107 485	-
DKK	527 643	-	369 959	-
JPY	32 880	-	109 231	-
NOK	559 659	-	348 438	-
SEK	492 332	-	297 855	-
CHF	1 190 597	-	415 695	-
AUD	285 249	-	184 250	-
CNY	3 867 157	-	143 402	-
Total	**120 327 967**	**-**	**260 681 331**	**37 307 898**
Foreign Exchange Risk Hedging		**120 327 967**		**260 681 331**

Operational Risk

	Dec-23			Dec-22		
	Year n-2	Year n-1	Year n-1	Year n-2	Year n-1	Year n-1
Interest and Similar Income (+)	16 235 989 064	18 667 861 609	21 924 211 703	16 788 077 440	16 235 989 064	18 667 861 609
Interest and Similar Costs (-)	5 473 067 720	5 344 321 899	6 306 616 072	6 642 877 546	5 473 067 720	5 344 321 899
Income from Equity Instruments (+)	1 839 450	-	12 645 387	2 304 297	1 839 450	-
Fees Received (+)	2 686 557 999	3 471 160 044	3 471 709 672	2 908 221 975	2 686 557 999	3 471 160 044
Fees Paid (-)	711 018 231	897 296 003	1 042 356 420	646 031 782	711 018 231	897 296 003
Income from Financial transactions (+)	1 545 917 706	1 662 062 614	2 161 734 047	1 591 418 392	1 545 917 706	1 662 062 614
Other Operating Results (+)	1 039 141 747	1 349 714 556	107 936 264	738 119 493	1 039 141 747	1 349 714 556
Total Basic Indicator Method Activities	**15 325 360 015**	**18 909 180 922**	**20 329 264 582**	**14 739 232 269**	**15 325 360 015**	**18 909 180 922**
Average for Calculating Minimum Capital Requirements			**18 187 935 173**			**16 324 591 068**
Weighting rate			**15%**			**15%**
Operational Risk			**2 728 190 276**			**2 448 688 660**

9.39 Accounting classification and fair value of financial assets and liabilities

When the fair value of financial assets and liabilities recognised in the balance sheet cannot be determined based on quoted prices in an active market, it is determined using valuation techniques that include the use of mathematical models. The inputs used in these models are based on information available on the market; however, whenever this is not practicable, judgements are made in determining the fair values of financial instruments.

The fair value of financial assets and liabilities that are traded on asset markets are based on quoted market prices or dealer price quotations. For other financial instruments, the Bank determines market values using valuation techniques.

Valuation techniques include net present value, discounted cash flow models and other valuation models. The assumptions and inputs used in risk assessment techniques include benchmark interest rates, credit spreads and other premiums used to estimate discount rates, bond and treasury bill prices and exchange rates. The objective of assessment techniques is to determine the fair value that reflects the price of the financial instrument on the reporting date, i.e. what would have been determined by market participants acting on a commercial basis.

As at 31 December 2023, the financial instruments measured at fair value, using the fair value hierarchy, are as follows:

	Level 1	Level 2	Level 3
Bonds and other securities			
Treasury Bills	-	1 867 476 079	-
Treasury bonds	-	2 095 486 424	-
Other securities	-	147 259 815	97 164 366
	-	**4 110 222 318**	**97 164 366**

As at 31 December 2022, the financial instruments measured at fair value, using the fair value hierarchy, were as follows:

	Level 1	Level 2	Level 3
Bonds and other securities			
Treasury Bills	-	6 401 615 442	-
Treasury bonds	-	510 986 532	-
Other securities	-	147 112 252	97 164 366
	-	**7 059 714 226**	**97 164 366**

The shares that the Bank holds in SIMO are classified in Level 3 of fair value and their fair value is being calculated from unobservable inputs, since there is no way of applying Level 1 or Level 2 metrics to measure the financial asset, since the entity is not listed on the stock exchange, there are no entities in Mozambique similar to it, and there are no capital transactions to consider as a reference, so a Level metric would have to be applied. In order to assess this metric, SIMO's most up-to-date annual report and accounts are obtained and, based on the annual report and accounts, the total equity is calculated in order to calculate the value of the Bank's (BCI) percentage in SIMO.

As at 31 December 2023 and 2022, the accounting classification and fair value of the Group's financial assets and liabilities are as follows:

31 December 2023	Designated at Fair Value	Designated at Amortised Cost	Book Value
Cash and cash equivalents at central banks	-	61 667 286 526	61 667 286 526
Loans and advances to Credit Institutions	-	2 966 357 802	2 966 357 802
Investments at credit institutions	-	22 661 869 264	22 661 869 264
Loans and advances to customers	-	67 088 121 844	67 088 121 844
Financial assets	4 207 386 684	39 671 581 100	43 878 967 784
Total	**4 207 386 684**	**194 055 216 536**	**198 262 603 220**
Resources from Central Banks	-	89 143 689	89 143 689
Credit institution resources	-	1 131 611 516	1 131 611 516
Customer funds	-	159 498 656 217	159 498 656 217
Consigned funds	-	4 249 709 152	4 249 709 152
Total	**-**	**164 969 120 574**	**164 969 120 574**

31 December 2022	Designated at Fair Value	Loans and Accounts Receivable	Book Value
Cash and cash equivalents at central banks	-	22 620 912 014	22 620 912 014
Loans and advances to Credit Institutions	-	3 952 526 279	3 952 526 279
Investments at credit institutions	-	46 467 925 673	46 467 925 673
Loans and advances to customers	-	63 004 834 611	63 004 834 611
Financial assets	7 156 878 592	46 616 132 646	53 773 011 238
Total	**7 156 878 592**	**182 662 331 223**	**189 819 209 815**
Resources from Central Banks	-	138 803 181	138 803 181
Credit institution resources	-	1 053 590 740	1 053 590 740
Customer funds	-	158 816 073 060	158 816 073 060
Consigned funds	-	5 908 739 846	5 908 739 846
Total	**-**	**165 917 206 827**	**165 917 206 827**

The Board of Directors assumes that the fair value of financial instruments approximates the value at which they are recognised in the financial statements.

As at 31 December 2023 and 2022, the accounting classification and fair value of the Bank's financial assets and liabilities are as follows:

31 December 2023	Designated at Fair Value through other comprehensive income	Designated at Amortised Cost	Book Value
Cash and cash equivalents at central banks	-	61 667 285 720	61 667 285 720
Loans and advances to Credit Institutions	-	2 966 354 404	2 966 354 404
Investments at credit institutions	-	22 661 869 264	22 661 869 264
Loans and advances to customers	-	67 210 964 844	67 210 964 844
Financial assets	4 207 386 684	39 671 581 100	43 878 967 784
Total	**4 207 386 684**	**194 178 055 332**	**198 385 442 016**
Resources from Central Banks	-	89 143 689	89 143 689
Credit institution resources	-	1 131 611 516	1 131 611 516
Customer funds	-	159 530 662 556	159 530 662 556
Consigned funds	-	4 249 709 152	4 249 709 152
Total	**-**	**165 001 126 913**	**165 001 126 913**

31 December 2022	Designated at Fair Value through other comprehensive income	Designated at Amortised Cost	Book Value
Cash and cash equivalents at central banks	-	22 620 911 208	22 620 911 208
Loans and advances to Credit Institutions	-	3 952 522 556	3 952 522 556
Investments at credit institutions	-	46 467 925 673	46 467 925 673
Loans and advances to customers	-	63 150 197 914	63 150 197 914
Financial assets	7 156 878 592	46 616 132 646	53 773 011 238
Total	**7 156 878 592**	**182 807 689 997**	**189 964 568 589**
Resources from Central Banks	-	138 803 181	138 803 181
Credit institution resources	-	1 053 590 740	1 053 590 740
Customer funds	-	158 848 079 339	158 848 079 339
Consigned funds	-	5 908 739 846	5 908 739 846
Total	**-**	**165 949 213 106**	**165 949 213 106**

The Board of Directors assumes that the fair value of financial instruments approximates the value at which they are recognised in the financial statements.

9.40 Events after the balance sheet date

No favourable or unfavourable events occurred after the balance sheet date and up to the date on which the consolidated and individual financial statements were authorised for issue.

É meu.
É de todos. É daqui.

OPINION OF THE ADVICE SUPERVISOR

REPORT AND OPINION OF THE AUDIT BOARD ON THE 2023 MANAGEMENT REPORT AND FINANCIAL STATEMENTS

To the Shareholders of BCI -
Banco Comercial e de Investimentos, SA, Mozambique

As part of its competences and the mandate it has been given, BCI's Supervisory Board (CF) monitored the Bank's activity throughout the 2023 financial year, verified the accuracy of the accounting documents and the strict fulfilment of the accounting policies and practices pursued.

Pursuant to the law, we submit the Report on the Supervisory Board's supervisory work during 2023 and issue an opinion on the Management Report and Financial Statements for the year ending 31 December 2023.

The Supervisory Board's opinion on the Bank's Board of Directors' Proposal for the Appropriation of Profits for the financial year 2023 is presented in a separate document.

Report

BCI's Supervisory Board monitored the Bank's progress, the regularity of its accounting records and compliance with the applicable rules and regulations at the intervals and to the extent deemed appropriate, based on the information provided by the Board of Directors, of an accounting, financial, risk management, compliance and internal auditing nature, as well as that provided by the External Auditors - PricewaterhouseCoopers (PwC). BCI's Supervisory Board obtained the information and clarifications it requested from the Bank's Management and various Divisions and Services. During the course of the 2023 financial year, the CF met several times with PwC to analyse information that it wished to clarify.

BCI's Supervisory Board carried out the necessary procedures to verify, in materially relevant aspects, the adequacy and effectiveness of the organisational culture in force at the institution and of its Governance and Internal Control Systems. With the collaboration of the Auditors (PwC), the Supervisory Board submitted the Self-Assessment Report on the Governance and Internal Control Systems in due course.

Also as part of the Bank's Internal Control System, the Supervisory Board monitored the activities of the Risk Management Division, the Audit and Inspection Division and the Compliance Function Office, and held the meetings and contacts that were necessary to properly assess the activities carried out and to discuss the information produced by these structural bodies.

The CF regularly monitored the implementation of the 2023 Annual Activity Plans of the Audit and Inspection Division and the Compliance Division. It further noted that open recommendations from Bank of Mozambique inspections have been addressed by the Bank's responsible Divisions and are in the process of being resolved.

We should also note the negative impact on the Mozambican economy, and on the world in general, of the war in Ukraine, which began at the end of February 2022 and is still ongoing, which has caused various constraints in terms of logistical supply chains and a substantial rise in the prices of many raw materials, and which has had a negative impact on investment. This year, the conflict in the Middle East has also disrupted the normal functioning of economies in various countries.

The Supervisory Board took part in all the meetings of the Board of Directors and maintained constant contact with the members of the Executive Committee, as well as meeting with various Divisions of the Bank in order to be able to monitor and scrutinise their activities and ensure compliance with the management strategy, financial discipline and risk control policy, assessing the effectiveness of the Bank's Internal Control System in the way it deems appropriate.

The Executive Committee's members and some of BCI's main Directors took part in the Supervisory Board's meetings, as recorded in the respective minutes.

The Audit Board analysed the consolidated and individual financial statements as at 31 December 2023, prepared in accordance with the Bank of Mozambique rules and the International Financial Reporting Standards (IFRS).

The Bank's total net assets increased by 3.8% compared to the previous year, rising to MT 209,856.2 million.

Of positive note in 2023 is the increase in Loans to Customers (+4.3% compared to 2022; MT 73,738.6 million) and an increase, albeit small, in Customer Funds of 0.43% to MT 159,530.6 million. The increase in Loans to Customers was very favourably driven by loans to individuals, public sector employees (CEDSIF loans). The reduced growth in customer funds can be explained by two opposing impacts: domestic currency deposits increased by 3.77% (MT 4,765.3 million) and foreign currency deposits fell by 12.59% (-MT 4,082.7 million). It should be noted that the Bank of Mozambique changed its policy of making foreign currency available to settle oil imports in 2023, which reduced the banking system's cash holdings in foreign currency.

As a result of the Bank's favourable performance in 2023, BCI continues to be the market leader in Mozambique with a market share of 25.4% in deposits and 25.8% in loans to customers.

As a result of the above, the transformation ratio went from 44.16% in 2022 to 45.85% in 2023.

In 2023, net income increased by 1.28% compared to the previous year, totalling MT 8,181.4 million, a similar result to the previous year.

The following factors contributed to this: the significant increase of the Mandatory Reserves in domestic currency and foreign currency in 2023 (from 10.5% to 39% in domestic currency and from 1,5% to 39.5% in foreign currency), which reduced the volume of cash available for margin-generating applications, the aforementioned growth of the customer loan portfolio and, finally, the achievement of a positive result resulting from a recovery of loans written off against assets in the amount of MT 1,011.9 million.

Also noteworthy is the operational challenge that the Bank faced in 2023 in terms of migrating to the new payment method platform (EURONET), due to its market leadership in payment methods and number of customers.

At the same time, there was a strict strategy to control operating costs, which grew by only 4.6% compared to the previous year in a year when inflation was 5.3%.

BCI significantly increased impairments and provisions by 180.7% in 2023, compared to the previous year, which reinforces the Bank's solidity and resilience.

The cost of credit risk in 2023 was 0.18%, which compares favourably with 0.49% in 2022.

Own Funds, calculated on the basis established by the Bank of Mozambique, which reflects the Basel II rules, totalled MT 21,796.6 million, 13.9% more than the previous year.

BCI continues to demonstrate adequate solvency and liquidity ratios (24.3% and 43.1%, respectively).

The Supervisory Board also considered the Report of the External Auditors (PwC) on BCI's Financial Statements as at 31 December 2023.

The Supervisory Board paid particular attention to monitoring BCI's impairments, having analysed and discussed their adequacy and sufficiency with both the Board of Directors and the External Auditors.

Opinion

It should be noted that as at 31 December 2023, BCI's solvency ratio was 24.3% and the Core Tier I ratio was 25.2%, both indicators showing a comfortable position.

Return on equity was 29.7% at the end of 2023.

A final point to emphasise is the near-maintenance of the ratio of operating cost to income.

In view of the above, the Audit Board is of the opinion that, for the 2023 financial year, the individual and consolidated Financial Statements, the Management Report and the Proposal for the Appropriation of Profits expressed therein are in accordance with the applicable accounting, legal and statutory provisions, and therefore recommends their approval at the General Shareholder Meeting.

A final note to express our thanks to the Board of Directors, the senior management and all the Bank's employees with whom the Supervisory Board had contact in 2023 for all their cooperation in carrying out its supervisory duties.

27 February 2024

The Supervisory Board

Frederico Silva Pinto

(Chairman)

José Manuel Nunes Liberato

(Voting Member)

Mário Vicente Sitoe

(Voting Member)

É meu.
É de todos. É daqui.

APPENDIX TO CIRCULAR NO. 3/SHC/2007

Appendix to Circular nº. 3/SHC/2007

Items	Assets	A. IAS/IFRS consolidation perimeter			B. Ajustaments
		1 Amount before impairment and amortisation	2 Impairment and amortisation	3 = 1 - 2 Net amount	B=A-(C+D+E)
10 + 3300	Cash and cash equivalents at central banks	61 667 286 526	-	61 667 286 526	-
11 + 3301	Cash equivalents at other credit institutions	2 966 357 798	-	2 966 357 798	(32 006 339)
153 (1) + 158 (1) + 16	Assets held for trading	-	-	-	-
153 (1) + 158 (1) + 17	Other financial assets at fair value through profit or loss	-	-	-	-
154 + 158 (1) + 18 + 34888 (1) - 53888 (1)	Financial assets available for sale	4 229 367 770	-	4 229 367 770	-
13 + 150 + 158 (1) + 159 (1) + 3303 + 3310 (1) + 3408 (1) - 350- 3520 - 5210 (1) - 5300	Investments at credit institutions	22 662 326 900	457 640	22 661 869 260	-
14 + 151 + 152 + 158 (1) + 3304 + 3310 (1) + 34000 + 34008 - 3510 - 3518 - 35210 - 35211 - 5210 (1) - 53010 - 53018	Loans and Advances to Customers	73 616 437 161	6 527 676 970	67 088 760 191	(122 843 000)
156 + 158 (1) + 159 (1) + 22 + 3307 + 3310 (1) + 3402 - 355 - 3524 - 5210 (1) - 5303	Investments held to maturity	39 649 600 020	-	39 649 600 020	-
155 + 158 (1) + 159 (1) + 20 + 3306 + 3310 (1) + 3408 (1) - 354 - 3523 - 5210 (1) - 5308 (1)	Assets with repurchase agreements	-	-	-	-
21	Hedging derivatives	-	-	-	-
25 - 3580	Non-current assets held for sale	2 452 802 480	1 370 660 700	1 082 141 780	-
26 - 3581 (1) - 360 (1)	Investment properties	805 054 822	-	805 054 822	-
27 - 3581 (1) - 360 (1)	Other Tangible Assets	12 835 821 446	6 442 747 960	6 393 073 486	-
29 - 3583 - 361	Intangible Assets	1 376 697 360	1 157 505 790	219 191 570	-
24 - 357	Investments in subsidiaries, associates and joint ventures	1	-	1	(460 059)
300	Current tax assets	1 330 363 234	-	1 330 363 234	-
301	Deferred tax assets	1 146 221 375	-	1 146 221 375	-
12 + 157 + 158 (1) + 159 (1) + 31 + 32 + 3302 + 3308 + 3310 (1) + 338 + 3408 (1) + 348 (1) - 3584 - 3525 + 50 (1) (2) - 5210 (1) - 5304 - 5308 (1) + 54 (1) (3)	Other Assets	2 112 115 356	1 255 145 170	856 970 186	(421 101 545)
	Total Assets	**226 850 452 249**	**16 754 194 230**	**210 096 258 019**	**(576 410 943)**

(1) Applicable part of the balance of these items.
(2) Item 50 should be entered under assets if there is a debit balance and under liabilities if there is a credit balance.
(3) Debit balances in headings 542 and 548 are recorded as assets and credit balances as liabilities.

MODEL I
Balance Sheet - Consolidated Accounts (Assets)

31 Dec 23						31 Dec 22
C. Banking activity			D. Other activities			IAS/IFRS consolidation perimeter
1 Amount before impairment and amortisation	2 Impairment and amortisation	3 = 1 - 2 Net amount	1 Amount before impairment and amortisation	2 Impairment and amortisation	3 = 1 - 2 Net amount	
61 667 285 720	-	61 667 285 720	806	-	806	22 620 887 396
2 966 354 400	-	2 966 354 400	32 009 737	-	32 009 737	3 952 526 283
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4 229 367 770	-	4 229 367 770	-	-	-	7 156 878 590
22 662 326 900	457 640	22 661 869 260	-	-	-	46 467 925 660
73 739 280 161	6 527 676 970	67 211 603 191	-	-	-	63 044 951 954
39 649 600 020	-	39 649 600 020	-	-	-	46 616 132 650
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2 452 802 480	1 370 660 700	1 082 141 780	-	-	-	1 184 195 290
309 826 350	-	309 826 350	495 228 472	-	495 228 472	1 338 192 755
12 773 046 780	6 442 747 960	6 330 298 820	62 774 666	-	62 774 666	6 452 435 573
1 376 697 360	1 157 505 790	219 191 570	-	-	-	313 270 544
460 060	-	460 060	-	-	-	1
1 322 795 440	-	1 322 795 440	7 567 794	-	7 567 794	533 986 659
1 144 347 000	-	1 144 347 000	1 874 375	-	1 874 375	89 847 875
2 515 136 270	1 255 145 170	1 259 991 100	18 080 631	-	18 080 631	3 014 158 653
226 809 326 711	**16 754 194 230**	**210 055 132 481**	**617 536 481**	**-**	**617 536 481**	**202 785 389 883**

Appendix to Circular nº. 3/SHC/2007

Items (Indicative References for the Banking Activity Column)
38 - 3311 (1) - 3410 + 5200 + 5211 (1) + 5318 (1)
43 (1)
43 (1)
39 - 3311 (1) - 3411 + 5201 + 5211 (1) + 5318 (1)
40 + 41 - 3311 (1) - 3412 - 3413 + 5202 + 5203 + 5211 (1) + 5310 + 5311
42 - 3311 (1) - 3414 + 5204 + 5211 (1) + 5312
44
45
47
490
491
481 +/- 489 (1) - 3311 (1) - 3416 (1) + 5206 (1) + 5211 (1) + 5314 (1)
480 + 488 +/- 489 (1) - 3311 (1) - 3416 (1) + 5206 (1) + 5211 (1) + 5314 (1)
51 - 3311 (1) - 3417 - 3418 + 50 (1) (2) + 5207 + 5208 + 5211 (1) + 528 + 538 - 5388 + 5318 (1) + 54 (1) (3)
55
602
57
-56
58 + 59
60 - 602 + 61
64
-63
62

MODEL I (LIABILITIES)
Balance Sheet - Consolidated Accounts (Liabilities)

Liabilities	31 Dec 23				31 Dec 22
	A. IAS/IFRS Consolidation Perimeter	B. Adjustments B=A-(C+D+E)	C. Banking activity	E. Other Activities	
Resources from central banks	89 143 690	-	89 143 690	-	138 803 180
Financial liabilities held for trading	-	-	-	-	-
Other financial liabilities at fair value through profit or loss	-	-	-	-	-
Deposits from other credit institutions	1 131 599 630	(122 843 000)	1 131 599 630	122 843 000	1 053 579 070
Deposits from customers and other loans	159 498 656 181	(32 006 339)	159 530 662 520	-	158 816 073 051
Debt securities	-	-	-	-	-
Hedging derivatives	-	-	-	-	-
Non-current liabilities held for sale and discontinued operations	-	-	-	-	-
Provisions	1 409 938 370	-	1 409 938 370	-	1 234 157 400
Current tax liabilities	651 680 920	-	651 680 920	-	1 002 623 662
Deferred tax liabilities	62 433 670	-	62 433 670	-	68 460 190
Equity capital Instruments	-	-	-	-	-
Other subordinated liabilities	-	-	-	-	-
Other Liabilities	16 345 068 625	(421 101 545)	16 342 309 253	423 860 917	12 344 439 144
Total Liabilities	**179 188 521 086**	**(575 950 884)**	**179 217 768 053**	**546 703 917**	**174 658 135 697**
Equity	10 000 000 000	(142 276 500)	10 000 000 000	142 276 500	10 000 000 000
Share premiums	864 265 130	-	864 265 130	-	864 265 130
Other equity instruments	-	-	-	-	-
Own shares	(278 060 200)	-	(278 060 200)	-	(278 060 200)
Revaluation reserves	17 523 800	-	17 523 800	-	(42 383 340)
Other reserves and retained earnings	12 033 529 232	65 203 891	12 052 201 610	(83 876 269)	9 425 430 745
Net income for the year	8 193 866 421		8 181 434 088	12 432 333	8 113 173 142
(Interim dividends)	-	-	-	-	-
Minority Interests	76 612 550	76 612 550	-	-	44 828 709
Total Equity	**30 907 736 933**	**(460 059)**	**30 837 364 428**	**70 832 564**	**28 127 254 186**
Total Liabilities + Equity	**210 096 258 019**	**(576 410 943)**	**210 055 132 481**	**617 536 481**	**202 785 389 883**

Appendix to Circular nº. 3/SHC/2007

Items
79 + 80
66 + 67
82
81
68
- 692 - 693 - 695 (1) - 696 (1) - 698 - 69900 - 69910 + 832 + 833 + 835 (1) + 836 (1) + 838 + 83900 + 83910
-694 + 834
- 690 + 830
- 691 - 697 - 699 (1) - 725 (1) - 726 (1) + 831 + 837 + 839 (1) + 843 (1) + 844 (1)
- 695 (1) - 696 (1) - 69901 - 69911 - 75 - 720 - 721 - 725 (1) - 726 (1) - 728 + 835 (1) + 836 (1) + 83901 + 83911 + 840 + 843 (1) + 844 (1) + 848
70
71
77
784 + 785 + 786 + 788 - 884 - 885 - 886 - 888
760 + 7610 + 7618 + 7620 + 76210 + 76211 + 7623 + 7624 + 7625 + 7630 + 7631 + 765 + 766 - 870 - 8720 - 8710 - 8718 - 87210 - 87211 - 8723 - 8724 - 8726 - 8730 - 8731 - 875 - 876
768 + 769 (1) - 877 - 878
650
651
74 - 86
640
- 72600 - 7280 + 8480 + 84400
641

(1) Applicable part of the balance of these items.

MODEL II
Income Statement - Consolidated Accounts

	31 Dec 23				31 Dec 22
	A. IAS/IFRS consolidation perimeter	B. Adjustments B=A-(C+D+E)	C. Banking activity	D. Other activities	IAS/IFRS consolidation perimeter
Interest and similar income	23 985 910 602	(24 337 501)	24 010 248 030	73	22 012 810 836
Interest and similar costs	(8 475 531 109)	31 252 476	(8 482 446 090)	(24 337 495)	(6 322 572 051)
Net interest income	**15 510 379 493**	**6 914 975**	**15 527 801 940**	(24 337 422)	15 690 238 785
Income from equity instruments	2 963 350	-	2 963 350	-	12 645 387
Income from services and fees	3 263 998 940	-	3 263 998 940	-	3 357 520 390
Expenses with services and fees	(1 488 256 476)	-	(1 488 243 940)	(12 536)	(1 015 666 516)
Income from assets and liabilities measured at fair value through profit or loss	-	-	-	-	191 610
Income from financial assets available for sale	9 546 170	-	9 546 170	-	10 985 070
Income from exchange revaluation	2 497 494 986	-	2 497 495 310	(324)	2 095 396 253
Income from the disposal of other assets	72 394 290	-	72 394 290	-	109 584 620
Other operating income	2 522 432 924	(27 936 876)	2 489 252 258	61 117 542	102 606 484
Net operating income	**22 390 953 677**	**(21 021 901)**	**22 375 208 318**	**36 767 260**	**20 363 502 083**
Staff Costs	(4 944 059 983)	-	(4 940 059 870)	(4 000 113)	(4 583 012 806)
General administrative expenditure	(3 027 757 303)	-	(3 025 794 930)	(1 962 373)	(3 101 998 041)
Amortisation for the financial year	(835 168 066)	29 432 199	(852 660 950)	(11 939 315)	(923 630 112)
Provisions net of write-backs and cancellations	(605 640 840)	-	(605 640 840)	-	(852 311 430)
Impairment of other financial assets, net of reversals and recoveries	(1 825 478 890)	-	(1 825 478 890)	-	363 072 220
Impairment of other assets, net of reversals and recoveries	(1 088 790 130)	-	(1 088 790 130)	-	(289 069 570)
Pre-tax earnings	**10 064 058 465**	**8 410 298**	**10 036 782 708**	**18 865 459**	**10 976 552 344**
Taxes					
Current	(2 668 896 253)	-	(2 662 392 550)	(6 503 703)	(2 854 874 531)
Adjustments of tax for previous years	(293 076 520)		(293 046 520)	(30 000)	(32 000)
Deferred	1 100 191 027	-	1 100 090 450	100 577	104 616
Income after taxes	**8 202 276 719**	**8 410 298**	**8 181 434 088**	**12 432 333**	**8 121 750 429**
Of which: Net income after tax on discontinued operations					
Minority Interests					-
Consolidated net income for the year	**8 202 276 719**	**8 410 298**	**8 181 434 088**	**12 432 333**	**8 121 750 429**

Appendix to Circular nº. 3/SHC/2007

Items
10 + 3300
11 + 3301
153 (1) + 158 (1) + 16
153 (1) + 158 (1) + 17
154 + 158 (1) + 18 + 34888 (1) - 53888 (1)
13 + 150 + 158 (1) + 159 (1) + 3303 + 3310 (1) + 3408 (1) - 350 - 3520 - 5210 (1) - 5300
14 + 151 + 152 + 158 (1) + 3304 + 3310 (1) + 34000 + 34008 - 3510 - 3518 - 35210 - 35211 - 5210 (1) - 53010 - 53018
156 + 158 (1) + 159 (1) + 22 + 3307 + 3310 (1) + 3402 - 355 - 3524 - 5210 (1) - 5303
155 + 158 (1) + 159 (1) + 20 + 3306 + 3310 (1) + 3408 (1) - 354 - 3523 - 5210 (1) - 5308 (1)
21
25 - 3580
26 - 3581 (1) - 3602 (1)
27 - 3581 (1) - 360 (1)
29 - 3583 - 361
24 - 357
300
301
12 + 157 + 158 (1) + 159(1) + 31 + 32 + 3302 + 3308 + 3310 (1) + 338 + 3408 (1) + 348 (1) - 3584 - 3525 + 50 (1) (2) - 5210 (1) - 5304 - 5308 (1) + 54 (1) (3)

(1) Applicable part of the balance of these items.
(2) Item 50 should be entered under assets if there is a debit balance and under liabilities if there is a credit balance.
(3) Debit balances in headings 542 and 548 are recorded as assets and credit balances as liabilities.

MODEL III
Balance Sheet - Individual Accounts (Assets)

Assets	31 Dec 23			31 Dec 22
	Amount before provisions, impairment and amortisation	Provisions, impairment and amortisation	Net amount	
Cash and cash equivalents at central banks	61 667 285 720	-	61 667 285 720	22 620 886 590
Cash equivalents at other credit institutions	2 966 354 400	-	2 966 354 400	3 952 522 560
Assets held for trading	-	-	-	-
Other financial assets at fair value through profit or loss	-	-	-	-
Financial assets available for sale	4 229 367 770	-	4 229 367 770	7 156 878 590
Investments at credit institutions	22 662 326 900	457 640	22 661 869 260	46 467 925 660
Loans and Advances to Customers	73 739 280 161	6 527 676 970	67 211 603 191	63 190 315 257
Investments held to maturity	39 649 600 020	-	39 649 600 020	46 616 132 650
Assets with repurchase agreements	-	-	-	-
Hedging derivatives	-	-	-	-
Non-current assets held for sale	2 452 802 480	1 370 660 700	1 082 141 780	1 184 195 290
Investment properties	309 826 350	-	309 826 350	795 368 750
Other Tangible Assets	12 773 046 780	6 442 747 960	6 330 298 820	6 389 480 790
Intangible Assets	1 376 697 360	1 157 505 790	219 191 570	313 257 700
Investments in subsidiaries, associates and joint ventures	460 060	-	460 060	460 060
Current tax assets	1 322 795 440	-	1 322 795 440	523 884 610
Deferred tax assets	1 144 347 000	-	1 144 347 000	87 957 610
Other Assets	2 515 136 270	1 255 145 170	1 259 991 100	3 441 115 224
Total assets	**226 809 326 711**	**16 754 194 230**	**210 055 132 481**	**202 740 381 341**

Appendix to Circular nº. 3/SHC/2007

MODEL III (LIABILITIES)
Balance Sheet - Individual Accounts (Liabilities)

Items	Liabilities	31 Dec 23	31 Dec 22
38 - 3311 (1) - 3410 + 5200 + 5211 (1) + 5318 (1)	Resources from central banks	89 143 690	138 803 180
43 (1)	Financial liabilities held for trading	-	-
43 (1)	Other financial liabilities at fair value through profit or loss	-	-
39 - 3311 (1) - 3411 + 5201 + 5211 (1) + 5318 (1)	Deposits from other credit institutions	1 131 599 630	1 053 579 070
40 + 41 - 3311 (1) - 3412 - 3413 + 5202 + 5203 + 5211 (1) + 5310 + 5311	Deposits from customers and other loans	159 530 662 520	158 848 079 330
42 - 3311 (1) - 3414 + 5204 + 5211 (1) + 5312	Debt securities	-	-
44	Hedging derivatives	-	-
45	Non-current liabilities held for sale and discontinued operations	-	-
47	Provisions	1 409 938 370	1 234 157 400
490	Current tax liabilities	651 680 920	980 858 660,00
491	Deferred tax liabilities	62 433 670	68 460 190
481 +/- 489 (1) - 3311 (1) - 3416 (1) + 5206 (1) + 5211 (1) + 5314 (1)	Equity capital Instruments	-	-
480 + 488 +/- 489 (1) - 3311 (1) - 3416 (1) + 5206 (1) + 5211 (1) + 5314 (1)	Other subordinated liabilities	-	-
51 - 3311 (1) - 3417 - 3418 + 50 (1)(2) + 5207 + 5208 + 5211 (1) + 528 + 538 - 5388 + 5318 (1) + 54 (1)(3)	Other Liabilities	16 342 309 253	12 347 245 962
	Total Liabilities	**179 217 768 053**	**174 671 183 792**
	Equity		
55	Equity	10 000 000 000	10 000 000 000
602	Share premiums	864 265 130	864 265 130
57	Other equity instruments	-	-
-56	Own shares	(278 060 200)	(278 060 200)
58 + 59	Revaluation reserves	17 523 800	(42 383 340)
60 - 602 + 61	Other reserves and retained earnings	12 052 201 610	9 447 264 050
64	Net income for the year	8 181 434 088	8 078 111 909
-63	(Interim dividends)	-	-
62	Minority Interests	-	-
	Total Equity	**30 837 364 428**	**28 069 197 549**
	Total Liabilities + Equity	**210 055 132 481**	**202 740 381 341**

Appendix to Circular nº. 3/SHC/2007

MODEL IV
Income Statement - Individual Accounts

Items		31 Dec 23	31 Dec 22
79 + 80	Interest and similar income	24 010 248 030	22 038 400 896
66 + 67	Interest and similar costs	(8 482 446 090)	(6 333 327 074)
	Net interest income	**15 527 801 940**	**15 705 073 822**
82	Income from equity instruments	2 963 350	12 645 387
81	Income from services and fees	3 263 998 940	3 357 520 478
68	Expenses with services and fees	(1 488 243 940)	(1 015 645 417)
- 692 - 693 - 695 (1) - 696 (1) - 698 - 69900 - 69910 + 832 + 833 + 835 (1) + 836 (1) + 838 + 83900 + 83910	Income from assets and liabilities measured at fair value through profit or loss	-	191 610
- 694 + 834+832	Income from financial assets available for sale	9 546 170	10 985 070
- 690 + 830	Income from exchange revaluation	2 497 495 310	2 095 396 090
- 691 - 697 - 699 (1) - 725 (1) - 726 (1) + 831 + 837 + 839 (1) + 843 (1) + 844 (1)	Income from the disposal of other assets	72 394 290	109 584 620
- 695 (1) - 696 (1) - 69901 - 69911 - 75 - 720 - 721 - 725 (1) - 726 (1) - 728 + 835 (1) + 836 (1) + 83901 + 83911 + 840 + 843 (1) + 844 (1) + 848	Other operating income	2 489 252 258	39 716 918
	Net operating income	**22 375 208 318**	**20 315 468 578**
70	Staff Costs	(4 940 059 870)	(4 579 434 230)
71	General administrative expenditure	(3 025 794 930)	(3 098 934 970)
77	Amortisation for the financial year	(852 660 950)	(942 423 160)
784 + 785 + 786 + 788 - 884 - 885 - 886 - 888	Provisions net of write-backs and cancellations	(605 640 840)	(852 311 430)
760 + 7610 + 7618 + 7620 + 76210 + 76211 + 7623 + 7624 + 7625 + 7630 + 7631 + 765 + 766 - 870 - 8720 - 8710 - 8718 - 87210 - 87211 - 8723 - 8724 - 8726 - 8730 - 8731 - 875 - 876	Impairment of other financial assets, net of reversals and recoveries	(1 825 478 890)	363 072 220
768 + 769 (1) - 877 - 878	Impairment of other assets, net of reversals and recoveries	(1 088 790 130)	(289 069 570)
	Pre-tax earnings	**10 036 782 708**	**10 916 367 438**
	Taxes		
650	Current	(2 662 392 550)	(2 838 255 529)
651	Adjustments of tax for previous years	(293 046 520)	-
74 - 86	Deferred	1 100 090 450	-
640	**Income after taxes**	**8 181 434 088**	**8 078 111 909**
- 72600 - 7280 + 8480 + 84400	Of which: Net income after tax on discontinued operations		

(1) Applicable part of the balance of these items.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

These annual financial statements of Banco Comercial e de Investimentos, S.A. were approved by the Board of Directors on 26 February 2024 and are signed on its behalf by:

Francisco Pinto Machado Costa	**Pedro Ferraz Correia dos Reis**
(Chief Executive Officer)	(Chief Financial Officer)

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É de todos. É daqui.

Av. 25 de Setembro, n°4 - Maputo, Mozambique - Telephone: +258 21 353 700 - email: bci@bci.co.mz