

Annual Report and Accounts **2024**



Millennium
bim

aqui consigo





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MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

The performance of the global economy remained resilient in 2024, with growth estimated by the International Monetary Fund at 3,2%, despite the persistence of geopolitical risks and tensions, associated with the conflicts in the Middle East and Ukraine.

Inflation, in turn, followed a downward path, benefiting from reduced pressures on supply chains and the normalization of energy prices, with the main central banks adopting less restrictive monetary policies. The Federal Reserve and the European Central Bank have started a cycle of cuts in benchmark interest rates, reversing the upward trend that had been observed since mid-2022.

Following the same direction, the Bank of Mozambique has consistently reduced key rates, taking into account the significant reduction in inflation, which reached its lowest level in September, standing at 2,5%. However, the reserve requirement ratios in domestic and foreign currency remained unchanged, with negative implications for the liquidity of the banking sector.

The Mozambican economy grew by 3,7% in the third quarter of 2024, driven by increased LNG production at the *Coral Sul* offshore project, the good performance of the mining sector and the recovery of agriculture, benefiting from improved weather conditions. However, the fourth quarter brought significant challenges, marked by severe social demonstrations that led to restrictions on public and private sector activities. The protests negatively impacted turnover in areas such as industry, ports, transport, logistics, services, restaurants and tourism, leading to a sharp drop in consumption and private investment, conditioning the performance of the economy in the fourth quarter which, according to the National Statistics Institute, contracted by 4,9%.

This scenario of instability has exacerbated the perception of the country's risk, leading the main financial rating agencies to revise their ratings downwards. Standard & Poor's revised Mozambique's domestic debt rating to CCC in 2024 (and consequently increased the default to CCC- in February 2025), maintaining the external debt assessment, but changing its outlook to negative. Fitch also downgraded the rating from CCC+ to CCC, justifying the decision with the high budget deficit, growing economic challenges marked by fiscal imbalances, liquidity difficulties and political and fiscal uncertainties.

In a challenging economic environment, Millennium BIM remained solid and robust, supported by good governance, prudent risk management, a very comfortable liquidity position, very high capital levels and resilience to face adverse shocks in the market environment.

The performance achieved in 2024 is evidenced by the following indicators:

- Total assets increased from MT 190,4 billion to MT 202,0 billion, an increase of 6,1% compared to the previous year;
- Customer deposits increased by 7,1%, from MT 146,4 billion to MT 156,8 billion;
- Net profit decreased from MT 7,2 billion to MT 3,3 billion, reflecting the increase in impairments for public debt;
- Impairment of public debt securities increased by MT 2,1 billion, following the downward revision of the rating for government issues in national currency;
- Loan impairment, net of recoveries, stood at MT 178 million, representing an increase of 110,4%, due to the significant recovery of credits in 2023, with impacts on the reversal of impairments that year;
- Improvement in the NPE-EBA ratio to 1,4% in 2024, compared to 1,5% in 2023;
- Equity decreased by 6,3%, from MT 36,9 billion to MT 34,6 billion, reflecting the drop in the result for the year and the distribution of dividends on the previous year's results;
- The Solvency Ratio remained robust, standing at 36,7%, clearly above the minimum imposed by the supervisory authority (set at 12%).

During 2024, we maintained our strategy focused on digital transformation, innovation and focus on the Customer, with emphasis on offering personalized financial solutions aimed at the Public Employees segment. At the same

time, we continued to simplify processes and routines, offering excellent service and strengthening relationships based on trust, following high standards of ethics and responsibility.

Additionally, as part of our commitment to improving the Customer experience, we continued the reformulation of the counters network, which began in 2023, having inaugurated 4 'balcões do futuro', spaces that stand out for their modern design and strong digital emphasis.

We have strengthened the strategic pillar of Human Resources management, in order to improve the alignment of teams with the Bank's objectives. We focus on optimizing recruitment, training and technical skills development processes to ensure that Employees are prepared to respond to the demands of a constantly changing market.

We reaffirm our dedication to the well-being of Employees by updating the health benefits package to expand medical coverage and facilitate access to specialized services. In response to unexpected events such as Cyclone Chido, we mobilized resources to support affected Employees by providing financial support for housing reconstruction and other critical needs. In addition, we have intensified efforts to promote physical and mental well-being by conducting comprehensive health campaigns and establishing strategic partnerships.

We continued to strengthen our proximity to Mozambicans, developing several community support actions, which reflect our contribution to social development and the well-being of communities. These initiatives, aligned with the values and mission that guide us as an institution, not only promote inclusion and equity, but also strengthen the bonds of trust with society.

Among the community support actions carried out in the 2024 financial year, we highlight:

- The partnership with the "Renascer com a Júju" project, which aims to reduce dropouts in cervical cancer treatment and promote the involvement and support of families in the recovery process;
- Support for blood donation campaigns promoted by the District Hospitals of Mandimba and Provincial of Lichinga, with the active participation of volunteer employees of the Bank;
- The donation of items to two health units in the districts of Boane and Massinga, as part of the reopening of counters;
- The delivery of washing machines to the Neonatology service of the Maputo Central Hospital;
- The promotion of the "Poupança nas Escolas" and "Global Money Week" initiatives, which raise awareness among children and young people about the importance of saving and financial planning;
- Continued support for the "Girl-Move" program, which empowers Mozambican youth and women as agents of the country's development;
- The implementation of the volunteer initiative "Uma Cidade Limpa Pra Mim", which raises awareness in society about the preservation of public spaces and the protection of the environment;
- The planting of 400 mangrove seedlings in Nacala-à-Velha, contributing to environmental sustainability.

We continue with the commitment to sponsoring Culture, highlighting our collaboration with the Franco-Mozambican Cultural Center, which aims to hold annual exhibitions, providing an essential platform for local artists and promoting free cultural activities for children.

The stoppage of activities and the rise in inflation in the last quarter of the year resulted in the downward revision of national GDP growth forecasts. For 2025, the economic recovery will depend to a large extent on political and social stability, the creation of stimuli for business growth, the evolution of inflation and the restoration of investor confidence.

At the international level, risks and uncertainties will require special attention, with emphasis on the possible impacts on expected inflation in Europe and China, resulting from the tariffs imposed by the new US administration.

This year, we celebrate 30 years of existence in the Mozambican banking market, a milestone that fills us with pride and gratitude. We take this moment to praise the achievements realized, thank the commitment of the

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shareholders in the construction of this project, the dedication of the Employees in the pursuit of the objectives, and the trust of our Clients and Institutional Partners, which are decisive elements for the success of the business.

As we look to the future, we reaffirm our commitment to continue to drive innovation in the banking sector and actively contribute to the sustainable development of Mozambique, remaining agents of positive change and trusted partners for the communities we serve.

Thank you very much!





Main Indicators

MAIN INDICATORS

	Millions in Meticaïs				
	2021	2022	2023	2024	Var. % 24/23
Balance Sheet					
Total Assets	183 677	191 653	190 385	201 954	6,08%
Loans to customers (net)	41 830	42 801	44 208	45 160	2,15%
Customer deposits	138 085	152 176	146 447	156 785	7,06%
Equity	40 283	34 526	36 885	34 563	-6,30%
Profitability					
Operating Income	17 819	17 942	18 196	18 078	-0,65%
Operating costs	7 137	7 651	8 703	9 083	4,36%
Provisions and Impairment	1 087	1 237	-763	3 517	-560,92%
Taxes on profits	2 649	2 649	3 045	2 170	-28,74%
Net Income attributable to the Bank's shareholders	9 853	6 613	7 211	3 309	-54,11%
Efficiency Ratio					
Efficiency Ratio	40,06%	42,64%	47,83%	50,24%	
Return on average equity (ROE)	27,72%	19,98%	21,11%	9,46%	
Return on average assets (ROA)	5,49%	3,59%	3,93%	1,68%	
Creditworthiness					
Loans overdue for more than 90 days / Total Loans	7,96%	7,78%	2,87%	2,80%	
Overdue Loans / Total Loans	8,07%	7,85%	3,08%	2,92%	
Loan impairment / Loan overdue for more than 90 days	104,76%	104,20%	148,43%	144,66%	
NPE-EBA	4,76%	4,00%	1,51%	1,36%	
Cost of risk	72 p.b.	118 p.b.	-371 p.b.	38 p.b.	
Solvency					
Tier I	47,20%	38,91%	40,05%	40,30%	
Total	44,82%	36,39%	37,15%	36,70%	
Clients(in thousands)	1 804	1 883	1 970	2 103	6,75%
Bank Counters	199	197	195	195	0,00%
Employees	2 496	2 504	2 574	2 625	1,98%

SUMMARY OF THE BOARD OF DIRECTORS' REPORT

In the international context, a heterogeneous performance of the different economies was observed, explained by the persistence of the conflict in Ukraine and the Middle East and its impacts on the prices of energy and food raw materials, as well as the holding of elections in more than 50 countries, especially the United States of America.

The International Monetary Fund estimates growth of 3,2% for 2024, converging to a scenario of greater stability due to the reduction of inflationary pressures that favored the cut in key interest rates by the main central banks (FED and ECB), signaling a less restrictive stance of monetary policy.

The outlook for 2025 points to weak growth in most economies, considering the trade rivalries between the two largest world powers (the US and China), whose tightening tariffs on imported goods could trigger a new inflationary wave.

The Mozambican economy expanded by 3,7% in the third quarter of 2024, resulting from increased LNG production at the *Coral Sul* offshore project, the good performance of the mining sector and agriculture driven by the evolution of raw material prices and improved weather conditions, according to data published by the National Statistics Institute.

In the fourth quarter, social upheavals led to restrictions on public and private sector activity. The protests led to a significant decrease in turnover in the sectors of industry, ports, transport, logistics, services, restaurants and a sharp drop in tourism.

As such, in December 2024, there was an increase in inflation, corresponding to 4,2% year-on-year (the highest increase of the year), reflecting the interruption of supply chains; disruptions in the distribution channels of raw materials, intermediate goods and consumer goods; reduction of activity in the industrial production and services sector, associated with the post-election protests.

The Bank of Mozambique gradually and consistently reduced policy rates throughout the year, taking into account inflation expectations that point to low and stable levels in the short and medium term. In fact, the Monetary Policy Rate was revised from 17,25% to 12,75%; the Permanent Lending Facility from 20,25% to 15,75%; the Deposit Facility from 14,25% to 9,75%. However, the reserve requirement ratios in domestic and foreign currency remained unchanged in 2024 (compared to 31 December 2023).

The Metical remained stable against the Dollar, despite the increase in exchange rate pressures, with less volatility against the Euro and Rand.

Public debt reached MT 1 069 billion (USD 16,7 billion), corresponding to 96% of GDP in 2024, and the financial rating agencies downgraded the rating of Mozambican public debt for issues in national currency. During 2024, Standard & Poor's revised the debt rating to CCC (and consequently to CCC-, in February 2025), and Fitch announced the downgrade from CCC+ to CCC also during February 2025.

Millennium Bim's equity structure remains solid, total assets amounted to MT 201 954 million, representing an increase of 6,1% compared to the previous year, mainly supported by increases in Cash and Availability at the Bank of Mozambique, Investments in Credit Institutions and Financial Assets at fair value through other comprehensive income, which recorded increases of 17,1%, 25,6% and 34,7%, respectively, and financial assets at amortized cost decreased by 18,6%. Net credit to Customers increased from MT 44 208 million in 2023 to MT 45 160 million in 2024, corresponding to a growth of 2,2%.

Banking Income reached MT 18 078 million, registering a slight decrease of 0,6% (MT -118 million) compared to the MT 18 196 million observed in 2023. The unfavorable performance was mainly due to the reduction in other operating income and financial operating income, which decreased by 198 million and MT 44 million, respectively.

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The reduction was partially offset by increases in net interest income and results from services and commissions, which grew MT 80 and MT 39 million, respectively.

Operating costs, which include personnel expenses, other administrative expenses, depreciation and amortization, totaled MT 9 083 million, representing an increase of 4,4% (MT +380 million).

Loan impairment (net of recoveries) increased by 110% (MT +1 890 million), when compared to MT -1 712 million recorded in 2023.

The impairment of public debt securities increased by MT 2,1 million compared to 2023, after the downward revision of the rating for issues in national currency of the Mozambican State. Additionally, throughout 2024, there was an increase of MT 902 million in impairments and provisions for equipment held due to credit recovery, fraud and price regularization.

The net profit of Millennium BIM amounted to MT 3 309 million, a reduction of 54% compared to MT 7 211 million in 2023, essentially explained by the aforementioned increases in impairments and provisions.

The solvency ratio increased due to the increase in capital, standing at 36,7%, considerably above the regulatory limit of 12,0%, reflecting the Bank's resilience and financial strength.

In 2024, the Bank continued with the implementation of a very relevant set of initiatives under the aegis of Project "Projecto Júpter", with a view to improving the Customer experience, the efficiency and effectiveness of processes, reducing operational risk and strengthening the second and third lines of defense.

Millennium BIM maintained its strategy based on Digital Transformation and Innovation, launching new campaigns and features that proved to be powerful instruments for the development of a close and solid relationship with Customers, with emphasis on the availability of the Salary Loan "Crédito Salário" in the Smart IZI App and the launch of the "Mais Digital" campaign, which favored a 33% increase in the number of Customers using the App.

At Millennium BIM, the development of Employees' skills is a priority. In this sense, the Bank invested 53 thousand hours in technical and behavioral training, in line with market demands. At the same time, it has expanded its focus on employee well-being, expanding health benefits and mobilizing resources to support employees affected by Cyclone Chido.

In the sphere of Social Responsibility, Millennium BIM has implemented initiatives that have an impact on communities. In health, the "Renascer com a Júju" project stood out, which supports the fight against cervical cancer, and the blood donation campaigns in partnership with local hospitals. In education, it promoted financial literacy through the Banking Olympics and the "Poupança nas Escolas" program, empowering young people to make conscious economic decisions. In the environment, it carried out actions such as the planting of 400 mangrove seedlings and the campaign "Uma Cidade Limpa Pra Mim", encouraging environmental preservation. In culture, the partnership with the Franco-Mozambican Cultural Center has fostered access to art, with exhibitions by local artists and free cultural activities for children, strengthening Mozambican cultural identity.

The Bank's strategy focuses on customer service and experience, in a segmented approach, in the commitment to digital transformation, maintaining the focus on the sustainability of results, efficiency, robustness, namely:

- Committed contribution to the acceleration of financial inclusion in the Mozambican economy;
- Maintenance of high levels of customer satisfaction, loyalty and engagement;
- Expansion of the customer base and assets under management in traditional business areas;
- Consolidation of sectoral and regional technological leadership;
- Sustained improvement in profitability and financial soundness;
- Valuing, motivating and compensating Employees;
- Maximizing value for Shareholders.

ORGANIZATIONAL STRUCTURE

GOVERNMENT MODEL

The Bank's governance model is established in its statutes and complies with the requirements of the Law on Credit Institutions and Financial Companies, approved by Law No. 20/2020, of 31 December. The Governing Bodies are the General Assembly, the Board of Directors, the Fiscal Council and the Compensation and Welfare Board. In addition, the Corporate Governance Support Committees are part of the governance model, which include: the Executive Committee, the Audit Committee, the Risk Assessment Committee and the Nominations and Remuneration Committee.

GENERAL ASSEMBLY OF SHAREHOLDERS

The General Assembly is the highest body of the company that represents the universality of shareholders, and its resolutions are binding on all of them when decided in accordance with the law and the articles of association.

The General Assembly is responsible for:

- To approve the management report and the accounts for the year, including the balance sheet and the income statement, as well as the opinion of the Fiscal Council thereon and to resolve on the application of the results for the year;
- Elect the board of the general assembly, the managers and the members of the Fiscal Council;
- To decide on any amendments to these statutes;
- To decide on the issuance of bonds;
- To decide on the increase, reduction or reintegration of the share capital;
- To decide on the creation of golden shares;
- To decide on the merger, spin-off or transformation of the company;
- To decide on the dissolution, liquidation or extension of the company;
- To decide on the call and restitution of supplementary capital instalments;
- To decide on the filing and withdrawal of any actions against the Directors or against the members of the other corporate bodies.

FISCAL COUNCIL

The Fiscal Council is responsible for the control and legality of the Bank's financial and asset management. Among several skills, the following stand out:

- Regularly monitor and supervise compliance with the applicable accounting regulations, the financial and equity situation of the Bank;
- To give an opinion on the management report and on the Management accounts for each financial year, including legal certification documents of annual accounts;
- To pronounce on matters submitted to it by the Bank's Management bodies;

BOARD OF DIRECTORS

The Board of Directors is responsible for the broadest powers of management and social representation and, such as, to deliberate especially on:

- Co-optation of directors;
- Risk management policies, standards and procedures;

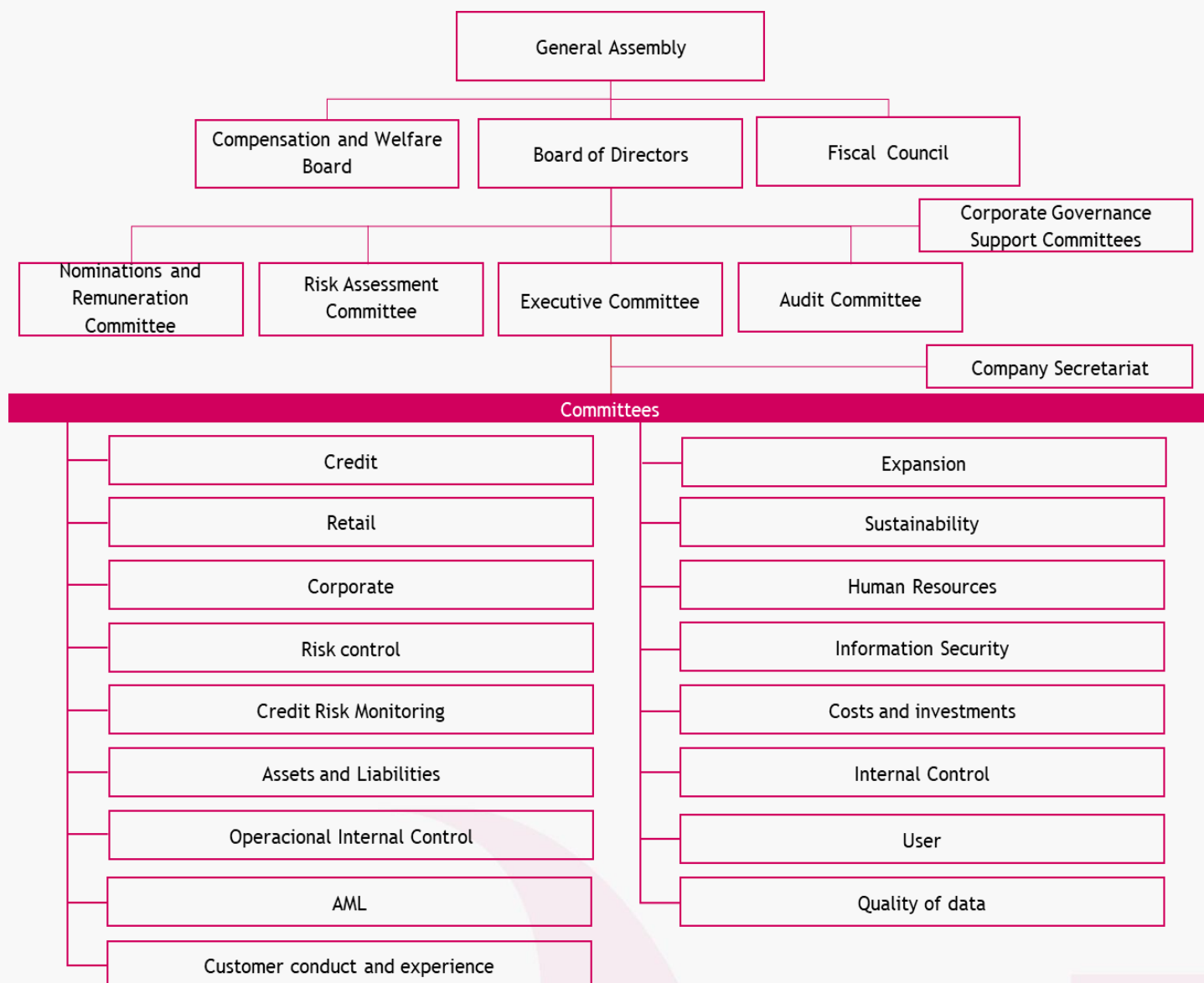
- Zeal for monitoring the effectiveness of risk management, internal control, internal audit and compliance systems;
- Approval of the Strategic Plan and Budget;
- Annual reports and accounts and application of results;
- Significant extensions or reductions in activity;
- Projects for the merger, spin-off and transformation of the company;
- Provision of personal or real guarantees and guarantees by the company;
- Any other matter on which any director requires deliberation by the board.

EXECUTIVE COMMITTEE

The executive management of the Bank is ensured by Executive Directors appointed by the Board of Directors. The Executive Committee is responsible for:

- To propose to the competent bodies the approval and periodic review of the Bank's general operating policies, and to ensure their correct implementation;
- Ensure the operationalization and communication of the organizational structure, with adequate detail about the members and those responsible for the functions and structures of the governance model;
- Ensure the existence of adequate processes for obtaining, producing and processing information disclosed to Employees, Supervisors or the Public and control mechanisms that guarantee the reliability, integrity, consistency, completeness, validity, timeliness, accessibility and granularity of all information produced, namely ensuring the integrity of accounting and financial information systems;
- Ensure that formal, transparent, relevant and tailored processes are in place that ensure effective, timely, adequate, comprehensive and understandable communication, facilitate the decision-making process and promote the necessary information flows between all relevant parties in a process and between the management and supervisory bodies and the internal control functions, the information flows established in the Bank;
- Ensure that risk-taking structures make decisions weighted by the underlying risk, within tolerance limits, and adopt control mechanisms that allow for the timely reporting of risks to internal control functions;
- Ensure that impartial, transparent and auditable internal procedures are adopted, particularly when it comes to the contracting of services and the acquisition and disposal of assets by the institution;
- To assess and decide on all other matters of day-to-day management of the Bank that the applicable law and/or regulations (in particular commercial and banking legislation and regulations issued by the Bank of Mozambique) and/or the statutes and/or regulations of the Board of Directors or deliberation of this body do not reserve exclusively to the Board of Directors (or any of its Specialized Committees), provided that it is within the limits and general principles defined by resolution of the Board of Directors;
- To exercise the broadest day-to-day management powers of the Bank that are not delegated, especially to other bodies.

CORPORATE GOVERNANCE MODEL



COMPOSITION

GENERAL ASSEMBLY

CHAIRMAN

Flávio Prazeres Lopes Menete

VICE-CHAIRMAN

Esperança Alfredo Samuel Machavela

SECRETARY

Horácio de Barros Chimene

FISCAL COUNCIL

CHAIRMAN

Teotónio Jaime dos Anjos Comiche

MEMBERS

Eulália Mário Madime

Aurélio Valente Chiziane

Umeid Calú

BOARD OF DIRECTORS

CHAIRMAN

Moisés Jorge¹

1st VICE-CHAIRMAN

Nuno Manuel da Silva Amado

2nd VICE-CHAIRMAN

Rui Manuel Pereira Pedro

DIRECTORS

Miguel Maya Dias Pinheiro

Manuel Alfredo de Brito Gamito

Jacinto Zacarias Uqueio

Liliana Marisa Catoja da Costa Lemos

José Artur Gouveia Coelho Caetano

Albino António Carneiro de Andrade

João Nuno Oliveira Jorge Palma

José Miguel Bensliman Schorcht da Silva Pessanha

Anabela Júlia Chambuga Pinho

Rui Nelson Moreira de Carvalho Maximino

Sérgio Quintas Vieira da Silva Magalhães

EXECUTIVE COMMITTEE

CHAIRMAN

Rui Manuel Pereira Pedro²

DIRECTORS

Rui Manuel Pereira Pedro

Liliana Marisa Catoja da Costa Lemos

José Artur Gouveia Coelho Caetano

Albino António Carneiro de Andrade

Rui Nelson Moreira de Carvalho Maximino

Sérgio Quintas Vieira da Silva Magalhães³

¹Beginning of functions of Chairman of the Board of Directors on 13 May 2024, replacing Rui Cirne Plácido Carvalho Fonseca, who ceased to function on 13 May 2024

² Beginning of the duties of the 2nd Vice-Chairman of the Board of Directors and Chairman of the Executive Committee (PCE) with effect from October 28, 2024, replacing the Interim PCE, Rui Nelson Moreira de Carvalho Maximino, who, in turn, replaced João Manuel R.T. da Cunha Martins, who ceased his duties on May 13, 2024.

³ Assumption of functions with effect from July 3, 2024.

Shareholder Structure

The share capital of Millennium BIM is 4 500 000 000,00 Mt (four thousand five hundred million meticaïs) represented by 45 000 000 shares (forty-five million shares), with the following composition:



MISSION, VISION, VALUES AND STRATEGY

VISION

Millennium BIM is a universal Bank, which invests in the creation of value in the various market segments, seeking to affirm a presence based on excellence, quality and innovation in the distribution of financial products and services. It seeks to be a reference Bank in customer service and has as one of its main objectives to achieve a higher level of efficiency, translated into the commitment to continue to improve its efficiency ratio through careful management of capital and costs.

MISSION

To contribute to the modernization and development of the financial system and the Mozambican economy, through the commercialization of innovative and personalized financial products and services, designed to meet the global financial needs and expectations of the different market segments, with superior quality and specialization standards.

VALUES

CLOSE

Choose the place and the moment, the reason or the dream, that we will be here to help make it happen. Around the corner, very close to home, next to the market, just a few steps from you, there is always a Millennium BIM counter available. For us, nothing is out of hours or inopportune. When you think you're far away, we'll come to you via your phone, tablet or computer and make everything more accessible and convenient. Thus, being closer to our customers does not only mean having counters everywhere, but speaking the same language and understanding their needs, finding ways to quickly and effectively solve their issues. Therefore, more than being near, we are closer.

DYNAMIC

The Movement is the other name of Life. Whether to the rhythm of the clock or dreams, we are looking for more and better. This daily race is won with flexibility and speed. Those who anticipate obstacles and make the appropriate decisions win, those who constantly adapt to new realities win. And for this reason

we know that, as a Bank, we generate solutions, offer services tailored to our customers' challenges and become a tool for their achievements. Dynamism! This is a value that is always available to Millennium BIM Clients.

INNOVATIVE

All it takes is one new idea for us to observe the world with different eyes. And sometimes, the novelty is in a gesture that we discover or in a screen that, with a simple click, makes us reach our destination faster. This is precious and motivating. This is us every day, creating new ways of overcoming. It is us, the Bank of yesterday that today is renewed and tomorrow surprises. On the technology trail, in human relations, in the way of doing business, in partnerships, we always try to be in the lead. A Bank that innovates because it moves with the passion and creativity that each of our customers demands and deserves. With us we give wings to the imagination, get to work and create countless possibilities. "If it's new, it's Millennium BIM".

STRATEGY

The Bank's strategy involves a commitment to digital transformation, maintaining a focus on the sustainability of results, efficiency, robustness, and ensuring the:

- Committed contribution to the acceleration of financial inclusion in the Mozambican economy;
- Maintenance of high levels of customer satisfaction, loyalty and engagement;
- Expansion of the customer base and assets under management in traditional business areas;
- Consolidation of sectoral and regional technological leadership;
- Sustained improvement in profitability and financial soundness;
- Valuing, motivating and compensating Employees;
- Maximizing value for Shareholders.



Macroeconomic Framework

MACROECONOMIC FRAMEWORK

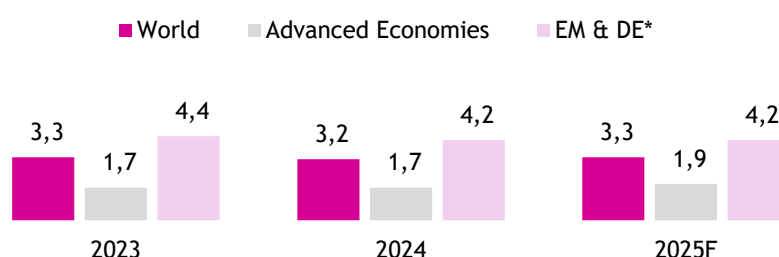
INTERNATIONAL ECONOMY

Global growth converged to a scenario of greater stability, essentially reflecting the reduction in inflationary pressures, which favoured the cut in the key interest rates of the main central banks (FED and ECB), signalling a less restrictive stance of monetary policy with a view to boosting consumption and promoting investment.

In the international context, a heterogeneous performance of economies was observed, due to the persistence of the conflict in Ukraine and the Middle East and its impacts on the prices of energy and food raw materials, as well as the holding of elections in more than 50 countries, with emphasis on the United States of America.

The International Monetary Fund (IMF) estimates growth of 3,2% in 2024 and 3,3% in 2025, which reflects a weak dynamism in global economic activity, considering the risks associated with geopolitical tensions and changes in the economic and trade policy of the United States of America. The outlook for 2025 points to weak growth in most economies, considering the trade rivalries between the two largest world powers (the US and China), whose tightening tariffs on imported goods could trigger a new inflationary wave and reverse the monetary policy stance of central banks.

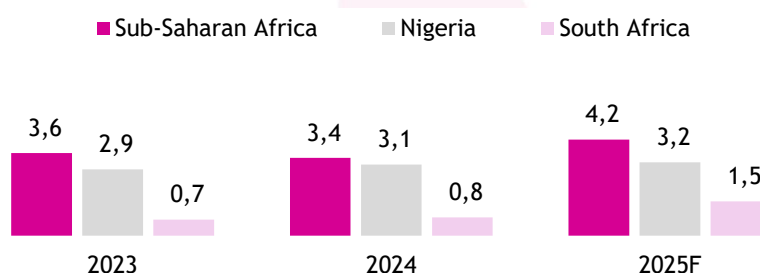
Chart 1. GDP Growth, %



Source: International Monetary Fund

In Sub-Saharan Africa, growth of 3,4% is expected in 2024, which translates into a slowdown of 0,2 percentage points compared to 2023, according to the IMF. The outlook for 2025 may be conditioned by the evolution of world oil demand, largely due to the cooling of advanced economies and emerging markets, with particular emphasis on China and India, which have positioned themselves as major consumers of the raw material. The region continues to face challenges related to terrorism, natural disasters, high public debt, inflationary and exchange rate pressures, political and social instability in some geographies, volatility of energy and food prices. The suspension of U.S. foreign aid will have implications for budgets and the sustainability of public finances in the least resource-intensive countries.

Chart 2. GDP Growth, %



Source: International Monetary Fund

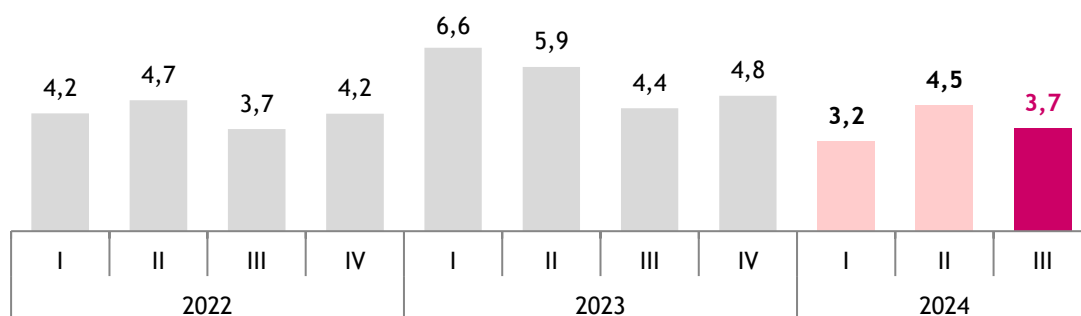
NATIONAL ECONOMY

The Mozambican economy expanded by 3,7% in the third quarter of 2024, resulting from increased production of LNG offshore Coral Sul, good performance of the mining sector and agriculture, driven by the evolution of raw material prices and improved weather conditions, according to data published by the National Statistics Institute. The gradual decline in interest rates has also favoured the revival of demand in the construction, trade and services sectors.

In the fourth quarter, social demonstrations led to restrictions on public and private sector activity. The protests led to a significant decrease in turnover in the sectors of industry, ports, transport, logistics, services, catering, and a sharp drop in tourism. From an economic point of view, the transmission channels of this shock are multiple and interconnected, with a strong impact on prices (rising inflation), production (paralysis of activities) and productivity (through disruptions in production and employment).

The marked effect of the post-election crisis, at the economic level, was reflected in supply, demand, confidence and public finances. In this sense, Gross Domestic Product growth should be revised downwards, given the sharp drop-in economic activity and the rise in inflation, especially in the last quarter of the year, which curbed consumption and private investment. However, the medium-term outlook remains favourable, although vulnerable to the materialisation of certain risks, stemming from internal and external factors, which may exacerbate inflationary pressures and further delay the resumption of structuring projects.

Chart 3. Real GDP Growth, %

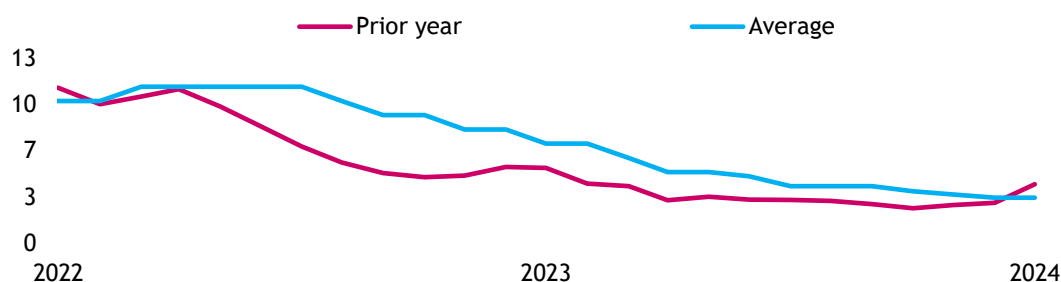


Source: INE

In December 2024, there was an increase in inflation, corresponding to 4,2% year-on-year (the highest increase of the year), reflecting the interruption of supply chains; disruptions in the distribution channels of raw materials, intermediate goods and consumer goods; reduction in activity in the industrial production and services sector. However, the stability of the Metical against the US Dollar helped to minimize additional price pressures. Inflation is expected to remain low and stable over the medium term as global pressures ease and agricultural production increases. Developments in fuel, food and transport prices are expected to continue to drive inflation in 2025.

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Chart 4. Mozambique Inflation, %

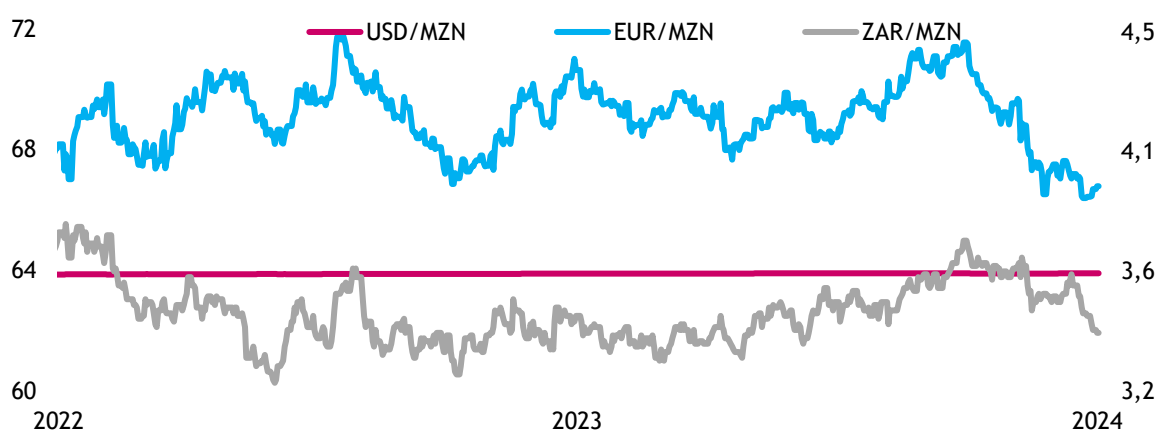


Source: INE

The Metical remained stable against the Dollar, despite the increase in demand for foreign currency, mainly for fuel and food imports. Lower volatility was observed against the Euro and Rand.

At the close of 2024, the main currencies traded on the market were quoted at USD/MZN 63,91, ZAR/MZN 3,41 and EUR/MZN 66,79. The stability of the nominal exchange rate minimized inflationary pressures from imported goods.

Chart 5. Exchange Rate



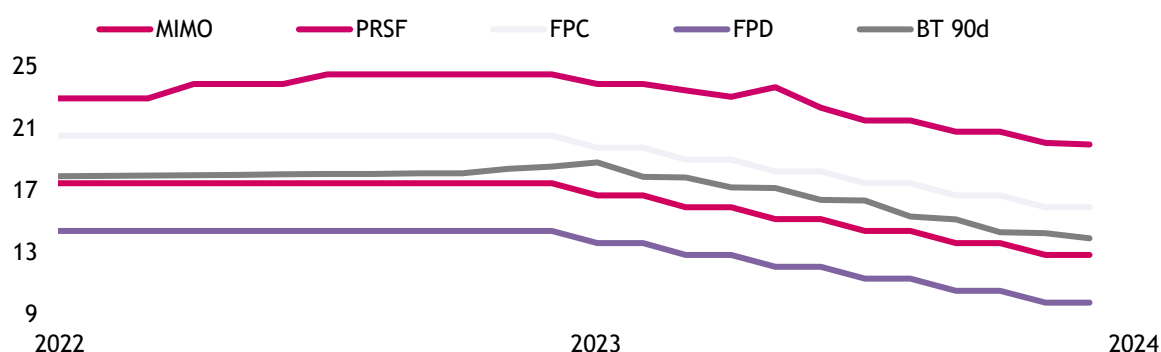
Source: Bank of Mozambique

The Bank of Mozambique has been reducing policy rates consistently, considering inflation expectations that point to low and stable levels in the short and medium term. In fact, the Monetary Policy Rate was revised from 17,25% to 12,75%; the Permanent Lending Facility from 20,25% to 15,75%; the Deposit Facility from 14,25% to 9,75%. However, the reserve requirement ratios in domestic and foreign currency remained unchanged throughout the year.

In January 2025, the Monetary Policy Committee decided to ease monetary policy. The decision consisted of reducing the reserve requirement rates from 39% to 29% in national currency and 39,5% to 29,5% in foreign currency, with the aim of freeing up liquidity for commercial banks to strengthen the financing of the economy. Regarding expectations about inflation performance, the Bank of Mozambique forecasts single-digit inflation in the medium term, mainly justified by the stability of the Metical against the Dollar and the adequacy of monetary conditions to economic activity.

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Chart 6. Reference Interest Rate, %



Source: Bank of Mozambique

The trade balance reached a surplus of USD 141 million in the third quarter of 2024, according to data from the Bank of Mozambique. The performance resulted from the combination of an increase in exports by 7% and a decrease in imports by 0,2%, mainly from large projects in operation in the LNG, coal, aluminium and energy sectors.

Exports stood at US\$2,38 billion, up from US\$2,22 billion in the same period last year, driven by the increase in foreign sales of heavy sands (42% y/y), natural gas (13% y/y), sugar (46%) and aluminium (10% y/y), largely due to rising prices in international markets, combined with the improvement of external demand. Imports decreased by USD 4 million year-on-year, explained by weak domestic demand associated with lower dynamism in economic activity, which grew by 3,7% in the third quarter of 2024.

The outlook indicates that the current account deficit may increase in the medium term with the progress of LNG projects, but will continue to be fully financed through credits and Foreign Direct Investment, without compromising international reserves, according to World Bank estimates.

Chart 7. Balance of Trade, in millions USD



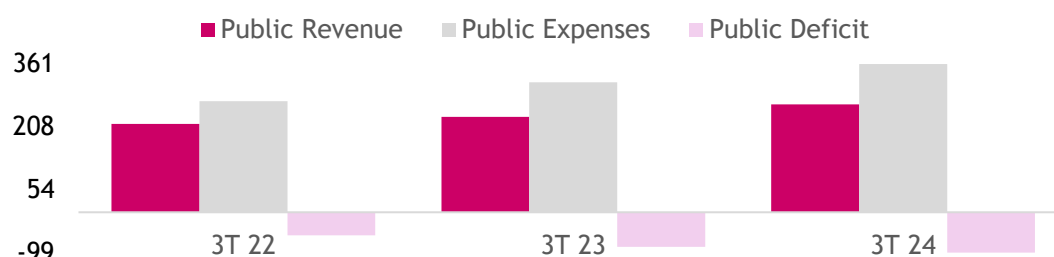
Source: Bank of Mozambique

Public debt reached MZN 1 069 billion (USD 16,7 billion), corresponding to 96% of GDP in 2024. Increased fiscal pressures, delays in domestic debt payments, the effects of social upheavals and political tension in recent months, which has resulted in the destruction of property, supply chain disruptions and loss of confidence in the business environment, have led financial rating agencies to downgrade the ratings of national currency debt issues. Thus, in 2024, Standard & Poor's revised Mozambique's debt rating to CCC (and consequently to CCC-, in February 2025), and Fitch reported the downgrade from CCC+ to CCC also during the month of February 2025. It should be noted that, according to the Standard & Poor's statement, the main reasons for the February 2025 downgrade result from the responsibility management exercises in local currency bonds (announced and under analysis by the Government) and the post-election economic disruptions affecting budgetary and liquidity operations.

According to the government's fiscal scenario (2025-2027), domestic resources remain insufficient to cover investment expenditures, especially for the year 2025. Due to the current adverse situation, the level of domestic investment was set at 36 867,5 million meticaïs in 2025 and is expected to increase to 81 148,8 million by 2027, depending on the growth of the economy.

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Chart 8. Public Accounts, in thousand million MZNs



Source: Ministry of Finance

Regarding the outlook for 2025, the Mozambican economy will most likely remain resilient, assuming the easing of economic policies and ongoing structural reforms to improve the business environment. Economic recovery will depend above all on political and social stability, the creation of stimuli for business growth, the effectiveness of public policies, the control of inflation and the restoration of investor confidence. Economic activity is expected to become more dynamic in the second half of the year, considering the expectation of an increase in consumption and private investment following the fall in interest rates in the credit market. Regional and international risks and uncertainties should be given special attention in the forecasts of the main macroeconomic aggregates, highlighting the new wave of inflation expected in Europe and China, resulting from the tariffs imposed by the US and the suspension of support from the USAID Organization, which will have an impact on the prices of imported goods and the trade balance of the most vulnerable countries such as Mozambique.



Activity Framework

ACTIVITY FRAMEWORK

Customer segmentation is a strategic pillar in the Bank's operations. In 2024, Millennium BIM reinforced its attention to all segments, with a special focus on Civil Servants who now have personalized and innovative financial solutions.

The Bank continued to simplify processes and routines, providing an excellent service and solidifying relationships based on trust and reaffirming itself as the reference partner for those seeking financial solutions in Mozambique.

Main Business Lines

Retail Network

Mass Market

In private customers, Millennium BIM has continued to implement its strategy focused on providing digital solutions, with the aim of ensuring an increasingly efficient and effective service. As a result of these efforts, the active customer base on digital platforms has grown significantly, surpassing the 900 thousand active customer mark.

Under the motto "Year of the Public Employee" ("Ano do Funcionário Público"), the Bank launched several initiatives, including exclusive offers and promotional campaigns that boosted the growth of the digital customer base. These actions also fostered the increase in transactionality, the domiciliation of salaries and the granting of credit to civil servants.

As part of the commitment to serve more and better, Millennium BIM continued with the project, started in 2023, to reformulate the bank counters network, highlighting throughout 2024 the inauguration of 4 "balcões do futuro", which are distinguished by their modern and innovative design, associated with a strong digital bent.

MTOP

In 2024, Millennium BIM consolidated itself as a pioneer in Mozambique in the provision of remote management services, by registering an increase in products and services used by Customers in this segment, characterized by the appreciation of speed, simplicity, effectiveness and convenience in the management of personal finances, through mobile platforms or personalized service and/or a Call Center available 24 hours a day and 7 days a week.

To encourage greater use of the digital offer in this segment, Millennium BIM has intensified its campaigns to join Smart IZI. With the initiative, it expanded access to the platform, which gradually provides new features and functionalities, providing an increasingly complete experience aligned with the needs of Customers.

PRESTIGE

In the Prestige segment, in 2024, the Bank focused on strengthening the relationship with Customers and raising the quality of the services provided. This approach allowed us to achieve a high level of satisfaction, measured by the Net Promoter Score (NPS). The continuous improvement of services and the optimized customer experience also boosted the growth of the customer base, the increase in credit card membership and the domiciliation of salaries.

To meet the expectations of the segment, Millennium BIM continued to invest in innovative digital solutions and personalized remote management. The Smart IZI App and the "Prestige Directo" service played a key role in this process, consolidating the offer of modern, efficient solutions aligned with the needs of Prestige Customers.

PRIVATE

Millennium BIM is committed to offering a unique and quality service for the Private segment, totally focused on strengthening trust and proximity with Customers. The actions focused on attracting more business through competitive solutions, aligned with the needs of Customers and supported by an agile and personalized process.

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Entities

Renewed Commitment to SMEs: M Leader Program 2024

In 2024, the Bank reinforced its commitment to Small and Medium-sized Enterprises (SMEs) by renewing the “M Líder” Program, thus consolidating its position with this segment that is essential for the growth of the Mozambican economy. The program offers a dynamic and comprehensive approach, providing solutions for Treasury and Investment Support, Trade Finance and International Trade, as well as a strong transactional aspect, supported by an innovative digital offer through corporate Home Banking.

Recognising the importance of exporting SMEs, the Bank has developed specific solutions to streamline their business processes, providing liquidity and security instruments to facilitate international transactions.

In the relationship with merchants, the campaign aimed at increasing the use of POS stood out, which resulted in a 40% growth in the volume transacted, compared to 2023, on the one hand, and, on the other hand, maintained an aggressive strategy to attract new Customers, through the provision of an offer called Welcome Package, this resulted in the adhesion of 2 176 new companies.

The Bank remains committed to supporting the development of the business fabric, actively contributing to the implementation of new financial solutions that boost the competitiveness and sustainability of SMEs.

CORPORATE

The Corporate Segment in commercial banking in Mozambique plays a crucial role in boosting the economy, supporting the financial and transactional needs of medium and large companies.

In 2024, the Mozambican economy maintained moderate growth, driven by megaprojects in the mining sector (natural gas, coal, heavy sands and other minerals). The Banking Sector has adapted to macroeconomic conditions, with a cautious approach to granting loans.

Millennium BIM maintained its commercial action based on a strong close relationship with its customer base, seeking to identify the best opportunities for the placement of loan with good risk.

In attracting new Clients, the highlight was the creation of the China Desk, which allowed to attract a significant number of new Clients and foreign direct investments (FDI). This initiative strengthened the Bank's position in supporting international trade, facilitating business between Mozambique and China.

In conclusion, the Corporate segment at Millennium BIM continues to play a vital role in the country's economic development. Despite macroeconomic, social and political challenges, the segment presents significant opportunities, especially through digital innovation and the financing of sustainable projects.

OFFER

SMART IZI

The IZI Smart App has registered a significant growth of more than 58 thousand new active users. This performance shows an acceleration in the expansion of the customer base, with a growth of 33%, compared to the same period last year. The availability of the Salary loan “Crédito Salário” on the App was positively accepted, 56% of eligible Customers joined the product.

Salary Loan “Crédito Salário”

It is a short-term financing (up to 4 months), available to Private Customers, Public and Private Employees, in the form of rent credit with monthly payments. More than 35 thousand Customers have already joined the product, which reinforces the demand for innovative and fully digital solutions by Customers.

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Smart IZI Campaigns

“MAIS DIGITAL”

In order to encourage the adhesion and reactivation of Customers in Smart IZI and boost digital transformation, the “Mais Digital” campaign was launched, in which 15 Customers with a record of activity in the channel during the campaign period were drawn and awarded.

TOP DIGITAL

To encourage the adhesion, transactionality and subscription of products and services in Smart IZI, at the level of the Customer portfolio of the M-TOP segment, the TOP DIGITAL campaign was launched. This campaign will award monetary prizes to the 3 (three) best classified Customers.

Other Campaigns

Civil Servant Loan

The Public Employee Campaign was designed with the aim of boosting adherence to the CNV with withholding tax and had the draw of 110 Customers, all individually awarded with a Smartphone. CNV production doubled during the campaign period.

Millennium 4X4 Deposit

With a focus on raising and retaining funds, the Millennium 4X4 Deposit Campaign was launched, associated with a raffle that awarded prizes to the three Customers drawn, with the 1st place being a 4X4 vehicle, a 4-wheeled motorcycle for the 2nd place and 100 thousand MZN for the 3rd place. As a result of this campaign, we had a volume of 3,4 billion MZN of resources deposited, of which 215 million MZN constituted new resources.

Credit Cards

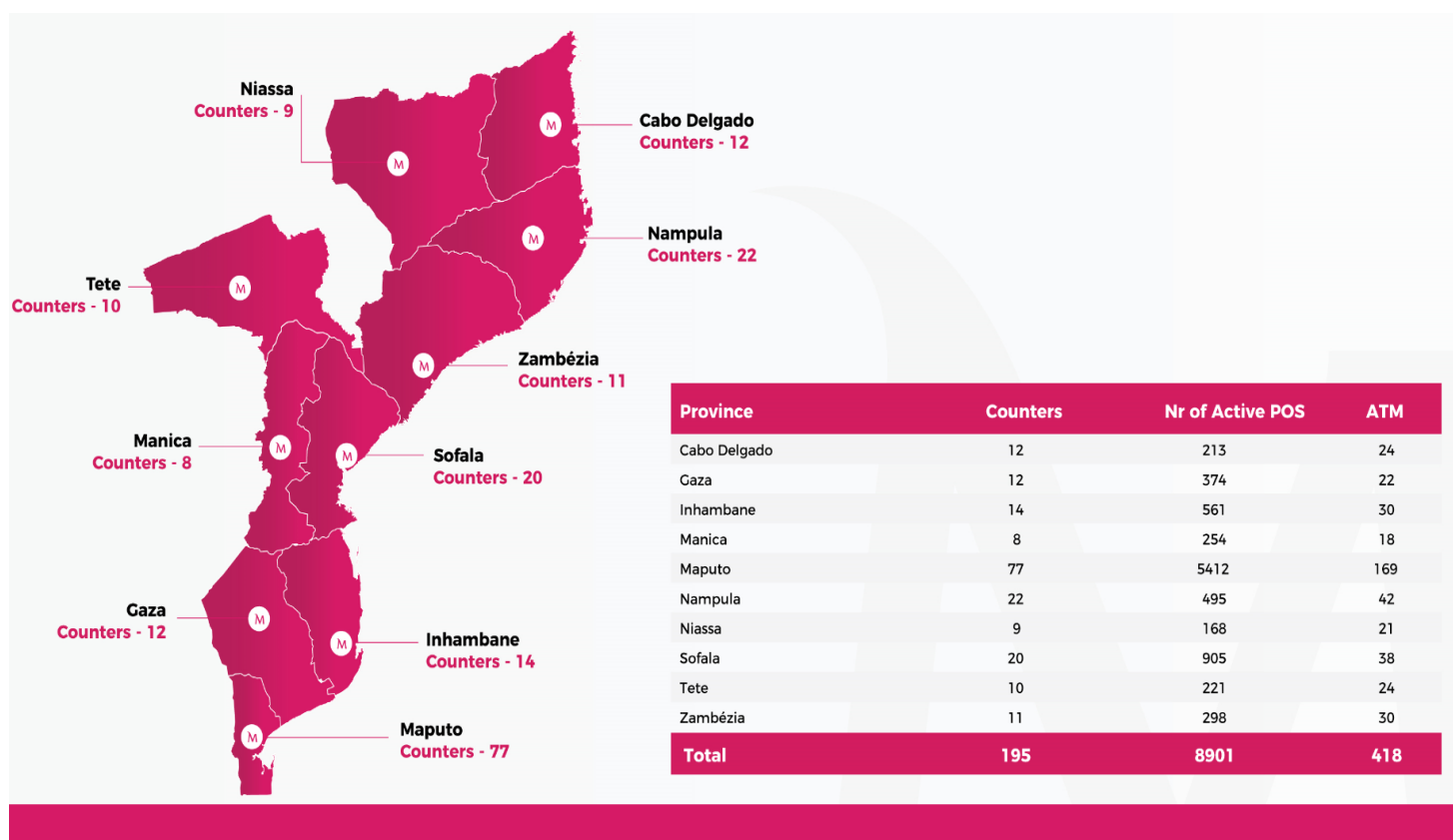
To reinforce the positioning of the Bank's credit card offer, the "JOGOS OLÍMPICOS 2024 EM PARIS" and "ONDE QUER QUE VÁS, ESTAMOS CONSIGO" campaigns were launched in 2024, which raffled off a trip to attend the Olympic Games in Paris and a trip to Dubai, respectively, boosting the adoption and use of credit cards.

POS Billing

This campaign was launched with the aim of promoting the use of Millennium bim's POS. It was in force throughout the year, allowing the expansion of the Customer base with Millennium bim POS and consequently, increasing billing in the POS park.

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DISTRIBUTION NETWORK



HUMAN RESOURCES

In 2024, Millennium Bim's Human Resources management took on a key strategic role in aligning the teams with the Bank's objectives.

The initiatives implemented focused on the optimization of recruitment processes, training and development of technical skills in order to ensure the preparation of Employees to respond to the demands of a constantly changing market.

Millennium Bim's commitment to diversity, inclusion and sustainability was also at the heart of Human Resources initiatives, reinforcing its position as a reference employer in the country, committed to creating an inclusive work environment, of equity and focused on the social development of Employees.

EMPLOYEE OVERVIEW

The promotion of social inclusion, equity and a model of responsible governance, essential pillars for long-term value creation, continued as one of the main points in the monitoring of the Bank's activities. As of December 2024, 53% of the workforce was made up of women, of whom 46% held leadership positions. This percentage rises to 52% when analyzing only the Commercial Area.

The average age of the Employees was 35,7 years, with an average length of 10 years, demonstrating a balance between the accumulated experience and the renewal of the teams.

The Bank made progress in the qualification of human capital by registering an increase in the percentage of employees with higher education, which at the end of the year represented 59% of the total.

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Attraction and Integration of Talent

Millennium BIM demonstrated, throughout 2024, its continuous ability to attract and retain talent. The number of employees increased to 2 625, representing a 2% year-on-year change. 207 Employees were hired, focusing on key areas of strategic growth, with an emphasis on technology, innovation and customer service.

The admissions of the new Employees were accompanied by On-boarding training actions that provided an adequate integration and assimilation of general knowledge about the most different areas and the culture of Millennium BIM.

Continuing the initiatives to attract young talents, Millennium BIM launched the 6th edition of the People Grow program, aimed at finalists and recent graduates from various areas of knowledge. Participants underwent an accelerated integration experience, which allowed them to develop technical and behavioral skills essential to meet the demands of the banking sector.

In parallel, Millennium BIM continued with the launch of the 3rd edition of the Digital Marathon, bringing together more than 1 100 candidates in the areas of Software Development and Programming, Information Security, Networks and Infrastructure, Data Science and Web Design. Participants had the opportunity to propose creative solutions to real challenges.

In addition, Millennium BIM has strengthened its collaboration with the Mozambican education system, establishing partnerships with universities and official entities, as well as implementing curricular internships. These initiatives have resulted in more robust access to sources of talent and contributed to strengthening the educational ecosystem by preparing students for the job market.

Learning and Training

In an increasingly demanding market at all levels, the strategic priorities defined by Millennium BIM Academia had as their focus the development of Employees' skills, with particular emphasis on technical and behavioral skills, through the implementation of structuring programs at all levels in an investment of 53 thousand hours of training. This strategy allowed the improvement of the performance of the Employees and consequently of the Organization.

During this period, the strengthening of the knowledge of employees in the commercial area in matters of banking products and services was highlighted. This initiative's main objective was to improve the quality of information provided to Customers, optimize service and elevate customer service to excellence.

Talent Management and Development

At Millennium BIM, the performance evaluation and management process is based on a culture of meritocracy. In 2024, the Bank implemented a new performance evaluation platform that allowed for greater clarity, transparency and rigor to the entire process.

The Internal Mobility process, "Bolsa de Oportunidades", remained one of the pillars of career management, with 31 opportunities for internal growth being provided.

Employee Engagement, Culture and Values

In the field of Culture, several initiatives have been implemented to strengthen the bond between Employees, their families and the Bank. The children's party stood out as a symbolic moment of closeness, inclusion and celebration. The event, which took place in all provincial capitals, included children of Employees who participated in playful and educational activities that encourage creativity, reading and saving, promoting fundamental values for the development of future generations.

The BIM Readers' Community has established itself as a platform for the intellectual and cultural development of Collaborators. During the year, virtual meetings brought together participants to discuss relevant literary works, fostering critical thinking and knowledge sharing. This initiative reflects the Bank's commitment to creating an environment that fosters continuous learning and community spirit.

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Benefits and Well-Being

In 2024, Millennium BIM continued to reinforce its commitment to the well-being of Employees.

The health benefits package, which covers Employees and their families, has been revised to increase medical coverage and access to specialized services. This initiative aims not only to improve the quality of life and well-being of Employees, but also to reinforce the bank's commitment to work-life balance.

During the festive season, Millennium BIM maintained the tradition of supporting the families of Employees, distributing Christmas gifts to around 2 694 children, strengthening the ties between the Bank and the families of Employees.

In response to unexpected events, such as Cyclone Chido, the Bank mobilized resources to support affected employees. Financial support was made available for the reconstruction of housing and other critical needs, evidencing Millennium Bim's readiness to act in emergency situations.

The Bank has intensified efforts to promote the physical and mental well-being of Employees. Comprehensive health campaigns were carried out, with strategic partnerships that included educational lectures, screening sessions and preventive programs. These efforts have had a direct impact on the adoption of healthier lifestyles.

SOCIAL RESPONSABILITY AND SPONSORSHIPS

Social Responsibility Actions 2024 - "MAIS MOÇAMBIQUE PRA MIM"

Since 2006, the year in which the Social Responsibility program "Mais Moçambique Pra Mim" was created, Millennium BIM has supported and developed projects that contribute to improving the quality of life of communities. The strategy of action involves the development of a set of initiatives that value human capital as an engine for economic and social development.

Millennium BIM reaffirms its commitment to the adoption and promotion of the principles of the United Nations Global Compact initiative, especially regarding Human Rights, Labour Standards and Environmental Sustainability. In addition, the Bank actively supports the implementation of the objectives of the FEMA Business Forum for the Environment, reinforcing its corporate responsibility for a more sustainable future.

Guiding Principles of the Bank's Social Responsibility

Since 2003, the Bank has subscribed to the Principles of the United Nations Global Compact. The aim is to contribute to the construction of a more sustainable global market and share values that allow the poorest and most vulnerable populations to access development opportunities. Participating companies must adopt and promote a set of key values in the areas of Human Rights, Labor Standards, Environment and Anti-Corruption.

HEALTH

"Renascer com a Júju"

In 2024, in collaboration with the "Renascer com a Júju" project, Millennium BIM offered support to 50 disadvantaged women diagnosed with cervical cancer. The objective of the campaign was to make patients aware of the importance of continuing treatment, as well as to encourage the support of their families, highlighting the role they play in recovery.

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Blood donation campaigns

Millennium BIM recognizes the importance of blood donation, essential to save lives and mitigate the shortage in blood banks that directly affects patients who need transfusions for various medical procedures, including surgeries and emergencies. In response to this need, the Bank supported blood donation initiatives promoted by the Mandimba District Hospital and the Lichinga Provincial Hospital in campaigns that had the active participation of the Bank's Volunteer Employees.

Support to hospital institutions in the context of the inaugurations of the branches

As part of the reopening of the Boane Counter, Millennium BIM supported the Boane Headquarters Hospital with several essential items to improve the provision of health care in this hospital unit.

At the same time, with the reopening of the Massinga Counter, in the province of Inhambane, the Bank supported the Massinga District Hospital with the offer of hospital blankets, benefiting approximately 180 patients treated daily in this hospital unit.

These initiatives reflect the Bank's commitment to further strengthen public health and improve the conditions of medical care for the Mozambican population.

Donation of washing machines to Maputo Central Hospital

In August, Millennium BIM donated two washing machines to the Neonatology Service of the Maputo Central Hospital ("HCM"). This donation aimed to improve the hygiene conditions of newborns.

Aware of the importance of a hygienic environment for neonatal health, Millennium BIM continued to work together with the HCM team to identify and map critical areas, in which improvements could have an immediate impact on the well-being and health of patients.

EDUCATION AND FINANCIAL LITERACY

13th edition of the Banking Olympics

For the first time, the cities of Beira and Inhambane received the Millennium BIM Banking Olympics project. Among 800 students from 20 schools, from the 9th to the 11th grade, the Secondary Schools of Matadouro, in the City of Beira, and Eduardo Mondlane, in the District of Morrumbene, stood out as winners with their sustainable projects, which use recyclable materials.

Savings in schools

As part of the financial education project, financial literacy actions were carried out that benefited more than 300 children from the primary schools "III Congresso, Completa Francisco Manyanga", "11 de Novembro" and "Amílcar Cabral", in the provinces of Inhambane, Tete, Sofala and Niassa, respectively.

This project's main objective was to raise awareness and instill in children the importance of saving in their daily lives.

Global Money Week

On March 22nd, we participated, at Massinga Secondary School, in Inhambane, in the celebration of the International Money Week, through the exhibition of products and services for the promotion of financial literacy.

Under the motto "Planifique seu Dinheiro, Plante seu Futuro" (Plan your Money, Plant your Future), this year the initiative included workshops, debates, paintings/drawings, staging/simulation, quizzes and a fair, with the aim of enabling children and young people to make better financial decisions.

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Support for Girl-Move

For the seventh consecutive year, Millennium BIM continues to transform young women through an advanced leadership and social entrepreneurship program for university students across the country. These young women are provided with support at the most diverse levels, namely in the area of education, making them role models for adolescent girls in their community.

By improving a girl's life through education, health and safety, the programme creates more opportunities generating a positive multiplier effect on society. An educated girl becomes an informed mother, an active citizen, and a skilled professional, helping to break the cycle of poverty in her community.

ENVIRONMENT AND CORPORATE VOLUNTEERING

Clean City

On February 24th, Millennium bim launched the volunteer initiative "Uma Cidade Limpa Pra Mim", with the aim of raising awareness in society about the importance of preserving public spaces and protecting the environment. The action aims to encourage the adoption of responsible behaviour for the collective well-being.

With the participation of more than 250 volunteer employees, the event was held simultaneously in several cities across the country, including Maputo, Xai-Xai, Inhambane, Beira, Chimoio, Tete, Quelimane, Nacala, Pemba and Lichinga.

Mangal 's plantation

We participated in a volunteer action at "Praia dos Namorados", located in Nacala-à-Velha, in the province of Nampula. We had the valuable collaboration of a dedicated team of volunteers and carried out significant work in planting mangroves, contributing to the revitalization of an ecosystem essential to local biodiversity.

During this action, 25 volunteers came together to plant approximately 400 mangrove seedlings, evidencing our team's commitment to preserving the environment and improving the quality of life of the local community. In addition to our environmental contribution, this activity fostered a strong spirit of unity and collaboration among colleagues, reinforcing the idea that small actions can generate big impacts.

SOCIAL ACTIONS

"Uma sopa pra Mim"

We launched the "Uma Sopa Pra Mim" initiative, a project that aims to guarantee at least one nutritious meal to children and families in vulnerable situations. The initiative took place in the cities of Tete and Nacala, during which, in addition to the meals prepared and served by the Bank's volunteer employees, a space for welcome and community support was also provided. In parallel, and in partnership with the Makobo Platform, the Bank held the "Sopa Solidária" in Maputo City. About 2 600 people in need benefited from these initiatives.

Support for the orphanage "Nossa Senhora de Livramento"

As part of the restructuring project of the Counter's network, the Social Responsibility area offered mattresses to the "Nossa Senhora do Livramento" orphanage. This action aimed to improve the quality of life of the communities.

Support for the Eduardo Mondlane Inclusive Education Resource Center

As part of the actions aimed at improving the living conditions of vulnerable people, the Bank donated 4 wheelchairs and 2 pairs of crutches to the Eduardo Mondlane Inclusive Education Resource Center ("CREI"), an inclusive educational institution that serves students with visual, hearing, physical, mental and other disabilities, from the southern provinces of the country, during a symbolic ceremony attended by representatives of the Bank and the beneficiary institution.

CULTURE

Partnership with the Franco Mozambican Cultural Center

The Franco-Mozambican Cultural Center (CCFM) and Millennium BIM announced the formalization of a strategic partnership through the signing of a Memorandum of Understanding (MoU).

This partnership aims to strengthen the Mozambican cultural scene, by supporting the holding of five annual exhibitions at CCFM, offering essential support to local artists. In addition, it supports the continuation of free cultural activities for children, held every Saturday, promoting cultural education and encouraging access to culture from childhood.

Exhibition “a pente fino”

Under the partnership with the Franco Mozambican Cultural Center (CCFM), in the area of support for Culture, the 1st art exhibition sponsored by the Bank was held in August, with the participation of Customers and guests who had access to the pre-inauguration event of the exhibition of the renowned Mozambican visual artist and photographer Filipe Branquinho.

Exhibition of the Millennium bim collection: Between Colors and Shapes: Plurality of Voices

In October, Millennium bim inaugurated the 1st Edition of a series of exhibitions from its art collection, entitled “Entre Cores e Formas: Pluralidade de Vozes”. This exhibition, which brought together part of the collection of works that the Bank has collected over the years, highlighted works by some of the most prestigious Mozambican artists and reflected the Bank's ongoing commitment to the promotion and appreciation of culture and art as fundamental pillars for social development.

The Bank has always maintained a strong commitment to culture as an expression of a people's identity, believing in the transformative power of art. The exhibition brought to light works by important artists such as Malangatana, Bertina Lopes, Estêvão Mucavele, Shikani, Naguib and Eugénio de Lemos, among others. Also present were creations by Jacob Estêvão, José Pádua, Victor Sousa and João Paulo, which represented a rich diversity of styles and approaches to Mozambican art.



Management System

MANAGEMENT SYSTEM

COMPLIANCE

Millennium BIM is constantly and permanently committed to adopting the highest standards of ethics and professional deontology, in line with current legislation and the best international practices in the financial sector. This commitment aims not only to ensure compliance, but also to prevent the risk of legal or regulatory sanctions, which may cause financial and/or reputational damage.

With the advancement of digitalization, characterized by the transformation of traditional processes into digital and automated solutions, new threats and challenges for the financial sector also emerge. In this scenario, the prompt intervention of the Compliance area becomes essential to protect both the Bank and its Customers, ensuring compliance with the current legal framework. It is recognised that digitalisation brings with it positive benefits, but also potential risks, thus requiring rigorous and preventive action.

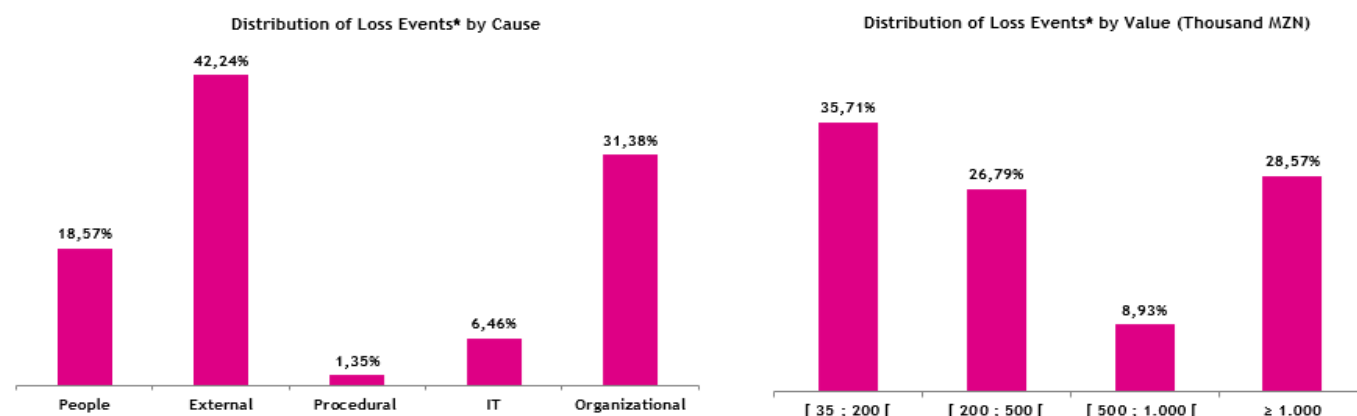
In this context, throughout 2024, substantial improvements were implemented, including the organic restructuring of the Compliance area and its procedures. These changes were accompanied by investments in new technological platforms, designed to further contribute to the strengthening of internal control and risk management. In this sense, a specific area was also created within the Compliance Office for the monitoring and prevention of fraud and, in terms of combating financial crime, measures were implemented for effective detection and consequent reporting of suspicious activities. This strengthening of Compliance policies at the level of the Bank, in particular, and the industry, in general, along with other measures underway in other sectors, will contribute significantly to Mozambique being able to leave the FATF grey list.

The Compliance Office reaffirms its commitment to ensuring an impartial, proactive and focused on risk mitigation, based on the model of the three lines of defence, with responsibility for actively participating in the identification, assessment and monitoring of business risks, considering the constant evolution of risk factors and the global context in which the Bank operates.

RISK MANAGEMENT

Operational Risk

Operational risk materializes in the occurrence of losses resulting from failures or inadequacy of processes, systems or people, or even from external events. Operational risk management at Millennium bim is based on the process structure. Internationally recommended methodologies are used to measure risk, such as: definition of Key Risk Indicators, Risk Self-Assessment and analysis of Operational Losses. The Classification of Operating Losses in Millennium bim is made considering 5 (five) Risk categories defined at Basel II level, namely: Personal, External, Procedural, IT and Organizational Risks. The profile of accumulated losses between January and December 2024 is shown in the figures below:



* Material losses ≥ MZN 35 thousands

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Market Risk

Market risks consist of the potential losses that may be recorded by a given portfolio, as a result of changes in rates (interest or exchange rate) and/or in the prices of the different financial instruments that compose it, considering not only the correlations between them, but also their volatilities.

Interest Rate Risk

To measure this risk, Millennium BIM adopts methodologies defined by the Bank of Mozambique through Circular No. 04/SCO/2013, as well as uses internally defined methodologies based on gap analysis, distributed over residual repricing periods, and subject to a sensitivity analysis by interest rate variation. To control this risk, transversal limits are defined annually for the Millennium bcp Group regarding the sensitivity of the balance sheet to the interest rate, indexed to the Bank's Own Funds. The Bank complied with the defined limits, despite having recorded an increase in interest rate sensitivity in 2024, compared to the previous year, influenced by the increase in Assets (highlighting the increase in debt securities and liquidity applications) throughout the year.

Bank Portfolio Interest Rate Risk Sensitivity Analysis - internal methodology

	in millions MZN			
	Dez. 23		Dez. 24	
	100 bp	200 bp	100 bp	200 bp
MZN	135	269	173	346
USD	-24	-48	-37	-75
ALL CURRENCIES*	128	256	136	272

*includes other currencies

Exchange Rate Risk

For the control of this risk, limits have been defined by the Bank of Mozambique (Global Position must not exceed 20% of Own Funds and Position per Currency must not exceed 10%), which are permanently monitored and respected by Millennium BIM.

Liquidity Risk

Liquidity risk consists of the potential inability of Millennium BIM to meet its obligations at the time of their maturity without incurring significant losses, resulting from a deterioration in financing conditions (financing risk) and/or the sale of its assets at values below market values (market liquidity risk).

The measurement of Liquidity Risk in Millennium BIM is done through a set of indicators, namely: Immediate and Quarterly Liquidity, Commercial Gap (By Currency), Liquidity Gap, LCR (Liquidity Coverage Ratio) and NSFR (Net Stable Funding Ratio) for which exposure limits are defined.

Additionally, Millennium BIM monitors the Liquidity Ratio on a daily basis. According to Notice No. 14/GBM/2017 of 09/06 of the Bank of Mozambique, Banks must maintain a Liquidity Ratio of not less than 25% on a daily basis. Millennium BIM has been strictly controlling and complying with this indicator, with results above 25%.

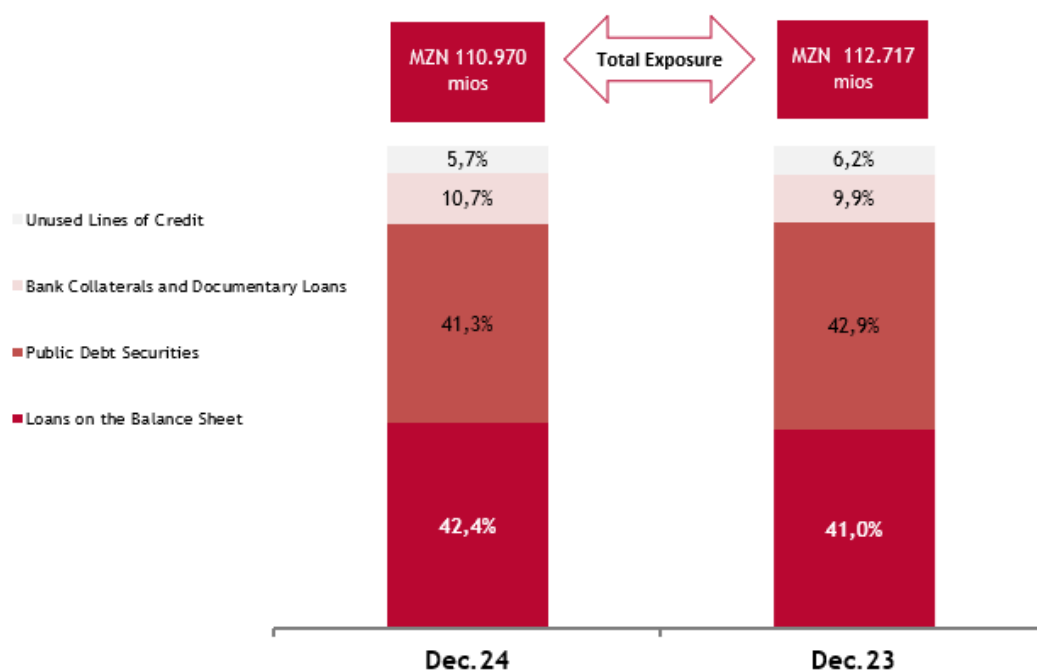
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Credit Risk

Credit risk is associated with the occurrence of losses resulting from the failure of borrowers, or issuers of securities or counterparties to contracts to comply with their financial obligations under the agreed terms. In terms of this risk, the Risk Office has developed actions aimed at identifying/measuring and controlling this risk.

Distribution of Impairment Exposures

The chart below illustrates the distribution of exposures subject to impairment in Millennium BIM in accordance with the approved strategies for the development of the activity.



Key Credit Risk Indicators

The following is the quarterly evolution of the main credit level indicators with signs of risk and coverage of credit exposure between December 2023 and 2024:

	dec/24	sept/24	jun/24	mar/24	dec/23
On-balance loans impairment / NPE	54,5%	52,5%	51,1%	46,8%	47,2%
Impairments + Collateral Ratio / NPE	100,6%	96,2%	152,4%	157,6%	95,0%

Total Loans = On-balance sheet Loans Exposure

NPE = Non Performing Exposure



Financial Analysis

FINANCIAL ANALYSIS

In 2024, Mozambique faced challenges of a fiscal, financial, climate and socio-political nature. Economic growth, driven by the positive performances of the Mining and Quarrying and Agriculture sectors, was dampened in the fourth quarter by social demonstrations that caused significant restrictions on public and private sector activities.

The Bank of Mozambique reduced the monetary policy interest rate by 450bp to 12,75% in December 2024, aiming to stimulate the economy in a scenario of inflationary slowdown. However, the levels of the reserve requirement coefficients were maintained, conditioning the liquidity of the system.

During 2024, we observed that the rating agency Standard & Poor's revised the debt rating to CCC (and consequently to CCC-, in February 2025), and the Fitch Agency reported the downgrade from CCC+ to CCC also during the month of February 2025. Given the Bank's current methodology, the rating review communicated by Standard & Poor's implied the additional recording of impairments for public debt, with significant impacts on the evolution of the Bank's results in 2024.

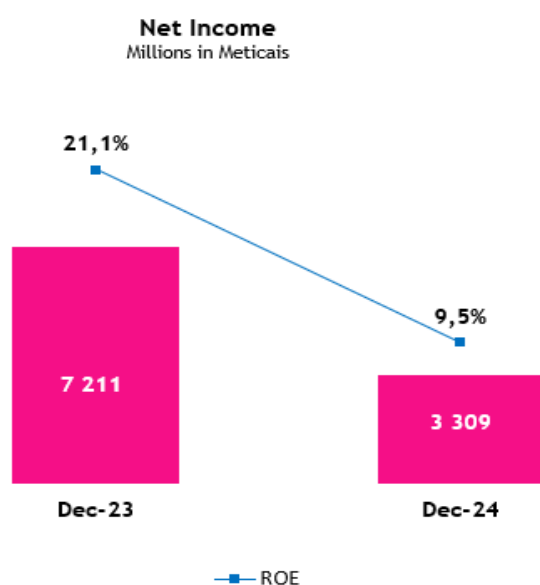
Despite the adverse context, Millennium BIM maintained its resilience and focus on profitability, adjusting pricing strategies according to market conditions. The Bank continued to invest in digital transformation, driving the growth of the loan portfolio to households and expanding its customer base.

BIM - Banco Internacional de Moçambique, S.A., in accordance with the provisions of Notice No. 04/GBM/2007 and complementary provisions issued by the Bank of Mozambique, presents in this report the individual financial statements for the financial years 2023 and 2024.

PROFITABILITY ANALYSIS

NET PROFIT

As of December 31, 2024, Millennium Bim's net profit amounted to 3 309 million Meticaïs, representing a reduction of 54%, when compared to the 7 211 million Meticaïs recorded in 2023. This reduction mainly reflects the following:

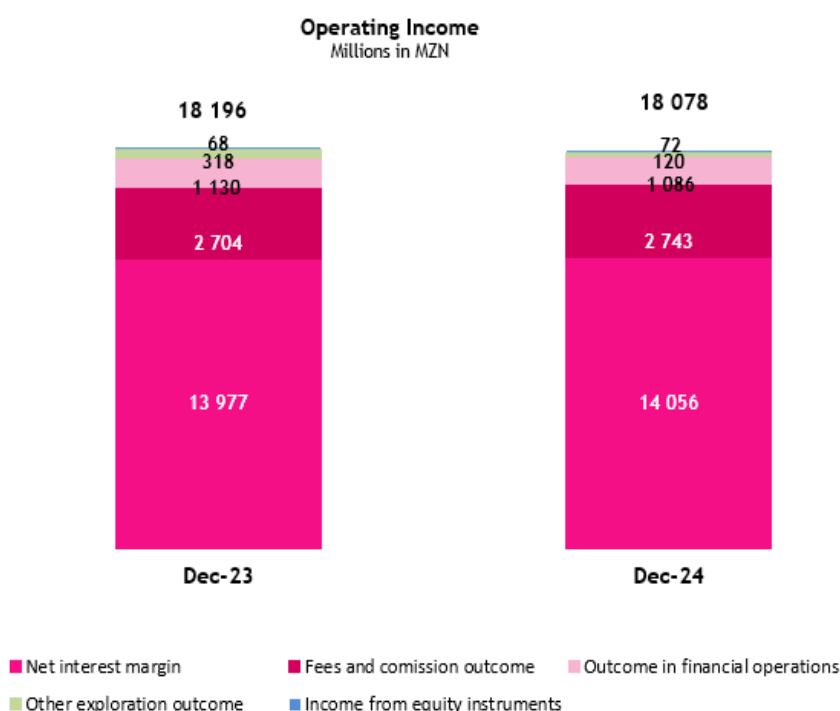


- (i) Constitution of 2,4 billion meticaïs in impairments of public debt securities, following the downward revision of the rating for issues in national currency of the Mozambican State;
- (ii) Reinforcement of impairments of equipment held by credit recovery, provisions for fraud and regularization of commission pricing;
- (iii) Increase in credit impairment, after the significant reversal in 2023, due to the recoveries seen in the year.

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OPERATING INCOME

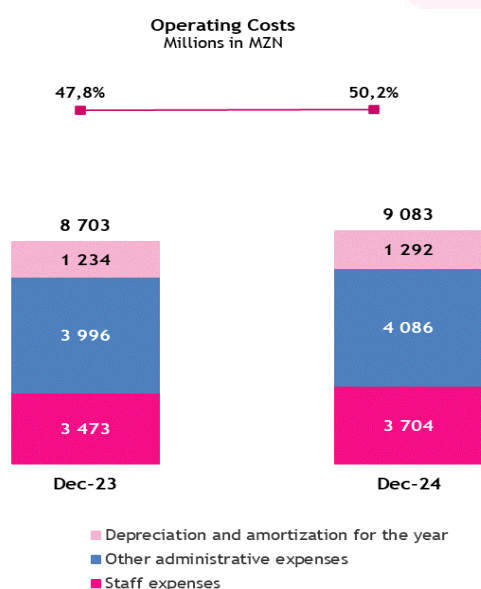
Operating Income stood at 18 078 million Meticaïs, showing a slight decrease of around 0,6% (-118 million Meticaïs), compared to the 18 196 million Meticaïs recorded in 2023. This performance was explained by:



- Slight increase in Net Interest Income by 0,6% (+80 million Meticaïs), induced by the increase in the volume of investments associated with the reduction in the cost of funding, compared to the higher level of reserves requirement observed in 2024;
- Result of Fees and Net Commissions with a growth of 1,5% (+39 million Meticaïs), due to the increase in value transfer commissions, with a special focus on the expansion of the transaction between the banking system and mobile operators;
- Reduction in income from financial operations by 3,9% (-44 million Meticaïs) resulting from the reduction in gains from foreign exchange operations.

OPERATING COSTS AND EFFICIENCY RATIO

Operating costs amounted to 9 083 million Meticaïs, representing an increase of 4,4% (+380 million Meticaïs).

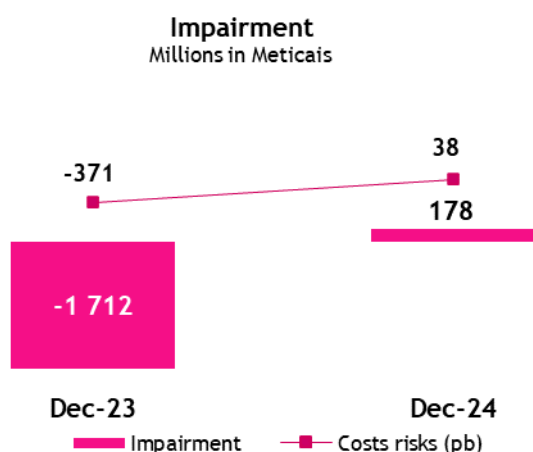


- Personnel Costs grew by 6,7% (+232 million Meticaïs), reflecting the impact of salary adjustments, the respective social charges and the increase in the number of employees;
- Other Administrative Expenses increased by 2,2% (+90 million Meticaïs), influenced by investment in the technology platform and renovations of the branches' data network, combined with inflationary pressures;
- Depreciation and Amortization for the Year with an increase of 4,7% (+58 million Meticaïs), reflecting the maintenance of the investment strategy in the technological platform, with a view to supporting the Bank's digitalization effort.

EFFICIENCY RATIO

The cost-to-income ratio stood at 50,2% in 2024, compared to 47,8% in 2023, reflecting the 0,6% decrease in banking income, on the one hand, and the 4,4% increase in operating costs.

LOAN IMPAIRMENT



- The cost of risk, which represents the potential loss associated with credit risk, is assessed as a proportion of loan impairment allocations (net of write-downs) as a function of the loan portfolio. In 2024, the cost of risk stood at 38 basis points, reflecting a loan portfolio with low signs of impairment, resulting from careful risk management. In the year 2023, the cost of risk was -371 basis points;
- Loan impairment (net of write-offs of written off loan recoveries) increased by 110% (+1 890 million Meticaís), when compared to the -1 712 million Meticaís recorded in 2023;
- This increase is mainly due to the recovery of loans in 2023, with impacts on the reversal of impairments for the year.

ANALYSIS OF THE PATRIMONIAL STRUCTURE

The patrimonial structure of Millennium BIM remains solid. Total net assets grew by 6,1% to Meticaís of 201 954 million, compared to Meticaís 190 385 million in the previous year. This growth was mainly influenced, on the one hand, by the increase in cash and cash equivalents at the Bank of Mozambique, which grew by 17,1% as a result of the growth in the portfolio of customer deposits and the maintenance of high reserve requirements, and on the other hand, by the increase of 38,2% in the portfolio of placements at the Central Bank.

In the Bank's asset structure, net loan to customers represents 22,4%, having grown 2,2% to 45 160 million Meticaís and financial assets at amortised cost represent 16,3%.

In terms of liabilities, there was an increase of 9,1%, impacted by the growth of resources from Customers and other credit institutions by 7,1% (+10 338 million meticaís) and 222% (+3 294 million meticaís) respectively.

Net assets stood at 34 563 million Meticaís, 6,3% below the previous year, mainly explained by the drop in the result for the year, impacted by the constitution of impairments for public debt securities, equipment held by loan recovery and provisions for the fulfilment of current obligations.

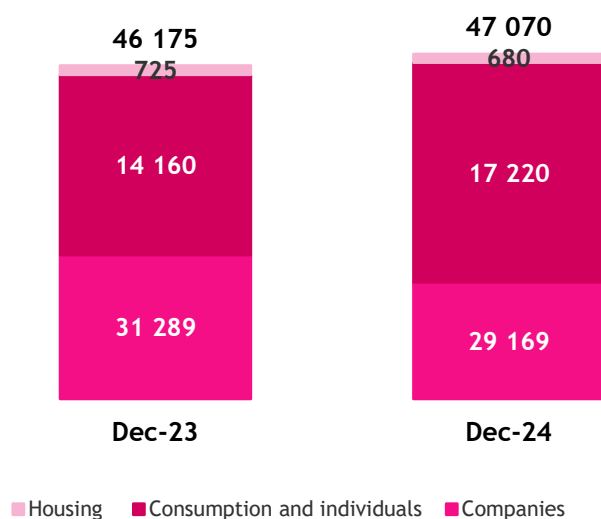
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	2023	2024	Var. %
Cash and Cash Equivalents in Bank of Mozambique	57 359	67 195	17,1%
Cash equivalents and Placements in other Banks	26 004	33 167	27,5%
Loans to customers (net)	44 208	45 160	2,2%
Financial Asstes at amortised cost	40 572	33 006	-18,6%
Financial Assets at fair value through other comprehensive income	7 038	9 482	34,7%
Investments in associates	100	100	0,0%
Tangible and Intangible assets	6 823	7 236	6,1%
Other Assets	8 281	6 609	-20,2%
	190 385	201 954	6,1%

LOANS TO CUSTOMERS (GROSS)

Loans to Customers recorded a moderate evolution, due to the growth of the loan portfolio to households, supported by the expansion of the customer base, maintenance of profitability and prudent management of credit risk, embodied in the maintenance of the non-performing loan ratio at around 5% throughout the year. In 2024, Loan to Customers (gross) grew by 1,9%, from 46,2 to 47,1 billion Meticaís.

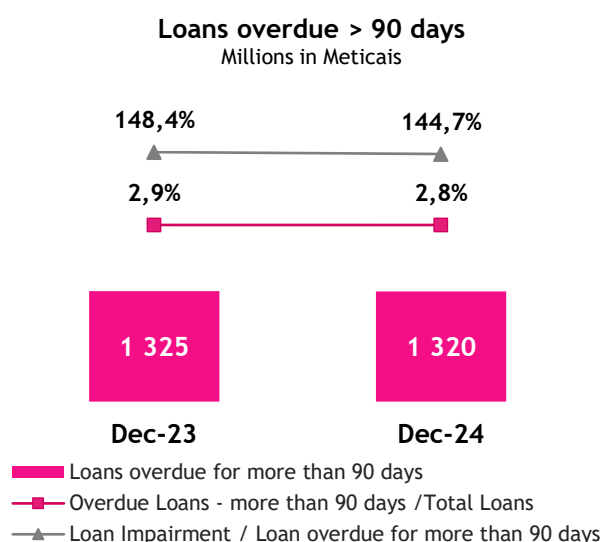
Loans to Customers (Gross)
Millions in MZN



- This increase, mainly influenced by the growth of loan consumer, with an increase of 21,6% (+3,1 billion Meticaís), is the result of the expansion of the customer base and investments in attractive credit campaigns and services;
- The sectors of transport and communications and agriculture and forestry contributed, with an increase of 46,2% (+1,5 billion Meticaís) and 93,1% (+0,6 billion Meticaís), respectively;
- The trade sector recorded a reduction of 65,1% (-3,7 billion Meticaís), due to the contraction of the economy's liquidity, which impacted the bank's lending strategy.

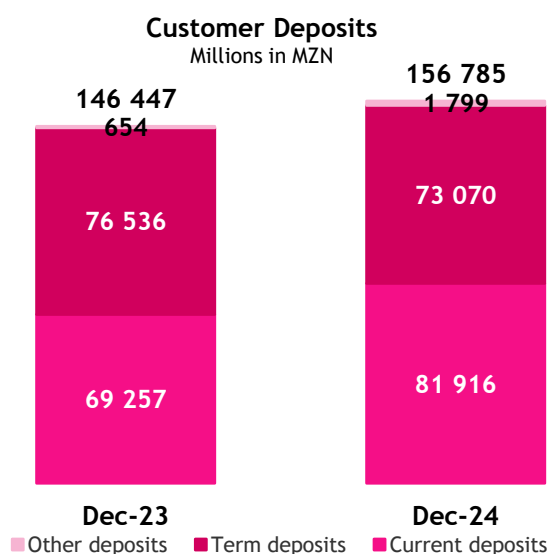
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CREDITWORTHINESS



- In 2024, the Bank maintained its focus on managing and carefully monitoring credit risk.
- The quality of the loan portfolio translated into a ratio of loans overdue for more than 90 days as a percentage of the total portfolio of 2,8% and a coverage of loans overdue for more than 90 days of 144,7%, reflecting the elimination of doubtful recovery operations and the prudential criteria that ensure comfortable levels of coverage.

DEPOSITS FROM CUSTOMERS



- Customer Deposits, which comprise Customer Deposits, checks and orders payable, among other deposits, increased from 146 447 to 156 785 million Meticaís, representing a growth of 7,1% when compared to the previous year. This increase was influenced by the growth of 18,3% (+12 659 million Meticaís) in current deposits.
- Millennium BIM maintains a comfortable share of resources in the Mozambican financial system (21,8%), and internally term and demand deposits represent 46,6% and 52,2% of the total resource structure, respectively.

EQUITY

Millennium Bim's equity ratios, calculated in compliance with the premises of the prudential regulatory standards stipulated by the Central Bank, reflect its financial soundness and robustness, presenting a Solvency ratio of 36,7% in 2024, an indicator clearly above the minimum required value of 12%.

PROPOSAL OF THE APPLICATION OF RESULTS

In accordance with the statutory provisions and under the terms of the Mozambican legislation in force, namely Law No. 20/20 on Credit Institutions on the constitution of Reserves, it is proposed that the result of the 2024 financial year calculated in the individual balance sheet, in the amount of 3 308 880 377,47 Meticaís, be applied as follows:

		Meticaís
	%	Amount
Legal Reserve	15,00%	496 332 056,62
Other Reserve	52,50%	1 737 162 198,17
Reserve for dividend stabilization	2,50%	82 722 009,44
Distribution of Shareholders	30,00%	992 664 113,24

Moisés Jorge
(Presidente)

Nuno Manuel da Silva Amado
(1º Vice-Presidente)

Rui Manuel Pereira Pedro
(2º Vice-Presidente)

Miguel Maya Dias Pinheiro
(Administrador)

Manuel Alfredo de Brito Gamito
(Administrador)

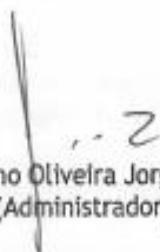
Jacinto Zacarias Uqueio
(Administrador)

Liliana Marisa Catoja da Costa Lemos
(Administradora)

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José Artur Gouveia Coelho Caetano
(Administrador)



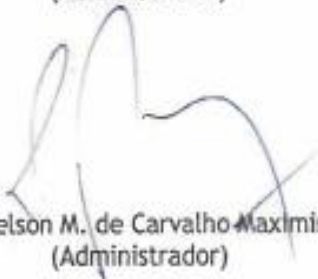
João Nuno Oliveira Jorge Palma
(Administrador)



José Miguel Bensliman Schorcht da Silva Pessanha
(Administrador)



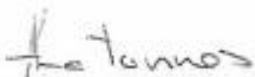
Anabela Júlia Chambuca Pinho
(Administrador)



Rui Nelson M. de Carvalho Maximino
(Administrador)



Sérgio Quintas Vieira da Silva Magalhães
(Administrador)



Ana Maria Jordão Ferreira Torres Marques Tavares
(Administradora)



Financial Statements

FINANCIAL STATEMENTS

BANK INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31st, 2024

MZN'000

	Notes	2024	2023
Interest and similar income	4	20 155 036	20 497 345
Interest and similar expense	4	(6 098 676)	(6 520 717)
Net interest income		14 056 360	13 976 628
Income from equity instruments	5	72 423	67 588
Fees and comission income/expense	6	2 743 398	2 704 045
Results in financial operations	7	1 085 990	1 129 670
Other operating results	8	119 942	317 952
Total operating income		18 078 113	18 195 883
Staff expenses	9	(3 704 171)	(3 472 655)
Other administrative expenses	10	(4 086 325)	(3 996 496)
Depreciation and amortization for the year	11	(1 292 252)	(1 234 001)
Total operating costs		(9 082 748)	(8 703 152)
Impairment of loans to customers	12	(177 810)	1 711 897
Other provisions and impairment	13	(3 338 877)	(948 930)
Gains / (losses) on the sale of equity			
Profit before tax		5 478 678	10 255 698
Taxation			
Currents	14	(2 072 031)	(2 186 717)
Deferred	14	(97 767)	(858 082)
		(2 169 798)	(3 044 799)
Profit for the year		3 308 880	7 210 899
Profit per share	15	73,53 MZN	160,24 MZN

To be read with the notes attached to the financial statements.

BIM - Banco Internacional de Moçambique

BANK STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31st, 2024

	MZN' 000	
	2024	2023
Profit for the year	3 308 880	7 210 899
Items that may be reclassified to the Income Statement		
Financial assets through other comprehensive income - changes in fair value	<u>564 891</u>	<u>125 767</u>
	564 891	125 767
Items that will not be reclassified to the Income Statement		
Actuarial losses and gains for the year	<u>(247 269)</u>	<u>(17 804)</u>
	(247 269)	(17 804)
Other comprehensive income for the post-tax period	317 622	107 963
Total Comprehensive Income for the year	3 626 502	7 318 862

BIM - Banco Internacional de Moçambique

BANK STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED DECEMBER 31st, 2024

MZN'000

	Notes	2024	2023
Assets			
Cash and cash equivalents in Central Banks	16	67 195 465	57 359 227
Cash and cash equivalents with other Credit Institutions	17	4 010 937	2 783 319
Placements in other Banks	18	29 155 775	23 220 426
Loans to customers	19	45 159 834	44 207 638
Financial assets at amortised cost	20	33 006 314	40 571 937
Financial assets held for trading		19 185	-
Financial assets at fair value through other comprehensive income	21	9 481 536	7 038 353
Investments in associates	22	99 501	99 501
Non-current assets held for sale	23	621 013	582 707
Investments properties	24	1 407 741	2 563 178
Other tangible assets	25	6 136 812	5 966 088
Intangible asstes	26	1 099 341	856 946
Current tax asstes	27	432 295	419 213
Deferred tax asstes	28	-	114 450
Other Assets	29	4 128 534	4 601 645
Total Assets		201 954 283	190 384 628
Liabilities			
Deposits from other Banks	30	4 779 016	1 485 100
Deposits from customers	31	156 784 726	146 446 844
Financial liabilities held for trading		6 040	-
Provisions	32	490 619	515 095
Current tax liabilities	27	31	19
Deferred tax liabilities	28	-	-
Other Liabilities	33	5 331 282	5 052 512
Total Liabilites		167 391 714	153 499 570
Equity			
Issued Capital	34	4 500 000	4 500 000
Reserves and Retained Earnings	35	30 062 569	32 385 058
Total Equity		34 562 569	36 885 058
Total liabilities and equity		201 954 283	190 384 628

To be read with the notes attached to the financial statements.

BIM - Banco Internacional de Moçambique

BANK STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31st, 2024

MZN'000

	Notes	2024	2023
Cash flows from operating activities			
Interest and commission received		25 875 201	22 152 535
Interest and commission paid		(7 861 965)	(7 591 751)
Payments to staff and suppliers		(7 860 452)	(7 849 659)
Recovery of previously written-off loans		142 005	160 107
Operating results before changes in operating funds		10 294 789	6 871 232
Increase/Decrease in operating assets			
Financial assets at amortised cost		2 277 864	19 294 701
Placements in other Banks		(5 719 413)	25 411 594
Deposits in Central Banks		(9 699 732)	(38 639 925)
Loans to customers		(2 121 679)	(416 987)
Other assets		1 487 724	(1 045 712)
Increase/Decrease in operating liabilities			
Financial liabilities held for trading		6 040	-
Deposits from other Banks		3 294 128	1 253 548
Customer deposits and other loans		11 015 339	(5 115 766)
Other Liabilities		468 671	1 764 828
Net cash flows from operating activities before payment of taxes on profits		11 303 731	9 377 513
Taxes paid on profits		(2 085 101)	(2 197 345)
Net cash flows from operating activities		9 218 630	7 180 168
Cash flows from investing activities			
Dividends received		72 423	67 588
Amount received on sale of equity investments, net of C&CE		-	-
Acquisition of tangible and intangible assets	25 26	(1 597 988)	(1 490 384)
Amounts received on the sale of tangible and intangible assets	25 26	51 011	91 717
Net cash flows from investing activities		(1 474 554)	(1 331 079)
Cash flows from financing activities			
Dividends paid		(5 948 991)	(4 959 611)
Payment of principal from lease liabilities		(300 470)	(295 740)
Interest on lease agreements		(75 268)	(67 982)
Net cash flows from financing activities		(6 324 729)	(5 323 333)
Effect of exchange rates on cash and cash equivalents		(55 222)	276 416
Decrease/Increase in cash and cash equivalents		1 364 124	802 173
Cash and cash equivalents at the beginning of the year		7 070 035	6 267 862
Cash and cash equivalents at end of the year	39	8 434 159	7 070 035

To be read with the notes attached to the financial statements.

BIM - Banco Internacional de Moçambique

BANK STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31st, 2024

MZN'000

	Total equity	Issued capital	Legal reserve	Reserves and Retained Earnings
Balance as per 31 December 2022	34 525 807	4 500 000	4 529 645	25 496 162
Transfer to legal reserve	-	-	2 469 942	(2 469 942)
Dividends distributed in 2023	(4 959 611)	-	-	(4 959 611)
Comprehensive income	7 318 862	-	-	7 318 862
Balance as per 31 December 2023	36 885 058	4 500 000	6 999 587	25 385 471
Transfer to legal reserve	-	-	1 081 635	(1 081 635)
Dividends distributed in 2024	(5 948 991)	-	-	(5 948 991)
Comprehensive income	3 626 502	-	-	3 626 502
Balance as per 31 December 2024	34 562 569	4 500 000	8 081 222	21 981 347

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- 22 Investments in associates
- 23 Non-current assets held for sale
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BIM - Banco Internacional de Moçambique

1. Introductory note

BIM - Banco Internacional de Moçambique, S.A. ("the Bank" or "BIM") is an essentially private capital bank with its registered office in Maputo.

BIM is a company domiciled in Mozambique and a subsidiary of Banco Comercial Português SA, a parent company, domiciled in Portugal that holds a majority stake of 66,7% of the share capital.

The Bank's main purpose is to carry out financial operations and provide all services permitted to commercial banks in accordance with the legislation in force, namely the granting of loans in national and foreign currency, the granting of letters of credit and bank guarantees, transactions in foreign currency, the reception of deposits in national and foreign currency.

The Bank presents financial statements reflecting the results of its operations for the year ended December 31, 2024.

Basis of presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). IFRS includes standards issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and its predecessor bodies.

The financial statements have been prepared on the assumption of continuity of operations and in accordance with the principle of historical cost, modified by the application of fair value to investment properties and financial assets and liabilities.

The financial statements now presented reflect the results of the Bank's operations for the year ended December 31, 2024, and were approved by the Board of Directors on February 28, 2025.

Functional and presentation currency

The financial statements are expressed in Meticaís, rounded to the nearest Metical (MT) unit, except where indicated.

Use of Judgments and Estimates

The preparation of financial statements in accordance with IFRS requires the Executive Committee to formulate judgments, estimates and assumptions that affect the application of accounting policies and the value of assets, liabilities, income and costs. The associated estimates and assumptions are based on historical experience and other factors deemed reasonable under the circumstances and form the basis for judgments about the values of assets and liabilities whose appreciation is not evident from other sources. Actual results may differ from estimates. Matters that require a higher level of judgement or complexity or for which assumptions and estimates are considered significant are set out in the accounting policy described in the relevant note.

2. Accounting policies

The accounting policies were applied in a manner consistent with those used in the preparation of the financial statements for the prior period. The changes in accounting policies, applicable from 1 January 2024, described in note 1. (t) have no material effect on the financial statements.

a) Financial Instruments (IFRS 9)

FINANCIAL ASSETS

A. Classification, initial recognition, and subsequent measurement

At the time of their initial recognition, financial assets are classified into one of the following categories:

BIM - Banco Internacional de Moçambique

- i) Financial assets at amortized cost;
- ii) Financial assets at fair value through comprehensive income; or
- iii) Financial assets at fair value through profit or loss

The classification is carried out considering the following aspects:

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

Business Model Assessment

As observed in the 2023, also in 2024 the Bank reassessed the business model in which financial instruments are held, at the portfolio level, as this approach best reflects how assets are managed and how information is made available to management bodies. Although no changes were made to the business model, this assessment included:

- The policies and objectives established for the portfolio and the practical operability of these policies, including how the management strategy focuses on the receipt of contracted interest, maintaining a certain interest rate profile, adjusting the duration of the financial assets, the duration of the liabilities that finance these assets or the realization of cash-flows through the sale of the assets
- The way in which the performance of the portfolio is evaluated and reported to the Bank's management bodies;
- The assessment of the risks affecting the performance of the business model (and of the financial assets held under that business model) and how those risks are managed;
- The remuneration of business managers - e.g. the extent to which compensation depends on the fair value of assets under management or on the contractual cash flows received;
- The frequency, volume and frequency of sales in previous periods, the reasons for such sales and expectations about future sales. However, information on sales should not be considered in isolation, but as part of an overall assessment of how the Bank sets financial asset management objectives and how cash flows are obtained.

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

BIM - Banco Internacional de Moçambique

Evaluation of whether the contractual cash flows correspond only to the receipt of principal and interest

In the evaluation of financial instruments in which contractual cash-flows refer exclusively to the receipt of principal and interest, the Bank considered the original contractual terms of the instrument. In the evaluation process, the Bank considered:

- Contingent events that may modify the frequency and amount of cash-flows;
- Characteristics that result in leverage;
- Advance payment and maturity extension clauses;
- Clauses that may limit the Bank's right to claim cash flows in relation to specific assets (e.g. contracts with clauses that prevent access to assets in the event of default - "non-recourse asset"); and
- Characteristics that can modify the compensation by the time value of money. In addition, an early payment is consistent with the amortized cost classification criteria if:
 - The financial asset is acquired or originated at a premium or discount to the nominal contract value;
 - The advance payment represents substantially the nominal amount of the contract plus periodized but unpaid contractual interest (may include reasonable compensation for the early payment); and
 - The fair value of the advance payment is negligible at initial recognition.

B. Financial assets at amortized cost

Classification

A financial asset is classified in the category of "Financial assets at amortized cost" if it cumulatively meets the following conditions:

- the financial asset is held in a business model whose main objective is to hold assets to collect its contractual cash flows; and
- its contractual cash flows occur on specific dates and correspond only to principal and interest payments of the amount owed.

The category of "Financial assets at amortized cost" includes placements in other banks, loans to Customers and debt securities managed on the basis of a business model whose objective is to collect their contractual cash flows (government bonds, bonds issued by companies and commercial paper).

Initial recognition and subsequent measurement

Placements in other banks and loans to Customers are recognized on the date on which the funds are made available to the counterparty (settlement date). Debt securities are recognized on the trade date, that is, on the date on which the Bank undertakes to acquire them.

Financial assets at amortized cost are initially recognized at their fair value plus transaction costs and are subsequently measured at amortized cost. In addition, they are subject, from their initial recognition to the calculation of impairment losses for expected credit losses, which are recorded against the item "Other impairments and provisions".

The gains or losses generated at the time of their derecognition are recorded under the heading "Other impairments and provisions".

C. Financial assets at fair value through other comprehensive income

Classification

A financial asset is classified in the category of "Financial assets at fair value through other comprehensive income" if it cumulatively meets the following conditions:

- The financial asset is held in a business model where the objective is to collect its contractual cash flows and sell that financial asset;
- its contractual cash flows occur on specific dates and correspond only to principal and interest payments of the amount owed.

In addition, on initial recognition of an equity instrument, which is not held for trading, nor a contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Bank may irrevocably elect to classify it in the category of "Financial assets at fair value through other comprehensive income" (FVOCI). This option is exercised on a case-by-case, investment-by-investment basis and is available only for financial instruments that meet the definition of equity instruments in IAS 32 and cannot be used for financial instruments that are classified as an equity instrument in the issuer's sphere under the exceptions in paragraphs 16A to 16D of IAS 32.

Initial recognition and subsequent measurement

Debt instruments at fair value through other comprehensive income are initially recognized at their fair value, plus transaction costs, and are subsequently measured at fair value. Changes in the fair value of these financial assets are recorded against other comprehensive income and, at the time of their disposal, the respective gains or losses accrued in other comprehensive income are recognized under another comprehensive income.

No impairment is recognized for equity instruments at fair value through other comprehensive income, and the respective accumulated gains or losses are recorded in fair value changes transferred to Retained earnings at the time of their derecognition.

RECLASSIFICATION BETWEEN CATEGORIES OF FINANCIAL ASSETS

Financial assets are reclassified to other categories only if the business model used in their management is changed.

The reclassification is applied prospectively from the date of recognition, and no previously recognized gains, losses (including impairment related losses) or interest are restated.

The reclassification of investments in equity instruments measured at fair value through other comprehensive income or financial instruments designated at fair value through profit or loss shall not be permitted.

MODIFICATION AND DERECOGNITION OF FINANCIAL ASSETS

General principles

- I. The Bank shall derecognize a financial asset when, and only when:
 - The contractual rights to the cash flows from the financial asset expire; or
 - Transfers the financial asset as set out in notes (ii) and (iii) below and the transfer satisfies the conditions for derecognition in accordance with point (iv).
- II. The Bank transfers a financial asset if, and only if, it either:
 - Transfer the contractual rights to receive the cash flows resulting from the financial asset; or

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- Retains the contractual rights to receive the cash flows resulting from the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that satisfies the conditions set out in point iii).
- III. When the Bank retains contractual rights to receive cash flows from a financial asset (the 'original asset') but enters into a contractual obligation to pay those cash flows to one or more entities (the 'final recipients'), the Bank treats the transaction as a transfer of a financial asset if, and only if, all three of the following conditions are met:
- The Bank is under no obligation to pay sums to final recipients unless it receives equivalent sums from the original assets. Short-term advances by the entity entitled to full recovery of the amount borrowed plus interest accrued at market rates do not breach this condition;
 - The Bank is prohibited by the terms of the transfer agreement from selling or pledging the original asset other than as collateral to the final recipients for the obligation to pay them cash flows; and
 - The Bank has an obligation to remit any cash flow it receives on behalf of the final recipients without significant delay. In addition, it does not have the right to reinvest such cash flows, except in the case of investments in cash or its equivalents (as defined in IAS 7 Statements of Cash Flows) during the short settlement period between the date of receipt and the date of required delivery to the final recipients, and the interest received as a result of such investments is passed on to the final recipients.
- IV. When the Bank transfers a financial asset (see point ii above), it must assess the extent to which it retains the risks and rewards arising from the ownership of that asset. In this case:
- If the Bank transfers substantially all of the risks and rewards arising from the ownership of the financial asset, it shall derecognize the financial asset and separately recognize as assets or liabilities any rights and obligations created or retained by the transfer;
 - If the Bank retains substantially all the risks and rewards arising from the ownership of the financial asset, it continues to recognize the financial asset.
 - If the Bank does not transfer and retain substantially all the risks and rewards arising from the ownership of the financial asset, it shall determine whether it has retained control of the financial asset. In this case:
 - If the Bank has not retained control, it shall derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained by the transfer;
 - If the Bank has retained control, it should continue to recognize the financial asset to the extent of its continued involvement in the financial asset.
- V. The transfer of risks and rewards referred to in the previous point is assessed by comparing the Bank's exposure, before and after the transfer, to the variability of the amounts and times of occurrence of the net cash flows resulting from the transferred asset.
- VI. The question of whether the Bank retained control (see point iv above) of the transferred asset depends on the ability of the transferee to sell the asset. If the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and can exercise that ability unilaterally and without having to impose additional restrictions on the transfer, the entity shall be deemed not to have retained control. In all other cases, the entity is deemed to have retained control.

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Derecognition criteria

In the context of the general principles described in the previous section, and considering that contract amendment processes may lead, in some circumstances, to the derecognition of original financial assets and the recognition of new assets (subject to the identification of purchased or originated credit-impaired assets - POCI) the purpose of this section is to establish the criteria and circumstances that lead to the derecognition of a financial asset.

The Bank considers that a change in the terms and conditions of a credit exposure will result in the derecognition of the transaction and the recognition of a new transaction when the change results in at least one of the following conditions:

- Creation of a new exposure resulting from a debt consolidation;
- Change in qualitative characteristics, namely:
 - o Change of currency, unless the exchange rate between the old and new currency is linked or administered within limits restricted by law or relevant monetary authorities;
 - o Exclusion or addition of a substantial feature of capital conversion into a debt instrument, unless it is not reasonably possible for it to be exercised during its maturity;
 - o Transfer of credit risk from the instrument to another borrower, or a significant change in the structure of borrowers within the instrument.

Write-off of Loans

The Bank recognizes a loan write-off if it does not have reasonable expectations of recovering it in whole or in part. This record comes after all the recovery actions carried out by the Bank proved fruitless. Loans written off are recorded in off-balance sheet accounts.

Purchased or originated credit-impaired assets

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

IMPAIRMENT LOSSES

Financial instruments subject to impairment losses recognition

The Bank recognizes impairment losses for expected credit losses on financial instruments recorded under the following accounting items:

- a) Financial assets at amortized cost

Impairment losses on financial assets at amortized cost reduce the balance sheet value of these financial assets against the item "Other Impairments and Provisions" (in the income statement).

- b) Credit commitments, documentary credits and financial guarantees

Impairment losses associated with credit commitments, documentary credits and financial guarantees are recognized in liabilities, under the balance "Provisions for guarantees and other commitments", against the item "Other provisions" (in the income statement).

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Classification of financial instruments by stages:

Change in credit risk since initial recognition

	Stage 1	Stage 2	Stage 3
Classification criteria	Initial recognition	Significant increase in credit risk since initial recognition	In default situation
Impairment losses	Expected 12-month credit losses	Expected lifetime credit losses	

The Bank shall determine the expected credit losses of each operation in the light of the deterioration in credit risk observed since its initial recognition. For this purpose, operations are classified into one of the following three stages:

- **Stage 1:** Operations in which there has not been a significant increase in credit risk since their initial recognition regardless of credit quality (unless they are acquired or originated with objective evidence of loss - POCI) are classified in this stage. Impairment losses associated with transactions classified in this stage are expected credit losses resulting from a default event that may occur within 12 months after the reporting date (12-month expected credit losses).
- **Stage 2:** Operations in which there has been a significant increase in credit risk since their initial recognition, but which are not impaired, are classified in this stage. Impairment losses associated with transactions classified in this stage are the expected credit losses resulting from default events that may occur over the expected residual life of the transactions (expected lifetime credit losses).
- **Stage 3:** Operations in default are classified in this stage. Impairment losses associated with transactions classified at this stage correspond to expected lifetime credit losses.

Definition of financial assets with a significant increase in credit risk (stage 2)

1. Delay
 - Entry criteria: Customers with at least one transaction that has been overdue for more than 30 days.
 - Exit criteria: 3 Months without meeting the entry criteria.
2. Restructured
 - Entry criteria: Clients with at least one transaction within the restructured booking period due to financial difficulties.
 - Exit criterion: 24 months without meeting the entry or liquidation criterion of the restructured operation.
3. *Early Warning Signs* (EWS)
 - Entry criteria: Customers with at least one of the EWS triggers valid under the impairment model (Bounced checks, check use inhibition and Customers in follow-up at the DRC)

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- Exit Criteria: 3 Months without meeting the entry criterion.

4. Notch Downgrade

- Entry criteria: Customers who register historical changes in the degrees of risk in the following ways:
 - i. Clients with exposures originating with risk level 7 or lower, if their risk degree has increased with a variation of more than 3 notches, are classified at least in stage 2.
 - ii. Clients with exposures originating with risk level 8 or higher, if their risk degree has increased with a variation of more than 2 notches, are classified at least in stage 2.
- Exit Criteria: Customer no longer activates the entry criteria.

5. Other subjective evidence

- Entry criteria: Customers who are classified in stage 2 through the KIWI questionnaire.
- Exit criteria: Regularization of the situation.

6. Cured

- Entry Criteria: Customers who on the previous reference date were in default, have checked all the default exit criteria by complying with the quarantine period.
- Exit criterion: Companies - 24 months without complying with the entry or liquidation criterion and/or regularization of existing operations at the time of default;
Individuals - Settlement and/or regularization of existing operations at the time of default.

Definition of financial assets in default (stage 3)

1. Default

- Entry criteria: Client who, at the reference date, simultaneously verifies:
 - i. At least one operation with capital or interest overdue for more than 90 days; and
 - ii. Sum of overdue loan (principal + interest) higher than the absolute materiality criterion; and
 - iii. Sum of overdue loan (principal + interest) greater than 1% of the Client's balance sheet exposure.
- Exit criteria: Companies - 12 Months without meeting entry criteria and Individuals - 3 months without meeting entry criteria.

2. Write-Off

- Entry criteria: Client who, at the reference date, simultaneously verifies:
 - i. Sum of the amount deducted higher than the absolute materiality criterion;
 - ii. Sum of the amount written off in excess of 1% of the Client's balance sheet exposure.
- Exit criterion: Payment of the amount deducted by the Client.

3. Litigation

- Entry Criteria: Client with at least one contract in litigation.

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- Exit criteria: Regularization of the situation.

4. Insolvency

- Entry criteria: Client with legally declared insolvency.
- Exit criteria: Regularization of the situation.

5. Restructured

- Entry criteria: Client who, at the reference date, simultaneously verifies:
 - i. At least one restructured operation; and
 - ii. At least one operation with capital or interest due for more than 30 days; and
 - iii. Sum of overdue credit (principal + interest) higher than the absolute materiality criterion; and
 - iv. Sum of overdue credit (principal + interest) greater than 1% of the Client's balance sheet exposure.
- Exit criteria: 12 without meeting the entry criteria.

6. Double Restructuring

- Entry criteria: Clients with operations restructured due to financial difficulties that, within the period of marking restructured, register recurrence of operations restructured due to financial difficulties. The trigger is activated if the Client meets at least one of the following conditions:
 - i. Operation within the restructured marking period that verifies a change in the maturity date between two different dates; or
 - ii. New operation restructured due to financial difficulties having at least one other operation that is still within the restructured marking period.
- Exit Criteria: 12 Months without meeting the entry criterion.

The quarantine schedule is independent of the criteria for deselecting restructured for regulatory purposes.

7. Non-performing loans

- Entry criteria: Client with at least one restructured transaction with an interest rate equal to 0%.
- Exit criterion: Regularization of the situation.

8. Individual Analysis

- Entry criteria: Customer with impairment rate resulting from individual analysis.
- Exit criterion: Regularization of the situation.

Estimation of expected credit losses - Individual analysis

- A. Customers who meet one of the following conditions are subject to individual analysis, which must be applied in the sequence below:



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1. **Stage 3:** Exposure \geq MZN 20.000.000 Clients in Stage 3 or Groups with at least one member in Stage 3.
 2. **Stage 2:** Exposure \geq MZN 35.000.000 Clients in Stage 2 or Groups with at least one member in Stage 2
 3. **Stage 1:** Exposure \geq MZN 50.000.000 Customers in Stage 1 or Groups without members in Stage 3 or Stage 2.
- **Degrees of risk:** Clients whose assigned risk degree is equal to or greater than 10 and with exposure \geq MZN 20.000.000.
 - **Economic groups:** Only members of the Economic Group with exposure \geq MZN 15.000.000 are selected.

B. The individual analysis includes the following procedures:

- For Customers who are captured in the first group, "Stage 3", it is directly assumed that the Group/Customer has objective evidence of impairment, and the loss is determined through the Discounted Cash Flow (DCF) method.
- For Customers who are captured in one or more of the remaining groups, "Stage 2", "Stage 1", the analysis will include filling out a questionnaire to verify whether the Customer has objective evidence of impairment.

☞ **Individually significant Clients in stage 3 without any evidence of impairment or with an individual impairment rate equal to 0%, the impairment is calculated according to the collective criteria.**

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

- The total exposure of each Customer with the Bank and the existence of overdue loan;
- The economic and financial viability of the Client's business and its ability to generate sufficient means to service the debt in the future;
- The existence, nature and estimated value of the collateral associated with each loan;
- The significant deterioration in the Client's rating;
- The Client's assets in situations of liquidation or bankruptcy;
- The amount and estimated recovery times.

The individual analysis is the responsibility of the Credit Directorate and the Credit Recovery Directorates.

Each of the units referred to in the previous point is responsible for carrying out the Client's risk assessment that allows the classification in the 3 stages of risk and determination of loss.

There are two types of recovery strategy for Individual Analysis Clients in stage 3:

- "Going Concern", in which the estimate is made based on the cash flows of the business;
- "Gone Concern", in which the recovery estimate is carried out based on the execution of collateral.

The Risk Office is responsible for reviewing the information collected and validating the results obtained, and it is responsible for the final decision on the Client's impairment.

As a result of the deterioration of the economic and financial situation of the Clients, BIM has adopted additional criteria for monitoring the signs of worsening of their financial performance and has increased the frequency of individual analyses.

Estimation of expected credit losses - Collective analysis

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All loans not subject to individual analysis constitute the basis for calculating the collective impairment, as well as Customers that result in stage 1, 2 and stage 3 customers with zero rate.

The main inputs used for the measurement of expected credit losses on a collective basis include the following variables:

- i. Exposure at Default - EAD.
- ii. Probability of Default - PD;
- iii. Loss Given Default - LGD; and
- iv. Contract discount factor (D).

These parameters are obtained through internal statistical models, and other relevant historical data, considering existing regulatory models adapted according to the requirements of IFRS 9.

PDs are estimated on the basis of a given historical period and calculated on the basis of statistical models, which in turn are based on internal data. The PDs are calculated considering the contractual maturities of the exposures.

The Group collects performance and default indicators about its credit risk exposures with analysis by types of Customers and products.

LGD is the magnitude of the loss that is expected to occur if the exposure defaults. The Group estimates LGD parameters based on the history of recovery rates after counterparties default.

The EAD represents the expected exposure if the exposure and/or Client defaults. The Bank derives the EAD values from the counterparty's current exposure. For commitments and financial guarantees, the EAD value considers both the credit value used and the expectation of the potential future value that can be used according to the contract.

As described above, apart from for financial assets that consider a 12-month PD because they do not present a significant increase in credit risk, the Group calculates the value of the expected credit losses taking into account the risk of default during the maximum contractual maturity period of the contract, even if, for the purposes of risk management, is considered a longer period. The maximum contractual period shall be considered as the period up to the date on which the Group is entitled to demand payment or terminate the commitment or guarantee.

Estimated expected credit losses for the Securities Portfolio

The Bank's securities portfolio at the time is entirely related to issuances of Treasury Bonds (TBs) and Treasury Bills (T-Bills) of the Mozambican State which, in the absence of events that show a significant increase in credit risk, will be in stage 1 and consequently with the 12-month ECL calculation.

Probability of Default (PD)

PD is applied according to the study carried out by the financial rating agency S&P (Standard & Poor's) for sovereign entities. This PD corresponds to the Sovereign Local Currency rating and will be updated annually based on this study.

Loss Given Default (LGD)

The LGD is applied in accordance with the Capital Requirements Regulation (CRR) No. 575/2013 of the European Parliament, Article 161, which provides for an LGD of 45% for non-subordinated and uncollateralized positions.

After November 2024, all public debt became subject to impairment, and a monthly PD Curve was created for securities with a residual maturity of less than 1 year.

The impact of this change and downgrade of the local currency rating to CCC (carried out by S&P in October), caused an increase in the PD from 3,51% (Dec. 2023) to 16,29%, resulting in an impairment increase of approximately 2.410 million meticaís for the securities portfolio.

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Regarding the update of the impairment model

Annually, BIM calibrates the risk factors of its impairment model, such as Probability of Default (PD), Loss Given Default (LGD), Behaviour Maturity (BM), Credit Conversion Factors (CCF) and validation of the correlation model between macroeconomic variables and PD.

FINANCIAL LIABILITIES

A. Classification, initial recognition and subsequent measurement

At the time of its initial recognition, the Bank records its financial liabilities at amortized cost.

Financial Liabilities at amortized costs

Classification

Financial liabilities that have not been classified at fair value through profit or loss, nor correspond to financial guarantee agreements described in Note 1(s), are measured at amortized cost.

The category of "Financial liabilities at amortized cost" includes deposits other banks, deposits from Customers and subordinated and non-subordinated debt securities.

Initial recognition and subsequent measurement

Financial liabilities at amortized cost are initially recognized at their fair value, plus transaction costs, and are subsequently measured at amortized cost. Interest on financial liabilities at amortized cost is recognized under the item "Interest and similar expenses".

A. Reclassification between categories of financial liabilities

Reclassifications of financial liabilities are not allowed.

B. Derecognition of financial liabilities

The Bank derecognizes financial liabilities when these are cancelled or extinct.

Interest recognition

Income from interest on financial instruments, assets and liabilities measured at amortized cost, is recognized under the items "Interest and similar income" or "Interest and similar expenses" (net interest margin).

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

To determine the effective interest rate, the Bank estimates future cash flows considering all the contractual terms of the financial instrument (e.g. early payment options), not considering any impairment losses. The calculation includes the fees paid or received considered as part of the effective interest rate, transaction costs and all premiums or discounts directly related to the transaction.

In the case of financial assets or groups of similar financial assets for which impairment losses have been recognized, the interest recorded in profit or loss is determined on the basis of the interest rate used to discount future cash flows in the measurement of impairment loss.

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Specifically with regard to the policy for recording interest on overdue loans, the following aspects are considered:

- Interest on loans overdue with collateral, until the prudently assessed coverage limit is reached, is recorded as a profit or loss on the assumption that there is a reasonable probability of its recovery; and
- Interest already recognized and unpaid relating to loan overdue for more than 90 days that is not covered by a collateral is cancelled, and it is only recognized when received because it is considered that its recovery is remote.

b) Equity Instruments

A financial instrument is classified as an equity instrument when there is no contractual obligation for its settlement to be affected by the delivery of cash or other financial asset to a third party, regardless of its legal form, evidencing a residual interest in an entity's assets after deduction of all its liabilities.

Transaction costs directly attributable to the issuance of equity instruments are recorded against equity as a deduction from the value of the issue. The amounts paid and received for purchases and sales of equity instruments are recorded in equity, net of transaction costs.

Preferred shares issued by the Bank are classified as equity when redemption occurs only at the Bank's option and dividends are paid by the Bank on a discretionary basis.

Income from equity instruments (dividends) is recognized when the right to receive them is established and deducted from equity.

c) Securities borrowing and repurchase agreement transactions

(i) Securities borrowing

Securities lent under securities lending agreements continue to be recognized in the balance sheet and are measured in accordance with the applicable accounting policy of the category to which they belong. Cash collateral received in respect of securities lent is recognized as a financial liability. Securities borrowed under securities borrowing agreements are not recognized as equity. Cash collateral placements in respect of securities borrowed are recognized as a debt to Customers or financial institutions. Income or expenses arising from securities borrowing are periodized during the period of operations and are included in interest and income or similar expenses (net interest margin).

(ii) Repurchase agreements

The Bank conducts acquisition/sales of securities with a reselling/repurchase agreement of substantially identical securities at a future date at a pre-defined price. Securities acquired that are subject to reverse repurchase agreements at a future date are not recognized on the balance sheet. The amounts paid are recognized in loan to Customers or placements in other banks. The amounts receivable are collateralized by the associated securities. Securities sold through repurchase agreements continue to be recognized on the balance sheet and are revalued in accordance with the accounting policy of the category to which they belong. Receipts from the sale of investments are considered as deposits from Customers or other credit institutions.

The difference between the conditions of purchase/sale and those of resale/repurchase is periodized during the period of the operations and is recorded in interest and income or interest and equivalent expenses.

d) Non-current assets held for sale and discontinuing operations

Groups of non-current assets held for sale (groups of assets together with related liabilities, which include at least one non-current asset) are classified as held for sale when there is an intention to dispose of those assets and liabilities and the assets or groups of assets are available for immediate sale and their sale is very likely.

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The Bank also classifies as non-current assets held for sale, non-current assets or groups of assets acquired solely for the purpose of subsequent sale, which are available for immediate sale and whose sale is very likely.

Immediately prior to their classification as non-current assets held for sale, the measurement of all non-current assets and all assets and liabilities included in a group of assets for sale is carried out in accordance with the applicable IFRS. After their reclassification, these assets or groups of assets are measured at the lesser of their cost and their fair value less the costs of sale.

Subsidiaries acquired solely for the purpose of short-term sale are consolidated until the time of their sale.

The Bank also classifies as non-current assets held for sale real estate held by credit recovery/repossessed assets, which are initially measured by the lesser between their fair value net of sale costs and the book value of the loan existing on the repossession date.

Fair value is based on market value, which is determined on the basis of the expected sale price obtained through periodic appraisals by the Bank.

The subsequent measurement of these assets is carried out at the lesser of their book value and the corresponding fair value, net of the costs of sale, and they are not subject to depreciation. If there are unrealized losses, these are recorded as impairment losses against the profit or loss for the year.

An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. For the purposes of the impairment assessment, assets are grouped at the lowest level, for which there are separately identifiable cash flows (cash-generating units).

Below is described the Haircut criteria used by the bank, which is based on the time that the property has been in the bank's possession.

- First, the Presumed Transaction Value x (1-haircut) ratio is determined, which was assigned the acronym PTV;
- Second, the result obtained above is compared with the Carrying Book Value (CBV). If the PTV is higher than the CBV, the carrying value is maintained. Otherwise, the PTV is compared with the PVI. If the PTV is higher than the PVI, the new carrying value is considered equal to the PTV. If it is not, the PVI is considered to be the new book value.

Below is the grid considered when applying Haircuts:

<i>Property Useful Life</i>	<i>Haircut</i>
<i>Less than 2 years</i>	<i>0%</i>
<i>Between 2 and 5 years</i>	<i>10%</i>
<i>Between 5 and 10 years</i>	<i>20%</i>
<i>More than 10 years</i>	<i>30%</i>

Fair value of properties recorded in non-current assets held for sale and in other assets are valued at each balance sheet date to ensure that their balance sheet value does not differ significantly from their fair value. The Bank has established a maximum reference period of 2 years between evaluations carried out by qualified expert evaluators.

Property valuations are carried out to obtain the presumed transaction value, usually the market value (fair value). The valuation techniques commonly used are the market approach, cost approach, and yield approach.

As envisaged by IFRS 13, properties valuations maximize the use of observable market data.

However, since most valuations also consider unobservable data, the fair value of the Bank's buildings is classified at level 3 of the fair value hierarchy defined by IFRS 13.

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The Bank considers that the valuations obtained based on these methodologies correspond to the best estimate of the fair value of these assets at the balance sheet date.

The Bank considers that the buildings it owns are subject to their greatest and best possible use, so the valuations carried out to determine their fair value are prepared considering their current use, as provided for by IFRS 13 - "Fair Value Measurement".

The determination of the Market Value is based on internationally standards of valuation methods and which:

- The Market Comparison Method: compares the property to be valued with other similar properties that perform the same function, recently transacted on the site or in comparable areas. The known values are adjusted to make the comparison relevant, considering the variables: size, location, existing infrastructures, state of conservation and others, which may be in some way relevant.
- The Amortized Replacement Cost Method consists of determining the replacement value of the property under analysis and is based on the assumption that a knowledgeable and informed investor would not be willing to pay more for the property than the cost of producing another one with the same utility, less the amount related to depreciation and/or functional obsolescence, physical and economic aspects.

Discontinuing operations

A discontinued or discontinuing operation unit is a component of an entity that has either been divested or is classified as held for sale, and:

- represents a major separate line of business or geographic area of operations;
- is an integral part of a single coordinated plan to divest a major business line or separate geographic area of operations; or
- is a subsidiary acquired solely for resale.

Results from discontinued operations are excluded from the results of continuing operations and are presented as a lump sum comprising the after-tax profit or loss from discontinued operations on the income statement.

e) Leasing

The Bank adopted IFRS 16 - Leases on 1 January 2019 to replace IAS 17 - Leases, which was in force until 31 December 2018. The Bank has not adopted any of the requirements of IFRS 16 in advance in previous periods.

This standard establishes new requirements regarding the scope, classification and measurement of leases:

- From the lessor's point of view, leases continue to be classified as financial leases;
- From the lessee's point of view, the standard defines a single accounting model for lease contracts, which results in the recognition of the acquired right of use of an asset and a lease liability for all lease agreements, except for leases with a period of less than 12 months or for leases that focus on assets of reduced value in which the lessee may opt for the exemption from recognition provided for in IFRS 16, and it must recognize the lease payments associated with these agreements as Other administrative expenses.

The Bank has chosen not to apply this rule to short-term financial leasing agreements, less than or equal to 12 months and to lease agreements in which the underlying asset has a reduced value, considering for this purpose the amount of USD 5 000. The option of not applying this standard to leases of intangible assets was also used.

Definition of Lease



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The new definition of lease entails an approach to the control of the asset identified in the agreement, i.e. an agreement constitutes or contains a lease if it conveys the right to control the use of an identified asset, i.e. obtaining substantially all the economic benefits from the use of that asset and the right to direct the use of that identified asset during the period covered by the contract in exchange for a consideration.

Impacts from the lessee's perspective

The Bank recognizes for all leases, with the exception of leases of a period of less than 12 months or for leases relating to assets with a low unit value:

- An asset by the acquired right of use, initially measured at cost, considering the Present Value (NPV) of the lease liability, plus payments made less lease incentives received, as well as any cost estimates to be borne by the lessee with the dismantling and removal of the underlying asset and/or restoration of the place where it is located. Subsequently, it is measured according to the cost model (subject to depreciation/amortization according to the lease term of each contract);
- A lease liability, initially accounted for at the present value of future lease cash flows (NPV), which includes:
 - Fixed payments, less rental incentives receivable;
 - Variable lease payments, which depend on an incentive or rate, initially measured using the index or rate at the start date of the contract;

To determine the interest rate implied in the lease (paragraph 26 of IFRS 16), lease payments are discounted according to the rate of the Libor swaps for contracts in or indexed to USD and in accordance with the expected yield curve calculated (with reference to the remuneration of the public debt) for the contracts in MZN, applied to the weighted average term of each lease agreement. For contracts expiring in 2023, it has been assumed that they will be automatically renewed, as provided for in the contract.

The lease liability is subsequently measured as follows:

- By increasing its amount accounted for in order to reflect the interest on it;
- By the decrease in its amount accounted for in order to reflect the lease payments;
- The amount accounted for is recalculated to reflect any revaluations or changes to the lease, as well as to reflect the revision of fixed lease payments in substance and the revision of the lease term.

The Bank revalues a lease liability and calculates its asset-related adjustment for the right of use whenever:

- There is a change in the lease term and the lease liability is revalued by discounting the revised lease payments using a revised discount rate;
- If there is a change in future lease payments resulting from a change in an index or rate used to determine those payments, the liability is revalued by discounting the revised lease payments using an unchanged discount rate (unless the change in lease payments results from a change in variable interest rates, in which case a revised discount rate shall be used);
- A lease agreement is amended, but that lease change is not accounted for as a separate lease, the lease liability is revalued, discounting the revised lease payments using a revised discount rate.

The Bank has not made any adjustments for previous periods.

Right-of-use assets are depreciated/amortized from the date of commencement of use of the underlying asset until the end of the lease term. If the lease transfers ownership of the underlying asset, or if the cost of the right-of-use

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asset reflects the Bank's exercise of a call option, the right-of-use asset shall be depreciated/amortized from the effective date until the end of the useful life of the underlying asset. Depreciation/amortization begins on the effective date of the lease.

f) Recognition of income from fees and commissions

The results of services and commissions are recognized according to the following criteria:

- Where they are obtained as services are provided, they are recognized in terms of results in the period to which they relate;
- Where they are the result of a supply of services, they are recognized when that service has been completed.

When income from services and commissions is an integral part of the effective interest rate of a financial instrument, income from services and commissions is recorded in the net interest margin.

A contract with a Customer that results in the recognition of a financial instrument in the Bank's financial statements may be partly within the scope of IFRS 9 and partly within the scope of IFRS 15. If this is the case, the Bank first applies IFRS 9 to separate and measure the portion of the contract that falls under IFRS 9 and then applies IFRS 15 to the residual.

Other fees and commissions mainly refer to transaction and service fees, which are recognized as expenses when the services are received.

The following table provides information on the nature and timing of the satisfaction of performance obligations in contracts with Customers, including significant payment terms and the related revenue recognition policies.

Type of service: Nature and timing of performance obligations, including significant payment timings	Recognition of revenue under IFRS 15 (applicable from 1 January 2018)
Retail and corporate banking services The Bank provides retail and corporate banking services, including account management, lending in the form of overdrafts, foreign currency transactions, credit cards and service fees. Fees for ongoing account management are charged monthly to the Client's account. The Bank sets the fees separately for retail and corporate banking clients each year. Fees applied to interbank commission-based transactions, foreign currency transactions and overdrafts are charged to the Client's account when the transaction takes place. Service fees are charged monthly and are based on fixed rates reviewed annually by the Bank.	Revenue from account services and service fees is recognized over time as the services are rendered. Revenue related to transactions is recognized when the transaction occurs.

Investment Banking Services:

The Bank's investment banking segment provides various finance-related services, including loan administration and agency services, administration of a syndicated loan, execution of transactions with Clients with exchanges, and underwriting of securities.

Fees for ongoing services are charged annually at the end of each financial year to the Client's account. However, if a Client terminates the contract before December 31st, a fee will be charged upon termination for the services performed to date.

Transaction-based fees for administering a syndicated loan, executing transactions, and subscribing securities are charged when the transaction occurs.

Revenue from administrative agency services is recognized over time as services are provided. Amounts receivable from Customers on 31 December are recognized as accounts receivable from Customers.

Revenue related to transactions is recognized at the time the transaction occurs.

g) Results in financial operations

Results in financial operations includes gains and losses arising from foreign currency trading transactions and the translation of monetary items from foreign currency to local currency.

It also registers gains and losses on financial assets and liabilities classified at amortized cost and the dividends associated with these portfolios.

h) Tangible Assets

Tangible assets are recorded at acquisition cost, less their accumulated depreciation and impairment losses. Subsequent costs are recognized as a separate asset only if they are likely to result in future economic benefits for the Bank.

Maintenance and repair expenses are recognized as costs as they are incurred in accordance with the accrual principle.

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Depreciation is calculated using the constant share method according to the following expected useful life periods:

	Number of years
Properties	50
Works on third party buildings	10
Equipament	4 to 10
Other tangible assets	3

Where there is an indication that a tangible asset may be impaired, an estimate of its recoverable value is made and an impairment loss shall be recognized where the net value of that asset exceeds the recoverable amount.

Recoverable amount is determined as the higher of its fair value less costs of sale and its value in use, which is calculated on the basis of the present value of the estimated future cash flows that are expected to be obtained from the continued use of the asset and its disposal at the end of its useful life.

Impairment losses on tangible assets are recognized in income statement for the period.

i) Investment properties

Investment properties are initially recognized at acquisition cost, including transaction costs, and are subsequently measured at fair value. The fair value of investment properties should reflect market conditions at the reporting date. Changes in fair value are recognized in income statement for the year under Other Operating Income.

The evaluations are carried out annually by external evaluators duly certified for this purpose.

j) Intangible Assets

The intangible assets acquired by the Bank are recorded at acquisition cost, less their accumulated depreciation and impairment losses.

The amortization is charged to the profit and loss account according to the constant share criteria, during the expected useful life period:

Software

The Bank records in intangible assets the costs associated with the software acquired from third parties and proceeds to its linear amortization for the estimated useful life of 3 years. The Bank does not capitalize internally generated costs related to software development.

Assets that have an indefinite useful life are not amortized on a scheduled basis but are tested annually for impairment. Impairment losses for this type of asset are not reversed.

k) Cash and cash equivalents

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

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Cash and cash equivalents exclude deposits of a mandatory nature made with the Bank of Mozambique.

l) Foreign currency transactions

Transactions in foreign currency are converted into the functional currency at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are converted to Meticaís at the closing rate published by the Bank of Mozambique at the reporting date, and the exchange rate differences resulting from this conversion are recognized as profits or losses in the period to which they relate.

Non-monetary assets and liabilities recognized at historical cost, denominated in foreign currency, are translated at the exchange rate at the time of the transaction. Non-monetary assets and liabilities denominated in foreign currency recorded at fair value are translated at the exchange rate prevailing on the date on which fair value was determined.

The resulting exchange rate differences are recognized in profit or loss.

m) Employee benefits

(i) Defined benefit plans

The Bank provides Employees with a defined benefits plan, which is financed through insurance that is managed by its associate Fidelidade Moçambique - Companhia de Seguros, S.A.

For the benefit plan, the Bank finances a remitted pension that it guarantees to its Employees through a retirement supplement, which operates on an autonomous basis.

The remitted pension will be granted to active Employees hired until December 31, 2011, when they reach the age of 60, in the case of men and 55 in the case of women, and it is a mandatory condition that the Employee is already benefiting from an old-age pension granted by the National Institute of Social Security (INSS) or if the Executive Committee so decides.

Determining pension payment liabilities requires the use of assumptions and estimates, including the use of actuarial projections, estimated return on investments, and other factors that may impact pension plan costs and obligations.

Changes to these assumptions could have a significant impact on the determined values.

(ii) Short-term employee benefits

Short-term benefits consist of salaries and any non-cash benefits, such as medical aid contributions in which the Bank bears the cost of an insurance policy and Fidelidade Moçambique - Companhia de Seguros, S.A. bears the equivalent of 75% of the cost of medical expenses.

A liability is recognized by the amount to be paid if the Bank has a present legal or constructive obligation to pay that amount based on the past service rendered by the employee, and the obligation to be reliably estimated.

(iii) Termination of benefits

The benefits inherent to the termination of the employment relationship are recognized as an expense when the Bank is not in a position to revoke commitments formally assumed before the retirement date or when they relate to negotiated benefits resulting from a voluntary termination of the Employee.

If the benefits are not expected to be paid out within 12 months, they are discounted.

n) Income taxes

The Bank is subject to the tax regime enshrined in the Income Tax Code, and the profits attributable to each financial year are subject to the incidence of Corporate Income Tax (IRPC).

Income taxes are recorded in the income statement.

The tax is recognized in the income statement, except when related to items that are moved in equity, which implies its recognition in equity.

Current taxes are the amount that is expected to be paid on taxable income for the year, using the rates prescribed by law, or that are in force at the date of reporting and any adjustments to taxes from previous periods.

To determine the overall amount of income taxes, certain interpretations and estimates had to be made. There are a number of transactions and calculations for which the determination of taxes payable is uncertain during the normal business cycle.

Other interpretations and estimates could result in a different level of current and deferred income tax recognized in the period.

The Mozambican Tax Authority has the possibility to review the calculation of the taxable amount made by the Bank and its resident associate over a period of five years, in the event of reportable losses. Thus, it is possible that there will be corrections to the taxable amount, resulting mainly from differences in the interpretation of the tax legislation, which due to their probability, the Executive Committee considers will not have a materially relevant effect at the level of the financial statements.

Deferred taxes are calculated, in accordance with the balance sheet liability method, on the temporary differences between the carrying values of assets and liabilities and their tax base, using the tax rates approved or substantively approved at the reporting date and expected to be applied when the temporary differences reverse.

Deferred tax assets are recognized when there is likely to be future taxable profits absorbing temporary tax-deductible differences (including reportable tax losses).

The Bank shall, as set out in IAS 12, paragraph 74, set off deferred tax assets and liabilities where: (i) it has a legally enforceable right to set off assets against current taxes and liabilities against current taxes; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxing authority on the same taxable entity or different taxable entities that intend to settle current tax liabilities and assets on a net basis, or realize the assets and settle the liabilities simultaneously, in each future period in which the deferred tax liabilities or assets are expected to be settled or recovered.

o) Segmental reporting

A business segment is an identifiable component of the Bank that is intended to provide an individual product or service or a set of related products or services, and that is subject to risks and benefits that are differentiable from other business segments.

The Bank controls its activity through the following main segments:

- Retail Banking;
- Corporate Banking.

p) Provisions

The Bank reserves provisions when it has a present obligation (legal or constructive), resulting from past events, for which the future expenditure of financial resources is probable and can be reliably determined. The amount of the provision is the best estimate of the amount to be disbursed to settle the liability at the balance sheet date.

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The measurement of provisions considers the principles set out in IAS 37 regarding the best estimate of the expected cost, the most likely outcome of ongoing actions and taking into account the risks and uncertainties inherent in the process. In cases where the effect of the discount is material, provisions corresponding to the present value of expected future payments, discounted at a rate that takes into account the risk associated with the obligation.

Provisions are reviewed at the end of each reporting date and adjusted to reflect the best estimate and are reversed by profit or loss in proportion to payments that are not likely.

Provisions are derecognized by their use for the obligations for which they were originally constituted or in cases where they are no longer observed.

q) Earnings per share

Basic earnings per share are calculated by dividing net income attributable to shareholders of the Bank by the average number of ordinary shares issued and outstanding.

r) Financial Guarantees and Loan Commitments

"Financial guarantees" are contracts that require the Bank to make a specific payment to reimburse the holder for a loss incurred as a result of a specific debtor's default on payment under the terms of a debt instrument.

"Loan commitments" are firm commitments to extend loan under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value. These are then measured at the greater of the loss allowance determined in accordance with IFRS 9 and the amount initially recognized minus, where appropriate, the accumulated amount of the credit recognized in accordance with the principles of IFRS 15.

The Bank has not issued loan commitments measured at fair value through profit or loss.

For other loan commitments, the Bank recognizes the loss provision.

Liabilities resulting from financial guarantees and loan commitments are included in the provisions.

s) Accounting Estimates in the Application of Accounting Policies

IFRS sets out a set of accounting treatments that require the Executive Committee to use judgments and make necessary estimates to decide which accounting treatment is most appropriate. The main accounting estimates and judgments used in the Bank's application of accounting principles are analyzed in the following paragraphs to improve the understanding of how their application affects the Bank's reported results and disclosure.

Considering that in some situations accounting standards allow for an alternative accounting treatment to that adopted by the Executive Committee, the results reported by the Bank could be different if a distinctive treatment were chosen. The Executive Committee considers that the criteria adopted are appropriate and that the financial statements present adequately the financial position of the Bank and its operations in all material respects.

The results of the alternatives analyzed below are presented only to assist the reader in understanding the financial statements and are not intended to suggest that other alternatives or estimates may be more appropriate.

Financial assets impairment

The Bank determines the impairment rate on its financial assets by applying risk factors calculated on the basis of the behavior of the portfolio of assets subject to credit risk at their fair value.

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The Bank's financial assets portfolio to date is entirely composed of Treasury Bonds (TB's) and Treasury Bills (T-Bills) of the Mozambican State which, in the absence of events that show a significant increase in credit risk, are currently classified in stage 1. Consequently, the calculation of impairment/expected losses on these financial assets is made based on a time horizon of 12 months (in line with the recommendations of IFRS 9).

According to the methodology in force at the Bank, the process of quantifying impairment on financial assets corresponding to Sovereign Debt (i.e. TB's - Treasury Bonds and T-Bills - Treasury Bills) is done using the following formula: $EAD * PD * LGD$, in line with the IFRS 9 standard.

The PD considered by the Bank in this calculation corresponds to the PD associated with the rating of Mozambique's Public Debt, based on the long-term rating of S&P - Standard & Poor's in local currency, (according to the disaggregated table / with rating modifiers).

The LGD applied is, by default, 45%, according to the European Parliament's Capital Requirements Regulation (CRR) No. 575/2013, Article 161, which provides for an LGD of 45% for non-subordinated and uncollateralized/collateralized positions, also in accordance with IFRS 9.

Loans to customer impairment

The Bank carries out a periodic review of its loan portfolio to assess the existence of expected credit loss (ECL).

The current portfolio valuation process to determine whether an impairment loss should be recognized is subject to various estimates and judgments. This process includes factors such as the probability of default, credit ratings, the value of the collateral associated with each transaction, recovery rates and estimates of both future cash flows and the timing of their receipt.

It should be noted that the application of alternative methodologies or the use of other assumptions could result in a different quantification of the estimate of impairment losses to be recognized, with the consequent impact on the Bank's results.

The expected credit loss (ECL) is the present value of the difference between the cash flows that the entity is entitled to receive, and the cash flows that the entity expects to receive. In line with what is defined in IFRS 9, the ECL can be calculated at 12 months or lifetime (until the residual maturity of the asset). The 12-month ECL is the portion of the lifetime ECL that represents the expected credit losses that result from default events that may occur in the 12 months following the reporting date. On the other hand, ECL lifetime represents the expected credit losses that result from default events until the residual maturity of each operation. The Bank assesses which ECL to apply based on the definition of IFRS 9.

The methodologies applied by the Bank in quantifying the estimate for loans impairment are described in more detail in the note "Impairment Losses", namely in the sections relating to the estimates of expected credit losses - Individual Analysis and Collective Analysis.

Fair value of financial assets at amortized cost through other comprehensive income

For the estimation of the Fair Value of the securities, a yield curve is considered. The yield curve is based on the average rates of the last auctions of Treasury Bills and Government Bonds in the primary market for the different maturities.

The methodologies used in the estimates for the determination of the fair value of these financial assets are described in more detail in note 41 "Fair value".

Income Taxes

The Bank is subject to the payment of income taxes. To determine the overall amount of income taxes, certain interpretations and estimates had to be made. There are a number of transactions and calculations for which the determination of taxes payable is uncertain during the normal business cycle.

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Other interpretations and estimates could result in a different level of taxes on current and deferred profits recognized in the period.

The Mozambican Tax Authority has the possibility to review the calculation of the taxable amount made by the Bank over a period of five years, in the event of carry-forward losses. Thus, it is possible that there will be corrections to the taxable amount, resulting mainly from differences in the interpretation of the tax legislation, which due to their probability, the Executive Committee considers will not have a materially relevant effect at the level of the financial statements.

Pensions and other employee benefits

Determining pension payment liabilities requires the use of assumptions and estimates, including the use of actuarial projections, estimated return on investments, and other factors that may impact pension plan costs and obligations.

Changes to these assumptions could have a significant impact on the determined values.

t) Changes in accounting policies

The accounting policies adopted are consistent with those used in the previous year. Changes to the IFRS standards applicable as of 1 January 2024 have had no material effect on the financial statements, namely:

- 1) Amendments to IAS 1 - Presentation of Financial Statements - Classification of liabilities as current and non-current and non-current liabilities with covenants;
- 2) Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments - supplier financing agreement;
- 3) Amendments to IFRS 16 - Leases- - Lease liabilities in sale and lease out transactions.

These changes had no material impact on the Bank's financial statements.

Changes to the IFRS standards applicable as of 1 January 2025 have had no effect on the financial statements, namely:

- 1) Amendments to IAS 21 - Exchange rate variations - The Effects of changes in exchange rates: Lack of interchangeability (19. Mar.2024);

u) Investments in Associates

The Bank measures the investment in associates by the acquisition cost.

The financial interests in associated companies are detailed in Note 22.

v) Subsequent Events

If the Bank receives information arising from events after the reporting period, but before the date of authorization to issue its Financial Statements, about conditions that existed at the end of the reporting period, it will assess whether this information affects the amounts it has recognized in its financial statements. The Bank will adjust the amounts recognised in its financial statements to reflect any "adjustable events" after the reporting period and updates its disclosures relating to these conditions in light of the new information.

With respect to "non-adjustable events" arising from events after the reporting period, the Bank will not change the amounts recognised in its financial statements, but will disclose the nature of the event, which does not give rise to adjustment, and an estimate of its financial impact or include, if applicable, a statement that such an estimate cannot be reliably made. The Subsequent Events identified with reference to the reporting date are disclosed in Note 47 - Subsequent Events.

3. Income Statement by operating segments

The segment reporting presented follows, with respect to the business and geographic segments, the provisions of IFRS 8.

The Bank develops a set of banking and financial services activities with special emphasis on the Commercial Banking business.

Segment Characterization

Commercial Banking remained the dominant business in the Bank's activity, both in terms of volume and in terms of the level of contribution to results.

The Commercial Banking business, oriented to the Retail and Corporate Banking segments, focuses its activity on satisfying the needs of private and corporate Customers.

The approach strategy of Retail Banking is designed considering Customers who appreciate a value proposition based on innovation and speed, called mass market Customers, and Customers whose specific interests, size of financial assets or income level, justify a value proposition based on innovation and personalization of service through a dedicated Customer manager.

The Corporate segment, aimed at institutional entities and companies whose size of their activity fits within the selection criteria established for this segment, offers a complete range of value-added products and services adapted to its needs.

The reports used by management essentially have an accounting basis supported by IFRS's.

Business segment activities as of December 31st, 2024

The values of the operating account reflect the process of allocation of profits, based on average values, reported by each business segment.

The information presented below has been prepared on the basis of the financial statements prepared in accordance with IFRS.

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MZN' 000

31 December 2024	Retail Banking	Corporate Banking	Total Bank
Net interest margin	8 808 204	5 248 156	14 056 360
Fees and commission income/expense	2 495 460	247 938	2 743 398
Results of financial operations	782 493	303 497	1 085 990
Other operating results	84 766	35 176	119 942
Income from equity instruments	-	72 423	72 423
Total operating income	12 170 923	5 907 190	18 078 113
Staff expenses	(3 007 320)	(696 852)	(3 704 171)
Other administrative expenses	(3 209 306)	(877 019)	(4 086 325)
Amortization for the year	(1 051 470)	(240 782)	(1 292 252)
Total operating costs	(7 268 095)	(1 814 653)	(9 082 748)
Impairment of loans to customers	(76 098)	(101 712)	(177 810)
Other provisions and impairment	(707 918)	(2 630 959)	(3 338 877)
Profit before tax	4 118 812	1 359 866	5 478 679
Taxation	(1 631 231)	(538 567)	(2 169 798)
Income for the year attributable to Shareholders	2 487 581	821 299	3 308 880

MZN' 000

31 December 2024	Retail Banking	Corporate Banking	Total Bank
Asset			
Loans to customers	19 327 344	25 832 490	45 159 834
Liability			
Customer deposits	104 356 771	52 427 955	156 784 726

MZN' 000

31 December 2023	Retail Banking	Corporate Banking	Total Bank
Net interest margin	8 800 026	5 176 602	13 976 628
Fees and commission income/expense	2 460 483	243 562	2 704 045
Results of financial operations	846 693	282 977	1 129 670
Other operating results	240 883	77 069	317 952
Income from equity instruments	-	67 588	67 588
Total operating income	12 348 085	5 847 798	18 195 883
Staff expenses	(2 842 055)	(630 600)	(3 472 655)
Other administrative expenses	(3 187 313)	(809 183)	(3 996 496)
Amortization for the year	(1 034 935)	(199 066)	(1 234 001)
Total operating costs	(7 064 304)	(1 638 849)	(8 703 152)
Impairment of loans to customers	663 270	1 048 628	1 711 897
Other provisions and impairment	(491 969)	(456 960)	(948 930)
Profit before tax	5 455 081	4 800 616	10 255 698
Taxation	(1 619 551)	(1 425 248)	(3 044 799)
Income for the year attributable to Shareholders	3 835 530	3 375 368	7 210 899

MZN' 000

31 December 2023	Retail Banking	Corporate Banking	Total Bank
Asset			
Loans to customers	17 553 480	26 654 158	44 207 638
Liability			
Customer deposits	96 826 138	49 620 706	146 446 844

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4. Net Interest Margin

	MZN' 000	
	2024	2023
<i>Interest and similar income</i>		
Interest on loans	8 888 080	8 936 232
Interest on deposits and other investments	3 076 218	2 315 744
Interest on other financial assets at amortised cost	8 190 738	9 245 369
	20 155 036	20 497 345
<i>Interest and similar expenses</i>		
Interest on deposit and other funds	6 015 219	6 434 599
Interest on leases	75 268	67 984
Other costs and similar interests	8 189	18 134
	6 098 676	6 520 717
<i>Net interest margin</i>	14 056 360	13 976 628

5. Income from equity instruments

	MZN' 000	
	2024	2023
Dividends from associates	72 423	67 588
	72 423	67 588

The item "Income from investments in associates" corresponds to dividends received by the Bank, associated with the financial interest held in Fidelidade Moçambique - Companhia de Seguros, S.A.

6. Fees and commission income/expense

	MZN' 000	
	2024	2023
<i>Fees and commission income</i>		
For bank warranties provided	195 568	200 395
For banking services provided	3 542 193	2 764 753
Other fees and commissions	668 908	687 691
	4 406 669	3 652 839
<i>Fees and commission expenses</i>		
For bank warranties received	5 920	7 063
For banking services received	-	561
Other fees and commissions	1 657 351	941 170
	1 663 271	948 794
<i>Fees and commission income/expense</i>	2 743 398	2 704 045

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Revenue from fees and commissions from contracts with Clients is measured based on the remuneration specified in the contract with the Client. The Bank recognizes revenue when it transfers control over the service to the Customer.

7. Results of financial operations

	MZN' 000	
	2024	2023
<i>Profits from financial operations</i>		
Foreign exchange operations	1 065 335	1 122 941
Other operations	25 474	8 010
	1 090 809	1 130 951
<i>Losses on financial operations</i>		
Foreign exchange operations	4 819	1 221
Other operations	-	60
	4 819	1 281
	1 085 990	1 129 670

8. Other operating results

	MZN' 000	
	2024	2023
<i>Other operating income</i>		
Property income	55 008	41 905
Services rendered	147 550	91 695
Reimbursement of expenses	96 261	105 669
Other operating income	76 691	416 325
	375 510	655 594
<i>Other operating costs</i>		
Taxes	69 205	85 016
Donations and contributions	29 011	30 552
Other operating costs	157 352	222 074
	255 568	337 642
	119 942	317 952

9. Staff expenses

	MZN' 000	
	2024	2023
Salaries	3 372 596	3 133 956
Compulsory social security charges	109 443	122 305
Optional social security charges	180 707	186 628
Other costs	41 425	29 766
	3 704 171	3 472 655

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The average number of employees employed by the Bank, broken down into major professional categories, is shown as follows:

	2024	2023
Board and Management	128	129
Specifics / Techniques	1 098	1 021
Other functions	1 374	1 390
	2 600	2 540

The total amount of remuneration awarded by the Bank to the Management and Supervisory bodies in the year ended December 31, 2024, recorded under the heading of Remuneration, was 292.490 thousand Meticaïs (2023: 311.593 thousand Meticaïs).

The staff costs item also includes the costs associated with pension obligations for the Bank in the year ended December 31, 2024, in the amount of 53.955 thousand Meticaïs (2023: 59.994 thousand Meticaïs).

10. Other administrative expenses

	MZN' 000	
	2024	2023
IT and Consulting	1 892 010	1 789 487
Communications	490 764	416 317
Maintenance and repair	278 105	249 820
Current consumables	212 627	207 835
Water, energy and fuel	192 054	199 223
Security and surveillance	187 872	193 855
Costs with independent work	148 821	333 679
Advertising	147 771	150 465
Cash transportation	115 449	102 263
Travel, accommodation and representation	111 575	54 505
Insurance	103 814	92 737
Facilities cleaning	71 154	60 914
Rents and leases	66 923	54 885
Judicial, litigation and notary services	36 199	80 096
Staff training	30 614	10 415
Other third-party services	573	-
	4 086 325	3 996 496

The item Informatics and Consulting contains contracts for technical assistance and software maintenance that represent 59% of the amount of the item.

In addition, the detail of rents and leasing is shown as follows:

	MZN' 000	
	2024	2023
House rents	19 095	9 445
Vehicle rents	5 003	4 253
Equipment rents	42 825	41 187
	66 923	54 885

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The rents and leasing item contains lease contracts for which IFRS 16 was not applied because they are valid for up to 12 months, short-term, namely: condominiums whose contract is valid for up to 12 months, rents under counter management whose validity is up to 12 months, equipment rental to which IFRS 16 was not applied due to the characteristics of the contracts and vehicle rental associated with short-term.

11. Depreciation and amortization for the year

	MZN' 000	
	2024	2023
<i>Intangible Assets</i>		
Software	358 886	283 596
<i>Tangible Assets</i>		
Property	158 471	159 294
Equipment	561 295	565 467
Furniture	25 982	24 726
Machine	19 030	16 363
IT Equipment	320 593	335 671
Interior fittings	73 613	70 561
Vehicles	93 401	96 002
Security equipment	27 715	21 130
Other equipment	961	1 014
Right of Use - IFRS 16		
Properties	213 600	225 644
	<u>933 366</u>	<u>950 405</u>
	<u>1 292 252</u>	<u>1 234 001</u>

12. Impairment of loans to customers

	MZN' 000	
	2024	2023
<i>Impairment on Loans granted to customers</i>		
Net allocation for the year	319 815	887 901
Recovery of loans and interest written off against assets	(142 005)	(2 599 798)
	<u>177 810</u>	<u>(1 711 897)</u>

The year 2023 was impacted by the recovery of 2.439.691 thousand Meticaís, related to loan and interest written off on assets associated with a loan operation that had been written off by the Bank in 2020.

13. Other provisions and impairment

	MZN' 000	
	2024	2023
Provisions for off-balance credit exposure risk		
Allocation for the year	60 651	124 949
Reversal for the year	(113 494)	(110 831)
Impairment of other financial assets		
Allocation for the year	2 505 114	346 162
Reversal for the year	(132 161)	(47 626)
Provisions for general banking risks		
Allocation for the year	558 801	30 194
Reversal for the year	(123 418)	(40 940)
Other provisions for risks and charges		
Allocation for the year	26 697	165 150
Reversal for the year	(28 340)	-
Impairment of other assets		
Allocation for the year	633 965	461 993
Reversal for the year	(64 437)	-
Impairment for non-current assets held-for-sale		
Allocation for the year	2 800	19 879
Reversal for the year	-	-
Provisions for other tangible assets		
Allocation for the year	12 699	-
Reversal for the year	-	-
	3 338 877	948 930

The evolution of impairments of other financial assets was mainly influenced by the constitution of 2.410 million Meticaís, resulting from the update of the country's debt rating to CCC by the international rating agency S&P - Standard & Poor's. This impact is due to the update of the PD - Probability of Default parameter (from 3,51% to 16,29%) for the calculation of the impairment of securities, according to the methodology in force at the Bank.

The provisions for general banking risks include, essentially, amounts in the order of 253 million Meticaís intended to cover potential refunds of commissions charged to Customers and 100 million Meticaís for general banking risks associated with possible losses in ATMs.

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14. Taxes

	MZN' 000	
	2024	2023
Profit before tax	5 478 678	10 255 697
Changes in equity	281 560	47 465
Profit after changes in equity	5 760 238	10 303 162
Non-deductible costs	276 357	849 816
Sum of tax additions	276 357	849 816
Profit after tax additions	6 036 594	11 152 978
Tax-exempt or non-taxable income	34 359	359 618
Economic double taxation of distributed profits	72 423	67 588
Income from public debt securities - clearance fee	10 359 998	10 933 489
Sum of the tax deductions	10 466 780	11 360 694
Taxable profit	(4 430 186)	(207 717)
Tax at the interest rate of the Public Debt	2 072 000	2 186 698
Deferred Taxes	97 767	858 082
Autonomous Taxation	31	19
Provision for Current Tax	2 169 798	3 044 799

The table below details the existing tax losses by year of occurrence, and the year of expiration, as well as the deferred tax assets related to tax losses not recognized by the Bank, with reference to December 31, 2024, because the conditions for recognition set out in IAS 12 are not met.

The Bank has accumulated tax losses in the amount of 10.241.517 thousand Meticaïs. Based on the five-year business plan, the Bank's Management believes that the Bank will not generate sufficient tax profits to reverse all tax losses by 2029 and, therefore, did not recognize deferred taxes in the amount of 3.277.285 thousand Meticaïs. However, if the situation improves faster than expected or extraordinary events arise, in the next financial years, the Bank may recognize deferred tax assets not accounted for in the amount of 3.277.285 thousand Meticaïs.

		<u>Utilised value</u>		MZN' 000	
<u>Year of occurrence</u>	<u>Expiry year</u>	<u>Amount of loss</u>	<u>Utilised amount</u>	<u>Balance</u>	<u>Deferred Tax</u>
2020	2025	2 965 339	-	2 965 339	948 908
2022	2027	2 638 275	-	2 638 275	844 248
2023	2028	207 717	-	207 717	66 470
2024	2029	4 430 186	-	4 430 186	1 417 659
		10 241 517	-	10 241 517	3 277 285
Deferred tax recognised					-
Part of deferred tax not recognised					3 277 285

For the same reasons that dictated the non-recognition of deferred taxes for tax losses, the Bank proceeded to the derecognition of 114.450 thousand Meticaïs corresponding to deferred tax assets relating to the temporary differences between the accounting base and the tax base.

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15. Profit per share

	MZN	
	2024	2023
Net profit	3 308 880 377	7 210 898 719
Number of shares	45 000 000	45 000 000
Profit per share (from continuing activities attributable to shareholders of the Bank)	73,53	160,24

16. Cash and Cash equivalents in Central Banks

	MZN' 000	
	2024	2023
Cash	4 423 222	4 286 716
Bank of Mozambique	62 772 243	53 072 511
	67 195 465	57 359 227

The balance of cash with the Bank of Mozambique is intended to meet the legal requirements of minimum cash reserves, calculated on the basis of the amount of deposits and other effective liabilities. The mandatory cash reserve regime requires the maintenance of a balance in deposits at the Bank of Mozambique equivalent to 39,0% (December 2023: 39,0%) for liabilities in national currency and 39,5% (December 2023: 39,5%) for liabilities in foreign currency on the average monthly amount of deposits.

17. Cash and cash equivalents with other Credit Institution

	MZN' 000	
	2024	2023
Local Credit Institutions	288 129	251 226
Foreign Credit Institutions	3 722 808	2 532 093
	4 010 937	2 783 319

The item of Cash and Cash in credit institutions in the country includes amounts to be collected in the amount of 288.129 thousand Meticaís that represent, essentially, cheques drawn by third parties on other credit institutions in collection on December 31, 2024 (2023: 251.226 thousand Meticaís).

The breakdown of Cash and Cash Equivalents in Other Credit Institutions abroad by currency can be presented as follows:

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	MZN' 000	
	2024	2023
USD	3 384 273	1 768 167
EUR	203 831	262 266
CNY	62 802	158 631
GBP	27 084	11 448
ZAR	16 242	49 801
CHF	10 023	19 283
CAD	7 933	5 544
AUD	4 037	4 384
JPY	3 315	4 246
DKK	2 028	2 638
SEK	1 202	3 429
NOK	38	242 256
	3 722 808	2 532 093

18. Placements in other Banks

	MZN' 000	
	2024	2023
Investments in credit institution in the country	18 012 576	13 030 720
Investments in credit institution abroad	11 143 199	10 189 706
	29 155 775	23 220 426

19. Loans to customer

	MZN' 000	
	2024	2023
Loans with collateral	1 502 348	6 413 881
Loans with other collateral	25 573 397	15 527 724
Loans without collateral	1 441 079	5 108 495
Loans to the public sector	16 284 017	16 602 471
Leasing loans	893 951	1 101 123
	45 694 792	44 753 694
Loans overdue - less than 90 days	54 614	95 781
Loans overdue - more than 90 days	1 320 188	1 325 218
	47 069 594	46 174 693
Impairment for loans to customers	(1 909 760)	(1 967 055)
	45 159 834	44 207 638

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The analysis of loan to Customers by type of operations is as follows:

	MZN' 000	
	2024	2023
<i>Short-term</i>		
Discounted loans securitised by effects	576 930	891 442
Loan in current account	1 629 983	1 865 142
Overdrafts on current account	1 499 818	1 120 259
Loans	865 399	1 175 312
	4 572 130	5 052 155
<i>Medium and long term</i>		
Loans	23 411 831	21 465 306
Property lending	17 107 657	17 478 960
Lease capital	603 174	757 273
	41 122 662	39 701 539
Loans overdue - less than 90 days	54 614	95 781
Loans overdue - more than 90 days	1 320 188	1 325 218
	1 374 802	1 420 999

The analysis of loan to Customers by sector of activity is as follows:

	MZN' 000	
	2024	2023
Agriculture and forestry	1 244 036	644 278
Extractive industried	380 440	345 145
Food, beverages and tobacco	810 447	1 184 188
Textile	4 229	3 516
Paper, graphic arts and publishing	5 380	40 783
Chemical	189 855	69 837
Machine and equipment	179 950	38 656
Electricity, water and gas	301 838	74 987
Construction	891 215	483 032
Trade	1 966 935	5 630 828
Hospitality and tourism	209 778	345 413
Transport and communications	4 640 438	3 174 135
Services	1 441 441	1 741 424
Consumer loans	17 220 418	14 160 211
Housing loans	679 780	725 078
Mozambican State	16 283 888	16 638 067
Other activities	619 526	875 115
	47 069 594	46 174 693
Impairment for loans to customers	(1 909 760)	(1 967 055)
	45 159 834	44 207 638

The balance of 16 283 888 Meticaís included in the sector corresponding to the Mozambican State, as shown in the table above, corresponds (in more than 99%) to entities belonging to the Central Administration of the State.

The customer loan portfolio includes loans that have been formally restructured with customers, in terms of reinforcing guarantees, extending maturities and changing interest rates.

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The analysis of loans restructured by sectors of activity is as follows:

	MZN' 000	
	2024	2023
Agriculture and forestry	130 077	140 721
Extractive industries	-	1 755
Food, beverages and tobacco	13 600	13 600
Paper, graphic arts and publishing	4 106	189
Machinery and equipment	85 187	97 501
Electricity, water and gas	13 254	41 225
Construction	81 359	105 916
Trade	99 291	143 672
Hospitality and tourism	95 273	151 714
Transport and communications	153 493	21 297
Services	4 412 764	4 497 304
Consumer loans	345 878	301 701
Housing loans	16 349	20 778
Other activities	22 439	48 980
	5 473 070	5 586 353

The analysis of overdue loan by type of loan is as follows:

	MZN' 000	
	2024	2023
Loans with collateral	25 561	283 228
Loans with other collateral	1 207 894	846 529
Loans without collateral	88 542	228 515
Loans to the public sector	4	2 845
Leasing loans	52 801	59 882
	1 374 802	1 420 999

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The analysis of overdue loan by sectors of activity is as follows:

	MZN' 000	
	2024	2023
Agriculture and forestry	236 206	227 638
Extractive industries	30 378	22 117
Food, beverages and tobacco	26 774	1 815
Textile	955	-
Paper, graphic arts and publishing	32	3 910
Chemical	1	1
Machine and equipment	8 224	12 117
Electricity, water and gas	14 380	13
Construction	68 927	60 218
Trade	120 900	251 529
Hospitality and tourism	34 553	38 700
Transport and communications	34 221	64 015
Services	43 833	64 181
Consumer loans	714 424	582 264
Housing loans	20 169	55 135
Mozambican State	4	2 845
Other activities	20 821	34 501
	1 374 802	1 420 999

Impairment changes for credit risks are analyzed as follows:

	MZN' 000	
	2024	2023
Balance as per 1 January	1 967 055	3 774 125
Allocation for the year	663 259	2 189 921
Reversal for the year	(196 546)	(1 070 436)
Utilisation of impairment	(523 479)	(2 926 872)
Differences in exchange rate	(529)	317
Balance as per 31 December	1 909 760	1 967 055

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The following table shows, by default classes, the breakdown of impairment for credit risks existing as of 31 December 2024:

				MZN'000
Classes of default				
	Up to 6 months	From 6 months to 1 year	More than 1 year	Total
Overdue loans with collateral	115 345	113 309	1 057 605	1 286 259
Existing impairment	(38 525)	(50 928)	(612 693)	(702 146)
Overdue loans without collateral	21 949	10 048	56 545	88 542
Existing impairment	(5 857)	(8 333)	(46 669)	(60 859)
Total overdue loans	137 294	123 357	1 114 150	1 374 801
Total impairment for overdue loans	(44 382)	(59 261)	(659 362)	(763 005)
Total impairment for maturing loans				(1 146 755)
Total impairment for loans to customers				(1 909 760)

The following table shows, by default classes, the breakdown of impairment for credit risks existing as of 31 December 2023:

				MZN'000
Classes of default				
	Up to 6 months	From 6 months to 1 year	More than 1 year	Total
Overdue loans with collateral	826 987	84 714	296 505	1 208 206
Existing impairment	(388 138)	(57 817)	(163 076)	(609 031)
Overdue loans without collateral	212 793	-	-	212 793
Existing impairment	(150 140)	-	-	(150 140)
Total overdue loans	1 039 780	84 714	296 505	1 420 999
Total impairment for overdue loans	(538 278)	(57 817)	(163 076)	(759 171)
Total impairment for maturing loans				(1 207 884)
Total impairment for loans to customers				(1 967 055)

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The analysis of impairment by sectors of activity is as follows:

	MZN' 000	
	2024	2023
Agriculture and forestry	74 860	46 815
Extractive industries	31 761	26 755
Food, beverages and tobacco	19 802	8 291
Textile	1 148	48
Paper, graphics arts and publishing	93	3 618
Chemical	6 136	929
Machinery and equipment	420	17 099
Electricity, water and gas	3 600	1 266
Construction	48 068	81 412
Trade	136 483	343 068
Hospitality and tourism	26 986	70 977
Transport and communications	166 079	88 754
Services	47 673	69 120
Consumer loans	1 102 858	981 209
Housing loans	16 973	44 852
Mozambican State	197 427	143 434
Other activities	29 393	39 408
	1 909 760	1 967 055

Impairment by type of loan is analyzed as follows:

	MZN' 000	
	2024	2023
Loans with collateral	23 286	159 343
Loans with other collateral	1 513 910	1 305 869
Loans without collateral	124 652	263 442
Loans to the public sector	197 427	143 337
Leasing loans	50 485	95 064
	1 909 760	1 967 055

The cancellation of loan for the use of provision by sector of activity is as follows:

	MZN' 000	
	2024	2023
Chemical	-	2 590 032
Machine and equipment	-	8 051
Construction	-	207
Trade	-	40 980
Consumer loans	253 059	176 852
Other activities	270 420	110 750
	523 479	2 926 872

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The cancellation of loan by use of the respective provision, analyzed by type of loan, is as follows:

	MZN' 000	
	2024	2023
Loans with other collateral	452 181	2 892 090
Loans without collateral	71 298	34 782
	<u>523 479</u>	<u>2 926 872</u>

The recovery of loans and interest cancelled in the year or in previous years, carried out during 2024 presented by type of loan, is as follows:

	MZN' 000	
	2024	2023
Loans with other collateral	129 994	2 590 659
Loans without collateral	12 011	9 139
	<u>142 005</u>	<u>2 599 798</u>

20. Financial assets at amortized cost

	MZN' 000	
	2024	2023
Government bonds	33 123 878	38 805 946
Treasury bills	2 240 760	2 189 169
	<u>35 364 638</u>	<u>40 995 115</u>
Impairment of securities	(2 358 324)	(423 178)
	<u>33 006 314</u>	<u>40 571 937</u>

On 31 December, the item financial assets at amortized cost was made up of Government Bonds and Treasury Bills issued by the Mozambican State.

Changes in the impairment of financial assets at amortized cost can be analyzed as follows:

	MZN' 000	
	2024	2023
Balance at 1 January	423 178	189 910
Allocation for the year	2 003 280	280 243
Reversal for the year	(68 134)	(46 975)
Balance at 31 December	<u>2 358 324</u>	<u>423 178</u>

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The amount of allocation for the 2024 financial year is essentially influenced by the update, in October 2024, of the country's debt rating to CCC (according to data from the international rating agency S&P - Standard & Poor's), with the implication in the reinforcement of impairment securities by around 2.410 million Meticaís. This impact results from the update of the PD - Probability of Default parameter (from 3,51% to 16,29%) for the purposes of calculating the impairment of securities, in accordance with the methodology in force at the Bank.

Despite the fact that the financial rating agency Standard & Poor's (S&P) reported the rating of Mozambique's national currency debt issuances at a notch to CCC in December 2024, the Bank maintained its public debt rated at stage 1, taking into account the following factors known to date:

1. In 2024, the average number of days of delay in the payment of debt service of government bonds was 8 days;
2. There were no delays in the reimbursement of Treasury Bills;
3. In macroeconomic terms, throughout 2024, the policy rate (MIMO) reduced by 5pp (17,25% to 12,75%) and average annual inflation stood at 3,2%;
4. Also in January 2025, to boost the economy, the Bank of Mozambique reduced the reserve requirement ratio from 39% to 29% in national currency and 39,5% to 29,5% in foreign currency.

If public debt were classified as stage 2, the calculation of the Expected Credit Loss (ECL) would consider the expected losses over the useful life of the asset. This would result in a strengthening of the impairment of the securities estimated at approximately 5 038 million Meticaís, based on the December 2024 portfolio.

21. Financial assets at fair value through other comprehensive income

	MZN' 000	
	2024	2023
Treasury bill	7 996 050	6 164 785
Government bonds	1 400 661	824 726
Shares	84 825	48 842
	9 481 536	7 038 353

As of 31 December, financial assets at fair value through other comprehensive income contains Government bonds and Treasury bills issued by the Mozambican state.

22. Investments in associates

	MZN' 000	
	2024	2023
<i>Associates:</i>		
Fidelidade Moçambique- Companhia de Seguros, S.A.	99 501	99 501
	99 501	99 501

The investment in associates, in the amount of 99.501 thousand Meticaís, corresponds to the cost of acquiring the shareholding in Fidelidade Moçambique - Companhia de Seguros, S.A.

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As of 31 December 2024, the percentage of the Bank's shareholding in the member is shown as follows:

MZN				
Subsidiaries	Headquarter	Share Capital	Economic Activity	% in participation
Fidelidade Moçambique- Companhia de Seguros, S.A.	Maputo	295 000 000	Seguros	21,99

Below is the Associate's income statement for the year ended 31 December 2024:

000 MZN		
Description	Dec 2024	Dec 2023
Premium from direct insurance and accepted reinsurance	3 621 753,89	3 282 750,95
Premiums ceded to reinsurers	(557 761,15)	(543 997,40)
Subtotal	3 063 992,75	2 738 753,55
Indemnities from direct insurance and accepted reinsurance	-	-
	(2 584 269,72)	(1 553 672,78)
Indemnities from ceded reinsurance	895 876,41	245 729,89
Commissions from direct insurance and accepted reinsurance	-	-
	(446 013,76)	(315 237,27)
Commissions from ceded reinsurance	53 783,95	66 566,56
Changes in Deferred Acquisition Costs	4 788,42	16 735,26
Technical provisions from direct insurance and accepted reinsurance	73 872,11	(179 970,28)
Technical provisions from ceded reinsurance	(4 500,09)	53 183,09
Profit sharing	(2 958,61)	(3 288,38)
Provisions for account receivables from direct insurance operations	6 026,73	3 128,98
Other technical costs/income	203,85	18,92
Group remuneration and management fee	-	-
Subtotal	(2 003 190,71)	(1 666 806,00)
Financial income from investments	-	-
Allocated to technical reserves	545 530,41	596 049,33
Costs with reinsurers	-	-
Provision of services	-	-
Subtotal	545 530,41	596 049,33
	-	-
Technical Margin	1 606 332,44	1 667 996,88
Financial income from free securities	-	-
	16 846,02	13 868,50
Administrative	(910 173,15)	(790 056,77)
Amortizations and reintegrations	(64 316,19)	(57 853,75)
Extraordinary costs/income(*)	12 957,49	(8 369,11)
Subtotal	(961 531,85)	(856 279,63)
Profit before tax	661 646,61	825 585,76
	-	-
Taxes on profits	(138 242,93)	(197 001,34)
Net profit for the year	523 403,68	628 584,42

Below is the Associate's Balance Sheet for the year ended 31 December 2024

Dec 2024

Dec 2023

Asset	Gross Asset	Amortization and Provisions	Net Asset	Net Assets Prior Year
Cash and cash equivalents and current deposits	54 747	0	54 747	88 175
Investments in subsidiaries, associates and Joint Ventures	211 350,85	-	211 350,85	211 350,85
Financial assets held for trading	-	-	-	-
Financial assets classified at initial recognition at fair value through profit and loss	-	-	-	-
Assets available for sale	3 844 875,38	-	3 844 875,38	3 201 815,64
Loans and accounts receivable	684 475,78	-	684 475,78	779 265,52
Deposits with transferor companies	-	-	-	-
Other deposits	684 475,78	-	684 475,78	779 265,52
Loans granted	-	-	-	-
Accounts receivable	-	-	-	-
Others	-	-	-	-
	-	-	-	-
Investments to hold until maturity	235 538,82	-	235 538,82	232 817,67
	-	-	-	-
Properties	1 546 688,61	12 370,64	1 534 317,97	1 719 150,39
Properties held for own use	67 655,92	12 370,64	55 285,28	56 638,40
Properties held for income	1 479 032,69	-	1 479 032,69	1 662 511,99
	-	-	-	-
Other tangible assets	502 595,29	203 494,02	299 101,27	341 210,16
Inventory	415,00	-	415,00	415,00
Goodwill	-	-	-	-
Other intangible assets	129 524,60	107 548,43	21 976,17	10 779,49
	-	-	-	-
Technical provision for reinsurance ceded	1 235 278,86	-	1 235 278,86	950 935,60
	-	-	-	-
Provision for unearned premiums	141 904,15	-	141 904,15	149 530,73
Mathematica provision for Life - Insurance	7 019,00	-	7 019,00	2 916,74
Provision for claims	1 062 353,27	-	1 062 353,27	788 641,63
Provision for profit sharing	24 002,44	-	24 002,44	9 846,50
Other technical provision	-	-	-	-
	-	-	-	-
Assets for post-employment benefits and other long-term benefits	-	-	-	-
	-	-	-	-
	-	-	-	-
Other debtors for insurance and other operations	762 112,01	20 707,52	741 404,50	1 202 490,82
	-	-	-	-
Accounts receivable from direct insurance operations	645 462,73	20 707,52	624 755,22	693 340,30
Accounts receivable from other reinsurance operations	-	-	-	3 917,41
Accounts receivable for other operations	116 649,28	-	116 649,28	505 233,11
	-	-	-	-
Tax assets	-	-	-	2 506,84
	-	-	-	-
Current tax assets	-	-	-	-
Deferred tax assets	-	-	-	2 506,84
	-	-	-	-
Accruals and deferrals	333 468,92	-	333 468,92	193 723,73
	-	-	-	-
Interest receivable	329 222,69	-	329 222,69	169 611,12
Other accruals and deferrals	4 246,23	-	4 246,23	24 112,61
	-	-	-	-
Other assets elements	-	-	-	-
	-	-	-	-
Non-current assets held for sale and discontinued operating units	-	-	-	-
	-	-	-	-
Total Assets	9 541 072	344 121	9 196 951	8 934 637

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000 MZN

Dec 2024

Dec 2023

Liability and Equity	Current year	Prior year
LIABILITY		
Technical Provisions	3 087 962,28	2 884 561,86
Provision for unearned premium	-	-
Mathematical provision - Life	811 126,83	925 778,05
Provision for claim	237 276,32	190 274,59
From Life insurance	2 029 654,85	1 753 817,32
From the field of occupational accidents and occupational diseases	32 673,33	35 590,89
from other business lines	437 013,59	453 667,70
Profit share provision	1 559 967,93	1 264 558,73
Claims deviation reserve	3 882,96	4 212,80
Unexpired risk reserve	-	-
Other technical provision	6 021,32	10 479,09
Financial liabilities from the deposit component of insurance policy holders and from insurance policies and operations considered for accounting purposes as investments contracts	-	-
Other financial liabilities	-	-
Subordinated liabilities	-	-
Deposits received from reinsurers	-	-
Others	-	-
Liabilities for post-employment benefits and other long-term benefits	-	-
	23 854,51	20 184,87
Other creditors for insurance operations in other operations	-	-
	1 203 593,27	1 317 166,76
Accounts payables for direct insurance operations	-	-
Accounts payable for other reinsurance operations	731 441,68	337 700,56
Accounts payables for other operations	405 371,30	431 097,80
	66 780,29	548 368,39
Tax liabilities	-	-
	340 292,95	380 901,67
Current tax liabilities	-	-
Deferred tax liabilities	42 965,67	8 758,00
	297 327,28	372 143,67
Accruals and deferrals	-	-
	123 330,26	108 647,58
Other provisions	-	-
Other liabilities	-	998,67
Liabilities of disposal group classified as held for sale	-	-
	-	-
TOTAL LIABILITIES	4 779 033,27	4 712 461,40
EQUITY		
Share capital	-	-
(own shares)	295 000,00	295 000,00
Other equity instruments	-	-
	-	-
Revaluation reserves	(13 562,49)	(13 211,20)
For readjustments in fair value of financial assets	(13 562,49)	(13 211,20)
For revaluation property for own use	-	-
For revaluation of intangible assets	-	-
For revaluation of other tangible assets	-	-
For exchange rate difference	-	-
	-	-
Reserve for deferred taxes	4 340,00	4 227,58
Other reserves	-	-
	2 851 893,97	2 445 166,07
Legal Reserve	-	-
Other reserves	295 000,00	295 000,00
Statutory Reserve	2 548 635,31	2 141 907,41
Share premium	-	-
	8 258,66	8 258,66
Retained earnings	-	-
	756 842,56	862 408,89
Profit for the year	-	-
	523 403,68	628 584,42
TOTAL EQUITY	4 417 917,71	4 222 175,75
Minority interests	-	-
TOTAL EQUITY AND MINORITY INTEREST	-	-
	4 417 917,71	4 222 175,75
TOTAL LIABILITIES, EQUITY AND MINORITY INTEREST	9 196 950,98	8 934 637,15

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23. Non-current assets held for sale

	MZN' 000	
	2024	2023
Collateral from Loans		
Properties	748 138	692 190
	<u>748 138</u>	<u>692 190</u>
Impairment	(127 125)	(109 483)
	<u>621 013</u>	<u>582 707</u>

Impairment changes for non-current assets held for sale are analyzed as follows:

	MZN' 000	
	2024	2023
Balance at 1 January	109 483	92 704
Allocation for the year	2 800	19 879
Transfers	14 842	(3 100)
Balance at the end of the year	<u>127 125</u>	<u>109 483</u>

24. Investment Properties

Investment properties are made up of real estate and equipment received in lieu and repossessed respectively that are under lease.

Initially, investment properties are recognized at the lower value between the fair value and the value of the debt in the case of real estate received by the repossession of asset. In the case of equipment, they are taken back by the corresponding credit due and are subsequently measured at fair value.

The fair value of the Investment Properties shall reflect market conditions at the reporting date. Changes in fair value are recognized in profit or loss for the year, under the item line of Other Operating Income. Evaluations are carried out annually by duly certified external evaluators.

The changes of the investment properties item during the year 2024 are analysed as follows:

	Balance at 01.01.24	Acquisitions	Disposals	Transfers	Regularization	Balance at 31.12.24	Revaluation	Balance at 31.12.24
	<i>Gross Amount</i>							<i>Net value</i>
Residential property	101 813	-	-	10 198	-	112 011	3 425	115 436
Commercial/Operational Property	1 493 738	-	-	(112 198)	-	1 381 540	(89 235)	1 292 305
Equipment	967 627	-	-	(967 627)	-	-	-	-
	<u>2 563 178</u>	<u>-</u>	<u>-</u>	<u>(1 069 627)</u>	<u>-</u>	<u>1 493 551</u>	<u>(85 810)</u>	<u>1 407 741</u>

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The changes of the investment properties item during 2023 are analysed as follows:

MZN' 000								
	Balance at 01.01.23	Acquisitions	Disposals	Transfers	Regularization	Balance at 31.12.23	Revaluations	Balance at 31.12.23
	<i>Valor Bruto</i>						<i>Net Value</i>	
Residential property	25 413	-	-	71 720	-	97 133	4 680	101 813
Comercial/Operational Property	829 106	42 970	-	555 488	-	1 427 564	66 174	1 493 738
Equipment	-	967 627	-	-	-	967 627	-	967 627
	854 519	1 010 597	-	627 207	-	2 492 324	70 854	2 563 178

25. Other tangible assets

MZN' 000		
	2024	2023
Buildings	4 077 379	3 994 498
Works in rented buildings	1 274 579	1 230 620
Equipment		
Furniture	430 693	401 434
Machinery	229 017	209 616
IT Equipment	3 109 785	2 984 897
Interior fittings	1 107 515	1 041 903
Vehicles	683 368	627 652
Security equipment	442 559	397 818
Other tangible assets	29 311	28 582
Right-of-use		
Properties	1 923 054	1 764 670
Assets under construction	437 451	327 209
	13 744 711	13 008 899
<i>Accumulated amortization</i>	(7 607 899)	(7 042 811)
	6 136 812	5 966 088

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The changes of the Tangible assets item during the year 2024 are analyzed as follows:

MZN' 000

	Balance at 01 January 2024	Acquisitions / Allocations	Disposals	Transfers	Impairment	Balance at 31 December 2024
<i>Cost</i>						
Properties	3 994 498	3 452	(8 269)	87 698	-	4 077 379
Works in rented buildings	1 230 620	1 712	(16 054)	60 168	(1 867)	1 274 579
Equipment						
Furniture	401 434	10 718	(7 191)	27 399	(1 667)	430 693
Machinery	209 616	12 742	(189)	7 179	(331)	229 017
IT Equipment	2 984 897	202 455	(241 051)	165 408	(1 924)	3 109 785
Interior fittings	1 041 903	13 276	(24 887)	80 507	(3 284)	1 107 515
Vehicles	627 652	139 522	(83 806)	-	-	683 368
Security equipment	397 818	12 056	(1 032)	37 289	(3 572)	442 559
Other tangible assets	28 582	1 171	(388)	-	(54)	29 311
Right-of-use IFRS 16						
Properties	1 764 670	158 384	-	-	-	1 923 054
Assets under construction	327 209	599 612	(23 722)	(465 648)	-	437 451
	<u>13 008 899</u>	<u>1 155 100</u>	<u>(406 589)</u>	<u>-</u>	<u>(12 699)</u>	<u>13 744 711</u>
<i>Accumulated amortization</i>						
Properties	(840 448)	(82 582)	4 484	-	-	(918 546)
Works in rented buildings	(870 747)	(75 889)	14 912	-	-	(931 724)
Equipment						
Furniture	(308 669)	(25 982)	5 852	-	-	(328 799)
Machinery	(146 059)	(19 030)	184	-	-	(164 905)
IT Equipment	(2 321 107)	(320 593)	239 280	-	-	(2 402 420)
Interior fittings	(672 791)	(73 613)	21 911	-	-	(724 493)
Vehicles	(433 462)	(93 401)	80 349	-	-	(446 514)
Security equipment	(302 741)	(27 715)	981	-	-	(329 475)
Other tangible assets	(23 570)	(961)	325	-	-	(24 206)
Right-of-use						
Properties	(1 123 217)	(213 600)	-	-	-	(1 336 817)
	<u>(7 042 811)</u>	<u>(933 366)</u>	<u>368 278</u>	<u>-</u>	<u>-</u>	<u>(7 607 899)</u>
Net value	<u>5 966 088</u>	<u>221 734</u>	<u>(38 311)</u>	<u>-</u>	<u>(12 699)</u>	<u>6 136 812</u>

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The changes of the Other tangible assets item during the year 2023 are analyzed as follows:

	MZN' 000				
	Balance at 01 January 2023	Acquisitions / Allocations	Disposals	Transfers	Balance at 31 December 2023
<i>Cost</i>					
Buildings	3 742 672	237 514	(521)	14 833	3 994 498
Works in rented buildings	1 241 521	8 418	(20 283)	964	1 230 620
Equipment					
Furniture	388 493	19 389	(7 234)	786	401 434
Machinery	183 017	5 968	(406)	21 037	209 616
IT Equipment	2 726 994	174 456	(170 168)	253 615	2 984 897
Interior fittings	983 550	46 078	(23 567)	35 842	1 041 903
Vehicles	600 135	67 556	(52 724)	12 685	627 652
Security equipment	374 511	8 838	(58)	14 527	397 818
Other tangible assets	27 979	1 222	(619)	-	28 582
Right-of-use IFRS 16					
Properties	1 582 761	181 909	-	-	1 764 670
Assets under construction	215 276	466 894	(672)	(354 289)	327 209
	<u>12 066 909</u>	<u>1 218 242</u>	<u>(276 252)</u>	<u>-</u>	<u>13 008 899</u>
<i>Accumulated amortization</i>					
Properties	(762 184)	(78 533)	268	1	(840 448)
Works in rented buildings	(804 881)	(80 761)	14 896	(1)	(870 747)
Equipment					
Furniture	(289 615)	(24 726)	5 672	-	(308 669)
Machinery	(130 095)	(16 363)	399	-	(146 059)
IT Equipment	(2 155 544)	(335 671)	170 108	-	(2 321 107)
Interior fittings	(619 114)	(70 561)	16 884	-	(672 791)
Vehicles	(384 640)	(96 002)	47 180	-	(433 462)
Security equipment	(281 636)	(21 130)	25	-	(302 741)
Other tangible assets	(23 113)	(1 014)	557	-	(23 570)
Right-of-use					
Properties	(897 574)	(225 644)	1	-	(1 123 217)
	<u>(6 348 396)</u>	<u>(950 405)</u>	<u>255 990</u>	<u>-</u>	<u>(7 042 811)</u>
Net value	<u>5 718 513</u>	<u>267 837</u>	<u>(20 262)</u>	<u>-</u>	<u>5 966 088</u>

26. Intangible Assets

	MZN' 000	
	2024	2023
<i>Intangible Assets</i>		
'Software'	2 827 621	2 252 489
Assets under construction	164 164	138 025
	<u>2 991 785</u>	<u>2 390 514</u>
<i>Accumulated amortization</i>	<u>(1 892 444)</u>	<u>(1 533 568)</u>
	<u>1 099 341</u>	<u>856 946</u>

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The changes of the intangible assets item during the year 2024 are analysed as follows:

MZN' 000

	Balance at 01 January 2024	Acquisitions / Allocations	Disposals	Transfers	Balance at 31 December 2024
<i>Cost</i>					
Software	2 252 489	411 401	(1)	163 732	2 827 621
Assets under construction	138 025	189 871		(163 732)	164 164
	<u>2 390 514</u>	<u>601 272</u>	<u>(1)</u>	<u>-</u>	<u>2 991 785</u>
<i>Accumulated amortization</i>					
Software	(1 533 568)	(358 886)	10	-	(1 892 444)
Net value	<u>856 946</u>	<u>242 386</u>	<u>9</u>	<u>-</u>	<u>1 099 341</u>

The changes of the intangible assets item during the year 2023 are analysed as follows:

MZN' 000

	Saldo em 01 Janeiro 2023	Aquisições / Dotações	Alienações / Abates	Transferências	Saldo em 31 Dezembro 2023
<i>Custo</i>					
Software	1 858 892	297 964	(71 455)	167 088	2 252 489
Investimentos em curso	149 026	156 087		(167 088)	138 025
	<u>2 007 918</u>	<u>454 051</u>	<u>(71 455)</u>	<u>-</u>	<u>2 390 514</u>
<i>Amortizações acumuladas</i>					
Software	(1 249 971)	(283 597)	-	-	(1 533 568)
Valor líquido	<u>757 947</u>	<u>170 454</u>	<u>(71 455)</u>	<u>-</u>	<u>856 946</u>

27. Current tax assets and liabilities

MZN' 000

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
Corporate Income Tax (IRPC) to be recovered	432 295	-	419 213	-
Corporate Income Tax (IRPC) to be paid	-	31	-	19
	<u>432 295</u>	<u>31</u>	<u>419 213</u>	<u>19</u>

28. Deferred tax assets and liabilities

MZN' 000				
	2024		2023	
	Assets	Liabilities	Assets	Liabilities
Deferred tax assets - tax losses	-	-	-	-
Deferred tax assets - temporary differences	-	-	141 260	(26 810)
Deferred tax Assets/Liabilities	-	-	141 260	(26 810)
Total recognised as Assets (+) / Liabilities (-)	-	-	114 450	-

The change for the year of deferred tax assets and liabilities is as follows:

MZN' 000		
	2024	2023
Balance at 1 January	114 450	955 548
Appropriation (+) / Reversal (-) Deferred taxes - tax losses	-	(955 548)
Appropriation (+) / Reversal (-) Deferred Taxes - temporary differences	(114 450)	114 450
	-	114 450

29. Other Assets

MZN' 000		
	2024	2023
Debtors	5 530 215	4 624 442
Accrued income	254 092	117 450
Prepaid expenses	142 164	131 833
Other receivables	74 325	925 496
	6 000 796	5 799 221
Impairment for other assets	(1 872 262)	(1 197 576)
	4 128 534	4 601 645

On December 31, 2024, the debtors item included the amount of 3.450.031 thousand Meticaís referring to properties received by the repossession of assets with more than 12 months ago.

Changes in the impairment of other assets are analyzed as follows:

MZN' 000		
	2024	2023
Balance at 1 January	1 197 576	748 701
Allocation for the year	753 965	457 288
Utilizations	(64 437)	(11 513)
Transfers	(14 842)	3 100
Balance at the end of the year	1 872 262	1 197 576

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30. Deposits from other Banks

	MZN' 000	
	2024	2023
Deposits from the Central Bank of Mozambique		
Medium and long term loans	50 010	104 126
Deposits from other Banks in-country		
Current deposits	1 262	337 811
Other deposits	207 496	144 985
Deposits from other Banks abroad		
Current deposits	4 466 358	897 417
Term deposits	-	-
Short term loans	53 890	761
Medium and long term loans	-	-
	<u>4 779 016</u>	<u>1 485 100</u>

31. Deposits from customers

	MZN' 000	
	2024	2023
Current deposits	81 915 654	69 256 982
Term deposits	73 070 299	76 536 305
Other deposits	1 798 773	653 557
	<u>156 784 726</u>	<u>146 446 844</u>

32. Provisions

	MZN' 000	
	2024	2023
Provisions for off-balance credit exposures	63 378	118 486
Provisions for general banking risks	223 500	90 969
Provisions for other risks and charges	203 741	305 640
	<u>490 619</u>	<u>515 095</u>

Changes in the provisions for off-balance credit exposures are analyzed as follows:

	MZN' 000	
	2024	2023
Balance at 1 January	118 486	104 338
Allocation for the year	60 651	124 949
Reversal for the year	(113 494)	(110 831)
Exchange rate differences	(2 265)	30
Balance at the end of period	<u>63 378</u>	<u>118 486</u>

The provision for off-balance credit refers to provisions for guarantees provided and other commitments.

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Changes in the Provisions for general banking risks are analyzed as follows:

	MZN' 000	
	2024	2023
Balance at 1 January	90 969	122 271
Allocation for the year	438 801	30 194
Reversal for the year	(123 418)	(40 940)
Exchange rate differences	3	10
Utilizations for the year	(182 855)	(20 566)
Balance at the end of period	223 500	90 969

The provision for general banking risks is intended to cover potential contingencies arising from ongoing legal proceedings.

Changes in the Provisions for other risks and charges are analyzed as follows:

	MZN' 000	
	2024	2023
Balance at 1 January	305 640	541 762
Allocation for the year	26 697	163 500
Reversal for the year	(28 340)	-
Utilizations for the year	(100 256)	(399 622)
Balance at the end of period	203 741	305 640

This item includes provisions for potential losses to the Bank resulting from fraud, account clean-up and tax proceedings.

33. Other Liabilities

	MZN' 000	
	2024	2023
Other liabilities	1 156 676	1 504 315
Staff costs payable	1 025 417	1 053 734
Costs payable	1 164 874	950 945
Lease liabilities	749 868	777 097
Retained taxes	156 204	233 328
Deferred income revenue	204 214	202 070
Other creditors	757 091	115 538
VAT to be paid	43 118	101 086
Suppliers	36 509	79 014
Consigned funds	22 490	22 490
Social Security contributions	14 821	12 895
	5 331 282	5 052 512

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34. Equity

The Bank's share capital in the amount of 4.500.000 thousand Meticaís is represented by 45.000.000 shares, with a nominal value of 100 Meticaís each and is fully subscribed and paid up.

The shareholder structure as of December 31, 2024, is as follows:

	2024 % participation		2023 % participation	
No. Of Shares		equity	No. Of shares	equity
BCP África, SGPS	30 008 460	66,69%	30 008 460	66,69%
Government of Mozambique	7 704 747	17,12%	7 704 747	17,12%
INSS - Instituto Nacional de	2 227 809	4,95%	2 227 809	4,95%
EMOSE - Empresa Moçambicana de	1 866 309	4,15%	1 866 309	4,15%
FDC - Fundação para	487 860	1,08%	487 860	1,08%
Gestores, Técnicos e Trabalhadores	2 704 815	6,01%	2 704 815	6,01%
	45 000 000	100,00%	45 000 000	100,00%

35. Reserves and retained earnings

	MZN' 000	
	2024	2023
Legal Reserves	8 081 222	6 999 587
Other reserves and retained earnings	18 672 467	18 174 572
Profit for the year	3 308 880	7 210 899
	30 062 569	32 385 058

Under the terms of the Mozambican legislation in force, Law No. 20/20 - Credit Institutions, the Bank must annually reinforce the legal reserve by at least 15% of annual net profits, and this reserve cannot normally be distributed.

36. Dividends

During the year 2024, the amount of 5.948.991 thousand Meticaís in dividends on Net Income for 2023 was distributed, in accordance with the resolution of the General Meeting (held on March 28, 2024).

The Board of Directors, meeting on February 28, 2025, to approve the 2024 Financial Statements, decided to propose to the General Assembly the distribution of dividends in the amount of 992.664 thousand Meticaís, corresponding to 30% of the Net Profit for the year 2024. If this proposal is approved at the General Assembly, it is expected that this amount will be distributed to shareholders in the course of the 2025 financial year.

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37. Guarantees and other commitments

Off-balance sheet values are analyzed as follows:

	MZN' 000	
	2024	2023
Guarantees provided		
Personal guarantees	11 827 307	11 167 328
Real guarantees	940 528	951 706
Guarantees and sureties received		
Personal guarantees	277 920 444	278 035 233
Real guarantees	45 983 426	51 497 147
Commitments to third parties	6 272 956	6 950 658
Spot foreign exchange transactions:		
Bid	369 179	447 902
Sell	365 635	404 170
Forward exchange transactions:		
Bid	-	191 700
Sell	-	197 910

38. Related Parties

The internal rules relating to transactions with related parties provide for procedures for processing proposals relating to these entities that ensure that such transactions are carried out under market conditions and subject to additional controls.

As of December 31, 2024, the income and costs recorded by the Bank arising from transactions with related parties (entities of the Millennium BCP Group) and associated - Fidelidade Moçambique - Companhia de Seguros, SA, are represented as follows:

	Dec-24			Dec-23		
	Income			Income		
	Interest and similar income	Fee and commissions results	Other operating results	Interest and similar income	Fee and commissions results	Other operating results
Banco Comercial Português S.A	375 252	-	-	332 070	-	-
Fidelidade Moçambique- Companhia de Seguros, S.A.	-	70 104	132 837	-	66 728	68 810
	375 252	70 104	132 837	332 070	66 728	68 810

	Dec-24				Dec-23			
	Costs				Costs			
	Interest and similar expense	Fee and commissions results	Staff costs	Other Administrative costs	Interest and similar expense	Fee and commissions results	Staff Costs	Other Administrative costs
Banco Comercial Português S.A	-	-	-	961 327	-	-	-	930 106
Millennium BCP Africa SGPS	18 498	-	-	-	-	-	-	-
Fidelidade Moçambique- Companhia de Seguros, S.A.	-	-	220 560	105 098	-	-	228 016	93 723
	18 498	-	220 560	1 066 425	-	-	228 016	1 023 829

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As of 31 December 2024, the debit and credit balances recorded by the Bank arising from transactions with related parties (entities of the Millennium BCP Group) and its associate - Fidelidade Moçambique Companhia de Seguros, SA, are represented as follows:

	Dec-24				Dec-23			
	Assets			Off-balance sheet	Assets			Off-balance sheet
	Cash equivalents in Cl 's	Placements in Cl 's	Other Assets	Collateral provided	Cash equivalents in Cl 's	Placements in Cl 's	Other Assets	Collateral provided
Banco Comercial Português S.A	512 578	4 834 168	-	8 947	817 777	4 675 177	-	8 946
Fidelidade Moçambique- Companhia de Seguros, S.A	-	-	194 773	57 765	-	-	144 149	-
	512 578	4 834 168	194 773	66 713	817 777	4 675 177	144 149	8 946

	Dec-24				Dec-23			
	Liabilities				Liabilities			
	Debits in Cl 's	Customer deposits	Other Liabilities	Subordinated Liabilities	Debits in Cl 's	Customer deposits	Other Liabilities	Subordinated Liabilities
Banco Comercial Português S.A	12 522	-	628 843	-	13 245	-	203 054	-
Millennium BCP Partic SGPS LDA	-	38 514	-	-	-	38 518	-	-
Millennium BCP Africa SGPS	4 439 621	18 498	-	-	870 023	-	-	-
Fidelidade Moçambique- Companhia de Seguros, S.A	-	932 638	145 983	-	-	1 039 758	-	-
	4 452 142	989 650	774 826	-	883 268	1 078 276	203 054	-

In relation to the Management Bodies and their direct family members, the credit operations registered as of December 31, 2024, amount to 3.584 thousand Meticaís (December 31, 2023: 4.184 thousand Meticaís). These loans were granted in accordance with the applicable legal and regulatory standards, and in accordance with the Bank's internal policy.

Regarding the operations corresponding to Customer Deposits as of December 31, 2024, the balance of these amounts to 829.781 thousand Meticaís (December 31, 2023: 768.851 thousand Meticaís).

39. Cash and cash equivalents

For the purposes of the statement of cash flows, the Cash and cash equivalents item is composed as follows:

	MZN' 000	
	2024	2023
Cash	4 423 222	4 286 716
Cash in Credit Institution in country	288 128	251 226
Cash in Credit Institution abroad	3 722 809	2 532 093
	8 434 159	7 070 035

40. Lease Agreement

As of December 31, 2024, the lease contracts were recorded as follows:

	000MZN	
	2024	2023
Leases		
Amortization for the year for right-of-use assets	213 600	225 644
Interest costs of lease liabilities	75 268	67 982
Carrying amount of right-of-use assets	1 923 054	1 764 670
Carrying amount of lease liabilities	749 868	777 097
Maturity of lease liabilities		
Up to 1 year	40 818	12 669
From 1 to 5 years	316 286	355 015
More than 5 years	392 764	409 412
The lease agreements includes only properties		

The Bank acts as lessor in some properties received as repossessed asset, this income is recorded as income from property under the line of other operating income (note 8).

41. Fair Value

Fair value is based on market quotation prices, where available. If these do not exist, as is the case with many of the products placed with Customers, the fair value must be estimated through internal models based on cash flow discounting techniques.

The following are the main methods and assumptions used in estimating the fair value of financial assets and liabilities:

Loans to Customers

Loans to Customers without defined maturity

Given the short term of this type of instruments, the conditions of this portfolio are similar to those practiced at the reporting date, so its balance sheet value is considered a reasonable estimate of its fair value.

Loans to Customers with defined maturity

The fair value of these financial instruments is calculated based on the update of the expected future principal and interest cash flows for those instruments. Instalment payments are deemed to take place on the contractually defined

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dates. For loans with impairment signs, the net impairment value of these operations is considered as a reasonable estimate of their fair value, considering the economic valuation that is carried out in the clearance of this impairment.

The discount rate used is the money market index rate (PLR, EURIBOR and SOFR) according to the index of each instrument.

Financial assets at amortized cost and financial assets at fair value through other comprehensive income

The Bank uses the following 3-tier Fair Value hierarchy in the valuation of financial instruments (assets or liabilities), which reflects the level of judgment, the observability of the data used, and the importance of the parameters applied in determining the instrument's fair value valuation in accordance with IFRS 13:

- Level 1: Fair value is determined based on unadjusted quoted prices captured in active market transactions involving financial instruments identical to the instruments to be valued. Where there is more than one active market for the same financial instrument, the relevant price is the one that prevails in the main market for the instrument, or the most advantageous market for which access exists;
- Level 2: Fair value is determined from valuation techniques supported by data observable in active markets, whether direct (prices, rates, spreads, etc.) or indirect (derivatives), and valuation assumptions similar to those that an unrelated party would use in estimating the fair value of the same financial instrument;
- Level 3: Fair value is determined on the basis of data that are not observable in active markets, using techniques and assumptions that market participants would use to value the same instruments, including assumptions about the inherent risks, the valuation technique used, and the inputs used, and processes for reviewing the accuracy of the values thus obtained.

The financial assets at fair value for the Bank as of 31 December 2024 are:

- Level 2 - Mozambican Government Bonds and Treasury Bills.

At the time of the business model review, part of the Bank's financial asset portfolio was classified as Held to Collect and Sell ("HTC&S"). The objective of the financial assets held under this business model is achieved either by collecting the contractual cash flows (principal and interest) or by selling these financial assets when market opportunities arise, which will typically involve a higher frequency and amount of sales when compared to the HTC model.

For these assets, the Bank considers that the value of the assets will be mostly recovered through the collection of contractual cash flows. However, the Bank is considering the possibility of selling some securities in this portfolio depending on market conditions or other strategic decisions.

The method of evaluating Fair Value considered by the Bank is the mark-to-model, which assumes the use of internal assumptions or financial models due to the lack of a regular market that provides accurate prices, or valuations depend on a set of reference variables and timeframes in which expert assumptions should be used to assign value to a financial instrument.

The valuation model at the BIM level is supported by the income approach technique, which is based on the conversion of future values (discounted cash flows or revenues and expenses) into present value, leveraging current expectations about said future values through a yield curve.

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	Amortised cost	Fair value category			Amount on the Balance Sheet	Fair value
		Level 1	Level 2	Level 3		
Assets at fair value						
<u>Financial assets not held for trading mandatorily at fair value through profit or loss</u>						
Debt securities	-	-	-	-	-	-
Other securities	-	-	-	-	-	-
Loans to customer	45 159 834	-	-	-	-	45 485 219
	45 159 834	-	-	-	-	45 485 219
<u>Other financial assets held for trading at fair value through profit or loss</u>						
Debt securities	-	-	-	-	-	-
Other securities	-	-	-	-	-	-
	-	-	-	-	-	-
<u>Financial assets at fair value through other comprehensive income</u>						
Debt securities	-	-	9 415 896	-	9 415 896	9 415 896
Other securities	-	-	84 826	-	84 826	84 826
	-	-	9 500 722	-	9 500 722	9 500 722
Total Financial Assets at Fair Value	45 159 834	-	9 500 722	-	9 500 722	54 985 941

Assets for which fair value is disclosed

Cash and cash equivalents in central banks	67 195 465	-	-	-	67 195 465	67 195 465
Cash equivalents in other credit institutions	4 010 937	-	-	-	4 010 937	4 010 937
Placement in other Banks	29 155 775	-	-	-	29 155 775	29 155 775
Loans to credit	45 159 834	-	-	-	45 159 834	45 485 219
Other financial assets at amortised cost	33 006 314	-	-	-	33 006 314	33 006 314
	178 528 325	-	-	-	178 528 325	178 853 710
Total Financial Assets	223 688 159	-	9 500 722	-	188 029 047	188 354 432

Considering that financial liabilities are made up of items (deposits in Central Banks, Financial Institutions and Customer deposits) that mature in the short term, the Fair value was not calculated, because the value of the amortized cost is approximate.

To date, the Bank only has assets at Fair value level 2, which have not undergone any transfer throughout the year at the different levels of valuation.

The following is a comparison of the book values and the Fair Value of the Bank's financial instruments at the time.

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	2024		2023	
	Book Value	Fair Value	Book Value	Fair Value
Financial Assets				
Cash and cash equivalents in Central Banks	67 195 465	67 195 465	57 359 227	57 359 227
Cash equivalents in other Credit Institutions	4 010 937	4 010 937	2 783 319	2 783 319
Placements in other Banks	29 155 775	29 155 775	23 220 426	23 220 426
Loans to Customer	45 159 834	45 485 219	44 207 638	48 961 908
Other financial assets at amortised cost	33 006 314	33 006 314	40 571 937	40 571 937
Debt securities	10 122 072	9 415 896	7 377 515	6 989 511
Total Financial Assets	188 650 397	188 269 606	175 520 062	179 886 328

42. Other post-employment benefits

The Bank contributes to the post-employment benefit plan by:

Workers in active employment hired until 31 December 2011 are entitled to a pension remitted when they reach the age of 60, in the case of men and 55 in the case of women, and it is a mandatory condition that the Employee is already benefiting from an old-age pension granted by the National Institute of Social Security (INSS) or if the Executive Committee so decides.

The Bank has determined that, in accordance with the terms and conditions of the retirement benefit plan, and in accordance with local regulations, the present value of future repayments or reductions of future contributions is not less than the total fair value of the workers in active plan less the present value of the obligations.

The amount of the normal contribution to the Pension Fund to be made by the Bank during the next annual period is MZN 53.348.506,98.

Benefit Plan Closed-End Pension Fund BIM

The fund's pension plan is a defined benefit complementary to Social Security, the regulation is in accordance with the company agreement, with the following benefits:

▪ A) GUARANTEED CAPITAL (REMITTED PENSION) FOR OLD-AGE RETIREMENT

The Remitted Pension will be granted to employees hired until December 31, 2011 when they reach the age of 60, in the case of men and 55 in the case of women, and it is a mandatory condition that the employee is already benefiting from an old-age pension granted by the INSS or if the Executive Committee so decides.

▪ B) CAPITAL GUARANTEED (REMITTED PENSION) OF REFORM FOR TOTAL AND PERMANENT DISABILITY

The Remitted Pension will be awarded to employees hired until December 31, 2011, provided that they cease to work in BIM due to Total and Permanent Disability and that this is recognized by the bank's Executive Committee.

▪ C) SURVIVORSHIP RETIREMENT SUPPLEMENT

It is mandatory to indicate the beneficiaries in case of death through a specific form for this purpose, if there is no indication of beneficiary(ies), no capital will be allocated. Employees hired from 31 December 2011 onwards do not benefit from it.

In addition, there are obligations with pensioners and pensioners associated with retirement supplements granted through annuities of employees who transferred from the institutions acquired by the Bank in 2000. The income benefit is reversible by 50% regardless of the number of beneficiaries.

The financing of the benefits in force is the responsibility of the members.

The pension fund is a defined benefit plan, with an unlimited duration, whose assets are exclusively allocated to the payment of the pensions established in this Regulation.

The benefits of this plan are previously defined and will only be attributed to the participants under this contract, and the pension fund is exclusively financed by contributions from members.

Through this benefit plan, Members finance a Remitted Pension that they guarantee to their employees through a Retirement Supplement.

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The BIM Closed-End Pension Fund was established and is managed in accordance with Decree-Law No. 25/2009 of 17 August.

The investment policy seeks to ensure that the assets under management limit risk, maximizing their profitability and ensuring that the assets are sufficient to cover the liabilities assumed by the Fund, and also safeguarding:

- The adequate degree of liquidity to comply with the payment of pensions and pension redemption capital;
- Limitation and mitigation of financial risks;
- Diversity and prudential dispersion of assets in order to avoid accumulation and excessive concentration.

As of 31 December, the number of participants in the BIM Closed-End Pension Fund is as follows:

	2024	2023
Number of participants		
Workers in active employment	991	1 041
Retirees and pensioners	402	408
	1 393	1 449

In accordance with the policy described in note 2(n), the Bank's liabilities for retirement pensions and other benefits and their coverage as of 31 December are analysed as follows:

	MZN' 000	
	2024	2023
Projected benefit obligation		
Retirees and pensioners	(659 925)	(622 058)
Workers in active employment	(1 406 000)	(1 279 922)
	(2 065 925)	(1 901 980)
Active values	1 907 314	1 937 201
Net Active	(158 611)	35 221

Changes in obligations and the fair value of benefit plan for active workers is analyzed as follows:

Workers in active employment

2024-Changes in obligations and the fair value of benefit plan for active workers												MZN' 000
	1 January 2024	Annual changes in obligations				Recognition of gains/(losses) in reserves						31 December 2024
		Cost of current service	Cost of interest	Subtotal included in the profit and loss	Benefits paid by the fund	Return on plan for active workers (excluding interest cost)	Actuarial gains/(losses) - Demographic changes	Actuarial gains/(losses) - attributable to financial assumptions	Adjustments (others)	Subtotal recognised in equity	Contributions	
Defined benefit obligations	(1 279 922)	(53 349)	(162 253)	(215 602)	116 990	-	-	(27 467)	-	(27 467)	-	(1 406 000)
Fair value of benefit plan for active workers at the beginning of the year	1 199 865	-	151 846	151 846	(116 990)	-	-	(79 610)	-	(79 610)	53 955	1 209 066
Balance of the fund	(80 057)	(53 349)	(10 407)	(63 756)	-	-	-	(107 077)	-	(107 077)	53 955	(196 934)

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2024-Changes in obligations and the fair value of benefit plan for active workers

MZN' 000

2024 Changes in obligations and the fair value of benefit plan for active workers												2023
	Annual changes in obligations					Recognition of gains/(losses) in reserves					31 December 2024	
	1 January 2024	Cost of current service	Cost of interest	Subtotal included in the profit and loss	Benefits paid by the fund	Return on plan for active workers (excluding interest costs)	Actuarial gains/(losses) - Demographic changes	Actuarial gains/(losses) - attributable to financial assumptions	Adjustments (others)	Subtotal recognised in equity		
Defined benefit obligations	(622 058)	-	(75 428)	(75 428)	83 690	-	-	(46 130)	-	(46 130)	-	
Fair value of benefit plan for active workers at the beginning of the year	737 336	-	90 414	90 414	(83 690)	-	-	(45 811)	-	(45 811)	-	
Balance of the fund	115 278	-	14 986	14 986	-	-	-	(91 941)	-	(91 941)	-	

Old-age and survivors' pensions (ex-BCM employees)

2023- Changes in obligations and the fair value of benefit plan for active workers

MZN' 000

2023 - Changes in obligations and the fair value of benefit plan for active workers												MILN 000
	Annual change in obligations					Recognition of gains/(losses) in reserves						
	1 January 2023	Cost of current service	Cost of interest	Subtotal included in the profit and loss	Benefits paid by the fund	Return on plan for active workers (excluding interest costs)	Actuarial gains/(losses) - Demographic changes	Actuarial gains/(losses) - attributable to financial assumptions	Adjustments (others)	Subtotal recognised in equity	Contributions	31 December 2023
Defined benefit obligations	(1 309 804)	(54 994)	(157 063)	(212 058)	258 247	-	-	(16 307)	-	(16 307)	-	(1 279 922)
Fair value of benefits plan for active workers at the beginning of the year	1 289 958	-	154 483	154 483	(258 247)	-	-	(41 323)	-	(41 323)	54 994	1 199 865
Balance of the fund	(19 847)	(54 994)	(2 580)	(57 575)	-	-	-	(57 630)	-	(57 630)	54 994	(80 057)

2023-Changes in obligations and the fair value of benefit plan for active workers

MZN' 000

2023 Changes in obligations and the fair value of benefit plan for active workers												2023
	1 January 2023	Annual change in obligations				Recognition of gains/(losses) in reserves					Contributions	31 December 2023
		Cost of current service	Cost of interest	Subtotal included in the profit and loss	Benefits paid by the fund	Return on plan for active workers (excluding interest costs)	Actuarial gains/(losses) - Demographic changes	Actuarial gains/(losses) - attributable to financial assumptions	Adjustments (others)	Subtotal recognised in equity		
Defined benefit obligations	(637 330)	-	(77 365)	(77 365)	84 427	-	-	8 211	-	8 211	-	(622 058)
Fair value of benefit plan for active workers at the beginning of the year	755 219	-	92 691	92 691	(84 427)	-	-	(26 147)	-	(26 147)	-	737 336
Balance of the fund	117 889	-	15 326	15 326	-	-	-	(17 936)	-	(17 936)	-	115 278

The changes on the value of the Bank's Benefit Plan for the active workers can be analyzed as follows:

	MZN' 000	
	2024	2023
Balance at 01 January	1 937 201	2 045 177
Financial Gains/(losses)	(125 421)	(67 470)
Technical transformations associated with rotations		
Contributions from Millennium Bim	53 955	54 994
Benefits paid by the fund	(200 681)	(342 674)
Expected income	242 260	247 174
Balance at 31 December	1 907 314	1 937 201

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The elements that make up the value of the Pension Fund's portfolio of assets are as follows:

	2024	2023
Bonds and other fixed-income securities	67,90%	62,42%
Properties	28,27%	33,50%
Other Assets	4,16%	4,08%
	100%	100%

The actuarial assumptions assumed for the purposes of calculating future liabilities are as follows:

	2024	2023
<i>Normal retirement age:</i>		
Male	60	6000,0%
Female	55	5500,0%
Wage growth	5,0%	8,5%
Pension growth	2,0%	4,0%
Fund's rate of return	9,5%	13,0%
Discount rate	9,5%	13,0%
Mortality table	SA 85/90	SA 85/90

As of December 31, 2024, the weighted average duration of the retirement benefit plan is 14 years. (2023: 14 years)

Sensitivity Analysis

The sensitivity analysis of the Pension Fund's assets (detailed above) is as follows:

	MZN' 000
2024	
Impact of the responsibilities for active workers	
Discount rate	
Increase 0,5%	(50 382)
Decrease 0,5%	53 686
Future growth in wages	
Increase 0,5%	55 790
Decrease 0,5%	(52 715)
Average life expectancy	
Increase in 1 year	7 498
Decrease in 1 year	(8 209)

Other Long-Term Benefits - seniority award

The seniority bonus is awarded to the Bank's employees according to the years of service, and one, two and three salaries are paid when they reach fifteen, twenty and thirty years of service, respectively.

The present value of the seniority bonuses is monthly in each financial year, and the provision is recognized in the Balance Sheet against the costs of Personnel, which includes the cost of current services, the cost of interest and actuarial gains/losses.

43. Risk Management

As stated in the management report, the Bank is subject to various risks in the development of its activity. Its risk management policy aims to maintain, at all times, an adequate relationship between its equity and the activity carried out, as well as the corresponding assessment of the risk/return profile by business line. In this context, the monitoring and control of the main types of financial risks - credit, market, liquidity and operational - to which the Bank's activity is subject is particularly important.

Main Types of Risk

Credit - Credit risk is associated with the degree of uncertainty of expected returns, due to the inability of both the borrower (and its guarantor, if any), and the issuer of a security or the counterparty to a contract, to meet its obligations as a borrower of the Bank.

Market - The concept of market risk reflects the potential loss that may be recorded by a given portfolio as a result of changes in rates (interest and exchange rates) and/or in the prices of the different financial instruments that compose it, considering both the correlations between these instruments and the volatility of their prices.

Liquidity - Liquidity risk reflects the Bank's inability to meet its obligations at maturity without incurring significant losses arising from a deterioration in financing conditions (funding risk) and/or the sale of its assets at values below market values (market liquidity risk).

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

Credit Risk

The granting of loan is based on the Customers' prior risk classification and on the rigorous assessment of the level of protection provided by the underlying collateral. To this end, a scoring and rating model is applied, which allows the identification of an expected probability of default, allowing a greater discriminant capacity in the evaluation of Customers and a better hierarchy of the associated risk.

At the reference date, the Bank's portfolio was characterized as follows:

Reference Date 31 of
December o 2024

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Typology	On balance exposure	On balance impairment	Exposure At Default
Consumer loan	12 908 141	612 068	12 908 909
Housing loan	688 310	16 974	688 576
Entities	11 615 723	740 811	18 483 354
Entities - DDA	1 538 520	71 444	2 238 103
Leasing & ALD	17 095 491	238 210	17 095 494
Individuals	3 179 769	207 280	3 159 998
Individuals - DDA	43 640	22 973	45 102
Total	47 069 594	1 909 760	54 619 535

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Reference Date 31
of December of 2023

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Typology	On balance exposure	On balance impairment	Exposure At Default
Consumer loan	9 914 648	446 457	9 915 726
Housing loan	735 042	44 854	735 192
Entities	13 850 844	976 364	20 540 619
Entities - DDA	1 163 075	67 538	1 433 319
Leasing & ALD	17 622 792	230 515	17 622 739
Individuals	2 825 047	163 225	2 826 231
Individuals - DDA	63 246	38 103	65 173
Total	46 174 693	1 967 055	53 138 999

Notes: Gross exposure considers unused limits, collateral provided and documentary credit without application of the Credit Conversion Factor.

The assessment of the risk associated with the loan portfolio and quantification of the respective losses incurred consider the following methodological notes:

Collateral and Guarantees

In assessing the risk of an operation or set of operations, the credit risk mitigation elements associated with them are considered, in accordance with internal rules and procedures that comply with the requirements defined in the regulations in force.

Collateral and relevant collateral can be grouped into the following categories:

- Financial collateral, real estate collateral or other collateral;
- Sovereign guarantees.

Regarding the valuation of real estate, the procedures are subdivided into three major groups, the first concerning the subsequent verification of the value of the property by the institution, the second on the review of the valuation of the value of the property by an official and independent appraiser and, the last, on the revaluation of the guarantees associated with the overdue loan.

The following prudential procedures must be followed for the subsequent verification of the value of the immovable property by the institution:

- Frequently verify, at least once every three years, the value of the immovable property pledged;
- Carry out more frequent checks in case market conditions are subject to significant changes;
- Document, in a clear and rigorous manner, the verification of the value of the property, namely with a description of the criteria and the periodicity of review;
- Use, for the purpose of verifying the value of the immovable property, indices or statistical methods recognized

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and that it deems appropriate, justifying its use.

Regarding the review of the valuation of the value of the property by an official and independent appraiser, it is necessary to:

- Ensure that the valuations of immovable property mortgaged to the Bank by an official valuer are reviewed where the available information indicates that there may have been a substantial decrease in the value of the immovable property or that the value may have materially decreased in relation to general market prices;
- Ensure that for loans that exceed 5% of the institution's own funds or when the value of the mortgaged property exceeds 30.000.000 Meticaís, the valuation of the property is reviewed by an official and independent appraiser at least every three years.

Regarding the revaluation of the guarantees associated with overdue loan, the following prudential procedures are respected:

- Ensure the revaluation of the mortgage security by an independent valuer within 90 days of the first default, if more than 720 days have elapsed since the last revaluation, and;
- Ensure the revaluation of non-mortgage collateral associated with overdue loans, by the lender, within 90 days after the first default, if more than 180 days have elapsed since the last evaluation. It should also ensure that subsequent evaluations take place on a bi-annual basis.

Impairment

The process for calculating the loan impairment on 31 December 2024 and 31 December 2023 integrates the general principles defined in the International Financial Reporting Standards, IFRS 9.

The financial instruments subject to the impairment requirements set out in IFRS 9 recorded in the loans to Customers analyzed by stage are detailed in the following tables:

Loans to Customers

Reference Date 31
of December of 2024

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Impairment Analysis	Stage 1		Stage 2		Stage 3		Total	
	On bal. exposure	On bal. Imp.	On bal. exposure	On bal. Imp.	On bal. exposure	On bal. Imp.	On bal. exposure	On bal. Imp.
Collective	16 513 033	148 692	1 475 438	216 506	1 350 381	841 103	19 338 852	1 206 301
Individual	6 760 125	35 831	19 954 779	221 065	1 015 838	446 562	27 730 742	703 459
Total	23 273 159	184 524	21 430 216	437 571	2 366 219	1 287 665	47 069 594	1 909 760

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Impairment Analysis	Stage 1		Stage 2		Stage 3		Total	
	On bal. exposure	On bal. Imp.	On bal. exposure	On bal. Imp.	On bal. exposure	On bal. Imp.	On bal. exposure	On bal. Imp.
Collective	12 053 452	105 367	3 213 023	281 192	1 268 596	793 577	16 535 070	1 180 136
Individual	7 309 413	59 814	21 166 401	243 134	1 163 810	483 971	29 639 623	786 920
Total	19 362 864	165 181	24 379 424	524 327	2 432 405	1 277 548	46 174 693	1 967 055

Securities

Reference Date 31
of December of 2024

MZN'000

Description	Accounting method	Stage 1	
		Exposure	Impairment
Treasury bills	Amortised cost	2 500 000	149 176
Government bonds		33 123 878	2 209 148
Treasury bills	Fair value	8 750 000	424 512
Government bonds		1 402 382	83 915
Total		45 776 260	2 866 751

Reference Date 31 of
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Description	Accounting method	Stage 1	
		Exposure	Impairment
Treasury bills	Amortised cost	3 000 000	-
Government bonds		34 420 182	423 178
Treasury bills	Fair value	6 500 000	-
Government bonds		4 471 037	70 620
Total		48 391 219	493 798

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The loans to Customers at amortized cost, guarantees and other commitments, analyzed by product and stage, are as follows:

Reference Date 31
of December of 2024

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Products	Stage 1		Stage 2		Stage 3		Total	
	On-balance exposure	On-balance impairment	On-balance exposure	On-balance impairment	On-balance exposure	On-balance impairment	On-balance exposure	On-balance impairment
Consumer loan	11 709 632	94 700	722 113	152 802	476 396	364 567	12 908 141	612 068
Housing loan	574 487	457	38 524	452	75 298	16 066	688 310	16 974
Entities	6 897 340	36 502	3 237 312	32 045	1 481 071	672 264	11 615 723	740 811
Entities - DDA	980 772	9 664	508 278	15 847	49 470	45 932	1 538 520	71 444
Leasing & ALD	455 480	4 365	16 558 355	196 920	81 655	36 925	17 095 491	238 210
Individuals	2 651 910	38 830	350 023	39 082	177 836	129 369	3 179 769	207 280
Individuals - DDA	3 537	6	15 610	424	24 493	22 543	43 640	22 973
Total	23 273 159	184 524	21 430 216	437 571	2 366 219	1 287 665	47 069 594	1 909 760

Reference Date 31 of
December of 2023

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Products	Stage 1		Stage 2		Stage 3		Total	
	On bal. exposure	On bal. Imp.	On bal. exposure	On bal. Imp.	On bal. exposure	On bal. Imp.	On bal. exposure	On bal. Imp.
Consumer loan	7 505 714	68 179	2 155 653	182 271	253 281	196 007	9 914 648	446 457
Housing loan	536 745	394	98 914	1 675	99 384	42 786	735 042	44 854
Entities	7 812 374	58 214	4 305 572	130 072	1 732 898	788 078	13 850 844	976 364
Entities - DDA	605 605	13 095	514 080	10 214	43 390	44 230	1 163 075	67 538
Leasing & ALD	602 277	5 690	16 888 225	146 928	132 289	77 898	17 622 792	230 515
Individuals	2 275 729	19 411	413 981	52 629	135 337	91 185	2 825 047	163 225
Individuals - DDA	24 420	199	2 999	539	35 827	37 365	63 246	38 103
Total	19 362 864	165 181	24 379 424	524 327	2 432 405	1 277 548	46 174 693	1 967 055

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Loans to Customers at amortized cost, guarantees and other commitments, analyzed by sector of activity and stage, are as follows:

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Sector of activity	Stage 1		Stage 2		Stage 3		Total	
	On-balance exposure	On-balance impairment	On-balance exposure	On-balance impairment	On-balance exposure	On-balance impairment	On-balance exposure	On-balance impairment
Agriculture and forestry	745 985	1 498	258 386	914	235 302	72 455	1 239 672	74 867
Food, beverages and tobacco	769 344	898	140	12	40 963	18 892	810 447	19 802
Trade	978 027	4 654	757 048	9 253	231 861	122 576	1 966 935	136 483
Construction	453 926	4 300	307 094	5 455	130 195	38 313	891 215	48 068
Consumer loans	14 960 168	139 503	1 147 125	199 191	1 113 689	764 157	17 220 982	1 102 851
Electricity, water and gas	128 138	1 459	159 291	1 208	14 409	932	301 838	3 600
Mozambican State	27 398	171	16 256 623	197 260	-	-	16 284 021	197 431
Extractive industries	19 445	195	330 593	1 163	30 402	30 402	380 440	31 761
Housing loans	565 958	455	38 524	452	75 298	16 066	679 780	16 973
Machine and equipment	49 850	278	121 896	60	8 204	82	179 950	420
Other activities	531 707	1 190	17 788	450	73 830	27 753	623 325	29 394
Paper, graphic arts and publishing	321	9	3 006	63	2 053	21	5 380	93
Chemical	127 688	301	62 167	5 835	-	-	189 855	6 136
Hospitality and tourism	26 189	396	50 700	873	132 888	25 717	209 778	26 986
Services	992 765	7 880	352 334	9 810	96 208	29 979	1 441 308	47 669
Textile	2	-	3 305	226	922	922	4 229	1 148
Transport and communications	2 896 247	21 334	1 564 196	5 346	179 995	139 399	4 640 438	166 079

Total	23 273 159	184 524	21 430 216	437 571	2 366 219	1 287 665	47 069 594	1 909 760
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of December of 2023

Sector of activity	Stage 1		Stage 2		Stage 3		Total	
	On bal. exposure	On bal. Imp.	On bal. exposure	On bal. Imp.	On bal. exposure	On bal. Imp.	On bal. exposure	On bal. Imp.
Agriculture and forestry	58 950	1 313	346 950	3 209	238 378	42 293	644 278	46 815
Food, beverages and tobacco	1 181 245	7 533	531	38	2 412	720	1 184 188	8 291
Trade	3 897 547	40 939	1 311 064	33 529	422 217	268 600	5 630 828	343 068
Construction	145 460	792	195 706	9 639	141 863	70 980	483 030	81 412
Consumer loans	10 431 950	91 729	2 802 804	248 279	925 377	641 201	14 160 131	981 209
Electricity, water and gas	60 119	623	14 868	644	-	-	74 987	1 266
Mozambican State	31 337	78	16 606 823	143 356	-	-	16 638 159	143 434
Extractive industries	42	1	322 975	2 124	22 128	24 630	345 145	26 755
Housing loans	526 780	391	98 914	1 675	99 384	42 786	725 078	44 852
Machines and equipment	667	11	20 422	116	17 567	16 972	38 656	17 099
Other activities	581 660	4 492	211 699	6 109	81 747	28 806	875 106	39 407
Paper, graphic arts and publishing	15 757	172	3 766	669	21 261	2 777	40 783	3 618
Chemical	48 710	741	21 127	188	-	-	69 837	929
Hospitality and tourism	86 214	653	60 766	2 914	198 433	67 410	345 413	70 977
Services	1 086 845	7 928	415 950	12 756	238 629	48 437	1 741 424	69 120
Textile	3 516	48	-	-	-	-	3 516	48
Transport and communications	1 206 066	7 735	1 945 060	59 081	23 009	21 938	3 174 135	88 754
Total	19 362 864	165 181	24 379 424	524 327	2 432 405	1 277 548	46 174 693	1 967 055

Below is the table for reconciling changes in credit exposures and corresponding ECL by stage:

Reference Date 31
of December of 2024

MZN'000

Description	Stage 1		Stage 2		Stage 3		Total	
	On-balance exposure	On-balance impairment	On-balance exposure	On-balance impairment	On-balance exposure	On-balance impairment	On-balance exposure	On-balance impairment
1 of January of 2024	19 362 877	165 181	24 379 332	524 327	2 432 485	1 277 548	46 174 694	1 967 055
New exposure ¹	9 471 831	260 984	953 449	159 658	281 907	276 681	10 707 188	697 323
Payments ²	(6 054 781)	(55 152)	(3 125 903)	(196 742)	(293 035)	(225 175)	(9 473 718)	(477 070)
Transferred to stage 1	1 777 517	13 610	(1 777 236)	(13 607)	(280)	(2)	-	-
Transferred to stage 2	(1 095 734)	(72 722)	1 177 028	76 936	(81 294)	(4 214)	-	-
Transferred to stage 3	(188 552)	(127 377)	(168 141)	(108 313)	352 330	235 697	(4 363)	7
Amounts in Write off	-	-	(8 312)	(4 687)	(325 894)	(272 868)	(334 206)	(277 555)
31 of December of 2024	23 273 159	184 524	21 430 216	437 571	2 366 219	1 287 665	47 069 594	1 909 760

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Reference Date 31
of December of 2023

MZN' 000

Description	Stage 1		Stage 2		Stage 3		Total	
	On bal. exposure	On bal. Imp.	On bal. exposure	On bal. Imp.	On bal. exposure	On bal. Imp.	On bal. exposure	On bal. Imp.
1 of January of 2023	17 820 745	159 720	22 600 415	321 149	6 153 873	3 293 256	46 575 034	3 774 125
New exposure 1	10 521 981	289 861	3 235 330	221 311	356 437	339 120	14 113 749	850 292
Payments 2	(7 471 985)	(70 610)	(2 680 149)	(74 662)	(1 729 737)	(520 067)	(11 881 870)	(665 339)
Transferred to stage 1	834 341	4 353	(833 372)	(4 305)	(969)	(48)	-	-
Transferred to stage 2	(2 195 887)	(133 172)	2 223 346	135 574	(27 459)	(2 402)	-	-
Transferred to stage 3	(146 024)	(84 968)	(127 987)	(63 313)	274 011	148 281	-	-
Amounts in Write off	(294)	(3)	(38 252)	(11 428)	(2 593 673)	(1 980 592)	(2 632 219)	(1 992 023)
31 of December of 2023	19 362 877	165 181	24 379 332	524 327	2 432 485	1 277 548	46 174 693	1 967 055

Notes:

- New exposure: Includes restructuring loans;
- Payments: Includes settlement of loans due to restructuring.

Market Risk

Market risks can be classified into different modalities, such as interest rate risk, currency risk, commodity price risk, and stock price. Each modality represents the risk of losses due to fluctuations in the variation in its respective variable.

Sensitivity Analysis and Gaps (Interest Rate Differential)

For the measurement of interest rate risk (the gaps being constituted by residual repricing terms of live contracts), as shown in the tables below for the years 2024 and 2023:

MZN' 000

31 December of 2024	Up to 1 month	Between 1 and 3 month	Between 3 months and 1 year	Between 1 and 3 years	Greater than 3 years	Without interest rate risk	Total
Assets							
Cash and Cash equivalents at Bank of Mozambique	-	-	-	-	-	67 195 465	67 195 465
Cash equivalents in other Credit Institutions	4 010 937	-	-	-	-	-	4 010 937
Placements in other Banks	28 825 958	83 083	220 553	-	-	26 181	29 155 775
Loans to customers	16 494 162	11 418 307	6 779 538	2 535 945	7 472 519	459 363	45 159 834
Financial Assets at amortised cost	-	1 889 106	6 293 262	10 716 269	15 927 317	(1 819 640)	33 006 314
Financial Assets at fair value through comprehensive income	-	-	9 221 922	482 566	477 958	(700 910)	9 481 536
Other Assets without interest rate risk	-	-	-	-	-	13 944 422	13 944 422
Total Assets	49 331 057	13 390 496	22 515 275	13 734 780	23 877 794	79 104 881	201 954 283
Liabilities							
Deposits from other Banks	4 729 006	-	49 775	-	-	235	4 779 016
Deposits from customers	42 242 658	19 500 881	10 763 993	-	-	84 277 194	156 784 726
Other Liabilities without interest rate risk	-	-	-	-	-	5 827 972	5 827 972
Total Liabilities	46 971 664	19 500 881	10 813 768	-	-	90 105 401	167 391 714
Total Liabilities and Equity	46 971 664	19 500 881	10 813 768	-	-	124 667 970	201 954 283
Gaps in interest rate risk	2 359 393	(6 110 385)	11 701 507	13 734 780	23 877 794	(45 563 089)	-
Gap in accumulated interest rate risk	2 359 393	(3 750 992)	7 950 515	21 685 295	45 563 089	-	-



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MZN' 000

31 December of 2023	Up to 1 month	Between 1 and 3 months	Between 3 months and 1 year	Between 1 and 3 years	Greater than 3 years	Without interest-rate risk	Total
Assets							
Cash and Cash equivalents at Bank of Mozambique	57 359 227	-	-	-	-	-	57 359 227
Cash equivalents in other Credit Institutions	2 783 319	-	-	-	-	-	2 783 319
Investments in Credit Institutions	22 789 007	287 550	82 431	-	-	61 438	23 220 426
Loans to customers	13 251 490	11 679 562	8 252 082	3 079 710	6 879 043	1 065 751	44 207 638
Financial Assets at amortised cost	4 644 394	8 205 218	27 000 191	-	-	722 134	40 571 937
Financial Assets at fair value through comprehensive income	500 220	4 304 215	2 520 006	-	-	(286 088)	7 038 353
Other assets with no interest-rate risk	-	-	-	-	-	15 203 728	15 203 728
Total Assets	101 327 657	24 476 545	37 854 710	3 079 710	6 879 043	16 766 963	190 384 628
Liabilities							
Deposits from other Banks	1 235 988	-	103 679	-	-	145 433	1 485 100
Deposits from customer	42 990 718	16 529 042	16 180 247	98 325	-	70 648 512	146 446 844
Other liabilities with no interest-rate risk	-	-	-	-	-	5 567 626	5 567 626
Total liabilities	44 226 706	16 529 042	16 283 926	98 325	-	76 361 571	153 499 570
Total liabilities and equity	44 226 706	16 529 042	16 283 926	98 325	-	113 246 629	190 384 628
Gaps in interest rate risk	57 100 951	7 947 503	21 570 784	2 981 385	6 879 043	(96 479 666)	-
Gaps in accumulated interest rate risk	57 100 951	65 048 454	86 619 238	89 600 623	96 479 666	-	-

Analysis of sensitivity to Interest Rate Risk in the banking portfolio

Interest rate risk is understood as the possibility of financial losses resulting from adverse market interest rate changes through a reduction in profit and/or through a reduction in the value of assets. The relationship between profit and interest rates arises from lags in maturities or interest rate resetting periods, the lack of a perfect correlation between the interest rates of borrowing and lending operations in the different instruments, and/or the existence of options embedded in asset, liability, and off-balance sheet positions.

The interest rate risk originating in the loan portfolio is monitored every six months through a risk sensitivity analysis process for the universe of operations that make up the Bank, with the aim of assessing the Bank's exposure to this risk and inferring its ability to absorb adverse variations in these rates. Measurements of the respective interest rate gaps are made for both the overall portfolio and the dollar portfolio.

Changes in interest rates have an effect on the Bank's net interest income and affect the economic value of the bank. The risk factors arise from the mismatch of repricing portfolio positions (repricing risk) and the risk of the level of market interest rates. It should be noted that, although with less impact, there is a risk of uneven variances in different indexes with the same repricing period.

The results of the sensitivity analysis carried out are presented below:

Bank Portfolio Interest Rate Risk Sensitivity Analysis - internal methodology

	in millions MZN			
	Dez. 23		Dez. 24	
	100 bp	200 bp	100 bp	200 bp
MZN	135	269	173	346
USD	-24	-48	-37	-75
ALL CURRENCIES*	128	256	136	272

*includes other currencies

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Sensitivity Analysis to the Public Debt Rating

The PD that BIM applies to public debt is obtained from S&P's Default, Transition, and Recovery: 2024 Annual Global Sovereign Default and Rating Transition Study.

According to the study, the rating for the local currency is CCC, and the said PD amounts to 16,29%.

In the event of a new downgrade, to CCC-, the PD to be applied increases to 23,29%, which would imply an impairment increase of around 1.128 million Meticaís of impairment, considering the Government Bonds portfolio held on December 31, 2024.

If public debt were classified as stage 2, the calculation of the Expected Credit Loss (ECL) would consider the expected losses over the useful life of the asset. This would result in a strengthening of the impairment of the securities estimated at approximately 5 038 million Meticaís, based on the December 2024 portfolio.

Exchange rate risk

It is assessed by measuring the indicators defined in the prudential regulations of the Bank of Mozambique, whose analysis is carried out using indicators such as:

- Net open position - Collected at the level of the Bank's computer system by the Risk Office and validated by the Accounting Department and the Financial Department, referring to the last day of each month.
- Sensitivity Indicator - calculated by simulating the impact on the Bank's results of a hypothetical 10% change in the value exchange rates.

The Bank's exposure to exchange rate risk is presented in the following tables:

	MZN' 000					
	2024			2023		
	USD Dollars	Other foreign currencies	Total	USD Dollars	Other foreign currencies	Total
Assets						
Cash and Cash equivalents at Bank o Mozambique	10 764 407	247 203	11 011 610	9 549 159	231 674	9 780 833
Cash equivalents in Other Credit Institutions	3 221 524	338 534	3 560 059	1 651 971	763 925	2 415 896
Placement in other Banks	9 027 962	2 115 237	11 143 199	8 992 138	1 197 567	10 189 705
Loans to customers	2 711 591	962 784	3 674 375	2 959 779	1 073 689	4 033 468
Financial Assets at fair value through comprehensive income	-	1 375	1 375	-	1 454	1 454
Other assets	885 477	-	885 477	2 415 834	-	2 415 834
	<u>26 610 962</u>	<u>3 665 133</u>	<u>30 276 095</u>	<u>25 568 880</u>	<u>3 268 310</u>	<u>28 837 190</u>
Liabilities						
Deposits from other Banks	3 872	62 900	66 772	337 664	13 714	351 378
Deposits from customers	26 384 950	2 118 040	28 502 990	24 964 263	1 743 277	26 707 540
Provisions	36 642	20 145	56 787	70 638	26 834	97 472
Other liabilities	82 089	1 406 060	1 488 150	79 920	1 344 507	1 424 426
	<u>26 507 554</u>	<u>3 607 145</u>	<u>30 114 699</u>	<u>25 452 485</u>	<u>3 128 332</u>	<u>28 580 816</u>
GLOBAL OPERATIONAL POSITION	<u>103 408</u>	<u>57 988</u>	<u>161 396</u>	<u>116 395</u>	<u>139 978</u>	<u>256 374</u>

The figures presented regarding the exposure of exchange risk show that the predominant foreign currency on the Bank's balance sheet is the US Dollar.

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The results show that the Bank falls within the limits of tolerance to foreign exchange risk, defined within the scope of the prudential rules established by the Bank of Mozambique, both by currency and in all currencies.

Exposure to foreign exchange risk is managed on a daily basis using exposure limits per currency and aggregated based on prudential indicators set by the Bank of Mozambique. Both currency and global positions as of 31 December 2024 were within the limits set by the Bank of Mozambique.

The capital requirements for hedging foreign exchange risk for the Bank as of 31 December 2024 were as follows:

	Long Position	Short Position	Maximum between Positions	Final Global Positions	Impact 10%	Capital Requirement for Hedging Market Risk
USD	-	103 408	103 408	103 408	113 749	110 129
Other currencies	-	57 988	57 988	57 988	63 787	

The capital requirements for hedging foreign exchange risk for the Bank as of 31 December 2023 were as follows:

	Long Position	Short Position	Maximum between Positions	Final Global Positions	Impact 10%	Capital Requirement for Hedging Market Risk
USD	-	116 395	116 395	116 395	128 035	106 743
Other currencies	-	139 978	139 978	139 978	153 976	

Liquidity Risk

The following tables analyze the Bank's financial assets and liabilities by relevant maturity groups, with the amounts being composed of the value of assets, liabilities considering the residual contractual maturity.

MZN' 000

31 December of 2024	Up to 1 month	Between 1 and 3 months	Between 3 months and 1 year	Between 1 and 3 years	Greater than 3 years	Total
Activo						
Cash and Cash equivalents at Bank of Mozambique	67 195 465	-	-	-	-	67 195 465
Cash equivalents in other Credit Institutions	4 010 937	-	-	-	-	4 010 937
Placements in other Banks	28 852 139	83 083	220 553	-	-	29 155 775
Loans to customers	2 967 380	2 326 801	5 739 260	1 043 757	33 617 594	45 694 792
Financial Assets at amortised cost	-	1 725 966	5 413 852	10 199 559	15 666 937	33 006 314
Financial Assets at fair value through comprehensive income	-	-	8 410 586	491 425	579 525	9 481 536
Total Assets	103 025 921	4 135 850	19 784 251	11 734 741	49 864 056	188 544 819
Liability						
Deposits from other Banks	4 729 006	-	50 010	-	-	4 779 016
Deposits from customers	112 503 248	25 247 534	19 033 942	2	-	156 784 726
IFRS 16 lease liabilities	18 531	1 043	21 317	228 930	480 047	749 868
Total liabilities	117 250 785	25 248 577	19 105 269	228 932	480 047	162 313 610
Gaps in liquidity	(14 224 864)	(21 112 727)	678 982	11 505 809	49 384 009	26 231 209
Gap in accumulated liquidity	(14 224 864)	(35 337 591)	(34 658 609)	(23 152 800)	26 231 209	-

For current deposits, it is the firm conviction of the Management that the contractual maturities do not adequately represent the period of permanence of these deposits in the Bank.

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For the year 2023, the liquidity risk for the bank is analyzed as follows:

MZN' 000

31 December of 2023	Up to 1 month	Between 1 and 3 months	Between 3 months and 1 year	Between 1 and 3 years	Greater than 3 years	Total
Assets						
Cash and Cash equivalents at Bank of Mozambique	57 359 227	-	-	-	-	57 359 227
Cash equivalents in other Credit Institutions	2 783 319	-	-	-	-	2 783 319
Placements in other Banks	22 850 445	287 550	82 431	-	-	23 220 426
Loans to customers	2 769 673	749 830	2 715 204	6 837 209	31 681 779	44 753 695
Financial Assets at amortised cost	1 765 991	-	9 409 786	15 060 521	14 335 639	40 571 937
Financial Assets at fair value through comprehensive income	151 722	4 304 215	1 697 369	822 637	62 410	7 038 353
Total Assets	87 680 377	5 341 595	13 904 790	22 720 367	46 079 828	175 726 957
Liabilities						
Deposits from other Banks	1 381 421	-	103 679	-	-	1 485 100
Deposits from customers	94 492 632	20 595 403	31 256 786	102 023	-	146 446 844
IFRS 16 lease liabilities	-	-	12 669	97 013	667 415	777 097
Total liabilities	95 874 053	20 595 403	31 373 134	199 036	667 415	148 709 041
Gaps in liquidity	(8 193 676)	(15 253 808)	(17 468 344)	22 521 331	45 412 413	27 017 916
Gaps in accumulated liquidity	(8 193 676)	(23 447 484)	(40 915 828)	(18 394 497)	27 017 916	-

Operational Risk

The Bank has adopted principles and practices that ensure efficient management of operational risk, namely through the definition and documentation of these principles and the implementation of the respective control mechanisms, such as: the segregation of duties; the lines of responsibility and respective authorizations; the limits of tolerance and exposures to risks; the code of ethics and conduct; the key risk indicators; physical and logical access controls; reconciliation activities; exception reports; the contracting of insurance; contingency planning; internal training on processes, products and systems, among other measures.

Operational risk is the direct and indirect risk of loss arising from various causes associated with the Bank's process, staff, technology and infrastructure and from external factors other than credit risk, market risk and liquidity risk. For example, risks arising from legal and regulatory requirements and generally accepted norms of corporate behavior. Operational risks arising from all the Bank's operations.

The Bank's objective is to manage operational risk in a way that balances financial losses and reputational damage to the Bank with cost-effectiveness and innovation. In all cases, the Bank's policy requires compliance with all legal and regulatory requirements.

O Conselho de Administração tem de aprovar os normativos para a gestão do risco operacional nas seguintes áreas:

- Requirements for appropriate segregation of duties, including independent authorization of transactions;
- Requirements for reconciliation and monitoring of transactions;
- Compliance with regulatory and legal requirements;
- Documentation of controls and procedures;
- Requirements for a periodic operational risk assessment and adequacy of controls and procedures to mitigate the identified risks;
- Requirements in terms of operational loss carry-forward and proposed operational actions;
- Development of contingency plans;
- Professional development and training;
- Ethical and business standards;
- Technological information and cyber risks; and
- Risk mitigation, including insurance where it is cost effective.

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Compliance with the Bank's regulations is supported by a program of periodic reviews of the responsibility of Internal Audit.

44. Solvency

The own funds of BIM (Banco Internacional de Moçambique) are calculated in accordance with the applicable regulatory standards, namely with the provisions of Notice No. 08/GBM/2017 complemented by Circular 02/EFI/2019, of the Bank of Mozambique. Total own funds result from the sum of Basic own funds (Tier 1) with complementary own funds (Tier 2) and the subtraction of the component disclosed in the aggregate Deductions.

Core own funds comprise paid-up capital, reserves and deferred impacts associated with transition adjustments to IFRS (International Financial Reporting Standards).

At the same time, for the determination of basic own funds, other intangible assets, positive/negative actuarial deviations and past service costs, associated with post-employment benefits granted by the entity that according to IAS 19 - Employee Benefits (Corridor Method) have not been recognized in income statement, retained earnings or reserves, are deducted.

Basic own funds may also be influenced by the existence of revaluation differences in other assets, cash flow hedging transactions or financial liabilities valued at fair value through income statement, in the part that corresponds to own credit risk, by the existence of a fund for general banking risks and by insufficient provisions; if the loan impairment appropriations, calculated in accordance with the International Financial Reporting Standards, are lower than the provisions required by Notice No. 16/GBM/2013 of the Bank of Mozambique, calculated on an individual basis.

Complementary own funds include subordinated debt, reserves from the revaluation of tangible fixed assets and, with prior authorization from the Bank of Mozambique, the inclusion of equity items that can be freely used to cover risks normally linked to the activity of institutions without losses or losses having yet been identified.

In order to calculate the regulatory capital, it is also necessary to make some deductions from total own funds, namely the carrying amount of the non-financial assets received in repayment of own loan.

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MZN' 000

	2024	2023
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BASIC OWN FUNDS

Tier 1 Capital

Realised capital	4 500 000	4 500 000
Reserves and retained earnings	25 638 142	25 186 861
Intangible Assets	(1 099 341)	(856 947)
Insufficiency of provisions	(1 214 594)	(769 492)
Tier 1 Capital total	27 824 207	28 060 422

Tier 2 Capital

Subordinated loans	-	-
Others	10 721	10 871
Tier 2 Capital total	10 721	10 871
Deductions from total equity	2 518 301	2 040 612
Eligible equity	25 316 627	26 030 680

Risk-weighted assets

On Balance Sheet	59 034 022	60 372 120
Off-Balance Sheet	6 391 870	6 249 356
Operational risk	2 791 440	2 557 091
Market risk	786 636	889 527
Core capital adequacy ratio (<i>Tier 1</i>)	40,3%	40,0%
Capital adequacy ratio (<i>Tier 2</i>)	0,016%	0,016%
Solvency ratio	36,7%	37,2%

45. Risk Concentration

The concentration of credit-risk financial assets by sector is as follows:

Sector	Cash in Central Banks	Cash in Credit Institutions	Placements in other Banks	Loans to customer	Financial Assets at amortised cost	Financial Assets at fair value through other comprehensive income	Investments in associates	Other assets	2024		2023	
									Total	%	Total	%
Public Sector	67 195 465	-	-	16 086 461	33 006 314	9 396 711	-	-	125 684 951	65,4%	114 425 797	63,6%
Financial Institutions	-	4 010 937	29 155 775	-	-	84 825	99 501	-	33 351 038	17,3%	33 141 599	18,4%
Agriculture and Forestry	-	-	-	1 169 176	-	-	-	-	1 169 176	0,6%	597 463	0,3%
Extractive industries	-	-	-	348 680	-	-	-	-	348 680	0,2%	318 390	0,2%
Food, beverages and tobacco	-	-	-	790 645	-	-	-	-	790 645	0,4%	1 175 897	0,7%
Textile	-	-	-	3 080	-	-	-	-	3 080	0,0%	3 467	0,0%
Paper, graphic arts and publishing	-	-	-	5 288	-	-	-	-	5 288	0,0%	37 165	0,0%
Chemical	-	-	-	183 719	-	-	-	-	183 719	0,1%	68 908	0,0%
Machinery and equipment	-	-	-	179 530	-	-	-	-	179 530	0,1%	21 557	0,0%
Electricity, water and gas	-	-	-	298 239	-	-	-	-	298 239	0,2%	73 721	0,0%
Construction	-	-	-	843 147	-	-	-	-	843 147	0,4%	401 621	0,2%
Trade	-	-	-	1 830 452	-	-	-	-	1 830 452	1,0%	5 287 760	2,9%
Restaurants and Hotels	-	-	-	182 792	-	-	-	-	182 792	0,1%	274 436	0,2%
Transport and communication	-	-	-	4 474 359	-	-	-	-	4 474 359	2,3%	3 085 381	1,7%
Services	-	-	-	1 393 768	-	-	-	-	1 393 768	0,7%	1 672 303	0,9%
Consumer loans	-	-	-	16 117 560	-	-	-	-	16 117 560	8,4%	13 179 001	7,3%
Housing loans	-	-	-	662 807	-	-	-	-	662 807	0,3%	680 226	0,4%
Other activities	-	-	-	590 131	-	-	-	4 128 534	4 718 665	2,5%	5 437 354	3,0%
	67 195 465	4 010 937	29 155 775	45 159 834	33 006 314	9 481 536	99 501	4 128 534	192 237 896	100,0%	179 882 046	100,0%

46. Standards issued but not yet adopted

A number of new standards and rule changes are effective for periods beginning after January 1, 2025, and their early application is permitted. The Bank did not anticipate the adoption of the following new standards or changes in the preparation of these financial statements.



BIM - Banco Internacional de Moçambique

- 1) Amendments to IFRS 9 - Financial Instruments - Classification and Measurement of Financial Instruments (11.Dec.2024);
- 2) Amendments to IFRS 9 - Financial Instruments - Derecognition of lease liabilities;
- 3) Amendments to IFRS 9 - Financial Instruments - Transaction price;
- 4) Amendments to IFRS 7 - Financial Instruments - Contracts negotiated with reference to electricity generated from renewable sources (09.Dec.2024);
- 5) Amendments to IFRS 7 - Financial Instruments - Gain or loss on derecognition;
- 6) Amendments to IFRS 7 - Financial Instruments - Cost Method;
- 7) Amendments to IFRS 7 - Financial Instruments - Implementation Guidelines;
- 8) Amendments to IFRS 18 - Presentation of Financial Statements - Presentation and disclosure in financial statements (19. Nov.2024);
- 9) Amendments to IFRS 19 - Subsidiaries without Public Liability (09.Dec.2024);
- 10) Amendments to IFRS 10 - Financial Instruments - Preparation and presentation of consolidated financial statements - Determination of 'de facto' agent;

47. Disclosures on the post-election demonstrations, the war in Ukraine and geopolitical tensions in the Middle East

On the international scene, the political-economic situation remained challenging, marked by the uncertainties arising from the conflict in Ukraine and geopolitical tensions in the Middle East, associated with expectations of the position of the new American administration.

Despite the prevailing uncertainties, the world economy is estimated to have grown to 2023 levels, accompanied by a slowdown in inflation. While food and energy prices showed a global moderation, inflation remained relatively high. This has led many central banks to adopt a cautious stance in reducing official interest rates, avoiding rapid reductions. Thus, global interest rates are likely to remain elevated compared to the standards of recent decades.

Even with the challenges and uncertainties in the international economic environment, with Mozambique's limited connection to the conflict regions, the national economy grew by 3,7% in the third quarter of 2024, reflecting the performance of the extractive industry and agriculture. However, the country experienced, especially in the last two months of the year, a slowdown in economic activity, characterized by a constrained functioning due to the post-election demonstrations. These demonstrations had a strong impact on the availability of services, affecting several business units. Some were closed due to direct vandalism, while others due to mobility limitations and the guarantee of safety of employees and facilities.

In October 2024, there was a reversal in the downward trend in inflation, which reached 4,2% in December, mainly reflecting the increase in food prices, due to the conditioned functioning of the economy due to the post-election demonstrations.

The Administration continues to monitor the impacts of the conflict in Ukraine, geopolitical tensions in the Middle East, as well as the evolution of the national and international political-economic situation. As it is not possible to quantify the future effects resulting from the extension of the conflicts and post-election demonstrations, whenever the Management considers it relevant, the impacts on the Bank's activity will be recognized and disclosed.

48. Subsequent Events

The Bank evaluates the favorable and/or unfavorable events that occur between the balance sheet date and the date on which the financial statements were approved.

Thus, two types of events can be identified:

- a) Those that provide proof of conditions that existed at the balance sheet date (events after the balance sheet date that give rise to adjustments); and

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- b) Those that are indicative of the conditions that arose after the balance sheet date (events after the balance sheet date that do not give rise to adjustments).

After the balance sheet date, we identified the following non-adjustable events, in the light of IAS 10 - Subsequent Events:

1. Reduction of Minimum Requirement Reserves (as communicated by the Bank of Mozambique in January 2025):

On January 27, 2025, the Bank of Mozambique announced the reduction of the reference interest rate (MIMO) to 12,25% and the reduction of the Mandatory Reserve ratios in national and foreign currency by 10 percentage points, to 29,0% and 29,5%, respectively.

The Board of Directors continues to monitor both the impacts of the evolution of the coefficients of the Mandatory Reserves, as well as the impacts of the post-election demonstrations, the Russia/Ukraine and Israel/Palestine conflicts on the Bank's activity, and although it is not yet possible to quantify the future effects resulting from these matters, whenever the Board deems it relevant, the impacts on the Bank's activity will be recognized and disclosed.

2. Downgrade of the rating assigned by S&P - Standard & Poor's to Mozambique's Public Debt (applicable to Long-Term National Currency Debt)

On February 19, 2025, S&P - Standard & Poor's, announced a downgrade of Mozambique's external debt rating (in local currency, long-term) to CCC-. Based on S&P's 2025 study, and the Bank's current methodology, the parameter associated with this rating would be as follows: PD = 23,29%. The main factors considered for the observed downgrade in 2025 (from CCC to CCC-) are as follows:

- a. The Government announced in 2025 a plan to carry out liability management exercises in its local currency bonds. To this end, the newly elected President of the Republic has organized, in 2025, several meetings with the CEO's of the main Banks in the country, with the aim of enhancing the economic growth of the national business fabric, as well as maintaining local liquidity funding from the Bank.
- b. Foreign currency debt payments on commercial debt obligations remain modest, but potential delays in natural gas projects, and foreign aid flows, along with an uncertain outlook for external financing, add to the pressure on Mozambique's finances. This factor is largely the result of the announcement in 2025, by the US Government, of the suspension of USAID support to several countries, after the inauguration of the new President.
- c. Increased impact of post-election social/political disruption on the Mozambican authorities' fiscal and liquidity operations during the first two months of 2025.

The estimated impact in February 2025, resulting from this new downgrade to CCC-, due to the increase of the associated PD to 23,29%, corresponds to an impairment increase in the amount of around 1 188 million Meticaís of impairment, considering the securities portfolio held on February 28, 2025.



Independent Auditor's Report

BIM - Banco Internacional de Moçambique

INDEPENDENT AUDITOR'S REPORT



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(Free Translation of the Portuguese Report)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of

BANCO INTERNACIONAL DE MOÇAMBIQUE, S.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Banco Internacional de Moçambique, S.A. ("Bank" or "BIM"), which comprise the Statement of financial position as at 31 December 2024 and the Statement of comprehensive income, the Statement of changes in equity and the Statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Banco Internacional de Moçambique, S.A. as at 31 December 2024, its financial performance and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of BIM in accordance with the ethical requirements that are relevant to our audit of the financial statements in Mozambique, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key audit matters

Key audit matters are those that, in our professional judgment, have greater importance in the audit of the current year's financial statements. These matters were considered in the context of the audit of the financial statements as a whole, and in forming the opinion, and we do not express a separate opinion in this regard. We describe below the key audit matters for the current year:

1 Impairment for financial assets at amortized cost (Customer Loans and financial assets)

Description of the most significant risks of material misstatement

The Bank's financial statements, as of December 31, 2024, present in its assets, Customer Loans and financial assets at amortized cost, in the amounts of 45,160 million Meticaís (2023: 44,208 million Meticaís) and 33,006 million Meticaís (2023: 40,572 million Meticaís), respectively, representing around 22% and 16% of total Assets. The accumulated impairment recorded for Customer Loans and for financial assets at amortized cost amounts to 1,910 million Meticaís (2023: 1,967 million Meticaís) and 2,358 million Meticaís (2023: 423 million Meticaís), respectively, representing 4% of the gross value of Credits to Customers and 7% of the gross value of Financial Assets at amortized cost, respectively. The details of impairment and the accounting policies, methodologies, concepts and assumptions used are disclosed in the Annex to the financial statements in note 2 b) - Impairment losses, note 19 and note 20).

Impairment for Customer Loans and financial assets at amortized cost represents management's best estimate of the expected loss of the customer loans and securities portfolio, taking into account the requirements of IFRS9 - "Financial Instruments". To calculate this estimate, management established assumptions, used mathematical models to calculate parameters, interpreted concepts and designed a model for calculating the expected loss on a collective

Summary of our response to the most significant risks of material misstatement

Our approach to the risk of material misstatement included a specific response that resulted, in particular, in the following procedures:

- Understanding and assessment of the design and operability of existing internal controls in the process of quantifying losses due to impairment of financial assets;
- Analysis of the impairment methodology and portfolio characterization;
- Analytical procedures on the evolution of the impairment balance of financial assets at amortized cost, comparing it with the same period of the previous year and with the expectations formed, namely the variation in the credit portfolio and changes in assumptions;
- Determination of a sample of customers subject to individual impairment analysis, to evaluate the assumptions used by the Bank's Management in its quantification, including inspection of information with business models and the economic-financial situation of debtors and valuation reports for collaterals, inquiry of the Bank's specialists to understand the defined recovery strategy and the assumptions used;



basis. For relevant exposures on an individual basis, namely in Customer Loans, impairment is determined based on judgments which are based on the assessment of the current credit risk.

The consideration of this matter as a key audit was based on its materiality in the financial statements, the complexity and judgment in the process of its calculation, and given the degree of subjectivity involved, changes in the recovery strategies and judgments assumed, or on the assumptions that condition the estimate and the period of occurrence of the financial flows, implying that it may materialize differently than estimated, namely in view of the potential effects related to the social and political situation in Mozambique, observed since October 2024, may have a material impact on the quantification of the estimated impairment.

- Analysis of the parameters used in calculating impairment, highlighting the comparison of the methodology formalized and approved by the Board of Directors with that actually used;
- Comparison of data used to determine risk parameters with source information, assessment of the consistency of the calculation of risk parameters throughout the analyzed history, inquiries to the Bank's specialists responsible for the models and inspection of internal audit and regulatory reports;
- Analysis of reports with the results of the operational evaluation of the model (back-testing);
- Comparison of the data loaded into the model with the source information and analysis of any differences;
- Analysis of disclosures included in the notes to the financial statements in accordance with the requirements of IFRS 7 - Financial instruments: Disclosures.



2 Valuation of non-current assets held for sale

Description of the most significant risks of material misstatement

The financial statements, as of December 31, 2024, include in the Assets, as detailed in Notes 1 e) and 23 of the notes to the financial statements, properties classified as non-current assets held for sale, in the amount of 621 million Meticaís (2023: 583 million Meticaís), which represent around 0,3% of assets.

Real estate valuations were based on methods and assumptions which are influenced by the economic situation.

In this context, given the effects still arising from the war between Russia and Ukraine and the effects related to the social and political situation in Mozambique, observed since October 2024, the uncertainty about the fair value estimate has increased, due to (i) the volatility of reference transactions of similar and comparable assets, (ii) the deadlines to complete real estate assets under construction, (iii) cash flows arising from leased assets, (iv) considered discount rates, (v) ability to lease unoccupied assets and (iv) premium risk required by potential investors.

The consideration of this matter as a key audit matter was based on the risk of judgment inherent in the assumptions used in the assessments carried out by external experts.

Summary of our response to the most significant risks of material misstatement

Our approach to the risk of material misstatement included a specific response that resulted, in particular, in the following procedures:

- Analytical procedures on non-current assets held for sale included in the financial statements;
- Involvement of our experts in real estate valuations, carrying out sample tests that included the evaluation of the methodology and assumptions used by the Bank's experts, testing the consistency and methodology used given the conditions of the properties and their location, as well as compliance with international standards for evaluation, identification and analysis of significant assumptions and their comparison with market data and carrying out corroborative recalculation tests; and
- Testing the completeness and consistency of disclosures about non-current assets held for sale in the financial statements and comparison with the respective accounting data.



3 Recoverability of deferred tax assets

Description of the most significant risks of material misstatement

In the Bank's financial position, with reference to 31 December 2024, deferred tax assets recognized in previous years in the amount of 114,450 thousand Meticaís were derecognized, as detailed in Note 2 (n) and Note 28 of the Annex to the financial statements.

Taking as a reference the requirements of IAS 12 - "Income taxes", deferred tax assets are recognized to the extent of the Bank's Management's expectations regarding their future recoverability, which is fundamentally based on determining their ability to generate taxable profits and the existence of sufficient future taxable temporary differences.

The analysis of the recognition and recoverability of deferred tax assets was significant for our audit because the amounts are material, the valuation process is complex and subjective, and is based on assumptions that are affected by expected future market or economic conditions, especially with regard to the country's future performance.

Any deviations that may materialize differently from the scenarios considered in the estimation of future tax results, or possible changes in the applicable tax legislation or in the assumptions and interpretations used to determine them, may have relevant impacts on the value of deferred tax assets, which justifies this being a key audit matter.

Summary of our response to the most significant risks of material misstatement

Our approach to the risk of material misstatement included a specific response that resulted, in particular, in the following procedures:

- Understanding of the main assumptions and judgments considered by the Bank's Management to estimate the future evolution of pre-tax results, including the analysis of their consistency with the projections of the Strategic Plan and considering the impacts of the Russia-Ukraine war and the effects related to the social and political situation in Mozambique, observed since October 2024
- With the involvement of internal experts in tax matters, analysis of the assumptions used in estimating deferred tax assets;
- Analysis of calculations carried out by the Bank's services to demonstrate the recoverability of deferred tax assets, recalculating estimates of tax projections based on the interpretation of current tax legislation;
- Analysis of the disclosures in the Annex to the financial statements relating to this matter, based on the requirements of international financial reporting standards and accounting records.



Other information

The Board of Directors is responsible for the other information. The other information comprises the Annual Directors' Report as required by the Commercial Code of Mozambique. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS), and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing BIM's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate BIM or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing BIM's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BIM's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- ▶ Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on BIM's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause BIM to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicated with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In addition, we have stated to the Board of Directors that we comply with the relevant ethical requirements regarding independence and communicate all relationships and other matters that may be perceived as threats to our independence and, where applicable, the respective safeguards.

Of the matters that we have communicated to the Board of Directors, we have determined those that were the most important in the audit of the individual financial statements for the current period and which are the relevant audit matters. We describe these matters in our audit report, except where the law or regulation prohibits public disclosure or when, in rare circumstances, we determine that the matter should not be disclosed in our report because doing so would have adverse consequences that are expected to outweigh the benefits of the public interest.

The engagement partner on the audit resulting in this independent auditor's report is Eduardo Caldas.

ERNST & YOUNG - SOCIEDADE DE CONTABILISTAS E AUDITORES CERTIFICADOS, S.A.

Represented by:

Eduardo Jorge Creio da Costa Caldas (Certified Auditor Nr. 33)

Maputo, 28 February 2025



Report and Opinion of the Fiscal Council

BIM - Banco Internacional de Moçambique

REPORT AND OPINION OF THE FISCAL COUNCIL

BANCO INTERNACIONAL DE MOÇAMBIQUE, S.A.

RELATORIO E CONTAS 2024

SINTESE DA ACCAO FISCALIZADORA DO CONSELHO FISCAL

Exmos. Senhores Accionistas

No cumprimento das competências regulamentares emergentes da Lei e das disposições estatutárias, o Conselho Fiscal (CF) do Banco Internacional de Moçambique - BIM (adiante designado por Banco), submete à Vossas Excelências, a síntese da acção fiscalizadora, bem como o parecer sobre as Demonstrações Financeiras do Banco e o Relatório do Conselho de Administração, relativos ao exercício findo em 31 de Dezembro de 2024.

O exercício de 2024, foi marcado por um ambiente em que, a avaliação de riscos e incertezas associados às projecções da inflação, manteve-se estável, em resultado, essencialmente, (i) da estabilidade do Metical face ao Dólar e (ii) do impacto das medidas de política monetária. Admitindo as perspectivas de inflação de um dígito, no médio prazo, o Banco Central reduziu, no final do mês de Novembro, a taxa de juro de política monetária (MIMO), de 13,50 % para 12,75 %, apesar dos impactos decorrentes da tensão pós-eleitoral nas actividades económicas.

Da análise das principais transacções que explicam as variações mais significativas dos indicadores de actividade do Banco, o Conselho Fiscal verificou que as mesmas foram fortemente influenciadas pelas condições macroeconómicas e pelo efeito das medidas de Política Monetária.

De acordo com o mandato que lhe foi cometido, o Conselho Fiscal (CF), procedeu de forma sistemática, com a periodicidade e a extensão que julgou adequadas, ao acompanhamento da actividade do banco, nomeadamente, da gestão e evolução do negócio do Banco, da regularidade dos registos contabilísticos e do cumprimento das disposições legais aplicáveis, através: (i) de informação de gestão e contabilística disponibilizada, nas reuniões mensais com a Contabilidade do Banco, (ii) das informações e esclarecimentos prestados nas reuniões do Conselho de Administração e nos encontros realizados com diversas áreas do Banco e com os Auditores Externos.

No seguimento do acompanhamento efectuado à actividade do Banco, o Conselho Fiscal constatou e apreciou o continuado esforço, desenvolvido pelo Conselho de Administração para resguardar o Balanço, cujos resultados se reflectem na qualidade dos seus indicadores.

No âmbito dos deveres que estatutariamente lhe estão atribuídos, o CF, zelou pela observância das normas emitidas pelas autoridades de supervisão, bem como das políticas gerais, normas e práticas instituídas internamente.

Esteve sempre presente nas reuniões do Conselho de Administração e através do seu Presidente nas Comissões de Auditoria e de Avaliação de Riscos, cujos resultados foram determinantes na realização da sua actividade.

O CF teve sempre acesso à documentação que considerou necessária e obteve, quando preciso, do Conselho de Administração e dos Serviços, os esclarecimentos pertinentes.

Tendo em vista a recolha de informações e dos esclarecimentos necessários para a melhor compreensão do impacto do negócio e da actividade operacional, nas demonstrações financeiras, foram objecto de especial acompanhamento, por parte do CF, as funções e actividades de gestão de risco, controlo interno e conformidade, auditoria interna, *Compliance office*, *Risk Office*, reporte financeiro e auditoria externa.

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BANCO INTERNACIONAL DE MOÇAMBIQUE, S.A.

RELATORIO E CONTAS 2024

SINTESE DA ACCAO FISCALIZADORA DO CONSELHO FISCAL

Em linha com a sua prática habitual, realizou com a periodicidade que considerou adequada, reuniões regulares, com áreas relevantes do Banco, nomeadamente com Auditoria Interna, *Compliance Office*, *Risk Office*, Crédito, Recuperação de Crédito, Crédito em Contencioso e *Litigation*, Desenvolvimento de Negócio de Retalho, Centro Corporativo e com o Auditor Externo, cuja colaboração regista com muito apreço.

Do acompanhamento efectuado à actividade de Auditoria Interna e da avaliação da sua eficácia, o CF tomou conhecimento exaustivo (i) do processo de execução do Plano de Auditoria, com ênfase para as actividades planeadas da DAU e dos balcões, (ii) na verificação das principais conclusões das auditorias realizadas aos processos de suporte ao negócio e transaccionais; (iii) das notações atribuídas, (iv) no diagnóstico do cumprimento das recomendações emitidas pela Direcção de Auditoria e dos pontos de resposta, (v) bem como da percepção dos relatórios de auditoria emitidos, (vi) das deficiências das auditorias com notação reduzida, (vii) das maiores perdas operacionais, (viii) das principais tipologias de fraudes registadas em 2024 e das consequentes medidas disciplinares, (ix) e dos controlos implementados para a prevenção e combate à fraude.

Ainda no âmbito desta competência, o CF tomou conhecimento da generalidade dos relatórios produzidos pela DAU, na sequência de auditorias internas realizadas a diversos processos e procedimentos internos.

O CF inteirou-se, também, dos principais registos/ocorrências/recomendações no relacionamento com o Supervisor, com destaque para nomeação em 02 de Maio de 2024, do Inspector Residente no BIM.

Tomou conhecimento dos aspectos relevantes da Inspeção *on site* do Banco de Moçambique que decorreu entre 27 de Maio a 08 de julho de 2024, no quadro do follow-up da Inspeção de Conduta de 2022 e na verificação *ad hoc* do sistema de pagamentos e da conformidade da legislação cambial. O CF foi informado da criação do *Steering Committe* semanal, com a participação de todos os *owners* das recomendações, da Inspeção *on site* de 2024, com objectivo de definir e acompanhar a implementação dos Planos de Acção decorrentes das conclusões da referida Inspeção.

Em consequência do acompanhamento e das análises efectuadas, o Conselho Fiscal inteirou-se dos temas prioritários identificados em função das recomendações emitidas no âmbito das inspeções realizadas pelo Supervisor, em conjugação com os pedidos de informação endereçados ao Banco, tendo, por consequência, dedicado particular atenção e interesse, à avaliação das recomendações em causa.

Ainda no âmbito do acompanhamento à actividade de Auditoria Interna (DAU) e da avaliação da sua eficácia, o Conselho Fiscal elucidou-se do estado das recomendações emitidas pela DAU, em resultado das auditorias de âmbito sistémico, assim como de Entidades Externas, nomeadamente do Regulador, Auditoria do BCP, Deloitte, KPMG, e Ernest & Young.

O CF acompanhou com particular atenção o Relatório de Conformidade relativo à Inspeção de Conduta do BM em 2024, tendo reservado especial cuidado às determinações específicas emitidas, assim como, a implementação das respectivas recomendações.

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BANCO INTERNACIONAL DE MOÇAMBIQUE, S.A.

RELATORIO E CONTAS 2024

SINTESE DA ACCAO FISCALIZADORA DO CONSELHO FISCAL

Esteve atento ao acompanhamento do processo de implementação das iniciativas da DAU de 2024, nomeadamente no que se refere a (i) Certificação dos Colaboradores da DAU em IAP (Internal Audit Practitioner), (ii) Desenvolvimento de uma framework e criação de procedimentos com o objectivo de fornecer suporte às acções de revisão de qualidade da função de auditoria interna, (iii) Formação a todos os colaboradores da DAU para garantir a qualidade e a conformidade das práticas internacionais de auditoria.

Apreciou com interesse o Programa de Formação para 2025, mormente para (i) Auditoria Forense, (ii) Modelos de Imparidades, (iii) Regime dos Preços de Transferência, (iv) Planeamento Fiscal, (v) Auditoria Fiscal e Tributária, (vi) Técnicas de Investigação de Fraudes e (vii) Certificação IAP.

No âmbito do *Compliance Office*, o CF efectuou o acompanhamento da evolução da actividade, nos temas respeitantes ao relacionamento com as autoridades (GIFIM, BdM e PGR), monitorização de transacções suspeitas de branqueamento de capitais, acompanhamento dos pedidos de desenvolvimentos informáticos, com destaque para a entrada em produção do novo sistema de monitorização do BC/FT/FP - *SAS Compliance Solutions*, do ponto de situação das recomendações emitidas pelo COFF e para o COFF do BCP, Deloitte, DAU e KPMG.

Ainda no quadro das actividades do COFF, o CF tomou conhecimento das acções realizadas no último trimestre do ano nomeadamente (i) apreciação e envio ao Conselho de Administração do Relatório final da Inspeção *on-site* do Banco de Moçambique, que decorreu entre 27 de Maio a 08 de Julho de 2024, (ii) participação em acções de coordenação para a melhoria de qualidade das comunicações de operações suspeitas ao GIFIM, sob a supervisão do Banco de Moçambique, (iii) monitoria das operações de pagamentos via cartão e dos limites transaccionais dos cartões bancários do Banco.

Do rastreamento efectuado às actividades do *Compliance Office* (COFF), o CF prestou atenção necessária ao Processo Contravencional n.º 06/DSP/DIAT/2024, relativo à falha no dever de conservação e a respectiva resposta do Banco.

No quadro do relacionamento com o GIFIM, tomou conhecimento das transacções reportadas até 31/12/2024, mormente a comunicação de transacções de limiar legal, com prevalência (para poucos casos) de algumas inconsistências de dados¹. Da informação a que teve acesso, o CF realça o esforço positivo do Banco, traduzido no cumprimento dos requisitos de reporte de transacções de limiar legal, com uma média de percentagem na ordem dos 100%.

O CF constatou que a actividade do *Compliance Office*, esteve, também, focalizada em acomodar as exigências do GIFIM para o reporte das transacções de limiar legal, fraccionadas, diárias, no sentido de limitar o nº de transacções e o respectivo tamanho por ficheiro. O CF tomou conhecimento da entrada em produção de uma nova versão do GOAML, que prevê a introdução de mais campos, cujo desenvolvimento informático está em curso.

- ☐ ¹ Nacionalidade diferente do país emissor do Passaporte;
- ☐ Nacionalidade estrangeira, mas possui BI;
- ☐ Nacionalidade moçambicana, mas o cliente possui DIRE/Cartão de refugiado;
- ☐ Cliente tem DIRE, porém não reside em Moçambique;
- ☐ Cidade não corresponde ao país de residência.

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BANCO INTERNACIONAL DE MOÇAMBIQUE, S.A.

RELATORIO E CONTAS 2024

SINTESE DA ACCAO FISCALIZADORA DO CONSELHO FISCAL

Foram reportadas transacções potencialmente ligadas ao branqueamento de capitais, designadamente por motivos diversos².

Ainda no âmbito do seguimento da actividade do COFF, o CF tomou conhecimento das acções realizadas no âmbito de monitorização de transacções suspeitas de branqueamento de capitais, avaliação interna de risco AML, bem como no quadro de verificação legal dos temas relacionados com serviços financeiros gratuitos, cartões bancários e produtos e serviços comercializados pelo Banco.

No domínio do *Risk Office* (ROFF), o Conselho Fiscal seguiu atentamente as actividades do ROFF, tendo, no quadro da informação disponibilizada, concentrado esforços no(a): (i) acompanhamento dos exercícios periódicos de autoavaliação do perfil do risco do Banco (ii) avaliação dos mecanismos de controlo e de monitorização dos diversos riscos, (iii) evolução dos respectivos indicadores de risco, (iv) acompanhamento da revisão efectuada aos mesmos, no âmbito do processo de identificação e definição das métricas de risco do Banco, *RAS - Risk Appetite Statement*, apreciando os resultados daí decorrentes e as principais conclusões alcançadas, (v) entendimento dos procedimentos de controlo adoptados, dos níveis de exposição observados em relação às categorias de risco com potencial impacto material mais significativo, (vi) no monitoramento do sistema de controlo interno e dos procedimentos operacionais do Banco, (vii) bem assim, da situação dos Projectos em curso no ROFF.

O CF notou que todos os resultados apurados, a nível da solvência, mantêm o Banco dentro do nível aceitável de *Apetite de Risco-Zona de conforto*.

Ainda no âmbito das suas competências, o CF acompanhou e apreciou o exercício anual do ICAAP tendo, também, tomado conhecimento do Plano de Recuperação do Banco, que inclui, no essencial, dois cenários de crise, nomeadamente, o de crise de capital e o de crise de liquidez. O CF elucidou-se sobre as opções credíveis previstas para dar resposta aos cenários de tensão financeira e de restabelecimento da viabilidade e da situação financeira do Banco

Seguindo a prática instituída, focalizou a sua atenção na análise e materialização dos objectivos fixados pelo Regulador, bem como das directrizes emanadas da Comissão de Avaliação de Risco, em matérias de controlo interno e gestão de riscos, tendo avaliado os procedimentos que, a este nível, se encontram implementados no Banco.

Da avaliação efectuada, o CF observou que, no geral, a implementação tem-se processado no quadro do que se encontra determinado ou planeado, sendo que, para os casos em que se requer uma maior mitigação dos riscos, o CF constatou que os respectivos mecanismos se encontram adequadamente definidos.

No quadro do acompanhamento da actividade do *Risk Office*, o CF apreciou atentamente o conteúdo do Relatório de Disciplina de Mercado, cuja publicação enquadra-se no âmbito dos requisitos de prestação de informação previstos no Pilar III do acordo de Basileia II e complementa a informação disponibilizada no Relatório e Contas do Banco.

- ❑ ² Venda de cripto activos, bloqueio de sites de vendas de cripto moedas;
- ❑ Aumento substancial de saldo sem motivo aparente;
- ❑ Movimentações de contas com valores significativos em numerário, bem como o uso de contas pessoais em operações relacionadas à actividade comercial;
- ❑ Transacções reportadas por não estarem alinhadas com o perfil do cliente e pelo uso de sua conta pessoal para actividades comerciais, o que indica uma possível fuga ao fisco;
- ❑ Uso abusivo de cartões bancários com transaccionalidade no estrangeiro (transferências entre diversas contas e posterior levantamentos em ATM).

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No âmbito da actividade de acompanhamento e de fiscalização da gestão do Banco, o CF seguiu de perto os trabalhos de Auditoria ao Millennium BIM, S.A. ("BIM"), referentes ao período de 12 meses (1 ano) findo a 31 de Dezembro de 2024, desenvolvidos pelo Auditor Externo {(EY) Ernest Young}, quer, através de reportes e pontos de situação periódicos, por este apresentados, bem como através de reuniões formais realizados com o mesmo, tendo procedido a monitorização e fiscalização da sua actuação e, no quadro do cumprimento dos dispositivos legais e regulamentares aplicáveis, supervisionado o seu desempenho, o respeito pelos limites definidos e fiscalizado a sua independência, a sua adequação técnica e profissional, a sua idoneidade e o seu cepticismo profissional.

Dessa avaliação e decorrente também do relacionamento regular mantido com o Auditor Externo, o CF destaca a correcta planificação dos procedimentos de auditoria, factor que tem contribuído, positivamente para que a execução desses procedimentos, bem como a apresentação ao CF das principais conclusões dos trabalhos realizados, decorressem de forma adequada e eficiente.

Com efeito, do julgamento efectuado à sua prestação, como Auditor Externo, o Conselho Fiscal concluiu que o mesmo exerceu a sua actividade, ao longo do exercício de 2024, com independência, objectividade e cepticismo profissional.

O Conselho Fiscal dedicou a atenção necessária à avaliação dos resultados da Auditoria às Demonstrações Financeiras Consolidadas e Individuais, efectuada pela Ernest Young, no quadro dos procedimentos de verificação da adequação e supervisão do cumprimento das políticas, dos critérios e das práticas contabilísticas adoptadas e da regularidade dos documentos que lhes servem de suporte.

Nesse contexto, e no âmbito das suas funções, foi objecto de particular atenção do CF:

- a) O trabalho de Auditoria às Demonstrações Financeiras do Banco com referência a 31 de Dezembro de 2024, de acordo com as Normas Internacionais de Auditoria (ISA's), emitidas pelo International Auditing and Assurance Standards Board (IAASB);
- b) O Relatório de Auditoria para efeitos de reporte estatutário;
- c) O entendimento sobre constatações, em acompanhamento, identificadas na Auditoria às contas de 31 de dezembro de 2023 e seu desenvolvimento com referência:
 - ☐ Aos procedimentos de Revisão Limitada efectuados pela equipa do Auditor Externo, com referência a 30 de Junho de 2024;
 - ☐ Aos Procedimentos substantivos com referência a 30 de Setembro de 2024;
- d) A percepção sobre as constatações prévias em acompanhamento, com referência a 30 de Setembro de 2024, efectuados pela equipa do Auditor Externo, com base nas Normas Internacionais de Auditoria (ISA's), emitidas pelo International Auditing and Assurance Standards Board (IAASB);
- e) O entendimento do trabalho de Auditoria às Demonstrações Financeiras do Banco, que reflectem os resultados das suas operações para o exercício findo em 31 de Dezembro de 2024, as quais compreendem o balanço, as demonstrações dos resultados, das alterações nos capitais próprios e dos fluxos de caixa, bem como o respectivo anexo, que inclui as políticas contabilísticas, os critérios de reconhecimento e outras componentes associadas;

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- f) A avaliação da adequabilidade do Sistema de Controlo Interno e informação relevante sobre as contas do Banco reportadas a 31 de Dezembro de 2024, nomeadamente, o Relatório de Auditoria para efeitos de reporte ao Grupo BCP e o Relatório de Auditoria para efeitos de reporte Estatutário;
- g) O entendimento sobre a implementação dos principais temas identificados e das respectivas recomendações, relativamente aos quais o Auditor Externo entende que devem manter-se em acompanhamento;
- h) O entendimento sobre as novas constatações identificadas com referência a 31 de Dezembro de 2024, com impacto material nas Demonstrações Financeiras do Banco, nomeadamente:
 - a. Dívida Soberana - agravamento do *rating* de Moçambique para CCC pela S&P em Outubro de 2024, aplicável apenas à dívida em moeda nacional, tendo o Banco, com base na metodologia em vigor, procedido o agravamento do respectivo PD para 16,29% (versus 3,51% com referência a 31 de Dezembro de 2023). Com efeito, com base na exposição de BT's e OT's em carteira, com referência a 31 de Dezembro de 2024, foi efectuado o reforço de imparidade em 2,4 mil milhões de Meticais, cujo valor foi devidamente reflectido no resultado do exercício;
 - b. Imparidade de Equipamento Fabril - Este activo foi reclassificado em 2024, da conta Propriedades de Investimento para Outros Activos, tendo incidido sobre o mesmo uma imparidade de 601 303 994 Meticais, cujo cálculo foi validado pelo Auditor Externo.

Da avaliação do impacto total agregado das constatações identificadas (em Activo, Passivo, Capitais Próprios, e Resultados), o Auditor Externo, considera o respectivo valor imaterial, para efeitos do reporte estatutário e para efeitos de reporte ao Grupo BCP, com referência a 31 de Dezembro de 2024.

O CF procedeu a verificação do estágio de implementação das 13 (treze) recomendações do Auditor Externo (EY) em aberto em 31 de Dezembro de 2023, tendo constatado que 9 (nove) se encontram devidamente implementadas e certificadas pela EY e 4 (quatro) em curso, cujos temas continuarão a ser objecto de monitorização por forma a assegurar a sua resolução no decorrer do exercício que se segue.

O CF constatou que numa perspectiva do Reporte Estatutário a 31 de Dezembro, os auditores não identificaram, à data, temas com impacto material no relatório de auditoria, sendo que as diferenças e temas de auditoria identificados não impactam o RAI.

No quadro das suas responsabilidades, o Conselho Fiscal acompanhou a informação financeira produzida pelo Banco e que lhe foi sendo mensalmente apresentada pela Direcção de Contabilidade e periodicamente pelo Centro Corporativo, com incidência na síntese macroeconómica, evolução dos principais indicadores, factores chaves com influência no balanço e conta de resultados e compromissos para o período em análise.

Analisou as principais transacções que explicam as variações mais significativas dos principais indicadores de actividade do Banco, os quais verificou estarem influenciados pelas condições macroeconómicas e pelo efeito das medidas de Política Monetária.



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Da sua observação, o CF concluiu que, de um modo geral, a síntese de indicadores revela, comparativamente ao período homólogo: (i) uma evolução positiva de alguns indicadores, nomeadamente dos Recursos de Clientes (+7,1%), da Carteira de Crédito (líquido) (+2,2%) com realce para o crescimento da carteira de crédito a particulares e, (ii) uma redução do Resultado Líquido de cerca de (-54,1%), influenciado pela constituição em 2024, de 2,4 mil milhões de Meticais em imparidade de títulos de dívida pública, decorrente da revisão em baixa do *rating* para emissões em moeda nacional do Estado Moçambicano, justificável pelo seu alinhamento prudencial, no quadro do cumprimento das medidas de conformidade regulatória e de mitigação de risco. Este processo foi objecto de particular atenção e acompanhamento por parte do CF.

No contexto do monitoramento das actividades do Banco, o CF, no quadro do que tem sido habitual, focalizou a sua actividade na análise da evolução dos principais indicadores, bem como na verificação do comportamento das maiores exposições do Estado, do sector público e privado e do crédito em mora e em contencioso, com destaque para os empréstimos com sinais de imparidade.

Esteve atento ao processo de provisionamento do risco de crédito, com o objectivo de garantir o conhecimento necessário da exposição de crédito do Banco e da suficiência e adequação das provisões e imparidades constituídas.

Procedeu às validações e controlos que pela lei e estatutos lhe são cometidos, segundo metodologia, regularidade e procedimentos entendidos, nas circunstâncias, como adequados.

Da análise e avaliações efectuadas, o CF concluiu não existirem ocorrências de aspectos materialmente relevantes detectados que possam colocar em causa a situação da solidez e solvabilidade do Banco.

No cumprimento das suas atribuições, o CF acompanhou com atenção e aferiu, com a oportunidade necessária, a eficácia dos sistemas de governação do Banco.

No seguimento das suas competências, focou-se na avaliação, monitorização e implementação das recomendações dos Relatórios:

- ☐ de Auto-Avaliação e Indicador de Controlo Interno;
- ☐ da Carta de Recomendações dos Auditores Externos.

Com referência ao período decorrido entre 1 de Dezembro de 2023 e 30 de Novembro de 2024 (período de referência), o CF emitiu, em 11 de Dezembro de 2024, o seu parecer sobre o Sistema de Controlo Interno do Banco, no âmbito do processo anual de autoavaliação da adequação e eficácia da cultura organizacional do Banco e dos seus sistemas de governo e controlo interno, nos termos do disposto no Aviso 3/2020 do BdP.

Nos termos da OS 0222- Política de Aprovação e Contratação de Serviços Prestados pelos Auditores Externos e nos demais normativos que regem as transacções com partes relacionadas, bem como a lei de probidade pública, o CF tomou conhecimento e pronunciou-se sobre os processos relativos à contratação de consultores externos, com experiência relevante, para prestação de serviços no âmbito de:

- ☐ Formação em IFRS - *International Financial Reporting Standards*, assente numa forte componente prática e orientada para utilidade profissional a obter pelos formandos das áreas de Auditoria Interna, Contabilidade, Centro Corporativo, *Compliance Office* e *Risk Office*;

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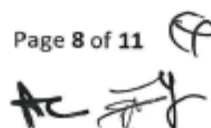
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- ❑ Avaliação de cinco pedidos, da permissibilidade de prestação de serviços distintos de auditoria pelo Auditor Estatutário do Banco, nos termos do pré-requisito de *pre-concurrence* em conformidade com o disposto na secção R600.21-R60023 do Código de Ética de IESBA, emitido pela *International Federation of Accountants*, que exige que os auditores comuniquem ao TCWG/CF a avaliação de independência sobre os serviços distintos de auditoria (NAS), de forma a obter a *pre-concurrence* dos TCWG/CF das PIEs, previamente ao início da prestação dos serviços e à celebração dos contratos;
- ❑ Apoio ao Banco na avaliação de transacções de sistema de pagamentos, na sequência dos problemas de comunicações e das indisponibilidades verificadas no BIM, relativamente aos sistemas de pagamentos;
- ❑ Proposta de Adenda celebrada, entre o Millennium BIM e a Ernest Young, relacionada com a *Engagement Letter* - Auditoria de 30.06.2024 e 30.12.2024, enquadrada na Carta Compromisso nº. 564/EY/2023 de 05, sobre os termos e condições em que a ERNST & YOUNG foi contratada para auditar e relatar sobre as demonstrações financeiras do BIM, relativas aos exercícios de 2023, 2024 e 2025, com referência a 31 de Dezembro de cada ano;
- ❑ Contratação da KPMG para efeitos de revisão das provisões para sinistros, no âmbito do Projecto Indico, nomeadamente produção do Relatório de Constatações Factuais sobre as reservas técnicas da Seguradora Internacional de Moçambique, S.A. (SIM), incluindo validação da participação accionária detida pela Seguradora Internacional de Moçambique, S.A. na Constellation SA, cujo processo se enquadra no âmbito da venda parcial da participação social do BIM na Fidelidade;
- ❑ Formação em auditoria interna, a todos colaboradores da DAU, sobre práticas internacionais de auditoria interna, tendo em vista reforçar e elevar a qualidade da função de auditoria interna, em resposta às recomendações da Inspeção *on site* 2024 do BdM;
- ❑ Apoio metodológico ao modelo de cálculo de imparidade e evolução da aplicação de suporte, com enfoque na sustentação dos processos de actualização periódica dos factores de risco, bem como no apoio na preparação de requisitos e testes à implementação;
- ❑ Criação, estruturação e definição de funções e competências da área de Gestão de Fraude Integrada no *Compliance Office*;
- ❑ Apoio na actualização e robustecimento das metodologias de evolução dos exercícios de *Stress Testing* e ICAAP, nomeadamente no que se refere à actualização e robustecimento das suas metodologias, cujo âmbito do projecto deve assentar na:
 - ✓ Redefinição das metodologias e magnitudes para diversos tipos de risco;
 - ✓ Produção de apresentações-resumo para a aprovação das metodologias e dos resultados pela Comissão Executiva e Comissão de Avaliação de Riscos;
 - ✓ Elaboração do manual metodológico e manual de utilizador da ferramenta que tenha sido criada;

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- ☐ Avaliação/validação independente dos controlos de segurança existentes ao abrigo da *framework* da *swift*, com o intuito de mitigar o risco cibernético inerente às transacções financeiras e fortalecer a segurança da comunidade financeira a nível global;
- ☐ Apoio ao Órgão de Fiscalização do Banco na execução de um conjunto de actividades de avaliação do Sistema de Governo e Controlo Interno do BIM, nomeadamente em matérias relacionadas com desenho, implementação e eficácia operacional, cujas conclusões contribuam e sirvam de suporte ao parecer sobre o Governo Corporativo e Sistema de Controlo Interno, em base consolidada.

No âmbito das suas funções e nos termos das disposições legais e regulamentares, o CF pronunciou-se sobre os casos relativos ao crédito concedido à entidades correlacionadas, bem como à sociedades ou outros entes colectivos, directa ou indirectamente dominados pela entidade correlacionada, ou que com ela estejam em relação de grupo, nos termos da legislação em vigor.

Foi informado, com a regularidade considerada necessária, sobre o processo de monitorização e validação dos créditos correlacionados, efectuadas pela Direcção de Auditoria, nos termos dos princípios estabelecidos no nº 2 do artigo 3º do Aviso nº.9/GBM/2007 de 30 de Março e da NP0319 - Créditos Correlacionados - Circuitos e Procedimentos.

O Conselho Fiscal, nos termos das disposições legais e regulamentares, procedeu à fiscalização e monitoria da actividade do Auditor Externo.

Apreciou o Relatório dos Auditores Independentes, emitido pela Ernest & Young, Lda, nos termos do disposto no nº 2 do Artº 42º dos Estatutos do Banco, cujo conteúdo mereceu especial atenção, com realce para as matérias relevantes de auditoria, destacadas no referido relatório.

O CF tomou conhecimento da carta de recomendações emitida pelos Auditores Externos, cujo conteúdo assenta em diversas matérias que foram objecto de verificação e validação no decurso do trabalho de auditoria.

Nos termos da lei e do mandato conferido, o CF examinou as Demonstrações Financeiras, bem como os respectivos anexos, incluindo as políticas contabilísticas e os critérios valorimétricos adoptados, tendo constatado que as políticas contabilísticas foram aplicadas de forma consistente.

O Conselho Fiscal observou que as mesmas foram preparadas de acordo com as Normas Internacionais de Relato Financeiro e que as mesmas reflectem os resultados das operações do Banco para o exercício findo em 31 de Dezembro de 2024.

O Conselho Fiscal procedeu à análise do Relatório de Gestão do exercício de 2024, preparado pelo Conselho de Administração, tendo concluído que o mesmo é suficientemente esclarecedor da evolução dos negócios, da situação do Banco, da envolvente económica e do mercado.

No contexto da sua actividade fiscalizadora, o Conselho Fiscal:

- ☐ Não se deparou com constrangimentos à sua actuação, tendo obtido as informações e esclarecimentos que entendeu necessários solicitar aos demais órgãos de governo do Banco, assim como aos respectivos serviços, tendo contado sempre com a sua total colaboração;
- ☐ Não se deparou com quaisquer constrangimentos e não lhe foi reportada, nem verificou, qualquer irregularidade ou acto lesivo aos interesses do Banco, por parte dos accionistas, colaboradores ou outros.

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As Demonstrações Financeiras do Banco auditadas pelo Auditor Externo evidenciam:

- ☐ Que o Balanço do BIM - Banco Internacional de Moçambique, S.A., à data de 31 de Dezembro de 2024, reflecte adequadamente a situação financeira do Banco, sendo que o Activo total é de 201 954 milhões de Meticais;
- ☐ Que a Demonstração de Resultados espelha um lucro do Banco de 3 309 milhões de Meticais, que traduz o resultado da actividade do Banco;
- ☐ Que a Demonstração de Rendimento Integral apresenta um rendimento integral do Banco de 3 627 milhões de Meticais;
- ☐ Que a Demonstração dos Fluxos de Caixa do Banco apresentou um aumento durante o ano em Caixa e seus equivalentes de 1 364 milhões de Meticais;
- ☐ Que a Demonstração das Alterações nos Capitais Próprios evidencia um Capital Próprio em 31 de Dezembro de 2024 de 34 563 milhões de Meticais para o Banco, uma descida de 2 322 milhões de meticais relativamente ao ano anterior.

Na opinião do Conselho Fiscal, o Relatório de Actividades e respectivas Demonstrações Financeiras apresentadas, relativas ao exercício de 2024, as quais incluem o resumo das políticas contabilísticas espelhado na demonstração dos resultados por natureza e na demonstração dos fluxos de caixa, complementadas com os esclarecimentos adicionais, dão uma base segura para o CF poder emitir a sua opinião e recomendação.

Como resultado das verificações efectuadas e informações obtidas:

- ☐ O Conselho Fiscal é de opinião que as Demonstrações Financeiras do Banco (compostas pelas seguintes peças: Balanço, Demonstração de Resultados, Demonstração de Rendimento Integral, Demonstração dos Fluxos de Caixa e Demonstração das Alterações nos Capitais Próprios e respectivas Notas Explicativas):
 - Estão em conformidade com a Lei e satisfazem as disposições estatutárias, bem como as normas emanadas pelo Banco Central;
 - Foram preparadas de acordo com as Normas Internacionais de Relato Financeiro (NIRF); e;
 - Reflectem, de forma verdadeira e apropriada, a situação financeira do Banco em 31 de Dezembro de 2024, bem como o resultado das operações realizadas durante o exercício.
- ☐ O Conselho Fiscal é de parecer favorável que a Assembleia Geral:
 - i). Aprove as Contas relativas ao Exercício de 2024;
 - ii). Aprove o Relatório de Gestão do Conselho de Administração e as Demonstrações Financeiras do BIM - Banco Internacional de Moçambique, referentes ao exercício findo em 31 de Dezembro de 2024.

Ao longo do período em que exerceu funções, o Conselho Fiscal teve a oportunidade de constatar o profissionalismo, a disponibilidade, a dedicação e o forte empenho do Conselho de Administração, da Comissão Executiva e dos Colaboradores do Banco.

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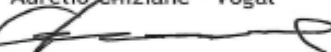
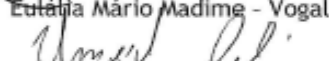
O Conselho Fiscal expressa os seus agradecimentos ao Conselho de Administração e aos Colaboradores das Direcções e das Áreas, com quem mais directamente contactou, a disponibilidade que sempre demonstraram e a elevada qualidade do apoio dispensado para a realização do seu trabalho.

Maputo, 28 de Fevereiro de 2025

O CONSELHO FISCAL



Teotonio Jaime dos Anjos Comiche - Presidente


Aurélio Briziane - Vogal
Eutália Mário Madime - Vogal
Umeid Calú - Vogal Suplente

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BANCO INTERNACIONAL DE MOÇAMBIQUE, S.A.

PARECER DO CONSELHO FISCAL

PROPOSTA DE APLICACAO DE RESULTADOS

O Conselho Fiscal analisou a proposta de aplicação do Resultado Líquido, referente ao Exercício Económico de 2024, tendo constatado que não contraria as disposições legais e estatutárias aplicáveis.

Considerando a solidez financeira, sustentada por um adequado nível de capital, robustez do balanço, confortável posição de liquidez, o Conselho Fiscal é de parecer que a Assembleia Geral aprove a proposta do Conselho de Administração de Distribuição do Resultado Líquido no valor de 3,308,880,377.47 Meticais do seguinte modo:

PROPOSTA DE APLICAÇÃO DE RESULTADOS DO BIM DE 2024

DESCRIÇÃO	%	VALOR (MZN)
Reserva Legal	15.00%	496,332,056.62
Reserva Livres	52.50%	1,737,162,198.17
Reserva para estabilização de dividendos	2.50%	82,722,009.44
Distribuição aos accionistas	30.00%	992,664,113.24
TOTAL	100.00%	3,308,880,377.47


Maputo, 28 de Fevereiro de 2025

O CONSELHO FISCAL


Teotonio Jaime dos Anjos Comiche - Presidente


Aurélio Chiziane - Vogal


Eulália Mário Madime - Vogal


Umeid Calú - Vogal Suplente



Annex To Circular No. 3/SHC/2007

BIM - Banco Internacional de Moçambique

MODELO III

Balanço - Contas Individuais (Activo)

Milhares de MZN

Rubricas		Notas / Quadros anexos	Dezembro 2024			dez/23
			Valor antes de provisões, imparidade e amortizações	Provisões, imparidade e amortizações	Valor Líquido	
	Activo					
10 + 3300	Caixa e disponibilidades em bancos centrais	16	67 195 465	-	67 195 465	57 359 227
11 + 3301	Disponibilidades em outras instituições de crédito	17	4 010 937	-	4 010 937	2 783 319
153 (1) + 158 (1) + 16	Activos financeiros detidos para negociação		9 415 896	-	9 415 896	6 989 511
153 (1) + 158 (1) + 17	Outros activos financeiros ao justo valor através de resultados		-	-	-	-
154 + 158 (1) + 18 + 34888 (1) - 53888 (1)	Activos financeiros disponíveis para venda		84 826		84 826	48 842
13 + 150 + 158 (1) + 159 (1) + 3303 + 3310 (1) + 3408 (1) - 350 - 3520 - 5210 (1) - 5300	Aplicações em instituições de crédito	18	29 155 775	-	29 155 775	23 220 426
14 + 151 + 152 + 158 (1) + 3304 + 3310 (1) + 34000 + 34008 - 3510 - 3518 - 35210 - 35211 - 5210 (1) - 53010 - 53018	Crédito a Clientes	19	47 069 594	1 909 760	45 159 834	44 207 638
156 + 158 (1) + 159 (1) + 22 + 3307 + 3310 (1) + 3402 - 355 - 3524 - 5210 (1) - 5303	Investimentos detidos até à maturidade	20	35 364 638	2 358 324	33 006 314	40 571 937
155 + 158 (1) + 159 (1) + 20 + 3306 + 3310 (1) + 3408 (1) - 354 - 3523 - 5210 (1) - 5308 (1)	Activos com acordo de recompra		-	-	-	-
21	Derivados de cobertura					
25 - 3580	Activos não correntes detidos para venda	23	748 138	127 125,00	621 013,00	582 707
26 - 3581 (1) - 360 (1)	Propriedades de investimento	24	1 407 741	-	1 407 741	2 563 178
27 - 3581 (1) - 360 (1)	Outros activos tangíveis	25	13 757 408	7 620 596	6 136 812	5 966 088
29 - 3583 - 361	Activos intangíveis	26	2 991 784	1 892 443	1 099 341	856 946
24 - 357	Investimentos em filiais, associadas e empreendimentos conjuntos	22	99 501	-	99 501	99 501
300	Activos por impostos correntes	27	432 295	-	432 295	419 213
301	Activos por impostos diferidos	28	-	-	-	114 450
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)	Outros Activos		6 452 142	1 872 262	4 579 880	4 788 686
	Total de activos		218 186 140	15 780 510	202 405 630	190 571 669

(1) Parte aplicável do saldo destas rubricas.

(2) A rubrica 50 deverá ser inscrita no activo se tiver saldo devedor e no passivos se tiver saldo credor.

(3) Os saldos devedores das rubricas 542 e 548 são inscritos no activo e os saldos credores no passivo.

BIM - Banco Internacional de Moçambique

MODELO III (PASSIVO)

Balanço - Contas Individuais (Passivo)

Milhares de MZN

Rubricas		Notas / Quadros anexos	dez/24	dez/23
	Passivo			
38 - 3311 (1) - 3410 + 5200 + 5211 (1) + 5318 (1)	Recursos de bancos centrais	30	50 010	104 126
43 (1)	Passivos financeiros detidos para negociação		6 040	-
43 (1)	Outros passivos financeiros ao justo valor através de resultados		-	-
39 - 3311 (1) - 3411 + 5201 + 5211 (1) + 5318 (1)	Recursos de outras instituições de crédito	30	4 729 006	1 380 974
40 + 41 - 3311 (1) - 3412 - 3413 + 5202 + 5203 + 5211 (1) + 5310 + 5311	Recursos de clientes e outros empréstimos	31	156 784 726	146 446 844
42 - 3311 (1) - 3414 + 5204 + 5211 (1) + 5312	Responsabilidades representadas por títulos		-	-
44	Derivados de cobertura		-	-
45	Passivos não correntes detidos para venda e operações descontinuadas		-	-
47	Provisões	32	490 619	515 095
490	Passivos por impostos correntes		31	19
491	Passivos por impostos diferidos		-	-
481 +/- 489 (1) - 3311 (1) - 3416 (1) + 5206 (1) + 5211 (1) + 5314 (1)	Instrumentos representativos de capital		-	-
480 + 488 +/- 489 (1) - 3311 (1) - 3416 (1) + 5206 (1) + 5211 (1) + 5314 (1)	Outros passivos subordinados		-	-
51 - 3311 (1) - 3417 - 3418 + 50 (1) (2) + 5207 + 5208 + 5211 (1) + 528 + 538 - 5388 + 5318 (1) + 54 (1) (3)	Outros passivos		5 782 629	5 239 553
	Total de Passivo		167 843 061	153 686 611
	Capital			
55	Capital	34	4 500 000	4 500 000
602	Prémios de emissão		-	-
57	Outros instrumentos de capital		-	-
- 56	(Ações próprias)		-	-
58 + 59	Reservas de reavaliação	35	552 189	-12 702
60 - 602 + 61	Outras reservas e resultados transitados	35	26 201 500	25 186 861
64	Resultado do exercício	35	3 308 880	7 210 899
- 63	(Dividendos antecipados)		-	-
	Total de Capital		34 562 569	36 885 058
	Total de Passivo + Capital		202 405 630	190 571 669

BIM - Banco Internacional de Moçambique

MODELO IV

Demonstração de Resultados - Contas Individuais

Milhares de MZN

	Notas / Quadros anexos	dez/24	dez/23
Juros e rendimentos similares	4	20 155 036	20 497 345
Juros e encargos similares	4	6 098 676	6 520 717
Margem financeira		14 056 360	13 976 628
Rendimentos de instrumentos de capital	5	72 423	67 588
Rendimentos com serviços e comissões		4 406 669	3 652 839
Encargos com serviços e comissões		1 663 271	948 794
Resultados de activos e passivos avaliados ao justo valor através de resultados		7 913	684
Resultados de activos financeiros disponíveis para venda		-	-
Resultados de reavaliação cambial		1 060 516	1 121 720
Resultados de alienação de outros activos		-	-
Outros resultados de exploração		279 508	325 218
Produto bancário		18 220 118	18 195 883
Custos com pessoal	9	3 704 171	3 472 655
Gastos gerais administrativos	10	4 086 325	3 996 496
Amortizações do exercício	11	1 292 252	1 234 001
Provisões líquidas de reposições e anulações		260 897	168 522
Imparidade de outros activos financeiros líquida de reversões e recuperações		2 812 768	-1 315 047
Imparidade de outros activos líquida de reversões e recuperações		585 027	383 558
Resultados antes de impostos		5 478 678	10 255 698
Impostos			
Correntes	14	2 072 031	2 186 717
Diferidos	14	97 767	858 082
Resultados após impostos		3 308 880	7 210 899
Do qual: Resultado líquido após impostos de operações descontinuadas			

BIM - Banco Internacional de Moçambique

MODELO V Balanço - Contas Consolidadas Ajustadas (Activo)

Milhares de MZN

Rubricas		Dez-24	Dez-23
	Activo		
10 + 3300	Caixa e disponibilidades em bancos centrais	67 195 465	57 359 227
11 + 3301	Disponibilidades em outras instituições de crédito	4 010 937	2 783 319
153 (1) + 158 (1) + 16	Activos financeiros detidos para negociação	9 415 896	6 989 511
153 (1) + 158 (1) + 17	Outros activos financeiros ao justo valor através de resultados		
154 + 158 (1) + 18 + 34888 (1) - 53888 (1)	Activos financeiros disponíveis para venda	84 826	48 842
13 + 150 + 158 (1) + 159 (1) + 3303 + 3310 (1) + 3408 (1) - 350 - 3520 - 5210 (1) - 5300	Aplicações em instituições de crédito	29 155 775	23 220 426
14 + 151 + 152 + 158 (1) + 3304 + 3310 (1) + 34000 + 34008 - 3510 - 3518 - 35210 - 35211 - 5210 (1) - 53010 - 53018	Crédito a Clientes	45 159 834	44 207 638
156 + 158 (1) + 159 (1) + 22 + 3307 + 3310 (1) + 3402 - 355 - 3524 - 5210 (1) - 5303	Investimentos detidos até à maturidade	33 006 314	40 571 937
155 + 158 (1) + 159 (1) + 20 + 3306 + 3310 (1) + 3408 (1) - 354 - 3523 - 5210 (1) - 5308 (1)	Activos com acordo de recompra	-	-
21	Derivados de cobertura		
25 - 3580	Activos não correntes detidos para venda	621 013	582 707
26 - 3581 (1) - 360 (1)	Propriedades de investimento	1 407 741	2 563 178
27 - 3581 (1) - 360 (1)	Outros activos tangíveis	6 136 812	5 966 088
28 + 29 - 3582 - 3583 - 361	Activos intangíveis	1 099 341	856 946
230 + 231 + 239 (1) - 356 (1)	Investimentos em filiais excluídas de consolidação, associadas e empreendimentos conjuntos	-	-
232 + 239 (1) - 356 (1)	Filiais não sujeitas à supervisão do Banco de Moçambique (4)	976 702	942 535
300	Activos por impostos correntes	432 295	419 213
301	Activos por impostos diferidos	-	114 450
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)	Outros Activos	4 579 880	4 788 686
	Total de activos	203 282 831	191 414 703

(1) Parte aplicável do saldo destas rubricas.

(2) A rubrica 50 deverá ser inscrita no activo se tiver saldo devedor e no passivos se tiver saldo credor.

(3) Os saldos devedores das rubricas 542 e 548 são inscritos no activo e os saldos credores no passivo.

(4) Reconhecimento pelo método de equivalência patrimonial



BIM - Banco Internacional de Moçambique

MODELO V Balanço - Contas Consolidadas Ajustadas (Passivo)

Milhares de MZN

Rubricas		Dez-24	Dez-23
	Passivo		
38 - 3311 (1) - 3410 + 5200 + 5211 (1) + 5318 (1)	Recursos de bancos centrais	50 010	104 126
43 (1)	Passivos financeiros detidos para negociação	6 040	-
43 (1)	Outros passivos financeiros ao justo valor através de resultados	-	-
39 - 3311 (1) - 3411 + 5201 + 5211 (1) + 5318 (1)	Recursos de outras instituições de crédito	4 729 006	1 380 974
40 + 41 - 3311 (1) - 3412 - 3413 + 5202 + 5203 + 5211 (1) + 5310 + 5311	Recursos de clientes e outros empréstimos	156 784 726	146 446 844
Anexo à Circular nº 3/SHC/2007	Responsabilidades representadas por títulos	-	-
44	Derivados de cobertura	-	-
45	Passivos não correntes detidos para venda e operações descontinuadas	-	-
47	Provisões	490 619	515 095
490	Passivos por impostos correntes	31	19
491	Passivos por impostos diferidos	-	-
481 +/- 489 (1) - 3311 (1) - 3416 (1) + 5206 (1) + 5211 (1) + 5314 (1)	Instrumentos representativos de capital	-	-
480 + 488 +/- 489 (1) - 3311	Outros passivos subordinados	-	-
51 - 3311 (1) - 3417 - 3418 + 50 (1) (2) + 5207 + 5208 + 5211 (1) + 528 + 538 - 5388 + 5318 (1) + 54 (1) (3)	Outros passivos	5 782 629	5 239 553
	Total de Passivo	167 843 061	153 686 611
	Capital		
55	Capital	4 500 000	4 500 000
602	Prémios de emissão	-	-
57	Outros instrumentos de capital	-	-
- 56	(Acções próprias)	-	-
58 + 59	Reservas de reavaliação	552 189	-12 702
60 - 602 + 61	Outras reservas e resultados transitados	27 044 482	25 962 992
	Resultado do exercício	3 343 099	7 277 802
- 63	(Dividendos antecipados)	-	-
62	Interesses minoritários	-	-
	Total de Capital	35 439 770	37 728 092
	Total de Passivo + Capital	203 282 831	191 414 703

BIM - Banco Internacional de Moçambique

MODELO VI Demonstração de Resultados - Contas Consolidadas Ajustadas

Milhares de MZN

Rubricas		DEZ-24	Dez-23
79 + 80	Juros e rendimentos similares	20 155 036	20 497 345
66 + 67	Juros e encargos similares	6 098 676	6 520 717
	Margem financeira	14 056 360	13 976 628
82	Rendimentos de instrumentos de capital	72 423	67 588
81	Rendimentos com serviços e comissões	4 406 669	3 652 839
68	Encargos com serviços e comissões	1 663 271	948 794
- 692 - 693 - 695 (1) - 696 (1) - 698 - 69900 - 69910 + 832 + 833 + 835 (1) + 836 (1) + 838 + 83900 + 83910	Resultados de activos e passivos avaliados ao justo valor através de resultados	7 913	684
- 694 + 834	Resultados de activos financeiros disponíveis para venda	-	-
- 690 + 830	Resultados de reavaliação cambial	1 060 516	1 121 720
- 691 - 697 - 699 (1) - 724 - 726 (1) + 831 + 837 + 839 (1) + 842 (1) + 844 (1)	Resultados de alienação de outros activos	-	-
- 695 (1) - 696 (1) - 69901 - 69911 - 75 - 720 - 721 - 726 (1) - 728 + 835 (1) + 836 (1) + 83901 + 83911 + 840 + 842 (1) + 844 (1) + 848	Outros resultados de exploração	279 508	325 218
	Produto bancário	18 220 118	18 195 883
70	Custos com pessoal	3 704 171	3 472 655
71	Gastos gerais administrativos	4 086 325	3 996 496
77	Amortizações do exercício	1 292 252	1 234 001
784 + 785 + 786 + 788 - 884 - 885 - 886 - 888	Provisões líquidas de reposições e anulações	260 897	168 522
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	Imparidade de outros activos financeiros líquida de reversões e recuperações	2 812 768	-1 315 047
767 + 769 (1) - 877 - 878	Imparidade de outros activos líquida de reversões e recuperações	585 027	383 558
841	Diferenças de consolidação negativas	-	-
- 730 - 731 + 850 + 851	Resultados de filiais excluídas de consolidação, associadas e empreendimentos conjuntos (equivalência patrimonial)*	-	-
-732 + 852	Resultados de filiais não sujeitas à supervisão do Banco de Moçambique - método de equivalência patrimonial	34 219	66 903
	Resultados antes de impostos e de interesses minoritários	5 512 897	10 322 601
65	Impostos		
	Correntes	2 072 031	2 186 717
74 - 86	Diferidos	97 767	858 082
	Resultados após impostos antes de interesses minoritários	3 343 099	7 277 802
- 72600 - 7280 + 8480 + 84400	Do qual: Resultado líquido após impostos de operações descontinuadas		
641	Interesses minoritários		
	Resultados consolidados do exercício	3 343 099	7 277 802



Addendum: General Assembly Resolution

BIM - Banco Internacional de Moçambique

Addendum: General Assembly Resolution

Meeting on March 31, 2025, the General Assembly approved the proposal of the Board of Directors not to distribute dividends to shareholders regarding the net result of 2024.

The Board of Directors' proposal was based on the fact that, after the publication of the notice and the availability of documents for consultation by shareholders on March 21, 2025, Standard & Poor's (S&P) announced a new downgrade of Mozambique's sovereign debt rating from CCC- to SD (Selective Default). Considering the impacts of this measure on the Bank's results, capital, and solvency ratio, the Board of Directors proposed not to distribute dividends to strengthen the capital structure and prepare the balance sheet for possible additional impacts arising from the public debt crisis.

Thus, in accordance with statutory provisions and under Mozambican legislation in force, namely law n° 20/20 of credit institutions regarding the constitution of Reserves, it was approved that the net result of 2024, amounting to 3.308.880.377,47 Meticaís, be applied as follows:

	%	Amount
Legal Reserves	15,00%	496 332 056,62
Free Reserve	85,00%	2 812 548 320,85

Millennium

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aqui consigo

