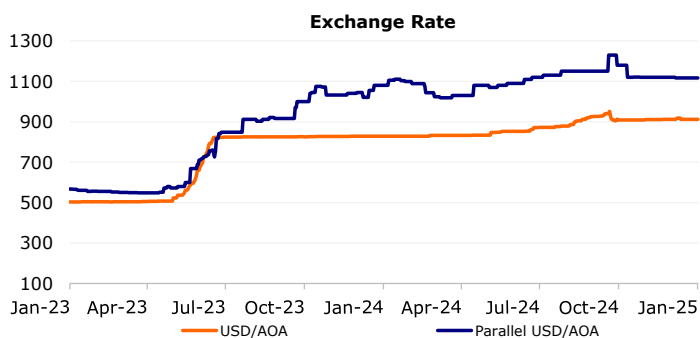
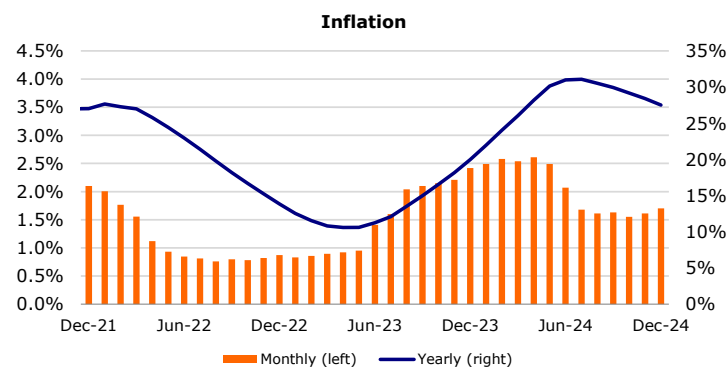


Market Information

Year-on-year inflation closed 2024 at 27.5%, above the 20.0% recorded in December 2023 and the 13.9% in 2022. In monthly terms, in December prices accelerated as expected to 1.7%, due to the seasonality of the month of December. The "Food and non-alcoholic beverages" class contributed the most to the increase in the general price level, with 1.13 percentage points (pp), followed by the "Miscellaneous goods and services" class with 0.14pp and "Health", with 0.10pp. Year-on-year inflation has been decelerating since August, although the monthly trend is not following what we expected in recent months, with the exception of the slight increase expected in December, due to the seasonal factor. At this point, we expect monthly inflation to resume its downward trend in January, ending 2025 at around 18%.

Ministry of Finance (MINFIN) was authorized to issue Treasury bonds totaling AOA 2.5 Trillion even before the approval of the legislative package on the Annual Debt Plan (ADP), related to the General State Budget, as stated in In-Person Decree No. 1/25 of January 7. Over the last 3 years, we have noticed that the Treasury has faced more difficulties in obtaining external financing and this has directly impacted internal financing needs. In 2023, these difficulties were reflected in issuances 26% above the forecast in the PAE, with rates that investors considered appropriate to the current risk and inflation. In 2024, the overall implementation rate of the ADP was 74%, a percentage that reflects the rate negotiation environment that has been occurring between the Angolan state and investors; in other words, MINFIN, not being available to offer rates that the market would consider fair, ended up issuing less than expected. However, the MINFIN more than compensated by financing itself directly from the BNA. We note that the BNA's financing of the State more than doubled between 2023 and 2024. As we said, the Treasury's resistance to raising interest rates on public debt instruments at least to the level of inflation has discouraged investors in debt securities, particularly banks, so resorting to the BNA amid the significant reduction in external financing inflows has proven to be the most viable alternative. Rates are already at very low levels for the country's macroeconomic reality, so in 2025 any reduction, both in longer and shorter terms, should be slight.



Macroeconomic Forecasts

Indicator	2024*	2025**	2026**
GDP change (%)	3.9	2.7	2.9
Average Inflation (%)	28.2	20.2	13.9
Current Account (% GDP)	9.3	9.1	8.5

*Inflation - INE/ GDP and Current Account - BFA Forecast; BFA **Forecast

Sovereign Rating

Rating Agency	Rating	Outlook	Last change
Fitch	B-	Stable	26/06/2023
Moody's	B3	Positive	20/10/2022
Standard & Poor's	B-	Stable	04/02/2022

Monetary and Forex data*

	10/01/2025	7 days (%)	Change YTD (%)	12 months (%)
LUIBOR O/N	22.80%	0.23%	0.11%	17.98%
USD/AOA	912.0	0.00%	0.00%	10.05%
AOA/USD	0.00110	0.00%	0.00%	-9.13%
EUR/AOA	939.4	0.05%	-1.07%	3.58%
EUR/USD	1.024	-0.62%	-1.06%	-6.46%
USD/ZAR	19.11	2.06%	1.41%	2.44%

*Change of USD/AOA (or EUR/AOA) shows the appreciation of the USD (or EUR) against the Kwana; the change of AOA/USD shows the appreciation/depreciation of the Kwana against the USD.

