

ANNUAL REPORT AND ACCOUNTS 2024



**BANCO INTERNACIONAL
DE S. TOMÉ E PRÍNCIPE**

DESDE SEMPRE · PARA SEMPRE

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KEY INDICATORS

1. KEY INDICATORS

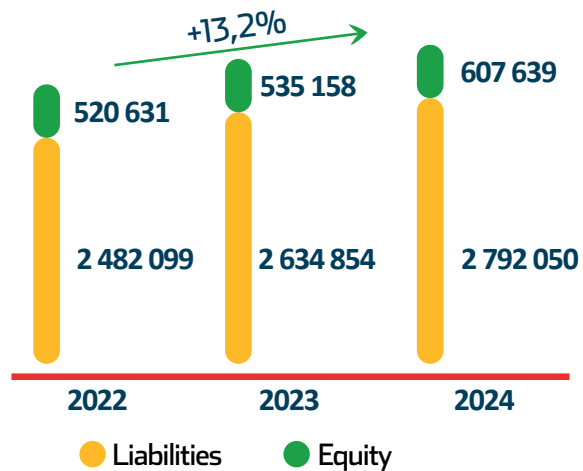
BANKING BUSINESS PERFORMANCE

VALUES IN DOBRAS	2022	2023	2024	YEAR-ON-YEAR CHANGE	
				2023 Vs. 2022	2024 Vs. 2023
Business Volume	3.295.907.213	3.375.318.625	3.558.134.812	2,41%	5,42%
Loans and advances to customers	877.808.614	769.945.957	791.614.107	-12,29%	2,81%
Customer Funds	2.336.048.435	2.510.025.112	2.505.131.199	7,45%	-0,19%
Documentary Credit	20.540.879	66.603.756	231.449.024	224,25%	247,50%
Bank Guarantees Issued	61.509.286	28.743.800	29.940.482	-53,27%	4,16%
Balance sheet					
Net Assets	3.002.729.156	3.170.011.805	3.399.689.002	5,57%	7,25%
Net Credit	819.966.179	705.066.020	724.189.594	-14,01%	2,71%
Customer Funds	2.336.048.435	2.510.025.112	2.505.131.199	7,50%	-0,19%
Equity	520.630.545	535.158.104	607.638.519	2,79%	13,54%
Retained Earnings					
Net Interest Income	134.678.010	143.754.275	157.335.777	6,74%	9,45%
Complementary Margin	173.357.774	150.523.415	192.279.940	-13,17%	27,74%
Net Operating Income	308.035.784	294.277.690	349.615.717	-4,47%	18,80%
Operating profit	152.793.991	140.814.342	198.373.732	-7,84%	40,88%
Profit before tax	130.337.178	70.094.092	93.841.887	-46,22%	33,88%
Net Income	95.170.171	44.342.424	55.747.181	-53,41%	25,72%
Ratios					
ROE	18,28%	8,29%	9,17%	-9,99 p.p	+0,89 p.p
ROA	3,17%	1,40%	1,64%	-1,77 p.p	+0,24 p.p
Net Interest Income/ Assets	4,49%	4,53%	4,63%	+0,05 p.p	+0,09 p.p
Complementary Margin / Net Operating Income	56,28%	51,15%	55,00%	-5,13 p.p	+3,85 p.p
Cost-to-Income Ratio	57,68%	59,86%	49,19%	+2,18 p.p	-10,67 p.p
Equity / Assets	17,34%	16,88%	17,87%	-0,46 p.p	+0,99 p.p
Transformation ratio:					
Net Credit/Deposits	35,10%	28,09%	28,91%	-7,01 p.p	+0,82 p.p
Public Debt/Equity Securities	98,75%	114,10%	91,47%	+15,88 p.p	-22,63 p.p
Overdue Credit/Customer Credit	9,70%	12,04%	12,81%	+2,34 p.p	+0,78 p.p
Provision for Overdue Credit/Overdue Credit	67,94%	70,01%	65,47%	+2,07 p.p	-4,54 p.p
Solvency	42,89%	37,06%	33,22%	-5,83 p.p	+3,85 p.p
Liquidity	59,47%	61,73%	67,45%	+2,26 p.p	+5,47 p.p
No. of Employees	145	138	137	-4,83%	-0,72%
No. of Branches	11	10	10	-9,09%	0,00%
(Loans + Deposits) / Branch	286.910.419	321.509.113	324.134.058	12,10%	0,82%
(Loans + Deposits) / Employee	21.916.768	23.297.762	23.659.420	7,08%	1,55%

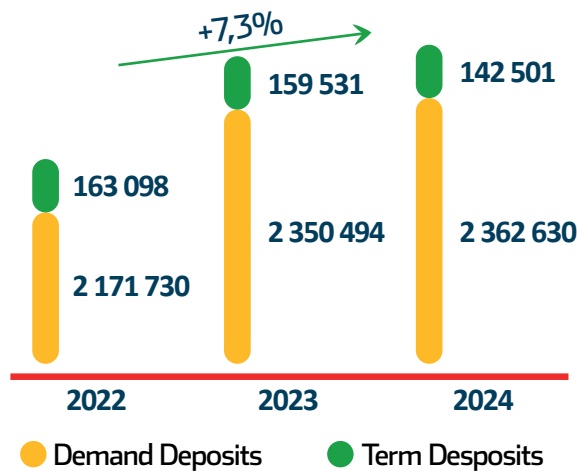
BUSINESS PERFORMANCE OVERVIEW

(Valores em milhares dobras)

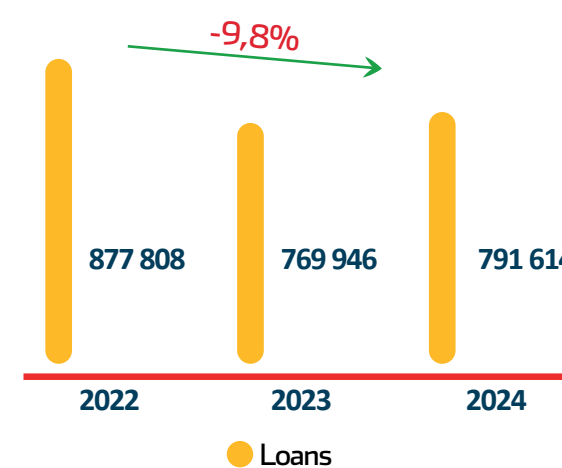
BALANCE SHEET



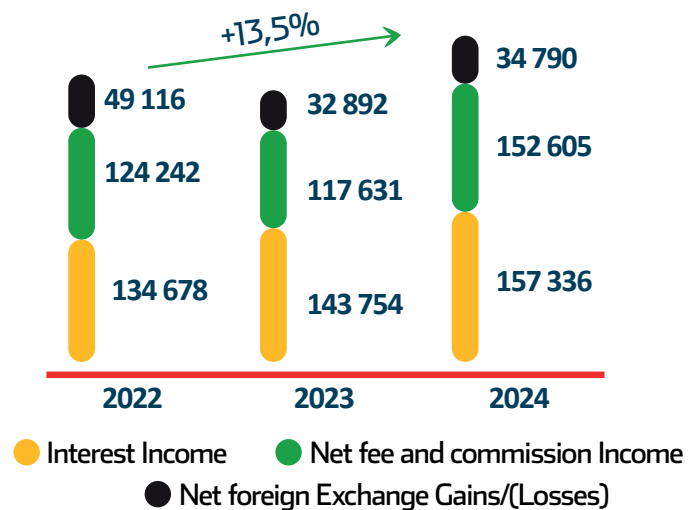
TOTAL DEPOSITS



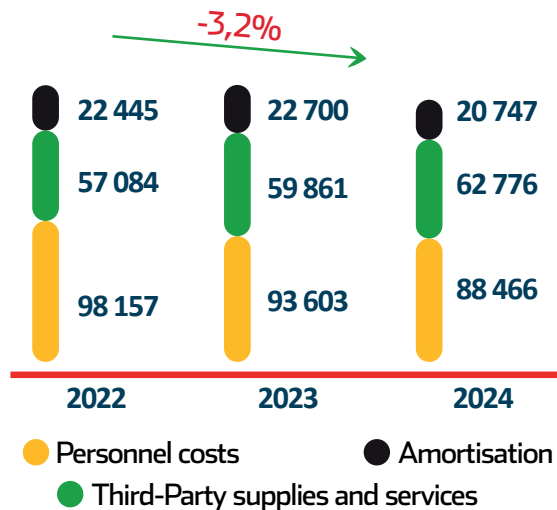
GROSS CREDIT



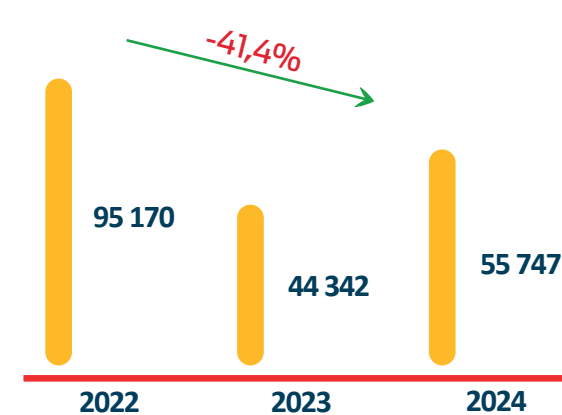
OPERATING INCOME



STRUCTURAL COSTS



NET INCOME



BUSINESS PERFORMANCE OVERVIEW



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MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE COMMITTEE

2. MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE COMMITTEE

The year 2024, as in previous years, was characterised by significant uncertainty and increased global risk.

Persistent military conflicts in Europe and the Middle East continue to drive uncertainty and raise fears of an escalation of violence to a more global level. In this world of ever-increasing divergence, where the institutions that, in the aftermath of the Second World War, provided a relatively solid foundation for peace and development are now being questioned, this trend towards fragmentation, marked by individualism and increasingly nationalistic and extremist positions, unfortunately does not bode well.

The intensification of conflicts, the diminishing role of diplomacy, and the reinforcement of military budgets on a global scale are signs that exacerbate uncertainty and heighten fears, causing disruptions in production and distribution chains worldwide, these disruptions are reflected in rising raw material costs, with a particularly negative impact on countries that are heavily dependent on imports.

The year was also characterised by the beginning of changes in monetary policy by the main central banks, especially the Federal Reserve and the European

Central Bank, which started to gradually reduce key interest rates in line with the dynamics of the inflation rate. However, the slower decline of inflation, particularly in the United States, limited the scope for a sharper reduction in interest rates in the short term, which in turn favoured the retention of capital in the fixed-income market at the expense of the equity market.

For more vulnerable economies, which are largely import-dependent, as is the case with São Tomé and Príncipe, the international climate in 2024 continued to exert a negative influence on macroeconomic indicators, particularly inflation, which is heavily affected by the cost of imported goods and, despite a slowdown, remained high at 11.6%, according to BCSTP data.

In addition to external events that have negatively impacted the economic dynamics of São Tomé and Príncipe, internal factors have also further affected the economy and business environment.

The historical trade imbalance with the rest of the world, with exports covering only 16% of imports and resulting in a significant trade deficit, remains one of the country's main challenges in terms of ensuring an adequate market supply. Despite the still insufficient level of exports, the strong growth in goods exports

recorded over the year, which represented a 48% increase compared with 2023, according to the trade balance data published by the Central Bank, deserves particular note. Cocoa continues to be the main export product, and the increase in the price of this commodity on the international market has contributed positively to this growth.

However, the level of net international reserves remained at critical levels throughout 2024, below the minimum target threshold.

From the perspective of budget execution, the country has also faced significant challenges, with a persistent level of domestic revenue that does not adequately cover current and investment expenditure, this has resulted in a recurring budget deficit, which in turn constrains the full implementation of the government's programme.

In a country that continues to rely on external support, the agreement for a new technical and financial assistance programme with the IMF, announced at the end of 2024, was a positive development.

Aware of these difficulties, the Central Bank has adopted a set of exchange rate and macroprudential policy measures through permanent regulations (NAP 06/2024 and 07/2024), which are expected to have a significant impact on the activities of commercial banks, including a reduction in income and increased operating costs.

The financial market has welcomed new participants, with the entry of a fintech and a new commercial bank. This is a positive sign of dynamism and interest in the market.

Despite the strong overall economic performance, as reflected in the accounts presented in this report, the Bank experienced an operational risk event, which necessitated the creation of provisions, this had an impact on the decrease in net income for 2024 and required the restatement of results for 2023. Although the Bank remains solid, this event serves as a reminder of the need for continuous efforts to strengthen the organisation's culture regarding the identification and control of operational risks and internal control.

As always, we remain committed to safeguarding our customers' interests. At the same time, we will act firmly in defence of the Bank's interests, cooperating with the judicial authorities until those responsible are held accountable and, we hope, appropriately sanctioned.

Prospects and commitments for 2025

Internationally, unfortunately, the signs are not positive. Developments in the first few months of 2025 have shown a world that is more individualistic and less cooperative. Principles and institutions that helped to rebuild the world after the Second World War have not only failed to prevent the resurgence of conflicts but are even being called into question in this so-called new world order. In this climate of global uncertainty, where extreme weather events are on the rise, sometimes with devastating consequences, the most fragile and vulnerable economies in the face of external shocks, such as São Tomé and Príncipe, will continue to encounter increased difficulties.

Internally, BISTP positions itself as the São Toméan bank closest to local communities, maintaining a strong presence throughout the country and distributing and reinvesting the profits generated locally. In doing so, it

contributes not only to making financial services accessible to all but also to promoting local employment and social development. It is with this in mind that we opened another branch on 3 March 2025, in Neves, in the district of Lembá. And we are not stopping there, as we are already working on extending our local presence to the city of Angolares in the south of the country.

We remain committed to the goal of having at least one branch of the Bank in every district of the country. This strategy is not driven by economic considerations, given the significant investments involved, but rather by the aim of providing the population with close access to financial services, thereby contributing to their well-being, financial inclusion, improved information and financial literacy, promotion of local entrepreneurship, and better living conditions. It is this commitment, to be a bank of all and for all, that drives and inspires us.

We know that the future is digital, but we also recognise that not everyone is moving at the same pace. That is why our strategy is not one of exclusion, but of inclusion: we aim to be present across all channels, ensuring that each customer can choose how they wish to interact with the Bank. Whether in person or through modern digital solutions, we will always be there for our customers.

BISTP knows the country like no other and understands that it must support local growth and development at the pace of the people. Only by developing and improving the local economy and access to basic services can populations be retained, wealth be created, and everyone's well-being enhanced.

This physical proximity allows us not only to better understand the

socio-economic reality of each district but also to tailor our solutions to the specific needs of each community. This in-depth knowledge of the territory is one of our greatest assets and a key advantage that sets us apart.

For all these reasons, we remain committed to our local presence, which gives us a deeper understanding of the country's social, economic, demographic and cultural conditions. That knowledge enables us, and challenges us, to help create the conditions for community development while continuing to invest in technological solutions that many customers now consider essential.

It is in this balance between tradition and innovation, between roots and modernity, and between close physical presence and digital accessibility, that we believe lies the secret to the Bank's solidity and longevity.

Therefore, although we anticipate a challenging environment in 2025, BISTP, as in the past, is renewing its commitment and maintaining its focus on the values and principles that have enabled it, throughout its existence, to remain the leading financial institution in the market.

In 2025, our strategic focus will remain on improving efficiency, safeguarding our customers and employees, increasing business volume and profitability, supporting individual and corporate projects, contributing to the country's economic revitalisation, and investing in technologies that support more efficient management and operations.

With each new year, despite the challenges, we continually renew our ambition and commitment to be a driving force for economic and social development in São Tomé and Príncipe. This is also why BISTP will continue to be attentive to the needs and expectations of the market, seeking to provide financial

products and services at attractive terms that meet the aspirations of each customer segment, while promoting greater financial inclusion and supporting the economy.

Finally, as always, I would like to conclude by expressing our sincere thanks, on behalf of the Board of Directors, to our stakeholders, customers, employees, partners, and shareholders, who, year after year, have helped the Bank to continue fulfilling the mission for which it was created: to generate value, in a sustainable manner, for everyone and for the country.

Always with you, now and for the future.



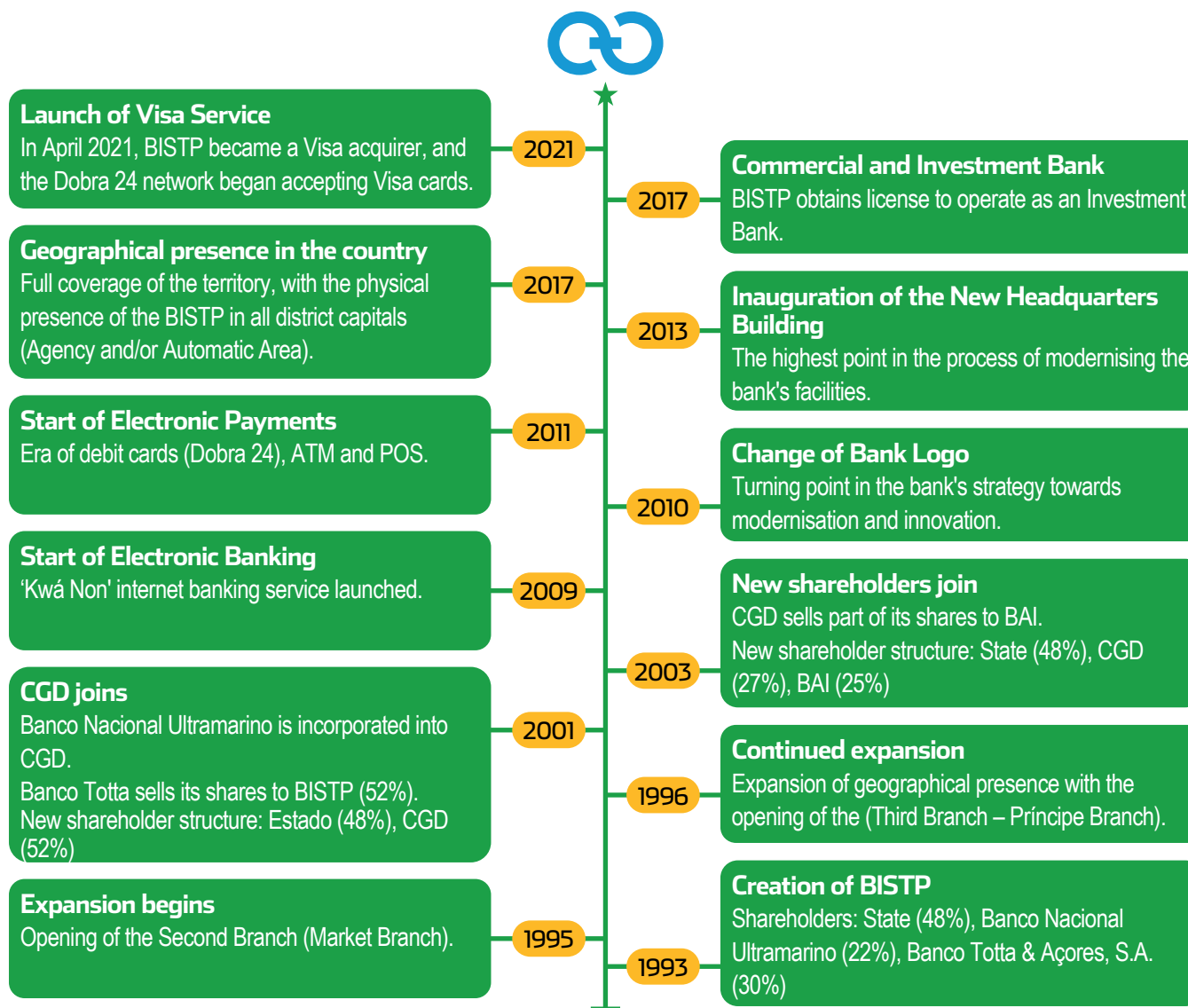
3

BISTP AT A GLANCE

3. BISTP AT A GLANCE

3.1 VISION, MISSION AND VALUES

As the first commercial bank in the national market, BISTP's history is closely intertwined with the modern history of the financial system in São Tomé and Príncipe. BISTP has been a fundamental pillar of the country's financial system and, year after year, has renewed its commitment to remain the benchmark in the national financial sector in terms of solidity, transparency, integrity, professionalism, innovation, and inclusion, guided by its Vision of the Bank's role, the mission it strives to achieve, and the Values it upholds.

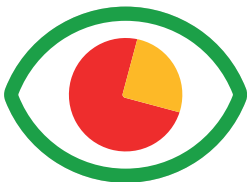


More than 30 years participating in the construction of a solid, innovative and more inclusive financial system, bringing financial services to everyone.



MISSION

To make a meaningful contribution to national economic and social development, bringing financial services ever closer to the population.



VISION

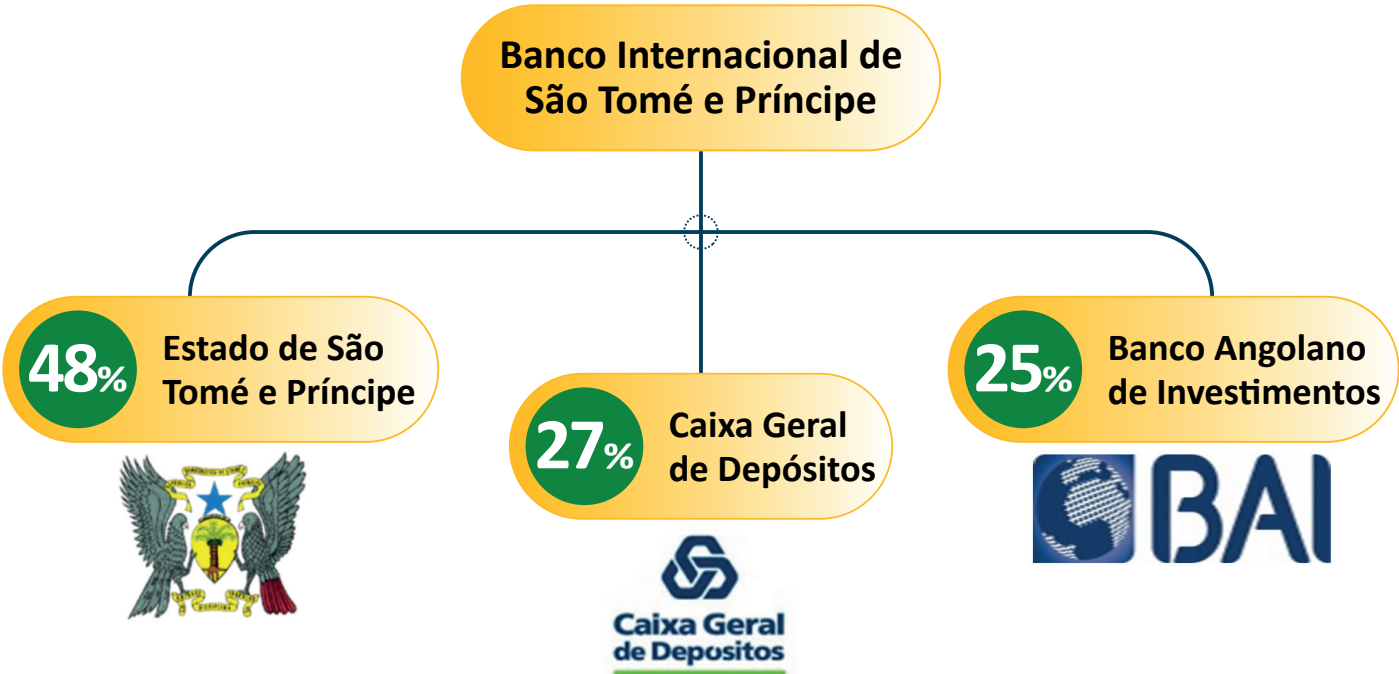
BISTP aims to be a model of financial solidity, rigour, transparency, operational efficiency, and social responsibility in the national market. To be the leading mixed bank, building and consolidating relationships of trust and loyalty with employees, customers, shareholders, and society.



VALUES

Ethics	Integrity
Competence and Excellence	Organisational, Social and Environmental Responsibility

3.2 SHAREHOLDER STRUCTURE





3.3 GOVERNING BODIES

Board of the General Meeting:

Nuno Ricardo dos Santos Jorge da Pena – Chairman

Danilo Guadalupe Pereira de Lima – Secretary

Ebb Rosa Conde Lopes Colsoul – Secretary

Board of Directors:

Nelson Lombá Fernandes – Chairman

Francisco José Pinguínha da Piedade – Member

Afonso da Graça Varela da Silva – Member

Lucamba Magalhães – Member

Vasco António de Almeida Alves Ribeiro – Member

Zembo Rafael da Silva Rebelo e Macedo – Member

Executive Committee:

Francisco José Pinguínha Piedade – Chairman

Afonso da Graça Varela da Silva – Executive Director

Lucamba Magalhães – Executive Director

Supervisory Board:

João Miguel Pacheco de Sales Luis – Chairman

João Cândido Soares de Moura Oliveira Fonseca – Voting Member

Arlindo Ramos – Voting Member

3.4 ACTIVITY MILESTONES

March 2024

BISTP's 31st Anniversary, marked by the distribution of gifts to customers and commemorative cakes simultaneously in all branches at 11:00 a.m. Organising a promotional fair for BISTP products and services;

On World Consumer Day, celebrated on 15 March, the Central Bank of São Tomé and Príncipe and the financial institutions operating in the country (banks and insurance companies) held a fair to receive complaints and suggestions regarding potential shortcomings of the financial system in serving the population of São Tomé and Príncipe;

During Global Money Week, from 18 to 22 March, debate sessions were held in various districts of the country and in the media on electronic means of payment and digital channels.

June 2024

Support for the São Tomé and Príncipe Paralympic Committee for the participation of four São Toméans athletes in the Paralympic Games in Paris.

July 2024

Sponsorship of the Fundação da Criança e da Juventude (Foundation for Children and Youth) for the Rizoma Project Orchestra;

Sponsorship of Roça Mundo – Associação para a Cultura e Desenvolvimento – CACAU (Roça Mundo – Association for Culture and Development – CACAU) for the X Biennial of Art and Culture of São Tomé and Príncipe, under the theme “(Re)Discovering Ourselves”.

Septembre 2024

Support for the National Institute for the Promotion of Gender Equality and

Equity (INPG) for the São Toméan Women's Day celebration (17 September), commemorating the 50th anniversary of its institutionalisation;

Support for the Trade and Investment Promotion Agency for the São Tomé and Príncipe Investment Forum, held at the Praia Hotel.

October 2024

Support for the São Tomé and Príncipe Chess Federation (FEXA-STP) to participate in the 45th Chess Olympiad with the men's and women's national teams;

Support for Our Lady of Lourdes Parish to build a kitchen at Centro Renascer (community centre);

Organisation of talks in several locations to mark World Savings Day, with the participation of all financial institutions (Central Bank, BISTP, Afriland Bank, Ecobank, BGFI Bank, the insurance companies SAAR and NICON, and the microcredit institutions Fast Credit and Credial).

November 2024

Support for the production of a documentary on São Tomé and Príncipe for the television series “AFRIKANDO”, broadcast on RTP África.

December 2024

Sponsorship of the 27th edition of the MOVE Entrepreneur Fair, where BISTP was represented with a stand to promote its products and services, and participated in a round table with several guests to discuss and promote entrepreneurial skills. The event included interviews with success stories, a workshop on entrepreneurship, and concluded with student pitch presentations and the award ceremony.

Support for UNEAS – União dos Escritores e Artistas São-tomenses (Union of São Toméan Writers and Artists), for the prize awarded to the winner of the Paçu Fiá Glêza competition.

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4

MACROECONOMIC AND FINANCIAL FRAMEWORK

4. MACROECONOMIC AND FINANCIAL FRAMEWORK

4.1 INTERNATIONAL CONTEXT

In 2024, we witnessed a slowdown in the global economy, as the effects of restrictive monetary policies fully materialised.

After the main central banks had completed the cycle of interest rate hikes to combat inflation, and in response to signs of slowing economic activity, the market saw significant rate cuts by the European Central Bank (ECB) and the Federal Reserve (Fed) to avert a recession.

The American economy, more dynamic and focused on high-value-added sectors, withstood the recession, whereas Europe, with its engine (Germany) operating at half capacity and with the continuation of the war between Russia and Ukraine, struggled to avoid a recessionary scenario.

In short, the year 2024 was characterised by market uncertainty and price volatility, with a range of risk factors. The conflict in the Middle East has not abated and has spread to an already unstable region. China has struggled to accelerate its economy, as measures that were effective in the past, such as increasing public and private spending, appear to have lost their impact, and

the transition from a predominantly export-driven economy to one based on domestic consumption is taking time. The fight against inflation may not be over, and we have recently seen a resurgence of concerns over energy and logistics costs, compounded by an increase in piracy attacks in various parts of the world, which could result in significant rises in the cost of transporting goods.

Equally significant were the political elections throughout 2024, which brought both surprises and concerns in the short and medium term, culminating in Donald Trump's victory in the United States of America (USA). His political programme has placed Europe under pressure and created uncertainty regarding the future of various international institutions, including the Atlantic Alliance (NATO).

EURO ZONE

The European economy continues to show signs of fragility and requires stimulus. According to estimates released by the European Statistical Office (Eurostat), Gross Domestic Product (GDP) is expected to increase by 0.7% in the

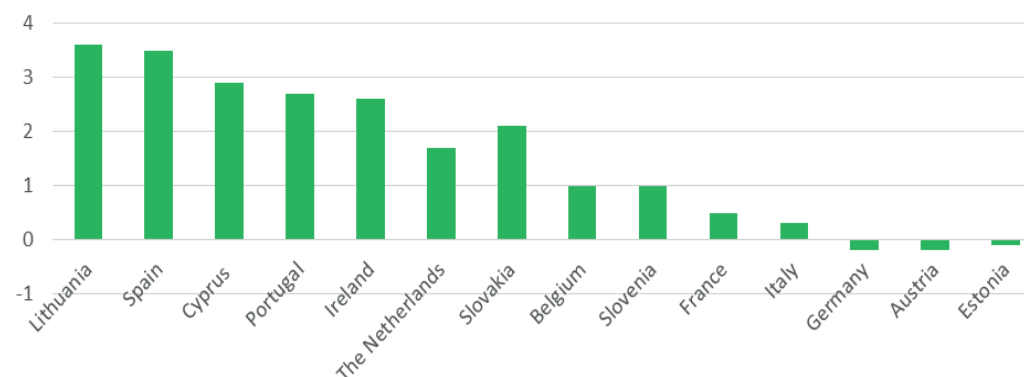
Eurozone (EA) and 0.8% in the European Union (EU) in 2024. Eurostat also reports that GDP in the eurozone countries grew by 0.9%, while GDP across all 27 member states increased by 1.1% in the fourth quarter of 2024 compared with the same period in 2023. Due to this weak level of European economic activity, the ECB decided to cut interest rates four times to stimulate the economy by encouraging spending, investment, and increased lending to boost the real estate market.

GDP growth rates were positive in nine countries, with Lithuania, Spain, and Portugal standing out. According to the National Statistics Institute (INE – Instituto Nacional de Estatística), Portugal's GDP grew by 1.9%, outperforming the European average and assuming the role of driving the Eurozone economy, supported by tourism, immigration, and lower energy costs.

Conversely, the economies of Germany and France, the two largest in the bloc, contracted more than expected, reinforcing concerns about persistent economic fragility in the region. In the case of Germany, considered Europe's economic engine, GDP fell by 2%, marking the second consecutive year of economic contraction. There has been a decline in the construction sector, increased competition for the German export industry in its main markets, high energy costs, and elevated interest rates. This economic downturn in Germany was one of the major factors that led to the collapse of the three-party coalition in November, thereby contributing to political instability. In the case of the French economy, although it grew by 1.1% in 2024, it experienced a 0.1% contraction in the fourth quarter, raising uncertainty about the sustainability of the growth recorded.

Lithuania leads growth in the last quarter of 2024

Lithuanian GDP recorded the highest year-on-year growth rate in a quarter in which the Eurozone advanced by 0.9%.



Source: Eurostat

The inflation rate in the Eurozone accelerated on a year-on-year basis to 2.4% in December 2024 and, according to Eurostat data, represents an increase of 0.2 percentage points compared with the previous month. The main contributors to this rise were services and energy prices, whose year-on-year changes returned to positive territory after declining since the summer.

Political uncertainties in several European countries, along with the crisis in Germany's automotive industry and Donald Trump's tariff threats, have contributed to the sombre economic outlook. The euro depreciated against the US dollar and remained weak throughout the year.

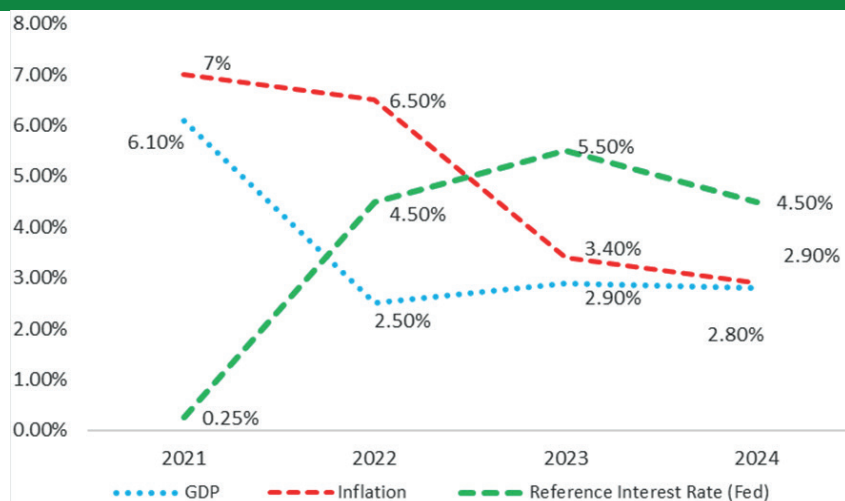
UNITED STATES OF AMERICA

The US economy grew at a solid pace at the end of 2024, driven by consumer spending, which more than offset the negative impacts of the strike at aircraft manufacturer Boeing and significantly lower government investment. In addition, a decline in imports contributed positively to GDP.

According to the Bureau of Economic Analysis (BEA), which measures GDP, the economy grew by 2.8%. However, this represents a 0.1 percentage point slowdown compared with 2023 economic activity, when GDP grew by 2.9%.

The Federal Reserve (Fed) has decided to keep the interest rate between 4.25% and 4.50%, pausing the cycle of cuts that had begun earlier. Jerome Powell, chairman of the Fed, stated that the Monetary Policy Committee is waiting for further progress in the fight against inflation before considering any possible interest rate cuts.

EVOLUTION OF GDP, INFLATION AND REFERENCE INTEREST RATE (USA)



source: www.pt.tradingeconomics.com

EMERGING COUNTRIES

BRAZIL

According to the Central Bank of Brazil's Economic Activity Index, the Brazilian economy's GDP was expected to expand by 3.2% in 2024, showing an acceleration compared with 2023, when growth was 2.9%.

Information from the Central Bank indicates that the pace of economic growth in Brazil remained dynamic throughout the year, with household consumption particularly strong and investment activity remaining robust. The labour market stayed resilient, with unemployment falling to an all-time low and the number of formal jobs increasing. Regarding domestic demand, we would highlight the growth in consumption and the pace of recovery in investment, which evolved positively and offset the negative contribution from the external sector.

On the supply side, the expansion of industry and services more than compensated for the decline in agricultural activity in 2024. In the industry, growth was driven by a recovery in manufacturing and construction. The acceleration in the growth rate of the services sector reflected increases in trade, information, and communication activities, and services provided to households.

CHINA

China's National Bureau of Statistics (NBS) reported that China's GDP grew by 5%, a result that exceeded analysts' expectations of around 4.9%. However, this

is the lowest growth rate recorded in three decades, excluding the Covid period, and was constrained by a decline in consumption.

The real estate sector, a traditional pillar of the Chinese economy, remains in crisis. This slowdown weighs heavily on the country's overall economic performance. Despite stimulus measures, consumption remains subdued, reflecting persistent concerns about job security and future income. Although the unemployment rate has fallen compared with 2023, 5.1% of China's population remains out of work.

INDIA

India's economy is projected to expand by 6.4% in 2024, according to estimates released by the National Bureau of Statistics, marginally below the government's initial forecast of 6.5%.

The forecast for growth in private consumption, which accounts for approximately 58% of GDP, is for an expansion of 7.3% in FY2024/25, above the 4.0% growth recorded in the previous year. Private investment, by contrast, is estimated to have expanded by 6.4%, a deceleration from the 9.0% increase.

Sectors such as manufacturing and construction are also expected to have moderated. Manufacturing, which accounts for approximately 17% of GDP, was forecast to expand by 5.3%, down from 9.9% in the previous year. Construction, meanwhile, was forecast to grow by 8.6%, representing a slowdown from 9.9% in FY2023/24. Agricultural output, by contrast, which accounts for around 15% of GDP and employs more than 40% of the workforce, is estimated to have increased by 3.8%, compared with growth of 1.4% in the previous year.

SOUTH AFRICA

The International Monetary Fund (IMF) has projected subdued GDP growth of 0.8% for South Africa in 2024. South Africa has been experiencing a challenging economic environment, marked by unstable energy supply, bottlenecks in freight transport and logistics more broadly, and high unemployment, all of which constrain the country's economic growth. Certain structural and fixed investment reforms, together with the cut in interest rates, led to an increase in consumer spending, which is essential to enable economic growth, albeit at a modest pace.

SUB-SAHARAN AFRICA

The World Bank (WB) has forecast that Sub-Saharan Africa's economy will expand by 3.2% in 2024, compared with 2.9% in 2023, albeit below its earlier projections. This lower-than-expected performance reflects the conflict in Sudan and country-specific challenges that weighed on the economic recovery in 2024.

Most countries have recorded a moderation in price growth, although inflation remains elevated. Inflation, which has been historically high since the COVID-19 pandemic, has followed divergent trajectories across the region. In the cases of Ethiopia, Nigeria, and Angola, persistent inflationary pressures were recorded, reflecting the marked depreciation of their currencies.

Countries such as Angola, Equatorial Guinea, and the Central African Republic have experienced subdued per capita income growth, below the average growth rate of emerging market and developing economies. It is estimated that

many economies in the region will face significant difficulty in returning to their pre-pandemic growth trajectories, implying the loss of several years of progress in per capita income growth and poverty reduction.

Public debt ratios have generally stabilised, and several countries have issued Eurobonds, bringing to an end a period of almost two years during which the region lacked access to international capital markets. However, not all circumstances are favourable, and the risks show a negative trend. The contraction in financing continues to affect the region's governments, which are facing a shortage of new funding, high costs on existing debt, and imminent debt repayments. Faced with these challenges, Sub-Saharan African countries will need greater support from the international community, particularly focused on public administration reforms, infrastructure investment, and the development of key economic sectors, to build a more inclusive, sustainable, and prosperous future.

For Portuguese-speaking African countries, the WB's latest GDP growth estimates for 2024 forecast 5.0% growth in Guinea-Bissau, 4.9% in Cabo Verde, 4.0% in Mozambique, and 2.9% in Angola, while São Tomé and Príncipe is expected to experience economic stagnation.

PROSPECTS FOR 2025

The world economy is projected to expand by 2.7% in 2025, according to World Bank forecasts, while developing economies are expected to stabilise at 4.0% growth, representing the lowest long-term growth outlook since 2000.

According to the World Bank's latest Global Economic Prospects report, the

pace of global economic growth is insufficient to support sustained development, strengthen the recovery of per capita incomes, and offset the cumulative impact of several years of successive negative shocks.

Risks to this growth include uncertainties surrounding trade policies and potential trade fragmentation, highlighting the need for measures to secure trade and address public debt vulnerabilities.

The World Bank emphasises that even if the global economy stabilises in the coming years, developing economies are expected to make slower progress in closing income gaps with advanced economies. Growth in developing economies slowed following the 2008 financial crisis and was further affected by the COVID-19 pandemic and global trade restrictions in 2024.

The report notes that developing economies may face significant challenges. High global political uncertainty could undermine investor confidence and constrain capital flows. Increased trade tensions could weigh on global growth. Persistent inflation may delay anticipated interest rate cuts. However, the global economy could also outperform expectations, particularly if its main drivers, the US and China, regain momentum. In China, additional stimulus measures could bolster demand, while in the US, robust household consumption could support stronger-than-expected growth, with positive spillovers for developing economies.

According to the IMF, GDP in the Eurozone could pick up slightly in 2025, despite ongoing structural and external challenges. Growth is projected at 1.0%, reflecting a weak recovery in consumer spending and continued pressure on the industrial sector. Inflation is expected to stabilise around 2.0%,

supported by falling service prices, although overall dynamics remain fragile.

For the United States, the outlook for 2025 is positive, despite uncertainties regarding the impact of trade and other policies under Donald Trump's new administration. With businesses optimistic and consumer spending remaining strong, GDP is forecast to grow by 2.3%, slightly below the 2.8% recorded in 2024.

Despite the risks, the global outlook for emerging economies in 2025 remains optimistic, supported by substantial progress in technological innovation and expansion in key sectors. However, trade tensions, elevated financing costs, and technological disruptions continue to represent key challenges. Growth for the group of emerging economies is expected to remain at 4.1%.

For China, the IMF has revised its growth forecast to 4.6%, supported by a series of upcoming stimulus measures. The revision reflects developments from the previous year, with the announced fiscal measures helping to offset volatility arising from shifts in trade policy and the slowdown in the real estate sector.

India is expected to continue leading economic growth, with GDP projected to expand by 6.7%. The services sector remains the main driver of growth in the Indian economy, alongside industrial production in advanced technologies, including electronics, agro-industry, IT, and biotechnology.

Sub-Saharan Africa is expected to experience economic growth of 4.1% in 2025. This growth is attributed to the decrease in inflationary pressures, improved financial conditions, and increased investment in critical sectors. However, the region's economic outlook remains exposed to political

uncertainties and climate-related risks. The region's two largest economies, South Africa and Nigeria, are expected to benefit from ongoing reforms. South Africa's economic progress will depend on addressing power shortages, while Nigeria's will focus on developing a more efficient foreign exchange market.

TABLE 1.1 Real GDP¹
¹Percent change from previous year unless indicated otherwise)

Percentage-point differences
from June 2024 projections

	2022	2023	2024	2025f	2026f	2024e	2025f	2026f
World	3.2	2.7	2.7	2.7	2.7	0.1	0.0	0.0
Advanced economies	2.8	1.7	1.7	1.7	1.8	0.2	0.0	0.0
United States	2.5	2.9	2.8	2.3	2.0	0.3	0.5	0.2
Euro area	3.5	0.4	0.7	1.0	1.2	0.0	-0.4	-0.1
Japan	0.9	1.5	0.0	1.2	0.9	-0.7	0.2	0.0
Emerging market and developing economies	3.7	4.2	4.1	4.1	4.0	0.1	0.1	0.1
East Asia and Pacific	3.4	5.1	4.9	4.6	4.1	0.1	0.4	0.0
China	3.0	5.2	4.9	4.5	4.0	0.1	0.4	0.0
Indonesia	5.3	5.0	5.0	5.1	5.1	0.0	0.0	0.0
Thailand	2.5	1.9	2.6	2.9	2.7	0.2	0.1	-0.2
Europe and Central Asia	1.6	3.4	3.2	2.5	2.7	0.2	-0.4	-0.1
Russian Federation	-1.2	3.6	3.4	1.6	1.1	0.5	0.2	0.0
Türkiye	5.5	5.1	3.2	2.6	3.8	0.2	-1.0	-0.5
Poland	5.3	0.1	3.0	3.4	3.2	0.0	0.0	0.0
Latin America and the Caribbean	4.0	2.3	2.2	2.5	2.6	0.4	-0.2	0.0
Brazil	3.0	2.9	3.2	2.2	2.3	1.2	0.0	0.3
Mexico	3.7	3.3	1.7	1.5	1.6	-0.6	-0.6	-0.4
Argentina	5.3	-1.6	-2.8	5.0	4.7	0.7	0.0	0.2
Middle East and North Africa	5.4	1.7	1.8	3.4	4.1	-1.0	-0.8	0.5
Saudi Arabia	7.5	-0.8	1.1	3.4	5.4	-1.4	-2.5	2.2
Iran, Islamic Rep. ²	3.8	5.0	3.0	2.7	2.2	-0.2	0.0	-0.2
Egypt, Arab Rep. ²	6.6	3.8	2.4	3.5	4.2	-0.4	-0.7	-0.4
South Asia	5.8	6.6	6.0	6.2	6.2	-0.2	0.0	0.0
India ²	7.0	8.2	6.5	6.7	6.7	-0.1	0.0	-0.1
Bangladesh ²	7.1	5.8	5.0	4.1	5.4	-0.6	-1.6	-0.5
Pakistan ²	6.2	-0.2	2.5	2.8	3.2	0.7	0.5	0.5
Sub-Saharan Africa	3.8	2.9	3.2	4.1	4.3	-0.3	0.2	0.3
Nigeria	3.3	2.9	3.3	3.5	3.7	0.0	0.0	0.0
South Africa	1.9	0.7	0.8	1.8	1.9	-0.4	0.5	0.4
Angola	3.0	1.0	3.2	2.9	2.9	0.3	0.3	0.5
Memorandum items:								
Real GDP¹								
High-income countries	2.9	1.7	1.7	1.8	1.9	0.0	-0.1	0.0
Middle-income countries	3.7	4.6	4.3	4.3	4.1	0.1	0.2	0.0
Low-income countries	5.1	3.0	3.6	5.7	5.9	-1.4	0.4	0.4
EMDEs excluding China	4.2	3.5	3.5	3.8	3.9	0.0	-0.2	0.0
Commodity-exporting EMDEs	3.3	2.6	2.8	3.2	3.4	0.0	-0.2	0.2
Commodity-importing EMDEs	3.9	5.0	4.7	4.5	4.2	0.0	0.2	-0.1
Commodity-importing EMDEs excluding China	5.3	4.6	4.3	4.4	4.6	-0.1	-0.2	-0.1
EM7	3.3	5.1	4.6	4.2	3.9	0.1	0.2	-0.1
World (PPP weights) ³	3.4	3.2	3.2	3.2	3.2	0.1	0.0	0.0
World trade volume⁴	5.9	0.8	2.7	3.1	3.2	0.2	-0.3	-0.2

4.2 NATIONAL CONTEXT

In São Tomé and Príncipe, 2024 was another year in which the country faced significant macroeconomic challenges, including a high dependency on fuel imports, limited export capacity, and low international reserves, which increased difficulties in securing essential goods. There has been a major shock in the balance of payments since the beginning of last year, which has generated a huge external financing deficit. The economy shows many weaknesses and vulnerabilities in the face of external shocks and dependencies, which has conditioned the growth of the economy and the improvement of macroeconomic indicators, such as inflation, which remains at high levels (11.7% in 2024).

According to the Governor of the Central Bank of São Tomé and Príncipe (BCSTP), the country's economic growth in 2024 is expected to remain below 1%, with a gradual acceleration projected to reach 3.1% by the end of 2025. He also noted that prices are expected to stabilise over the coming years, with inflation forecast to decline to 10.9% in 2024 and settle at around 5% in the medium term.

It has been a challenging year, but it ends with a more positive outlook, highlighting the achievement of the technical and financial assistance agreement with the IMF, which opens up more optimistic expectations for 2025 and beyond. This agreement is based on an ambitious reform process to restructure the economy and guarantee macroeconomic stability, while laying the foundations for a faster, stronger and more inclusive economic recovery.

Also noteworthy is the ongoing structural transformation in the energy sector,

expected to have short-term effects, alongside medium-term reforms aimed at facilitating a transition to green energy. These measures are anticipated to unlock growth potential without creating fiscal imbalances and to reduce the exposure of net international reserves to fluctuations in global crude oil prices and the country's reliance on imported hydrocarbons.

The need to restore foreign reserves to recommended levels to support the exchange rate anchor prompted the BCSTP to amend the exchange rate law, requiring commercial banks to sell 25% of their foreign currency holdings to the BCSTP.

POLITICS

The President of the United States of America has appointed Abigail Dressel as Ambassador Extraordinary and Plenipotentiary to Angola and São Tomé and Príncipe. A career diplomat, Minister Counsellor Abigail Dressel has served as Deputy Chief of Mission at the US Embassy in Buenos Aires, Argentina, since 1 August 2022, having previously held the same position at the US diplomatic mission in Mozambique.

In his customary end-of-year message, the President of the Republic, Eng. Carlos Vila Nova, stated that 2024 was a challenging year for the country and for most São Toméans. Carlos Vila Nova emphasised that the opportunities arising from the IMF agreement should be leveraged to address structural challenges, stimulate economic growth, and reduce poverty levels. The Head of State added that the country's economic situation had not improved significantly and that social challenges continued to worsen. Unregulated emigration has worsened, with all its consequences, as unemployment and

lack of opportunities remain the main drivers, particularly among young people.

MACROECONOMIC DEVELOPMENTS

Data from the World Bank forecasts that real GDP growth for São Tomé and Príncipe will rise from 1.1% in 2024 to nearly 3.6% in 2026, supported by stronger agricultural exports, growth in tourism, the expansion of infrastructure projects, and energy sector reforms.

The Budget Plan remains in deficit and is expected to reach 2.0% of GDP in 2024, but is projected to improve in the medium term with the resumption of external subsidy disbursements, the full implementation of VAT, and planned fiscal consolidation. Inflationary pressures have eased since the second quarter of 2024, with inflation expected to reach 16.1% for the year as the Central Bank tightens liquidity conditions, and forecast to decline to 7.5% by 2026.

The current account deficit remains elevated in 2024 but is projected to improve gradually in the medium term as the trade deficit narrows, supported by the implementation of planned energy reforms and the resulting reduction in fuel imports, increased tourist arrivals, and growth in agricultural exports.

International reserves continued to decline in 2024 to finance fuel imports, exposing the country's fragile macroeconomic position and its capacity to import goods and services. International reserves are expected to recover in the medium term with the resumption of external financing and the implementation of energy sector reforms.

However, the economic outlook remains subject to considerable uncertainty,

with risks of deterioration from current levels. Delays in implementing urgent reforms could further strain the government's budget and foreign exchange reserves. Reduced access to external financing, ongoing disruptions in global supply chains, and climate-related challenges could undermine São Tomé and Príncipe's growth prospects and hinder efforts to reduce poverty.

At the beginning of 2024, France made €2 million available to support the State Budget and restore foreign reserves to positive levels. The signing of the financing agreement marked the resumption of bilateral cooperation between France and São Tomé and Príncipe after several years of inactivity. This support enabled financing of social protection programmes, computerisation of the tax system, private sector projects, and, crucially, strengthened the government's foreign exchange reserves.

Japan has also increased its food aid to São Tomé and Príncipe with a new rice supply programme valued at around €2 million, an increase of €400,000 over the previous programme. The Japanese Ambassador to São Tomé and Príncipe, Noguchi Shuji, emphasised that his country intends to support the São Toméan government in implementing its priority sustainable development agenda, reducing poverty, and promoting economic growth to advance the country's development.

The Brazilian oil company Petrobrás has begun establishing its presence in São Tomé and Príncipe's energy sector by acquiring Shell's shares in three blocks of the Exclusive Economic Zone (EEZ), 45% in Block 10, 25% in Block 11, and 45% in Block 13. This way, São Tomé and Príncipe retains a 15% stake in each of the three blocks.

The World Bank has announced initiatives to support the growth of the tourism sector in São Tomé and Príncipe through a project valued at USD 8 million, spread over several years. The Minister of Economy, Disney Ramos, reiterated that the country's government sees tourism as a strategic sector for boosting the economy and that this project aims to upgrade tourist sites, promote São Tomé and Príncipe as a tourist destination, improve infrastructure, train technicians and provide training, especially in foreign languages.

After two years of negotiations, São Tomé and Príncipe reached an agreement with the International Monetary Fund. The IMF's Executive Board approved a 40-month programme under the Extended Credit Facility, worth USD 24 million (around € 23.5 million).

As part of the agreement, an initial disbursement of USD 5 million (around € 4.8 million) is to be released immediately. However, the IMF cautions that the remaining funds will only be made available over the course of the programme, subject to six-monthly evaluations. The reform plan proposed by the São Tomé and Príncipe authorities aims to restore macroeconomic stability, protect the most vulnerable, and lay the foundations for faster and more inclusive growth.

Measures include urgent reforms in the energy sector and medium-term structural adjustments to promote the transition to green energy, harnessing the country's growth potential. Additionally, the agreement is expected to attract further external financing from development partners, reinforcing the programme's impact on national objectives.

São Tomé and Príncipe has officially exited the category of Least Developed Countries. For the United Nations (UN), this milestone, formally declared on 13 December 2024, represents a significant achievement in the country's

development journey. However, the UN emphasised that substantial challenges remain. Particularly the high poverty rate among São Toméans, with 66.7% of the population living below the poverty line in 2017. This positive development is seen as the result of years of strategic planning, effective policymaking, and strong international partnerships.

KEY ECONOMIC INDICATORS

Table 3: Projection of real GDP (annual growth rate)

Sectors of the Economy	2020	2021	2022*	2023**	2024**	2025**	2026**
GROSS DOMESTIC PRODUCT	2.6	1.9	0.1	-0.3	2.9	4.1	3.2
ADDED VALUE	1.3	2.6	1.5	-2.3	1.8	3.6	3.1
Agriculture and Fisheries	0.7	-0.3	-13.6	-12.4	-7.8	0.0	0.0
Agriculture, Animal Production and Forestry	10.8	6.5	-11.5	-5.8	-3	5.5	4.7
Fisheries	-7.0	-6.0	-16	-19.2	-14	-7.8	-5.3
Extractive Activities	10.3	5.7	-0.6	-21.9	0.9	3.7	3
Industry	-7.0	-6.4	6.4	6.4	21.2	16.7	8.6
Manufacturing Industries	-53.8	-3.0	-0.5	-6.2	64.5	57.3	7.7
Production and Distribution of Electricity, Gas and Water	5.3	-0.6	6.9	31.5	25.9	9.9	13.7
Construction	16.5	-11.9	8.9	-7.4	3.5	3.5	4.7
Service	-6.5	3.3	3.7	-1.7	2.6	3.2	2.9
Trade	-2.5	24.9	7.4	3.6	-3	1.9	0.9
Accommodation and Food Service (Restaurants and Similar)	-26.4	1.3	16.1	19.4	12.6	7.1	7.7
Transport, Storage and Communications	23.5	-3.4	3.2	4	6.8	5.6	2.3
Financial Activities	-26.2	-10.7	2.1	-13.3	0.9	1.5	1.4
Real Estate, Rental and Services Provision	-26.4	1.3	16.1	-11	2.2	0.2	0.8
Public Administration, Defence, and Compulsory Social Security	6.1	0.6	-15.5	-12.9	0.5	2.8	4.1
Education	24.1	6.3	7.3	16.3	4.5	6.1	5.6
Health and Social Action	-1.4	7.8	5.1	2.6	4.2	8.3	8.4
Other Collective, Social and Personal Services	2.0	2.0	2.0	2.1	2.2	2.0	2.1
SIFIM	-62.4	-8.0	-10.8	-19.6	15.2	0.8	0.2
Taxes on Products	17.3	-5.8	16.3	22.0	40.3	9.9	9.2
Import duties	17.3	-5.8	16.3	31.2	6.0	8.9	0.4
Source: *INE and ** UMF projection							

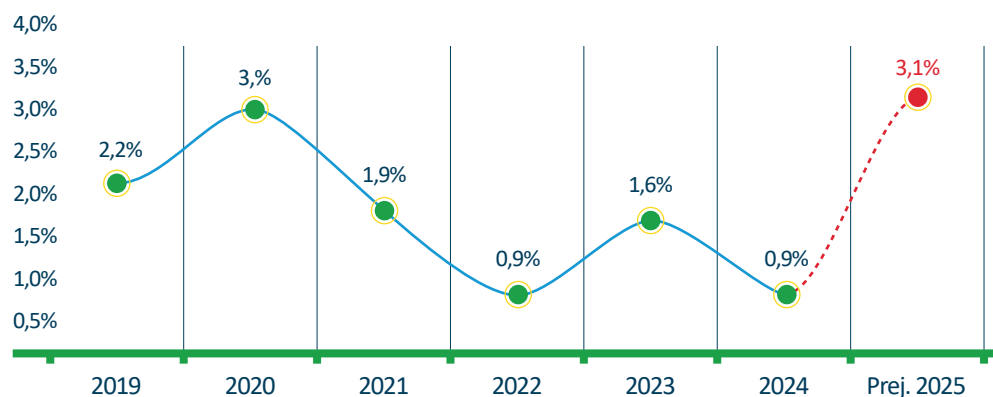
Fonte: * INE e ** Projecção da UMF

MACROECONOMIC OUTLOOK ACCORDING TO THE IMF (GDP, INFLATION AND INTERNATIONAL RESERVES)

Indicators	2021	2022	2023	2024	2025	2026	2027	2028	2029
			Est.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
GDP at constant prices (%)	1.9	0.2	0.4	0.9	3.1	4.8	4.1	3.5	3.5
Consumer prices (%)	9.5	25.2	17.1	10.9	6.9	5	5	5	5
International reserves in months of imports of goods and services	2.9	2.7	1.7	2	2.9	2.9	3.1	3.1	3.1

Source: IMF press release, 19 December 2024

GDP growth rate

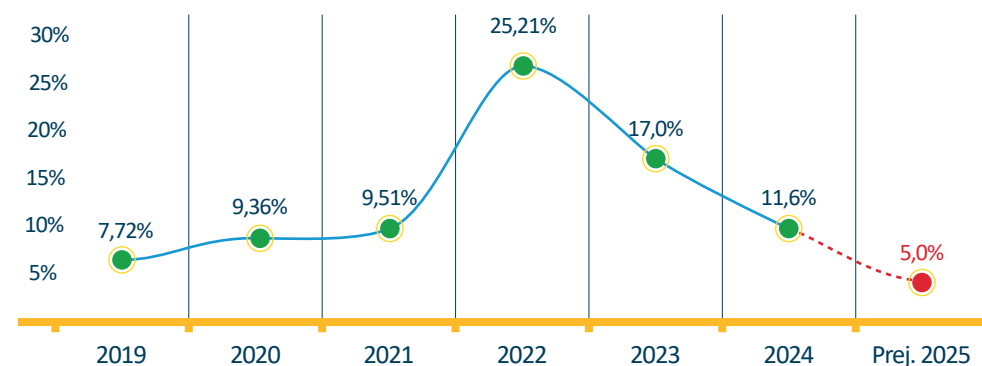


Source: IMF

Inflation stood at 11.57%, compared with 17.03% in 2023, showing a

downward trend towards single digits in the medium term. The medium-term inflation outlook remains around 5% for the period 2025–2028.

Evolution of Inflation



Source: Central Bank of São Tomé and Príncipe

MONEY MARKET

With the aim of ensuring price stability, the BCSTP's Monetary Policy Committee (MPC) met at the end of the year to assess the effects of current decisions on inflation and to analyse the medium-term macroeconomic outlook.

Against a backdrop of continued external uncertainties and a national context shaped by measures aimed at macroeconomic rebalancing, real GDP growth of 0.9% is expected for 2024, accelerating to 3.1% in 2025 and 4.8% in 2026. On the other hand, as a result of measures implemented in 2023 and 2024, an internal primary deficit of 0.5% of GDP is estimated for 2024, with a surplus expected from 2025 onwards.

In view of the expected evolution of the indicators, particularly the banking system's excess reserves, and in the light of the BCSTP's monetary policy mandate, the MPC decided as follows:

- Maintaining the reference interest rate at 10%;
- Maintaining the permanent liquidity facility rate at 10.5%;
- Maintaining the MCR coefficients at 21% for foreign currency and 28% for domestic currency;
- Maintaining the issuance of Certificates of Deposit depending on the assessment of the level of liquidity in the system;
- Implement the permanent deposit facility

This MPC, in accordance with its duties, will continue to monitor the national and international context, with the aim of adopting timely measures to preserve the exchange rate anchor and the stability of the National Financial

System.

With the aim of diversifying the sources of financing the budget deficit and achieving a more sustainable debt structure for the country's economic reality, the Public Treasury once again issued Treasury Bonds in June and August, with maturities of 5 and 2 years, at fixed annual rates of 6% and 4.25%, respectively. In terms of Certificates of Deposit, the BCSTP issued these securities on three occasions for a total of 805 million dobras, with maturities ranging from 1 to 3 months.

In order to reinforce the level of foreign reserves, the BCSTP issued a new regulation, NAP 06/2024, on foreign exchange operations, which establishes that commercial banks must remit 25% of the foreign currency received from export financial flows to the Central Bank.

With the aim of safeguarding the stability of the financial system, the BCSTP also issued NAP 07/2024 on macroprudential policy measures, which sets limits on exposure to risk and, on balance, tends to tighten the conditions for granting credit.

BANKING SECTOR

By June 2024, total assets of the banking system amounted to 5.23 billion dobras, representing a 4% increase compared with the previous year. An analysis of the headings showed a 12% increase in both liquid loans and cash on hand, to the detriment of securities, which declined by 26% compared with June 2023.

During the period under review, cash and cash equivalents remained the

largest asset category, accounting for 53.7% of total assets, followed by net loans at 25.2%.

The gross loan portfolio increased by 13% compared with the same period last year. This growth was driven by a rise in credit to the private sector and public administration, which grew by 34% and 45% respectively, while household credit contracted by 6%. Despite the reduction in loans to households, this sector remains the most financed by São Toméan banks, representing around 49% of the total portfolio in June 2024.

Although deposits contracted by approximately 3% in 2024, they continue to be the primary source of funding for banks, accounting for 71.5% of total assets. These deposits are mainly held by households (individuals) and the private sector/companies. Own funds rank second in the financing structure, representing 18.6% of total assets.

The highest risk of sectoral concentration remains in the construction/housing and consumer sectors, which together account for over 52% of the loan portfolio. However, loans for construction/housing, which constitute the largest share, fell by 12.9% year-on-year to 31.8%.

The ratio of non-performing loans remained unchanged from the previous year at 10.3%. Conversely, non-performing loans in new credit operations declined by 5 percentage points, standing at 1%. This reduction reflects an improvement in the quality of the loan portfolio, supported by an increase of around 43% in new loans. The construction sector has the highest level of non-performing loans, accounting for 48.9% of the portfolio, followed by consumer credit at 28.3%.

The São Toméan financial system continues to demonstrate improved profitability, resilience, and solidity.

In terms of profitability, up to June 2024, both the net interest income and the complementary margin showed positive growth compared with the same period in the previous year. Notably, the complementary margin experienced greater growth, reflecting increased commissioned financial services and adjustments to bank pricing. Both ROE and ROA also increased during the period under review, standing at 6.2% and 1.2%, respectively.

Regarding resilience and solidity, the financial system continues to strengthen, with all institutions maintaining a solvency ratio above the regulatory minimum of 12%. In June 2024, this ratio rose by approximately 2.6 percentage points compared with June 2023, reaching 34.4%. All banking institutions reported qualified own funds above the minimum requirement established by NAP 12/2021.

The financial system's liquidity ratio increased by 7.7 percentage points year-on-year, standing at 67.7%. It should be noted that all banking institutions have this indicator above the minimum required (more than 20%). It is important to note that the system is characterised by short-term deposit-taking and medium- to long-term intermediation.

Although there are signs of improvement in the banking system, it remains highly concentrated, with two banks holding around 80% of total deposits and assets; and continues to face several challenges, in particular: low profitability (due to high structural and operational costs in a micro-sized market with limited purchasing power), potential increases in risk, especially

credit risk, and the slow recovery of loans because of delays in the courts.

Despite the high level of competition in a small market with low profitability, a further bank is expected to enter the banking system in 2025, increasing the total number of banks to five. The new bank, GTI BANK STP, with Nigerian capital, will offer financial services primarily through digital channels, supported by the establishment in São Tomé of GTI Switch, a company from the same group specialising in digital payment services.

For 2025, it should be noted that the BCSTP intends to introduce measures to mitigate the risks of cyber-attacks, develop the electronic payment system, and address risks related to climate change. It also aims to reinforce measures to prevent credit defaults, implement sovereign risk mitigation measures, and improve the transformation ratio. Finally, the BCSTP plans to strengthen initiatives to promote the development of sustainable financial products and services.

Key Financial Sector Indicators

Regulatory Framework	2020	2021	2022	2023	2024	BISTP 2024	Regulatory Levels
Solvency	29,0%	31,61%	41,06%	36,49%	36,99%	33,22%	
Liquidity	58%	63,69%	61,40%	64,99%	67,59%	67,45%	
Sectoral Framework	2020	2021	2022	2023	2024	BISTP 2023	
Number of Banks	5	4	4	4	4	1	
Assets as a % of GDP*	47,40%	42,95%	38,10%	34,70%	30,60%	20,11%	
Net Credit as a % of GDP*	13,90%	10,72%	10,60%	8,40%	8,20%	4,21%	≥ 12,00%
Deposits as % of GDP*	34,60%	30,22%	27,70%	25,70%	21,96%	14,86%	≥ 20,00%
Transformation Ratio (Net Credit/Deposits)	40%	35%	33%	33%	37%	28%	
Level of Non-performing loans (> 90 days)	29,60%	28,57%	8,13%	11,92%	10,02%	13,07%	
Cost-to-Income	79,00%	71,48%	65,36%	62,12%	57,70%	49,2%	
ROE	4,10%	9,08%	12,63%	10,69%	14,47%	9,17%	
ROA	0,70%	1,66%	2,36%	1,98%	2,87%	1,60%	

Source: BCSTP

*BISTP calculation

Note: BISTP's Solvency Ratio and Liquidity Ratio were calculated in accordance with NAP 12/2021 and NAP 04/2007, respectively.

BISTP share

	2021	2022	2023	2024	Var. 2022/2021
Total Assets	60,94%	61,83%	61,14%	63,51%	2,4 p.p
Equity	54,78%	56,48%	55,72%	56,87%	1,2 p.p
Deposits	68,16%	68,37%	65,41%	68,50%	3,1 p.p
Loans and Advances to Customers	58,30%	61,74%	58,25%	53,49%	-4,8 p.p
Net Operating Income	63,82%	61,73%	59,31%	62,96%	3,7 p.p
Branches	70,59%	68,75%	66,67%	66,67%	-
ATM	78,57%	76,09%	73,33%	71,74%	-1,6 p.p
	61,26%	73,84%	71,47%	71,11%	-0,4 p.p

Source: GPC

The background features a large, light blue circular graphic with a thick border, resembling a stylized 'G' or a partial ring. Scattered around this are several small, light blue icons of two interlocking circles. The top-left corner is filled with a complex, low-poly geometric pattern in shades of orange and yellow. The bottom-right corner features a similar low-poly pattern in shades of green. The overall design is modern and abstract.

5

BISTP'S BUSINESS STRATEGY AND GEOGRAPHICAL PRESENCE

5. BISTP'S BUSINESS STRATEGY AND GEOGRAPHICAL PRESENCE

5.1 STRATEGY AND BUSINESS MODEL

As a mixed bank (commercial and investment), BISTP's operations are structured to serve a diversified clientele. With a universal and varied range of financial products and services for corporate customers, public and private institutions, and individuals, BISTP's business model aims to serve customers in a segmented manner, tailoring its offerings to each profile and specific needs.

The business model is designed to ensure that the BISTP's presence has a tangible positive impact on the economy and the lives of the population across the country, including in the most remote locations.

Aware of its important role in the market, BISTP continues to invest in expanding its commercial network and facilitating access to its services, targeting broader geographical coverage. This approach allows each customer to choose the channel that best suits their needs, thereby promoting greater financial inclusion. Thus, the Bank is therefore extending its physical presence nationwide to serve customers who prefer closer, more personalised service, while also developing and offering remote banking services through electronic

and digital channels, catering not only to younger customers who prefer accessing banking services remotely but also to those in more distant areas who wish to use the Bank's services without travelling.

As the first and oldest financial institution in the country, BISTP has successfully adapted its business strategy to the progressive and ongoing changes in the market, as well as to the challenges and requirements imposed by national and international authorities, while always keeping the needs of the general population in mind.

The preservation and strengthening of the Bank's solidity, as well as the trust placed in it by key stakeholders, are a natural consequence of its ability to adapt products and procedures in line with market demands and the requirements of regulatory and supervisory authorities.

For this reason, the pursuit of its ideal of "Excellence," focused on continuous improvement and value creation across its four strategic axes (Customers, Human Capital, Processes and Results), serves as the Bank's principal guide in decision-making and action.

In terms of the customer axis, the ambition to bring the Bank ever closer to the customer stands out.

The plan to expand the branch network nationwide continued, aiming to bring the Bank closer to its customers and offer a range of options for accessing its financial services, according to their preferences.

Thus, in addition to completing work on the Neves branch in the Lembá district, inaugurated on 3 March 2025, the Bank plans to begin construction of a new branch in the Caué district, in the south of the country, further extending its physical presence to better serve the population in this region of the country.

In terms of human capital, ongoing training stands out

The resilience demonstrated by the Bank over the years, particularly during adverse economic periods, reflects the quality of its human capital, which is well-trained and prepared to respond to the various and rapid changes in the market, including the emergence of new and more sophisticated risks, evolving regulatory requirements, and new competitors.

To maintain competitiveness and operational efficiency in a constantly changing market, the Bank has continued its policy of continuous training, with a particular focus on Compliance, covering all staff, including the Board of Directors.

Concerning improving internal processes, investments in technological infrastructure stand out.

In order to prepare the infrastructure for the Bank's business growth, meet the

technological updating requirements of its systems, introduce new services, comply with new regulatory requirements, and enhance security, the Bank has made significant investments in modernising its technology infrastructure. These investments have increased processing and data storage capacity, while also strengthening cyber-security measures.

Regarding the focus on results, it is important to highlight sustained growth benefiting all stakeholders.

The Bank has consistently achieved satisfactory results, even during the most adverse periods, thanks to a business model whose strategy is aimed at meeting the expectations of all parties, Customers, Employees, Shareholders, and Society in general. As a result of the Bank's strong and sustained performance over the years, solvency and liquidity ratios have shown a consistent upward trend, remaining well above regulatory requirements. Products and services have served as a key driver in the lives of individuals and businesses, improving their economic and social conditions and marking decisive progress towards the ideal of "Excellence."

However, the Bank is aware that it must not rest on past achievements but continue building momentum to constantly enhance its ability to respond to the market.

5.2 GEOGRAPHICAL PRESENCE AND DISTRIBUTION CHANNEL

BISTP is a national bank, designed to serve the entire population regardless of

geographical location. Driven by this mission, BISTP has continued to expand its physical, electronic, and digital presence across the country.

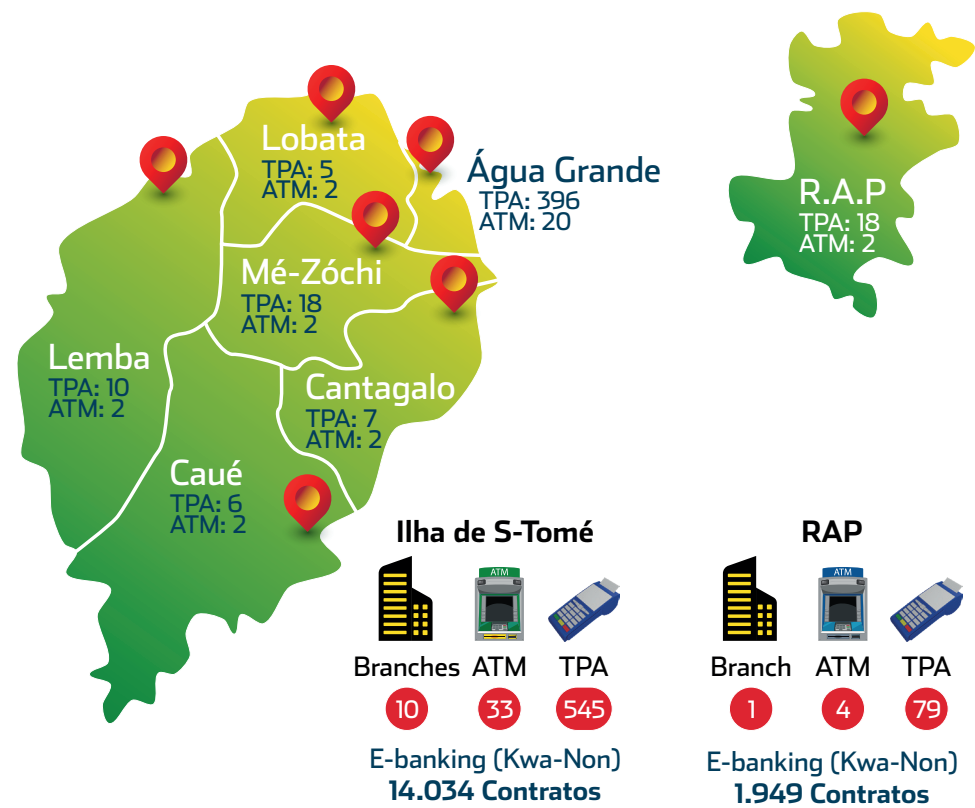
The expansion and diversification of financial service distribution channels all over the country clearly demonstrate that customer proximity is embedded in BISTP’s DNA.

In practical terms, this closeness is reflected in BISTP’s geographical coverage and its market share in both physical and electronic channels. At the end of 2024, BISTP held a 67% share of the banking network in terms of the number of physical branches, 72% in ATMs, and 71% in POS.

As part of its goal to be physically present in all districts and provide financial services to the entire population, BISTP inaugurated a new branch in the town of Neves, in the Lembá district, in 2025.

With this opening, the Bank now has at least one branch in four of the six districts, as well as in the Autonomous Region of Príncipe (RAP). In terms of electronic channels, BISTP is already accessible throughout the country.

BISTP: Presence in the country



Every year, the Bank renews its commitment to being “Everyone’s Bank”, going further and closer to everyone. For this reason, being physically present in every district of the country is more than symbolic; it is a mission at the heart of its creation, one that entails bringing financial services ever closer to all, thereby promoting economic and social growth.

The background features a large, light blue circular graphic with a thick border, resembling a stylized 'G' or a partial ring. In the top-left corner, there is a cluster of orange and yellow triangles of various sizes. In the bottom-right corner, there is a cluster of green triangles. Scattered throughout the background are several small, light blue icons, each consisting of two interlocking loops.

6

BISTP'S MAIN BUSINESS AREAS IN 2024

6. BISTP'S MAIN BUSINESS AREAS IN 2024

6.1 RETAIL BANKING: INDIVIDUALS

As in 2023, the year 2024 was marked by a highly adverse macroeconomic environment. The agreement with the IMF, reached only in the final month of the year, significantly constrained the country's ability to access external financial resources, such as grants and concessional financing from bilateral and multilateral partners. These resources are vital for financing the public investment programme, which depends on external funding for more than 90% of its execution.

In addition to the challenging economic climate, there was also a significant wave of emigration, which negatively affected the economy through reduced consumption, labour shortages, and increased credit risk.

The low level of public investment recorded in 2024, resulting from funding constraints, together with the level of domestic consumption, partly affected by the significant wave of emigration, may help explain the visible slowdown in economic activity and the increased perception of country and credit risk for businesses and households.

Against this backdrop, the challenge of promoting growth in the credit portfolio

and other financial products has become particularly significant.

The contraction of the loan portfolio in the individual segment in 2024, by approximately 6.9% compared with the previous year, reflects the slowdown in economic activity.

As a result, the share of loans granted to this segment now represents 50.8% of the Bank's total loan portfolio, compared with 56.1% in 2023, indicating a sharper contraction in lending to individuals than to companies and institutions.

Despite this decline, the segment continues to carry significant weight within the overall portfolio, providing a degree of stability, as it benefits from greater risk diversification and is less concentrated and volatile than the corporate segment. Owing to this diversification, Retail Banking continues to play a key role in strengthening the overall resilience of the Bank's business model.

With regard to the deposit portfolio in this segment, there was a slight year-on-year increase of approximately 3.8%, bringing its share of total deposits (demand and term deposits) to around 39.8%, compared with 39.1% in 2023.

The share of private customers in the combined total volume of loans and deposits stood at 42.4%, compared with 43.0% in 2023. This segment remains strategically important for risk diversification and for reinforcing the resilience of the Bank's operations, given the greater heterogeneity of the private customer base.

DEPOSITS

Deposits in this segment expanded by around 3.1%, due to the 5.7% growth in demand deposits, while term deposits fell by 10.6%.

Deposits in this segment amounted to mSTN 995,228, representing an increase of mSTN 29,725 compared with 2023, or a growth of 3.1%.

Term deposits recorded a negative variation of approximately 10.6% year-on-year. This contraction may be explained by average interest rates, which have remained below the inflation rate. It should be noted that the policy of maintaining lower remuneration rates is justified by the excess liquidity in the financial market; the issue of surplus, unutilised funds is further exacerbated in a crisis environment in which bank lending is contracting. The reduction in term deposits may also be attributed to customers' need, in a context of high inflation, to mobilise low-yield term deposits in order to meet consumption needs amid rising living costs.

Longer-maturity term deposits were not significantly affected by the lower interest rate policy. In fact, the weighted average rate continues to be influenced by contracts concluded in previous periods.

Individuals (Customer Deposit Portfolio)

	Variation				
	2022	2023	2024	23.vs.22	24.vs.23
Customer deposits (excluding interest payable)					
Demand deposits	830.542.440	810.384.744	856.548.535	-2,43%	5,70%
Term deposits	160.932.363	155.118.221	138.679.430	-3,61%	-10,60%
Total customer deposits	991.474.803	965.502.966	995.227.965	-2,62%	3,08%

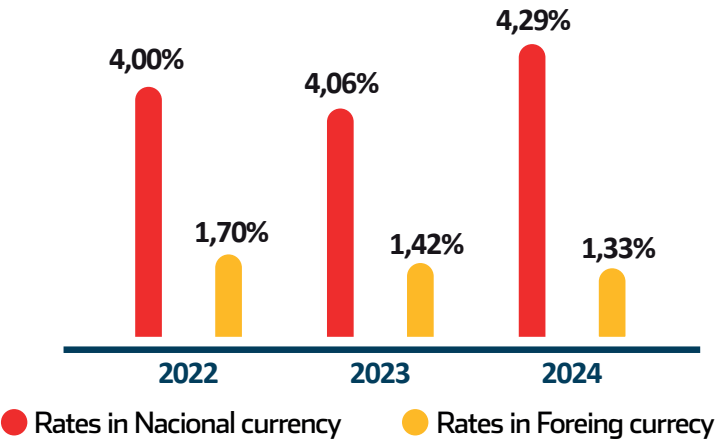
Amount in STN

Maturity of Term Deposits 2024

Maturity of Term Deposit Contracts	Capital (STN)	Weighted average rate
Up to 6 months	28.606.558	1,38%
From 6 to 12 months	656.100	1,07%
More than 12 months	109.416.772	4,50%
Total	138.679.430	3,85%

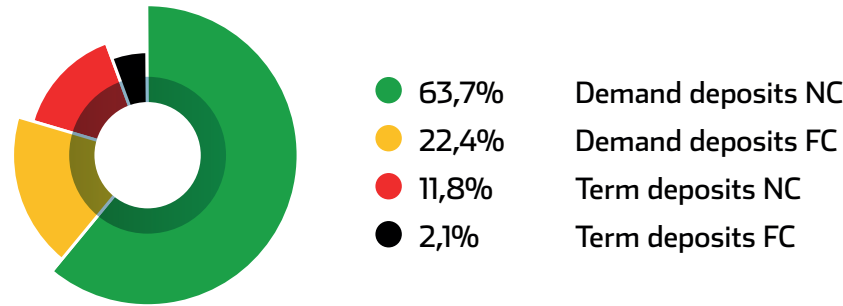
Amount in STN

Funding rate by currency group (weighted average)



With regard to the composition of deposits by currency, there is a clear predominance of deposits denominated in National Currency, which account for 75.5% of total deposits, compared with 24.5% held in foreign currency.

Weight of Deposits by Currency



LOANS

The volume of the loan portfolio in this segment contracted by approximately 6.9% in 2024 compared with 2023, corresponding to an absolute reduction of mSTN 29,598.

Loan Portfolio	2022		2023		2024		Variation			
	Nº	Amount	Nº	Amount	Nº	Amount	23 Vs. 22		24 Vs. 23	
Performing loans	5.284	391.036.583	4.375	356.268.490	3.625	320.022.164	-17,2%	-8,9%	-17,1%	-10,2%
Non-performing loans	220	69.965.123	332	73.880.518	421	80.540.558	50,9%	5,6%	26,8%	8,7%
Overdrawn	2.653	410.425	930	414.960	631	598.987	-64,9%	1,1%	-32,2%	44,3%
Total Loan Portfolio	8.157	461.412.131	5.637	430.563.968	4.6	400.966.155	-30,9%	-6,7%	-17,0%	-6,9%
<i>Amounts in STN</i>										

The volume of loans in good standing contracted by 10.2%, while the portfolio of non-performing loans increased by 8.7%, indicating a rise in credit risk. This change reflects both the emigration of families to Portugal and the adverse economic conditions that characterised economic activity in 2024.

Loan Portfolio – Performing							Variation			
Loan Portfolio	2022		2023		2024		23 Vs. 22		24 Vs. 23	
Performing loans	Nº	Montante	Nº	Montante	Nº	Montante	Nº	Montante	Nº	Montante
Housing with Mortgage Guarantee	120	63.868.171	111	57.326.839	103	59.693.012	-7,5%	-10,2%	-7,2%	4,1%
Consumption	1.616	88.664.036	1.612	117.975.345	1.576	124.802.821	-0,2%	33,1%	-2,2%	5,8%
Automotive	11	2.074.073	5	957.562	3	896.924	-54,5%	-53,8%	-40,0%	-6,3%
Health	4	948.451	8	1.195.127	8	737.379	1	26,0%	0,0%	-38,3%
Other personal loans	3.533	235.481.852	2.639	178.813.617	1.935	133.892.028	-25,3%	-24,1%	-26,7%	-25,1%
Total of Performing loans (1)	5.284	391.036.583	4.375	356.268.490	3.625	320.022.164	-17,2%	-8,9%	-17,1%	-10,2%
<i>Amounts in STN</i>										

Within the performing loans portfolio, housing loans with a mortgage guarantee and consumer credit increased by 4.1% and 5.8%, respectively. Car loans and health loans declined by 6.3% and 38.3%, respectively “Other loans to individuals,” which generally include home improvement loans (without a mortgage guarantee) and small business investment loans, fell by 25.1%.

In a less favourable economic environment, recoveries of non-performing loans have become increasingly difficult, raising the potential risk of new loans becoming non-performing. In response to these recovery challenges, exacerbated by the economic situation and rising default risk, the Bank has implemented a policy of regular monitoring of customers at both the branch and manager levels, with the recovery of highly complex loans managed by the GJR – Gabinete Jurídico e Recuperação (Legal and Recovery Office).

Non-performing loans increased by 8.7% compared with 2023, largely due to higher defaults among customers who emigrated to Portugal and ceased paying their credit instalments.

Despite this factor driving the rise in defaults, it is important to note that the extreme slowness, or near inoperability, of the courts in handling credit litigation remains the most critical obstacle in recovering non-performing loans. As a result of the inefficiency of the courts in this area, credit recovery in this market is particularly difficult and challenging.

Non-performing loans Portfolio							Variation			
Loan Portfolio Non-performing loans	2022		2023		2024		23 Vs. 22		24 Vs. 23	
	Nº	Amount	Nº	Amount	Nº	Amount	Nº	Amount	Nº	Amount
In Arrears > 90 days										
Housing with Mortgage Guarantee	35	42.524.610	34	40.970.323	33	37.799.356	-2,9%	-3,7%	-2,9%	-7,7%
Consumption	66	3.837.561	104	6.738.365	136	9.248.905	57,6%	75,6%	30,8%	37,3%
Automotive	2	935.573	4	1.212.707	3	774.576	100,0%	29,6%	-25,0%	-36,1%
Health	2	278.310	0	-	-	-	-100%	-100,0%	0	0
Others to Private Individuals	115	22.389.070	190	24.959.124	249	32.522.167	65,2%	11,5%	31,1%	30,3%
Total of Non-performing loans	220	69.965.123	332	73.880.518	421	80.345.004	50,9%	5,6%	26,8%	8,7%

Amounts in STN

From the perspective of credit quality evolution, the following points can be highlighted:

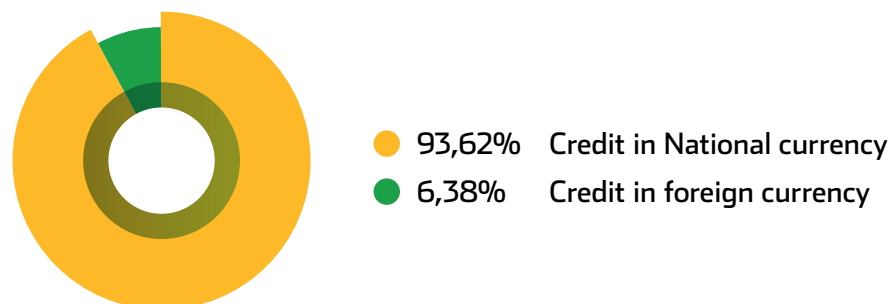
- The share of non-performing loans in this segment's total loans increased from 17.16% in 2023 to 20.0% in 2024, largely due to the emigration of families to Portugal.

- The level of coverage of total loans (Performing and Non-Performing) by provisions in this segment stands at 14.1%, compared with 13.5% in 2023, reflecting an overall rise in credit risk.
- Non-performing loans total in 2024 amounted to mSTN 80,345, an increase of mSTN 6,464.
- The provision coverage ratio for risky loans in the portfolio remains high at 62% in 2024, despite a decrease of 7 percentage points from 2023.

In view of this widespread risk environment, the Bank has maintained prudence and rigour in the analysis and granting of credit, as well as a conservative and disciplined approach to provisions.

Regarding the evolution of loans by currency, the strategy remains to align the currency of financing with the customer's income currency. As the majority of customers' income is in the National Currency (Dobra), there is a higher proportion of credit denominated in National Currency relative to foreign currency.

Loans weight by currency



6.2 CORPORATE BANKING: COMPANIES AND INSTITUTIONS

Despite a slight upturn in tourism activity, with an increase in the influx of tourists to the country in 2024, investor optimism has not materialised, which has resulted in weak foreign and domestic direct investment in this sector and others. The cooling of private investment and the weak economic dynamics in 2024 can be explained, to a certain extent, by the economy's strong dependence on the state's operating and investment costs.

The fact that a new technical and financial assistance agreement with the IMF was only reached at the end of 2024 made it difficult for the state to mobilise financial resources from bilateral and multilateral partners to finance the investment expenses included in the 2024 State Budget, contributing significantly to the contraction of public investment, which relies on more than 90% of these funding sources.

Faced with an unfavourable economic climate, companies have also reduced their demand for bank financing, both for stock rotation and for business investment or expansion.

In 2024, the **Companies and Institutions** segment accounted for 49.2% and 60.2%, respectively, of the total loans and deposit portfolios.

DEPOSITS

The volume of deposits for this segment contracted by around 2.2% in 2024, due to declines in demand and term deposits of 2.16% and 32.56%, respectively.

Segmentation of Deposits by Type

Companies and Institutions (Customer Deposit Portfolio)

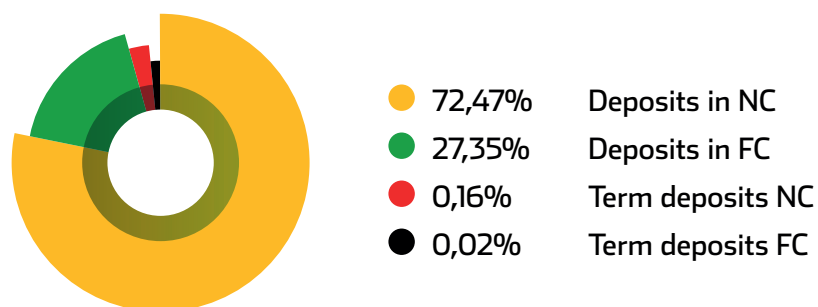
	2022	2023	2024	Variation	
				23.vs.22	24.vs.23
Deposit Portfolio (excluding interest payable)					
Demand deposits	1.341.188.037	1.539.393.445	1.506.081.133	14,78%	-2,16%
Term deposits	2.166.115	3.951.453	2.664.933	82,42%	-32,56%
Total customer deposits	1.343.354.152	1.543.344.897	1.508.746.066	14,89%	-2,24%

Amounts in STN

Despite the contraction of the portfolio in this segment, demand deposits remained notably stable, representing the predominant source of funds without associated funding costs.

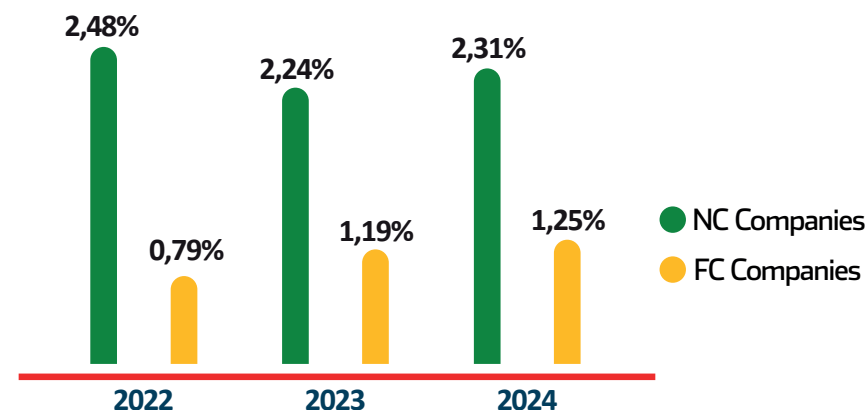
Regarding the composition of deposits by currency, deposits in National Currency continue to account for the bulk of this segment, with a share of 72.5%, compared with 27.4% in foreign currency.

Weight of Deposits by Currency



Average funding rates for this segment remain low. However, with the increase in Euribor and Libor, the average funding rates in foreign currency rose. Nevertheless, with a share of less than 1%, term deposits remained of very limited significance for this segment.

Funding rate by currency group (weighted average)



LOANS

Loans to the economy expanded by 14.05%, representing an absolute increase of mSTN 47,864, with this growth largely driven by loans extended to public institutions. Generally, loans to private companies contracted, except the tourism sector, reflecting the impact of economic stagnation, which is characterised by lower demand for bank loans from companies and a deterioration in their credit quality.

Despite the challenging economic climate, BISTP remains focused on the

limited business opportunities that arise, offering financing solutions tailored to the economic context and the specific circumstances of each company.

Loan Portfolio	2022		2023		2024		Variation			
	Nº	Amount	Nº	Amount	Nº	Amount	23Vs. 22		24 Vs. 23	
							Nº	Amount	Nº	Amount
Performing loans	49	281.034.048	56	213.831.683	40	285.871.865	14,3%	-23,9%	-28,6%	33,7%
Non-performing loans	18	14.963.340	16	18.530.447	24	22.468.619	-11,1%	23,8%	50,0%	21,3%
Overdrawn	17	116.044.993	23	108.184.746	32	80.070.112	35,3%	-6,8%	39,1%	-26,0%
Total Loan Portfolio	84	412.042.381	95	340.546.876	96	388.410.596	13,1%	-17,4%	1,1%	14,05%

Amounts in STN

Performing loans grew by 33.7%, with this increase primarily driven by loans extended to companies, public institutions, and those operating in the tourism sector.

Loan Portfolio – Performing							Variation			
Loan Portfolio Performing loans	2022		2023		2024		23Vs. 22		24 Vs. 23	
	Nº	Amount	Nº	Amount	Nº	Amount	Nº	Amount	Nº	Amount
Trade	14	24.379.615	20	28.225.951	18	25.709.401	42,9%	15,8%	-10,0%	-8,9%
Construction	11	33.566.764	6	33.918.542	4	21.124.189	-45,5%	1,0%	-33,3%	-37,7%
Services	7	8.022.744	16	10.569.331	5	1.762.008	128,6%	31,7%	-68,8%	-83,3%
Tourism	-	-	6	3.552.108	10	5.889.980	-	-	66,7%	65,8%
Other (Companies; Public institutions, and Other private companies)	17	215.064.925	8	137.565.752	3	231.386.287	-52,9%	-36,0%	-62,5%	68,2%
Total of Performing loans	49	281.034.048	56	213.831.683	40	285.871.865	14,3%	-23,9%	-28,6%	33,7%

Amounts in STN

Loans to trade, construction, and services sectors contracted by 8.9%, 37.7%, and 83.3%, respectively, reflecting the weak dynamics of the economy. Meanwhile, loans to “Public Institutions and Other Private Companies” grew by 68.2% and loans to the tourism sector by 65.8%, driving the growth of the loan portfolio in this segment.

Overall, non-performing loans expanded by approximately 21.3%.

Loan Portfolio Non-Performing Loans	Non-Performing Loans Portfolio						Variation			
	2022		2023		2024		23 Vs. 22		24 Vs. 23	
	Nº	Amount	Nº	Amount	Nº	Amount	Nº	Amount	Nº	Amount
In Arrears > 90 days										
Trade	8	7.827.526	9	12.804.137	14	10.046.188	12,5%	63,6%	55,6%	-21,5%
Construction	4	4.347.843	3	3.483.566	4	3.643.947	-25,0%	-19,9%	33,3%	4,6%
Services	-	-	2	1.334.338	4	8.280.038	-	-	-	-
Tourism	-	-	-	-	1	441.752	-	-	-	-
Others	6	2.787.971	2	908.407	1	56.694	-66,7%	-67,4%	-50,0%	-93,8%
Total of Non-performing loans	18	14.963.340	16	18.530.447	24	22.468.619	-11,1%	23,8%	50,0%	21,3%

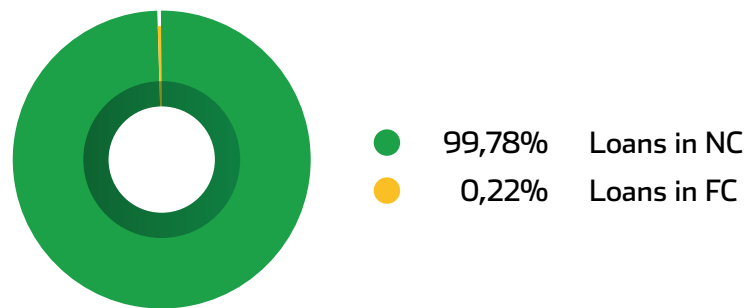
Amounts in STN

This variation in non-performing loans reflects the increase in market risk and the greater fragility of private companies, particularly those in the service sector. It is important to note that market conditions (weak economic activity) and poor judicial performance (excessive delays or inoperability in the handling of litigation) continue to constrain the achievement of better results in recovering non-performing loans.

Regarding provisions, the Bank has maintained a prudent and rigorous policy, with provisions for doubtful debts covering around 53% of non-performing loans (loans overdue by more than 90 days).

In terms of the composition of loans by currency, in 2024, loans in National Currency accounted for approximately 99.8%, this reflects BISTP's policy of strengthening economic agents' confidence in the National Currency by aligning the currency of loans with customers' income, while also reducing the Bank's exposure to fluctuations in benchmark rates (Euribor and Libor).

Weight of total loans by currency



6.3 ELECTRONIC AND DIGITAL BANKING (DEBIT CARDS AND E-BANKING)

The use of electronic and digital channels by customers continued to grow in both transaction volume and number of transactions. Throughout 2024, BISTP maintained commercial initiatives aimed at promoting the adoption and greater use of electronic and digital channels as more convenient, secure, and faster alternatives for accessing financial services.

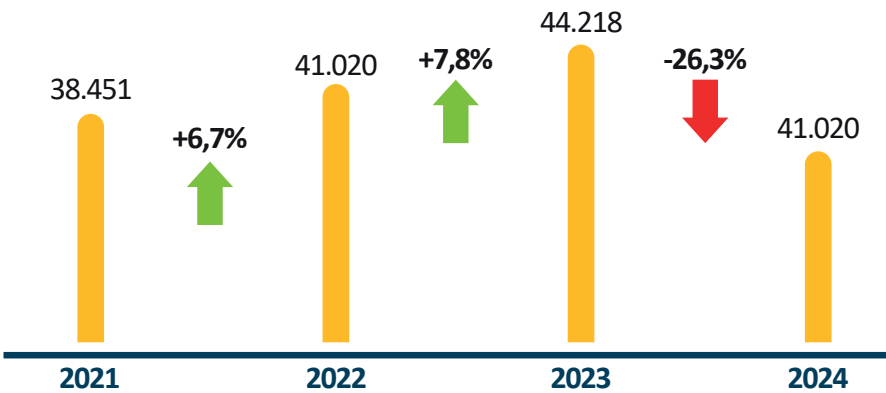
DEBIT CARDS AND POS – “DOBRA 24”

The use of debit cards, TPA/POS terminals, and internet banking continues to be promoted both at account opening and through cross-selling, particularly in relation to credit operations.

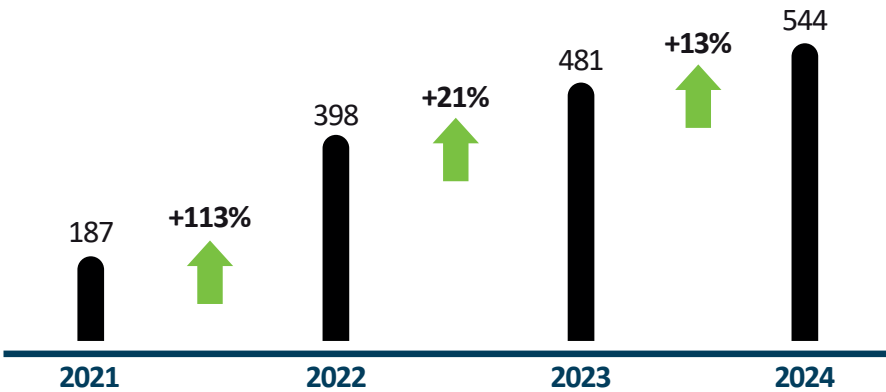
The 26.3% reduction in the number of debit cards compared with 2023 can be attributed to the expiration of around 16,000 cards in 2024 issued under the

Vulnerable Families Programme, of which only 5,000 were renewed for the new programme. The migratory flow has also contributed to the reduction in the number of active cards in circulation.

Debit Cards (Number)



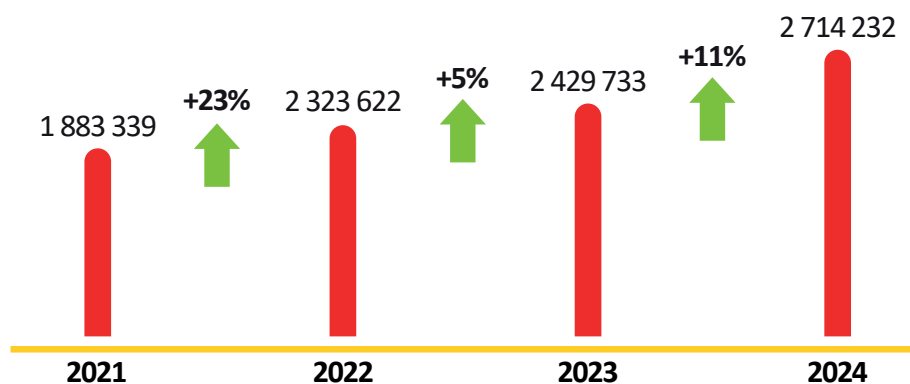
TPA/POS (Number)



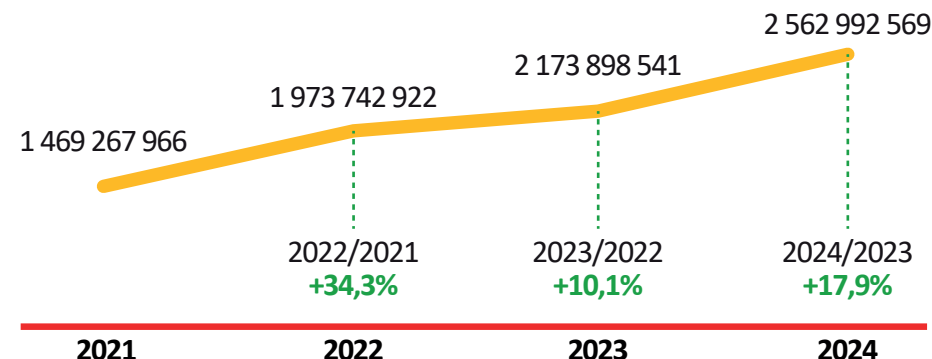
The commercial and marketing initiatives promoting the use of these payment methods have supported a gradual increase in the number of customers using electronic and digital banking. In 2024, the number of devices (TPA/POS) installed grew by approximately 13% compared with 2023.

The number of transactions conducted through these channels has increased significantly over recent years. ATM transactions rose slightly, by around 2%, while POS transactions grew strongly year-on-year, by approximately 42%, indicating a clear trend towards greater use of POS over ATMs, one of the Bank's strategic objectives being to reduce the reliance on physical cash.

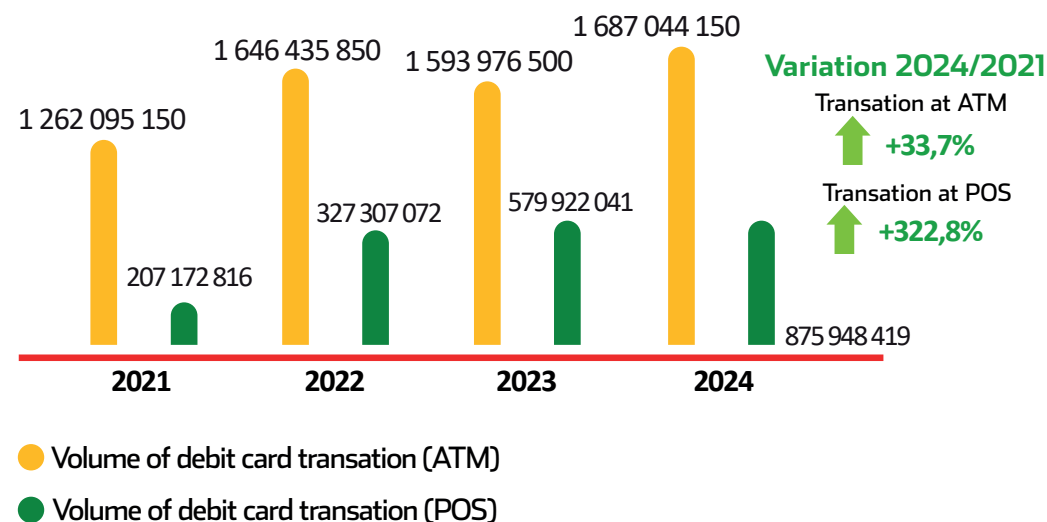
Number of TPA and POS transactions



Volume of debit card transactions in electronic channels (ATM and POS)



Transaction volume with card at ATM and POS terminals



The Bank's objective in promoting POS usage, alongside financial literacy initiatives and publicising the advantages of these channels, such as

convenience, practicality, and security, is to encourage customers to favour them for their transactions.

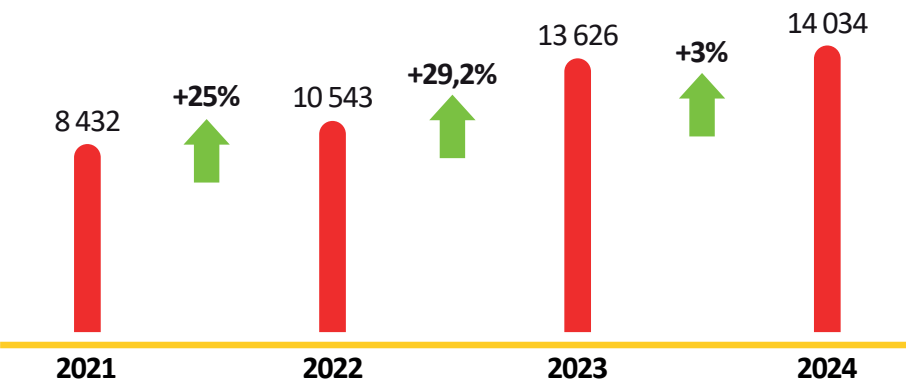
E-BANKING (KWA-NON)

With regard to internet banking, there is an upward trend in both the number of new users and the volume of transactions.

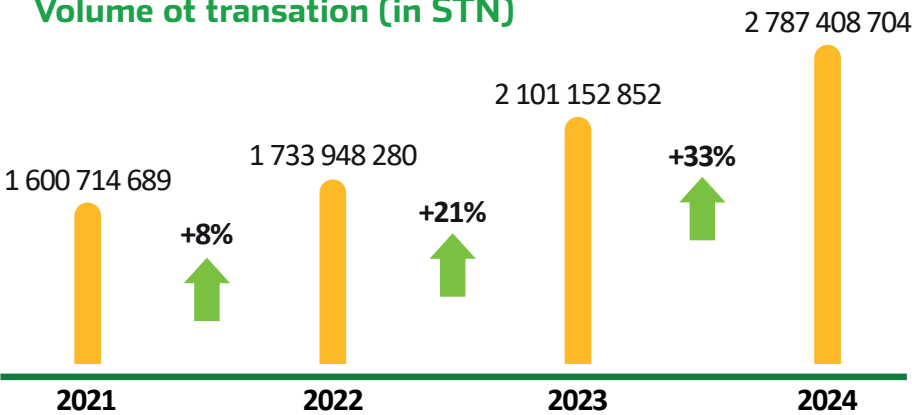
The Bank continues its commitment to greater dissemination and use of the internet banking service among customers. The availability of a mobile application, allowing Kwa-Non to be used easily via a cell phone, is further promoting the uptake and use of this service.

The number of internet banking contracts (KWA-NON) increased by approximately 3% in 2024 compared with 2023. Similarly, the volume and number of transactions grew by 33% and 23%, respectively.

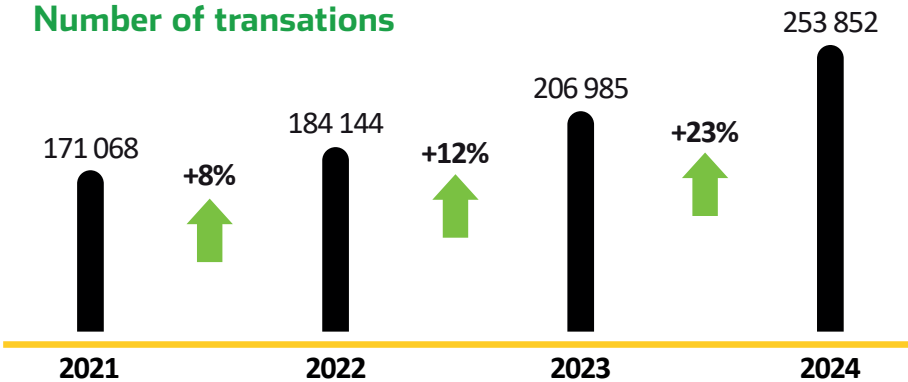
E-Banking contracts



Volume of transaction (in STN)



Number of transactions



In addition to electronic (ATM and POS) and digital (e-banking) services providing greater customer convenience, they also have significant potential to reduce the current high level of branch traffic for withdrawals, transfers, balance enquiries, and other account transactions, this, in turn, frees up space and time for the Bank to enhance its personalised service offerings and to improve monitoring of customers and their financial needs.



7

RISK MANAGEMENT

7. RISK MANAGEMENT

The year 2024 was marked by the introduction of new metrics and control dynamics, but it does not mark the end of the improvement process. The Bank has therefore continued to promote its Internal Control System to meet the requirements of both the national and international financial systems.

RISK APPETITE

BISTP continues to be guided by the principle of prudence, aiming to develop its business activities in a controlled and sustainable manner, particularly at a time when a new international order is emerging with as yet unpredictable outcomes. At the same time, the Bank seeks to align its business objectives with the levels of risk tolerance defined for sustainability and medium to long-term profitability, consistently adopting strategies that make the goals of the strategic plan compatible with measures conducive to their achievement. The ongoing period of global uncertainty, with its incalculable impact, together with the collateral effects of the war between Russia and Ukraine, the conflict in the Middle East between Israel and Hamas, and the continued migratory flows affecting São Tomé and Príncipe, has led the Bank to further fine-tune its control measures, since these combined events have contributed to a

contraction in business activity as well as an increase in default risk (credit risk).

The Bank remains resolute in defining and implementing controls and limits for the risks it considers materially relevant to its operations. This process is based on the Risk Appetite Statement (RAS), whose general principles are based on qualitative statements that define the Bank's risk strategy, as well as quantitative aspects, with the definition of the limit for various indicators that must be respected, with these indicators acting as risk prevention principles, which are aligned with the business strategy and the understanding of risk-benefit trade-offs.

The metrics are based on the essential values inherent in the following definitions:

- **Objective** – defines the optimum level of risk that each business unit can incur in order to meet the established strategic objectives;
- **Tolerance** – determines a level of risk of concern that should result in the consideration of corrective measures;
- **Threshold** – represents a level of risk that poses a serious threat to the

business and therefore requires immediate action;

- **Recovery Plan Trigger:** defines a level associated with the assessment of the need for the Bank's management to launch recovery measures.

Risk limits are approved by the competent governance bodies as defined in internal regulations and are reviewed whenever justified.

RISK STRATEGY

The delimitation of risk appetite, reflected in the Risk Appetite Statement (RAS) as the primary set of indicators translating and materialising the risk appetite, is the guiding framework of BISTP's Risk Strategy. This strategy is approved by the Bank's Board of Directors, based on a proposal from the Risk Management Function, and is first reviewed by the Executive Committee (EC) and the Risk Committee (RC). In effect, the RAS establishes the main lines of action to be taken by the Bank in order to mitigate or control all the material risks identified. Collectively, these lines of action formally constitute the Bank's Risk Strategy.

The RAS and the Risk Appetite Framework are inseparable elements of risk management, both aimed at controlling and mitigating the risks identified through the risk identification process.

INTERNAL CONTROL

The Risk Management function is an integral part of the Bank's Internal Control System (ICS), alongside the Compliance and Internal Audit functions, and has

been strengthened by the Permanent Operational Control Function (POCF), this structure contributes to a more robust internal control environment, defining the risks associated with the Bank's core business activities as well as those supporting the business.

Within the scope of the ICS, the Risk Management and Compliance functions form the Bank's risk management system (RMS), which takes the form of an integrated set of resources, standards and processes that help to ensure an appropriate framework for the different nature and materiality of the risks underlying the activities carried out, to achieve the Bank's business objectives in a sustained and prudent manner. As mentioned above, the process has been strengthened with the POCF, whose main task is to certify the conformity of the operations carried out.

In this context, the ICS and RMS provide BISTP with the capacity to identify, assess, monitor and control the risks – internal and/or external – to which the Bank is exposed, with the aim of ensuring that they remain at acceptable levels and within the limits defined by the Board of Directors.

The RMS therefore embodies the so-called “2nd Line of Defence” with respect to the risks associated with the Bank's activities. It should also be noted that the 1st Line of Defence is maintained on a day-to-day basis by all the Bank's organisational units – supported by training and risk-awareness initiatives, as well as the delineation of activities through a comprehensive and detailed system of internal rules (SNI) – and finally, as 3rd Line of Defence is provided by the Internal Audit function, which operates transversally and independently.

BISTP also has a 4th line of defence, which ends up being the External Audit service, which the Bank tends to seek out from one of the four largest companies in the sector.

RISK COMMITTEE

The Risk Committee, appointed by the Board of Directors, is made up of three non-executive directors and is responsible for a number of duties, including the following:

- Advising the Board of Directors on BISTP's risk appetite and the Bank's risk strategy, taking into account all types of risks, both financial and non-financial, to ensure they are aligned with the Bank's business strategy, objectives, culture, and values;
- Supervising the coherence between all the important products and services offered to customers, as well as the institution's business model and risk strategy, presenting correction plans to the Board of Directors when this analysis shows that these conditions do not adequately reflect the risks;
- To monitor the management policies for all risks related to BISTP's activity, both financial and non-financial, namely business and strategy, solvency, liquidity, interest rate, credit, market, operational, IT, compliance and reputation, exchange rate and political risks;
- Evaluating and promoting the effectiveness and efficiency of BISTP's internal control processes, in particular by reviewing the recommendations of internal or external auditors and monitoring the implementation of the

measures adopted;

- Monitor BISTP's risk strategy and risk appetite.

AUDIT AND INTERNAL CONTROL COMMITTEE

The Audit and Internal Control Committee (AICC), appointed by the Board of Directors, is composed entirely of non-executive directors (three members) and is entrusted with a number of responsibilities, including the following:

- Promoting and monitoring compliance with legal and regulatory provisions, the BISTP Statutes, the rules and recommendations issued by supervisory bodies, as well as the general policies, rules and practices established internally;
- Evaluating and promoting the effectiveness and efficiency of the Internal Audit function, ensuring direct functional reporting from this function;
- Supporting the pursuit of the fundamental objectives set by the Central Bank of São Tomé and Príncipe (BCSTP) regarding internal control and risk management, as well as supervisory directives for credit institutions and financial companies;
- Monitoring the work of the Executive Committee;
- Conducting a critical appraisal of the Bank's Internal Control System, overseeing the complementary autonomous evaluations assigned to the Internal Audit function, as issued by supervisory authorities, and ensuring that their effectiveness and completeness contribute to the overall efficiency and effectiveness of the Internal Control System.

- The independence of the monitoring process is further reinforced by the nature and composition of the two specialised committees of the Board of Directors (which do not include executive directors), thereby safeguarding against conflicts of interest by ensuring that those managing the business do not oversee the control process.

RISK OFFICE

At BISTP, the Chief Risk Officer (CRO) is an Executive Director dedicated exclusively to the Bank's control functions. The CRO has overall responsibility for overseeing the Bank's risk management framework and ensuring the proper and effective functioning of the Risk Management Function. The role also includes informing and advising the management and supervisory bodies on the risks assumed, the Bank's overall risk profile, and compliance with defined risk tolerance thresholds.

MAIN ACTIVITIES CARRIED OUT AND NOTABLE EVENTS RECORDED IN 2024.

In 2024, the Risk Management function maintained its strategy, focusing on the implementation of the planned metrics and the continuous improvement of the risk control system already in place. This includes the ongoing monitoring of risk levels to which the Bank is exposed in relation to the tolerance limits defined in the RAS, while ensuring full compliance with regulatory and supervisory requirements. Consequently, the internal regulatory framework

for risk control and management, developed by Compliance, is kept up to date.

Some of the activities carried out in 2024 include:

- Approval of the Risk Management Function Model;
- Approval of the Internal Regulations of the Risk Management Function;
- Creation of the FCPO and approval of its Manual of Structure and Organisation;
- Review of standards and processes related to Operational Risk; Updating the standard on Cash Balance Management Policy.

CREDIT RISK

This risk takes the form of losses recorded in the credit portfolio, whether due to the inability of the principal debtors of the credit operation (borrowers), or the guarantors of the operation, where applicable, the issuers of securities, or the counterparties to contracts, to fulfil their credit obligations. As a result, this type of risk ultimately proves to be the most significant, representing the largest share of the Bank's overall risk exposure.

Credit risk – concentration

Table I

Situation of the 20 Largest Customers in relation to the total portfolio with credit characteristics - Last 4 Quarters												
Classe Real Banka	4th Quarter - 2024			3rd Quarter - 2024			2nd Quarter - 2024			1st Quarter - 2024		
	Qty	Absolute		Qty	Absolute		Qty	Absolute		Qty	Absolute	
		%	Amount		%	Amount		%	Amount		%	Amount
top 20 customers*	33	52%	414,106,194.46	33	51%	408,443,680.85	31	49%	382,733,145.93	34	42%	371,106,194.46
Normal (includes arrears ≤ 29 days)	28	0%	403,813,123.57	28	50%	398,223,839.20	26	47%	367,684,911.49	30	41%	356,106,194.46
Normal with no arrears	26		323,957,702.08	26		394,190,599.26	25		362,278,809.72	29		351,106,194.46
Normal with arrears of up to 29 days	2		79,855,421.49	2		4,033,239.94	1		5,406,101.77	1		5,406,101.77
Under supervision arrears ≥ 30 ≤ 89 days	2	0%	862,680.95	0	0%	-	3	1.0%	7,544,643.41	3	0.6%	7,544,643.41
Below normal arrears ≥ 90 ≤ 179 days	0	0%	-	3	0%	2,864,655.75	1	0.5%	4,203,225.11	0	0%	-
Doubtful loans in arrears ≥ 180 ≤ 359 days	3	1%	9,430,389.95	1	1%	4,196,277.05	1	0.4%	3,300,365.93	1	0.5%	3,300,365.93
Loss arrears ≥ 360 days	0	0%	-	1	0%	3,158,908.85		0%		0	0%	-
Loan Portfolio - Assets (Credit to Disbursement)	4773	100%	789,376,750.80	5329	100%	802,049,905.35	6960	100%	783,742,718.26	8586	100%	778,106,194.46

* for customers with a relationship of dominance, economic groups have been created.

In the chapter on concentration of credit risk, throughout 2024 BISTP recorded concentration levels as shown in the table above, with the 20 largest customers (defined by economic group) accounting for 51% of the Bank's credit portfolio in the fourth quarter. However, this proportion is justified by the size and specific characteristics of the market, which do not allow for greater diversification.

Credit risk – provision

Table VI

Units: STN

Loan Portfolio Provision Level – Last Four Quarters																		
Final Risk Class - Provision at Banka + Economic Provision			4th Quarter - 2024				3rd Quarter - 2024				2nd Quarter - 2024				1st Quarter - 2024			
			Total General Loans STN		Provision		Total General Loans STN		Provision		Total General Loans STN		Provision		Total General Loans STN		Provision	
Type/Category	Level	Percentage	Qty	Amount	Absolute	% (average)	Qty	Amount	Absolute	% (average)	Qty	Amount	Absolute	% (average)	Qty	Amount	Absolute	% (average)
Loan by Disbursement (A)			4773	789,376,750.80	76,719,511.88	10%	5329	802,049,905.36	94,655,720.12	12%	6960	783,742,718.25	95,085,305.83	12%	8586	689,314,863.89	75,003,891.47	11%
Normal	I	≥ 2% to 9.99%	4111	684,369,835.57	9,091,565.39	1.3%	4371	683,641,549.54	9,636,325.79	1.4%	5283	659,666,629.39	10,017,210.59	1.5%	5568	571,953,871.45	8,002,113.46	1.4%
Under Supervision	II	≥ 10% to 24.99%	18	2,027,310.41	203,433.46	10.0%	131	11,310,684.52	1,134,958.34	10.0%	233	15,928,261.25	1,592,826.13	10.0%	265	24,818,201.48	2,489,934.99	10.0%
Below Normal	III	≥ 25% to 49.99%	46	12,549,621.58	3,156,957.77	25%	58	14,237,454.43	3,581,271.79	25%	73	15,806,887.88	3,969,846.61	25%	47	16,975,021.78	5,253,290.62	31%
Bad debt	IV	≥ 50% to 99.9%	459	71,188,947.77	45,026,127.62	63%	637	71,259,180.02	58,661,129.95	82%	1254	79,935,982.53	67,100,465.30	84%	2621	69,565,449.32	53,253,679.66	77%
Loss	V	100%	139	19,241,035.48	19,241,427.64	100%	132	21,601,036.85	21,642,034.25	100%	117	12,404,957.20	12,404,957.20	100%	85	6,002,319.86	6,004,872.74	100%
Subscription Credit (B)			24	261,389,505.66	1,077,417.09	0.41%	22	292,307,543.03	843,197.30	0.29%	19	306,535,337.31	447,907.05	0.15%	21.00	130,883,207.83	683,740.09	0.52%
Guarantees given			6	29,940,482.12	449,003.65	1.50%	4	14,142,529.54	263,925.30	1.87%	5	17,930,195.17	301,801.95	1.68%	6	29,012,738.25	412,627.38	1.42%
Loans Import documentary			18	231,449,023.54	628,413.44	0.27%	18	278,165,013.49	579,272.00	0.21%	14	288,605,142.14	146,105.10	0.05%	15	101,870,469.58	271,112.71	0.27%

Note: The average provision in Class I is under 2%, as State credits in a Normal situation are not to be provisioned (NAP 13/2021).
And the average provision for guarantees provided and DCI is in line with the calculation weighting (NAP 13/2021), which is why it is below 2%.

Σ of classes III to V ""

102,979,604.82
NPL ""
13.05%

107,097,671.30
NPL ""
13.35%

108,147,827.61
NPL ""
13.80%

92,542,790.96
NPL ""
13.43%

In terms of provisions, BISTP has internal mechanisms in place to monitor provision levels. The process is carried out on a monthly basis, and each customer's position is analysed according to their behaviour, both in their relationship with the Bank and within the sector and/or segment in which they operate. Approximately 87% of the loan portfolio is classified at the lowest level (Level I), while 2.44% of the portfolio is classified at Level V, this level essentially comprises exposures already subject to litigation (court) and still awaiting a judicial outcome, pre-litigation cases (avoiding litigation phase), or exposures which, due to the borrower's financial deterioration, are awaiting accounting write-off if they remain in Level V for more than 12 months. The latter process only takes place where recovery through litigation proves more costly than the amount to be recovered. As at December, the Bank's NPL ratio stood at 13.05%. It should be noted that, through NAP 07/2024, the BCSTP recommends an NPL ratio of no more than 9%, in light of this, the Bank has been implementing measures to reduce the level of NPLs recorded in the portfolio.

Credit Risk – Exposure by Economic Agent

Table XIII

Units: STN

The Bank's overall exposure over the last four quarters is broken down as follows: i) loans by drawdown (A, B, C); ii) off-balance-sheet exposures (D); iii) public debt securities (E).																				
Economic agents	4th Quarter - 2024					3rd Quarter - 2024					2nd Quarter - 2024					1st Quarter - 2024				
	Qty	Credit Application Amount In STN (a)	Weight w/o Own Funds	Weight on Loan Portfolio	Provision made	Qty	Credit Application Amount In STN (a)	Weight w/o Own Funds	Weight on Loan Portfolio	Provision made	Qty	Credit Application Amount In STN (b)	Weight w/o Own Funds	Weight on Loan Portfolio	Provision made	Qty	Credit Application Amount In STN (c)	Weight w/o Own Funds	Weight on Loan Portfolio	Provision made
(A) STATE (Credits Company + Organ. Public)	4	311,236,485	65.79%	39.43%	N.A.	6	302,116,848	53.33%	37.67%	N.A.	401	266,205,438.00	49.43%	33.97%	N.A.	3	173,452,741.50	30.50%	25.16%	N.A.
(B) FAMILIES	4677	400,966,155	84.76%	50.80%	61,203,520	5202	413,156,732	72.93%	51.51%	75,420,007	6342	418,913,554	77.79%	53.45%	74,047,246	8254	419,128,724	73.71%	60.80%	59,331,823
Family Loan in performing loans situation (≤ Class II - Final Provision)	4075	320,493,010	67.75%	40.60%	6,788,594	4430	327,211,278	57.76%	40.80%	7,335,317	5040	333,317,044	61.89%	42.53%	7,415,937	5745	345,472,954	60.75%	50.12%	7,957,557
Family Loans in non-performing loans situation (≥ Class III - Final Provision)	602	80,473,145	17.01%	10.19%	54,414,926	772	85,945,454	15.17%	10.72%	68,084,690	1302	85,596,510	15.89%	10.92%	66,631,309	2509	73,655,770	12.95%	10.69%	51,374,266
(C) PRIVATE COMPANIES	92	77,174,111	16.31%	9.78%	15,515,899	121	86,776,326	15.32%	10.82%	19,234,175	214	98,623,727	18.31%	12.58%	21,026,974	324	96,733,397	17.01%	14.03%	15,701,497
Company/Inst. Private - performing loans situation (≤ Class II - Final Provision)	50	54,667,651	11.56%	6.93%	2,506,313	67	65,627,187	11.58%	8.18%	3,435,968	75	76,076,795	14.13%	9.71%	4,185,206	82	77,847,505	13.69%	11.29%	2,534,485
Company/Inst. Private - non-performing loans situation (≥ Class III - Final Provision)	42	22,506,460	4.76%	2.85%	13,009,587	54	21,149,139	3.73%	2.64%	15,798,207	139	22,546,932	4.19%	2.88%	16,841,768	242	18,885,892	3.32%	2.74%	13,167,012
(D) OFF BALANCE SHEET	24	261,389,506	55.26%	33.11%	1,077,417	22	292,307,543	51.60%	36.45%	843,197	19	306,535,337	56.92%	39.11%	447,907	21	130,883,208	23.02%	18.99%	683,740
Guarantees given	6	29,940,482	6.33%	N.A.	449,004	4	14,142,530	2.50%	N.A.	263,925	5	17,930,195	3.33%	N.A.	301,802	6	29,012,738	5.10%	N.A.	412,627
Documentary Credit (DCI)	18	231,449,024	48.93%	N.A.	628,413	18	278,165,013	49.10%	N.A.	579,272	14	288,605,142	53.59%	N.A.	146,105	15	101,870,470	17.91%	N.A.	271,113
(E)** TREASURY BILLS + TREASURY BONDS	4	504,798,970	106.71%	N.A.	N.A.	5	535,000,000	94.43%	N.A.	N.A.	5	535,000,000	99.35%	N.A.	N.A.	5	560,000,000	98.48%	N.A.	N.A.
Total Direct Exposure (expressed in STN) = A+B+C+D+E	4,801	1,555,565,226	328.84%	-	-	5,356	1,629,357,449	287.60%	-	-	6,981	1,625,278,056	301.80%	-	-	8,607	1,380,198,070	242.72%	-	-
Total Direct Exposure (Expressed in EUR)		63,492,458	-	-	-		66,504,386	-	-	-		66,337,880	-	-	-		56,334,615	-	-	-

** The exposure reported for BT and CD now includes interest payable at maturity, i.e., it is measured on the subscribed debt amount.

Note: Certificates of deposit, although settled by the BCSTP, are mirrored to reflect total exposure. According to the regulator, DCs are not included in the MRC.

Σ of non-productive exposures NPE ""	102,979,604.82	107,097,671.30	108,147,827.61	92,542,790.96
NPE ""	6.62%	6.57%	6.65%	6.71%

In terms of the allocation of its available resources, the Risk function periodically monitors exposures to ensure that they remain within internally defined limits and generates alerts in the event that these limits are exceeded. Therefore, from the perspective of overall exposure, NPE levels stood at around 6.62%, compared with 6.57% in the previous quarter.

RUSSIA/UKRAINE WAR

São Tomé and Príncipe, as a predominantly importing country, has suffered the negative impacts of the war between Russia and Ukraine, particularly on the prices of goods, especially fuel and food products such as cereals and pesticides. The Bank, as part of the national business fabric, has adopted measures to contain and/or mitigate the effects of this situation. However, following the entry into force of NAP 06/2024, the Bank was required to transfer to the BCSTP 25% of all foreign currency generated through its foreign operations.

BUSINESS CONTINUITY

BISTP's business continuity management continues to be addressed through the Business Continuity Plan, broadly structured into two main components – the Operational Continuity Plan and the Technological Recovery Plan.

The process of disseminating and enhancing each of these components remains ongoing. This objective has been set for 2025 as one of the key priorities to be implemented by the Risk function.

For 2025, the GRN plans to maintain the strategy of pursuing the processes and continuing to disseminate the risk culture in the BISTP.



8

HUMAN RESOURCES

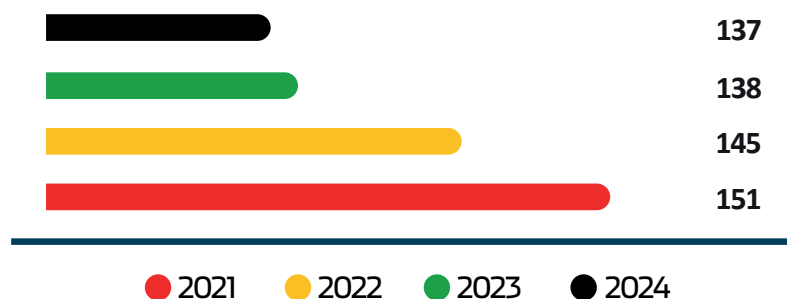
8. HUMAN RESOURCES

In 2024, training activities were intensified for all areas of the Bank (business and support). More than 15 training sessions were delivered to employees in the various departments that benefited.

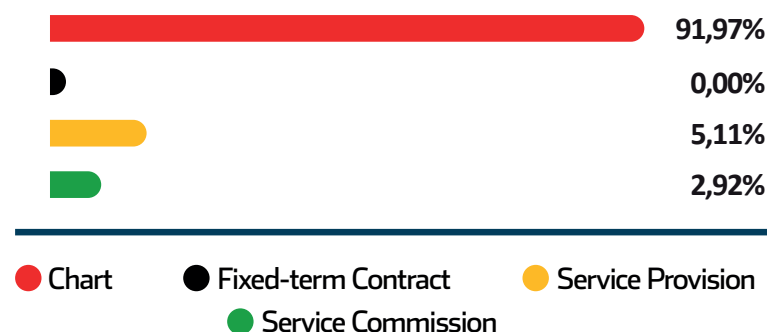
DISTRIBUTION OF STAFF BY LEGAL STATUS

In 2024, BISTP's staff comprised 137 employees, of whom 4 were on commission, 7 on temporary contracts, and 126 on permanent contracts.

CHANGES IN STAFF NUMBERS OVER THE LAST 4 YEARS



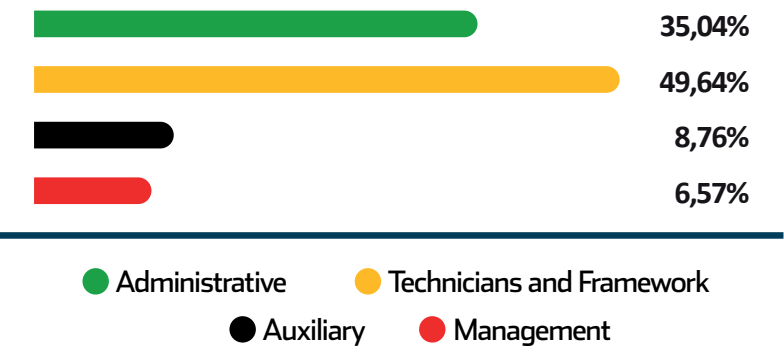
LEGAL RELATIONSHIP OF THE 2024 WORKFORCE



FUNCTIONAL DISTRIBUTION OF STAFF

According to the new Career Plan, technical and management staff represent the professional group with the largest number of employees (68), accounting for 49.64% of the total workforce. Employees in the administrative functional group accounted for around 35.04% of the workforce. The professional group with management functions (9 members) represents around 6.57% of the total workforce.

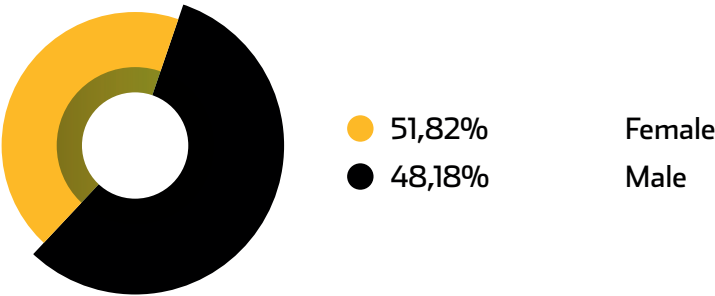
STAFF BY PROFESSIONAL GROUP



DISTRIBUTION BY GENDER

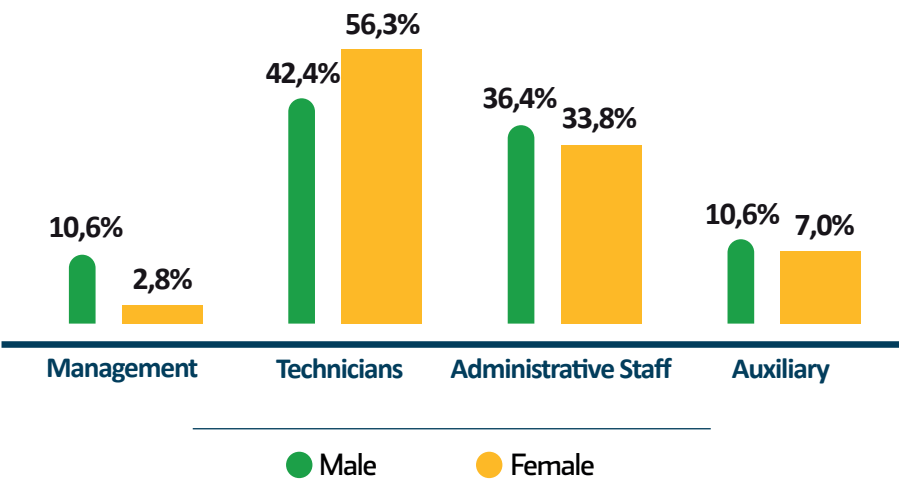
In terms of gender distribution, the trend observed in the previous year continues, with more female employees (51.82%) than male (48.18%).

EMPLOYEES BY GENDER



As shown in the following graph, there is a notable gender difference in the group of technicians and managers.

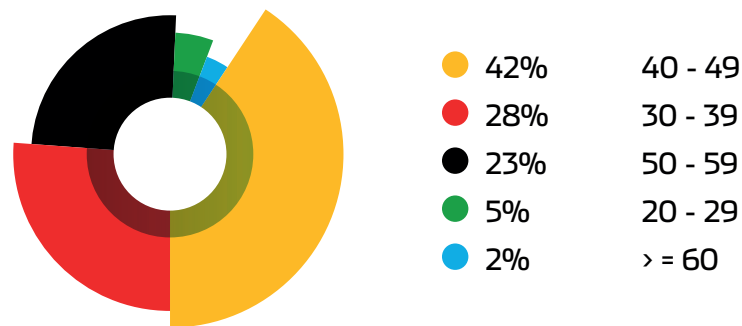
PROFESSIONAL GROUP BY GENDER



DISTRIBUTION BY AGE GROUP

The age group with the largest number of employees is 40 to 49 years old in 2024, representing 42% of BISTP’s total workforce. The 30 to 39 age group currently accounts for 28% of the total workforce.

EMPLOYEES BY AGE GROUP



DISTRIBUTION BY SENIORITY

At BISTP, around 27.74% of employees have between '16 and 20 years' of service.

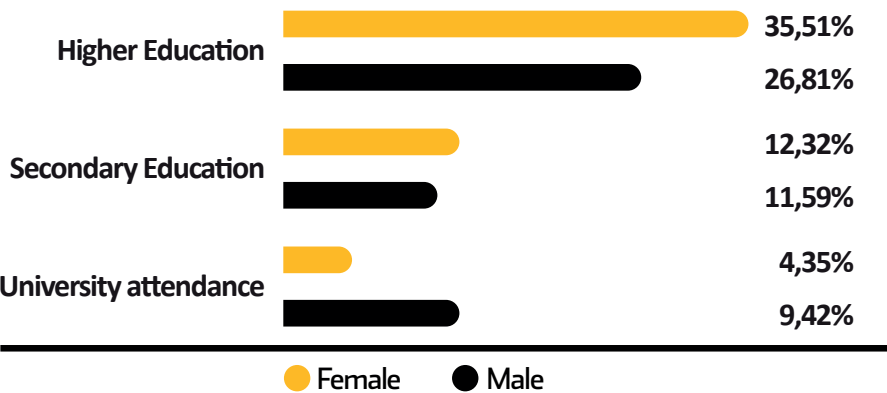
SENIORITY STRUCTURE



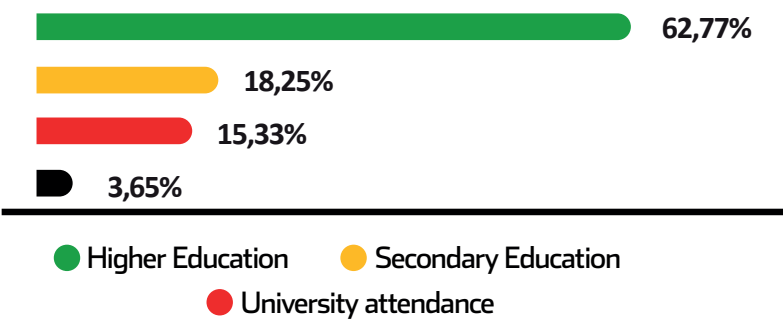
DISTRIBUTION ACCORDING TO LEVEL OF EDUCATION

BISTP’s strong commitment to hiring young graduates in recent years has led to an increase in the qualification level of employees. Thus, in 2024, the number of employees with higher education qualifications reached 62.77% of the Bank’s total workforce (professionals with banking functions). Including those with a university degree, the figure rises to 78.10% of the total workforce.

DISTRIBUTION BY LITERACY LEVEL AND BY GENDER



DISTRIBUTION BY LITERACY LEVEL



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9

SOCIAL RESPONSIBILITY

9. SOCIAL RESPONSIBILITY

Social responsibility (SR) is a concept that encompasses the voluntary actions of companies undertaken for the benefit of their stakeholders, both internal and external. Socially responsible organisations are those that guide their attitude, behaviour, and conduct, and structure themselves to put into practice actions that promote the well-being of those involved.

Social Responsibility (SR) involves the obligation of individuals, companies, and organisations to contribute to the well-being of society and the environment in which they operate. This responsibility goes beyond legal requirements and encompasses voluntary actions aimed at improving people's quality of life, promoting social justice, and protecting natural resources. Socially responsible organisations are those that rethink their attitudes, behaviours, and conduct, and structure themselves to implement actions that promote the well-being of all stakeholders.

Social Responsibility seeks a balance between economic interests and social and environmental needs, promoting harmonious and ethical coexistence at all levels.

Historically, BISTP's management model has not only been driven by economic interests –, profit –, but also by support for other stakeholders, including its

employees, local communities, and non-governmental organisations to support the social reintegration of children and young people at risk of social exclusion, as well as clients, suppliers, public authorities, and society in general. Its social responsibility has proved to be a decisive factor in its development and growth over more than 31 years of existence, as well as for São Toméan society in its various aspects.

In terms of Social Responsibility (SR), BISTP continued its support for the Association of the Blind and Partially Sighted of São Tomé and Príncipe (ACASTEP) and the Association of the Disabled of São Tomé and Príncipe (ADSTP), and established two new support protocols with the São Tomé Association of the Deaf (ASSTP) and the Lay People for Development in STP. The Bank continued to provide monthly support to the Fundação Novo Futuro children's home, as well as to the Fundação da Criança e Juventude (Foundation for Children and Youth), for the development of actions aimed at protecting and supporting underprivileged minors and young people in social, civic, cultural, pedagogical, recreational, and material areas.

EDUCATION

Education is the process of facilitating learning or the acquisition of knowledgeskills, values, beliefs and habits. The aim of education is to promote the intellectual, social, and emotional development of individuals, preparing them to interact productively and ethically in society. In addition, education plays a crucial role in empowering individuals, supporting economic development, and promoting a fairer and more equitable society. The right to education has been recognised by various governments and the United Nations.

In this context, in 2024, BISTP maintained its support for the three constituent units of the University of STP (USTP), Universidade Lusíada de STP/Fundação ATENA, and Universidade de Évora STP, awarding prizes to the best graduating students, scholarships to the most needy students in each unit with an average grade of 14 or above, as well as support for investments in laboratories.

SPORTS

Sport is a physical activity that requires and develops skills and a competitive spirit, and is practised in an organised and regulated way. It can involve individual or team activities with the aim of promoting physical and mental well-being, as well as providing entertainment. Sport plays an important role in social integration, serving as a means of interaction between people from different backgrounds and cultures.

In this area, in 2024, BISTP provided support to the Ministry of Education for the School Games (as has been the practice every year), to the São Tomé and

Príncipe Paralympic Committee for the participation of four São Toméan athletes in the Paralympic Games in Paris, and to the STP Chess Federation (FEXA-STP) for participation in the 45th edition of the Chess Olympiad with the men's and women's teams.

CULTURE

Culture is a set of values, beliefs, customs, traditions, practices, languages, artefacts, knowledge, and behaviours shared by a group of people or a society. It encompasses the ways of life and modes of expression that characterise a community, and is passed down from generation to generation. Culture also manifests in the way people organise themselves and interact in society, influencing areas such as the economy, politics, and education. It is not static; it is constantly evolving, influenced by historical, social, and technological factors. Every society has a unique culture, but all cultures are in constant interaction, especially in this globalised world.

Throughout 2024, the Bank supported various cultural activities that contributed to the dissemination of São Toméan culture, the most important of which were: sponsorship of ROÇA MUNDO – ASSOCIAÇÃO PARA CULTURA E DESENVOLVIMENTO – CACAU (Roça Mundo – Association for Culture and Development – CACAU) for the X Biennial of Art and Culture of STP, under the slogan “À (Re) Descoberta de Nós” – “(Re)Discovering Ourselves”; support for the National Institute for the Promotion of Gender Equality and Equity – INPG for the 50th Anniversary Celebration of São Toméan Women's Day (19 September); and support for UNEAS – Union of São Toméan Writers and Artists for the prize for the winner of the “Paçu Fiá Glêza” competition.

It should be noted that BISTP has maintained a partnership agreement with the Portuguese Cultural Centre – Instituto Camões STP, for over 16 years, with the aim of promoting joint activities, sharing collections, and supporting events in the areas of culture, economy, civil society, science, education, and health.

Other Important Support Granted in 2024:

- Sponsorship of the GENERAL COMMAND OF THE NATIONAL POLICE to celebrate the 49th anniversary of its institutionalisation;
- Sponsorship of the FUNDAÇÃO DA CRIANÇA E DA JUVENTUDE (Foundation for Children and Youth) for the Orquestra Social do Projeto Rizoma (Rizoma Project Social Orchestra, a project for young people trained in music and music education, sustainably operating cultural businesses, and providing knowledge of and access to music and performing arts from the PALOP-TL/GB and STP to São Toméan society, as well as Portuguese and European audiences);
- Funding to the AGÊNCIA DE PROMOÇÃO DO COMÉRCIO E INVESTIMENTO – APCI (Trade and Investment Promotion Agency) for the São Tomé and Príncipe Investment Forum, held at the Praia Hotel;
- Support for NOSSA SENHORA DE LOURDES PARISH for the construction of a kitchen in the Centro Renascer;
- Sponsorship of the RTP Africa television program AFRIKANDO SÃO TOMÉ E PRÍNCIPE.

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10

FINANCIAL ANALYSIS

10. FINANCIAL ANALYSIS

10.1 COMPONENTS OF THE BALANCE SHEET

With a business environment characterised by a low level of public and private investment and a migration flow of families that has shown no signs of slowing down, impacting domestic consumption and increasing credit risk.

In view of this adverse scenario, BISTP focused on maintaining prudence in the assessment, granting, and monitoring of loans, as well as strengthening provisions in cases of potential default risk, in order to ensure an adequate evolution, both quantitative and qualitative, of the main elements of its balance sheet (loans and deposits), as well as profitability, solvency, and liquidity ratios.

The economic results achieved by the Bank in this difficult economic climate once again demonstrate its great resilience and ability to maintain the main business indicators in positive territory, adding value to shareholders' capital.

Thus, in 2024, BISTP's total assets stood at mSTN 3,399,689, translating into an increase of around 7.25% compared to 2023, sustained essentially by the increase in credit investments of 4.23% and in certificates of deposit of around

190% compared to the previous year. Liabilities also increased by 5.6% compared to 2023, due to the increase in guarantees established to secure import documentary credit operations.

Shareholders' equity grew slightly by around 13.5%, essentially due to an increase in provisions for general risks of around 71%.

The volume of gross loans expanded moderately by around 4.4%, which in absolute terms represents an increase of mSTN 33,688 compared to 2023, essentially due to greater demand for bank financing from the State.

The loan portfolio quality ratio, calculated as the proportion of non-performing loans to the overall portfolio, stood at 12.8%, compared to 12.4% in the previous year. Non-performing loans grew by mSTN 10,314 compared to 2023. This increase in defaults is essentially the result of an economic climate that has remained adverse, as well as the large influx of people migrating to Portugal, some of whom are customers with credit obligations who have generally failed to honour their credit commitments.

Loans and advances to credit institutions contracted by 16% (mSTN 120,959). This negative variation in investments is due to a decrease in the volume of investments in term deposits abroad by mSTN 244,447 (a 43% reduction), explained by the greater need to utilise these resources to cover import requirements, in particular to fund import documentary credit operations amounting to 11 million euros, as part of the energy sector restructuring project. On the other hand, investments in National Currency, more specifically in Central Bank Certificates of Deposit, increased by 65.7%, reflecting the Bank's greater appetite to subscribe to this lower-risk asset as a result of the increase in liquidity in this currency.

"Investments in securities" contracted by around 10.9%, corresponding to a negative variation in absolute terms of mSTN 55,201, due to a reduced appetite to subscribe to public debt securities, following a perception of the State's increased financial fragility.

In terms of funding, there was relative stability despite the weak economic climate, with customer deposits showing a slight negative variation of around 0.2% compared to the same period in the previous year. Demand deposits grew by 0.6%, while term deposits contracted by around 12%. The variation in term deposits is partly due to the Bank offering relatively low rates of return on its liabilities. Despite this contraction in term deposits, the Bank's customer deposits have shown adequate stability over the years, reflecting the solidity, rigour, and trust that the Bank has established with its customers. Evidence of this stability is supported by the Bank's comfortable level of liquidity.

10.2 COMPONENTS OF THE INCOME STATEMENT

The year 2024 was very challenging for São Tomé and Príncipe in financial terms, particularly due to difficulties in accessing funding from international partners (bilateral and multilateral) to finance the public investment programme, as well as the limited capacity to collect domestic revenue to cover current and investment expenditures. The considerable influx of migrants has contributed to an increase in credit risk. Operational risk has also risen, making the situation very complex and challenging for banking operations.

In terms of operating income, the Bank was able to increase its net interest income by 9.4% and its complementary margin by 27.7%.

Regarding net interest income, the positive variation is explained in particular by interest received on loans and advances to credit institutions, which grew by around 61.3%, due to the improvement in interest rates in US dollars and euros on the international market.

Interest on investments in public debt securities rose by 29.8%, the positive variation resulting from an increase in the interest rate required to convert short-term securities (Treasury Bills) into long-term securities (Treasury Bonds).

Interest paid on customer term deposits fell slightly by 1.2%, largely due to the reduction in the customer term deposit portfolio.

The complementary margin, with a variation of around 27.7%, was driven by the increase in foreign exchange income, net commissions, and other operating income.

The execution of some fuel import operations, coupled with the appreciation of the US dollar on the international market throughout 2024, led to an increase in the foreign exchange revaluation result, which stood at mSTN 34,790, compared to mSTN 32,892 in 2023, representing a contraction of around 5.8%.

Net commissions increased by around 35.5%, essentially due to the update of fees in 2024, particularly for foreign payment services.

Other operating income grew by around 27.5%, driven essentially by income from loan recoveries, which increased by around 35%. Other operating income was negatively affected by the 113.2% rise in tax costs (VAT) borne by the Bank when purchasing products and services essential to its operations.

As a result of the growth in Net Interest Income and Complementary Net Interest Income, of around 9.4% and 27.5% respectively, Overall Operating Income grew by around 18.8%.

Operating costs fell by around 2.4%, mainly due to a reduction in personnel costs of around 5.5%. Expenditure on third-party supplies and services, on the other hand, rose by around 4.9%, justified by the increase in the cost of the Visa service.

With the increase in risk, the Bank continues to be prudent in its provisioning policy, both for loans and for properties received in kind, as well as for other general business risks. In view of the various risks affecting the business in 2024, in particular associated with a fraud perpetrated by an employee, provisions were increased to mSTN 64,049, a variation of 58% compared to 2023.

Net profit stood at mSTN 55,747, representing growth of around 25% compared to the 2023 result (restated), despite the constraints that affected the business in 2024.

It is important to note that, despite the various constraints, the main business indicators remained in positive territory, which once again demonstrates the great resilience of the Bank's business model, as well as a strong ability to adapt to new market conditions and absorb risks.



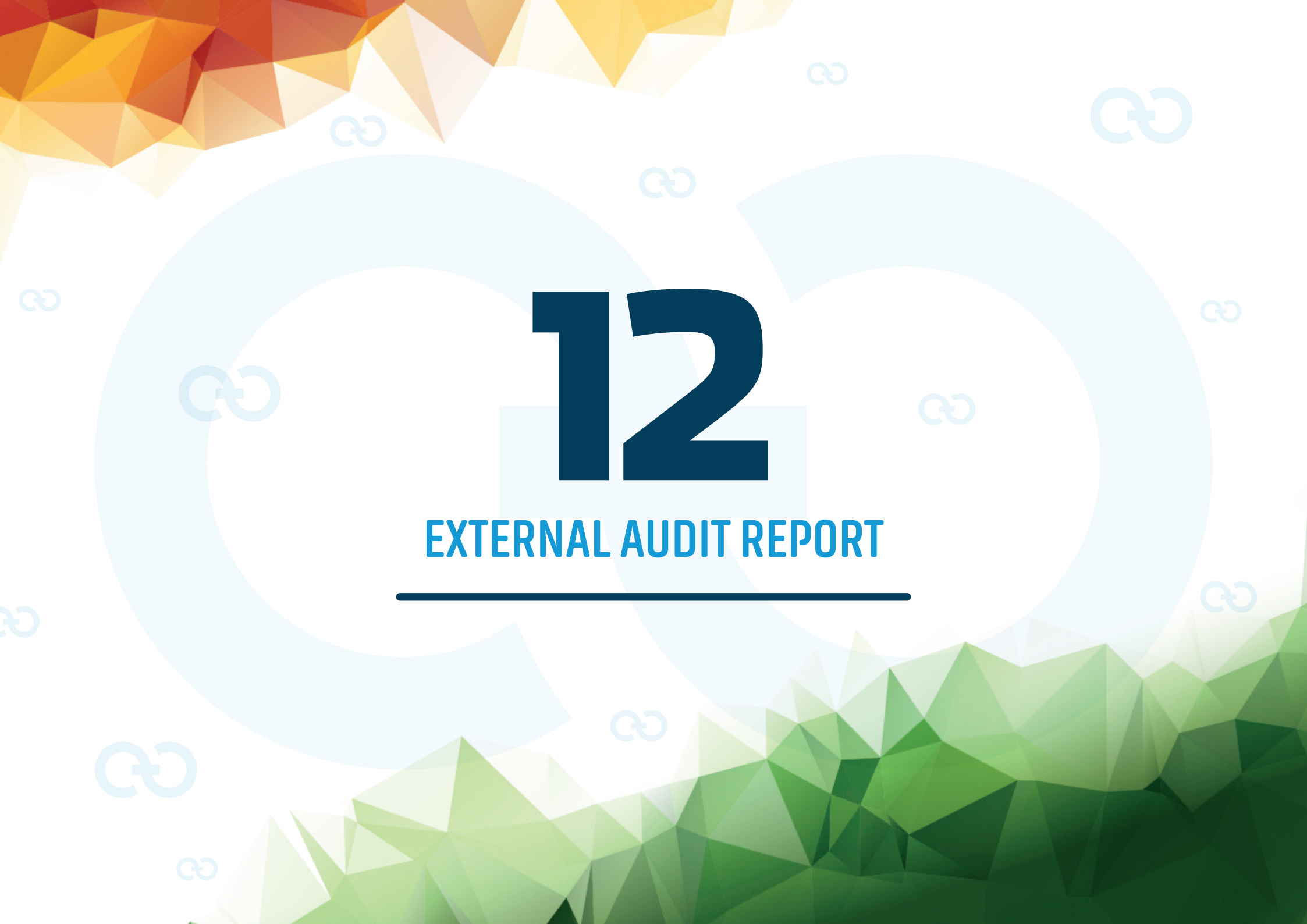
11

PROPOSAL FOR THE APPROPRIATION OF PROFIT

11. PROPOSAL FOR THE APPROPRIATION OF PROFIT

Considering the legal and statutory provisions that establish the limit of one-fifth of the share capital for the constitution of the legal reserve, as well as the financial impacts arising from the fraud detected in the course of 2025 (subsequent event), the Bank's Board of Directors proposes that the net profit for the 2024 financial year, amounting to STN 55,747,181 (Fifty-Five Million, Seven Hundred and Forty-Seven Thousand, One Hundred and Eighty-One Dobras), be fully allocated to the constitution of free reserves, thereby strengthening the Bank's equity.

Balances	Percentage	Amount (STN)
Free Reserves	100%	55.747.181
Net Income	100%	55.747.181



12

EXTERNAL AUDIT REPORT

12. EXTERNAL AUDIT REPORT

This document is a translation of the original Portuguese version.
In the event of any discrepancy, the Portuguese version shall prevail.

AUDIT REPORT

(Amounts expressed in São Tomé Príncipe Dobras - STN)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Banco Internacional de São Tomé e Príncipe, S.A.R.L. (the 'Bank'), which comprise the balance sheet as at 31 December 2024 (showing total assets of STN 3,399,689,002 and total equity of STN 607,638,518, including a net profit of STN 55,747,181), the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Banco Internacional de São Tomé e Príncipe, S.A.R.L. as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with generally accepted accounting principles in São Tomé and Príncipe for the banking sector (Note 2).

Basis for opinion

We conducted our audit in accordance with the International Standards on

Auditing (ISA). Our responsibilities under these standards are described in the “Auditor’s responsibilities for the audit of the financial statements” section of this report. We are independent of the Bank in accordance with the requirements of the IESBA Code of Ethics and the ethical requirements relevant to the audit of financial statements in São Tomé and Príncipe, and we have fulfilled our other ethical responsibilities in accordance with those requirements.

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

Emphasis

As disclosed in Note 2.2 of the Annex, in the first quarter of 2025, the Bank identified and reported to the Attorney General's Office of the Democratic Republic of São Tomé and Príncipe a financial fraud perpetrated between 2018 and 2025, in which a Bank employee is implicated. The fraud consisted of the diversion of funds intended for the National Social Security Institute (INSS) to the account of a customer of the Bank, from payments ordered by the Treasury Department. The Bank established a provision for the estimated amounts misappropriated up to 31 December 2024, as well as the associated charges, amounting to STN 98,505,559 and STN 31,104,274, respectively (Note 15). Part of the amounts misappropriated and the related charges relate to previous years, and accordingly, the Bank’s Board of Directors has restated the financial statements as at 31 December 2023 presented for comparative purposes (Note 2.2).

Our opinion is not modified in respect of this matter.

Responsibilities of the management body and the supervisory body for the financial statements

The management body is responsible for the preparation of financial statements that present a true and fair view of the Bank's financial position, financial performance and cash flows in accordance with accounting principles generally accepted in São Tomé and Príncipe for the banking sector, and for establishing and maintaining such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the financial statements, the management body is responsible for assessing the Bank's ability to continue as a going concern, disclosing, where applicable, matters relating to going concern and using the going concern basis of accounting unless it intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The supervisory body is responsible for overseeing the process of preparing and disclosing the Bank's financial information.

Auditor's responsibilities for auditing 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 a report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit performed in accordance with the ISAs will always detect a material misstatement where one 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 those financial statements.

As part of an audit in accordance with the ISAs, we make professional judgements and maintain professional scepticism during the audit, and 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 due to fraud is greater than the risk of not detecting a material misstatement due to error, since fraud can involve collusion, forgery, intentional omissions, misrepresentations or overriding 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 the Bank's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management body;
- Conclude on whether management's use of the going concern basis of accounting was appropriate and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required

to draw attention in our report to the related disclosures included in the financial statements or, if those disclosures are not adequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Bank to discontinue its activities;

- Assessed the overall presentation, structure, and content of the financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Communicate with those charged with governance, including the supervisory body, among other matters, the planned scope and timing of the audit, and the significant findings of the audit including any significant deficiencies in internal control identified during the audit.

Lisbon, 15 May 2025

Deloitte & Associados, SROC S.A.

Represented by Pedro Miguel Lopes Matos, ROC

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RELATÓRIO DE AUDITORIA

(Montantes expressos em Dobras de São Tomé Príncipe – STN)

RELATO SOBRE A AUDITORIA DAS DEMONSTRAÇÕES FINANCEIRAS

Opinião

Auditámos as demonstrações financeiras anexas do Banco Internacional de São Tomé e Príncipe, S.A.R.L. ("Banco"), que compreendem o balanço em 31 de dezembro de 2024 (que evidencia um ativo total de STN 3.399.689.002 e um total de situação líquida de STN 607.638.518, incluindo um resultado líquido de STN 55.747.181), as demonstrações dos resultados, de alterações na situação líquida e dos fluxos de caixa relativos ao ano findo naquela data, e as notas anexas às demonstrações financeiras, que incluem um resumo das políticas contabilísticas significativas.

Em nossa opinião, as demonstrações financeiras anexas apresentam de forma verdadeira e apropriada, em todos os aspetos materiais, a posição financeira do Banco Internacional de São Tomé e Príncipe, S.A.R.L. em 31 de dezembro de 2024 e o seu desempenho financeiro e fluxos de caixa relativos ao ano findo naquela data de acordo com os princípios contabilísticos geralmente aceites em São Tomé e Príncipe para o setor bancário (Nota 2).

Bases para a opinião

A nossa auditoria foi efetuada de acordo com as Normas Internacionais de Auditoria (ISA). As nossas responsabilidades nos termos dessas normas estão descritas na secção "Responsabilidades do auditor pela auditoria das demonstrações financeiras" deste relatório. Somos independentes do Banco de acordo com os requisitos do Código de Ética da IESBA e com os requisitos éticos relevantes para a auditoria de demonstrações financeiras em São Tomé e Príncipe e cumprimos as restantes responsabilidades éticas previstas nos requisitos.

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



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Ênfase

Conforme divulgado na Nota 2.2. do Anexo, no primeiro trimestre de 2025, o Banco identificou e denunciou à Procuradoria-Geral da República Democrática de São Tomé e Príncipe uma fraude financeira perpetrada entre 2018 e 2025, na qual está implicado um colaborador do Banco. A referida fraude consistiu no desvio de verbas destinadas ao Instituto Nacional de Segurança Social (INSS) para a conta de um cliente do Banco, provenientes de pagamentos ordenados pela Direção do Tesouro. O Banco constituiu uma provisão para a estimativa dos montantes desviados até 31 de dezembro de 2024, bem como dos eventuais encargos associados, nos montantes de STN 98.505.559 e STN 31.104.274, respetivamente (Nota 15). Parte dos montantes desviados e respetivos encargos respeitam a exercícios anteriores, pelo que o Conselho de Administração do Banco reexpressou as demonstrações financeiras em 31 de dezembro de 2023 apresentadas para efeitos comparativos (Nota 2.2.).

A nossa conclusão não é modificada em relação a esta matéria.

Responsabilidades do órgão de gestão e do órgão de fiscalização pelas demonstrações financeiras

O órgão de gestão é responsável pela preparação de demonstrações financeiras que apresentem de forma verdadeira e apropriada a posição financeira, o desempenho financeiro e os fluxos de caixa do Banco de acordo com os princípios contabilísticos geralmente aceites em São Tomé e Príncipe para o setor bancário e pela criação e manutenção de um sistema de controlo interno que determine ser necessário para permitir a preparação de demonstrações financeiras isentas de distorções materiais devido a fraude ou a erro.

Quando preparar as demonstrações financeiras, o órgão de gestão é responsável por avaliar a capacidade de se manter em continuidade, divulgando, quando aplicável, as matérias relativas à continuidade e usando o pressuposto da continuidade a menos que tenha intenção de liquidar o Banco ou cessar as operações, ou não tenha alternativa realista senão fazê-lo.

O órgão de fiscalização é responsável pela supervisão do processo de preparação e divulgação da informação financeira do Banco.

Responsabilidades do auditor pela auditoria das demonstrações financeiras

Os nossos objetivos consistem em obter segurança razoável sobre se as demonstrações financeiras como um todo estão isentas de distorções materiais devido a fraude ou a erro, e emitir um relatório onde conste a nossa opinião. Segurança razoável é um nível elevado de segurança, mas não é uma garantia de que uma auditoria executada de acordo com as ISA detetará sempre uma distorção material quando exista. As distorções podem ter origem em fraude ou erro e são consideradas materiais se, isoladas ou conjuntamente, se possa razoavelmente esperar que influenciem decisões económicas dos utilizadores tomadas com base nessas demonstrações financeiras.

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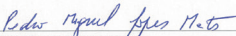
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Página 3 de 3

Como parte de uma auditoria de acordo com as ISA, fazemos julgamentos profissionais e mantemos ceticismo profissional durante a auditoria e também:

- identificamos e avaliamos os riscos de distorção material das demonstrações financeiras, devido a fraude ou a erro, concebemos e executamos procedimentos de auditoria que respondam a esses riscos, e obtemos prova de auditoria que seja suficiente e apropriada para proporcionar uma base para a nossa opinião. O risco de não detetar uma distorção material devido a fraude é maior do que o risco de não detetar uma distorção material devido a erro, dado que a fraude pode envolver conluio, falsificação, omissões intencionais, falsas declarações ou sobreposição ao controlo interno;
- obtemos uma compreensão do controlo interno relevante para a auditoria com o objetivo de conceber procedimentos de auditoria que sejam apropriados nas circunstâncias, mas não para expressar uma opinião sobre a eficácia do controlo interno do Banco;
- avaliamos a adequação das políticas contabilísticas usadas e a razoabilidade das estimativas contabilísticas e respetivas divulgações feitas pelo órgão de gestão;
- concluímos sobre se o uso pelo órgão de gestão do pressuposto da continuidade foi apropriado e, com base na prova de auditoria obtida, se existe alguma incerteza material relacionada com acontecimentos ou condições que possam suscitar dúvidas significativas sobre a capacidade do Banco para dar continuidade às suas atividades. Se concluímos que existe uma incerteza material, devemos chamar a atenção no nosso relatório para as divulgações relacionadas incluídas nas demonstrações financeiras ou, caso essas divulgações não sejam adequadas, modificar a nossa opinião. As nossas conclusões são baseadas na prova de auditoria obtida até à data do nosso relatório. Porém, acontecimentos ou condições futuras podem levar a que o Banco descontinue as suas atividades;
- avaliamos a apresentação, estrutura e conteúdo global das demonstrações financeiras, incluindo as divulgações, e se essas demonstrações financeiras representam as transações e acontecimentos subjacentes de forma a atingir uma apresentação apropriada;
- comunicamos com os encarregados da governação, incluindo o órgão de fiscalização, entre outros assuntos, o âmbito e o calendário planeado da auditoria, e as conclusões significativas da auditoria incluindo qualquer deficiência significativa de controlo interno identificada durante a auditoria.

Lisboa, 15 de maio de 2025


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Registo na CMVM n.º 20160903

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FINANCIAL STATEMENTS

13. FINANCIAL STATEMENTS

BANCO INTERNACIONAL DE SÃO TOMÉ E PRÍNCIPE, S.A.R.L

Balance Sheets for the Years Ended 31 December 2024 and 2023

São Tomé and Príncipe Dobras (STN)

		2024			2023 (Restated)		01.01.2023 (Restated)						
		Assets	Amortisations	Assets	Assets	Assets	Assets	Assets			2024	2023 (Restated)	01.01.2023 (Restated)
ASSETS	Notes	Gross	and Provisions	Income	income	income	income	income	LIABILITIES AND EQUITY	Notes	2024	2023 (Restated)	01.01.2023 (Restated)
Cash and Balances with the Central Bank	3	887,615,463	-	887,615,463	596,977,524	1,072,700,906			Deposits:				
Demand deposits with credit institutions	4	250,670,597	-	250,670,597	158,609,228	93,787,702			At sight	11	2,362,629,668	2,349,778,189	2,171,731,317
Other loans and advances to credit institutions	5	761,360,592	-	761,360,592	882,319,293	324,272,216			Term or with notice	11	142,501,531	160,246,923	164,317,958
Loans and advances to customers	6	791,614,107	(67,424,513)	724,189,594	705,066,020	819,966,179			Funds from other entities	12	12,207,015	15,412,467	9,764,497
Investment securities	7	516,818,756	-	516,818,756	560,000,000	420,128,205			Other liabilities	13	218,214,118	39,018,356	56,059,658
Property, Plant and Equipment	8	462,792,653	(241,045,968)	221,746,685	217,108,703	208,989,411			Accruals and deferrals	14	56,498,152	70,397,767	80,225,181
Intangible fixed assets	8	52,576,583	(46,172,759)	6,403,825	2,259,673	5,120,199			Total Liabilities		2,792,050,484	2,634,853,702	2,482,098,611
Assets under construction	8	4,824,451	-	4,824,451	8,048,302	8,416,564			Share Capital	16	166,600,000	166,600,000	166,600,000
Financial Fixed Assets	8	2,940,000	(2,940,000)	-	-	-			Reserves	16	103,206,990	55,706,002	86,429,341
Other assets	9	68,471,455	(49,225,302)	19,246,153	34,188,722	42,859,666			Retained earnings	16	136,982,929	183,705,285	114,913,876
Accruals and deferrals	10	6,812,887	-	6,812,887	5,434,339	6,488,109			Sundry Provisions	16	145,101,418	84,804,393	57,517,157
									Net income for the year	16	55,747,181	44,342,424	95,170,171
									Total Equity		607,638,518	535,158,103	520,630,545
Total Assets		3,806,497,544	(406,808,542)	3,399,689,002	3,170,011,805	3,002,729,156			Total Liabilities and Equity		3,399,689,002	3,170,011,805	3,002,729,156

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

The Accountant

The Board of Directors

BANCO INTERNACIONAL DE SÃO TOMÉ E PRÍNCIPE, S.A.R.L
Income Statements for the Years Ended 31 December 2024 and 2023

	Notes	2024	2023 (Restated)
Interest and similar income	20	162,960,108	149,449,158
Interest and similar charges	20	(5,624,331)	(5,694,883)
NET INTEREST INCOME		157,335,776	143,754,275
Income from Services and Commissions	21	152,573,242	122,760,598
Charges for Services and Commissions	21	(24,789,502)	(28,421,069)
Net Income from Foreign Exchange Operations	22	34,790,488	32,892,283
Other Operating Income	23	29,705,712	23,291,602
NET OPERATING INCOME		349,615,717	294,277,690
Staff Costs	24	(88,465,691)	(93,602,831)
General Administrative Expenses	25	(62,776,294)	(59,860,517)
Depreciation for the year	8	(20,746,974)	(22,700,041)
Provisions for loans net of recoveries and write-offs	15	(5,396,214)	(7,290,903)
Other provisions net of recoveries and write-offs	15	(78,388,656)	(40,729,305)
INCOME BEFORE TAX		93,841,887	70,094,092
Income tax	19	38,094,706	25,751,668
NET INCOME FOR THE YEAR		55,747,181	44,342,424

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

The Accountant

The Board of Directors

BANCO INTERNACIONAL DE SÃO TOMÉ E PRÍNCIPE, S.A.R.L
Statements of Changes in Equity for the Years Ended 31 December 2024 and 2023

	Reserves					Retained earnings	Provisions	Net Income	
	Share Capital	Legal	Reassessment	Exchange Revaluation	Total		various	for the year	Total
Balances at 31-12-2022	166,600,000	54,397,963	892,214	31,139,164	86,429,341	155,154,234	17,276,799	95,170,171	520,630,545
Prior Year Adjustments (Note 2.2)					-	(40,240,358)	40,240,358		
Balances at 01-01-2023 (Restated)	166,600,000	54,397,963	892,214	31,139,164	86,429,341	114,913,876	57,517,157	95,170,171	520,630,545
Distribution of Net Profit for 2022	-	-	-	-	-	-	-	-	-
Incorporation in Reserves and Retained Earnings	-	9,517,017	-	-	9,517,017	28,551,051	-	(38,068,068)	-
Distribution of Dividends	-	-	-	-	-	-	-	(57,102,103)	(57,102,103)
Net profit for the year	-	-	-	-	-	-	-	44,342,424	44,342,424
Movement in Sundry Provisions (Note 15)	-	-	-	-	-	-	27,287,237	-	27,287,237
Balances at 31-12-2023 (Restated)	166,600,000	63,914,980	892,214	31,139,164	95,946,358	143,464,927	84,804,393	44,342,424	535,158,103
Distribution of Net Profit for 2023									
Incorporation in Reserves and Retained Earnings	-	7,260,632	-	-	7,260,632	(6,481,997)	-	(778,634)	-
Distribution of Dividends	-	-	-	-	-	-	-	(43,563,790)	(43,563,790)
Sundry Provisions (Note 15)	-	-	-	-	-	-	60,297,025	-	60,297,025
Net profit for the year	-	-	-	-	-	-	-	55,747,181	55,747,181
Balances at 31-12-2024	166,600,000	71,175,612	892,214	31,139,164	103,206,990	136,982,930	145,101,418	55,747,181	607,638,519

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

The Accountant

The Board of Directors

BANCO INTERNACIONAL DE SÃO TOMÉ E PRÍNCIPE, S.A.R.L
Cash Flow Statements for the Years Ended 31 December 2024 and 2023

Fluxo de Caixa	Nota	2024	2023 (Reexpresso)
Actividades Operacionais			
Resultado Líquido do exercício		55.747.181	44.342.424
Ajustamentos:			
Amortizações do Exercício	8	20.746.974	22.700.041
Provisões e Imparidade		83.784.870	48.020.208
(Aumento) / diminuição de aplicações em instituições de crédito	5	121.371.978	(557.939.959)
(Aumento) / diminuição de crédito a clientes	6	(48.543.330)	140.207.497
(Aumento) / diminuição de outros activos	9	3.373.412	(24.444.564)
(Aumento) / diminuição de recurso de clientes e outros empréstimos	11	(4.893.912)	173.975.837
(Aumento) / diminuição de outros passivos	13	175.953.915	(24.475.718)
Pagamento por Conta do IRC	19	(19.313.751)	(26.375.255)
Fluxo de Actividades Operacionais		388.227.337	(203.989.487)
Actividades de Investimento			
(Pagamentos) / Recebimentos respeitantes a:			
Obrigações e outros títulos	7	62.277.054	(121.864.835)
Imobilizações Corpóreas	8	(18.367.347)	(27.365.643)
Imobilizações Incorpóreas	8	(5.873.946)	(579.788)
Fluxo da Actividade de Investimento		38.035.761	(149.810.266)
Actividade de Financiamento			
Pagamentos respeitantes a:			
Dividendos distribuídos	16	(43.563.790)	(57.102.102)
Fluxo da Actividade de Financiamento		(43.563.790)	(57.102.102)
Aumento/(diminuição) líquida de caixa e seus equivalentes		382.699.308	(410.901.856)
Caixa e seus equivalente no início do período		755.586.752	1.166.488.608
Caixa e seus equivalente no final do período		1.138.286.060	755.586.752

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

The Accountant

The Board of Directors



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NOTES TO THE FINANCIAL STATEMENTS

14. NOTES TO THE FINANCIAL STATEMENTS

São Tomé and Príncipe Dobras (STN)

1. INTRODUCTORY NOTE

Banco Internacional de São Tomé e Príncipe, S.A.R.L. (hereinafter also referred to as the “Bank” or “BISTP”) has its registered office in São Tomé and was incorporated by Public Deed on 3 March 1993.

The Bank is engaged in obtaining funds from third parties in the form of deposits or other repayable funds, which it uses, together with its own funds, to grant loans and advances to customers, place deposits with the Central Bank of São Tomé and Príncipe, invest in credit institutions, acquire securities, and undertake other duly authorised asset operations. It also provides other banking services and, as at 31 December 2024, operated a national network of ten branches, located in the city of São Tomé (7), the city of Trindade (1), the city of Santana (1), and the island of Príncipe (1), in addition, it had three ATM areas in the district capitals of Lobata, Lembá, and Caué.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements presented herein have been prepared in accordance with the applicable legislation in force.

2.1. PRESENTATION BASIS

The accompanying financial statements have been prepared on a going concern basis, based on the books and accounting records maintained by the Bank in accordance with the principles set out in the Chart of Accounts for Financial Institutions (PCIF), pursuant to Permanent Application Standard (NAP) No. 5/09 of 9 July, issued by the Central Bank of São Tomé and Príncipe.

The Board of Directors has assessed the Bank’s ability to continue as a going concern, based on all relevant information, facts, and circumstances of a financial, commercial, or other nature available regarding the future. As a result of this assessment, the Board of Directors concluded that the Bank has adequate levels of capital and liquidity, and that the shareholders have no intention of discontinuing its operations. Accordingly, it was

considered appropriate to adopt the going concern basis in the preparation of the financial statements.

The PCIF, which came into force on 1 January 2010, represents a convergence with the International Financial Reporting Standards (IFRS), incorporating a number of adaptations to the São Toméan context.

By means of a communication from the Central Bank of São Tomé and Príncipe, dated 3 December 2010, the guidelines of which were extended by subsequent communications dated 24 April 2015, 8 December 2015, 10 March 2017 and 26 March 2018, the following exceptions to the provisions set out in the PCIF were authorised for the banking sector:

- the deferral of commissions associated with loans is carried out using the straight-line method rather than the effective interest rate method;
- the securities held in the portfolio are recorded at nominal value, and the concept of fair value is not applied to their measurement;
- provisions for loans granted are determined in accordance with the rules set out in NAP 13/2021, and impairment is not calculated in accordance with IFRS 9;
- the presentation of disclosures in accordance with IFRS 7 – “Financial Instruments: Disclosures” only mandatory once the provisions defined above have been implemented.

On 5 March 2019 and 21 January 2020, the Central Bank of São Tomé and Príncipe issued further communications extending all the exceptions listed above, with the exception of the recognition of securities in the portfolio,

whereby institutions must, at initial recognition, determine whether securities are measured at fair value or classified as held for investment (point 6 of Chapter ‘III. SPECIFIC ACCOUNTING STANDARDS’ of the PCIF).

It was also clarified that IFRS not provided for in the PCIF are not mandatory. Nevertheless, the Central Bank allows the Bank to fully adopt IFRS, provided that the procedures adopted are disclosed in the notes to the financial statements and duly validated by Banking Supervision.

In January 2022 and February 2023, the Central Bank of São Tomé and Príncipe issued further communications extending all the conditions mentioned in the communications of 5 March 2019 and 21 January 2020, reiterating in the February 2023 communication that these conditions will remain in force until an official communication to the contrary is issued.

The financial statements are expressed in São Tomé and Príncipe Dobras (STN), rounded to the nearest unit.

The accounting policies adopted in the preparation of the financial statements as at 31 December 2024 were applied consistently with those used in the financial statements as at 31 December 2023.

These financial statements were approved for issue by BISTP’s Board of Directors at its meeting held on 12 May 2025 and are subject to approval by the General Meeting of Shareholders. However, the Board of Directors believes that the financial statements will be approved without material amendments.

2.2. RESTATEMENT OF THE FINANCIAL STATEMENTS

In the first quarter of 2025, the Bank identified and reported to the Attorney General's Office of the Democratic Republic of São Tomé and Príncipe a financial fraud perpetrated between 2018 and 2025, in which a Bank employee is implicated. The fraud consisted of the diversion of funds intended for the National Social Security Institute (INSS) to the account of a customer of the Bank, from payments ordered by the Treasury Department.

According to the information available and the Banks's Board of Directors best estimate, the total amount embezzled up to 31 December 2024 amounted to STN 98,505,559 (Note 15). In 2025, a further STN 7,119,745 was diverted.

The Bank established a provision for other risks and charges to cover the misappropriated amounts, as well as any associated charges, which amounted to STN 98,505,559 and STN 31,104,274 on 31 December 2024, respectively (Note 15).

The Bank's Board of Directors corrected this error retrospectively by restating the financial statements as at 31 December 2023, in accordance with NAP No. 5/09 of 9 July, as detailed below:

	31/12/2022	Fraud Impacts (Note 15)	01/01/2023
Share Capital	166,600,000		166,600,000
Reserves	86,429,341		86,429,341
Retained earnings	155,154,234	(40,240,358)	114,913,876
Sundry Provisions (Note 15)	17,276,799	40,240,358	57,517,157
Net income for the year	95,170,171		95,170,171
Total Equity	520,630,545	-	520,630,545

	31/12/2023	Fraud Impacts (Note 15)	31-12-2023 (Restated)
Share Capital	166,600,000		166,600,000
Reserves	95,946,358		95,946,358
Retained earnings	183,705,285	(40,240,358)	143,464,927
Sundry Provisions (Note 15)	16,300,142	68,504,251	84,804,393
Net income for the year	72,606,317	(28,263,893)	44,342,424
Total Equity	535,158,103	-	535,158,103

2.3. ACCOUNTING POLICIES

The main accounting policies applied in the preparation of the financial statements are as follows:

a) Accrual Basis

Income and expenses are recognised in accordance with the duration of the operations, based on the accrual accounting principle, and are recorded when they become due, regardless of when they are received or paid.

b) Translation of Balances and Transactions in Foreign Currency

The Bank's financial statements as at 31 December 2024 and 2023 are presented in the functional currency, São Tomé and Príncipe Dobras (STN),

assets and liabilities denominated in foreign currencies have been converted into the National Currency using the indicative buying exchange rate published by the Central Bank of São Tomé and Príncipe on the reporting dates, in accordance with Permanent Application Standard No. 5/09 of 9 July.

With the entry into force of the Central Bank of São Tomé and Príncipe's Permanent Application Standard No. 17/09, dated 31 December, the exchange rate was fixed at parity with the Euro (EUR) as of 1 January 2010, set at 1 Euro = 24.5 STN (São Tomé and Príncipe Dobras). On 31 December 2024 and 2023, the exchange rates against the US Dollar (USD) were as follows:

	2022	2021
1USD	23,4584 STN	22,0443 STN

Transactions in foreign currencies are recorded in accordance with the principles of the “multi-currency” system, with each transaction recorded in its respective currency of denomination. Monetary assets and liabilities expressed in foreign currencies are converted into STN at the buying rate communicated daily by the Central Bank of São Tomé and Príncipe. Non-monetary assets and liabilities are converted into the functional currency at the exchange rate in force on the date of the transaction.

Exchange gains and losses, whether realised or unrealised, arising from such conversions are recognised in the income statement for the year under “Net income from foreign exchange operations”.

Revenues and expenses in foreign currencies are converted daily at the end-of-day exchange rate.

c) Provisions for Credit Risks

As defined in the PCIF, loan provisions must, on a transitional basis, correspond to the higher of regulatory provisions and impairment. As described in Note 2.1, for the financial years 2024 and 2023, the Central Bank of São Tomé and Príncipe authorised that impairment need not be calculated in accordance with IFRS 9.

Under the terms of paragraph 7 of Chapter III of the PCIF, the Bank carried out an individual impairment analysis on individually significant Economic Groups to assess the sufficiency of the regulatory provisions in relation to the estimated recoverable value of the loans, for these loans, the Bank recorded the higher of the impairment value (economic provisions) and the regulatory provisions.

For non-significant exposures, the Bank calculated provisions for credit risks in accordance with the provisions of NAP 13/2021.

For off-balance-sheet exposures, the Bank sets aside provisions for the amount of exposure calculated based on the rules set out in Diário da República No. 25/1992, Instruction No. 2, Regulations 2.2 and 2.3, as well as NAP No. 13/2021.

Under the terms of this Standard, the Bank classifies credit operations in ascending order of risk, according to the following categories:

- a) Normal
- b) Under Supervision
- c) Below Normal
- d) Doubtful loans
- e) Loss

The classification of credit operations for the same customer, for the purposes of establishing provisions, is made in the category presenting the highest risk, regardless of the guarantees associated with each operation.

Non-performing loans are classified into risk categories according to the time elapsed since the operations entered default, with minimum provisioning levels calculated in accordance with the following table:

Category	Normal	Under Supervision	Below Normal	Doubtful loans	Loss
% provision	2%	10%	25%	50%	100%
Time elapsed since default	up to 30 days	from 30 to 89 days	90 to 180 days	180 to 360 days	more than 360 days

Accrued interest, as well as loans under enforced collection, are fully provisioned. In addition, as noted above, the Bank records economic provisions for certain customers where more significant difficulties in loan recovery are anticipated, including loans restructured due to financial difficulties.

Different risk level classifications are permitted between different liability exposures of the same debtor, in cases where the exposure classified in the

highest risk category represents less than 10% of the debtor's total exposure.

The Bank's Board of Directors considers that economic provisions are fully deductible for the purposes of calculating income tax, as they are inherent and indispensable to the realisation of taxable income.

In accordance with point 8 of NAP no. 05/2009, economic provisions and provisions for loans classified in the 'Below Normal,' 'Doubtful Loans' and 'Loss' categories are recorded under “Loans and advances to customers” in assets.

Provisions for loans classified in the 'Normal' and 'Under Supervision' categories, as well as for off-balance sheet exposures, are recorded under Sundry Provisions in equity.

Under the terms of Article 5 of NAP 13/2021, exposures to the State of São Tomé and Príncipe and the Central Bank of São Tomé and Príncipe, as well as assets guaranteed by them, or off-balance sheet transactions negotiated on their behalf or with their guarantee, must be classified in the 'Normal' risk category, provided the conditions set out in Article 5(2) are met. In accordance with Article 5 of NAP 13/2021, the Bank did not set up provisions for these exposures.

d) Assets in Lieu of Payment

Real estate and other assets received in lieu of payment for the recovery of non-performing loans are recorded under 'Other assets' (Note 9), in accordance with Article 8 of NAP no. 7/07, of 6 August.

Receipt of goods or assets in lieu of payment of non-performing loans is made at the lower of the value of the loan or asset to be received, plus any expenses

incurred in legal proceedings, and the fair value estimated by independent appraisers.

Until 2022, the Bank set aside specific additional provisions for these properties over a period of 8 years, at a rate of 12.5% per year they remained in the portfolio.

In 2023, Management changed the criterion for calculating provisions for properties received in lieu of payment and began to consider a period of 6 years for the constitution of such provisions, at a rate of 16.6667%. This decision was based on the low turnover of properties in the portfolio, the advanced state of deterioration of the properties, and the weak economic dynamics of the country in recent years. In addition, the Bank reinforces these provisions whenever considered applicable, depending on the condition of the properties.

Provisions for assets in lieu of payment are shown under 'Other assets' (Note 9).

e) Property, Plant and Equipment and Intangible Fixed Assets

Property, Plant and Equipment acquired up to 1998 are recorded at acquisition cost, revalued in accordance with current legislation, less depreciation. Subsequent additions to Property, Plant and Equipment are recorded at acquisition cost, less depreciation. Depreciation is calculated on a straight-line basis, in twelfths, according to the depreciation rates defined in Law no. 5/93, of 10 August, which correspond to the following estimated years of useful lives

	Years of Useful Life
Owner-occupied properties	50
Equipment:	
Furniture and equipment	8
Machines and tools	2 - 10
Computer equipment	3 - 4
Interior installations	8 - 20
Transport equipment	4

The acquisition cost includes expenses that are directly attributable to the acquisition of the assets. Maintenance and repair costs are recognised as an expense for the year under 'General administrative expenses'.

Intangible fixed assets essentially correspond to the cost of acquiring, developing, or preparing software for use in the Bank's activities. These assets are amortised on a straight-line basis over three years.

Software maintenance expenses are recorded as an expense in the year in which they are incurred.

f) Securities portfolio

In accordance with the PCIF, on the acquisition date, the Bank must determine whether the securities are measured at fair value or held for investment. Securities measured at fair value are those classified, at the option of the Board of Directors, as held for trading. Investment securities are fixed-income instruments with a specified yield and maturity, which the institution acquires to hold until maturity or redemption.

The securities held by the Bank are intended for investment.

In September 2024, the Treasury Bills in the portfolio were converted into Treasury Bonds, paying interest semi-annually. Treasury Bills were recorded at nominal value under 'Investment securities', with the negative difference between acquisition cost and nominal value recognised as income on a straight-line basis until maturity. The discount amount was recorded under the liability heading 'Accruals and deferrals – Deferred income – Bonds and other securities' (Note 14).

São Tomé and Príncipe State Treasury Bonds are recorded at nominal value under 'Investment securities', with interest accrued on a straight-line basis.

g) Financial Fixed Assets

As at 31 December 2024 and 2023, the heading “Financial fixed assets” corresponds to the Bank’s stake in Sociedade Gestora de Pagamentos Automáticos de São Tomé e Príncipe (SPAUT). Financial fixed assets are recorded at acquisition cost and are subject to impairment analysis.

h) Taxes

The Bank is subject to corporation tax at a standard rate of 25%, as established in Article 81 of the Tax Code, enacted by Law 16/2008 of 31 December.

Until June 2023, the Bank was required to collect consumption tax as defined in Decree-Law 35/2000, at a rate of 5%, as determined in Decree-Law 9/2005 of 29 July 2005, as well as Stamp Duty, as provided for in Article 1 of Decree-Law 81/93, enacted on 31 December 1993.

With the entry into force on 1 June 2023 of Law 13/2019 on Value Added Tax (VAT), which repealed all consumption tax laws, the Bank is now required to collect VAT at a rate of 15%.

Until May 2023, Stamp Duty was levied at a standard rate of 6%, but the enactment of Stamp Duty Law 14/2022, effective 1 June 2023, reduced the rate to 3.5%. The amount of stamp duty collected is reflected under “Other operating income” in the income statement.

Interest on Treasury Bills and Treasury Bonds issued by the State of São Tomé and Príncipe is subject to withholding tax at a rate of 20%.

As at 31 December 2024 and 2023, there are no taxable or deductible temporary differences. The PCIF does not provide for the recognition of deferred tax.

i) Pensions

Law no. 1/90, enacted on May 8, regulates the Social Security system in São Tomé and Príncipe and provides for the granting of retirement pensions to all workers registered with Social Security who reach standard retirement (57 for men and 62 for women). The value of these pensions is calculated in accordance with Articles 59 and 67 of the aforementioned law. According to Article 99 of the same Law, the contribution rates are 6% for the employer and 4% for the employees. Beyond these contributions, the Bank has not assumed any responsibility for its employees' retirement benefits.

j) Seniority bonuses

Until 2021, the Bank committed to paying a seniority bonus corresponding to

one or two-months' salary to employees who completed 15 and 30 years of service respectively. In 2022, with the implementation of the new Staff Regulations through Service Order no. 23/2022, the Bank commits to paying seniority bonuses equivalent to one, two or three-months' salary to employees who complete 10, 20 and 30 years of service, respectively. Seniority bonuses are recognised on a straight-line basis over the employees' length of service under 'Accruals and deferrals – Costs payable' (Note 14) and presented in the income statement under 'Personnel Costs'.

k) Productivity bonus

The Executive Committee distributes annual productivity bonuses (Profit Sharing) to employees based on their contribution to the results and defence of BISTP's interests.

Eligible criteria include:

- Permanent employees, whether on indefinite, fixed-term, or expatriate contracts, who are in the service of the Bank as at 31 December;
- Employees who, while not in the Bank's service on that date, have worked for all or part of the year, and who, in the meantime:
 - Have retired;
 - Have terminated their employment under a contract or agreement with the Bank, with the exception of fixed-term employees dismissed due to unsuitability.

Productivity bonuses are recorded under 'Personnel costs' in the year to which

they relate, in accordance with the accrual principle.

The remuneration of the governing bodies consists of two components, one fixed, attributed to all members of the Board of Directors, and one variable, attributed exclusively to the executive members of the Board of Directors, with the aim of stimulating performance and rewarding the results achieved. The variable remuneration of the executive members of the Board of Directors is paid on a discretionary basis, depending on the sustained performance of the Bank and by decision of the General Meeting, after approval of the accounts.

l) Commissions

As described in Note 2.1, the Bank defers commissions charged for granting loans and advances to customers over the life of the operations using the straight-line method.

Commissions associated with guarantees provided, documentary credits and card annuities are also deferred on a straight-line basis over the corresponding period.

Commissions for services rendered are recognized as income over the period in which the service is provided, or on a one-off basis if they correspond to compensation for the performance of single acts.

Commissions relating to credit operations and other financial instruments, namely those charged or paid directly attributable to their origination, are recognized over the period of these operations under "Interest and similar income" and "Interest and similar charges".

m) Loans and Advances to Customers and Other Receivables

Loans and other receivables comprise all financial assets corresponding to the supply of money, goods, or services to a debtor. This concept covers the typical activity of granting loans to customers, as well as credit positions resulting from transactions with third parties carried out within the scope of the institution's activity, and excludes transactions with credit institutions. These financial assets are initially recorded at the contracted amounts, when originated by the Bank, or at the amounts paid, when acquired from other entities.

Interest, commissions, and other costs and income associated with credit operations are accrued over the life of the operations against the profit and loss accounts, regardless of when they are charged or paid.

Pursuant to Article 6 of NAP 13/2021, exposures classified in the “Loss” category must be written off after 12 months have elapsed since their classification in that category, or before that deadline if there are no reasonable expectations of recovery.

Loans are subject to provisions as disclosed in Note 2.2 c).

n) Guarantees Given and Irrevocable Commitments

Liabilities for guarantees given and irrevocable commitments are recorded under off-balance sheet headings at the value at risk, with interest, commission, or other income being recorded under profit and loss headings over the life of the operations.

These liabilities are covered by the provisions for credit risk set out in NAP 13/2021 and Diário da República No. 25/1992, Instruction No. 2, Regulations

2.2 and 2.3, as disclosed in Note 2.2 c).

o) Other financial liabilities

This category includes resources from central banks, other credit institutions, and customer deposits.

These financial liabilities are measured at their nominal value, plus any commissions and all incremental costs directly attributable to the transaction.

p) Provisions and Contingent Liabilities

A provision should be recognised when there is a present obligation (legal or constructive): (i) resulting from a past event, for which there is (ii) a high probability of an outflow of resources, and which is (iii) reliably measurable.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the best estimate, being reversed through the income statement if the outflow of resources is no longer probable.

Provisions are derecognised either when they are used to settle the obligations for which they were originally recognised or when the underlying obligation no longer exists.

A contingent liability is a possible obligation arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank, or a present obligation arising from past events that is not recognised because either it is not probable that an outflow of resources will be required to settle it, or the amount cannot be reliably measured. Accordingly, the Bank discloses

a contingent liability when it is more likely than not that no present obligation exists at the balance sheet date, unless the possibility of an outflow of resources is considered remote.

q) Interest Income and Expense

Interest income and expense on financial instrument assets and liabilities are recognised under Interest and Similar Income or Interest and Similar Charges (net interest income), using the straight-line method, which does not materially differ from the effective interest rate method.

The calculation of interest includes commissions paid or received that are considered part of the effective interest rate, transaction costs, and all premiums or discounts related to the transaction.

NAP 05/2009 – 'Chart of Accounts' establishes that institutions may no longer recognise interest on an accrual basis after 90 days of default (credit operations classified in class 3).

r) Cash and Cash Equivalents

For the purposes of preparing the Cash Flow Statement, the Bank considers "Cash and Cash Equivalents" to be the amounts recorded in the balance sheet for very short-term investments that are immediately available without loss of value, which include cash and balances with the Central Bank, and demand deposits with credit institutions.

2.4. MAIN ESTIMATES AND JUDGEMENTS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

The main accounting estimates and judgements applied by the Bank in the implementation of its accounting principles are presented in this Note, with the aim of enhancing understanding of how their application affects the Bank's reported results and their disclosure. A detailed description of the principal accounting policies used by the Bank is provided in Note 2.2 to the financial statements.

Considering that, in many situations, there are alternative accounting treatments that could have been adopted by the Board of Directors, the results reported by the Bank might have differed if a different approach had been chosen. The Board of Directors believes that the choices made are appropriate and that the financial statements present a true and fair view of the Bank's financial position and the results of its operations in all material respects.

a) Provisions for Loans Granted

Provisions on loans granted are determined in accordance with the methodology defined in Note 2.2 c), resulting from a periodic review of the loan portfolio to assess the existence of impairment losses. This assessment reflects a combination of factors, including knowledge of the customers' circumstances, their historical behaviour, and the value of guarantees associated with the relevant operations, among others.

Alternative methodologies or the use of different assumptions and estimates could result in a different level of impairment losses, with a corresponding impact on the Bank's income statement.

b) Provisions and Contingent Liabilities

As mentioned in Note 2.2 p) above, provisions are recognised whenever there is a present obligation that it is probable will require a future outflow of resources and this can be measured reliably.

The decision on the recognition of provisions and their respective measurement takes into account the assessment made by the Board of Directors, based on the opinion of the Bank's lawyers/legal advisors, as to the risks and uncertainties associated with ongoing proceedings and the expected realisation of future cash outflows, with reference to the best information available at the reporting date of the financial statements.

In the first quarter of 2025, the Bank identified a fraud perpetrated by an employee since 2018 (Note 2.2), in which the beneficial owner of orders received by the Bank from the Treasury Department was repeatedly misrepresented. The Bank's Board of Directors has recorded provisions to deal with this contingency, which is highly uncertain as to the amount to be paid, taking into account the information available to date, the opinions of lawyers, and the requirements defined in NAP no. 5/09, of 9 July.

Contingent liabilities are not recorded in the financial statements, but are disclosed if the possibility of payments being made is not classified as remote. The revaluation of contingent liabilities is dependent on the evolution of ongoing legal proceedings, which may have a different outcome than expected.

c) Income Taxes

The Bank is subject to corporation tax at a standard rate of 25%, as established

in Article 81 of the Tax Code, enacted by Law 16/2008 of 31 December.

Income taxes are recognised in the results for the period.

Tax returns are subject to review and adjustment by the tax authorities for a period of five years after the date to which the taxable income relates and may result, due to different interpretations of tax legislation, in possible adjustments to the taxable income for the years 2020 to 2024. However, it is not expected that any adjustments relating to these years will be required and, should they occur, no significant impacts are expected on the accompanying financial statements.

In order to determine the overall amount of income tax, certain interpretations and estimates were necessary.

3. CASH AND BALANCES WITH THE CENTRAL BANK

As at 31 December 2024 and 2023, this heading is broken down as follows:

	2024	2023 restated
Cash		
National Banknotes and Coins	66,821,892	35,231,160
Foreign Banknotes and Coins:		
In Euros	23,783,191	9,066,776
In US Dollars	10,212,685	7,514,858
In Other Currencies	1,923,634	3,449,923
	102,741,401	55,262,716
Demand Deposits at the Central Bank of São Tomé and Príncipe (BCSTP)		
In National Currency	748,746,394	494,126,385
In Foreign Currency:		
In Euros	24,852,815	27,454,295
In US Dollars	11,274,852	20,134,128
	784,874,062	541,714,808
	784,874,062	541,714,808
	887,615,463	596,977,524

Demand deposits at the BCSTP in National Currency are intended to comply with the provisions in force for maintaining minimum cash reserves.

On 31 December 2024 and 2023, the Minimum Cash Reserve (MCR) ratio was 28% on eligible liabilities in National Currency and 21% on eligible liabilities in foreign currency, respectively, referring to the month two months prior to the start of the maintenance period, under the terms of the Central Bank of São Tomé and Príncipe's Permanent Application Standard no. 18/2011, of 17 August. These deposits are non-interest bearing.

As at 31 December 2024 and 2023, the total amounts due were STN 702,872,667 and STN 583,897,977, respectively.

4. DEMAND DEPOSITS WITH CREDIT INSTITUTIONS

As at 31 December 2024 and 2023, this heading is broken down as follows:

	2024	2023 Restated
Cheques to Be Collected		
In the Country	2,366,228	3,845,527
Securities to Be Collected In the Country	483,802	2,520,403
Current Accounts Abroad		
Caixa Geral de Depósitos:		
Head Office (Lisbon)	195,179,286	91,139,745
France Branch	3,251,532	2,215,457
Banco Comercial Português	28,398,687	14,389,596
Banco Santander Totta	2,916,352	6,343,866
Banco BAI Europa	17,890,114	37,970,048
Other Credit Institutions	184,362	184,362
	247,820,332	152,243,073
Other Cash and Cash Equivalents	234	224
	250,670,597	158,609,228

The heading 'Cheques to be collected' corresponds to cheques drawn on customers of other banks, which are usually collected within the first few working days.

As at 31 December 2024 and 2023, the heading 'Securities to be collected in the country' corresponds to securities representing 'bank orders' issued by the Directorate General of the Treasury for the payment of current State expenses and deposited at the Bank for settlement purposes, which have maturity dates of less than 10 days.

The greater inflow of foreign currency intended for projects financed by international development organisations explains the growth in deposits at the corresponding banks.

5. OTHER LOANS AND ADVANCES TO CREDIT INSTITUTIONS

As at 31 December 2024 and 2023, this heading corresponds to term deposits and savings certificates, which have the following structure by currency and interest rate:

	2024					Total
	Currency	Interest rate	Amount In Currency	Amount in STN	Interest receivable	
CGD - Portugal	EUR	2.83%	660,923	16,192,624	16,548	16,209,172
CGD - Portugal	EUR	2.82%	440,000	10,780,000	844	10,780,844
CGD - Portugal	EUR	2.70%	500,000	12,250,000	919	12,250,919
BAI Europa	EUR	3.64%	2,550,000	62,475,000	2,116,167	64,591,167
BAI Europa	EUR	3.87%	3,050,000	74,725,000	2,466,112	77,191,112
BAI Europa	EUR	3.80%	1,250,000	30,625,000	956,861	31,581,861
BAI Europa	EUR	3.35%	500,000	12,250,000	224,566	12,474,566
CGD - Portugal	USD	4.25%	422,502	9,911,224	15,211	9,926,435
BAI Europa	USD	5.30%	1,690,000	39,644,696	2,118,679	41,763,375
BAI Europa	USD	5.15%	1,850,000	43,398,040	2,172,916	45,570,956
BAI Europa	USD	5.38%	3,700,000	86,796,080	3,982,156	90,778,236
BAI Europa	USD	4.74%	1,326,667	31,121,477	483,524	31,605,001
BAI Europa	USD	4.30%	1,326,667	31,121,477	438,640	31,560,117
BAI Europa	USD	4.68%	406,000	9,524,110	84,193	9,608,304
BAI Europa	USD	4.57%	406,000	9,524,110	82,214	9,606,325
BAI Europa	USD	4.44%	408,000	9,571,027	80,269	9,651,296
BAI Europa	USD	4.33%	500,000	11,729,200	18,340	11,747,540
BAI Europa	USD	4.30%	500,000	11,729,200	18,213	11,747,413
BAI Europa	USD	4.28%	500,000	11,729,200	18,128	11,747,328
CGD - Portugal	GBP	4.70%	420,000	12,405,078	559,078	12,964,156
CGD - Portugal	GBP	4.35%	200,000	5,907,180	704	5,907,884
CGD - Portugal	GBP	4.35%	200,000	5,907,180	704	5,907,884
CGD - Portugal	GBP	4.35%	200,000	5,907,180	704	5,907,884
CGD - Portugal	CAD	2.75%	115,000	1,873,960	143	1,874,103
Central Bank Certificates of Deposit	STN	4.50%	79,110,012	79,110,012	316,479	79,426,492
Central Bank Certificates of Deposit	STN	4.50%	108,776,267	108,776,267	203,956	108,980,223
				744,984,324	16,376,268	761,360,592

2023 Restated						
	Currency	Interest rate	Amount In Currency	Amount in STN	Interest receivable	Total
Caixa Geral de Depósitos	USD	4.80%	3,500,000	77,155,050	3,353,673	80,508,723
BAI Europa	USD	5.40%	1,750,000	38,577,525	2,042,680	40,620,205
BAI Europa	USD	6.03%	3,750,000	82,666,125	1,716,975	84,383,100
BAI Europa	USD	5.96%	1,150,000	25,350,945	302,183	25,653,128
BAI Europa	USD	5.87%	1,600,000	35,270,880	212,791	35,483,671
Caixa Geral de Depósitos	EUR	3.90%	2,500,000	61,250,000	457,844	61,707,844
Caixa Geral de Depósitos	EUR	3.90%	3,000,000	73,500,000	406,088	73,906,088
Caixa Geral de Depósitos	EUR	3.82%	11,600,000	284,200,000	60,314	284,260,314
BAI Europa	EUR	4.09%	500,000	12,250,000	278,347	12,528,347
BAI Europa	EUR	3.99%	1,200,000	29,400,000	430,122	29,830,122
BAI Europa	EUR	3.95%	1,210,000	29,645,000	416,348	30,061,348
BAI Europa	EUR	4.10%	1,250,000	30,625,000	313,906	30,938,906
Caixa Geral de Depósitos	GBP	4.15%	400,000	11,256,600	451,791	11,708,391
Caixa Geral de Depósitos	GBP	5.20%	360,000	10,130,940	49,073	10,180,013
Caixa Geral de Depósitos	CHF	1.55%	150,000	3,950,760	5,753	3,956,513
Caixa Geral de Depósitos	CAD	4.85%	100,000	1,666,890	7,605	1,674,495
Central Bank Certificate of Deposit of STP	STN	3.50%	64,810,968	64,810,968	107,118	64,918,086
				871,706,683	10,612,610	882,319,293

As at 31 December 2024 and 2023, term deposits have the following structure according to residual maturity periods:

	2024			2023 restated		
	Amount in STN	Interest receivable	Total amount	Amount in STN	Interest receivable	Total amount
Up to three months	254,656,508	573,001	255,229,509	669,795,143	7,725,976	677,521,119
3 months to 1 year	490,327,816	15,803,267	506,131,084	201,911,540	2,886,634	204,798,174
	744,984,324	16,376,268	761,360,592	871,706,683	10,612,610	882,319,293

6. LOANS AND ADVANCES TO CUSTOMERS

As at 31 December 2024 and 2023, this heading is broken down as follows:

	2024	2023 Restated
Performing Loans:		
- National currency:		
Commercial Discounts	170,000	-
Loans	587,714,893	532,997,893
Current account credits	10,480,256	21,716,464
Overdrafts	80,497,541	107,591,446
	<u>678,862,689</u>	<u>662,305,803</u>
- Foreign currency:		
Commercial Discounts		
Loans	7,528,880	11,833,710
Current account credits	-	-
Overdrafts	5,577	753,361
Other Credits	-	-
	<u>7,534,457</u>	<u>12,587,070</u>
Performing Loans Total(1)	<u>686,397,146</u>	<u>674,892,873</u>
Non-Performing Loans:		
- National currency:		
Share Capital	84,469,690	76,002,196
Interest	467,258	777,950
	<u>84,936,948</u>	<u>76,780,146</u>
- Foreign currency:		
Share Capital	17,772,900	15,740,635
Interest	269,757	145,083
	<u>18,042,657</u>	<u>15,885,718</u>
Non-Performing Loans Total (2)	<u>102,979,605</u>	<u>92,665,864</u>
Total Loans Granted (3) = (1) + (2)	<u>789,376,751</u>	<u>767,558,737</u>
Interest Receivable on Loans Granted (4)	<u>2,237,356</u>	<u>2,387,220</u>
Total Gross Loans (5) = (3) + (4)	<u>791,614,107</u>	<u>769,945,957</u>
Provisions for Loans Granted (Note 15) (6)	<u>(67,424,513)</u>	<u>(64,879,937)</u>
Total Net Loans (7) = (5) - (6)	<u>724,189,594</u>	<u>705,066,020</u>

According to the PCIF, loans with instalments up to 89 days past due, falling into classes 1 and 2 of the loan portfolio (“Normal” and “Under supervision”, respectively), are considered to be performing. Loans with instalments overdue by more than 90 days, falling into classes 3, 4 and 5 of the loan portfolio (“Below normal”, “Doubtful Loans” and “Loss”, respectively), are considered non-performing or adversely classified. Loans under enforcement proceedings fall into class 5 of the loan portfolio and comprise contracts that are subject to litigation.

As at 31 December 2024 and 2023, the provisions made for customers in the “Non-performing” categories amounted to STN 67,424,513 and STN 64,879,937, respectively, and are deducted from the gross value of loans and advances under the heading “Loans and advances to customers”.

The increase in provisions is related to an adverse economic climate, marked by a significant number of families migrating abroad, which has resulted in an increase in defaults.

In 2024 and 2023, the Bank wrote off exposures that had been classified as losses for more than 12 months, as stipulated in NAP 13/2021, in the amounts of STN 4,724,746 and STN 2,034,203 (including, in addition to the outstanding principal, interest on arrears, processing fees and legal costs), respectively.

In 2024 and 2023, provisions for customers in the “Regular” category amounted to STN 9,294,999 and STN 9,849,268, respectively (Note 15).

As at 31 December 2024 and 2023, the breakdown of loans and the respective provisions by class, excluding accrued interest, is as follows:

Class	2024							
	Overdue				Provisions			
	Performing	Share Capital	Interest	Total	Total Loans	Regulatory	Economic	Total
Normal	684,106,262	-	263,574	263,574	684,369,836	7,498,261	1,593,304	9,091,565
Under Supervision	1,189,934	817,529	19,847	837,376	2,027,310	108,239	95,195	203,433
Performing Loans Total	685,296,196	817,529	283,421	1,100,950	686,397,146	7,606,500	1,688,499	9,294,999
Below Normal	12,339,820	177,102	32,700	209,802	12,549,621	481,280	2,675,677	3,156,957
Doubtful loans	58,929,529	11,982,985	276,434	12,259,419	71,188,948	6,176,132	38,849,996	45,026,128
Loss	285,020	18,528,134	427,881	18,956,016	19,241,035	13,965,728	5,275,700	19,241,428
Non-Performing Loans Total	71,554,368	30,688,221	737,015	31,425,236	102,979,605	20,623,140	46,801,373	67,424,513
	756,850,564	31,505,750	1,020,436	32,526,186	789,376,751	28,229,640	48,489,872	76,719,512

Class	2023 Restated							
	Overdue				Provisions			
	Performing	Share Capital	Interest	Total	Total Loans	Regulatory	Economic	Total
Normal	659,810,423	-	269,741	269,741	660,080,164	8,360,102	-	8,360,102
Under Supervision	10,935,794	3,812,907	64,008	3,876,915	14,812,709	606,437	882,729	1,489,166
Performing Loans Total	670,746,217	3,812,907	333,749	4,146,656	674,892,873	8,966,540	882,729	9,849,268
Below Normal	16,376,063	949,076	37,115	986,191	17,362,254	501,511	4,910,315	5,411,826
Doubtful loans	45,904,452	24,416,381	718,256	25,134,636	71,039,089	11,753,205	43,450,386	55,203,591
Loss	152,593	3,944,266	167,662	4,111,928	4,264,521	4,264,520	-	4,264,520
Non-Performing Loans Total	62,433,109	29,309,722	923,033	30,232,755	92,665,864	16,519,236	48,360,701	64,879,937
	733,179,326	33,122,629	1,256,782	34,379,411	767,558,737	25,485,776	49,243,430	74,729,205

For the purposes of presenting the tables above, the distinction between performing loans and overdue loans is made on the basis of the division between performing exposure (with no days past due) and overdue exposure (in default) of each contract.

As at 31 December 2024 and 2023, the coverage of non-performing loans by provisions was 65.5% and 70.0%, respectively.

As at 31 December 2024 and 2023, the breakdown of the loans and advances to customers portfolio (excluding interest receivable) by financing purpose is as follows:

	2024			2023		
	Performing loans	Non-Performing loans	Loans Granted	Performing loans	Non-Performing loans	Loans Granted
Companies						
Agriculture	-		-	289,003	-	289,003
Automotive	352,291		352,291	835,228	-	835,228
Trade	558,139		558,139	453,560	48,059	501,619
Construction	3,024,877	8,473,528	11,498,405	3,996,235	6,184,933	10,181,168
Consumption	2,098,602	1,746,704	3,845,306	3,844,605	149,261	3,993,866
Housing			-			-
Imports	908,585		908,585	499,341	-	499,341
Investment:	30,249,274	12,286,228	42,535,502	45,060,397	12,309,125	57,369,522
-Agriculture and Livestock	-		-	-	1,663,096	1,663,096
-Trade	13,374,070	10,049,293	23,423,363	16,570,143	6,457,089	23,027,232
-Construction	13,008,241	1,749,594	14,757,835	23,836,609	3,624,188	27,460,797
-Education	136,877		136,877	697,074	-	697,074
-Services	702,608	45,589	748,197	1,844,342	-	1,844,342
-Tourism	3,027,479	441,752	3,469,231	2,112,228	564,753	2,676,981
Other types	17,475,884		17,475,884	19,622,852	-	19,622,852
Central State Body	311,236,485		311,236,485	243,702,170	-	243,702,170
	365,904,136	22,506,460	388,410,596	318,303,391	18,691,378	336,994,768
Individuals						
Agriculture	264,447		264,447	7,915	-	7,915
Automotive	896,924	774,576	1,671,501	957,562	1,212,707	2,170,269
Trade	435,726	42,629	478,356	906,494	133,178	1,039,672
Construction	60,446,502	10,919,709	71,366,211	76,471,013	10,791,954	87,262,968
Consumption	125,273,667	9,377,045	134,650,713	118,296,337	6,832,332	125,128,670
Education	199,202		199,202	765,141	7,041	772,182
Housing	118,641,942	42,799,288	161,441,229	138,450,610	39,883,956	178,334,566
Imports		418,836	418,836		444,378	444,378
Investment	13,177,496	16,141,061	29,318,557	19,018,189	14,668,939	33,687,128
Other types	419,724		419,724	521,095	-	521,095
Health	737,379		737,379	1,195,127	-	1,195,127
	320,493,010	80,473,145	400,966,155	356,589,482	73,974,486	430,563,968
	686,397,146	102,979,605	789,376,751	674,892,873	92,665,864	767,558,737

As at 31 December 2024 and 2023, performing loans (excluding interest receivable) have the following structure by currency and average interest rate:

	2024		2023 Restated	
	Interest rate	Performing loans	Interest rate	Performing loans
In Dobras from São Tomé and Príncipe	11.05%	678,667,136	11.95%	662,305,803
In US Dollars	10.35%	5,888,316	8.69%	2,946,979
In Euros	11.25%	1,646,140	10.29%	9,640,091
		686,201,592		674,892,873

As at 31 December 2024 and 2023, loans and advances to customers are structured as follows, according to their residual maturities:

Unid: mSTN	2024	2023
	Total	Total
Up to 3 months	13,684,747	25,240,386
From 1 year to 5 years	519,727,767	423,253,017
More than 5 years	140,755,379	156,890,965
Not defined	81,521,105	107,901,337
	789,376,751	767,558,737

Loans with an indefinite duration include loans under compulsory collection and contracts where the contractual maturity date has passed.

7. INVESTMENT SECURITIES

As at 31 December 2024 and 2023, this heading is broken down as follows:

2024							
	Currency	Acquisition cost	Rate of Interest	Date of maturity	Amount in STN	Coupon Amount	Unid: mSTN Total
Treasury Bond (STPOTTES2027)	STN	124,593,141	6.69%	01-09-27	124,593,141	2,778,427	127,371,568
Treasury Bond (STPOTTES2029)	STN	124,593,141	7.07%	01-09-29	124,593,141	2,936,245	127,529,386
Treasury Bond (STPOTTES2031)	STN	255,612,688	7.40%	01-09-29	255,612,688	6,305,113	261,917,801
					504,798,971	12,019,785	516,818,756

2023 Restated							
	Currency	Acquisition cost	Rate of discount	Date of maturity	Amount in STN	Discount	Total
Treasury Bill (STPBTTES0022)	STN	161,480,433	5.28%	07-02-24	161,480,433	8,519,567	170,000,000
Treasury Bill (STPBTTES0023)	STN	47,456,588	5.36%	03-05-24	47,456,588	2,543,412	50,000,000
Treasury Bill (STPBTTES0025)	STN	188,969,601	5.84%	03-08-24	188,969,601	11,030,399	200,000,000
Treasury Bill (STPBTTES0026)	STN	37,735,849	6.00%	03-10-24	37,735,849	2,264,151	40,000,000
Treasury Bill (STPBTTES0027)	STN	94,339,623	6.00%	09-11-24	94,339,623	5,660,377	100,000,000
					529,982,094	30,017,906	560,000,000

On 1 September 2024, the Treasury Bills were converted into Treasury Bonds, in the amount of STN 504,798,971, as detailed below:

	Currency	Acquisition cost	Rate of discount
Treasury Bill (STPBTTES0025)	STN	188,969,601	5.84%
Treasury Bill (STPBTTES0026)	STN	37,735,849	6.00%
Treasury Bill (STPBTTES0027)	STN	94,339,623	6.00%
Treasury Bill (STPBTTES0029)	STN	160,279,719	6.06%
Treasury Bill (STPBTTES0030)	STN	23,474,178	6.50%
		504,798,971	

As at 31 December 2024 and 2023, the Bank held only securities issued by the State of São Tomé and Príncipe in its portfolio.

As at 31 December 2023, the amount of the discount is recorded under “Deferred income – Bonds and other securities” (Note 14).

8. TANGIBLE AND FINANCIAL ASSETS

The movement in these headings during the years ended 31 December 2024 and 2023 was as follows:

	31/12/2023 Restated						Write-Offs			31/12/2024			
	Gross assets	Accumulated amortisations	Impairment	Net assets	Acquisitions	Amortisations for the year	Gross assets	Accumulated amortisations	Transfers	Gross assets	Accumulated amortisations	Impairment	Net assets
Property, Plant and Equipment													
Owner-occupied properties	283,677,871	(96,839,702)	-	186,838,169	2,631,580	(8,080,894)	-	-	5,414,135	291,723,586	(104,920,596)	-	186,802,990
Furniture and equipment	41,269,297	(37,975,428)	-	3,293,869	1,098,042	(605,566)	-	-	-	42,367,339	(38,580,994)	-	3,786,345
Machines and tools	41,800,262	(32,797,371)	-	9,002,890	2,141,749	(3,599,272)	-	-	79,184	44,021,195	(36,396,644)	-	7,624,551
Equip. IT-hardware	36,597,106	(29,617,352)	-	6,979,753	7,487,791	(2,731,235)	-	-	-	44,084,896	(32,348,587)	-	11,736,309
Interior installations	15,183,530	(12,557,844)	-	2,625,686	1,753,082	(750,717)	-	-	-	16,936,612	(13,308,561)	-	3,628,051
Transport equipment	13,698,183	(7,886,541)	-	5,811,642	2,377,589	(2,718,000)	2,063,963	(2,063,963)	-	14,011,809	(8,540,578)	-	5,471,231
Safety equipment	5,014,629	(3,959,062)	-	1,055,568	672,010	(315,219)	-	-	-	5,686,639	(4,274,281)	-	1,412,358
Other Equipment	2,876,573	(2,459,451)	-	417,122	-	(216,275)	-	-	-	2,876,573	(2,675,726)	-	200,847
Artistic heritage	1,084,005	-	-	1,084,005	-	-	-	-	-	1,084,005	-	-	1,084,005
	441,201,455	(224,092,751)	-	217,108,704	18,161,842	(19,017,179)	2,063,963	(2,063,963)	5,493,319	462,792,653	(241,045,967)	-	221,746,685
Intangible fixed assets													
Equip. IT-software	46,647,481	(44,387,807)	-	2,259,673	4,457,410	(1,729,795)	-	-	1,416,536	52,521,427	(46,117,602)	-	6,403,825
Others	55,156	(55,156)	-	-	-	-	-	-	-	55,156	(55,156)	-	-
	46,702,637	(44,442,963)	-	2,259,673	4,457,410	(1,729,795)	-	-	1,416,536	52,576,583	(46,172,759)	-	6,403,825
Assets under construction													
Intangible fixed assets	2,554,984	-	-	2,554,984	2,392,626	-	-	-	(1,416,536)	3,531,074	-	-	3,531,074
Owner-occupied properties	5,414,135	-	-	5,414,135	-	-	-	-	(5,414,135)	-	-	-	-
Machines and tools	79,184	-	-	79,184	1,293,377	-	-	-	(79,184)	1,293,377	-	-	1,293,377
Safety equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
	8,048,302	-	-	8,048,302	3,686,004	-	-	-	(6,909,855)	4,824,451	-	-	4,824,451
Financial Fixed Assets													
SPAUT	2,940,000	-	(2,940,000)	-	-	-	-	-	-	2,940,000	-	(2,940,000)	-
	498,892,394	(268,535,715)	(2,940,000)	227,416,680	26,305,256	(20,746,974)	2,063,963	(2,063,963)	-	523,133,687	(290,158,726)	-	232,974,961

	01/01/2023 Restated						Write-Offs			31/12/2023 Restated			
	Gross assets	Accumulated amortisations	Impairment	Net assets	Acquisitions	Amortisations for the year	Gross assets	Accumulated amortisations	Transfers	Gross assets	Accumulated amortisations	Impairment	Net assets
Property, Plant and Equipment													
Owner-occupied properties	266,843,440	(89,592,290)	-	177,251,149	10,502,019	(7,247,412)	-	-	6,332,412	283,677,871	(96,839,702)	-	186,838,169
Furniture and equipment	39,750,550	(35,751,564)	-	3,998,986	561,826	(2,223,864)	-	-	956,921	41,269,297	(37,975,428)	-	3,293,869
Machines and tools	40,089,029	(29,386,318)	-	10,702,711	1,711,233	(3,411,053)	-	-	-	41,800,262	(32,797,371)	-	9,002,890
Equip. IT-hardware	33,663,219	(27,150,211)	-	6,513,008	3,339,469	(2,517,839)	405,582	(50,698)	-	36,597,106	(29,617,352)	-	6,979,753
Interior installations	15,067,130	(11,444,839)	-	3,622,291	116,400	(1,113,005)	-	-	-	15,183,530	(12,557,844)	-	2,625,686
Transport equipment	10,797,933	(6,909,622)	-	3,888,311	4,110,550	(2,187,220)	1,210,300	(1,210,300)	-	13,698,183	(7,886,541)	-	5,811,642
Safety equipment	4,911,554	(3,622,140)	-	1,289,414	103,075	(336,921)	-	-	-	5,014,629	(3,959,062)	-	1,055,568
Other Equipment	2,876,573	(2,237,038)	-	639,535	-	(222,413)	-	-	-	2,876,573	(2,459,451)	-	417,122
Artistic heritage	1,084,005	-	-	1,084,005	-	-	-	-	-	1,084,005	-	-	1,084,005
	415,083,433	(206,094,022)	-	208,989,411	20,444,572	(19,259,727)	1,615,882	(1,260,998)	7,289,333	441,201,455	(224,092,751)	-	217,108,703
Intangible fixed assets													
Equip. IT-software	46,067,696	(40,947,497)	-	5,120,199	28,767	(3,440,314)	-	-	551,021	46,647,481	(44,387,807)	-	2,259,673
Others	55,156	(55,156)	-	-	-	-	-	-	-	55,156	(55,156)	-	-
	46,122,853	(41,002,654)	-	5,120,199	28,767	(3,440,314)	-	-	551,021	46,702,637	(44,442,963)	-	2,259,673
Assets under construction													
Intangible fixed assets	551,021	-	-	551,021	2,554,983	-	-	-	(551,021)	2,554,984	-	-	2,554,984
Owner-occupied properties	6,829,438	-	-	6,829,438	4,917,109	-	-	-	(6,332,412)	5,414,135	-	-	5,414,135
Machines and tools	79,184	-	-	79,184	-	-	-	-	-	79,184	-	-	79,184
Safety equipment	956,921	-	-	956,921	-	-	-	-	(956,921)	-	-	-	-
	8,416,564	-	-	8,416,564	7,472,092	-	-	-	(7,840,354)	8,048,302	-	-	8,048,302
Financial Fixed Assets													
SPAUT	2,940,000	-	(2,940,000)	-	-	-	-	-	-	2,940,000	-	(2,940,000)	-
	472,562,849	(247,096,676)	(2,940,000)	222,526,174	27,945,431	(22,700,041)	1,615,882	(1,260,998)	-	498,892,394	(271,475,715)	2,940,000	227,416,679

As at 31 December 2024 and 2023, the heading “Financial Fixed Assets – SPAUT” refers to a 5.364% shareholding, corresponding to 120 shares, in Sociedade Gestora de Pagamentos Automáticos de São Tomé e Príncipe (SPAUT), whose share capital amounts to STN 54,806,500.

In 2017, the Bank fully impaired this shareholding (100%), due to the absence of audited financial information and the consequent low prospect of future recoverability, as assessed by the Board of Directors. Although in 2020 SPAUT initiated a restructuring process of its business model, aiming at a substantial improvement in service quality and the inclusion of new payment services in the Dobra24 network, BISTP prudently continues to maintain the investment fully impaired.

In 2024, construction work on the Neves branch was completed, which led to an increase in the value of owner-occupied properties.

In 2024, investments were made in IT equipment, mainly focused on infrastructure and IT security, which justified the increase in IT equipment within fixed assets.

9. OTHER ASSETS

As at 31 December 2024 and 2023, this heading is broken down as follows:

	2024	2023 (Restated)
Properties received in lieu of payment for credit recovery	55,374,688	57,586,251
Advances - Cash advance	401,776	1,614,099
Western Union	4,331,198	1,102,215
Corporate income tax receivable	-	4,906,956
VISA cards	592,055	396,295
Debtors - Tax/Stamp Duty recovery	1,259,735	
Properties held for sale	1,221,620	1,221,620
Others	5,290,384	1,010,508
	68,471,455	67,837,944
Provisions for asset impairment credit recovery (Note 15)	(49,225,302)	(33,649,222)
	19,246,153	34,188,722

As at 31 December 2024, the provisions for other assets were as follows:

Properties received in lieu of payment for credit recovery	45,193,279
Properties held for sale	245,000
Advances - Cash advance	355,226
Others	3,431,798
	49,225,302

As at 31 December 2024 and 2023, the gross value and the provisions recorded for properties received in lieu of loan recovery are summarised as follows:

Acquisition Year	2024			2023 Restated		
	Gross Value	Provisions	Net Value	Gross Value	Provisions	Net Value
2012	-	-	-	2,211,563	(2,211,563)	-
2013	2,240,398	(2,240,398)	-	2,240,398	(2,240,398)	-
2015	980,000	(980,000)	-	980,000	(980,000)	-
2016	4,777,500	(4,777,500)	-	4,777,500	(4,777,500)	-
2019	19,038,000	(19,038,000)	-	19,038,000	(14,014,027)	5,023,973
2020	4,140,805	(690,131)	3,450,674	4,140,805	(690,131)	3,450,674
2021	15,925,000	(10,174,265)	5,750,735	15,925,000	(7,520,109)	8,404,891
2022	7,292,984	(7,292,984)	-	7,292,984	(1,215,492)	6,077,492
2023	980,000	(245,000)	735,000	980,000	-	980,000
Total	55,374,688	(45,193,279)	9,936,409	57,586,251	(33,649,222)	23,937,029

Provisions for properties received in lieu of repayment are calculated as disclosed in Note 2.2 d).

In 2021, two promissory purchase and sale agreements were signed for two properties acquired in 2015 and 2020, the deeds for which will only be executed on 10 January 2034 and 1 August 2041, respectively, when the respective loans granted by the Bank are settled, accordingly, the provisions set up for those properties were not reversed. The sale values of these two properties are recorded under "Other liabilities", in the amounts of STN 1,592,500 and STN 4,165,000, respectively (Note 13).

In 2024, the Bank executed a deed of sale for STN 750,000 relating to a property recorded in the balance sheet in 2012 for STN 2,211,563 and which

was fully provisioned as at 31 December 2023.

The Board of Directors confirms its intention to proceed with the sale of the properties received in lieu of repayment.

The heading “VISA cards” refers to amounts pending settlement through the VISA network. Similarly, the “Western Union” heading refers to amounts pending settlement through Western Union, which are settled in the first few days of the following year.

As at 31 December 2024, the heading “Debtors – Recovery of tax/Stamp Duty” results from an excess of Stamp Duty paid. The Bank has already notified the Tax Directorate of this overpayment and will offset this tax on the next settlement date.

As at 31 December 2024, the heading “Other” essentially comprises fraud committed by employees and discrepancies resulting from the double issuance of payments abroad, in the amounts of STN 1,811,625 and STN 2,622,436, respectively.

10. ACCRUALS AND DEFERRALS ACCOUNTS

As at 31 December 2024 and 2023, this heading is broken down as follows:

	2024	2023 Restated
Income receivable:		
Other fees	672,790	735,882
Expenses with deferred costs:		
Software licenses	1,792,002	1,407,314
Insurance	1,805,209	1,749,029
Rents	95,550	26,950
Other expenses	2,046,837	1,198,366
	5,739,599	4,381,660
Other accruals and deferrals accounts		
Others	400,498	316,798
	6,812,887	5,434,339

As at 31 December 2024, the heading “Income receivable – Other commissions” refers essentially to commissions receivable on life insurance premiums and income from customs revenue collection services, amounting to STN 428,351 and STN 213,734, respectively (STN 333,653 and STN 249,495, respectively, as at 31 December 2023).

The heading “Expenses with deferred costs” corresponds to payments on account of

third-party supplies and services which, according to the respective contracts, will be provided in future periods. These services are mainly related to software licences and insurance.

As at 31 December 2024, the heading “Expenses with deferred costs – Other expenses” essentially includes the deferred cost of the annual software licence acquired from Dixtior, the Visa card issuing licence and the cost of paper consumption, in the amounts of STN 510,416, STN 514,500 and STN 455,000, respectively. The increase in this heading is due to the subscription to the new Visa service (card issuing) and the increase in paper consumption.

II. CUSTOMER DEPOSITS

As at 31 December 2024 and 2023, this heading is broken down as follows:

	2024	2023 restated
Deposits from customers repayable on demand:		
Resident in National Currency:		
Autonomous bodies and private companies	899,373,486	743,099,016
Individuals	633,541,894	595,593,856
State bodies and public companies	193,997,918	189,152,503
	1,726,913,299	1,527,845,375
Residents in foreign currency:		
Autonomous bodies and private companies	346,348,874	558,518,688
Individuals	206,194,948	200,858,139
State bodies and public companies	66,360,855	48,623,238
	618,904,677	808,000,065
Non-residents in foreign currency:		
Individuals	16,811,693	13,932,749
Total demand deposits (1)	2,362,629,668	2,349,778,189
Term deposits:		
Residents in National Currency		
Individuals	117,552,750	127,198,989
Autonomous bodies and private companies	2,430,349	2,610,397
	119,983,098	129,809,386
Residents in foreign currency		
Autonomous bodies and private companies	234,584	327,018
Individuals	21,126,680	27,919,233
	21,361,264	28,246,251
Non-residents in foreign currency:		
Individuals		
Autonomous bodies and private companies	-	1,014,038
	-	1,014,038
Interest payable on customer term deposits	1,157,169	1,177,249
Total term deposits (2)	142,501,531	160,246,923
Total customer deposits (3) = (1) + (2)	2,505,131,200	2,510,025,112

As at 31 December 2024 and 2023, customer term deposits (excluding interest payable) have the following structure by currency and average interest rate:

	2024		2023 restated	
	Interest rate	Amount	Interest rate	Amount
In São Tomé and Príncipe Dobras	4.26%	119,983,098	4.03%	129,809,386
In US Dollars	1.52%	16,447,229	1.63%	21,019,897
In Euros	0.96%	4,367,621	0.93%	6,036,968
In Pounds Sterling	0.25%	546,414	1.00%	2,203,423
		141,344,363		159,069,674

Customer demand deposits are not remunerated.

As at 31 December 2024 and 2023, customer term deposits (excluding interest payable) have the following structure according to residual maturity periods:

	2024	2023 restated
Up to three months	11,716,851	16,480,096
From three to 1 year	69,685,204	80,929,872
From 1 year to 5 years	34,287,275	36,004,707
More than 5 years	25,655,000	25,655,000
	141,344,330	159,069,674

12. FUNDS FROM OTHER ENTITIES

As at 31 December 2024 and 2023, this heading is broken down as follows:

	2024	2023 restatement
National currency		
Cheques to be collected	12,188,922	15,212,057
Foreign currency		
Other resources from individuals	18,093	89,258
Resources from financial institutions	-	111,152
	18,093	200,410
	12,207,015	15,412,467

As at 31 December 2024 and 2023, the balance under the heading “Cheques to be collected” refers to the value of certified cheques awaiting collection.

The reduction in 'Other resources from individuals' in foreign currency results from the transfer to the CGD Shareholder of the salaries of CGD staff who are also members of BISTP's governing bodies.

13. OTHER LIABILITIES

As at 31 December 2024 and 2023, this heading is broken down as follows:

	2024	2023 restatement
Creditors:		
Guarantee for credit operations	19,196,972	19,968,896
Guarantee for opening documentary credits	183,273,859	7,226,447
Suppliers	10,221,795	7,096,805
Shareholders	632,444	261,146
Other creditors	233,756	-
Stamp duty on banking transactions	1,468,616	1,243,268
Withholding tax on capital income	153,811	163,353
Consumption tax	-	52,510
Other taxes and levies	672,309	725,943
Withholding tax on self-employment	1,735,327	1,894,068
Value Added Tax (VAT)	625,228	385,920
	218,214,118	39,018,356

As at December 31, 2024 and 2023, the breakdown of the 'Guarantee for credit operations' heading is as follows:

	2024	2023 restatement
Guarantee for credit operations		
Compran credit line	7,350,000	7,350,000
Properties sold - properties in lieu of payment (see Note 9)	5,757,500	5,757,500
Sundry deposits	1,526,879	1,220,739
Properties sold - held for sale (see Note 9)	2,450,000	2,450,000
Other collateral for credit operations	2,112,593	3,190,657
	19,196,972	19,968,896

As at 31 December 2024 and 2023, the “Compran credit line” heading corresponds to the amount received by the Bank under the partnership agreement signed with the Project to Support Commercialisation, Agricultural Productivity and Nutrition (Compran), as a guarantee fund for the credit lines to be granted by the Bank under this agreement.

As at 31 December 2024 and 2023, the heading 'Sundry Deposits' included an amount of STN 1,218,289 consigned by the Bank, at the request of the Project to Support Commercialisation, Agricultural Productivity and Nutrition (Compran), to finance the micro-project selected by that entity.

As at 31 December 2024 and 2023, the heading 'Properties Sold – Held for Sale' corresponds to the sale value of a property recorded under 'Other Assets' amounting to STN 1,221,620 (Note 9). The deed and final transfer of ownership to the buyer will take place on 10 June 2026, the date on which the loan associated with this transaction matures.

As at 31 December 2024 and 2023, the balance of the heading 'Guarantee for opening documentary credits' relates to guarantees provided to cover documentary credit operations in the portfolio. As of 31 December 2024, the balance of this heading includes a DCI of STN 143,225,925 intended for the import of materials for investment in the energy sector, under the energy sector restructuring project financed by São Tomé and Príncipe's international partners (European Investment Bank and World Bank). These operations are authorised by the Executive Committee (EC).

14. ACCRUALS AND DEFERRALS

As at 31 December 2024 and 2023, this heading is broken down as follows:

	2024	2023 restated
Costs payable:		
Vacations and holiday pay	10,950,281	10,169,060
Productivity bonus	-	11,324,688
Seniority bonus	11,734,392	10,277,969
Other costs payable	4,418,014	6,155,802
	<u>27,102,688</u>	<u>37,927,518</u>
Deferred income:		
Loans and credits on current account	8,396,894	8,901,313
Bonds and other securities (Note 7)	-	14,836,049
Guarantees granted	412,079	271,368
Other income	41,125	76,449
	<u>8,850,098</u>	<u>24,085,180</u>
Other accruals and deferrals:		
Payment system compensation	<u>8,985,329</u>	<u>8,385,069</u>
Income tax payable (Note 19)	<u>11,560,036</u>	<u>-</u>
	<u>56,498,151</u>	<u>70,397,767</u>

The Bank will not pay productivity bonuses for services rendered by the Board of Directors and employees in 2024.

As at 31 December 2024 and 2023, the seniority bonus was calculated in accordance with the policy described in Note 2.2.J.

As at 31 December 2024 and 2023, the heading 'Other costs payable' primarily relates to accruals for auditing services, amounting to STN 2,223,375 and STN 4,389,583, respectively.

As at 31 December 2024 and 2023, the balance under 'Loans and credits on current account' relates to the deferral of commissions associated with credit operations. The reduction in this balance reflects the maturity of the credit operations that generated it.

As at 31 December 2024 and 2023, the balance under 'Other accruals and deferrals -Payment system compensation' corresponds to amounts payable for the automatic payment system

15. PROVISIONS

The movement in provisions for the years ended 31 December 2024 and 2023 was as follows:

	2024				Balance at 31-12-2024
	Balance at 31-12-2023 restated	Net appropriations	Uses	Exchange rare differences and others	
To be deducted from assets					
Provisions for loans granted (Note 6)	64,879,937	5,464,261	(3,102,772)	183,087	67,424,513
Provisions for financial fixed assets (Note 8)	2,940,000	-	-	-	2,940,000
Provisions for asset impairment credit recovery (Note 9)	33,649,222	17,787,644	(2,211,563)	-	49,225,302
	101,469,159	23,251,905	(5,314,335)	183,087	119,589,816
Recognised in equity					
Provision for general credit risks (Note 6 and 16)	9,849,268	(558,557)	-	4,287	9,294,999
Provisions for off-balance sheet exposures (Note 18)	586,517	490,509	-	5,503	1,082,529
Provisions for other assets (Note 9 and 16)	738,569	(738,569)	-	-	-
Other provisions (Note 16)	5,125,787	234,000	(245,730)	-	5,114,057
Other provisions - Fraud (Note 29)	68,504,252	61,105,581	-	-	129,609,833
	16,300,142	(572,616)	-	9,790	145,101,418
	117,769,301	22,679,289	(5,314,335)	192,877	264,691,233
	2023 restated				Balance at 31-12-23
	Balance at 31-12-22	Allocation net	Uses	Differences exchange and others	
To be deducted from assets					
Provisions for loans granted (Note 6)	57,842,435	8,678,267	(1,493,863)	(146,902)	64,879,937
Provisions for financial fixed assets (Note 8)	2,940,000	-	-	-	2,940,000
Provisions for asset impairment credit recovery (Note 9)	21,586,051	12,063,170	-	-	33,649,222
	82,368,486	20,741,437	(1,493,863)	(146,902)	101,469,159
Recognised in equity					
Provision for general credit risks (Note 6 and 16)	10,875,591	(1,025,795)	-	(528)	9,849,268
Provisions for off-balance sheet exposures (Note 18)	938,053	(361,569)	-	10,033	586,517
Provisions for other assets (Note 9 and 16)	2,052,367	(1,313,798)	-	-	738,569
Other provisions (Note 16)	3,410,787	1,715,000	-	-	5,125,787
Other provisions - Fraud (Note 29)	40,240,358	28,263,893	-	-	68,504,252
	17,276,798	(986,161)	-	9,504	84,804,393
	99,645,285	19,755,276	(1,493,863)	(137,398)	186,273,552

As at 31 December 2024 and 2023, the balance of the heading 'Other provisions- Fraud' is intended to cover a fraud identified by the Bank in the first quarter of 2025, perpetrated since 2018, in which a Bank employee is implicated. The Bank has established a provision to cover the amounts misappropriated, as well as any associated charges, as detailed below:

	31.12.2024	Allocation	31.12.2023	Allocation	Until 31.12.2022
Embezzled amounts	98,505,559	46,765,965	51,739,594	20,469,181	31,270,413
Other charges	31,104,274	14,339,616	16,764,658	7,794,713	8,969,945
	129,609,833	61,105,581	68,504,252	28,263,894	40,240,358

As at 31 December 2024, the balance of 'Other provisions – Other' is primarily intended to cover contingencies arising from the following legal and administrative proceedings:

- ★ In 2018, the Bank was notified of a lawsuit amounting to STN 1,715,000, filed by a customer who was the debtor of a credit operation. By judgment on 24 August 2020, the Bank was acquitted; however, the plaintiff filed an appeal with the Supreme Court of Justice, which is pending judgment. The Bank decided to make a provision for the full amount of the case.
- ★ In 2019, the Bank was notified of a lawsuit amounting to STN 1,193,004, filed by a customer. The Bank decided to provision the entire amount.
- ★ In 2022, the Bank was notified of an administrative offence proceeding brought by the Central Bank of São Tomé and Príncipe, following which a fine of STN 2,000,000 was imposed. The Bank has appealed to the Court of

First Instance and is awaiting a decision. The Bank decided to provision the entire amount.

16. CAPITAL AND RESERVES

As at 31 December 2016, the Bank's share capital was represented by 150,000,000 shares, each with a nominal value of one thousand São Tomé and Príncipe Dobras (STN), fully subscribed and paid up.

In 2017, the Bank increased its capital by STN 16,600,000 through the incorporation of foreign exchange revaluation reserves established in previous years. The number of shares representing the Bank's share capital increased from 150,000,000 as at 31 December 2016 to 166,600,000 as at 31 December 2017. The nominal value of the shares remained at STN 1,000.

As at 31 December 2024 and 2023, the Bank's shareholder structure, broken down by number of shares, is as follows:

	Number of shares	%
State of São Tomé and Príncipe	79,968,000	48%
Caixa Geral de Depósitos	44,982,000	27%
Banco Angolano de Investimento- Angola	41,650,000	25%
	166,600,000	100%

LEGAL RESERVE

In accordance with Article 23(a) of BISTP's Articles of Association, the Bank is required to allocate a minimum of 10% of net profit to a legal reserve until it reaches the legally prescribed amount. Accordingly, a minimum of 10% of the previous year's net profit has been transferred to this reserve each year. This reserve may only be used to cover accumulated losses when other reserves have been exhausted, or for incorporation into share capital.

At present, the legal reserve exceeds the legally required limit of one-fifth of the share capital.

REVALUATION RESERVE

This reserve results from revaluations of tangible fixed assets carried out in previous years in accordance with the legislation then in force, which provided for the revaluation of fixed assets through the application of exchange devaluation coefficients. The balance of the revaluation reserve at 31 December 2024 and 2023, amounting to STN 892,214, results from the revaluations carried out by the Bank up to 1998

With the entry into force of the Chart of Accounts for Financial Institutions (PCIF), under the terms of Permanent Application Standard no. 5/09 of 9 July, issued by the Central Bank of São Tomé and Príncipe, this revaluation has become optional and may only be used to increase capital (Note 2.2 b).

CURRENCY REVALUATION RESERVE

Following the provisions of Permanent Application Standard no. 1/02 of 10 January, repealed by Permanent Application Standard no. 28/11 of 30 December, and in order to retain part of the profits generated in National Currency as a result of exchange rate devaluation, the Bank updated its net assets in foreign currency, with the impact of this exchange rate revaluation being recorded in a special foreign exchange revaluation reserve, included in the Bank's own funds. As of March 2008, with the entry into force of NAP no. 11/07 of 26 November, the revaluation of the foreign exchange position was recorded in the income statement.

Additionally, in 2014, the Bank included in this heading the provision for the exchange rate devaluation of the share capital against the Euro set up in 2008, referring to the period between 1 March and 31 December 2008, plus the impact of updating the share capital against the Euro in 2009, in the total amount of mSTN 1,904,626.

In 2017, the revaluation reserve was reduced by STN 16,600,000 as a result of the capital increase decided by the Bank (incorporation of reserves).

In accordance with NAP 5/09, this reserve is non-distributable and may only be

17. BALANCES AND TRANSACTIONS WITH SHAREHOLDERS

As of 31 December 2024 and 2023, the principal balances and transactions with the Bank's shareholders were as follows:

	2024	2023 restated
Sight deposits with credit institutions (Note 4)		
Caixa Geral de Depósitos	198,430,819	93,355,202
Loans and advances to credit institutions		
Caixa Geral de Depósitos (Note 5)	81,729,281	453,996,291
State of S. Tomé and Príncipe (Note 6)	311,236,485	243,702,170
	392,965,766	697,698,461
Bonds and other securities (Note 7)		
State of São Tomé and Príncipe	516,818,756	560,000,000
Other Assets (Note 9)		
Caixa Geral de Depósitos	401,776	1,614,099
Customer funds (Note 11)		
State of São Tomé and Príncipe	260,358,773	237,775,741
Other Liabilities (Note 13)		
Caixa Geral de Depósitos	632,444	261,146
Off-balance sheet (Note 18)		
Caixa Geral de Depósitos	229,259,336	66,603,756
Net interest income (Note 20)		
Caixa Geral de Depósitos	5,600,545	5,276,285
State of São Tomé and Príncipe	50,719,105	40,205,392
	56,319,651	45,481,677

Transactions with shareholders are carried out at market prices.

18. OFF-BALANCE SHEET HEADING

As at 31 December 2024 and 2023, these headings are analysed as follows:

	2024	2023 restated
Guarantees given and other contingent liabilities:		
Guarantees granted	29,940,482	28,743,800
Open documentary credits	231,449,024	66,603,756
	261,389,506	95,347,556
Liabilities for the provision of services:		
Amount collection from abroad	3,452,345	5,025,576
Deposits and safekeeping of assets	1,080,000	1,080,000
	4,532,345	6,105,576
Third-party liability:		
Secured guarantees	1,360,079,442	1,356,265,076
Other off-balance sheet accounts:		
Consignments	176,060	115,531
Miscellaneous accounts	164,450,914	175,699,431
	164,626,975	175,814,963

On 31 December 2024 and 2023, the Bank had provisions for guarantees and sureties amounting to STN 1,082,529 and STN 586,517, respectively (Note 15).

Provisions for guarantees and sureties are presented under sundry provisions included in the Bank's equity, as defined in the PCIF.

As described in Note 2.2(c), the provisions established correspond to 2% of the total off-balance sheet exposures, calculated in accordance with Diário da República No. 25/1992, Instruction No. 2, Regulations 2.2 and 2.3

19. TAXES

In 2024 and 2023, the income tax balances were calculated as follows:

	2024	2023 (Restated)
Profit before tax	93,841,887	70,094,092
Adjustments:		
Wages and other remuneration payable (Art. 30(3)(c))	631,459	875,490
Performance bonus to be paid (Art. 30(3)(c))	(11,324,688)	324,647
Seniority bonus to be paid (Art. 30(3)(c))	1,456,423	621,659
Fines and other sanctions (Art. 30.1 e)	435,000	12,500
Provisions for fraud (Note 15)	61,105,582	28,263,894
Non-deductible depreciations (Art. 40(1)(e))	2,436,750	1,562,149
Vehicle fuel (Art. 30, 2)	708,875	681,779
Insurance, repairs and maintenance of light vehicles (Art. 30(2))	523,455	538,094
Representation expenses (Art. 31, 3)	48,832	32,369
Tax paid on behalf of a third party (Art. 30.1 d)	2,515,249	-
Taxable income	152,378,825	103,006,673
Income tax (25% rate)	38,094,706	25,751,668
Payments on account (2)	(19,313,751)	(26,375,255)
Withholding tax (3)	(7,220,919)	(4,283,369)
Tax payable/receivable (4) = (1) - (2) - (3) (Notes 9 and 14)	11,560,036	(4,906,956)

The tax authorities may review the Bank's tax position over a period of five years, which could result in adjustments to the taxable profit for the years 2019 to 2023 due to differing interpretations of tax legislation. Given the nature of any such adjustments, it is not possible to quantify them at this time. However, the Bank's Board of Directors considers that any additional settlements arising from these reviews are unlikely to be material to the accompanying financial statements.

The balance reported under 'Withholding tax' principally relates to withholding tax at a rate of 20%, applied to interest on Treasury Bills issued by the State of São Tomé and Príncipe, as noted in Note 2.2(h).

20. NET INTEREST INCOME

For the years ended 31 December 2024 and 2023, these headings are analysed as follows:

	2024	2023 restated
Interest and similar income		
From credit granted	93,393,871	98,655,461
From debt securities and other instruments	32,218,051	24,826,648
Commissions related to credit operations	7,734,045	7,979,513
From investments in credit institutions abroad	29,614,141	17,987,536
	<u>162,960,108</u>	<u>149,449,158</u>
Interest and similar expenses:		
From customer deposits	<u>5,624,331</u>	<u>5,694,883</u>

Interest on investments in credit institutions abroad comprises interest from foreign investments, particularly in US dollars. The increase is attributable to higher interest rates on investments denominated in USD and EUR in the international market.

21. INCOME AND CHARGES FROM SERVICES AND COMMISSIONS

For the years ended 31 December 2024 and 2023, these headings are analysed as follows:

	2024	2023 restated
Income from services and commissions:		
Transfer commissions	70,941,409	53,945,515
Guarantee and surety commissions	1,091,238	2,303,480
Import documentary credit commissions	7,861,135	5,930,427
Intervention commission	1,359,412	1,187,426
Risk commission	72,876	143,100
Other commissions	27,337,063	23,682,093
Income from Foreign Exchange Transactions	29,305,023	25,805,097
Account maintenance commission	10,252,569	8,880,326
Account immobilisation commission	4,352,517	883,133
	<u>152,573,242</u>	<u>122,760,598</u>
Charges for services and commissions:		
Card maintenance	9,515,380	11,103,300
Banking services provided on behalf of third parties	5,222,366	11,155,945
Service charges	4,104,301	5,058,151
Other commissions	5,947,454	1,103,672
	<u>24,789,502</u>	<u>28,421,069</u>
	<u>127,783,740</u>	<u>94,339,530</u>

The heading 'Income from Services and Commissions – Other Commissions' primarily relates to commissions on currency sales, current account

maintenance, and money transfers.

The heading 'Income from Foreign Exchange Operations' refers to commissions earned on euro sales. This fee was established at 2% by the Central Bank following the determination of the exchange rate parity between the euro and the National Currency from January 2018.

22. NET INCOME FROM FOREIGN EXCHANGE OPERATIONS

For the years ended 31 December 2024 and 2023, this heading is analysed as follows:

	2024			2023 restated		
	Losses	Profits	Net	Losses	Profits	Net
Income from Notes and Coins	(6,962,026)	7,829,279	867,252	(4,252,653)	4,011,775	(240,878)
Foreign Exchange Earnings	(1,804,623,139)	1,838,546,375	33,923,236	(2,282,178,941)	2,315,312,102	33,133,161
	(1,811,585,166)	1,846,375,654	34,790,488	(2,286,431,594)	2,319,323,877	32,892,283

The heading 'Income from Notes and Coins' relates to exchange gains and losses arising from the revaluation of the Bank's monetary assets and liabilities denominated in foreign currencies.

The heading 'Foreign Exchange Earnings' refers to gains generated from the purchase and sale of foreign currency.'

23. OTHER OPERATING INCOME

For the years ended 31 December 2024 and 2023, this heading is analysed as follows:

	2024	2023 restated
Other Operating Income		
Provision of Miscellaneous Banking Services	16,633,457	15,370,299
Others	7,388,275	4,438,483
Reimbursement of bank charges	3,364,401	3,137,144
Recovery of bad debts	19,349,837	8,694,609
Capital gains on the sale of fixed assets	1,385,975	291,060
	48,121,945	31,931,595
Other operating expenses		
Membership fees and donations	702,380	619,150
Taxes and Fees	11,135,179	4,720,730
Others	6,578,674	3,300,112
	18,416,234	8,639,992
	29,705,712	23,291,602

In 2024, the balance of 'Provision of Miscellaneous Banking Services' primarily comprises income from the sale of debit cards and cheque books, amounting to STN 4,950,752 and STN 7,462,326, respectively (STN 3,650,523 and STN 7,713,605, respectively, in 2023).

In 2024 and 2023, the heading 'Taxes and Fees' mainly reflects VAT borne by the Bank, totalling STN 11,135,179 and STN 4,396,184, respectively. The change in this balance is largely attributable to the VAT Law coming into effect in June 2023.

In 2024, the balance of 'Other Operating Income' includes the reversal of the over-estimate of the productivity premium for 2023, amounting to STN 4,884,080.'

24. PERSONNEL COSTS

For the years ended 31 December 2024 and 2023, this heading is analysed as follows:

	2024	2023 restated
Remuneration of management and supervisory bodies	13,006,582	12,019,490
Employee remuneration	67,815,024	65,313,936
Productivity bonus	-	9,124,271
Mandatory Social Charges	3,674,597	3,571,011
Optional Social Charges	1,966,669	1,982,697
Seniority bonuses (Note 2.2 j))	1,956,220	1,268,299
Others	46,600	323,128
	88,465,691	93,602,831

In 2024 and 2023, the total remuneration paid to the Bank's administrative, management, and supervisory bodies is analysed as follows:

	2024	2023
Board of Directors	13,651,498	9,848,176
Supervisory Board	561,999	577,986
Governing Body (Directors)	6,029,739	5,305,516
Control Functions – (Risk, Compliance and Internal Audit)	6,217,250	4,553,553
Total	26,460,486	20,285,230

As at 31 December 2024 and 2023, the outstanding credit extended to members of the Bank's management, supervisory, and administrative bodies amounted to STN 3,397,464 and STN 4,060,260, respectively.

As at 31 December 2024 and 2023, the Bank employed 137 and 138 permanent staff, respectively. The average number of employees during 2024 was 137, as shown in the table below. In 2025, the Bank will not pay bonuses for services rendered in 2024.

Average number of employees throughout 2024	
Management	7
Technicians	49
Administrative	73
Auxiliaries	15
Total	144

The heading 'Mandatory Social Charges' relates to social security contributions and death grants. The heading 'Optional Social Charges' comprises medical and social services, hospitalisation, as well as medical care and medicines.

For the years ended 31 December 2024 and 2023, the heading 'Personnel Costs - Other' includes STN 41,300 and STN 275,628, respectively, relating to voucher expenses and staff get-togethers.

25. GENERAL ADMINISTRATIVE EXPENSES

For the years ended 31 December 2024 and 2023, this heading is analysed as follows:

	2024	2023 restated
Water, Energy and Fuel	7,530,959	8,094,886
Communications	8,558,745	8,647,911
Maintenance and repair	3,061,777	3,416,760
Stationery and office supplies	2,855,582	1,997,360
IT services	8,347,977	7,594,822
Rents and leases	1,916,075	2,168,888
Security and surveillance	3,222,183	2,680,900
Auditing and Consulting	3,411,994	4,552,309
Travel and representation	1,879,394	1,400,766
Advertising	1,556,038	3,079,858
Retainers, professional fees and other independent work	2,110,965	1,741,369
Insurance	1,898,609	1,515,554
Transportation of valuables	1,960,396	1,876,624
Others	14,465,601	11,092,510
	62,776,294	59,860,517

In 2024, the decrease in expenditure on 'Water, Energy and Fuel' primarily resulted from reduced fuel consumption due to improvements in the electricity supply.

The cost of IT services increased as a result of the acquisition of new software licences, investments in technological infrastructure, and the impact of inflation.

In 2024 and 2023, the heading 'Other' includes expenditure on the Visa service, amounting to STN 8,932,696 and STN 7,175,667, respectively.

26. BALANCE SHEET BY CURRENCY

As at 31 December 2024 and 2023, the Bank's balance sheet by currency is structured as follows:

	2024					
	National	Foreign currency				
	currency	EUR	USD	Other	Total FC	Total
Cash and Balances with the Central Bank	815,568,287	48,636,006	21,487,537	1,923,634	72,047,176	887,615,463
Demand deposits with credit institutions	2,788,647	226,154,573	20,046,524	1,680,852	247,881,949	250,670,597
Other loans and advances to credit institutions	188,968,009	225,079,642	315,312,363	32,000,578	572,392,583	761,360,592
Loans and advances to customers	709,896,196	12,590,746	1,702,652	-	14,293,397	724,189,594
Bonds and Other Securities	516,818,756	-	-	-	-	516,818,756
Property, Plant and Equipment	221,746,685	-	-	-	-	221,746,685
Intangible fixed assets	6,403,825	-	-	-	-	6,403,825
Assets under construction	4,824,451	-	-	-	-	4,824,451
Financial Fixed Assets	-	-	-	-	-	-
Other assets	6,160,911	8,754,044	4,331,198	-	13,085,243	19,246,153
Accruals and deferrals	6,812,887	-	-	-	-	6,812,887
Total Assets	2,479,988,653	521,215,011	362,880,274	35,605,063	919,700,349	3,399,689,002
Deposits:						
At sight	1,726,908,512	330,390,390	291,165,458	14,165,308	635,721,156	2,362,629,668
Term or with notice	121,046,739	4,392,672	16,520,180	541,940	21,454,792	142,501,531
Resources from other entities	12,188,922	18,093	-	-	18,093	12,207,015
Other liabilities	54,418,230	161,345,455	2,450,432	-	163,795,888	218,214,118
Accruals and deferrals	50,817,479	4,841,709	838,963	-	5,680,673	56,498,151
Total Liabilities	1,965,379,882	500,988,320	310,975,034	14,707,248	826,670,602	2,792,050,484
Net assets/(liabilities)	514,608,772	20,226,691	51,905,240	20,897,815	93,029,747	607,638,518

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	2023 (Re stated)					
	National	Foreign currency				Total
	currency	EUR	USD	Other	Total FC	
Cash and Balances with the Central Bank	529,357,545	36,521,070	27,648,986	3,449,923	67,619,979	596,977,524
Demand deposits with credit institutions	6,264,840	34,734,944	115,487,067	2,122,377	152,344,388	158,609,228
Other loans and advances to credit institutions	64,918,086	523,747,249	266,648,768	27,005,190	817,401,207	882,319,293
Loans and advances to customers	690,019,712	12,022,976	3,023,332	-	15,046,308	705,066,020
Bonds and Other Securities	560,000,000	-	-	-	-	560,000,000
Property, Plant and Equipment	217,108,703	-	-	-	-	217,108,703
Intangible fixed assets	2,259,673	-	-	-	-	2,259,673
Assets under construction	8,048,302	-	-	-	-	8,048,302
Financial Fixed Assets	-	-	-	-	-	-
Other assets	230,897,558	-	199,573,816	2,864,980	-	34,188,722
Accruals and deferrals	5,434,339	-	-	-	-	5,434,339
Total Assets	2,314,308,759	407,452,422	415,673,133	32,577,491	855,703,046	3,170,011,805

27. CONFLICTS IN UKRAINE AND THE 'TRADE WAR'

(Note 2.2).

Although BISTP has no direct commercial relations or interests in regions currently affected by geopolitical tensions and conflicts (such as Russia's war against Ukraine) or trade disputes (for example, between the United States and Europe, China, Canada, and Latin American countries), it is acknowledged that the outbreak of such disputes in regions that play a significant role in the production of raw materials and global trade could impact São Tomé's economic environment. Consequently, this may affect the Bank's operations, particularly through increases in the prices of goods and services worldwide, arising from production shortages and supply chain delays. In the context in which BISTP operates, it is expected that certain Bank and customer projects or activities, which depend on the procurement of goods and services from abroad, may experience delays.

However, it is difficult to precisely assess the risk to which the country is exposed in the current international context, as well as the potential impacts this situation could have on its business and operations.

Accordingly, based on all information available at the reporting date, the Bank's Board of Directors considers that the going concern assumption applied in the preparation of the financial statements as at 31 December 2024 remains appropriate.

28. SUBSEQUENT EVENTS

There are no subsequent events to report, except that the Bank identified in the first quarter of 2025 a fraud perpetrated by a Bank employee since 2018

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15

REPORT AND OPINION OF THE SUPERVISORY BOARD

This document is a translation of the original Portuguese version.
In the event of any discrepancy, the Portuguese version shall prevail.

REPORT AND OPINION OF THE SUPERVISORY BOARD

To the shareholders:

1. INTRODUCTION

Under the terms of the Law, namely Law No. 9/92 on Financial Institutions, and the Articles of Association of Banco Internacional de São Tomé e Príncipe, S.A.R.L. (BISTP), the Supervisory Board hereby presents its Activity Report and Opinion on the Management Report and Financial Statements for the 2024 financial year, as well as on the proposal for the appropriation of profits submitted by the Board of Directors.

2. ACTIVITY REPORT

Within the scope of its powers, as set out in its Regulations approved in September 2022, the Supervisory Board monitored the management and performance of the Company, in particular with regard to:

- compliance with, and monitoring of, the policies, budget and strategies defined by the Board of Directors;
- compliance with legal, regulatory and statutory provisions;
- the adequacy of the accounting policies, criteria and practices adopted, and the process for preparing the financial information;
- the effectiveness of the internal control, risk management and internal audit

systems.

To this end, the Supervisory Board carried out the following actions during the year under review:

- attended the meetings of the Board of Directors in general and, in particular, on matters related to the duties of the Supervisory Board;
- monitored the activities and systems of risk management, internal control and compliance on the basis of the minutes of the Board of Directors and the Risk Committee, by holding four meetings with those primarily responsible for these areas (the Compliance, Internal Audit, Risk Management and Planning and Control Offices, and the Permanent Operational Control Function), by analysing the activity plans and reports, issuing recommendations, and drawing attention to matters under review whenever deemed necessary;
- held three meetings with the external auditor to review the work plans and the main conclusions and recommendations, as part of the performance of their duties;
- within the scope of monitoring the Bank's accounting and financial reporting processes, reviewed the resolutions of the Board of Directors on this matter, the regular reports and information from the Planning, Control and Accounting Office, including the most significant issues relating to the preparation of the financial statements, and considered the analyses carried out by the external auditor on the matters identified as highest risk, issuing recommendations on the matters under review whenever deemed necessary.

In particular, the Council took note of and analysed:

- the external and internal regulations in force, with emphasis on the implementation of Permanent Application Standard (NAP) No. 4/2024 issued by the Central Bank of São Tomé and Príncipe (BCSTP), which establishes macroprudential policy measures, for which the Bank has defined an action plan;
- the strategy for managing exposure to public debt, taking into account the existing risks and the Central Bank's recommendations on the matter NAP No. 4/2024);
- the action plan for addressing internal control deficiencies, with particular emphasis on high-risk deficiencies;
- the most relevant aspects of the monthly evolution of the balance sheet and income statement, including the main variations compared with the same period in the previous year;
- the accounting policies and procedures adopted that have a significant impact on the financial statements, in particular those relating to the level of coverage of the (regulatory and economic) provision for loans and advances, and the provision for other risks and charges;
- information on the fraud in which a Bank employee is implicated, involving the diversion of funds between 2018 and 2025, originally destined for the National Social Security Institute (INSS) but transferred to a customer account from payments ordered by the Treasury Department, including the measures taken, with particular emphasis on the complaint to the Attorney General of the Democratic Republic of São Tomé and Príncipe, the accounting record, and

the disclosures in the financial statements. According to the information available and the Board of Directors' best estimate, the total amount embezzled up to 31 December 2024 amounted to STN 98,505,559. In 2025, the amount embezzled was STN 7,119,745. The Supervisory Board will continue to monitor this situation, particularly with regard to corrective measures aimed at mitigating this risk.

The Supervisory Board has also examined, in accordance with the law, the Report and Financial Statements for the financial year 2024 and the External Auditor's Report, without reservations and with an emphasis of matter, and expresses its agreement with them. With regard to the recognition and disclosure in the financial statements of the fraud referred to above, the Supervisory Board highlights, taking into account the framework of NAP No. 5/2009 issued by the BCSTP:

- the provisions made for the amounts embezzled by the employee up to 31 December 2024, as well as any associated charges, amounting to STN 98,505,559 and STN 31,104,274, respectively (Note 15 of the Annex);
- the restatement of the financial statements as at 31 December 2023 to correct the error retrospectively, consisting of a reduction in retained earnings and profit for the year of STN 40,240,358 and STN 28,263,893, respectively, and a corresponding increase in provisions for other risks and charges of the same amount (Note 2.2 of the Annex);
- the maintenance of the total equity as at 31 December 2023, before and after the restatement, at STN 535,158,103, due to the fact that the provisions for other risks and charges are presented under that heading.

3. OPINION

In view of the above, the Supervisory Board is of the opinion that the following deserve approval:

- the Management Report and Financial Statements for the financial year 2024;
- The proposed appropriation of profits for 2024.

Finally, the Supervisory Board would like to express its thanks and appreciation to the Board of Directors and the Company's Services for their cooperation and availability.

City of São Tomé, 15 May 2025

THE SUPERVISORY BOARD

President - João Sales Luís

Member - João Fonseca

Member - Arlindo Ramos



RELATÓRIO E PARECER DO CONSELHO FISCAL

Aos Senhores accionistas:

1. INTRODUÇÃO

Nos termos da Lei, nomeadamente da Lei nº 9/92 sobre as Instituições Financeiras, e dos Estatutos do Banco Internacional de São Tomé e Príncipe, S.A.R.L. (BISTP), o Conselho Fiscal apresenta o seu Relatório de Atividade e Parecer sobre o Relatório de Gestão e Contas relativos ao exercício de 2024, bem como sobre a proposta de aplicação de resultados apresentada pelo Conselho de Administração.

2. RELATÓRIO DE ATIVIDADE

No âmbito das competências que lhe estão atribuídas, descritas no seu Regulamento aprovado em Setembro de 2022, o Conselho Fiscal procedeu ao acompanhamento da gestão e dos resultados da Sociedade, em especial no que respeita:

- ao cumprimento e controlo das políticas, orçamento e estratégias definidas pelo Conselho de Administração;
- à observância das disposições legais, regulamentares e estatutárias;
- à adequação das políticas, critérios e práticas contabilísticas adotados e ao processo de preparação da informação financeira;
- à eficácia dos sistemas de controlo interno, gestão de riscos e auditoria interna.

Para o efeito, o Conselho Fiscal desenvolveu designadamente, no exercício em apreço, as seguintes ações:

- acompanhou as reuniões do Conselho de Administração em geral e, em especial, nas matérias relacionadas com as atribuições do Conselho Fiscal;
- acompanhou as atividades e os sistemas de gestão de risco, controlo interno e conformidade com base actus do Conselho de Administração e Comissão de Riscos, na realização de quatro reuniões com os principais responsáveis nestas matérias (Gabinetes de Compliance, de Auditoria Interna, de Gestão de Riscos e de Planeamento e Controlo e Função de Controlo Permanente Operacional), na análise dos planos e relatórios de atividade, emitindo recomendações e fazendo chamadas de atenção sobre as matérias acompanhadas, sempre que considerou necessário;
- realizou três reuniões com o auditor externo, inteirando-se dos planos de trabalho e das principais conclusões e recomendações, no âmbito do desempenho das respectivas atribuições;
- no âmbito do acompanhamento dos processos contabilísticos e de relato financeiro do Banco, acompanhou as deliberações do Conselho de Administração sobre esta matéria, os relatórios e informações regulares do Gabinete de Planeamento, Controlo e Contabilidade, incluindo as matérias mais significativas relativas ao processo de elaboração das demonstrações financeiras, as análises efetuadas pelo auditor externo sobre os assuntos identificados com risco mais elevado, e fez recomendações sobre as matérias acompanhadas, sempre que considerou necessário.

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Em especial, o Conselho tomou conhecimento e analisou:

- as normas externas e internas vigentes, com destaque para a implementação da NAP nº 4/2024 emitida pelo Banco Central de São Tomé e Príncipe (BCSTP) que estabelece medidas de política macroprudencial, para a qual o Banco definiu um plano de ação;
- a estratégia de gestão da exposição à dívida pública face aos riscos existentes e as recomendações do Banco Central sobre a matéria (NAP nº 4/2024);
- o plano de ação para a resolução das deficiências de controlo interno, com destaque para as de risco alto;
- os aspetos mais relevantes da evolução mensal do balanço e da demonstração de resultados, incluindo as principais variações face ao período homólogo;
- as políticas e os procedimentos de contabilização adotadas com impacto significativo nas demonstrações financeiras, nomeadamente os que se relacionam com o nível de cobertura da provisão (regulamentar e económica) para créditos e a provisão para outros riscos e encargos;
- a informação sobre a fraude na qual está implicado um colaborador do Banco, relativa ao desvio de verbas, entre 2018 e 2025, destinadas ao Instituto Nacional de Segurança Social (INSS) para a conta de um cliente, provenientes de pagamentos ordenados pela Direção do Tesouro, incluindo as medidas tomadas, com destaque para a denúncia à Procuradoria-Geral da República Democrática de São Tomé e Príncipe, o registo contabilístico e as divulgações nas demonstrações financeiras. De acordo com as informações disponíveis e conforme a melhor estimativa do Conselho de Administração, o montante global desviado até 31 de dezembro de 2024 ascendeu a STN 98.505.559. Em 2025, o montante desviado ascendeu a STN 7.119.745. O Conselho Fiscal vai continuar a acompanhar esta situação, especialmente nas medidas correctivas que mitiguem este risco.

O Conselho Fiscal examinou, além disso, nos termos da Lei, o Relatório e as Demonstrações Financeiras referentes ao exercício de 2024 e o Relatório do Auditor Externo, sem reservas e com uma ênfase, com o qual expressa a sua concordância. Relativamente ao reconhecimento e divulgação nas demonstrações financeiras da fraude referida acima, o Conselho Fiscal destaca, tendo em conta o enquadramento da NAP Nº 5/2009 emitida pelo BCSTP:

- as provisões constituídas para os montantes desviados pelo colaborador até 31 de dezembro de 2024, bem como os eventuais encargos associados, nos montantes de STN 98.505.559 e STN 31.104.274, respectivamente (Nota 15 do anexo);
- a reexpressão das demonstrações financeiras em 31 de dezembro de 2023 para correção do erro de forma retrospectiva, consistindo na redução dos resultados transitados e resultados do exercício nos montantes de STN 40.240.358 e STN 28.263.893, respectivamente, e no aumento das provisões para outros riscos e encargos de igual valor (Nota 2.2. do anexo);
- a manutenção do montante total da situação líquida a 31 de Dezembro de 2023, antes e após a reexpressão, no valor de STN 535.158.103, pelo facto de as provisões para outros riscos e encargos serem apresentadas naquela rubrica.

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3. PARECER

Face ao exposto, o Conselho Fiscal é de parecer que merecem a aprovação:

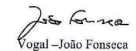
- o Relatório de Gestão e as Demonstrações Financeiras referentes ao exercício de 2024;
- A proposta de aplicação de resultados referente ao exercício de 2024.

Finalmente, o Conselho Fiscal manifesta o seu agradecimento e apreço ao Conselho de Administração e aos Serviços da Sociedade, pela colaboração e disponibilidade sempre proporcionadas.

Cidade de São Tomé, 15 de Maio de 2025

O CONSELHO FISCAL


Presidente – João Sales Luís


Vogal – João Fonseca


Vogal – Arlindo Ramos