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**Challenges that define
our nature**

Developments in
the financial sector

Banca em
análise*

*Banking Review



It is with great pleasure that Deloitte launches the 11th edition of the Banking in Analysis study.

This is one of the benchmark initiatives undertaken by Deloitte with the objective of gathering, systematising and sharing the relevant information for the financial sector and its actors in the market.

We believe that this study represents yet another contribution towards transparency and sophistication in a sector that has headed down a path of determined robustness in defence of its role played in the economy and the employment market and as well as in terms of social inclusion through financial service provision.

Thus, we believe that this project is no more than another complement to the efforts that the financial sector itself has been making towards assuming a leading role in the Angolan economy.

This is a particularly noteworthy year given the BNA – the National Bank of Angola – commemorates its 40th anniversary in 2016 and has long been an ally of the financial system. In issuing the regulations that drive new management and governance practices, the BNA embodies the mission to foster the financial sector and improve on the quality and credibility of financial institutions and their services at the national level, for both the corporate and the individual markets, and also at the international level.

Among the relevant events of 2015, we may also highlight the fact that for the first time sovereign debt bonds were sold on international financial markets. This emission was an important step towards the diversification of the financial sources of economic actors.

Of equal importance was the signing of the intergovernmental agreement between Angola and the United States of America over the implementation of the Foreign Account Tax Compliance Act.

Within the current economic context, we would highlight how the sector still registered growth in assets and deposits among the commercial banks analysed here.

Simultaneously, we may observe the very positive results turned in by the indicators related to electronic means of payments, in particular, a 45% surge in the number of transactions carried out through ATM terminals.

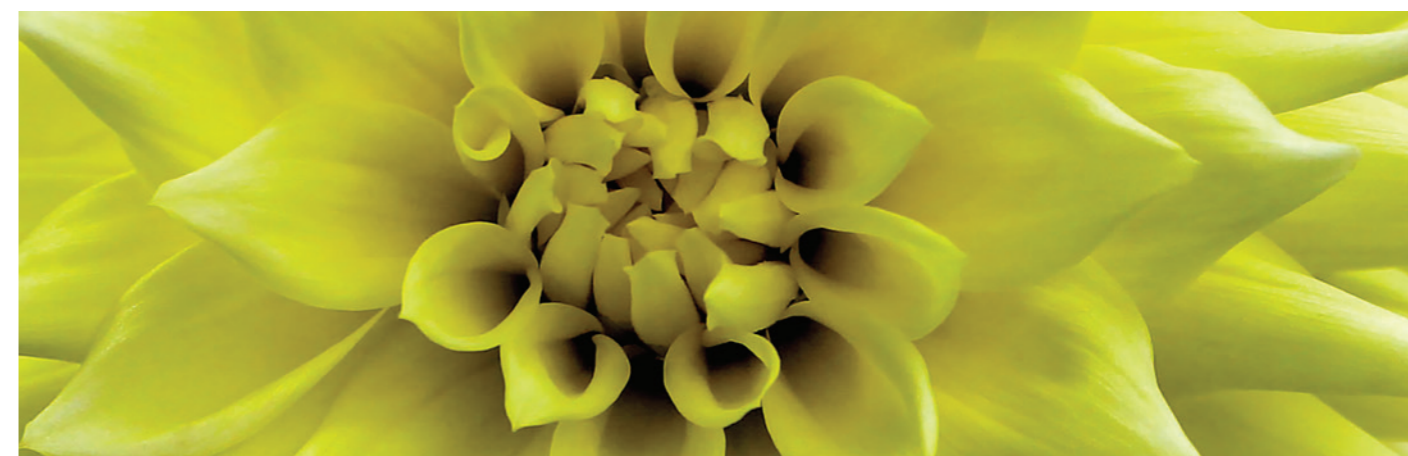
In this edition, we again count upon the inputs of bank leaders sharing with us their experiences and visions on recent events as well as their strategic outlook for the sector.

The results that we present here are a reflection of the work and commitment of all actors engaged in the sector. They are the challenges that define our nature and the resilience that characterises the development of the financial sector in Angola.

Rui Santos Silva
Country Managing Partner
Deloitte Angola

Table of Contents

Banking Review 2016



4

ABANC interview

6

EMIS interview

8

Interviews
- Banking sector leaders

50

Macroeconomic
framework

58

Angolan economic
framework

66

Banking Review 2016
Study

81

Financial statements

ABANC

Strengthening the representation of members alongside our social partners



Amílcar Azevedo da Silva
President of ABANC
– the Angolan Banking Association

In the last 12 months, what key aspects would you like to highlight regarding the activity and performance of the Financial Sector? What strategic actions have been defined by the Banks to face the current challenges from the economic context and exchange rate instability?

The 2015 financial year was especially characterised by the strong negative impact caused by the sharp and prolonged drop in the price of crude, imposed upon the normal activities of banks hitherto heavily sustained by the dependence of the national economy, on undertaking exchange rate operations destined to pay for the import of goods and services with amounts of substantial relevance. Within this economic conjuncture in which the high level of demand for the acquisition of foreign currency among clients cannot be met, forces lottery allocated sales and the establishing of priorities with banks needing to engage in prodigious organisational redesigning so as to sustain their businesses with a minimum of credibility. The adverse conjuncture prevailing imposes upon the competent authorities the affixing of restrictive policies that generate direct impacts on liquidity management and forcing the banking system to advance with continuous adjustments with troubled reflections on the relationships between banks and their clients, who do not always understand never mind accept such situations. There were, in fact, very difficult moments and that in some way contributed towards the existence of anomalous situations that had otherwise long since been overcome.

Another facet of the bank business emerged out of the need to rethink the organisational measure within the field of managing the credits issued to the economy in accordance with that in meanwhile deemed priority and necessary to change in the face of the needs emerging in the meanwhile. In any of these situations, interconnected with the bank business, there were transformations in their management that greatly hindered their activities. Moreover, the banks had to deal with fiscal reform and its consequences for their products with implementation also involving operational transformation preceded by thorough analysis. No less important, the continuity of implementation of the new norms published by the BNA, in seeking to set down essential practices for relationships between banks and their correspondents. Indeed, a challenging financial year within a very difficult macroeconomic context compounded by a business environment that fell short of that necessary to attract investors.

What are the core goals and objectives for the Financial Sector in general and ABANC in particular until the end of 2017?

ABANC shall continue to deepen its representation of its members to the social partners that have in recent years maintained a close relationship that greatly contributed towards the modernisation of the banking system and correspondingly approximating, in a sustained fashion, the best international practices. We shall similarly maintain an effective presence in the discussions around themes of relevance to fiscal reform, in which our contribution has proven of great utility in relation to the interests of the respective parties. We shall also continue to strengthen the particular dedication given to the ongoing relationship with the UIF on every issue interconnected with combatting money laundering and the financing of terrorism where there still remains a lot to do despite the improvements already attained and seeking in this fashion to attain the standards that guarantee greater confidence and credibility in the Angolan banking system.

What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

The banks are the guarantor of the investment necessary for employment, growth and modernisation. Analysing the different actors contributing towards GDP, we find that private investment, consumption and exports, that we go about enabling, are an essential objective and the fundamental motors of growth in any economy. To achieve such goals, bank financing is an inherent factor. This should be accessible to the extent of client needs, their projects and the market. Banks, despite the vicissitudes of the different economic environments, due to the country having adjusted in keeping with the international crises that have spread unavoidable contagion, have been the acting financiers of the economy and would be able to play this role even more so should companies attain higher standards of management through their partners gaining a capital structure more appropriate to their businesses. Should this happen, the banks, in due course, would gain the opportunity to support this growth with the resulting benefits that we are all aware of.

EMIS - Interbanking Services Company

Constantly strengthening system and service resilience



José Matos
President of the Executive Commission

In the last twelve months, what key aspects would you like to highlight regarding EMIS activity and performance?

EMIS is a system operator which places a strong importance on resilience. That was how over the last twelve months, we were able to ensure an up-time in excess of 99.96% in the central system – a level of service worthy of highlighting.

It is a pity that this level of service has not always been accompanied by the banks who integrate into the system with equivalent levels because there are functions that require end-to-end functionality and thus get compromised. In 2015, the MULTICAIXA ATM network registered growth of 19.7% in ATM transactional movements and a 44.5% surge in POS movements. The cashless ATM transactional movements already account for 8% of the total transactions through this channel. The growth registered in the STC – the Credit Transfer System stood at 50.4%. In 2015, we also mention the operational launch of a new electronic system for settling cheques.

What strategic actions have been defined by EMIS to face the current challenges from the economic context and exchange rate instability?

EMIS is no exception and also experiences the effects of the exchange rate restrictions affecting the Angolan economy. Any company dependent on external factors, whether be it the importation of raw materials or technology, as in our case, activities are conditioned by the exchange rate budget. Thus, our first priority has been focused on the projects core to maintain service standards, strengthen our resilience, mitigate risks and optimise growth as well as reduce costs in foreign currency terms. A second line of priorities in forthcoming years interrelates with strengthening the organisation and its training within a long process of organisational transformation in order to deal with growth registered over recent years. This involves taking advantage of the "context" to strengthen the organisation. These two initial lines of priority cannot overlook the need to consider projects for technological renovation and modernisation and innovation and thus exploring new lines of products and services, which we shall advance with within the scope of our exchange limitations.

What are the main institutional goals and objectives for 2017?

In 2017, the number one priority, as already stated, is to maintain the service standards at the levels that our populations have already become accustomed to. Hence this also extends to constantly raising the resilience of our systems and services.

In line with its core central mission, EMIS shall continue to focus its attentions on the massification of electronic payments – hence, in the coordination of the set of incentives fostering the accelerated and sustained growth in electricity payments within the scope of reducing the physical currency in circulation.

This strategy also involves improving the support provided to retailers adopting POS, strengthening the acceptance systems in large and medium outlets, expanding the cash-less functions of ATMs and the development of new payments channels. Payments via the Internet and via mobile phones are two such channels for development, highlighting the MULTICAIXA EXPRESS project, an OTT payment solution for account holders.

In summary, the targets for 2017 may be synthesised as follows: 15% growth in ATM transactional movements and 40% growth in POS transactional movements.

What do you consider to be the role of EMIS in boosting the Angolan banking sector and economy?

Angola today counts upon a modern payments system that is a reference in the region. As is known, the country went through a prolonged civil war that ended in 2002 and it was only with the arrival of peace that the country truly began to develop and modernise its payments system. In 2003, Angola did not have a genuine electronic payments infrastructure. The entire payments system was developed pretty much from that point in time.

This essentially stems from the "coop- etition" model on which EMIS is based. This is a maximising model in which the economic operators gain advantages from cooperation without giving up on mutual competition. In the case of payments systems, the banks cooperate and compete to maximise the value obtained from sharing common infrastructures and services.

In order to fulfil its role, EMIS first needs to understand the role of payments systems in the economy. Nobody is able to imagine a modern economy without a system that facilitates the swift and safe transfer of resources between economic actors.

Inter-bank payments are not possible without cooperation and interconnections between those banks. EMIS thus performs a leading role which is that of the anchor of the payments system. However, there is also a secondary but no less important role that involves acting as the locomotive powering the traction necessary for progress in payment systems.

Replicating the EMIS system in every bank individually, with equivalent levels of service to those we have today, would incur a minimum of ten times the cost of the investment made in EMIS.

Ensuring the resilience of the levels of service and security appropriate to a reliable payments system requires investments and organisational efforts that are only ever diluted by economies of scale. Thus, without the contribution of an instrumental company such as EMIS, it would never have been possible to obtain the results achieved in such a short period of time.

Banco Angolano de Investimentos

Focusing on operational efficiency and on mastering the specific characteristics of each business segment



José de Lima Massano
President of the Executive Commission

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

The economic scenario and the transformation of the financial sector at a national and international level have demanded constant adaptation by banks in their efforts to preserve the key guidelines for profitability, efficiency, liquidity and solidity. Taking this context into account, in the last twelve months, BAI has sought to attain two core objectives: adjusting its functional structure to the reality of the sector and increasingly becoming a bank focused upon ensuring the satisfaction of its clients.

The activities developed include the approval and beginning of implementation of the Strategic Plan for the period 2016-2021, the conclusion of the implementation of the alterations to the model of corporate governance and strengthening the system of internal control, in particular as regards the functions of internal audits, the integrated management of risk and compliance, taking into consideration not only compliance with the BNA requirements on these issues but also, as in the case of compliance, seeking to provide a response to the increasing demands placed upon banks in relation to issues surrounding the prevention of money laundering and the financing of terrorism.

Equally important was the completion of the new headquarters inaugurated on 22 March 2016, thus enabling the centralisation of services previously scattered across various buildings in addition to harmonising the culture and providing an opportunity to increase efficiency and rationalise costs.

What strategic actions has your bank defined to face the current challenges from the economic context and exchange rate instability?

The systematic fall in the price of oil fundamentally altered the functioning of the national economy and bringing about a lower rate of GDP growth, a reduction in fiscal revenues, an increase in public financing needs and a fall in the availability of foreign currencies.

Hence, the current context requires the bank boost its capacity to provide financial support to business initiatives clearly capable of contributing to the protection of employment and endowing greater productive autonomy on critical sectors of the economy.

In order to achieve this sustainably and competitively, BAI has paid particular attention to operational efficiency and to the characteristics and specific features of each business segment it engages with in order to offset and best mitigate the associated risks.

What are the core goals and objectives of your bank until the end of 2017?

BAI wishes to remain amongst the leading players in the Angolan financial sector, consolidating its leadership in the corporate segment but maintaining its proximity approach to the individual citizen segment.

We are building a financial group able to provide the best banking especially in Angola and hence undertaking relevant investments in the continuous improvements to the quality of the services that BAI provides to all of its partners.

What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

Angolan banks have contributed towards the financial inclusion of private sector business most visibly through the expansion of their branch networks nationwide and correspondingly boosting the availability of financial products and services.

Within this framework, we would highlight electronic banking services as one of the fastest growing segments in the country and that enable, for example, great

synergies in the services rendered to small and medium companies. In making available automatic payment terminals, a company is able to raise its business turnover by providing alternative means of payment and a bank can, for example, grant loans more assertively to companies because it has a better grasp of the client cash flow. In the case of BAI, we have been investing in innovative services that prove able to expand financial inclusion, such as the launch in late 2014 of the mobile payment service "e-Kwanza BAI", based on smartphone utilisation and an electronic currency to make transfers and payments for goods and services in the country and the corresponding bank, which consists of the representing of a bank by an entity contracted for such purposes, and thereby commercialising banking products and services such as the opening of accounts, withdrawing and depositing money, transfers and access to loans. Both these services seek to ensure companies and private citizens gain access to financial services right across the country and especially in locations where there are no bank branches available and at lower costs in comparison with those charged by traditional bank branches.



Banco Angolano de Negócios e Comércio

Focusing on asset profitability and client satisfaction



José Aires
President of the Board of Directors

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

In a particularly challenging macroeconomic context, BANC adapted its commercial policies to this new reality without excluding the investment in the continuous empowerment of its human capital and infrastructures. Examples of this include the inauguration of its new headquarters. The commitment of the bank continues to be towards sustained growth.

What strategic actions has your bank defined to face the current challenges from the economic context and exchange rate instability?

In truth, there has been no substantial alteration in the strategy that the bank already had in effect. We, therefore, continue focused towards the economic application of resources, targeting the profitability of assets and client satisfaction. The risk policies that we have in the meanwhile adopted ensure we are able to focus activities within this framework.

What are the core goals and objectives of your bank until the end of 2017?

Stating that we wish to be a "partner for the Angolan economy" would seem to be key but this is what does actually motivate us. Over the course of 2017, we wish to affirm our position as a benchmark bank to both Angolan households and companies. Our focus is therefore clearly on the provision of quality products and services.

What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

If there is one particular moment when a bank should play a dynamic role, it is precisely in moments of economic fragility. We understand these cyclical phenomena and we know that the nature of our recessionary spiral can only be broken through the positive actions of all the economic agents involved, the state, financial institutions, companies and families. We know how to fully meet our responsibilities.



Banco BIC

An active role in supporting the different sectors of activity in the national economy



Fernando Teles
President of the Board of Directors

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

Throughout these eleven years of our existence, the internationalisation strategy of Banco BIC has been crucial to the dynamism and growth of the bank. We would highlight the official opening of Bank BIC Namibia in June 2016, which represents a significant step in the integration and deepening of economic relationships between Namibia and Angola, as well as the commitments between the different economic actors and African and European entrepreneurs. Equally important to mention is the agreement to integrate Banco BIC into the markets regulated by BODIVA, becoming a member of the Angolan Stock Market in April of this year, which ensures such authorised entities display total transparency, efficiency and security in the transaction of stocks and shares with BIC one of the financial institutions having made a significant contribution towards financing the state. We would stress that, despite the situation of recession that the country is going through, the bank turned in a good commercial performance, registering an increase in profits of 35% on the results for 2014, highlighting the trend in turnover growth reaching 13%, and a total value of AKZ 1,582,067 million alongside the 23% advance in the client loan portfolio, with an overall balance of AKZ 421,712 million.

What strategic actions has your bank defined to face the current challenges from the economic context and exchange rate instability?

Despite the economic downturn, we believe that continuity in financing the economy remains a fundamental condition to the future development of the Angolan business sector. To this end, Banco BIC shall continue to assume a leading role in the support necessary to diversifying the economy with a particular focus on the primary sector (agricultural projects), without overlooking the need for greater rigour in the evaluation of the different loan concession projects.

What are the core goals and objectives of your bank until the end of 2017?

As stated above, one of the main objectives of the bank consists of continuing to play an active role in support of the different sectors of national economic activities and growing alongside our clients. We aim to raise our market share and to this end are investing in diversifying the products and services available. We are also determined to raise our levels of efficiency and quality, guaranteeing the satisfaction and loyalty of clients that have accompanied us along this route as well as boosting our capacity to attract new clients. In the current context, another priority arises from establishing an ever closer relationship with the Regulator to face the current and future challenges posed to the Angolan financial system. Additionally, we are focusing on the consolidation of the internationalisation of the BIC brand, in this way seeking to provide our support to Angolan companies that are targeting export markets and thus contributing towards equilibrium in the balance of payments and the greater role played by our bank in both internal and external terms.

What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

Angolan banks have to be on the front line in supporting the economy and the different economic actors through the granting of credit to the sectors vital to national development, thus ensuring the necessary attraction of resources. It is this role of financial intermediation that enables effective support for the investments made by private citizens and companies. In order to achieve this objective, on the one hand, we are undertaking the expansion of our bank branch network across most of the country – reinforcing citizen access to banking – and on the other, the diversification of our products and services through a distribution network, especially via electronic means. Thus, there is a need for the number of account holders to continue growing, that the banking sector undergoes concentration to ensure a greater capacity for market intervention. As a driving tool, banking loans and credits are essential to the dynamics of the Angolan economy.

Banco Caixa Geral Angola

Continued commitment in financing business activities in Angola



Fernando Marques Pereira
President of the Executive Commission

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

Making an analysis of the last 12 months, I have to highlight the change in name, brand and symbol of the bank that I consider to have been a total success as the change was so very well accepted by the market. There was a great deal of consideration put into the decision to change the symbol and the colours of the bank at the same time as we shed the name "Totta". Despite being a somewhat risky strategy, we believed that it would be important to take advantage of the occasion to bring about a definitive alignment of the bank with the Caixa Geral de Depósitos group, thus adopting the group symbol, the colours and all of the corporate graphical range. This changeover also sought to respond to a need as it was becoming increasingly clear to all financial system actors that there has to be a presence in Angola of international banking brands supervised by the BNA but also subject to other international supervisors, such as is the case of Banco Caixa Angola, as this contributes to the prestige and credibility of the Angolan financial system.

It is also important to detail how, in a particularly difficult year, Banco Caixa Angola has managed to maintain its levels of profitability and efficiency that have been achieved over recent years.

What strategic actions has your bank defined to face the current challenges from the economic context and exchange rate instability?

Faced with the current economic and exchange rate context, Banco Caixa Angola very clearly defined just which were the sectors where it should seek to raise its credit exposure and those in which this should be maintained or even reduced.

We strengthened the supervisory mechanisms for operations and with our positioning in close proximity to clients, created the conditions for pre-emptive and preventive measures for the credit portfolio enabling the maintenance of parity levels within the budget parameters.

In keeping with the instructions handed down by the BNA, we significantly improved our processes and procedures for the handling of currency exchange operations correspondingly striving for assertive currency sales to priority sectors and operations while simultaneously preserving the exchange position and exposure of the bank.

As the challenges do not merely derive from the economic conjuncture but also from the supervisory authorities, the bank maintained scrupulous compliance with the norms issued by the BNA and other international supervisors within the scope of which I would highlight the project implementing the international accountancy norms and strengthening corporate management, compliance and internal controls along with fostering the development of national members of staff.



What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

The need to accelerate the diversification of the economy has been accepted as fundamental to Angola and to Caixa Angola with its value proposal as a corporate bank focused on supporting the national economy and holding the ambition of emerging a winner from this process of change. Our integration into an international financial group enables us to place a global network at the service of Angolan companies, facilitating exporting companies with a range of products and services enabling them to do business in international markets.

Banco Caixa Angola shall thus maintain its continued commitment to financing business activities in Angola, in particular the projects that also contain an export dimension and seeking to present in each specific case the most adequate products to resolve the financial needs of each cycle of production and thus reducing the respective risks. Simultaneously, we shall always be a partner to public entities in the development of programs encouraging economic diversification.

What are the core goals and objectives of your bank until the end of 2017?

The challenges up until 2017 and, we might say, for the period of the current Strategic Plan 2015-2018, is to continue to consolidate BCGA as a bank for companies and "affluent" citizens with levels of service excellence, leveraged by motivated members of staff, commercial dynamism, high standards of corporate management and internal control, an organisational structure and strengthened means to provide a high service standard to clients.

Banco Comercial Angolano

Investment in a culture of risk management and compliance



Mateus Filipe Martins
President of the Executive Commission

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

Within such an adverse context as that we experienced, the main aspects derive from the need to ensure the sound and prudent management that guarantees growth in the balance sheet and minimizes the risk of losses to shareholders.

Before embarking on any journey, we should calibrate the four wheels. In banking, we should constantly monitor the progress and functioning of these wheels. The two front wheels that I consider the factors of acceleration as they represent the "entranceway for earnings" and I am referring to the financial margin and the complementary margin and here we have to look at the trends in deposits, credits, interest payable and receivable, commissions, indeed, to the evolution of the banking product. However, we also have to simultaneously supervise and with redoubled attention the working of the two back wheels that I perceive as the factors of moderation as they constitute "the exit doors to earnings" made up of the items for operational costs and credit and loan provisions.

Secondly, when some clients enter into non-compliance with their obligations to the bank, we get involved with them and encouraging the reaching of mutually acceptable outcomes.

Thirdly, we are balancing the growth of the business against its profitability. When business deals or locations are identified in which our resources may be better utilised, we reallocate those resources in order to maximise the utilisation of our infrastructures and human resources.

What strategic actions has your bank defined to face the current challenges from the economic context and exchange rate instability?

The country is going through a difficult phase due to the shortage of currency brought about by the drop in the price of oil and the consequent reduction in revenues for the state.

The restrictions placed on the sale of foreign currencies have significantly affected the banking sector. The devaluation and rise in inflation have directly impacted on both bank clients and the population in general.

The culture of risk management and compliance has always been at the core of BCA. Nevertheless, this year saw this area receive the greatest investment with the integral reformulation of procedures, more and better training, the improvements and modernisation of the support technological solutions in order to comfortably meet the rising demands placed upon corresponding banks.

Within the current context of our economy, the regulator introduced various measures designed to lower the monetary mass with the increase in the compulsory reserve coefficient and BNA guideline rates.

Despite the restrictive character of these measures, we were able to elevate our transformation ratios within a "fishing line" perspective with financing for segments with high maturity levels in addition to participating in syndicates for larger scale investments.

What are the core goals and objectives of your bank until the end of 2017?

Banco Comercial Angolano has set ambitious objectives for the near future and these hold repercussions for various facets of the life of the institution. At this moment, we have a series of projects underway, some almost at completion stage, which shall significantly improve both internal procedures and the perceptions of clients as regards improvements to the quality and availability of services. In this aspect, the projects to selectively expand the branch network has been ongoing for some time and is now beginning to produce the first ready units and due for inauguration in the short term and thereby expanding our coverage and presence at the national level and accompanying the growth dynamics of our main clients and partners.

Also directly impacting on our commercial activities are the preparation of new and innovative savings and loan products alongside the improvements to our commercialisation channels. Within the scope of the internal management of the bank, we aim to finish the implementation and full application of IFRS in addition to the complete implementation of the Foreign Account Tax Compliance Act (FATCA) regime. These two important projects are coupled with the review of and improvements to procedures across the diverse facets of risk and internal control. The final objective is to keep BCA in the leading positions among banks with the highest levels of compliance in the Angolan financial market. In order to ensure these objectives are attained, the bank shall continue to nominate as its first and most fundamental strategic priority the continued empowerment of its human resources.



What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

The fundamental role of banking in the current context is, in my opinion, to actively boost financial intermediation, attracting and preserving the deposits entrusted to us by savers and that should be reimbursed whenever called for in addition to the respective interest earned in accordance with the law, the notifications and instructions issued by the BNA on this area. Only thus shall it be possible to maintain the trust of depositors and contribute towards the sustained credibility of the Angolan financial system. All bankers are fully aware of the importance of the role played by credit. Somebody once said that credit to the economy is like the arteries to the human body. Without healthy arteries, we do not have a healthy body. Without credit to the economy, we do not have any economic drive. We need to inject resources into the economy as if bread to the mouth. When we look at the shocking rise in the

amount of due and difficult to recover loans weighing down the balance sheets of banks, if this gets converted into direct losses to shareholders and threatens the solvability of some banks, along with the difficulties in executing the guarantees provided and the slow pace of judicial sentencing actions, we conclude that all participants, in particular, citizens, companies, banks and the state itself, should continue to improve the risk evaluation procedures and the legal and normative framework in effect. In summary: I believe that the fundamental role of banks is to foster security for savers so that they continue to entrust us with their resources that are essential to financing the overall objective: diversifying the economy.

Banco Comercial do Huambo

Conveying confidence to clients, shareholders and international businesses



Natalino Bastos Lavrador
President of the Board of Directors

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

Financial sector activities have reflected the difficulties that the economy has been going through. As is general knowledge, the fall in the price of oil inevitably drove an enormous shortage in currencies and triggering a decrease in bank exchange rate operations in general. BCH had to define alternatives to offset the decline in profits but not neglecting organic growth. The difficulties faced have been overcome as, despite these setbacks, in the 2015 financial year, the results were both interesting and some "ratios" turned in unexpected performances.

The financial system is operating under substantial difficulties due to factors of exogenous origins, in particular, the subtraction of currency operations resulting from the fall in the price of a barrel of oil, as I mentioned, but also due to endogenous measures, for example and among others, the retraction in the means of payment caused by retentions in the national currency on a weekly basis. This means of payment retraction decelerated the level of transactions ongoing and cooled the economy. Beyond this particular factor, the excessive increase in the obligatory reserve rate is also a dissuasive factor to the application of bank liquidity, for example in the granting of loans (private actors and the state).

What strategic actions has your bank defined to face the current challenges from the economic context and exchange rate instability?

As referenced, BCH defined an alternative earnings structure to exchange rate gains in order to maintain a level of fixed costs compatible with the bank's activities whilst continuing to grow within the recommended safety margins. We are continuing to finance our clients but now in a much more rigorous fashion taking into consideration the new international accountancy standards. We shall also continue to finance the state, a strategy that is in effect among all financial institutions. We are also continuing to open branches but at a steady rate and systematically monitoring the ratio levels that are affected by the costs incurred with the opening of these new agencies. Our recruitment policy will continue to make recourse to robust selection criteria taking into account the professional past and academic qualifications of applicants.

What are the core goals and objectives of your bank until the end of 2017?

Our main objectives are: to maintain the same solvability level, thus, a level of financial consolidation that ensures the confidence of our clients, shareholders, international banks and other international economic actors, boosting earnings that all represents a very difficult mission; controlling costs in order to maintain the same pace of BCH organic growth; and to maintain the same level of performance for the key "ratios", which is another challenging objective.

What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

The role of the bank is fundamental in supporting the development of economic and social activities. However, with the national economy in recession, this makes it essential for the financial system to strengthen, that financial institutions attain acceptable profitability levels, so that, when the recession is overcome, the financial system may be in the condition to leverage the economy.

I fear that banks will continue to confront a lack of dynamism in the judicial system as even with the loans issued with real guarantees, the courts are fairly lethargic in executing the guarantees provided by clients who have since defaulted.

This comes in addition to the fact that the majority of small and medium sized companies are not in a position to provide any such guarantees to banks and thereby conditioning their own access to loans and credits. These limitations significantly hinder bank support to the economy, especially to private economic actors, and hence the alternative for banks is to support the state. Furthermore, the financial system is getting significantly harmed by the implementation of the exchange rate policy. It is difficult to perceive any coherent criteria behind the sale of currencies to banks. Legitimacy should be returned to the Central Bank as regards the full implementation of the exchange rate policy. This should also restore the commercial role to financial institutions, putting into practice the directives handed down by the Central Bank but able to legitimately choose its own clients. The continued implementation of the current exchange rate policy may favour some of the less productive economic actors to the detriment of others that have proven their importance to the national economic development that now faces a critical phase, leaving us on the edge of chaos with disastrous economic and social consequences.

Banco de Crédito do Sul

Developing a joint project with national and international partners



Maria do Céu Figueira
President of the Board of Directors

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

In the last year, by being dedicated to the process of implementing and launching Banco BCS activities, we achieved our ambition of doing private banking in Angola.

In compliance with the business plan approved at the beginning of 2016, the bank carried out its first capital raise of 6 billion Kwanzas AOA., continued with its policy of investing in the quality of its means, the competences of its staff and the provision of an exclusive and competent service leveraged by the best international practices of corporate governance, compliance and internal control.

What strategic actions has your bank defined to face the current challenges from the economic context and exchange rate instability?

Banco BCS operates in the Private and Corporate Banking segments, with the provision of exclusive and personalised services. This positioning demands that we accompany and support the management of the challenges that our clients and our country pose us whether exchange related or others. BCS, as a private segment player, assumes special responsibilities in searching out appropriate solutions for the current conjuncture. Developing our work in conjunction with our national and international partners, we have attained success in these fields with a very positive impact on the support provided to projects of social and economic relevance to the country.

What are the core goals and objectives of your bank until the end of 2017?

BCS will continue with its consolidation as a benchmark bank in the provision of Private and Corporate Banking services in Angola. This process is accompanied by another increase in bank capital, expanding the national and international network, private attendance and the consolidation of our relationships with clients and partners. BCS strives to continue contributing, with technical and financial support, to the development of structural projects for the national economy.

What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

The growth of the Angolan economy is inherently intertwined with the performance and commitments of its banks. Each bank, in the segment it operates in, has the responsibility to collaborate in the social and economic growth of the country.

The BCS, in terms of its corporate scope, takes an active posture in promoting the financial inclusion of the private sector through professional and personalised support to clients seeking to undertake business projects.

The partnership between banking and business begins with support for the drafting of business plans before advancing with financial consultancy and advice on the management model, project implementation and the subsequent management and monitoring of growth.



Banco de Desenvolvimento de Angola

Financing structural and strategic priority projects



Manuel Neto da Costa
President of the Executive Commission

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

In the last twelve months, BDA completed important credit processes and procedures in order to better ensure the technical, economic and financial evaluation of projects alongside their respective risk profiles and thus guaranteeing an appropriate selection process. The bank also took measures designed to improve the process of accompanying financial projects so as to effectively ensure their appropriate and adequate implementation. This was an imperative as, over the course of seven years of operation, there had been built up a low quality portfolio, both for the bank and for the economy. Furthermore, and in relation to this portfolio built up over the bank's first seven years, the BDA launched a wide reaching process of re-evaluation of the projects resulting within the framework of putting into practice a program seeking to contain the degradation of the portfolio and improve its performance. And this program has now been launched.

What strategic actions has your bank defined to face the current challenges from the economic context and exchange rate instability?

The BDA, as a state development bank, has under implementation the government approved strategy for the period from 2013 to 2017 in keeping with the objectives of the National Development Plan 2013-2017. This strategy rests upon the financing of priority structural and strategic projects capable of leveraging chains of production. Under the current circumstances, given the changes that we perceive in our economy and that we understand as structural in nature, we sought to attract lines of financing from international banks to finance the import components of the expenditure item in the investments of our clients (mostly machinery and equipment), as well as favouring viable projects, with tolerable risk levels and positive exchange rate balances.

What are the core goals and objectives of your bank until the end of 2017?

The trajectory of the bank in recent years, from the economic and financial point of view, following the maturing of interest free periods (up to 48 months) for the majority of the projects financed in the past and of low quality, has been negative. With the measures now underway, we expect that in mid-2017 we begin experiencing the turn towards a positive trajectory. Furthermore, we are embracing projects of great economic and social relevance that shall return a meaningful contribution towards efforts to diversify the national economy with the success of the investments we are financing boosting the coverage of the demand for goods and services consumed by internal demand and providing stable means of employment.

What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

The bank may play a catalysing role. However, it is necessary that public policies secure an environment favourable to this end. I would back this by pointing to how, thus far, the main sources of bank earnings were, in descending order; (i) foreign exchange operations, (ii) applications in state bonds, (iii) banking commissions and similar and, (iv) finally, credits and loans. However, the latter, according to BNA statistics, is composed of (i) for trade and services (41%), (ii) construction and property (26%), private individuals (17%), industry (11%) and agriculture, cattle raising, forestry and fishing (5%). Therefore, the pyramid proves to be inverted regarding the actual needs of the Angolan economy. However, the necessary inversion will not stem from preaching "morals and best practices"; the public policies need to create an ambience that encourages banks to act differently. The ongoing recession, nevertheless, represents a sovereign opportunity for this purpose.

Banco de Investimento Rural

Articulate commercial actions that aim to progressively achieve objectives



Rosário José Matias
President of the Executive Commission

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

Our business model requires the implementation of a structure that effectively combines the interrelationship between the commercial activities that seek to progressively attain the objectives set for the short, medium and long terms. In the last twelve months, highlights of such activities have reflected essentially in the continuous creation of a portfolio of clients, securing their loyalty, specifying the segment we wish to specialise in, attracting the resources with a view to expanding and dynamically boosting the credit function and naturally tailoring our organic processes, aspects to which we have dedicated our constant attention and always within the perspective of attaining the robustness necessary to exercising such activities. We would also highlight the launch of our institutional website where we have incorporated an Internet Banking platform and the BIRnet service on which our clients can carry out a host of operations. We also operationally implemented Automatic Payments Terminals throughout all of our commercial network.

What strategic actions has your bank defined to face the current challenges from the economic context and exchange rate instability?

Given the fact of being a financial institution that ab initio defined its preferential focus of business on responding to the financial needs of the primary sector (agriculture, cattle breeding, fishing and others) that within the current framework deserve

particular attention, BIR has not had to undertake major alterations to its strategy in the face of the current conjuncture, this stems from how one of the main challenges at the moment stems from establishing the conditions for the national business class to work in the areas I just mentioned and, hence, these, once suitably leveraged, shall guarantee a greater contribution by the sector to the real economy in the structure of GDP and, gradually, in the building of a diversified economy, a challenge that the Angolan state has widely publicised and identified as priority. Meanwhile, given the consequences resulting from the impacts of recession, BIR still remains in its primary phase of consolidation and has obviously had to implement adjustments to its strategy and business plan given that some of the initially defined assumptions proved inconsistent and, from the perspective of dynamic management practices, immediate corrective measures were approved and have undergone implementation in order to maintain the bank on course with the objectives and goals it was set up for. Complementarily, and taking into consideration the current economic and exchange rate context, as is known, these constraints are transversal to all institutions and what we have been doing constitutes a rational distribution of the amounts allocated to us via auctions to the clients requesting operations involving foreign currencies for various different purposes. We understand that the challenges here are enormous due to our economy being heavily dependent on imports and, in order to maximise the program designed to boost the potential of internal production, we still face a long period of reliance on significant levels of imports.

What are the core goals and objectives of your bank until the end of 2017?

For the period in question, BIR is working towards attaining (i) the consolidation of the commercial banking sector, boosting its number of relevant clients and broadening the range of products and services, (ii) implementing the Investment Bank dimensions involving the setting up of a team with the competences to meet the challenges in this field, (iii) boost business through internal and external partnerships; (iv) strengthening and consolidating their financial positions taking into account operational proficiency and compliance with the prudential ratios stipulated by the supervisor, (v) adapting the internal organisational structure and boost the profile of the BIR brand.

What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

In my point of view, a response to this question should span both the internal perspective and another international vision because as the bank operates within the economic and financial system, at this moment, it is necessary to boost the dynamic of our economy. This should not only focus upon providing responses to the domestic challenges but, and consequently, should in a structural approach strive to establish full commercial relationships with international markets.

On the internal level, the bank should continue to play its traditional role of attracting savings, channelling them essentially into investment. Nevertheless, in accordance with the current conjuncture, the banks have to know how to respond

carefully and appropriately to the financing needs of national economic actors, fundamentally meeting the needs of projects designed to leverage internal production, fostering the improvement and provision of new services. They should also focus their product and service range on the objective of also attracting the considerable amounts that circulate in the informal market into the formal circuit, including solutions for the social fringes with low earnings. Hence, this would also raise the percentage of account holders without ever losing focus on the framework of the economic priorities set for the country and the effective needs of clients. We should nevertheless reference how this set of initiatives needs aligning with the guidelines for economic policies, particularly the monetary and exchange rate policies within the scope of stabilising the macroeconomic variables, such as the exchange rate, inflation, and employment, factors that help in preserving confidence in the banking system. Complementary initiatives with the objective of ensuring greater openness and credibility at the international level also arise from globalisation related phenomena. The globalisation of markets and financial globalisation now determine, especially the latter, capital flows around the globe.

Banco de Poupança e Crédito

Reorienting bank culture towards accuracy, quality, transparency and commitment



Cristina Florência Dias Van-Dúnem
President of the Board of Directors

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

In times of recession, all companies to a greater or lesser extent attempt to position themselves so as to take advantage of any opportunities that might emerge and that enable them to emerge from recession stronger than when they entered it. The case of BPC proves no different. We all know that the economic recession and exchange rate crisis have had major impacts on the banking sector. However, in terms of the market, BPC is positioned in a well differentiated segment. In its role as executor of cash flow services to the National Treasury, the bank has the possibility to capitalise on the social support of the Angolan population and thus, through means of improving the quality of services, to take a high level position in the small and medium sized company segment.

Therefore, our strategy in this current economic and exchange rate context are focusing on initiatives adjusted to the potential that the bank holds to improve and expand its services to its target audience.

What are the core goals and objectives of your bank until the end of 2017?

As is public knowledge, a new Board of Directors has just been nominated, alongside which, for the first time in the bank's history, sits an Executive Commission. With this gesture, shareholders provided the company with an unequivocal signal that they wish the institution to be a reference for governance in keeping with the best practices for the financial sector and also continuing to invest in the bank as one of the main vehicles for the financial sector. Hence, in 2017, among other aspects, the bank is to launch improvements to its processes of corporate governance, to diversify its sources of financing in order to better ensure a level of liquidity appropriate to the bank's strategy as well as the reorientation of the bank culture so as to foster the sense of rigour, of quality, transparency and commitment to the institution.

As the main public bank, what should be your role in the national financial system?

An important factor to consider is that BPC is the banking entity that deploys the largest branch network on a national scale. The BPC branches are those operating in the most difficult to access zones, where private banking is not always yet available, and fundamentally undertaking national treasury cash flow services. Thus, the bank's products and services are designed to meet the typology of its clients. Hence, there are bank products and services targeting individual citizens that provide services to the public sector, and entities in the public and private sectors. The bank correspondingly plays a fairly important role in boosting the dynamism and range of credit products open to the population segment made up of state employees as well as in implementing the major projects of the state.

Furthermore, the government strategy for the financial sector centres on, among other priorities, the need to deepen the process of social and financial inclusion within a scenario in which the social policies and programs take on special relevance and generate demand for potential services dedicated to particular fringes of the population. Within this scope, BPC proves a very important vehicle taking into account that it is the only banking institution that reaches to the more remote places in our country. Hence, through means of the bank's logistical platform, access to banking products and services gets broadened.

While recognising that there is much still to be done, the capillary level of its branch network, associated with the appropriate technological means, positions the bank well as the main partner of the state in its process of social and financial inclusion.

Banco Económico

Reinforce and grow the brand through better customer service and products



Sanjay Bhasin
President of the Executive Commission

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

We exist to serve our customers and that is our primary concern. We have engaged with our customers more and more – to understand their needs, where possible to satisfy them and launch new products. Our attempt is also to educate clients so that they are realistic in what we (and in fact, any bank) can offer them in the current economic climate. Client satisfaction is a function of both what we can offer as well as what the customer expects. The more realistic are customer expectations, the better we are able to fulfil them. We have been working hard towards strengthening our balance sheet. This we have achieved through – firstly our approach with clients who seek credit is one of partnership and fairness. The client should have a sustainable business model, have a stake in the business and not solely rely on bank financing. On our side we evaluate the proposal and agree on fair market terms. Secondly, some clients may have fallen behind in their obligations, we engage with them and encourage them to come to a mutually acceptable agreement. Thirdly, we balance business growth and profitability. If there are certain businesses or locations that can use our resources better, we will reallocate our resources away from those that are maybe underutilising these resources, to the businesses or locations which could better use our infrastructure and manpower.

What strategic actions has your bank defined to face the current challenges from the economic context and exchange rate instability?

The current economic situation is a result of various macro economic factors which are out of our control. Our primary effort has been to make customers aware that this situation may last for some time and it just cannot be wished away. The way our economy is structured, our clients have huge foreign exchange requirements. In the current situation there is just no way that all these requirements can be fulfilled. Clients need to explore alternative solutions and have longer time horizons. Given the shortage of foreign currency, we have customised certain solutions, which help clients in protecting the value of their liquid assets if they take a view that such assets could be devalued. We are very supportive of projects that focus on domestic production and import substitution. I believe this is the way for the long term and sustainable development of the economy. Such projects are a win win win - for our clients, the country and the Bank. The flip side of this is that certain projects which rely heavily on the availability of foreign currency, we discourage. We take care to caution clients who maybe unrealistically optimistic in their projections. This could arise in cases where the project is not just reliant on foreign currency, but also that it may not be able to sustain the high level of interest rates which the economy is experiencing.

What are the core goals and objectives of your bank until the end of 2017?

It is my belief that the macro economic environment is unlikely to improve much in 2017. Given this, our objectives are growth and risk management. We will continue to reinforce and grow our brand through better customer service and products. These include savings products as well as services which enhance the customer experience through the internet or the use of payment cards. We will tap into those segments which we believe need more attention and have a higher potential. We will continue to play our role in the growth of the economy. In those sectors which are heavily dependent on imports, we work with our foreign banking partners to facilitate this. For the domestic sector we will encourage and support projects which will substitute imports, are viable and result in long term partnerships. We can manage our risk better if we help our clients manage their risk better. Thus, higher degree of quality control at the initial stage of credit approval will remain critical.

What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

Financial inclusion has vast ramifications – for individuals, for the standard of living, for growth of GDP and, not least, for growth of banking business. However, one needs to recognise that in the current banking model there can be conflicts between financial inclusion and commercial objectives of profitability. The traditional model of branch banking is very expensive in Angola and it is to move on. The current global shift towards Financial Technology, more commonly called 'fintech' needs to be adopted by us. There are two ways of adopting change – we can wait for others to invent, innovate, migrate, implement, experience, modify and stabilise or we can participate in the earlier steps of migration and implementation. Digital banking and mobile payments are already sweeping large sections of the global financial industry including countries in Africa. The advent of fintech is the best solution for financial inclusion since it can obviate the need for bank accounts, but it needs a lot of work, investment and coordination between banks, regulators, industry associations and the telecom industry.

Banco Keve

Adapting the organisation to new market paradigms



Arlindo das Chagas Rangel
President of the Executive Commission

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

Despite the persistence of conjunctural problems, the performance of the bank proved positive and registering growth in deposits in the region of AOA 12.3 billion, over 12% up on the same period a year earlier. We would also highlight the AOA 18.1 billion increase in the Asset item and, consequently, the recording of a significant increase in the Net Results in the order of 170%, rising to around AOA 3.7 billion. These upbeat figures result from the commercial strategy implemented, focused above all on retail banking that was, in conjunction with enabling the growth in deposits, essential to the reduction achieved in the level of concentration. In terms of expansion, we have advanced with our plans having inaugurated two new branches in the first half of the year, in Viana Cometa and Luanda Shopping. The Bank continued to adopt a set of strategies to strengthen its competitive position and boost its presence both nationally and in terms of the scale of its networks of Branches and Company Centres, with the objective of creating value and accompanying Clients in a qualitative fashion.

What strategic actions has your bank defined to face the current challenges from the economic context and exchange rate instability?

The current economic context has forced banks in general to rethink their strategic and business plans. Banco Keve, in particular, has adopted a series of measures that seek to minimise the negative impacts of the exchange rate crisis that is sweeping the country. We have sought to tailor our organisation to the new market paradigms. The search for new internal and external sources of financing, greater process efficiency, the expansion of sources of revenues, the efficient management of human capital, boosting the capacity for innovation, greater accessibility to banking products and services, the better management of the risks associated with these activities and flexibility in the organisation of the new sector demands all rank among the objectives sought by our management team.

What are the core goals and objectives of your bank until the end of 2017?

We have assumed the commitment to transform our institution into a benchmark reference bank within the Angolan financial system and this necessarily involves the development of our human resources, the greater dissemination of our channels of distribution with a particular emphasis on the electronic platforms, higher levels of dynamism in the capital markets, acting as an intermediary of excellence to investors trading in BODIVA shares, boosting the capacity for innovation in the provision of products and services and greater flexibility in adapting to the new demands of a regulatory nature as well as the best banking practices, especially those related to compliance policies, the rules issued by the Basel committee and the IFRS. Through attaining these goals, we are able to guarantee excellent service provision to our clients, creating value for shareholders, improving the conditions and careers of our members of staff and, finally, continuing to make our contribution to the sustainable economic development of Angola.

What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

The role of the banks increasingly extends beyond financial intermediation between deposits and credit with their actions in contemporary society extending far further.

Banks are positioned as dynamic, proactive and facilitating partners for investment, whether in operational or in strategic terms.

In Angola, banking has been the motor revitalising the productive sectors, pulling in financial resources for investments and thus contributing to the development of the private business sector, fostering national production, job creation and the reduction of imports. Equally, financial institutions have been a driving factor for the technological innovation and modernisation of the economy, facilitating our insertion into the global economy. In broad terms, the natural behaviour of a banking system in difficult periods for the economy is to restrict the provision of credit given the uncertainties surrounding the direction of the economy, rendering credit both scarcer and more costly. It is in this phase that interventions by the public entities prove of greatest necessity, whether through programs designed to nurture company growth, as in the case of Angola Investe, or through legal mechanisms that mitigate the credit risks, especially through the question of regulating the ownership of properties and issues underlying the speed of conflict resolution, factors that constitute restrictions to bank credit activities. Banco Keve, in particular, with a credit portfolio that already amounts to AOA 60 billion, has made its contribution towards the economic development of the country and has improved the living conditions of thousands of citizens and achieved progress in the much sought after diversification of the economy.

Banco Kwanza Invest

Working with clients in order to identify opportunities and act upon them



Adriano de Carvalho
President of the Executive Commission

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

Essentially, we advanced with the objective of our activities as a financial intermediary, with an emphasis on investment banking activities, identifying for our clients the opportunities existing and providing advice and consultancy on every type of investment operation. Simultaneously, we advanced with restructuring and tailoring our structure to the needs of the market, seeking to improve our efficiency, our specialisation and our profitability.

What strategic actions has your bank defined to face the current challenges from the economic context and exchange rate instability?

The current economic cycle has been characterised by a decrease in the flow of foreign currencies resulting from a significant and prolonged fall in the price of oil, which has impacted on various different levels of which I would highlight exchange rate fluctuations, the rise in the interest rate and the shortage of credit. This situation forced the state and economic actors to redraft their priorities and adjust their activities in a phase of contention due to the scarcity of foreign exchange and the need for greater prioritisation in the application of public and private capital. In this context, and despite a certain degree of fluidity, there nevertheless continues to exist enormous business opportunities, with our goal involving working with our clients, advising them over the identification of these business opportunities and how to leverage them, creating added value and returning profits and thus getting into position for the return of economic growth that shall inevitably arrive in due course.

What are the core goals and objectives of your bank until the end of 2017?

In summary, the targets for Banco Kwanza Invest for this year consist of strengthening its portfolio of clients under management, boosting the number of operations and maintaining bank profitability levels.

What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

As may be verified in any market economy, the Angolan banking system acts as a genuine spring for dynamising the national economy, providing financial services and channelling savings into the productive sector through credits and loans. The fact that the Angolan financial sector is in a phase of adjustment and with some difficulties due to the cycle that we are currently going through does mean restrictions on banks in complying with their role in society and in supporting the economy. However, this does not represent in any way that the banks have relegated their mission to finance the Angolan economy to some secondary level. On the contrary, in support for ongoing restructurings, banks have remained privileged interlocutors in economic development, assisting citizens, companies and the state in their projects, seeking their continuity, endowing more robust means and appropriate to fostering a larger number of business initiatives.

Banco Millennium Atlântico

Working on continuous improvement and rigour in banking practices



Daniel Santos
President of the Executive Commission

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

I would particularly highlight the strategic decision to advance with the merger of Banco Privado Atlântico and Banco Millennium Angola, which was agreed by the shareholders of these two institutions in October 2015. This decision led to the first movement of concentration and leveraging of scale in the national financial system. Six months on, Atlântico today has over 150 client service points across all of the national geography and through which around 2,000 employees serve our over 950,000 clients with excellence. Together, we have achieved leadership in fostering national entrepreneurship and are the leading bank for financing the Angola-Investe Program. Together, we are a reference for financial solutions for Angolan women, for young entrepreneurs, for small and medium sized companies and beyond, continuing to be leaders in the construction of investment banking solutions for major investment projects. We closed the first semester of 2016 with Bank Capital standing in excess of AOA 120 billion and a fact that, and despite the challenging economic environment, enables us to affirm that we are today stronger than the sum of our parts.

I would also highlight the implementation of a new model of governance for Atlântico, which clearly reflects the boundaries of responsibilities for the Board of Directors (and its respective Supervisory Commissions for Risk, Audit, Strategy and International Business and Human Capital) and alongside the responsibilities of the Executive Commission, responsible for implementing the business plan.

What strategic actions has your bank defined to face the current challenges from the economic context and exchange rate instability?

We know that the world economic cycle that took place between 2004 and 2014 is unlikely to repeat and we know that today we are living a New Normality, in which world growth is lower due to the impact of the reduction of commodity market prices. The negative impacts of this international reality on the Angolan economy have created herculean challenges to the government in terms of fiscal policy and to the Central Bank in terms of monetary and exchange rate policy. In this context, we have been in close cooperation with the national authority in efforts to find solutions able to reduce the impact of the shortage of foreign currencies, acting across two facets: on the one hand, strengthening the international credibility of the bank with both the international regulatory entities and with the corresponding banks, work that has enabled the strengthening of the international credit lines that we run with these banks; and, furthermore, we have worked closely with the Central Bank and international entities in assembling financing solutions able to reduce the short term pressures on the net international reserves of Angola.

Despite the challenging economic circumstances, we see encouraging signs in the economy, noting how various actors are reacting, adjusting their expectations and investing in new projects in the industrial and agro-industrial sectors. Atlântico takes due pride in contributing towards the success of some of these projects.

What are the core goals and objectives of your bank until the end of 2017?

Until 2017, the main objectives of the bank are: continuing to leverage the business synergies based upon which the merger was agreed by our shareholders, with greater efficiency, boosting the current economies of scale and the capacity to provide more and better services and products to families and companies; continuing to work on the continuous improvement and rigour of our banking practices with the objective of consolidating the relationship with the regulators and international corresponding banks; and, finally, but no less importantly, continuing to strive and work towards complying with the commitments assumed to shareholders and the market with the capital listing on the stock market through an IPO.

What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

In recent years, the national banking system has played a relevant role as a catalyser of economic growth whether through encouraging savings or through the provision of financing whether to the state, households or companies. Additionally, the financial system has brought about the simplification of the financial interactions and thereby contributing towards enhancing the economic inclusion of micro-entrepreneurs and reducing the extent of the informal economy. To this success, much has been contributed by the investments in branches made by banks across the entire extent of the national territory along with their investments in technologies enabling electronic means of payment. In this context, we believe that banking in Angola shall continue to invest in order to remain one of the pillars inducing growth and strengthening the national economy.

Banco Prestígio

Strengthening the position as Investment Banking in Angola



Maria João de Almeida
President of the Executive Commission

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

The year of 2015 was the first year of Banco Prestígio activities, characterised by the structuring of its services and establishing the operational conditions. This finalised its Investment Banking structure, the core focus of the bank. We would also highlight our admission as an intermediary by the Capital Market Commission and by BODIVA, facts that shaped our activities over this period. In terms of our activities, we would highlight the signing of mandates for the structuring and organisation of the bank as an Investment Bank. And finally, the performance indicators attained are in keeping with the Business Plan, with the bank having attained in this initial period of activities a fairly satisfactory ratio of regulated solvability, at 159% one of the highest in the market and demonstrating the stability underpinning bank activities.

What strategic actions has your bank defined to face the current challenges from the economic context and exchange rate instability?

The difficulties experienced as a consequence of the limitations imposed by the shortage of foreign exchange currencies in our economy also created some opportunities that Banco Prestígio aims to explore. We emerged in a context in which these difficulties were worsening and we have been positively advancing and growing in this adverse climate for the national and international economy. Banco Prestígio has strongly invested in economic diversification with the greatest focus on the priority sectors that make up the national development strategy of the government and as well as supporting national production, for which we provide specialist products and services focused on structural projects for industry, agriculture, energy, water and sanitation and that above all strive to create wealth, improve the basic services supplied to the populations and generate employment.

What are the core goals and objectives of your bank until the end of 2017?

They are short term goals: the consolidation of the brand Prestígio; strengthening our positioning as an Investment Bank in Angola; guaranteeing the sustainability of our portfolio of projects; and the attracting of credit lines to boost the economy through the structuring and implementation of benchmark projects for the priority sectors proposed.

We are aware that in order to attain these goals, the bank has to invest in human capital with continuous financial literacy campaigns specialising in Investment Banking and also internally strengthening the governance and risk management structures.

What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

The financial sector in general and banking in particular stand out as among the most important in the economy. This therefore requires that the financial system strengthens in order to better support the financial inclusion of economic actors to better cope with the challenges facing the economy. Banking thus plays a preponderant role to the extent that this represents the main means of interconnecting the business sector and the economy. Beyond the challenges facing the sector, in terms of alignment with the best international practices, on which the BNA has been producing legislation at the internal level, it is necessary to increase the banking coverage of the earnings flows in the economy, expanding the involvement of the sector to reduce the circulation of considerable sums outside of the scope of banking, especially in the informal market. To this end, commercial banks have also been called on to play an educational role as partners of the Banco Nacional de Angola in the Bankita process. It is necessary to reach out to the common citizen in order to foster universal access to all and including those on lower wages and earnings.

Banco Pungo Andongo

Consolidating the operation, expanding the commercial capacity and attracting talent



José Valentim Barbieri
President of the Executive Commission

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

To any company at the beginning of their activities, as is our case, nothing proves more important than consolidating the installations and attracting talents. Despite the difficulties of newness and our small scale, we may point to some highly important events such as the participation in the exchange rate market, and especially the support and assistance of shareholders committed to the implementation of the bank and endowing the institution with an appropriate scale of capital funding for operational stability.

What strategic actions has your bank defined to face the current challenges from the economic context and exchange rate instability?

It would seem to us that prudence is always a good company for the banking business and especially in the current economic context of the global and Angolan conjuncture. Business in the local currency is gaining in weighting, clients are increasingly demanding over service quality, the standards of supervision are rising but, simultaneously, attention needs paying to the opportunities emerging out of the efforts at economic diversification and ensure our due participation in them.

What are the core goals and objectives of your bank until the end of 2017?

Having gone operational at the end of 2015, our main objective involves consolidating our structure and expanding our commercial capacities with at least three new branches.

Additionally, we believe that our major objective stems from the qualification of people and in the construction of the cultural identity of our bank and our brand.

What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

Financial inclusion is very important and we understand this in a very wide range point of view. We believe that in prioritising the work necessary for the Angolan financial system to enter into international markets, inclusion is one of the most important aspects to the business in general. Furthermore, this moment of economic transition generates some difficulties for financial mobility and hence restoring the level of confidence of actors is as important as it is urgent to ensuring a positive business climate.



Banco Sol

Service excellence to clients and continued support for projects with added value to the economy



Coutinho Nobre Miguel
President of the Board of Directors

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

In 2015, the bank completed another pluri-annual cycle of development with complete success in accordance with the targets and objectives defined in the respective Strategic Plan 2012-2015. Even with this final phase of this cycle, coinciding, as is known, with an especially difficult macroeconomic conjuncture both in international terms and on the domestic level, Banco Sol still managed, courtesy of an ambitious business management but also demanding in terms of institutional financial stability, to obtain expressive results in keeping with the objectives set. Of these, I would highlight the following: attaining in late 2015, the largest net results in the history of the bank (around 7.5 billion Kwanzas); registering growth in excess of 58% for the operational results between the end of 2014 and 2015, having even registered growth in excess of 5.7 times over the last four years; verifying growth in Banking Product of around 17% in 2015; verifying an expansion in the bank's activities very well reflected by growth in the Asset item of 21% recording a value of 328 billion Kwanzas in client deposits and credits of 17% to reach totals of 277 billion and 111 billion Kwanzas, respectively; expanding the physical distribution network to 184 branches by late 2015 (reflecting a doubling of the branch network over the last four years), with a presence established throughout the national territory; attaining the total of around 490,000 active clients, throughout

the entire country (16% growth in 2015); securing clearly comfortable levels of economic and financial solidity conveyed by the solvability ratio of 17.4% in late 2015 and in the maintenance of prudent levels of provisions appropriate to the potential risks of activities (for example: coverage ratio for the matured credit portfolio with provisions totalling 419%).

What strategic actions has your bank defined to face the current challenges from the economic context and exchange rate instability?

Banco Sol today positions itself as a national financial institution, ranked among the six largest national operators with a universal range of financial products and services, ranging from pure retail activities through to private and corporate banking. The commitment to the development of the national economy is thus total and beyond discussion.

As is common knowledge, due primarily to the abrupt and prolonged international fall in oil prices, the Angolan economic conjuncture has been experiencing a difficult period with multiple impacts of which I would highlight here only those most directly impacting on banking activities: the exchange rate imbalances, reflected in the shortage of currency in the market, causing an enormous accumulation of international payment orders, in commercial banking; restrictive budgetary policies (justifiable and necessary), thus preventing the state from driving the economy as would be desirable in the recessionary phase of the economy; a sharp spike in inflation in conjunction

with the downturn in economic growth placing additional pressures and risks on the quality of commercial banking assets. Client service excellence (both in the quality of personal and operational attendance) as well as the continuous support (firm and pro-active but firm) for all business projects with recognised added value to the national economy, and therefore structural, credible and feasible, are commitments and objectives that Banco Sol shall remain fully committed to attaining.

What are the core goals and objectives of your bank until the end of 2017?

The year of 2016 marked the beginning of a new pluri-annual strategic plan (2016 - 2020) for the bank, drafted by its Board of Directors and duly approved by the respective shareholder structure. The plan rests upon the following seven pillars of strategic development with the set of the respective strategic objectives coherently integrated: the development of Human Capital, Training and Specialisation; organic growth across the measurable parameters of activity, strengthening the strategic positioning in the market as well as in day-to-day banking and being the "1st bank" for its clients; strengthening the focus on incrementally raising the overall efficiency and productivity of the institution; internationalisation as a means of accompanying, effectively and swiftly, the dynamic of internationalisation in the Angolan economy; boosting the robustness, solidity and resilience of the bank through the maintenance of solid and compliant principles of corporate governance as well as an equally solid system of internal control over the risks inherent to such activities; maintaining and increasing social responsibility actions as a means of returning to the community some of the support and contribution received in the meanwhile; and the consolidation of the compliance and corporate governance practices appropriate to the demands implemented by the new prudential banking legislative and supervisory framework.

What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

This role is fairly and universally accepted as fundamental. As a financial intermediary of excellence, the bank assumes the increasingly essential role not only as the main channel of resources into the productive spheres of the economy but also (and with added importance in the case of the Angolan economy) the main motor for integrating the different types of economic activities, models and paradigms for the formal and socially more efficient organisations. Banco Sol, in particular, has and will continue to play a relevant (and even pioneering, we would say) role in this field not only leading the way in the microcredit sector but also for the constant and duly recognised activities in support of the development of our micro and small entrepreneurs across the country and very frequently acting as a strategic partner to the various different initiatives put into practice by the national government in order to achieve the development, consolidation and diversification of the national economy.

Banco Yetu

Strategic partnerships that fulfill the objective of client proximity



António André Lopes
President of the Executive Commission

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

Banco YETU emerged as a financial banking institution a little less than a year ago, on 1 October 2015. We are therefore a new bank in the market and the main aspects that we wish to highlight from this period of months of activities derived especially from the tasks interrelated with structuring and establishing the conditions to launch operations.

We wish to refer, in particular to the creation of human capital and the physical infrastructures appropriate and tailored to the challenges underlying the implementation of our Business Plan and the definition of the management processes and the information technology systems in accordance with prudential requirements and in conformity with that necessary to guaranteeing the return of reliable information in due time to the regulator and to the other stakeholders. From the physical infrastructure perspective, we opened our headquarters in Luanda and two other commercial poles in Menongue: one a branch and the other a company centre, through which we prioritise the thorough and quality attendance services provided in an initial phase for the fundamental banking products and services. More recently, we began making available internet banking through our NET YETU and, at this moment, we have a team dedicated to the construction of added value products doing fair justice to our slogan: Tradition and Innovation, through which we convey responsibility, rigour and transparency. Naturally, as a reflection of all of this, we

have to highlight, is the evolution in our deposit portfolio, which places us in the leading ranks of institutions who, like ourselves, began heading down this path over the last year but also with some other establishments displaying long track records.

According to the monetary statistics, in terms of deposits, we moved from 26th place in late October 2015 up to 18th on 30 June 2016 out of the group of 28 banks making up the system.

What strategic actions has your bank defined to face the current challenges from the economic context and exchange rate instability?

The current economic and exchange rate context is driving change in the diversity of supply and demand for banking products and services to the extent that the exchange business was, beyond the main source of generating revenues to banks, an instrument for attracting and retaining clients and thus causing enormous challenges to banks as they strive to encounter other alternative sources for the application of their resources. Taking into account the fact that Banco YETU having only begun its activities within this context of economic recession and exchange currency scarcity, its initial action strategy remains valid and essentially focused on the application of resources in public debt instruments and in loans to companies and households. We are absolutely aware that the viability of the bank does not have to opt for the exchange rate business but rather for credit despite being convinced that a large part of credits granted have an implicit exchange rate component even if no more than for the creation of

fixed capital and, hence, there is a causal relationship that should not be ignored. Unfortunately, despite all the efforts, the credit to the economy has not had the performance we expected due to a set of restrictions, the majority of which are exogenous in character and among which we have already referenced the dependence on currency and added to the quality of the proposals and their shortage of due guarantees. In order to overcome this latter limitation, the bank is finalising its application for Angola Investe membership and hopes soon to be able to count on this instrument to leverage its growth in credits to the economy.

What are the core goals and objectives of your bank until the end of 2017?

Banco YETU emerged as a bank of excellence in the provision of financial services and in its relationship with all actors in the system seeking to be a market benchmark as regards pillars such as solidity, transparency and responsibility. Thus, from the commercial point of view, the bank is considering the implementation of its expansion plan in a prudent fashion guaranteeing the constant equilibrium between investments in physical infrastructures and the maintenance of an asset ratio of own funds compatible, balanced and flexible in its variations in accordance with the conjuncture through the development of electronic banking solutions and strategic partnerships that meet our objectives of client proximity without this necessarily extending to any direct physical presence.

As regards the management of financial resources, the bank is to continue adopting a rigorous policy for asset and liability management that ensures the ongoing equilibrium between the balance sheet structure, especially the prudential indicators and for financial equilibrium and that simultaneously guarantee the preservation of the higher interests of our clients and shareholders.

What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

In whatever the part of the world, the banking system performs a fundamental role in boosting economic growth taking into consideration its function as an intermediary between economic actors, savers and the contractors of loans. In our country, this importance proves still greater given the still incipient role played by the capital markets as alternative sources of financing economies. The current socioeconomic context of the country contains, from our perspective, a window of opportunity to rebalance the positioning strategies of Angolan banks, commonly focused on exchange rate operations across two vectors that we believe have not yet been duly promoted and encouraged among citizens within the scope of the range of savings products available to its private clients and the provision of credits to the small and medium sized companies with the potential to develop levels of national production.

Finibanco Angola

Improving the internal organisation regarding processes and operational procedures



António Pontes
President of the Executive Commission

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

The slowing of economic activities led the bank to constrain its commercial dynamics, enabling the placing of its main focus on consolidating the robustness of its Corporate Governance and Internal Control Systems, placing Finibanco in keeping with the current demands for banking supervision and the international standards in effect. We would also highlight the following other aspects: the setting up of support committees for the Board of Directors both for Internal Control and for Risk Management; the improvement of the internal organisation of the bank in terms of the processes and internal operational methods, backed by a plan to strengthen the empowerment of employees to enable improvements to the quality of services provided to clients; the preparation of the bank for the new challenges resulting from the regulatory requirements inherent to the full adoption of IAS/IFRS as from 2016; the internal development of a Calculation Model for the credit losses stemming from imparities; accompanying the legal and regulatory requirements designed to strengthen the mechanisms for combating money laundering and financing terrorism, acquiring to this end the AML IT tool that was deployed as the main support tool for the daily tasks involved in the compliance function; the negative impacts of the national currency shortage on international banking activities as a result of the sharp slowdown in imports into Angola; finally, I would highlight the great efforts made by the bank in calculating the economic

imparities of its assets and thereby endowing Finibanco with a substantial improvement in the quality of its balance sheet in an effort that dates back to 2014 and that has continued in 2016.

What strategic actions has your bank defined to face the current challenges from the economic context and exchange rate instability?

Since the third quarter of 2014, Finibanco has become adjusted to the new economic reality of Angola stemming from the hefty fall in the price of oil and correspondingly altering, to the greatest extent possible, our approach to the market. Since the beginning of this new economic cycle, the downwards trend that our economic-financial analysis identifies for Angola points to a relatively long period of difficulties, some three to four years. In this perspective, we decided to slow the pace of our commercial activities then under development (which enabled the bank to triple its market share between 2012 and 2014), altering the bank strategy towards greater demands in terms of the business projects supported, specifically improving the quality of risk analysis and the guarantees associated. I would highlight the following as the most important aspects. At the level of credit: the prevention and mitigation of credit risks that gained a more closed "sieve" for the analysis of operations; greater attention to the recovery of matured credits, with greater emphasis on strengthening the guarantees provided; and pre-empting (for the fourth quarter of 2014) the calculation of credit imparities. In terms of resources: the preservation of a portfolio without raising the medium term costs in defence

of a healthy financial margin. In terms of offsetting the balance sheet exchange rate exposure: strengthening the assets indexed to strong currencies, increasing the Angolan state debt portfolio displaying this characteristic and enabling us to simultaneously comfortably accommodate the regulatory requirements both in terms of exchange risks and the necessary reserves.

This set of measures enabled Finibanco to advance towards an increasingly solid balance sheet without impacting on profitability, thus preparing for the challenges of the new positive economic cycle to come that we believe will appear shortly and may extend through to 2020-2022.

What are the core goals and objectives of your bank until the end of 2017?

The new challenges Angola faces, the diversification of economic activities, which require an oil price substantially higher than that which is currently in effect. Without greater currency revenues, Angola faces difficulties in launching new projects, whether agriculture or industrial, as any such project, prior to reaching cruising speed, is going to need to import: raw materials, fertilisers, light machinery and other accessories necessary to the functioning of such companies. Furthermore, as is known, one of the most important factors of production of any economic activity is the cost of energy and, as is also known, this objective (cheaper energy) still remains somewhat distant from that desirable. Hence, the price of oil factor, at this moment, is crucial to Angola for leveraging economic growth. The adjustment between supply and demand

that shall permit an improvement in price is underway but still remains a long way short of that desirable. We believe that the disinvestment that the oil industry has experienced since the fourth quarter of 2014 will continue to have impacts into the second half of 2017 and only with a greater reliability of recovery in 2018. With this scenario, and despite not yet having concluded our analysis of the plan for 2017, it would seem to us that we might only be slightly more optimistic than in 2016.

What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

In any economy, developed or under development, banking represents a fundamental factor to the economic and social development of a society and Angola proves no exception. Over the last 12 to 15 years, Angolan banks have provided decisive support to the economic and social growth of the country and we are certain that this support shall continue to grow just as soon as the macroeconomic scenario allows for this. Nevertheless, there is one aspect in which the bank/business relationship will have to evolve, specifically in terms of the preparation of solid investment projects that enable the bank to render support without jeopardising any of its responsibilities towards banking sector supervision.

Standard Bank Angola

Attract new clients, ensure loyalty of existing ones and provide a service of excellence



António Coutinho
President of the Executive Commission

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

The success of the bank may not be attributed to any significant action but rather to a multiplicity of actions in combination that have enabled us to overcome market difficulties.

As our main focus is our clients, and with the objective of simplifying the way in which we deal with bank transactions, we introduced a working flow system with the objective of inspecting all such transactions.

This new work flow aids us in improving internal efficiency, with benefits to clients, with faster response times and greater precision in the handling of transactions. We would also highlight the prudent management of our liquidity that guaranteed the bank was able to honour countless requests, for example, the payment of suppliers and transfers for imports.

All of these actions resulted in an increase in market share, profit and a greater return on the bank's capital, with evidence of this reflected in the various awards won in the final months of 2016, in particular: Best Provider of Exchange Rate Operations in Angola, Best Investment Bank in Angola and Best Provider of Treasury and Cash Flow Management in Angola, attributed by the prestigious financial publication Global Finance.

We are furthermore carrying out investments in our IT infrastructures with the objective of improving the provision of our products and services and responding more effectively to the rising number of requests from our clients.

What strategic actions has your bank defined to face the current challenges from the economic context and exchange rate instability?

Faced with the current economic and exchange context, our strategy remains continuing to raise our exposure to risk assets. However, even with a reduced credit portfolio and made up of the low risk assets selected, impacting directly on the liquidity and the funding available for investments, such as government bonds, have resulted in greater profitability for the bank. This means that even with the economy in contraction there are opportunities to do business in Angola. And as an example of exactly this, Standard Bank Angola has available a line of credit, in the national currency, equivalent to 100 million US dollars to support growth and diversification processes in the Angolan economy.

Good policies and risk management procedures implemented over the course of recent years in our institution have ensured our capacity to overcome and mitigate the risks today faced by the Angolan banking sector.



What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

The role of banks is fundamental to the growth of the economy as financing individuals and companies with solid criteria generates opportunities for the different productive sectors.

Banking also plays an important pedagogical role as better informed clients are better able to do good business and generate more wealth for the country. Banking and the private sector of the country are two fundamental pieces to implementing the process of diversifying the Angolan economy and, as such, the partnerships established need basing on transparency, credibility and confidence.

What are the core goals and objectives of your bank until the end of 2017?

Until 2017, Standard Bank Angola seeks to continue to drive improvements in services as regards satisfying the needs and expectations of clients. Attracting new clients and securing the loyalty of existing clients and providing a service of excellence, ensuring we stand out from the competition and in this way building our market share.

We also aim to continue investing in digital channels as such represent the future of banking given the simple, swift, easy and safe means of carrying out a range of banking operations.

Standard Chartered Bank Angola

Strategic opportunity to focus on risk management



Miguel Bartolomeu Miguel
President of the Executive Commission

In the last 12 months, what key aspects would you like to highlight about the activity and performance of your bank?

Regarding our activities, the bank maintained its strategy unaltered, concentrating on our regular clients with a special focus on those who in fact do add value and providing them with ever bigger and better services.

We opened new avenues as regards the constant new efforts to diversify the portfolio of products and services. In this, our third year of operations, our performance has remained above expectations despite the challenges present. We believe that our business model and our operational model, conjugated with thorough management based on the optimisation of resources, contributed significantly to this performance.

We strengthened the pillars of our market actions so that 2016 may once again exceed our expectations but always with the realism that these impose.

What strategic actions has your bank defined to face the current challenges from the economic context and exchange rate instability?

Our clients are at the top of our priorities and given a strategy of dialogue and constant communication, we have been able to work together to find solutions. We have been adapting the operational model and the sources of resources to the changes imposed the economic and financial conjuncture prevailing. Furthermore, the current context presents us with a strategic opportunity to concentrate on risk management within an environment of reduced economic activities and changes in the monetary, exchange rate and budgetary policies of the country. We stand on the front line of risk management because we believe that it is not possible to gain a sustainable business should these risks not be considered and, above all, if there is no effective ambience of risk management control and mechanisms for their mitigation. Efficient risk management is our license to continue doing business. We readjust certain business parameters and processes and strengthen our operational capacities based upon digitalisation initiatives generating still further efficiencies and productivity in order to meet the challenges handed down both by regulation and changes in the macroeconomic situation.

What are the core goals and objectives of your bank until the end of 2017?

- Maintain the momentum of 2016 and the trajectory of moderate growth despite the current macroeconomic constraints;
- Continue to invest in the diversification of services;
- Expand the range of clients taking into consideration their profile without raising any risks of concentration;
- Boosting the resources and diversifying the sources of funding;
- Strengthening the ambience and the measures for the internal control of risks.

What do you consider to be the role of the banking sector in boosting the Angolan economy and in the financial inclusion of the private sector?

Banking holds a crucial role in the dynamism of the Angolan economy and the financial inclusion of its business class.

This "marriage" represents a fundamental facet.

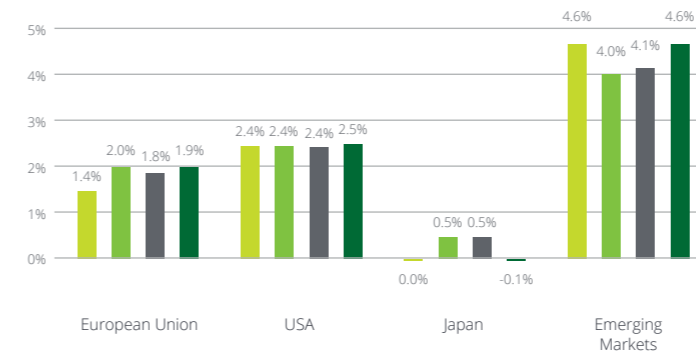
The big businesses develop alongside the banks and the large companies have banks behind them able to guarantee that they finance the medium and large projects that the country needs for its growth across various sectors of activity.

Banks should perform a leadership role in this process that extends to the requirements necessary so that this relationship proves effective.

However, it is necessary to ensure that both parties are in financial good health and undertaking sensible and prudent management to such an extent that each may comply with their commitments. The supervisory authority are called on here to play their parts to the extent of their attributed roles, preventing abuses of dominant positions and non-compliance with regulatory requirements, fostering competitiveness and improvements to the banking services provided to clients and also stimulating expansion to ensure coverage and the specialisation of banking in financing the productive sector of the real economy.

Macroeconomic framework

Evolution of Real GDP (2014 - 2017)

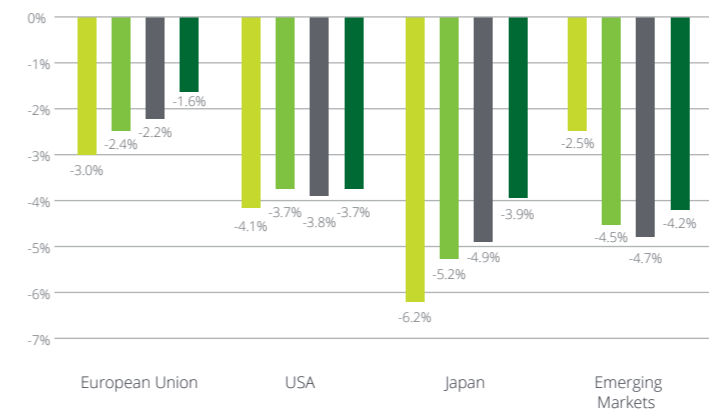


Caption

■ 2014 ■ 2015 ■ 2016 (E) ■ 2017 (E)

Source: IMF - World Economic Outlook 2016

Public Deficits (2014 - 2017)



Caption

■ 2014 ■ 2015 ■ 2016 (E) ■ 2017 (E) Unit: GDP Percentage

Source: IMF - World Economic Outlook 2016

Introduction

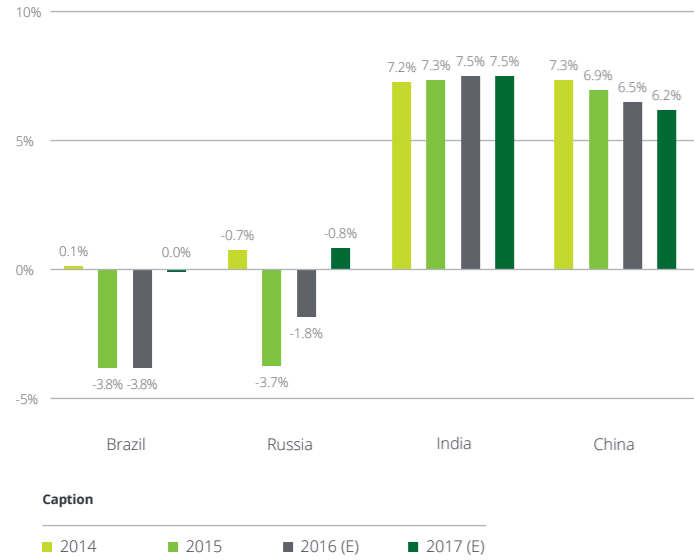
The currently prevailing levels of uncertainty have contributed to delaying the resumption of world economic activities. Despite the growth observed in the leading developed economies, there are imbalances in emerging markets above all determined by the trends in the oil market that have contributed towards a global economic slowdown in 2015. We estimate that in 2016 the growth rate will remain flat with prospects for an acceleration in 2017 as a result of the recovery in emerging markets.

The European Union economy has displayed a rise in economic growth with an increase of 2.0% in 2015. According to data made available by the IMF, this growth rate will be maintained over the forthcoming two years.

Furthermore, the rise in growth on 2014 has been driven by ongoing reforms of production and labour markets that have contributed towards boosting the competitiveness of companies within a context of low energy prices and a more efficient allocation of productive resources. Simultaneously, there are also expansionist fiscal policies in some countries serving to boost internal demand and thus fostering greater economic stimulus within the European Union.

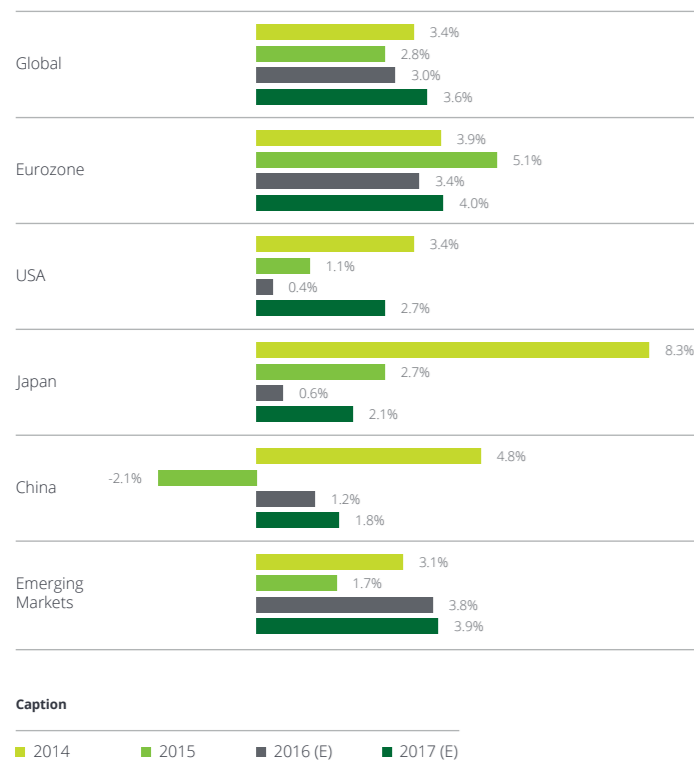
On the other hand, there are growing geopolitical tensions in the European Union justified above all by the flow of migrants and the rise in terrorism attacks. Beyond the capacity to take in the migrants, with the Eurozone labour market getting put to the test, these factors contribute to raising the scepticism as regards economic and political integration, especially following the departure of the United Kingdom from the European Union. Throughout forthcoming months, there should be a better understanding of the real medium and long term impacts of this exit. Simultaneously, there is the trend towards ageing populations and low levels of growth in the factors of production.

Real GDP evolution in BRIC countries (2014 - 2017)



Source: IMF - World Economic Outlook 2016

World Trade – Evolution of exports (2014 - 2017)



Source: IMF - World Economic Outlook 2016

In the United States, the perspective is for the maintenance of economic growth at a moderate pace supported by more efficient labour markets, a general improvement in the financial positions of institutions and a recovery in the property markets. Simultaneously, the reduction in the economic stimulus carried out by the Federal Reserve in 2015 testifies to the robustness of the North American economy. In Japan, following zero growth in 2014, there was an increase of 0.5% in Gross Domestic Product in 2015 with the perspective of this continuing into 2016 according to the latest data available from the IMF. However, the rise in the consumption tax by two percentage points will result in a contraction in 2017.

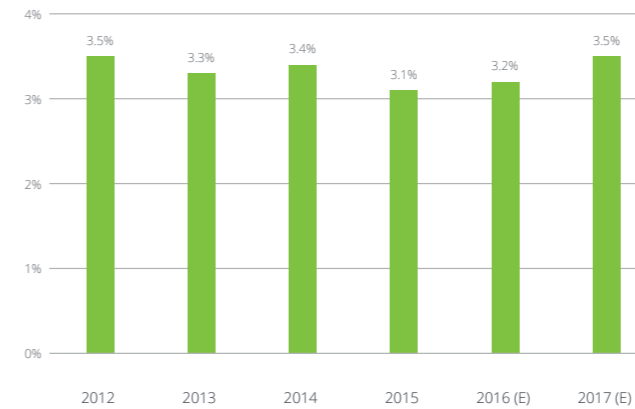
In China, there is an ongoing economic transition characterised by more balanced economic growth that contrasts with the growth leveraged by investment and the granting of credits registered over the last decade and thus witnessing a rebalancing of the economy. Consequently, and taking into account its relevance, the slowdown in growth in the Chinese economy influences the terms of world trade especially in terms of trade channels and the prices of goods and commodities.

In 2015, the developed economies recorded economic growth of 1.9% due to be maintained in 2016 according to figures published by the IMF.

As regards emerging economies, the trends registered in the oil market contributed towards the macroeconomic imbalances that drove contractions in both investments and imports in 2015.

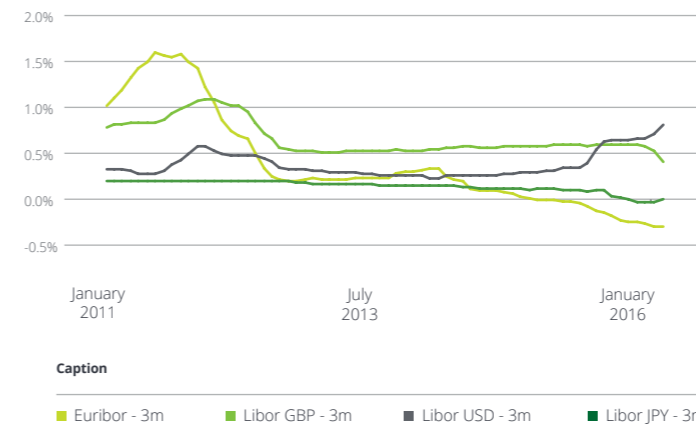
The current economic context reinforces the need to apply policies that safeguard growth in the short term and also raise the potential for production while managing the vulnerabilities existing.

Evolution of the world's real GDP (2012-2017), total of 189 countries



Source: IMF – World Economic Outlook 2016

Interest rates (2011 - 2016 YTD)



Source: ECB, Federal Reserve Economic Data

Key macroeconomic indicators

Gross domestic product

The current imbalances in emerging markets have influenced the trend in global Gross Domestic Product that in 2015 registered growth of 3.1%, a rate inferior to that observed in 2014. However, in 2016, the prospect is for a return to global economic growth that will pick up further speed in 2017 accompanying the positive trends in the emerging markets and stability in the developed economies.

In 2015, the concentration of the world domestic product rose year-on-year with 5% of countries accounting for 67% of world GDP. In 2016, the outlook is for a one percentage point rise in this figure.

The United States of America, China, Japan, Germany and the United Kingdom remained the five largest world economies in 2015 and forecast to retain their positions in 2016.

Interest rates

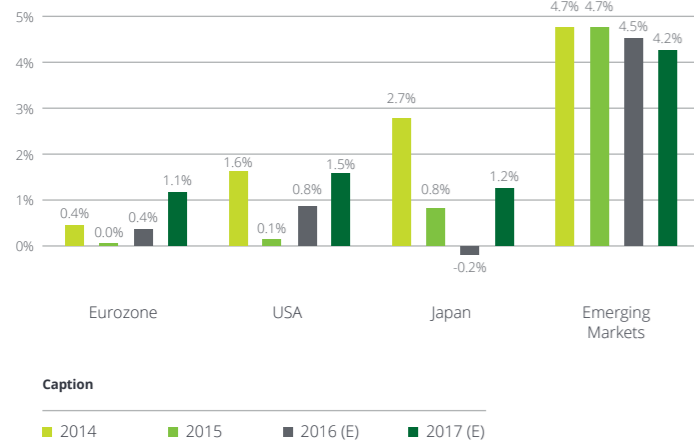
Given the current context, the leading central banks around the world have enacted differentiated monetary policies to offset the difficulties experienced.

In March 2016, the ECB reviewed its reference rate downwards to a historical minimum along with its refinancing rate. In addition to these measures, the ECB also cut its deposit rate and intensified its monthly purchase of assets that, as from June 2016, began to include corporate bonds thus further boosting the stimulus provided to the Eurozone. We would note that the 3-month Euribor rate has been in negative terrain since May 2015.

In December 2015, the Federal Reserve raised the reference interest rate for the first time since 2009 thus reflecting the economic recovery seen in the United States of America.

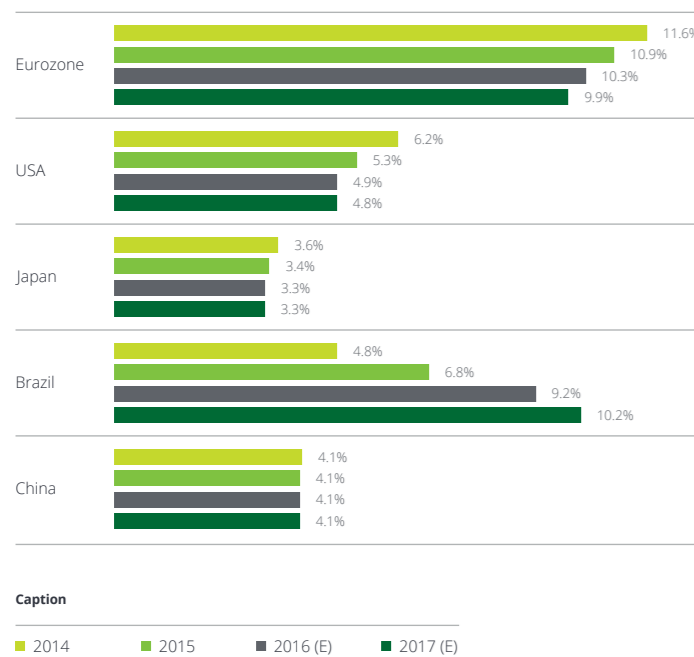
In Japan, the reference interest rate was moved downwards with a negative rate introduced on the marginal excess of reserves in January 2016 in order to stimulate the concession of credit, boost private consumption and offset deflationary pressures.

Inflation rate (2014 - 2017)



Source: IMF – World Economic Outlook 2016

Unemployment rate (2014 - 2017)



Source: IMF – World Economic Outlook 2016

Inflation rate

In 2015, there was a decline in the inflation rate for the bulk of the developed economies. This behaviour reflects the decrease in the price of goods and the dissipation of the effects of exchange rate depreciations.

In developed economies, the global average inflation rate stood at 0.3% in 2015, the lowest since the financial crisis. Nevertheless, the base inflation rate remained relatively stable (1.6%-1.7%) and thus representing a value that came in below forecast estimates.

According to data provided by the IMF, the prospects are for a gradual reduction of inflation rates in emerging markets. This evolution remains conditioned by the decrease in the price of oil and goods. However, in countries such as Brazil and Russia exchange rate depreciations more than compensated for the low prices of goods and driving an increase in the inflation rate.

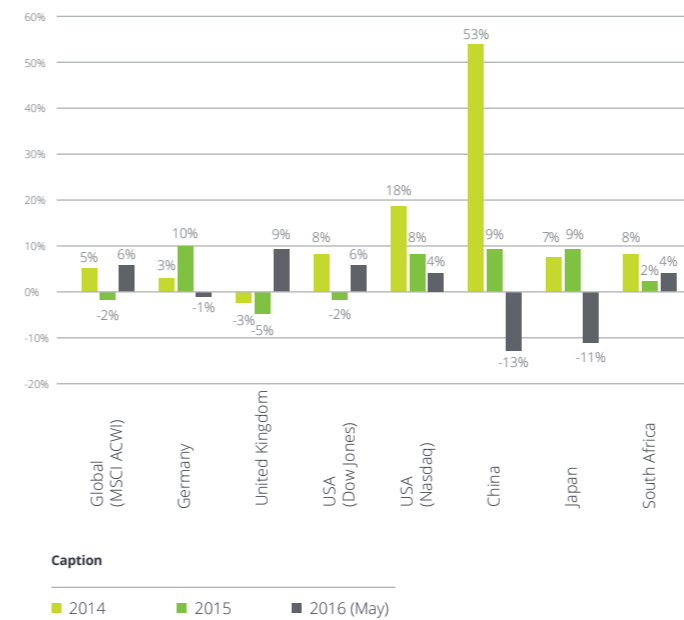
Unemployment rate

By keeping with the trajectory of growth observed in the reference developed economies as well as the implementation of labour market reforms, there has been a gradual correction in the unemployment rate in the Eurozone, the United States of America and Japan, which registered its lowest unemployment rate for the last two decades in 2015. In China, the unemployment rate remained steady throughout 2015 with a two percentage point rise in Brazil. According to data from the IMF, the prospects are for these movements to continue through 2016 and 2017.

The improvement displayed by the main developed economies reflects the implementation of labour reforms that led to increased efficiency in the allocation of productive resources and the correction of the erosion in qualifications as well as long term unemployment and youth unemployment.

¹Contrary to global inflation, base inflation adjusts for seasonality and the products with greatest price volatility, such as foodstuffs and energy.

Evolution of equity markets (2014 - 2016 YTD)



Source: Bloomberg, MSCI

Financial markets

After having experienced gains in the main share markets worldwide in 2014, there was a generalised slowdown in 2015 with the exceptions of only Germany and Japan. In the first eight months of 2016, there was no homogenous trend in global share markets even while there was a devaluation in Germany and the Asian markets with higher levels of capitalisation. The global trends were captured by the MSCI All Country World Index, a composite index made up of firms from 23 developed countries and 23 developing countries. While having experienced a gain of 5% in 2014, this index slowed in 2015 while nevertheless having displayed a recovery in the first five months of 2016.

The trends in the share markets have been accompanied by the maintenance of low interest rate levels associated with the treasury bonds of the main economic zones and actually having entered into negative terrain in Germany and Japan in the first six months of 2016.

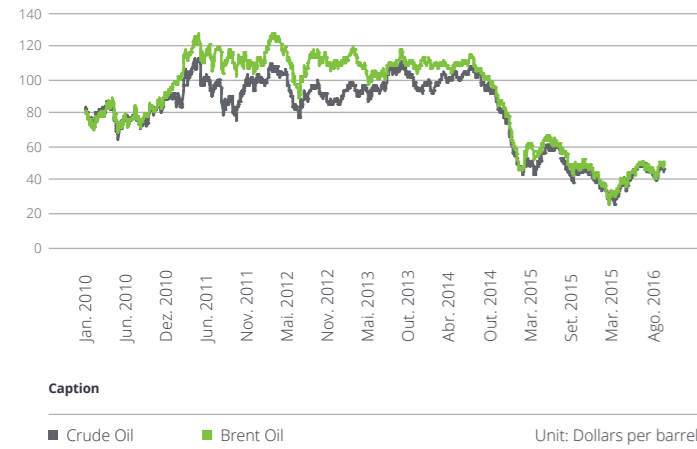
This development reflects fears felt by the financial markets regarding the persistence of the slowdown in global growth alongside the outlook for the leading economies in a context marked by high levels of debt and low inflation.

Treasury Bonds, 10 years (2007 - 2016 YTD)



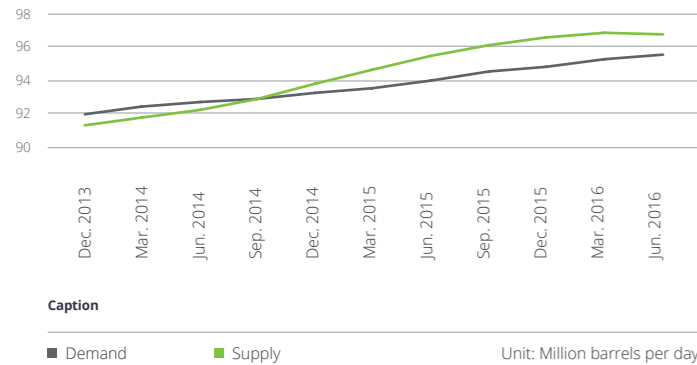
Source: Bloomberg, MSCI

Oil Prices (2011 - 2016 YTD)



Source: US Energy Information Administration

World Oil Supply and Demand, moving average of 1 year (2013 - 2016 YTD)



Source: International Energy Agency

Oil

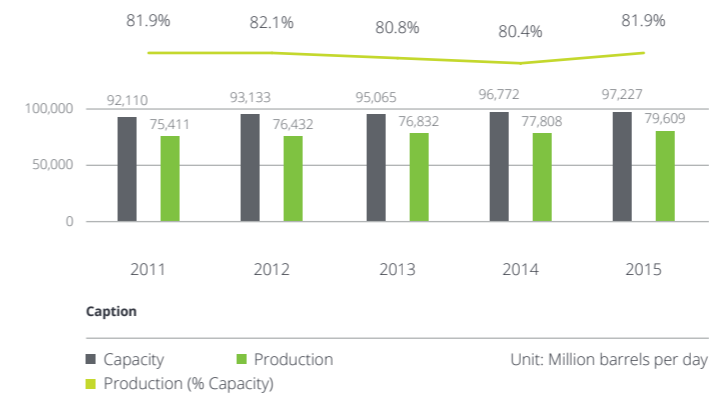
The evolution in the price of oil has registered a decline that extends back to June 2014 and contributing towards a shift in the world macroeconomic framework and resulting in imbalances in the oil exporting economies. The price of oil slumped by approximately 50% year-on-year in 2015. Underlying this decrease was the occurrence of a rise in the supply of oil, less demand and the gradual improvements in energy efficiency.

Even though at a slower pace than that observed in 2014, the slump in the price of oil continued through to January 2016 when there did begin a gradual increase in oil prices. This recovery came about due to unexpected falls in the production of Nigeria, down to lows of two decades, as well as in other OPEC members, Canada, the United States and China. Simultaneously, the beginning of 2016 saw some speculative movements in oil prices by financial institutions that also contributed to the price of this good rising.

Complementarily, the trend in the price of oil is determined by the behaviour of the supply and demand curves for oil at the world level with a visible tightening of the curves in the first quarter of 2016, a period which saw the beginnings of a rise in the price of oil.

Similarly, the trend in prices in the futures market assumes a gradual pick up in the price of oil as from 2017.

Capacity and Production of World Refineries (2010 - 2015)



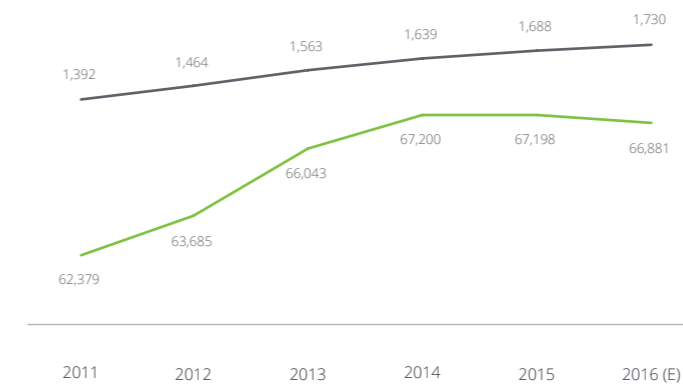
Source: BP – Statistical Review of World Energy 2016

In 2015, there was an increase in the productive capacity and the productivity of refineries on the global level. This nevertheless highlights a greater rise in production versus the rise in capacity. Hence, this reflects an increase in productivity for the first time in three years.

Segmenting productivity by the various geographic regions, the most efficient region in 2015 was North America, where production attained 87% of capacity, presenting a decrease of 1% on 2014. At the opposite end of the table, productivity ranked at 58% in Africa, down 5% year-on-year.

Angolan economic framework

Evolution of real GDP (2011 - 2016)

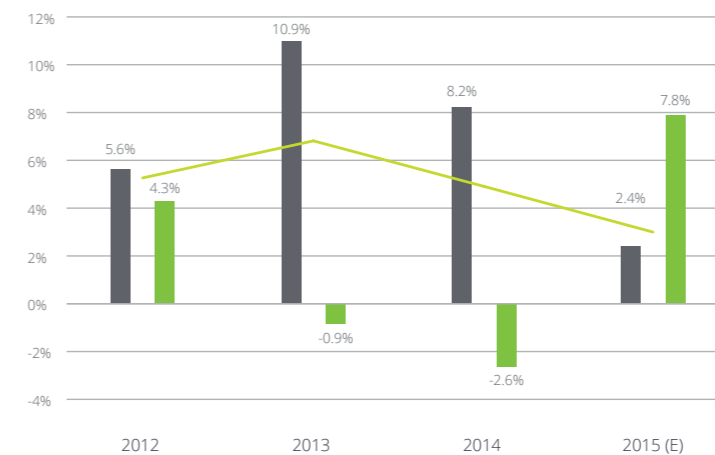


Caption

■ GDP (billion AKZ) ■ GDP per capita (in AKZ)

Source: IMF - World Economic Outlook 2016

Evolution of oil and non-oil real GDP (2012 - 2015)



Caption

■ Non-oil sector ■ Oil sector ■ GDP

Source: 2016 State Budget Supporting Report

Introduction

Despite having recorded lower levels of growth in 2015 than in previous years, Angola still registered a rise in its Gross Domestic Product that may not prove the case in 2016 according to data published by the IMF.

The economic downturn in 2015 reflects the impact of the fall in the price of oil on the Angolan economy, which still displays a notable level of dependence on oil sector activities, resulting in a decrease in fiscal revenues and consequently in the reduction of investments and internal demand. Complementarily, there was a slowdown in the growth in China, the main commercial partner of Angola, which led to a worsening in its trade balance.

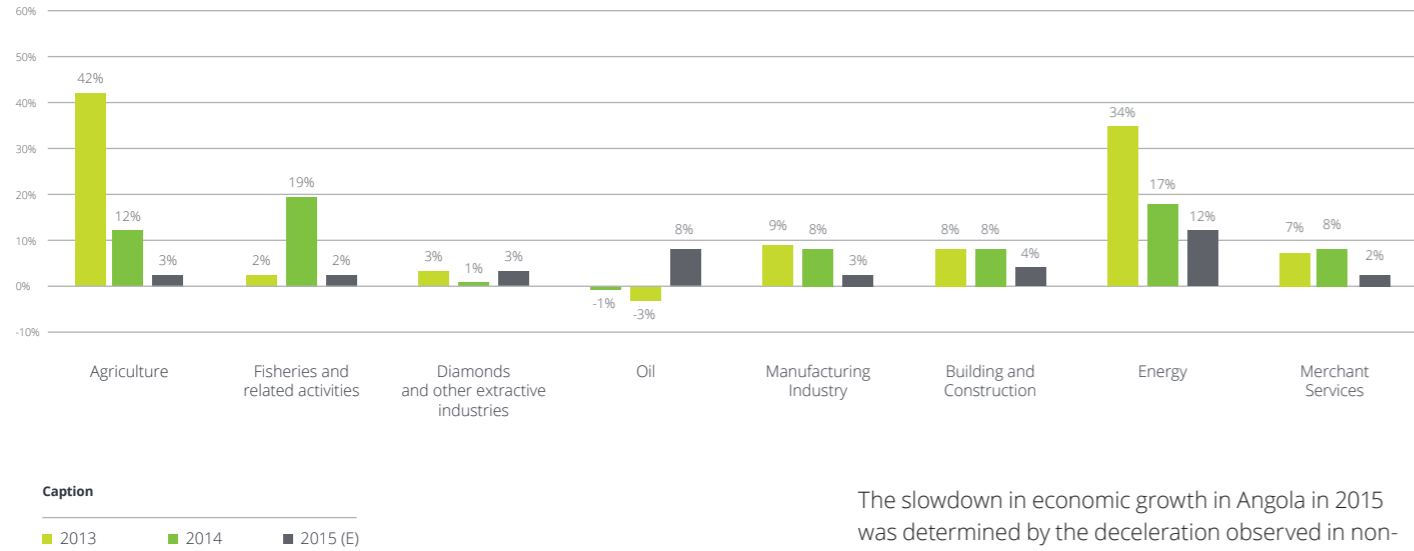
As a means of responding to this alteration in the macroeconomic context, the National Bank of Angola maintained its policy of exchange rate devaluation in 2015 thus seeking to boost national competitiveness. This monetary policy has contributed to a rise in the inflation rate.

Key macroeconomic indicators

Gross Domestic Product

In 2015, the Angolan economy registered a slowdown in the growth of its GDP despite growth in the oil sector courtesy of greater productive efficiency and undertaking new projects.

GDP evolution per activity sector (2013 - 2015)

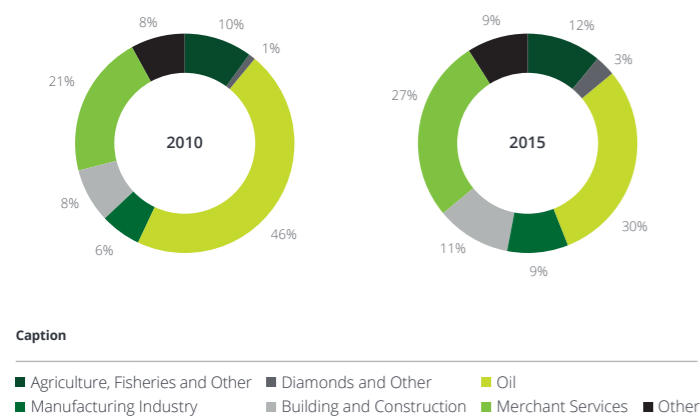


Source: 2016 State Budget Supporting Report

The slowdown in economic growth in Angola in 2015 was determined by the deceleration observed in non-oil sectors. Thus, this highlights the reduction in the rate of Gross Domestic Product growth in practically every non-oil sector with the exception of energy that returned an impressive growth rate (12%).

The decrease in private consumption and public investments and the shortage of currencies, the lack of goods, the difficulties in obtaining bank credits and loans and the excessive bureaucracy contributed towards the deterioration of the economic framework and hindering any dynamism in the non-oil sector.

Structure of the economy (2010 - 2015)



Source: 2011 BNA Annual Report and 2014, 2016 State Budget Supporting Report

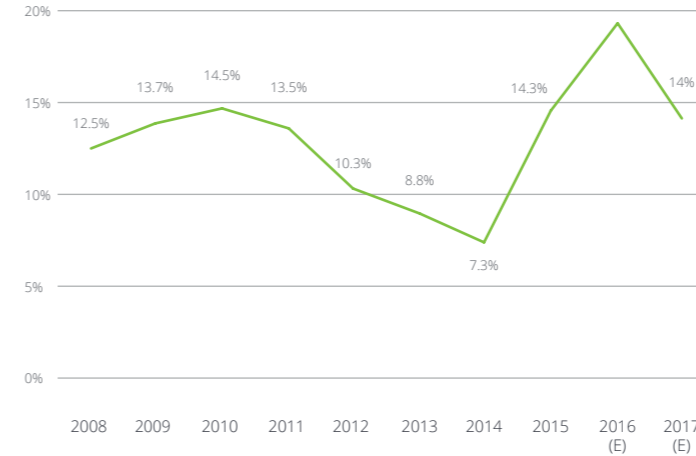
Economic structure

Representing one of the pillars to the sustainability of growth in Angola, the process of economic diversification is becoming a reality.

This re-balancing of the economy has brought about oscillations in the contribution made by the oil sector to the economic structure and undergoing a reduction in the last five years.

Nevertheless, this still requires the structural reforms able to bringing about greater diversification and in this way reducing the national exposure to the volatile oil market.

Year-on-year inflation rate in Angola (2008 - 2017)



Source: IMF - World Economic Outlook 2016

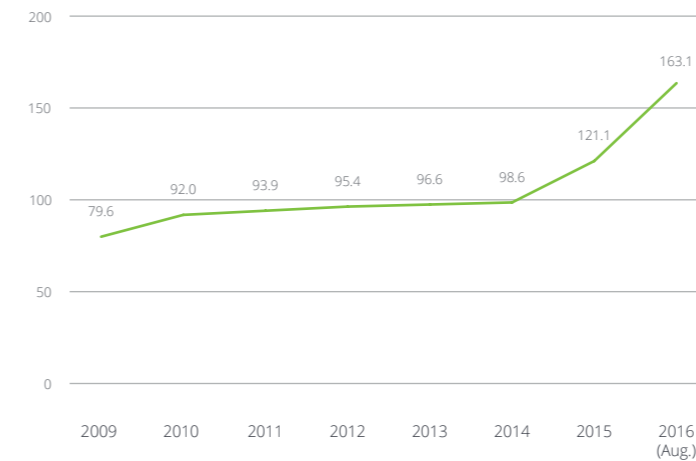
Inflation rate

In the contrary direction to that observed in recent years, 2015 registered a rise in the inflation rate to 14.3%. According to data made available by the IMF, the prospects are for another year of inflation rising in 2016 followed by reductions in 2017.

The rise in the inflation rate essentially stems from the devaluation of the Kwanza. In addition, there was an increase in the consumer tax on some imported goods as well as cuts in fuel subsidies, rises in the price of domestic gas and an increase in the drinking water supply charges in some cities. These factors also helped stoke the inflation rate into double digit terrain in 2015.

The evolution of the economic context in Angola will only contribute to fostering inflationary pressures in 2016 and 2017.

Exchange Rate (2009 - 2016 YTD)



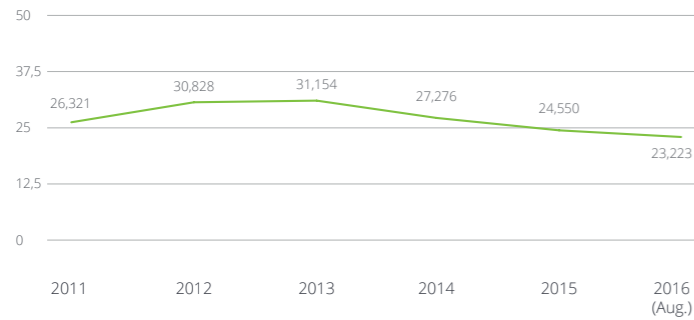
Source: BNA

Exchange rate

Despite a tendency towards a maintenance of exchange rate devaluation as observed in recent years, the pace of this devaluation picked up speed in 2015. Correspondingly, the first eight months of 2016 registered a historical minimum in the official rate for the Kwanza against the Dollar.

Nevertheless, the interval between the official market rate and the parallel market rate remained substantial with this expected to remain in effect in 2017. The capacity of the BNA to support the Kwanza through interventions in the market shall depend on the level of currency reserves available.

Net International Reserves (2011 - 2016 YTD)

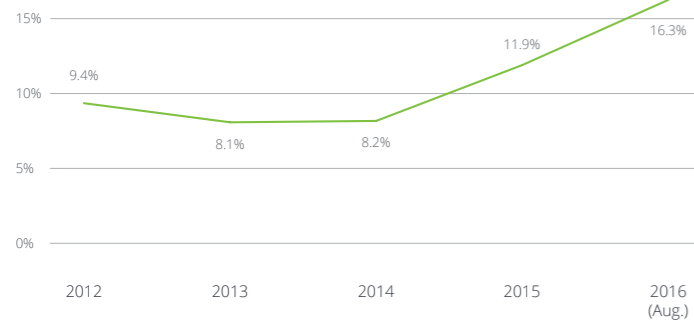


Caption

Unit : Million US Dollars

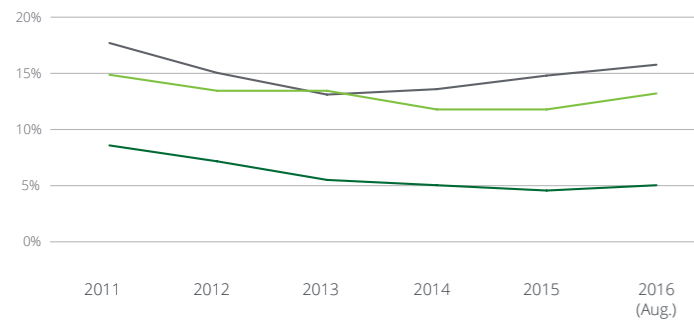
Source: IMF – World Economic Outlook 2016

3-month LUIBOR rate (2012 - 2016 YTD)



Source: BNA

Interest Rate (2011 - 2016 YTD)



Caption

■ Loan to non-financed companies ■ Loans to privates ■ Term deposits

Source: BNA

Net international reserves

Continuing the trend observed since September 2013, the net international reserves have declined and continuing a downward trend until 2015. In the first eight months of 2016, this trend continued in effect and, according to data published by the Economist Intelligence Unit, with pressures continuing to push downwards due to the effects of the prolonged period of low oil prices.

In order to mitigate the shortage of foreign currencies, the government implemented a set of measures that enabled the maintenance of a favourable balance of foreign reserves at a minimum level of six months of import coverage. Correspondingly, there were alterations to the obligatory reserves held in the national currency and the requirement to set up holding accounts in Kwanzas at all commercial banks registered with the BNA. Additionally, criteria were also introduced to provide priority over accessing foreign currency with other alterations including changes to the operational rules for foreign exchange establishments and the adoption of restrictive measures such as the reduction in the maximum quantities of currency that may be taken out of the country.

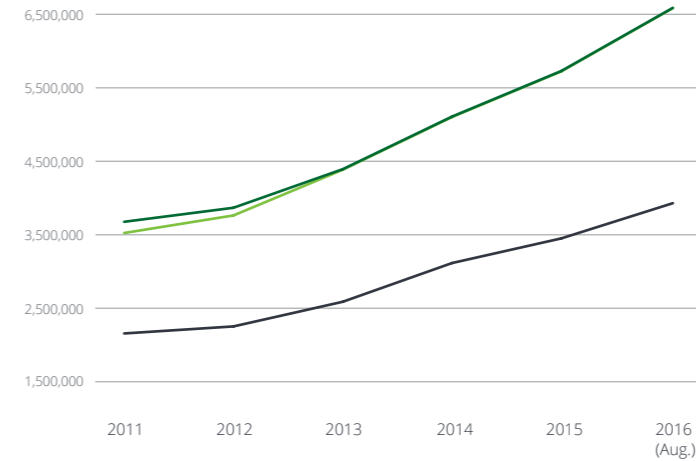
Interest rates

In order to encourage savings and constrain consumption, the BNA has been raising the BNA rate (the reference rate in Angola). Subsequently, there were also increases in the rates for granting bank liquidity.

This type of instrument plays a determining role in the formation of interest rates by interbank money markets. Consequently, there was a corresponding rise in the LUIBOR rate in 2015. This was also accompanied by a reduction in interbank market operations.

In 2015, there was a slight rise in interest rates on loans to non-financial companies. In turn, the interest rates on loans to individual and on term savings deposits remained relatively stable.

Money Supply (2011 - 2016 YTD)

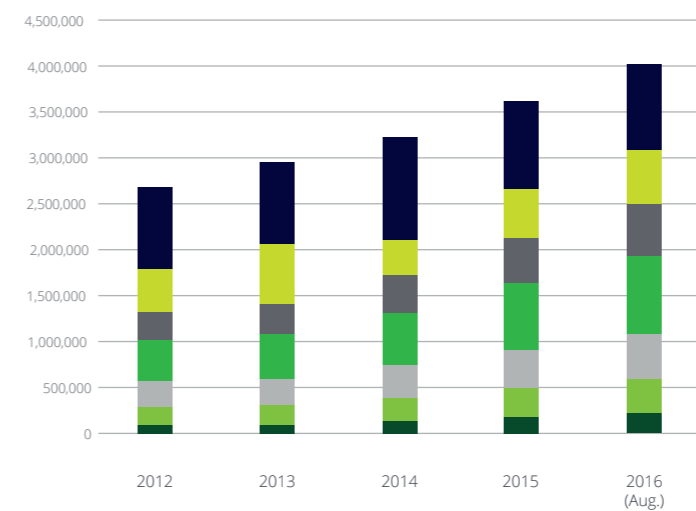


Caption

■ M1 ■ M2 ■ M3 Unit: Million Kwanzas

Source: BNA

Credit to the economy by sector of activity (2012 - 2016 YTD)



Caption

■ Agriculture and Cattle Farming ■ Transport Industry ■ Construction ■ Commerce ■ Real Estate Activity ■ Services ■ Other

Source: BNA

Money supply¹

The rising trend in the money supply mass continued in 2015, having registered a 12% advance on the total registered in 2014. The variation by the monetary aggregates displayed relative homogeneity with a variation of 10% in M1 and 12% in the M2 and M3 items.

Credit to the economy by sector of activity

According to the information published by the BNA, in 2015 there was annualised growth of 12% in credit to the economy. Furthermore, this then registered another 12% surge over the first eight months of 2016, an amount equal to the whole of 2015.

The commercial sector was the leading item in 2015 having accounted for 20% of the total of loans granted. Nevertheless, the sector turning in the greatest rise in credits granted in 2015 was the service sector with a rise of 35% on 2014.

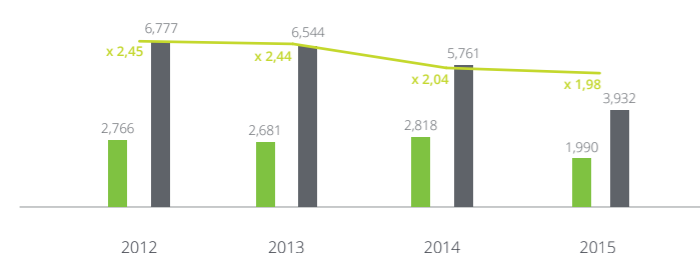
¹ Monetary Mass is composed of M1, M2 and M3:

M1 (Currency): covering the notes and coins in public circulation, plus the deposits made by companies, private citizens, and the local government in both the national currency and in international currencies.

M2 (Currency + almost Currency): M1 + the term deposits of companies and citizens, in the national currency and in international currencies plus other obligations held in international currencies by companies and citizens.

M3 (Means of Payment): M2 + Other Financial Instruments, representing bonds issued by the central bank held by private entities as well as the loans and repurchase agreements, whether in the national currency or in international currencies, held by citizens and non-financial private companies.

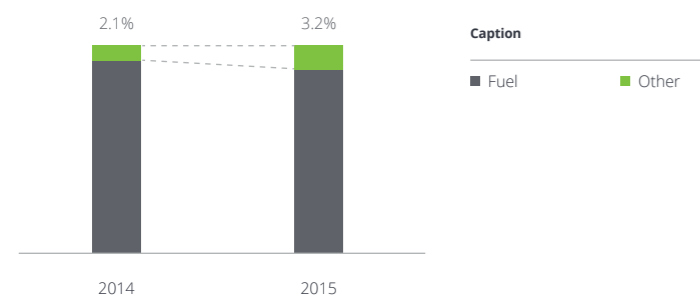
Trade Balance (2012 - 2015)



Caption
 ■ Imports ■ Exports Unit: Million kwanzas
 ■ Coverage rate

Source: INE - Annual Foreign Trade Statistics 2013 and 2015

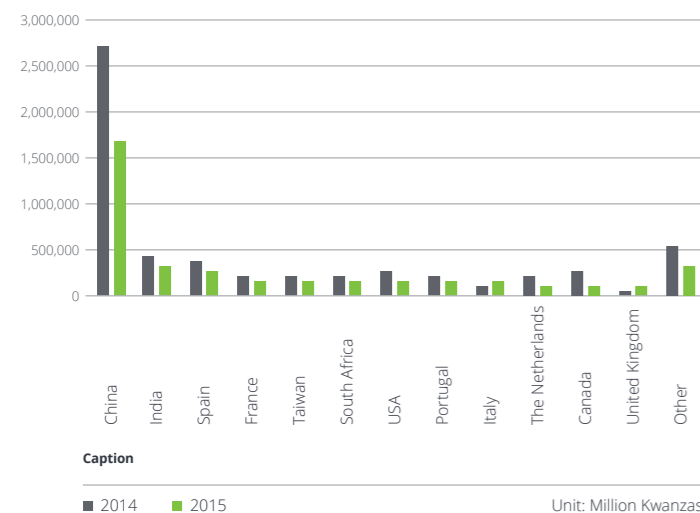
Exports per Groups of Products (2014 - 2015)



Caption
 ■ Fuel ■ Other

Source: International Energy Agency

Exports per Main Partners (2014 - 2015)



Caption
 ■ 2014 ■ 2015 Unit: Million Kwanzas

Source: INE - Annual Foreign Trade Statistics 2015

Trade balance

Irrespective of maintaining a positive trade balance totalling approximately 1,943 billion Kwanzas, the trend in exports and imports experienced a decrease in 2015.

As a result of the 32% drop in exports and the 29% shrinkage in imports, the coverage rate shrank by around 7% in 2015 to stand at 198%.

Given the weighting of the oil sector on the internal bank product, export products primarily consist of fuels and derivatives.

Exports of such fuel products represented 97% of the export total in 2015, one percentage point down on the preceding year.

In terms of imports, the main transacted goods in 2015 were machinery equipment and devices (28%), common metals (13%) and agricultural goods (10%). As regards the destination or origins of such transactions, this reflects a high level of exposure to the Chinese market. China is the main commercial trade party of Angola, accounting for 43% of exports in 2015. As regards imports, they are more diversified, with China (17%) and Portugal (14%) remaining the two countries supplying the most products as was the case in 2014.

Final considerations and future perspectives

The year of 2015 proved challenging. The low oil price has shaped the Angolan macroeconomic context contributing to the devaluation of the currency and the consequent rise in the inflation rate. Simultaneously, there was a slide in the purchasing power with difficulties in accessing certain products.

Similarly, the alteration in the macroeconomic framework has fostered the implementation of the more restrictive economic policies necessary to guaranteeing sustainable economic growth.

Furthermore, according to Moody's, the Angolan government was sufficiently swift in adapting to this change in context, cutting expenditure to ensure the sustainability of the state deficit over forthcoming years. Complementarily, and in addition to the economic deterioration caused by the imbalances in the world oil market, foreign currency reserves remained at a level able to cover six months of imports. Furthermore, economic diversification has also been a government priority and correspondingly witnessing an increase in the amount of credits provided to different sectors of the economy.

Additionally, we would also highlight the debut of Angola in the Eurobonds market having issued a 10-year Eurobond with the value US\$ 1.5 billion.

In 2015, the private business sector did show some dynamism with the activities of Angola LNG leading the way with its annual production capacity of 5.2 million tons of liquefied natural gas as well as the acquisition of a new fleet of planes enabling TAAG to attract new clients and gain in market share.

In order to maintain this upwards path, the Angolan economy needs to continue to ensure the diversification of its economic activities, boost the pace of growth of the private sector, improve relations with the exterior and strengthen its financial services sector. Hence, building up human capital, boosting effective regulation, better energy supplies, the combat of corruption and the approval of more private investment projects stand out as the key tools for fostering the national economy.

Dialogue between the government and the IMF remains ongoing in addition to the prospects for Angola seeking out financing from China and other financial institutions in Western Europe as well as loans granted with special conditions by the African Development Bank.

Banking Review 2016 Study

Figure 1 – Banks in operation in 2015

Acronym	Name	Year of Start of Activity
BPC	Banco de Poupança e Crédito	1976
BCI	Banco de Comércio e Indústria	1991
BCGA	Banco Caixa Geral de Angola*	1993
BFA	Banco de Fomento Angola	1993
BMA	Banco Millennium Angola**	1993
BAI	Banco Angolano de Investimentos	1997
BCA	Banco Comercial Angolano	1999
SOL	Banco Sol	2001
BE	Banco Económico	2002
BRK	Banco Regional do Keve	2003
BMF	Banco BAI Microfinanças	2004
BIC	Banco BIC	2005
BNI	Banco de Negócios Internacional	2006
BPA	Banco Privado Atlântico**	2006
BDA	Banco de Desenvolvimento de Angola	2007
BANC	Banco Angolano de Negócios e Comércio	2007
VTB	Banco VTB – África	2008
FNB	Finibanco Angola	2008
BKI	Banco Kwanza Investimento	2010
BCH	Banco Comercial do Huambo	2010
SBA	Standard Bank Angola	2010
BVB	Banco Valor	2014
SCBA	Standard Chartered Bank Angola	2015
YETU	Banco YETU	2015
BIR	Banco de Investimento Rural	2015
BPG	Banco Prestígio	2015
BCS	Credisul – Banco de Crédito do Sul	2015
BPAN	Banco Pungo Andongo	2015

* Formerly known as Banco Caixa Geral Totta Angola

** In 2016, Banco Millennium Angola and Banco Privado Atlântico merged, creating Banco Millennium Atlântico.

Source: BNA - List of authorised institutions

Figure 2 – Banks not yet in operation

Name
Ecobank Angola*
Banco Postal, S.A.**
Bank of China - Luanda Branch**

* Has not started operation yet

** Awaiting registration and start of activity

Source: BNA – List of authorised institutions

Preparing the Study

This analysis of the financial sector results from compiling the public information made available by the banks operating in the Angolan market and by the BNA – the National Bank of Angola. For the purposes of comparison, some data was also collected on other markets, in particular the Portuguese, North American, South African and Nigerian markets.

The aggregate totals, except when otherwise explicitly detailed, result from information about the Angolan banking system made available by the BNA.

The current study includes information on the banks operating in Angola during the year of 2015 with the exception of Banco Económico and Banco BAI Micro Finanças, due to the lack of information on their respective balance sheets, and Banco Kwanza Investimento, on the grounds that its activities are not comparable to those put into practice by the other market operators. However, the turnover of these banks was included in the consolidated information presented on the sector in accordance with the aggregated information on the banking system published by the BNA.

The banks operating in Angola in 2015 were those listed in Figure 1. Additionally, Figure 2 details those banks already authorised by the BNA to operate in Angola but that are yet to launch commercially.

Introduction

2015 was a year marked by the adverse macroeconomic context faced by oil producing economies such as Angola, having created major challenges to national financial institutions. After various years in which there had been general stability in prices, the fall in the price of oil and the gradual loss of value of the kwanza against the dollar led the inflation rate to rise again and reaching 14.27%¹ in December 2015.

Given this context, the BNA adopted a more restrictive monetary policy, introducing measures to control the concession of credit and control the rise in prices and establishing a set of measures in order to guarantee an appropriate level of obligatory minimum reserves. Within this scope, the Obligatory Reserves in national currency coefficient was set at 25% and coupled with stipulations for new foreign currency Obligatory Reserves, which triggered demand for Treasury Bonds.

Furthermore, the BNA continued to prioritise the IAS/IFRS implementation process as a means of boosting the international comparability of financial institution accounts. Simultaneously, within the scope of raising transparency and trust in the Angolan financial system, the Directive no. 2/DRO/DSI/15 was published in December as a guide to the prevention of money laundering and the financing of terrorism.

We also emphasise how the Cheque Compensation Subsystem came into effect in June and provides for the electronic settling of cheque payments.

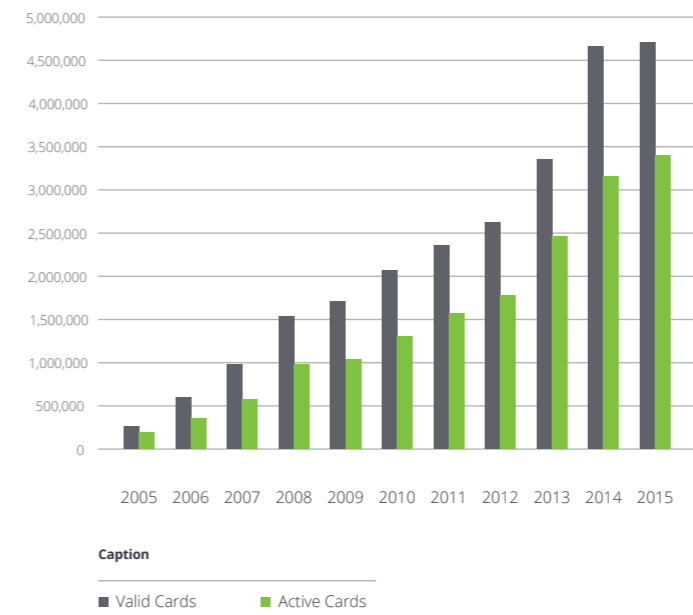
Electronic means of payment

In 2015, recourse to electronic means of payment in the national market continued its upwards trend. The number of ATM Active Cards² rose from 3,165,008 in 2014 to 3,420,826 in 2015, and with Valid Cards³ advancing to 4,736,245 in comparison with 4,687,951 in 2014.

Regarding the terminal network, the number of ATMs and Automatic Payment Terminals experienced growth of 6% and 31%, respectively. The number of ATMs rose from 2,627 in 2014 to 2,776 in 2015 and the number of payment terminals surged to 61,496 terminals in 2015 against 47,076 in 2014.

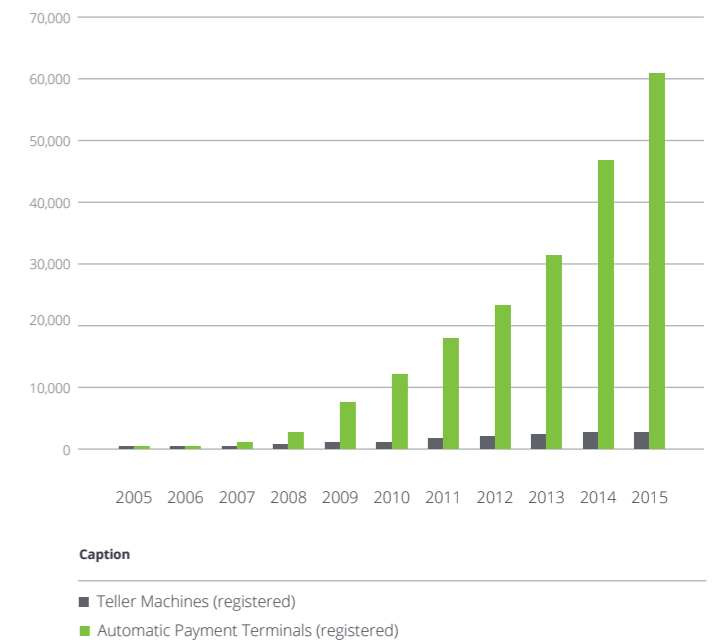
Regarding the number of transactions, 2015 saw overall growth of 25% on 2014 with ATM transactions up 20% while the payment terminal operations soared by 45%.

Figure 3 – Multicaixa Cards



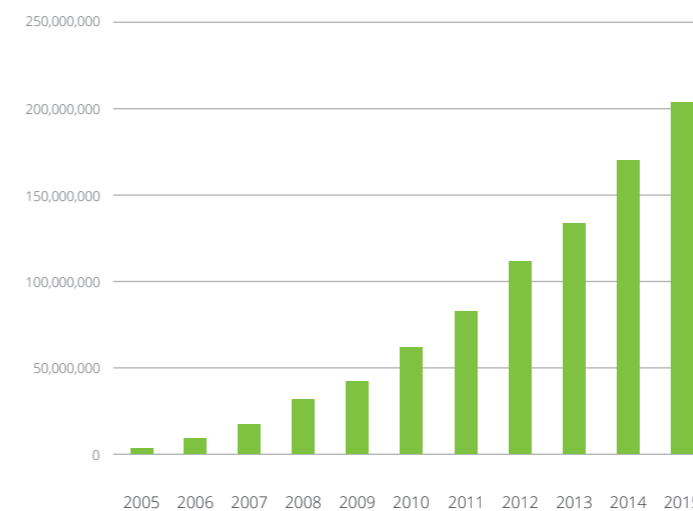
Source: EMIS - Interbanking Services Company

Figure 4 – Terminal Network



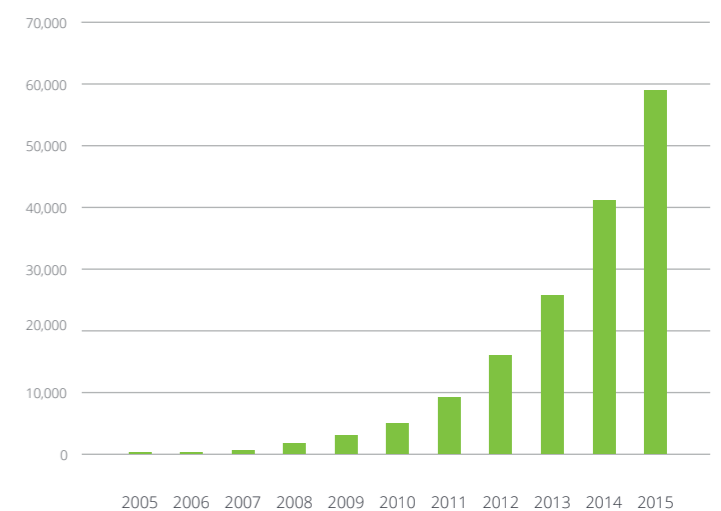
Source: EMIS - Interbanking Services Company

Figure 5 – ATM Transactions



Source: EMIS - Interbanking Services Company

Figure 6 – APT transactions



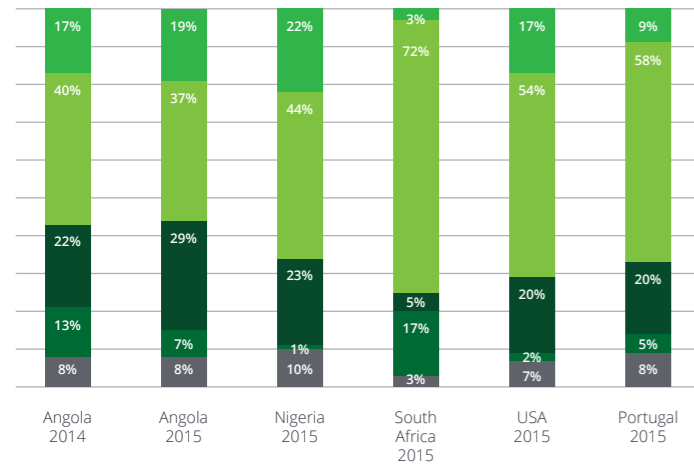
Source: EMIS - Interbanking Services Company

¹ Source: INF

² Active cards: cards which have been used at least once.

³ Valid cards: cards released before their expiration date.

Figure 7 – Asset structure

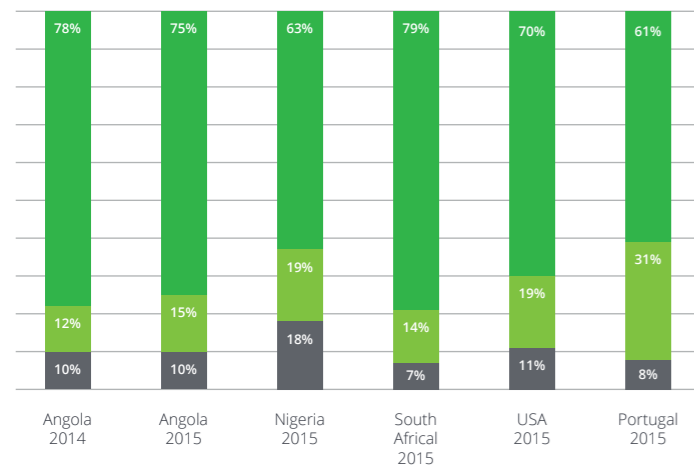


Caption

■ Cash and availability ■ Customer Credit ■ Securities and marketable securities
■ Other paid assets ■ Other values

Source: Central Banks; Banks' Financial Statements

Figure 8 – Funding Structure



Caption

■ Client deposits ■ Other liabilities ■ Equity

Source: Central Banks; Banks' Financial Statements

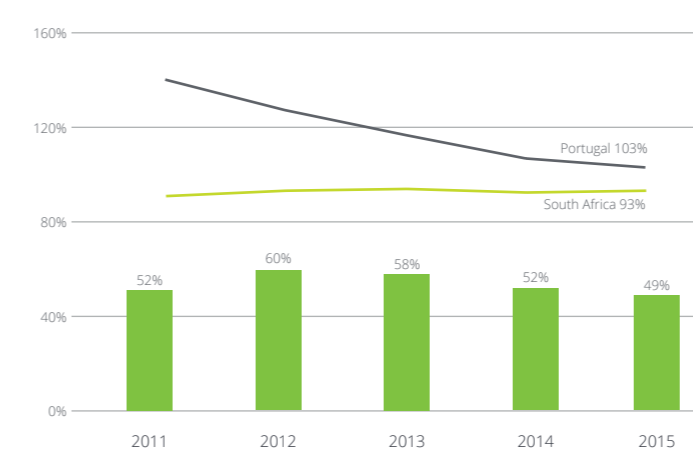
Structure of consolidated assets

Based on the financial reporting and accounts of the banks subject to study, the weighting of client credits within the overall structure of assets in 2015 stood at 37%, dropping in relation to 2014. Additionally, we continue to verify how the weighting of credit in the overall asset structure remains below levels registered in more mature markets such as South Africa or the United States.

As regards the remaining components, this demonstrates how there was a rise of 7% in the weighting of the bonds and liquid assets item in the overall asset structure.

In the funding structure of assets, there were few significant changes with a slight reduction in the weighting of client deposits, dropping from 78% to 75%.

Figure 9 – Net Leans Over Deposits



Source: Central Banks; Banks' Financial Statements

Net leans over deposits

According to the financial reporting and accounts of the banks under analysis, despite the increase in net credit in 2015, this did not outweigh the growth in deposits that led to a reduction in the transformation ratios between 2014 and 2015, which stood at 52% and 49%, respectively.

Figure 10 – Total Assets Ranking

2015			2014		
Ranking	Bank	Amount	Ranking	Bank	Amount
1	BPC	1 339 620	1	BPC	1 205 243
2	BFA	1 229 579	2	BAI	1 101 072
3	BAI	1 097 612	3	BFA	1 073 056
4	BIC	977 609	4	BIC	835 923
5	BPA	514 339	5	BPA	375 306
6	BMA	342 914	6	BDA	285 641
7	SOL	327 719	7	SOL	270 943
8	BCGA	317 385	8	BMA	244 669
9	BDA	301 826	9	BCGTA	230 247
10	SBA	298 412	10	SBA	203 368
11	BNI	234 296	11	BNI	202 093
12	BRK	130 777	12	BRK	117 359
13	BCI	127 359	13	BCI	106 812
14	FNB	83 285	14	FNB	76 144
15	BCA	46 845	15	BCA	30 925
16	BANC	39 105	16	BANC	28 807
17	SCBA	23 863	17	BVB	11 646
18	VTB	23 203	18	VTB	11 549
19	BVB	22 911	19	SCBA	10 722
20	BCH	12 477	20	BCH	6 126
21	BPG	9 666			
22	YETU	4 824			
23	BCS	3 213			
24	BPAN	2 396			
25	BIR	1 469			

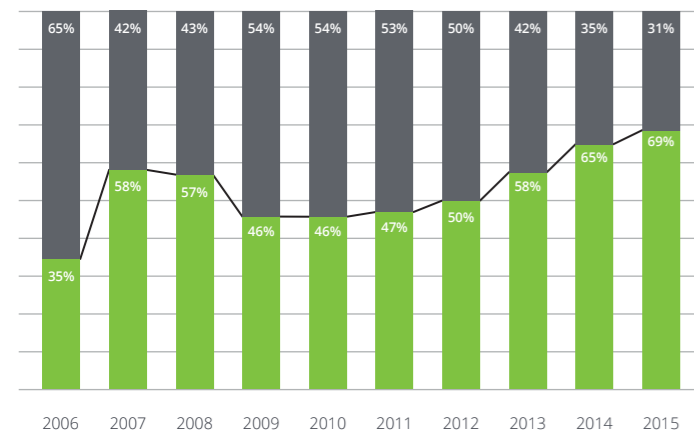
Source: Banks' Financial Statements (amounts in Million AKZ)

Total assets

The total value of financial institution assets stood at around 7,512,700 million AKZ.

In the relative positionings among the five largest banks in the Angolan market, BPC continues to top the list with total assets of 1,339,620 million AKZ, followed by BFA, BAI, BIC and BPA. The five largest banks represent 69% of the total asset of the banks under analysis, reflecting an increase of 12% on the previous year.

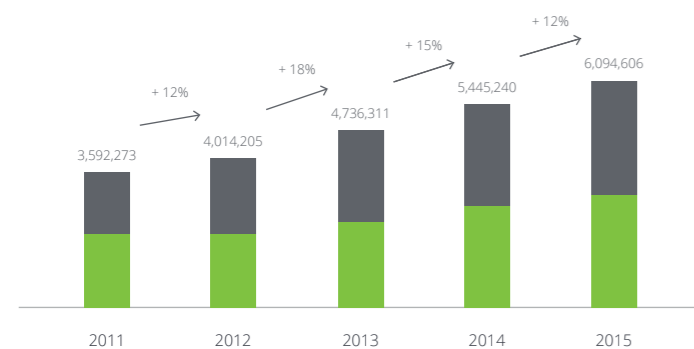
Figure 11 – Structure of Deposits by Currency



Caption
 ■ National Currency ■ Foreign Currency

Source: BNA

Figure 12 – Volume of Client Deposits



Caption
 ■ Current account deposits ■ Term deposits
 Unit: Million AKZ

Source: BNA

Customer deposits

Aggregate overview

According to the BNA data, the weighting of the deposits held in the national currency is maintaining its growth trend to the detriment of foreign currency holdings and now accounting for 69% of total deposits.

Again according to BNA published information, the total value of client deposits in the national banking sector totalled in the region of 6,094,606 million AKZ at the end of 2015, up 12% on 2014.

Figure 13 – Client Deposits

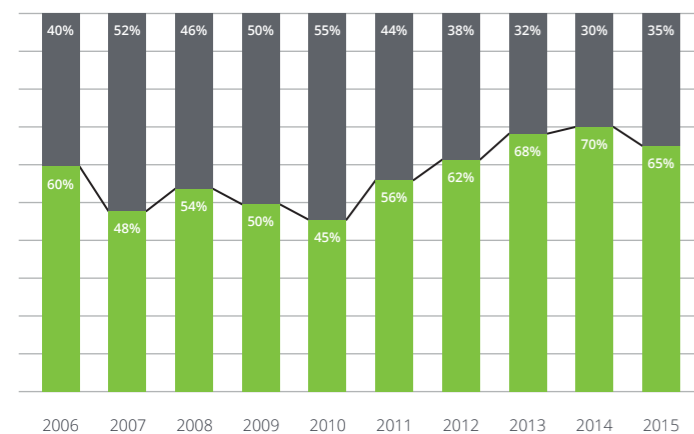
2015			2014		
Ranking	Bank	Amount	Ranking	Bank	Amount
1	BFA	1 017 160	1	BAI	950 917
2	BAI	938 494	2	BFA	933 049
3	BPC	911 365	3	BPC	871 899
4	BIC	741 627	4	BIC	685 388
5	BPA	385 898	5	BPA	291 779
6	SOL	277 052	6	SOL	236 280
7	SBA	275 781	7	SBA	187 807
8	BMA	249 111	8	BMA	180 900
9	BCGA	236 953	9	BCGTA	179 764
10	BNI	154 219	10	BNI	155 344
11	BRK	96 997	11	BRK	99 052
12	BCI	96 421	12	BCI	77 011
13	FNB	61 005	13	FNB	59 003
14	BCA	36 758	14	BCA	22 587
15	SCBA	20 361	15	BANC	14 385
16	BVB	19 201	16	BVB	8 060
17	BANC	19 165	17	VTB	5 668
18	VTB	16 064	18	SCBA	5 509
19	BCH	6 883	19	BCH	3 330
20	BPG	6 113			
21	YETU	1 306			
22	BCS	1 074			
23	BIR	299			
24	BPAN	6			

Source: Banks' Financial Statements (amounts in Million AKZ)

Relative bank positions

As regards deposits, the relative position of the five largest banks underwent a slight alteration given that BFA became the leading bank in terms of total deposits with the amount of 1,017,160 million AKZ, followed by BAI and BPC.

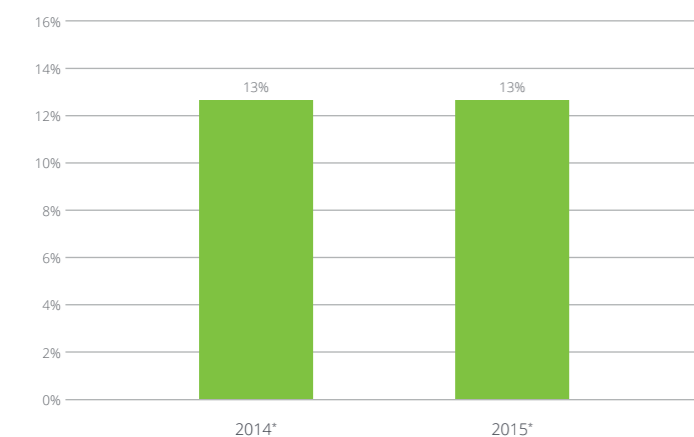
Figure 14 – Structure of Credit per Currency



Caption
■ National Currency ■ Foreign Currency

Source: BNA Aggregates

Figure 15 – Overdue Loans



* Banks included in the analysis: BAI, BCA, BCI, BMA, BFA, BIC, BPC, BCGA, BRK, SOL, FNB, BCH, VTB e SBA

Source: Banks' Annual Reports

Credit

Aggregate overview

Considering the banks subject to analysis, the total of net credit rose to 2,736,435 million AKZ⁴, which represents growth of 6% on 2014.

The division of credit between national and international currencies has undergone a slight change in its composition with the weighting of the national currency falling back by 5% between 2014 and 2015 in particular due to the exchange rate fluctuations experienced in the meanwhile. However, assuming an exchange rate fixed on 31 December 2014, the national currency credit weighting rose by 1%.

We would note that credits contracted since 2011 and indexed or denominated in the foreign currency may be settled by clients in Kwanzas.

Regarding the overdue loans, and according to the reports and accounts available from the banks, this remained at 13% and therefore unchanged compared to the previous year.

⁴ Source: Bank's Financial Reports

Figure 16 – Net Loan to Clients

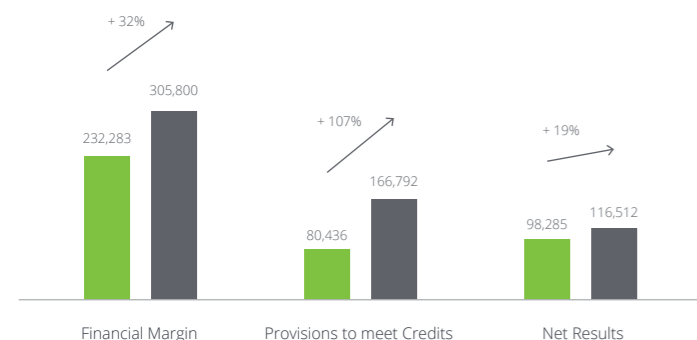
2015			2014		
Ranking	Bank	Amount	Ranking	Bank	Amount
1	BPC	927 390	1	BPC	885 054
2	BAI	353 686	2	BAI	365 461
3	BIC	290 755	3	BIC	246 774
4	BPA	245 910	4	BFA	229 479
5	BFA	220 796	5	BPA	195 624
6	BMA	133 519	6	BMA	117 748
7	SOL	100 613	7	BDA	97 631
8	BNI	92 399	8	BNI	88 445
9	BCGA	83 881	9	SOL	86 273
10	BDA	60 981	10	BCGTA	61 293
11	BRK	58 601	11	BCI	46 896
12	SBA	51 263	12	BRK	46 783
13	BCI	45 592	13	SBA	42 796
14	FNB	39 562	14	FNB	36 396
15	BANC	13 254	15	BANC	11 982
16	BCA	8 922	16	BCA	6 462
17	BVB	5 746	17	VTB	3 241
18	VTB	3 138	18	BVB	2 926
19	BCH	430	19	BCH	774
20	BIR	173			
21	BPG	9			

Source: Banks' Financial Statements (amounts in Million AKZ)

Relative position of banks

In 2015, there were again slight alterations to the positions of the group of the five largest banks in terms of the volume of net credit granted with the BPA overtaking BFA and resuming 4th position in the ranking headed by BPC, BAI and then BIC.

Figure 17 – Components of the Results



Caption

■ 2014 ■ 2015 Unit: Million AKZ

Source: Banks' Financial Statements

Figure 18 – Net Results

2015			2014		
Ranking	Bank	Results	Ranking	Bank	Results
1	BFA	37 866	1	BFA	31 796
2	BIC	27 656	2	BIC	20 537
3	BAI	15 358	3	BAI	12 849
4	BPA	11 028	4	BCGTA	9 163
5	BCGA	9 581	5	BPC	8 907
6	BPC	8 289	6	BPA	6 375
7	SOL	7 496	7	BMA	5 741
8	BMA	6 760	8	SOL	4 198
9	SBA	5 238	9	SBA	2 242
10	BCH	2 211	10	BRK	1 729
11	VTB	2 103	11	FNB	1 618
12	BCA	1 484	12	BNI	1 296
13	FNB	1 248	13	BANC	873
14	BNI	1 247	14	BCA	808
15	BRK	821	15	BCH	303
16	BVB	368	16	BDA	249
17	BANC	220	17	VTB	-383
18	YETU	-275	18	SCBA	-1 485
19	BPG	-515	19	BVB	-3 314
20	SCBA	-530	20	BCI	-5 217
21	BCS	-547			
22	BPAN	-717			
23	BIR	-980			
24	BCI	-2 308			
25	BDA	-19 625			

Source: Banks' Financial Statements (amounts in Million AKZ)

Results

Aggregate overview

According to the financial reporting of the banks under study⁵, the financial margin at the end of 2015 corresponded to 305,800 million AKZ, which reflects a 32% advance on 2014.

The net allocation of provisions for credits registered an increase of 107% in 2015, thus reaching around 166,792 million AKZ, in comparison with the 80,436 million AKZ in 2014. The net total result rose to around 116,512 million AKZ in 2015, an increase in the region of 19% on 2014.

Relative position of banks

According to the financial data available at the time of writing on the net results of commercial banks, there were minor changes in the positions of the five largest banks on 2014: BFA, BIC and BAI remain the banks reporting the highest levels of results.

⁵ Does not include banks that started operations in 2015.

Figure 19 – Profitability Indicators

Profitability Indicators	2015	2014	2013	2012	2011
Financial Margin	4%	4%	4%	4%	5%
Return on Assets (ROAA)	2%	2%	1%	1%	3%
Leverage Rate	9.4	9.7	9.1	9.7	9.3
Return on Equity (ROAE)	15%	14%	14%	14%	25%

Source: Banks' Financial Statements

Figure 20 – Profitability on Average Equity (ROAE)

2015			2014		
Ranking	Bank	ROAE	Ranking	Bank	ROAE
1	BCH	63%	1	BFA	34%
2	VTB	57%	2	SBA	31%
3	SBA	48%	3	SOL	26%
4	SOL	36%	4	BCGTA	25%
5	BFA	33%	5	BIC	23%
6	BIC	29%	6	FNB	18%
7	BCGA	23%	7	BANC	17%
8	BCA	22%	8	BCH	16%
9	BPA	21%	9	BMA	16%
10	BMA	16%	10	BRK	16%
11	BAI	13%	11	BCA	15%
12	FNB	13%	12	BPA	14%
13	BVB	12%	13	BAI	12%
14	BPC	7%	14	BPC	9%
15	BRK	7%	15	BNI	6%
16	BNI	6%	16	BDA	1%
17	BANC	4%	17	VTB	-13%
18	YETU*	-10%	18	SCBA*	-45%
19	SCBA	-17%	19	BCI	-70%
20	BPG*	-26%	20	BVB	-98%
21	BCS*	-28%			
22	BCI	-33%			
23	BPAN*	-39%			
24	BDA	-53%			
25	BIR*	-90%			

* Banks for which Return on Equity was calculated, instead of the Return of Average Own Funds, considering they have started operations in 2015 or, in the case of SCBA, in 2014.

Source: Banks' Financial Statements (amounts in Million AKZ)

Profitability

Aggregate overview

In 2015 and for the group of banks under analysis, the Return on Average Equity stood at 15%.

Relative position of banks

Regarding the Return on Average Equity item, there are five banks reporting ratios of over 30%.

Figure 21 – Efficiency Indicators

Efficiency Indicators	2015	2014	2013	2012	2011
Cost-to-income	45%	52%	52%	48%	41%
Efficiency Ratio	2.2	1.9	1.9	2.1	2.4
Operational Costs (% Assets)	4%	3%	3%	3%	3%

Source: Banks' Financial Statements

Figure 22 – Cost to Income (%)

2015			2014		
Ranking	Bank	Amount	Ranking	Bank	Amount
1	BDA	5%	1	BDA	21%
2	BCH	14%	2	FNB	33%
3	VTB	33%	3	BFA	36%
4	BFA	35%	4	BCGTA	37%
5	BAI	39%	5	BIC	42%
6	BCGA	40%	6	BAI	45%
7	FNB	42%	7	BMA	53%
8	BIC	44%	8	SOL	55%
9	BMA	48%	9	BCH	55%
10	BPA	49%	10	BNI	57%
11	BPC	53%	11	VTB	57%
12	BCA	55%	12	BPA	57%
13	BNI	63%	13	BANC	62%
14	SBA	63%	14	BPC	62%
15	SOL	64%	15	BRK	64%
16	BRK	66%	16	BCA	67%
17	BANC	77%	17	SBA	74%
18	BVB	83%	18	BCI	110%
19	BCI	104%	19	BVB	306%
20	SCBA	160%			

Source: Banks' Financial Statements (amounts in Million AKZ)

Efficiency**Aggregate overview**

According to the financial reporting information hitherto made available, and contrary to the rising trend of recent years, there was a reduction in the growth cycle of the cost-to-income ratio falling from 52% in 2014 to 45% in 2015 as a result of the rising weighting of the financial margin on this indicator. Additionally, in 2015, the operational costs of the banks here under analysis surged by 22% on 2014.

Relative position of banks

In terms of the efficiency ratios, over 60% of banks for which there is information for 2014 reported reductions in their cost to income ratios.

Conclusion

In 2015, the Angolan economy continued to be impacted by the crisis in the oil sector resulting from the sustained fall in the price of a barrel of oil.

Regarding the banking sector, 2015 witnessed an increase in the number of commercial banks in operation. Additionally, there was continued growth in recourse to electronic means of payments associated with a rise in the general level of banking literacy that has created both new opportunities and new challenges for the sector. Therefore, we hope that banks may continue to develop their efforts to tailor and adapt their products and services to the diverse segments with distinctive value proposals focused upon innovation.

In parallel, due to the regulatory demands that have emerged in the banking sector, there is every expectation that Angolan banks retain their focus on improving their compliance processes, combatting money laundering and financed terrorism and establishing processes that enable the integrated and efficient management of risk.

At the fiscal level, within the scope of financing the general state budget following the slump in fiscal revenues deriving from oil exports, the Angolan government introduced another tax, which came into effect after June 2016, denominated the "Special Contribution on Banking Operations". In general terms, this tax incides upon operations that imply settlements/movements debiting current accounts and carried out either by banking, financial or non-banking Angolan institutions with the exception of, for example, wage and pension payment operations, transfers between accounts held by the same individual, Bankita accounts and Interbank Monetary Market movements, operations with the BNA and the National Treasury.

This tax stands at a fixed rate of 0.1% incurred by the current account holders (whether held by individuals or collective entities) which undertake the type of transactions covered by this special contribution.

Additionally, on August 29, the Official Gazette published the approval of the agreement reached between the Angolan state and the United States with the objective of strengthening fiscal compliance and implementing the Foreign Account Tax Compliance Act (FATCA). FATCA consists of a North American regime established with the core objective of combatting the fiscal evasion of North American entities that hold financial assets in financial institutions outside the aforementioned jurisdiction and that is expected to induce further improvements to the processes of compliance at financial institutions.

Financial statements

Banks Balance Sheets 2015

Million Kwanzas

	BAI	BCA	BCI	BMA	BFA	BIC	BPC	BCGA	BRK	SOL	BPA	BNI	BANC	BDA	VTB	FNB	BCS	BPAN	YETU	BIR	BCH	SBA	BVB	BPG	SCBA	
Assets																										
Resources	184 284	17 250	33 537	80 648	306 870	155 697	108 124	92 857	24 960	69 783	72 721	40 986	7 014	42 102	17 579	13 129	1 121	455	1 286	346	9 254	136 067	8 175	4 463	15 317	
Liquidity Investment	47 971	1 219	11 656	6 588	135 006	79 475	26 927	1 248	7 395	814	11 010	25 224	489	115 650	0	3 460	1 003	980	1 000	0	0	10 825	0	4 172	4 549	
Securities	415 075	13 746	12 687	85 398	486 388	425 641	79 400	127 510	30 583	127 749	124 405	28 500	1 252	72 878	1 421	20 010	601	0	732	20	2 415	93 664	3 835	734	2 730	
Derivative Financial Instruments	0	0	0	31	3 099	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	0	0	
Credits in the Payment System	5	69	315	151	0	163	45 527	380	186	1 119	87	168	14	0	218	83	0	0	7	0	7	6	29	6	812	
Foreign Exchange Operations	0	0	0	3 946	53 284	34	0	0	5	0	517	0	0	0	0	0	0	0	0	0	0	389	0	0	0	
Credits	353 686	8 922	45 592	133 519	220 796	290 755	927 390	83 881	58 601	100 613	245 910	92 399	13 254	60 981	3 138	39 562	0	0	0	173	430	51 263	5 746	9	0	
Other Values	28 218	312	15 887	5 516	4 080	13 881	51 018	2 990	3 427	3 619	11 009	26 422	4 821	303	708	788	104	142	32	533	49	3 549	405	15	107	
Commercial and Industrial Inventories	0	0	0	0	0	0	0	0	0	329	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Shareholdings	0	72	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Assets per Current Taxes	0	0	245	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Fixed Assets	68 373	5 255	7 440	27 117	20 056	11 963	101 234	8 519	5 619	23 693	48 680	20 597	12 260	9 912	139	6 253	384	819	1 767	397	322	2 645	4 721	267	348	
TOTAL ASSETS	1 097 612	46 845	127 359	342 914	1 229 579	977 609	1 339 620	317 385	130 776	327 719	514 339	234 296	39 104	301 826	23 203	83 285	3 213	2 396	4 824	1 469	12 477	298 412	22 911	9 666	23 863	
Liabilities																										
Deposits	938 494	36 758	96 421	249 111	1 017 160	741 627	911 365	236 953	96 997	277 052	385 898	154 219	19 165	0	16 064	61 005	1 074	6	1 306	299	6 883	275 781	19 201	6 113	20 361	
Liquidity Funding	13 532	0	0	31 787	9	0	136 833	22 534	66	10 000	54 115	21 857	13 323	0	0	5 899	0	0	0	0	0	0	0	1 349	273	
Funding through Securities	0	0	0	0	0	0	0	0	0	8 075	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Derivative Financial Instruments	0	0	0	20	3 799	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Payment System Liabilities	1 295	369	800	7 000	4 805	45 869	73 969	797	786	2 057	799	5 193	365	0	59	413	0	0	1	1	28	895	60	1	4	
Foreign Exchange Operations	245	123	27	3 739	55 916	35	6 469	0	13 451	416	517	0	0	0	0	0	0	0	1	0	396	0	0	0		
Other Funding	0	0	11 975	0	0	66 659	34 435	0	3 950	605	6 777	8 563	0	257 696	1 028	4 131	2	0	0	0	4 146	0	0	0	0	
Advances from Clients	1 502	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Commercial and Industrial Suppliers	0	0	0	0	0	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Liabilities per Current Taxes	0	0	0	0	0	0	0	0	376	0	3 278	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Liabilities	10 642	2 175	9 186	5 733	17 302	16 902	32 032	9 874	1 240	3 440	5 336	20 936	434	3 221	1 209	1 449	186	539	790	83	978	3 195	239	202	432	
Provisions	6 745	76	1 814	527	4 132	3 757	9 075	2 923	1 762	2 365	2 513	496	31	317	78	77	0	3	2	0	0	458	126	16	1	
TOTAL LIABILITIES	972 455	39 501	120 223	297 917	1 103 123	874 887	1 204 178	273 081	118 628	304 010	459 233	211 264	33 318	261 234	18 438	72 974	1 260	550	2 099	384	7 889	284 871	19 626	7 681	21 071	
Equity																										
Capital	14 787	2 500	6 894	4 010	3 522	3 000	65 872	8 575	4 000	5 000	34 158	14 643	4 346	63 642	1 400	4 182	2 500	2 600	3 000	2 065	2 265	9 530	9 262	2 500	4 825	
Monetary Updating of Capital Reserves	29	83	0	0	451	5 798	0	802	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Reserves and Funds	94 589	3 205	11 615	33 782	83 363	64 896	60 746	24 735	7 182	2 212	6 374	3 817	1 220	606	852	4 881	0	0	0	0	15	5	0	0	0	
Potential Results	442	72	3 168	445	1 254	1 372	346	611	37	302	90	-11	0	0	0	0	0	0	0	0	-327	0	0	0	-18	
Capital Conversion Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Retained Earnings	0	0	-12 233	0	0	0	0	0	108	8 699	3 456	3 676	0	-4 031	410	0	0	-37	0	0	97	-905	-6 345	0	-1 485	
(-) Interim Dividends	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Results from Changes in Accounting Standards	0	0	0	0	0	189	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(-) Own Treasury Shares	-48	0	0	0	0	0	0	0	0	0	0	-340	0	0	0	0	0	0	0	0	0	0	0	0	0	
Profit/Loss for the Year	15 358	1 484	-2 308	6 760	37 866	27 656	8 289	9 581	821	7 496	11 028	1 247	220	-19 625	2 103	1 248	-547	-717	-275	-980	2 211	5 238	368	-515	-530	
TOTAL EQUITY	125 157	7 344	7 136	44 997	126 456	102 722	135 442	44 304	12 148	23 709	55 106	23 032	5 786	40 592	4 765	10 311	1 953	1 846	2 725	1 085	4 588	13 541	3 285	1 985	2 792	
TOTAL LIABILITIES AND EQUITY	1 097 612	46 845	127 359	342 914	1 229 579	977 609	1 339 620	317 385	130 776	327 719	514 339	234 296	39 104	301 826	23 203	83 285	3 213	2 396	4 824	1 469	12 477	298 412	22 911	9 666	23 863	

Source: Banks' Financial Statements

Profit and loss Accounts 2015

Million Kwanzas

	BAI	BCA	BCI	BMA	BFA	BIC	BPC	BCGA	BRK	SOL	BPA	BNI	BANC	BDA	VTB	FNB	BCS	BPAN	YETU	BIR	BCH	SBA	BVB	BPG	SCBA
1. Income from Financial Instruments (Assets)	55 612	2 773	6 749	20 964	56 367	52 473	117 734	21 320	7 745	30 611	29 381	15 187	1 254	15 585	1 225	6 297	11	2	109	11	605	11 353	1 281	247	282
2. (-) Costs from Financial Instruments (Liabilities)	-12 417	-229	-1 390	-6 520	-15 344	-18 365	-54 818	-4 396	-1 235	-6 190	-10 024	-5 346	-1 223	-6 542	-317	-2 822	0	0	-12	0	-69	-1 510	-178	-48	-62
3. Financial Margin (1+2)	43 195	2 544	5 359	14 444	41 023	34 108	62 916	16 924	6 510	24 421	19 357	9 841	31	9 043	908	3 475	11	2	97	11	536	9 843	1 103	199	220
4. Net Income from Trading at Fair Value	231	0	0	98	3 844	1 521	10 337	0	1 854	0	0	0	17	75	0	100	0	0	-13	0	0	-29	0	15	0
5. Net Income from Foreign Exchange Operations	19 585	1 240	1 643	7 323	16 070	26 202	11 851	-1 769	1 834	-3 212	16 169	1 680	3 488	40 720	1 068	1 922	22	-13	-23	2	698	5 366	631	86	622
6. Net Income from the Provision of Financial Services	7 360	1 062	2 898	4 724	5 736	6 462	14 738	4 149	2 440	7 966	7 121	2 381	312	3 588	2 642	857	2	0	1	3	2 723	2 700	826	27	36
7. (-) Provisions for Allowance of Doubtful Credit and Guarantees	-24 463	-195	-2 160	-6 751	-4 587	-9 896	-27 595	-910	-3 051	-1 618	-6 592	-3 930	-569	-70 591	-313	-2 284	0	0	0	-2	-267	-802	-214	0	0
8. Net Results from Insurance, Capitalisation and Healthcare Plans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9. Net results from financial intermediation (3+4+5+6+7+8)	45 908	4 651	7 740	19 838	62 086	58 397	72 247	18 394	9 587	27 557	36 055	9 972	3 279	-17 165	4 305	4 070	35	-11	62	14	3 690	17 078	2 346	327	878
10. (-) Administrative and Marketing Costs	-27 341	-2 689	-10 258	-12 815	-23 588	-29 822	-52 746	-7 718	-8 391	-18 570	-20 718	-8 712													

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