

# The Banking Sector in Angola



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## What will the future hold?

### **A decade of economic boom**

For a decade Angola has been one of the fastest growing economies in the world, with its real GDP expanding at an average annual rate of 11% in this period. Along with South Africa, Angola's GDP accounts for almost 80% of the total GDP for the SADC 15-member countries, its closest peer group. Angola is one of only six countries in this region with an income per capita above the US\$ 5,000 level. However, it remains highly dollarized, but thanks to its Central Bank the appetite for loans/deposits in kwanzas has gradually increased in recent years.

### **Research**

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### **Banking**

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### **The banking sector expands in line with the economy**

The performance of Angola's banking system has mirrored that of its economy. There are currently 23 banks from nine a decade ago while the number of branches has nearly doubled since 2008. The sector is highly concentrated, as the five largest banks account for 75-80% of the total assets, loans and deposits of the system. Portuguese banks are well represented and three of the banks are completely state-owned.

### **Resilient to the global financial crisis**

Angolan banks showed remarkable resilience to the global financial crisis. On average, they are not exposed to risks arising from complex derivative instruments/products. Banks typically have low L/D ratios and high liquidity reserves. They do not rely on foreign borrowing to finance domestic lending. Still, Angolan banks are susceptible to oil price shocks as the economy remains heavily dependent on oil exports.

### **New FX Law should increase foreign interest in the sector**

We estimate the new law on oil and gas operations to have an impact of 10% and 1-2% on total banking fees and revenues, respectively, for the sector. It should also raise foreign interest in local banks, making consolidation a topic to monitor closely in the near term. Most players remain committed to expanding their branch network at home in order to increase their services while in our view the use of mobile banking/money could also provide a unique opportunity to reach out to the unbanked population.

## EXECUTIVE SUMMARY

Angola has become Africa's second largest oil exporter after Nigeria and its third largest economy following nearly three decades of war, which decimated its infrastructure, weakened its institutions and brought the economy to a halt. However, with peace, the country has taken advantage of the oil boom in the mid-2000s to rebuild its infrastructure, which coupled with a strong performance in both the oil and non-oil sectors (mostly real estate and retail), has allowed per capita income to reach relatively favorable levels above US\$ 5,000.

Credit provision to the private sector has consistently grown at double-digit rates (even in real terms) in the past decade, outpacing loan growth in neighboring Sub-Saharan countries. Still, loans to the private sector remain a modest c20% of GDP while low loan-to-deposit ratios (55-60%) suggest that financial resources are not a major impediment to stronger growth in the future.

In this context, we believe the Angolan banking sector faces four key challenges in the future. Firstly, the new foreign exchange law affecting all oil concessions in Angola should have an important impact on the local financial system, as we estimate new funds of up to US\$ 20-30bn to very briefly pass through domestic banks and allow further cross-selling and product innovation opportunities. We believe that this law could ultimately change the ranking of the top-five players (BAI, BPC, BESA, Banco BIC and BFA) operating in the market.

Secondly, consolidation in the banking sector should be closely monitored in the short-term. Foreign interest should increase following the full implementation of the aforementioned foreign exchange law for the oil sector in October. However, the entry of foreign players in the domestic banking market will depend on the willingness of the local authorities while the initial aim of keeping control of the financial system in the hands of Angolan investors should remain unaltered. According to some of the local banks, this interest should come mostly from South African, US and possibly Chinese players. In our view, Brazilian banks could also play a part in the consolidation process.

Thirdly, the continued expansion of the banking sector in the domestic market remains on the agenda of most players. The focus is shifting towards expanding the network outside of Luanda where about 55% of the branches are currently located. There are however several handicaps toward implementing this strategy. The most important of them definitely being the labor force, namely the lack of skilled labor across the country. Others include the expensive real estate prices and the fact that opening a new branch outside of the capital usually takes twice as long to reach the breakeven. The internationalization to neighboring African countries should not be discarded, but in our view this is still at an early stage for Angolan banks.

Fourthly, improving banking levels and financial inclusion indicators should be a priority. As in other African countries, the proliferation of mobile banking services and mobile money has proven an important aspect of success under which money can easily reach both the banked and unbanked populations.

*Angola has taken advantage of the oil boom to rebuild its infrastructure and improve per capita income levels*

*Loans to the private sector (% of GDP) and the loans-to-deposit ratio are still at moderate levels*

*The new foreign exchange law means new funds will temporarily pass through the local banking system while also foster stiffer competition and financial innovation. Consolidation is a topic to monitor closely, namely as foreign interest in the sector increases*

*Most of the players should continue to expand their branch network, with some even looking at international markets*

*Mobile banking and money as a way to improve banking levels*

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## ANGOLAN BANKING SYSTEM

The Angolan banking system has grown substantially in the last decade, in part reflecting the robust economic expansion that the country has witnessed during this period (annual real GDP growth of 11%). It currently comprises 23 banks from nine a decade ago. Portuguese banks are well represented in the sector while three of the banks are state-owned. It is noteworthy to mention that in some cases the board of the banks is the majority shareholder of that bank. Also, the banking system is still highly concentrated, with the five largest banks accounting for 75-80% of total assets, loans and deposits.

*The banking system is (1) made up of 23 banks, (2) highly concentrated, (3) strongly represented by Portuguese banks and (4) in some cases partly owned by the state*

ANGOLAN BANKING SYSTEM (2012)								
	Start of Operations	Majority Shareholder	Assets (mn US\$)	Rank by Assets	Loans (mn US\$)	Deposits (mn US\$)	Net Profit (mn US\$)	Branches
Banco de Poupança e Crédito	1976	State-owned	7 864	4	4 219	6 063	141	265
Banco de Comércio e Indústria	1991	State-owned	866	11	398	619	2	n.a.
Banco de Fomento Angola	1993	Portuguese bank	7 944	3	1 427	6 972	220	167
Banco Caixa Geral Totta de Angola	1993	Portuguese bank	1 582	8	548	1 176	59	26
Banco Africano de Investimentos	1996	Domestic	10 784	1	2 973	8 507	180	112
Banco Comercial Angolano	1999	Domestic Retail	383	14	44	310	10	23
Banco Sol	2001	Domestic	1 397	9	365	1 252	25	97
Banco Espírito Santo Angola	2002	Portuguese bank	10 514	2	7 100	2 891	74	41
Banco Regional do Keve	2003	Domestic	646	13	257	534	7	32
Banco BAI Micro Finanças	2004	Domestic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco BIC	2005	Domestic (including Board)	6 931	5	2 356	5 487	168	184
Banco Millennium Angola	2006	Portuguese bank	1 832	7	680	1 174	51	85
Banco Privado Atlântico	2006	Domestic	2 342	6	1 216	1 852	50	26
Banco de Negócios Internacional	2006	Domestic (including Board)	1 214	10	651	905	34	50
Banco VTB África	2007	Russian Bank	118	17	41	67	15	n.a.
Banco de Desenvolvimento de Angola	2007	State-owned	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Angolano de Negócios e Comércio	2007	Domestic	146	16	36	96	3	16
Finibanco Angola	2008	Portuguese bank	299	15	104	202	11	12
Banco Kwanza de Investimento	2008	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Standard Bank Angola	2009	South African bank	647	12	99	543	-10	15
Banco Comercial do Huambo	2010	Domestic (including Board)	33	19	4	18	0	3
Banco Valor	2010	Domestic (including Board)	73	18	22	65	-12	3
Banco para Promoção e Desenvolvimento	2010	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Note: data in shaded color relates to 2011.

Source: Annual Reports and Eaglestone Securities.

According to the Angolan Central Bank's (BNA) latest financial stability report, the total number of branches stood at 1,087 in June 2012. This is almost double the size of the branch network at the end of 2008. The majority of the branches continue to be located in Luanda (55%), something we believe will no doubt change over the next decade as banks try to speed up the expansion process towards other provinces of the country and increase their banking services to the less urban (and unbanked) population of the country. Thus, this process is about good timing and size, indicating that whichever bank is first to show its investing muscle, is likely to be well positioned to be able to reap the rewards later.

*The number of branches stood at more than 1,000 in June 2012 (55% of them located in Luanda)*

However, several banks noted that there are a few relevant handicaps toward implementing this strategy. The most important is definitely the labor force, namely the increasing demand of skilled labor in Angola. The other handicap has to do with the expensive real estate prices and with the fact that opening a new branch outside of Luanda usually takes twice as long to reach the breakeven point (i.e., at least three years) than opening a branch in the capital city.

*There are several hurdles in the expansion strategy of the banks in the local market*

BRANCH NETWORK DISTRIBUTION BY PROVINCE (2012)



Source: BNA.

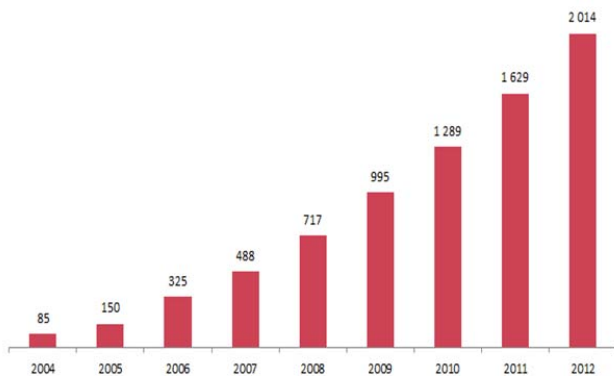
Meanwhile, data from EMIS, which is the company responsible for managing the ATMs and banking cards in Angola, shows that there were about two million ATM cards in the country at the end of 2012. In addition, the number of ATMs stood at 2,014 in the same period (vs. 1,629 and 1,289 in 2011 and 2010, respectively) while the number of automated payment terminals (APT) stood at 23,545 (vs. 18,199 and 12,140 in 2011 and 2010, respectively). This has allowed a marked increase in the number of withdrawals and the number of transactions done in APTs.

*The number of ATMs and APTs has increased markedly over the years*

The evolution of this data clearly evidences the strong investment that financial institutions have undertaken over the years to improve access to banking services. It also shows that confidence levels in the financial system are improving and further room for growth and innovation in the way institutions and individuals in general do business with banks remains something to be exploited within the financial sector.

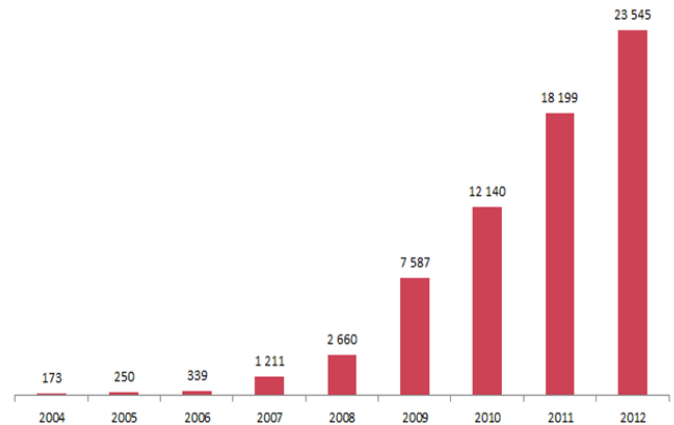
*Banks have invested heavily in order to improve access to banking services*

NUMBER OF ATM



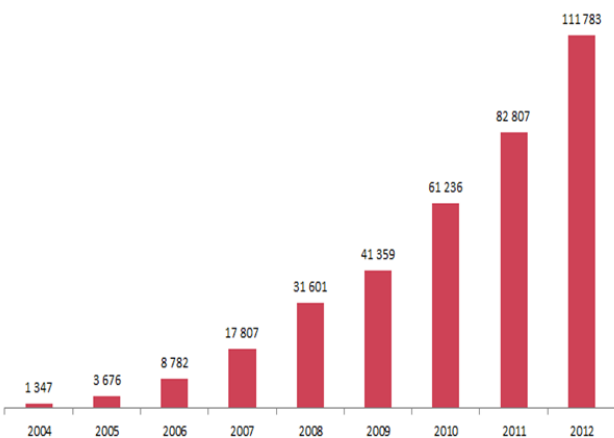
Source: EMIS.

AUTOMATED PAYMENT TERMINALS (APT)



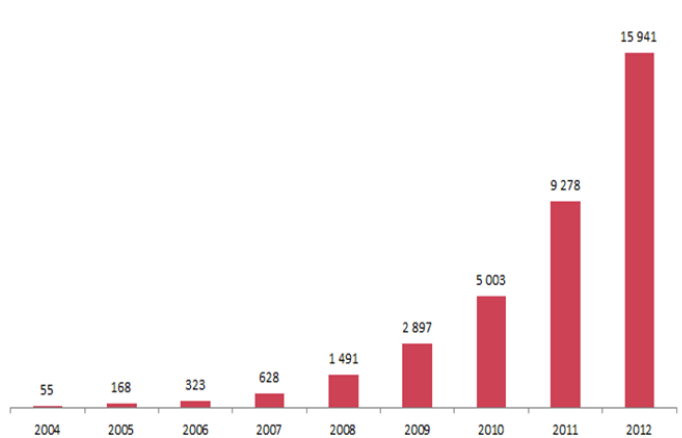
Source: EMIS.

NUMBER OF ATM WITHDRAWALS ('000)



Source: EMIS.

NUMBER OF APT TRANSACTIONS ('000)



Source: EMIS.

The latest balance sheet data disclosed in the annual reports of the banks operating in Angola as well as the Central Bank displays the strong expansion the financial sector has witnessed over the last years. Total assets, loans and deposits advanced at an average annual rate of 24%, 31% and 29% in the period 2008-12, respectively. We note nevertheless that loans and deposits per branch only saw a marked improvement in 2009 and have remained rather stable in subsequent years, reflecting the aforementioned growth of the branch network.

*Key balance sheet indicators show robust growth of the sector*

Banking levels are still low in the country. Total assets of the system represent about 50% of GDP. The transformation ratio (loans-to-deposits) has gradually increased over the last decade to currently 55-60% (vs. 25% in 2002), but still remains below the banking systems of other developing countries, namely members of the SADC.

*Banking levels remain low, with L/D ratio still at 55-60%, below SADC average*

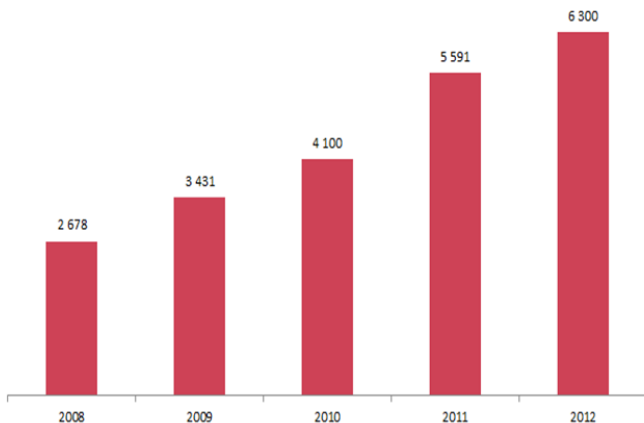
We believe this is in large part related to the fact that the Angolan banking sector continues to face structural inefficiencies arising from the inability of lenders to accurately gauge the creditworthiness of prospective borrowers. According to studies conducted by the World Bank in 2006 and 2010, larger, older firms in

*According to the WB, larger, older firms enjoy better access to credit from Angolan banks*

Angola enjoy significantly better access to credit than their smaller, younger counterparts. Also, foreign-owned companies are less credit-constrained than domestic firms while those located in Luanda have better access than companies based outside the capital. Against this backdrop, Angolan banks continue to invest heavily in treasury bills, as these instruments are low risk short-term funding that provides attractive yields and tax benefits.

*Also, foreign-owned and firms based in Luanda are less credit-constrained*

**ASSETS (BN AOA)**



Source: Annual Reports, BNA and Eaglestone Securities.

**DEPOSITS AND LOANS (BN AOA)**



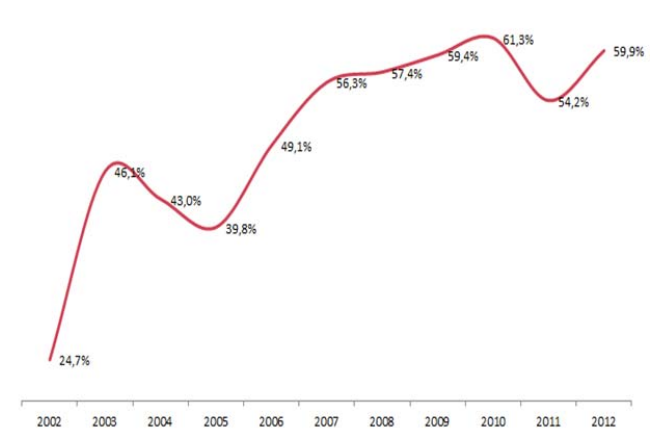
Source: Annual Reports, BNA and Eaglestone Securities.

**DEPOSITS AND LOANS PER BRANCH (MN AOA)**



Source: Annual Reports, BNA and Eaglestone Securities.

**LOANS/DEPOSITS RATIO**



Source: Annual Reports, BNA and Eaglestone Securities.

Meanwhile, the collapse in oil prices experienced in 2008-09 resulted in a sharp contraction in oil revenue, an important source of government revenues in Angola. This led to large government arrears to the corporate sector that passed through to the banking system, as evidenced in the marked increase in the NPL ratio to 8.6% in 2010 from 2.6% in the previous year.

*Loans in arrears surged in 2010 on the back of the collapse in oil prices that led to government arrears to the corporate sector*

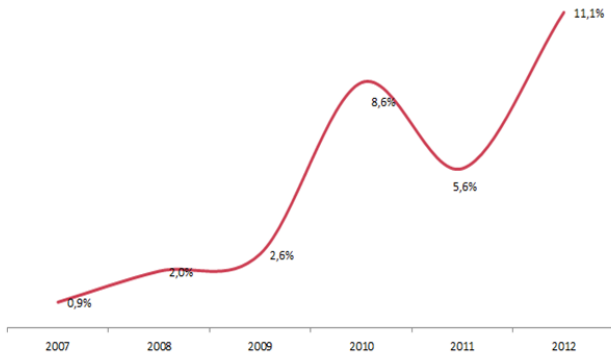
The Angolan authorities have in the meantime taken some concrete measures to improve credit information infrastructure. Specifically, in 2010, an Information and Credit Risk Centre (Central de Informação de Risco de Crédito) was created to increase the effectiveness of credit risk measurement and management.

*Improving loan book risk evaluation methods and procedures for credit recovery remain challenges for the sector*

These domestic arrears were eventually settled, meaning that the NPL ratio of the banking sector dropped back to around 5.6% in 2011. However, asset quality numbers deteriorated again throughout last year, standing at double-digit figures by the end of the year. We underline that, according to data disclosed by the BNA, NPLs from households and the wholesale and retail segments account for more than half of total loans in arrears.

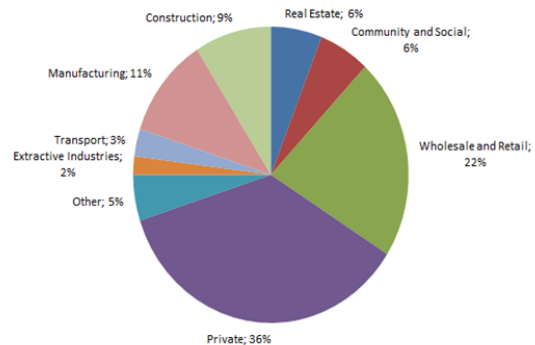
*NPLs from households and the wholesale and retail segments account for more than half of total NPLs*

**NPL RATIO**



Source: Annual Reports, BNA and Eaglestone Securities.

**NPL RATIO BY SECTOR**

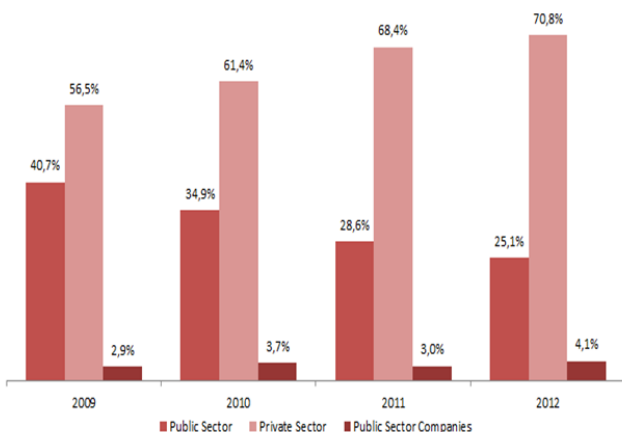


Source: BNA/DES.

According to the Central Bank, loans to the private sector represented more than 70% of the loan book of the financial system at the end of 2012 while close to 62% were in the national currency, the kwanza. Going back to 2009, we note that over the years we have witnessed a shift from loans to the public (43% of total in 2009 to 29% now) to the private sector. In our view, this should not come as a surprise considering the developing process that the country is undergoing, where the private sector plays an increasingly predominant role. The same could be said regarding loans by type of currency, with loans in kwanzas accounting for about 50% of total loans whereas nowadays they represent more than 60%.

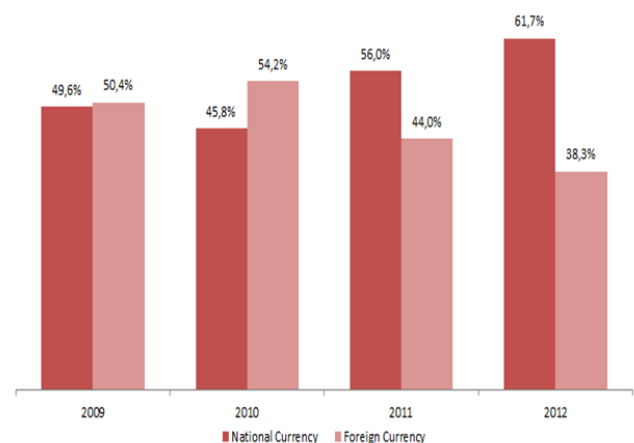
*Over the years we have witnessed a shift in loans from the public to the private sector and from foreign to local currency*

**LOAN BREAKDOWN – SECTOR (2009-12)**



Source: BNA/DES.

**LOAN BREAKDOWN – CURRENCY (2009-12)**



Source: BNA/DES.



As for deposits, data from the BNA points toward an increasing appetite for time deposits (currently 47% of total vs. 31% in 2009) as opposed to sight deposits. On the other hand, we have also witnessed a shift from deposits in foreign currency to deposits in kwanzas in the last three years. The latter today represents nearly 55% of total deposits whereas in 2009 it accounted for 44%.

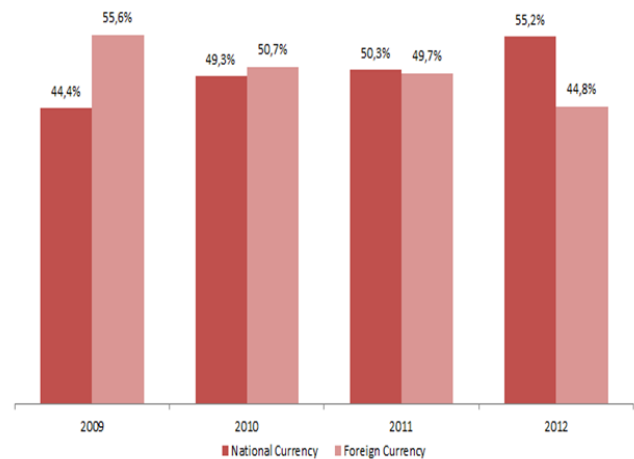
*Appetite for time deposits has increased while deposits in kwanzas currently represent 55% of total*

DEPOSIT BREAKDOWN – MATURITY (2009-12)



Source: BNA/DES.

DEPOSIT BREAKDOWN – CURRENCY (2009-12)

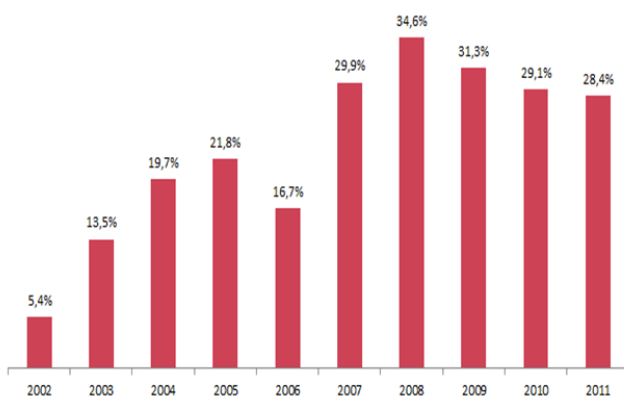


Source: BNA/DES.

Looking now at the annual reports of the banks operating in Angola and more specifically at their profit and loss account, we highlight that profitability levels have remained above 20% over the years and compare favorably with the banking sectors of other SADC countries. Indeed, the average return-on-equity (ROE) for Angolan banks stood at 28.4% in 2011, with return-on-average-assets (ROAA) standing at 2.72%.

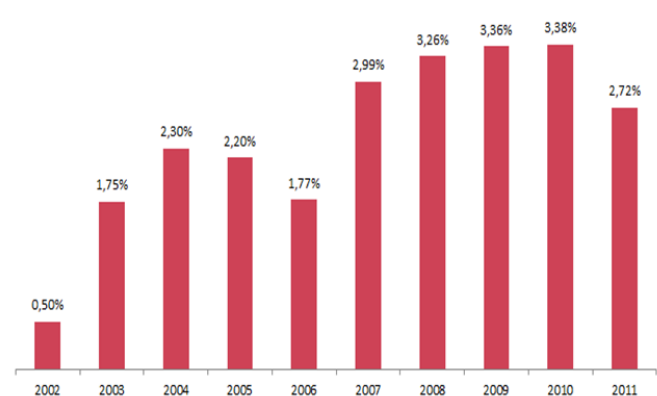
*Profitability levels for Angolan banks have remained attractive over the years*

RETURN ON EQUITY (ROE)



Source: Annual Reports and Eaglestone Securities.

RETURN ON AVERAGE ASSETS (ROA)



Source: Annual Reports and Eaglestone Securities.

The table below shows the evolution of the main lines of the profit and loss account for the average of Angolan banks. The net profit of the sector has posted a CAGR of 23.8% for 2008-11, despite being flat in 2011 from the previous year.

*Net profit for the sector has expanded at a 23.8% CAGR 2008-11*

EVOLUTION OF THE P&L ACCOUNT	
Year	CAGR 2008-11
Net Interest Income	32.6%
Fees	18.1%
Other Income	31.5%
Banking Income	30.0%
Costs	32.5%
Operating Income	28.3%
Net Loan Loss Provisions	45.2%
Net Profit	23.8%

Source: Annual Reports and Eaglestone Securities.

Banking income has improved markedly during this period (CAGR 2008-11 of 30%), even when looking at the evolution of banking income per employee. The performance of banking income has come mostly on the back of a favorable contribution from top-line growth (CAGR 2008-11 of 32.6%), which has been boosted by strong volumes and margins. We note that net interest margin (measuring net interest income over average total assets) has consistently been above 400bps for the average of the sector over the last decade. All in all, net interest income represented about two-thirds of total banking income in 2011.

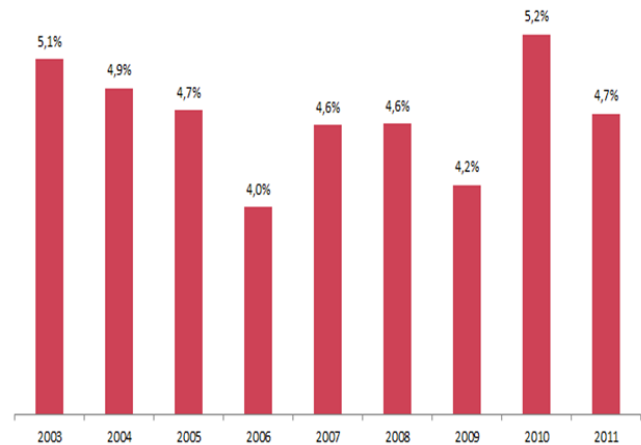
*Strong volumes and healthy margins have boosted top-line growth, which represented 2/3 of total banking income in 2011*

NET INTEREST INCOME (mn AOA)



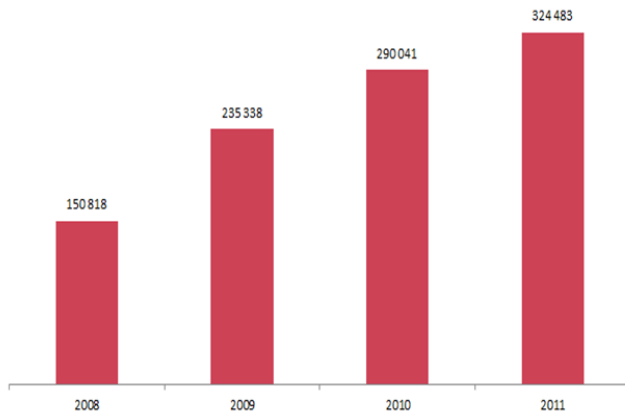
Source: Annual Reports and Eaglestone Securities.

NET INTEREST MARGIN (NII/ATA)



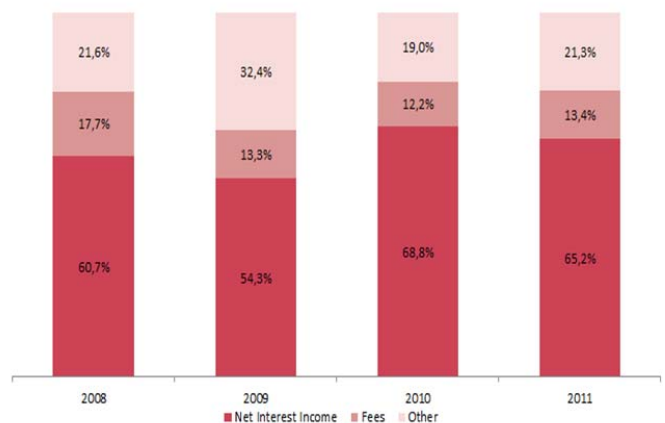
Source: Annual Reports and Eaglestone Securities.

**BANKING INCOME (mn AOA)**



Source: Annual Reports and Eaglestone Securities.

**BANKING INCOME BREAKDOWN**



Source: Annual Reports and Eaglestone Securities.

Meanwhile, the evolution of total costs (CAGR 2008-11 of 32.5%) reflects for the most part the expansion of the branch network of recent years, but also the technological investments undertaken by the sector in order to improve banking services. As noted above, the number of branches rose by almost 22% annually in the period 2008-11 while the number of employees increased over 16% per annum in the same period.

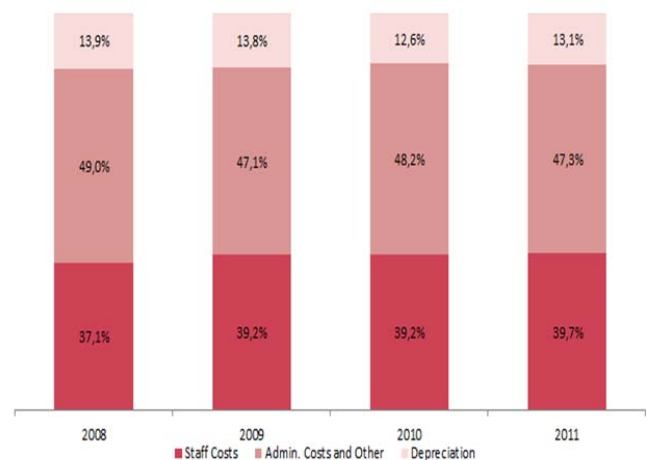
*Evolution of costs mostly reflects expansion of the branch network and the number of employees*

**TOTAL COSTS ('000 AOA)**



Source: Annual Reports and Eaglestone Securities.

**TOTAL COSTS BREAKDOWN**

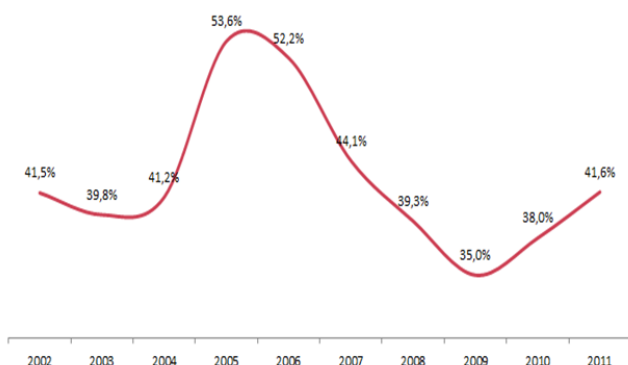


Source: Annual Reports and Eaglestone Securities.

Despite the upward evolution seen in recent years, efficiency levels measured by the cost-to-income ratio remain at close to 40% for the average of the Angolan banking system. This figure compares favorably with the figures posted by the banks in other neighboring countries in the SADC.

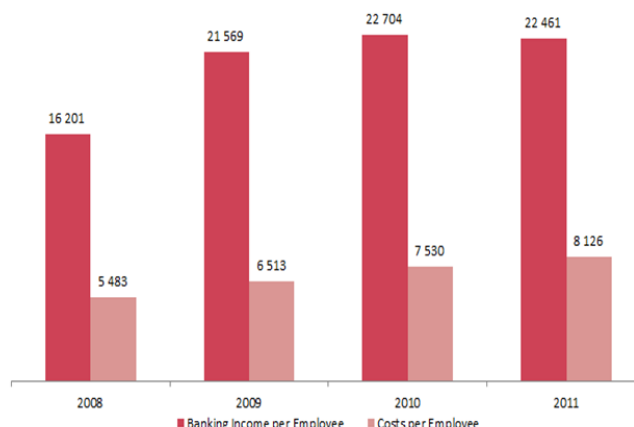
*Efficiency levels compare favorably to other SADC countries*

COST/INCOME RATIO (INCL. DEPRECIATION)



Source: Annual Reports and Eaglestone Securities.

REVENUES & COSTS\* PER EMPLOYEE ('000 AOA)



Source: Annual Reports and Eaglestone Securities. \* Staff and Admin Costs.

According to Notice 03/2012 from the BNA, Angolan banks are required to provide internal ratings to each loan, which will be revised on an annual basis. That rating will eventually determine the provisioning level required for that loan and the impact that it will have on the profit and loss account each period. Specifically, the internal ratings attributed are based on an expected loss assumption and will rank from A to G while provisioning levels vary from 0% to 100%, as detailed in the table below. As a reference, loans are classified as Risk A whenever they are backed by securities and/or financial instruments with a value equal to or greater than the amount of the loan and as risk B whenever they are secured by collateral with a value equal to or greater than 75% of the loan.

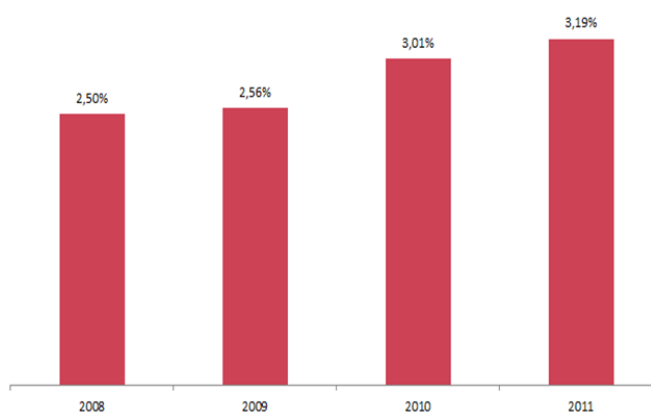
*Internal ratings, based on an expected loss assumption, determine the provisioning level of a bank*

CREDIT RATINGS AND PROVISIONING LEVEL

RATING	EXPECTED LOSS RISK	PROVISIONING LEVEL
A	None	0%
B	Very low	1%
C	Low	3%
D	Moderate	10%
E	High	20%
F	Very high	50%
G	Loss	100%

Source: BNA.

NET LOAN LOSS PROVISIONS / GROSS LOANS



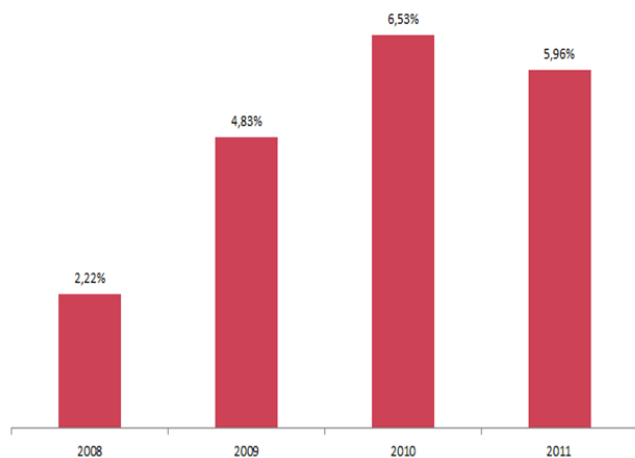
Source: BNA.

Source: Annual Reports and Eaglestone Securities.

Data disclosed by the banks shows that the robust loan growth seen over the years has required strong provisioning efforts from the sector, as net loan loss provisions (as a % of total loans) stood on average at 250-320bp in the period 2008-11. This led balance sheet provisions to represent close to 600bp of total loans in 2011 (vs. 220bp in 2008), with the coverage for non-performing loans standing at 154%.

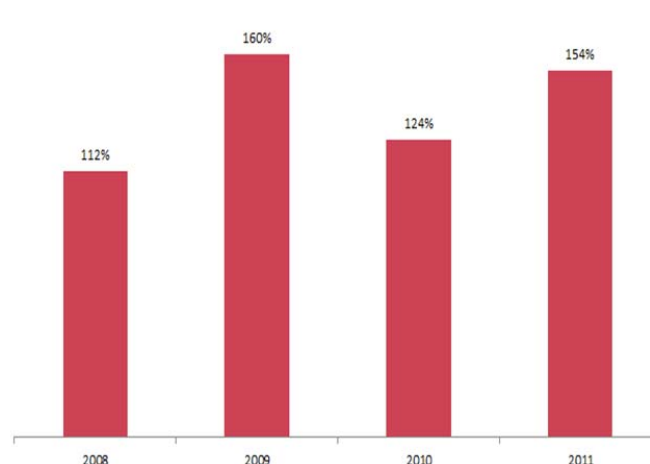
*Provisions represented on average 250-320bp of total loans in 2008-11*

BALANCE SHEET PROVISIONS / GROSS LOANS



Source: Annual Reports and Eaglestone Securities.

NPL COVERAGE RATIO



Source: Annual Reports and Eaglestone Securities.

Meanwhile, we note that the Central Bank has recently raised the minimum capital level for a bank operating in Angola to AOA 2.5bn from AOA 600mn previously. The BNA also stated that those banks that did not comply with this requirement would have until June 2014 to adjust their capital to this level. This rule also applies to those banks planning to start their business operations in the country, with the BNA saying that new banking licenses will now be issued in a maximum period of six months. This decision came on the back of the introduction of a new foreign exchange law for the oil sector last year (described in the next chapter) and the impact that it may have on the banking system. This impact should mainly come on two fronts, namely in the increased liquidity expected for the sector and the added interest that it should raise from foreign players in Angolan banks.

*The BNA recently increased the minimum capital level requirement for the banks operating in Angola*

According to the latest available data provided by the banks, at least seven of the banks operating in Angola will have to adjust their capital level by mid-2014. This would be done either through (1) fresh money put by the shareholders of those banks and/or (2) the incorporation of reserves into capital (likely the cases of Banco BIC and Banco Comercial Angolano, as both banks have enough reserves to meet the existing capital deficit).

*At least seven of the banks operating in Angola will have to adjust their capital by mid-2014*

CAPITAL AND SOLVENCY RATIO - 2012		Capital (AOA mn)		Capital Surplus/Deficit		Reserves (AOA mn)		Solvency Ratio	
Year		2011	2012	AOA mn	% of Capital	2011	2012	2011	2012
Banco Africano de Investimentos		14 787	14 787	12 287	83.1%	52 053	66 798	13.1%	16.1%
Banco Comercial Angolano		1 309	n.a.	-1 191	-91.0%	1 305	n.a.	11.0%	n.a.
Banco de Comércio e Indústria		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco de Fomento Angola		3 522	3 522	1 022	29.0%	41 567	49 878	31.4%	30.0%
Banco Millennium Angola		4 908	4 010	1 510	37.7%	13 293	18 344	12.8%	14.4%
Banco de Poupança e Crédito		31 672	n.a.	29 172	92.1%	35 195	n.a.	n.a.	n.a.
Banco Caixa Geral Totta de Angola		8 575	8 575	6 075	70.8%	12 168	14 599	n.a.	21.7%
Banco Sol		1 378	n.a.	-1 122	-81.5%	965	n.a.	14.6%	n.a.
Banco Espírito Santo Angola		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Regional do Keve		4 000	n.a.	1 500	37.5%	3 129	n.a.	14.2%	n.a.
Banco BAI Micro Finanças		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco BIC		2 415	2 415	-85	-3.5%	38 477	47 420	18.4%	18.6%
Banco Privado Atlântico		19 055	n.a.	16 555	86.9%	1 800	n.a.	12.0%	n.a.
Banco de Negócios Internacional		6 039	n.a.	3 539	58.6%	3 203	n.a.	16.0%	n.a.
Banco VTB África		1 400	1 400	-1 100	-78.6%	n.a.	n.a.	36.0%	25.0%
Banco de Desenvolvimento de Angola		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Angolano de Negócios e Comércio		1 750	n.a.	-750	-42.9%	202	n.a.	15.0%	n.a.
Finibanco Angola		1 332	4 182	1 682	40.2%	1 289	1 916	24.3%	43.5%
Banco Kwanza de Investimento		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Comercial do Huambo		1 000	1 368	-1 132	-82.7%	15	15	n.a.	n.a.
Standard Bank Angola		4 599	9 530	7 030	73.8%	52	52	47.4%	21.0%
Banco Valor		2 200	2 200	-300	-13.6%	0	0	91.8%	10.5%
<b>AVERAGE</b>		<b>n.a.</b>	<b>n.a.</b>	<b>4 394</b>	<b>12.7%</b>	<b>n.a.</b>	<b>n.a.</b>	<b>24.8%</b>	<b>22.0%</b>

Source: Annual Reports and Eaglestone Securities.

Against this backdrop, we believe that these latest developments could lead to some consolidation movements in the foreseeable future that could change the existing landscape of the banking sector. Specifically, we are likely to see several players (mostly international) requesting a banking license from the Central Bank and/or acquiring part of the share capital of some of the existing banks. We note that Standard Chartered already has a license to operate in the country. Moreover, we believe that consolidation in the sector could also involve South African, US and possibly Chinese players. Brazilian banks could also play a role in this process, although at this stage we see a lower probability of this taking place.

We see two key short-term triggers for the consolidation process and one in the medium-term. First, as noted above, there are several players that require a capital injection in the near-term and so the entry of new shareholders could help solve this issue. Second, there are some banks where management has a significant stake in the capital of those banks (e.g., Banco BIC, BNI, BCH and Banco Valor). We believe some of these banks could reach an agreement with an international player or that management could simply sell its stake in the bank. And third, there are currently some investors in the banking sector that could over the medium-term decide to dispose of their stakes to focus more on their core activities.

*Consolidation is one of the major topics to monitor in the sector*

*We see three key triggers for the consolidation of the Angolan banking sector*

## NEW FOREIGN EXCHANGE LAW FOR OIL AND GAS OPERATIONS

### DESCRIPTION

The Angolan authorities introduced a new foreign exchange law for the oil and gas sectors (Law 2/2012) at the beginning of 2012. The aim of this law is to establish the foreign exchange regime for the settlement of operations for goods, services and capital that result from crude oil and natural gas prospecting, exploration, appraisal, development and production activities. This law applies to the national concessionaire and the national and foreign investing companies in the settlement of oil sector foreign exchange operations.

*A new foreign exchange law for the oil and gas sectors was introduced at the beginning of 2012*

The law defines as a foreign exchange operation (1) the purchase or sale of foreign currency, (2) the opening and operation of foreign currency accounts domiciled in Angola by residents and non-residents, (3) the opening and operation of national currency accounts by non-residents and (4) the settlement of all transactions for goods, services and capital operations. The national concessionaire (or the entity to which the State grants mining rights, i.e. Sonangol) and the investing companies (operators and non-operators), either national or foreign, must make the settlement of foreign exchange transactions through a banking financial institution domiciled in Angola authorized to conduct foreign exchange business under the existing law.

*Under this law, oil companies are required to transfer by end-2013 a large part of their offshore revenues to domestic banks*

The implementation of Law 2/2012 will be phased out according to the following calendar set by the BNA:

*The implementation of this Law will be phased out according to a calendar set by the BNA*

**October 2012** – Sonangol and the investing companies (national and foreign) must start paying local and foreign suppliers from Angolan domiciled banks;

**13 May 2013** – the payment of taxes and other fiscal obligations must be carried out using a foreign currency account at Angolan domiciled banks;

**1 July 2013** – Sonangol and the investing companies (national and foreign) must start paying local suppliers in local currency;

**1 October 2013** – operators must start paying foreign suppliers from Angolan domiciled accounts in foreign currency.

In a nutshell, Sonangol and its domestic and foreign partners will be obliged to process all of their payments through accounts domiciled at local banks, regardless of the home country of the investing company, operator and non-operator. The Law requires the opening of two accounts, namely one in foreign currency for the payment of goods and services supplied by foreign entities, and another in local currency for the payment of goods and services supplied by local companies.

*The Law requires the opening of two accounts namely one in local currency and another in US\$*

The new Law also establishes that (1) overseas payments for goods and services do not require prior licensing and will only need to be registered at the BNA, (2) foreign investors can hold and use their profits and dividends at overseas banks and (3) loans granted by local banks to foreign investing companies require the prior approval of the BNA.

**IMPACT ON THE BANKING SECTOR**

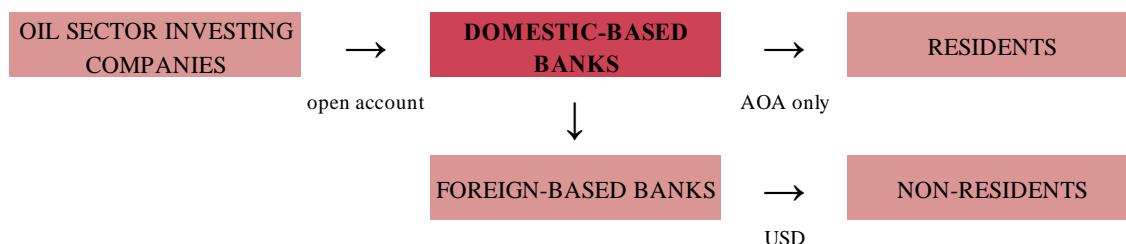
The real impact of this new law on the banking sector is difficult to quantify given that information on the oil industry remains rather opaque. At first glance, one can assume that this new law will imply that funds related to the transactions involving companies operating in the oil and gas industry that did not pass through the domestic banking system will now be internalised. In other words, players in the oil industry will start using local banks for the payment of (1) taxes and other fiscal obligations and (2) foreign suppliers of oil-related goods and services.

*Players in the oil industry will now start using local banks for the payment of (1) taxes and (2) foreign suppliers of goods and services*

**BEFORE NEW LEGISLATION**



**AFTER NEW LEGISLATION**



Source: Angolan authorities and Eaglestone Securities.

Having said that, we note the following on the Angolan oil industry. First, annual revenues exceeded US\$ 70bn in 2012, but more than 98% of production of crude oil went to the external market. Second, figures from the Ministry of Finance show that taxes related to the oil sector amounted to US\$ 40bn in the same period (US\$ 13bn if excluding taxes from Sonangol). And third, the latest current account estimates suggest that imports in the oil sector stood at US\$ 5bn last year while payments of services to foreign suppliers reached US\$ 15bn.

*Latest current account estimates suggest that oil imports amounted to US\$ 5bn while payment of oil-related services reached US\$ 15bn*

As a result, based on the above mentioned and on the calculations presented in the table below, we believe this new law means that new funds likely to pass through the local banking system could reach as much as US\$ 20-30bn. Still, we highlight that these funds are only likely to pass through local banks for a very short period of time due to the nature of the oil business and, as a result, should have a limited impact on their balance sheets.

*In our view, about US\$ 20-30bn in new funds could briefly pass through local banks*



ANGOLA - OIL INDUSTRY	Million US\$			
	2009	2010	2011	2012
<b>Production and Revenues:</b>				
Production (million bpd)	1.80	1.76	1.66	1.75
Average Price (USD pb)	60.9	77.9	110.1	111.0
Total Revenues	40 011	50 043	66 710	70 908
<b>Taxes (Oil Sector):</b>				
Total	17 251	25 396	30 360	39 820
Taxes (excl. Sonangol)	6 697	9 006	10 020	13 337
<b>Current Account (Oil Sector)*:</b>				
Exports of Crude Oil	39 803	49 352	65 591	69 844
Imports	4 326	3 158	3 475	5 269
Payment of Services Abroad	7 114	6 158	9 173	14 646
<b>Total Funds to pass through Angolan Banks</b>	<b>18 137</b>	<b>18 322</b>	<b>22 668</b>	<b>33 252</b>

\* Estimates for 2012. Source: Angolan authorities, IMF and Eaglestone Securities.

This law should also lead to a more active role of commercial banks in the foreign exchange market, as the BNA will no longer be the only player providing foreign currency to the financial system. The increase in the number of foreign exchange transactions in the local market will require greater efficiency from the banking sector, mainly from October onwards when the impact from this law should be fully reflected.

We believe a greater influx of US\$ in the local financial system (greater supply of US\$) could temporarily put some pressure for an appreciation of the kwanza. However, and bearing in mind that most of the payments of oil-related services are done to overseas companies in US\$ (therefore increasing the demand for US\$), an equilibrium between supply and demand should be rapidly reestablished with no major impact on the exchange rate, or the interest rates in the domestic financial system, and ultimately on inflation.

Finally, this law should present great opportunities for the local banking sector, namely in what concerns cross-selling and product innovation. We did some back of the envelope calculations in order to see the potential impact of this law on the P&L account of the local banks. In our view, the potential new fees that banks could charge the clients in the oil and gas sector could represent about 10% of the total existing fees and 1-2% of the total revenues of the system. Our calculations assume that banks will charge fees on FX operations (25bps) and money transfers (we believe these could reach 10-15bp) on the new funds that will pass through the local banking system excluding those related to tax payments. Still, we note that this impact (US\$ 70mn in 2012E) is likely to be mostly reflected on just four or five banks, which will be the ones more active in the oil business.

*Increase in the number of foreign exchange transactions in the local market will require greater efficiency from the financial sector*

*Despite the greater influx of US\$ in the system, we believe that the new Law should not have any major impact on the exchange rate*

*Banks are likely to use this new law to improve cross-selling and innovation levels*

*We estimate the impact on the P&L to represent about 10% and 1-2% of total existing fees and revenues, respectively*

ANGOLAN BANKS - IMPACT ON THE P&L ACCOUNT	Million US\$			
	2009	2010	2011	2012E
<b>Total Funds to pass through Angolan Banks excluding Taxes</b>	<b>11 440</b>	<b>9 316</b>	<b>12 648</b>	<b>19 915</b>
<b>Additional Banking Fees with new FX Law:</b>				
FX Operations (25bps)	28.6	23.3	31.6	49.8
Money Transfers (10bps)	11.4	9.3	12.6	19.9
<b>Total</b>	<b>40.0</b>	<b>32.6</b>	<b>44.3</b>	<b>69.7</b>
Total Existing Fees for the Banking Sector	386.2	379.8	469.7	612.5
<b>Total Revenues</b>	<b>2 930</b>	<b>3 120</b>	<b>3 438</b>	<b>3 593</b>
% of Total Existing Fees	10.4%	8.6%	9.4%	11.4%
<b>% of Total Revenues</b>	<b>1.4%</b>	<b>1.0%</b>	<b>1.3%</b>	<b>1.9%</b>

Source: Angolan authorities, IMF and Eaglestone Securities.

## **FINANCIAL SECTOR LEGISLATION**

The BNA has introduced in recent months several Notices for the financial sector, namely regarding (1) corporate governance, (2) the requirements for the launch of a new institution in Angola, (3) the acquisition or increase in stakes in the sector and (4) the procedures to register a financial institution. We describe below the key points on each piece of legislation.

### **NOTICE 1/2013 – Corporate Governance**

This Notice defines the procedures that financial institutions must follow in terms of their corporate governance. The procedures must be adapted to the size, nature and complexity of the business activity of the institution. Financial institutions should define, implement and periodically review their corporate governance model taking into account its capital structure, business strategy, risk management procedures and business units.

They should also define the following: (1) remuneration policy, (2) procedures to avoid conflicts of interest and (3) transparency policy and information disclosure, namely on its shareholder structure and financial data.

Financial institutions are also expected to start releasing two types of reports. First, they should disclose an annual report on corporate governance until 31 December of each year providing details on the current situation of the institution up to 30 days prior to its release. The first report on corporate governance should be disclosed by 31 December 2014. Second, financial institutions are also expected to provide the BNA with an internal control report until 31 December of each year. The first report is expected by 31 December 2013. Both of these reports should be signed by an external auditor.

### **NOTICE 9/2013 – New Financial Institutions**

The launch of a new financial institution in Angola requires the approval of the BNA, unless it is a subsidiary or a branch of an institution where its headquarters are based outside of Angola. It could also require the approval of the President of Angola, in which case it will have the supervision of the BNA.

The approval process also depends on (1) the track-record of the shareholders, (2) the compatibility of the shareholders of the institution to its business plan, (3) the transparency regarding the origin of the funds making up the capital of the financial institution, (4) the viability of the business plan, (5) whether the project allows the prudential supervision of the BNA as well as the implementation of possible corrective measures and (6) the obligations and financial interests of the shareholders of the financial institution.

### **NOTICE 10/2013 – Acquisition or increase in stakes of financial institutions**

The BNA will have to give its approval if (1) the increase in the qualified stake reaches or surpasses 20%, 33% and 50% of the share capital or voting rights of the financial institution, (2) the transaction involves more than 10% of the share capital of the institution and (3) the transaction involves stakes of institutions

*The BNA published in recent months several pieces of legislation for the financial sector*

*Financial institutions should define, implement and periodically review their corporate governance model*

*It includes remuneration policy and information disclosure*

*Financial institutions will now be obliged to release an annual report on corporate governance as well as an internal control report to the BNA*

*The launch of a new financial institution requires the approval of the BNA*

*The approval process depends on several factors*

*Transactions involving financial institutions require the approval of the BNA*

under the supervision of the BNA by foreign entities, independently of the size of the stake.

Moreover, the transaction will also require the approval of the President of Angola if it results in the control of the financial institution being transferred to a foreign domiciled institution. This transaction would be done under the supervision of the Central Bank.

*The President of Angola will have to approve specific transactions*

The BNA will announce within 30 days in case it is against the transaction taking place. However, this deadline could be extended if the Central Bank considers the deal to be particularly complex and that it needs more time to make a decision on the matter. The non-opposition of the BNA to the transaction means its tacit approval. The institution will then have three months to go ahead with the transaction. In case it does not do so, it will then have to renew its request to the BNA.

*The BNA has 30 days to show that it opposes a transaction, but could take more time in special cases*

Financial institutions under the supervision of the Central Bank will also require its approval in the transactions involving the acquisition of stakes of foreign based institutions and non-financial institutions. The merger of two or more financial institutions will also require the approval of the BNA while the capital level and shareholders' equity of the new entity will have to comply with the minimum required level.

*The Central Bank will also have to approve (1) the acquisition of stakes in foreign banks and non-financial institutions and (2) the merger between banks*

### **NOTICE 11/2013 – Requirements and procedures to register a Financial Institution**

Following the approval of the Central Bank, a new financial institution will only be allowed to operate in Angola after it is registered at the BNA. The financial institution will have a deadline of 30 days from the date of its commercial registry to request its registry at the Central Bank.

*A financial institution needs to be registered at the BNA*

The BNA will have up to 30 days from the date that a financial institution requests its registry to show its disapproval and after that date the approval becomes tacit. After this process is complete, the financial institution will have up to 30 days to introduce or update its data on the Supervisory System for Financial Institutions.

*The BNA has 30 days to show its disapproval to the registry of a financial institution*

## MONETARY POLICY OPERATIONAL FRAMEWORK

### THE CENTRAL BANK

The BNA conducts monetary policy in Angola, with its key objective being the preservation of price stability. The BNA has implemented a new monetary policy operational framework since January 2012, upgrading and expanding the instruments available to achieve its monetary policy objectives. The instruments currently available to the Central Bank include: (1) reserve requirements (currently 20% for deposits in kwanzas and 15% for those in foreign currency); (2) foreign exchange auctions; (3) allocation of government securities; and (4) open market operations.

*The Central Bank's primary role is the preservation of price stability*

This new policy framework also introduced the concept of "Reference Interest Rate" (known as "Taxa BNA" or "BNA Rate") that is used to signal monetary policy orientation. For example, an increase in this rate indicates that prices are likely to increase in the short-term and, therefore, a course of action leading to tighter monetary policy may be required in order to ensure that inflation targets set by the Government are met. On the other hand, the "Taxa BNA" is also used as a reference to determine the rate that financial institutions trade liquidity in the interbank market. With this in mind, the BNA introduced the LUIBOR (Luanda Interbank Offered Rate). It is calculated as a weighted average of interest rates in the interbank market and is regularly published by the Central Bank.

*The BNA Rate is used (1) to signal monetary policy orientation and (2) as a reference to determine the rate that banks trade liquidity in the interbank market*

The permanent liquidity facility is aimed at providing (or absorbing) financial institutions with overnight liquidity. It is done on a daily basis, with the initiative of financial institutions, and sets the ceiling (or floor) of the overnight interest rates in the interbank market. Such liquidity is provided (or absorbed) at the "Taxa BNA" plus (or minus) a spread to ensure that overnight liquidity is traded preferably in the interbank market. The BNA has also established an intraday permanent liquidity facility.

*Permanent liquidity facility is aimed at providing (or absorbing) financial institutions with overnight liquidity*

The open market operations are undertaken with the initiative of the BNA. These include: (1) a short-term refinancing facility offered on a weekly basis for periods up to 7 days, which can be rolled over by the Central Bank on banks' requests; (2) a longer-term refinancing facility offered on a monthly basis for maturities up to 28 days; (3) an unsecured, ad-hoc liquidity absorption and provision facility for maturities ranging from 1 to 28 days, to address sharp and unexpected changes in liquidity conditions; and (4) a structural operation that is non-reversible ad-hoc provision of liquidity by the BNA against eligible securities (i.e., government securities with residual maturities of no more than three months).

*Open market operations are undertaken with the initiative of the BNA*

The BNA also plays the role of lender of last resort under this new monetary policy framework. The Central Bank has two levels of rediscounting facilities, namely (1) the rediscount facility of first level, which is done for a period of 30 days (and can be rolled over up to 60 days), that is aimed at aiding financial institutions that are facing short-term cash-flow imbalances and (2) the rediscount facility of second level, which is done for a period of 45 days (can be rolled over up until 90 days), for financial institutions facing restructuring needs.

*BNA is also lender of last resort*

## **MONETARY POLICY COMMITTEE**

The BNA has created a Monetary Policy Committee in order to (1) monitor the evolution of broad money aggregates, (2) closely analyze the developments of the financial sector and (3) improve communication with the market. This Committee regularly disseminates information on monetary conditions as well as the inflation outlook. It ordinarily convenes once a month and whenever the Governor decides to call for an extraordinary meeting. At the end of each meeting, the Committee releases a formal statement that includes its decision on the “BNA Rate”, therefore providing guidance on how the Central Bank will conduct monetary policy in the foreseeable future.

*The Monetary Policy Committee (1) monitors the evolution of broad money aggregates, (2) analyses the evolution of the financial sector and (3) communicates with the market*

## **INFLATION**

The Central Bank’s objective to reduce inflation to single-digits has already been achieved, as inflation stood at 9.02% at the end of 2012 and remained roughly at these levels in the first six months of this year. The BNA sees foreign exchange rate stability as a key contributor to the downward trend in consumer prices. We note that the US\$/KZN exchange rate has moved between the 90-95 level since early 2010.

*Aim of single-digit inflation was reached at end-2012*

According to the BNA, a continued accumulation of international reserves has played a crucial role in securing a stable exchange rate. It targets a level of international reserves equivalent to at least nine months of imports, which is close to the average level for resource dependent countries with managed exchange rates.

*Securing a stable exchange rate requires reserve levels that cover at least nine months of imports*

Although the latest forecasts from the IMF point to single-digit inflation in 2013-17E, caution must be warranted. Excessive liquidity conditions persist and are not inductive of low inflation levels over time. The Central Bank stands ready to use available monetary policy instruments to help reduce any risks to price stability, but it admits that room for decisive monetary policy action remains limited. It could also increase the reserve requirements on foreign currency deposits and level them with the reserve requirements in kwanza deposits.

*The BNA stands ready to use any monetary policy means to help reduce risks to price stability*

## BANKING IN SOUTHERN AFRICA

Angola is one of the 15 member countries of the Southern African Development Community (SADC), which includes Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. The main objectives of the SADC are to (1) achieve economic development, peace and security, and growth, (2) alleviate poverty, (3) enhance the standard and quality of life of the peoples of Southern Africa and (4) support the socially disadvantaged through regional integration.

*Angola belongs to the 15-member SADC*

Unsurprisingly, the economies, the banking and the financial sectors within the region differ greatly from country to country, making regional integration an even grander challenge. In this chapter, we present some key economic and banking sector indicators for the members of the SADC, the closest peer group of Angola, and look at how the economic expansion witnessed in most countries has spurred a greater demand for retail banking services. We also take a quick glance at the role that mobile banking is playing in financial integration in the region.

*Different economic and banking structures of the SADC members make regional integration more challenging*

In economic terms, Angola has stood out amongst its peers in the last few years. Along with South Africa, its GDP accounts for almost 80% of the total GDP of the 15 members of the SADC while Angola is one of only six countries having a GDP per capita above the US\$ 5,000 level after expanding at an annual average rate of 4.7% in the last three years. Countries such as the Democratic Republic of Congo, Madagascar, Malawi, Mozambique, Tanzania and Zimbabwe continue to have a GDP per capita below US\$ 1,000, despite their recent impressive performance.

*Angola stands out amongst its peers when looking at key economic indicators*

SOUTHERN AFRICAN DEVELOPMENT COMMUNITY - KEY INDICATORS (2012E)				
	Population (million)	GDP (US\$ bn)	GDP per capita (US\$)	Real 3-year GDP growth
Angola	20.2	114.83	5 681	4.7%
Botswana	1.9	17.64	9 407	5.3%
DR of the Congo	74.7	17.70	237	7.1%
Lesotho	2.0	2.62	1 340	4.8%
Madagascar	22.4	10.05	449	1.4%
Malawi	16.6	4.49	270	5.1%
Mauritius	1.3	11.93	9 199	3.9%
Mozambique	22.5	14.64	652	7.3%
Namibia	2.2	12.15	5 635	5.2%
Seychelles	0.1	0.97	10 572	4.9%
South Africa	51.2	390.92	7 636	2.9%
Swaziland	1.2	3.65	3 119	-0.2%
Tanzania	43.0	27.98	650	6.7%
Zambia	13.9	20.68	1 486	6.9%
Zimbabwe	12.6	10.80	858	8.0%
<b>Average</b>	<b>19.1</b>	<b>44.07</b>	<b>4 024</b>	<b>4.9%</b>
<b>Average (excl. South Africa)</b>	<b>16.8</b>	<b>19.30</b>	<b>3 540</b>	<b>5.1%</b>

Source: IMF World Economic Outlook.

This accelerating economic environment is largely owed to the implementation of prudent macroeconomic and structural policies aimed at stimulating private sector-led growth. On one hand, these measures have aided the flourishing of service sectors like telecommunications, construction and retail banking industries. On the

*The implementation of sound macro policies has helped the banking sector*

other, a strong economic expansion, coupled with a greater integration with the global economy, has contributed to an increasing middle-class in the region, which has led to higher demand for retail banking services.

This notwithstanding, banking levels in the SADC region remain low compared to the ones in developed countries, as evidenced in the tables below. Domestic credit to the private sector as a percentage of GDP still stands at 35% for the region for instance (27% ex-South Africa) and at about 21% in Angola, in particular. Also, a significant number of firms state that access to finance remains a major constraint to their business operations.

Moreover, the intermediation levels measured by the loans-to-deposits ratio stand at 66% (or about 64% ex-South Africa) and at 59.5% in Angola. In our view, this suggests that lack of financial resources is not a major impediment for faster growth in the banking sector going forward. We note however that the loans-to-deposits ratio for Angolan banks also reflects the fact that the sector continues to invest heavily in treasury bills, as these instruments are low risk short-term funding that provide attractive yields and tax benefits.

We also highlight that the banks in the region are generally well capitalized and have attractive profitability levels. In particular, Angolan banks present solvency levels above the statutory required minimum of 10% while ROE stands above 20%, comparing favorably with the average of their SADC peers.

Angolan banks also stand out in terms of efficiency ratios, despite the aggressive branch network expansion witnessed in recent years, as the cost-to-income ratio for the sector stands below 40%. We believe this is rather impressive even when compared to other banks in most industrialized countries.

*Banking levels in the SADC remain low when compared to developed countries*

*Lack of financial resources is not a major impediment for faster growth in the banking sector*

*Banks in Angola (and the SADC) are well capitalized and have presented impressive ROE levels*

*They also present quite impressive efficiency levels, despite the strong expansion of recent years*

SOUTHERN AFRICAN DEVELOPMENT COMMUNITY - BANKING SECTOR INDICATORS							
	Domestic credit to private sector (% of GDP)	Access to finance (% of firms identifying this as a major constraint)	Loan to deposit ratio	Regulatory capital (% of RWA)	NPL ratio	ROE	Cost to income ratio
Angola	20.9	38.5	59.5	14.8	2.4	24.2	37.4
Botswana	23.3	25.5	60.8	20.5	2.4	5.9	47.8
DR of the Congo	6.6	73.3	n.a.	15.0	10.6	4.2	68.0
Lesotho	13.7	28.6	41.0	15.3	4.4	28.9	52.8
Madagascar	11.7	39.4	59.5	12.7	8.7	9.6	63.0
Malawi	19.0	51.0	72.8	20.3	3.9	29.4	57.4
Mauritius	87.9	46.3	65.1	15.8	2.8	16.2	47.2
Mozambique	26.8	50.1	76.0	17.1	1.9	21.9	61.2
Namibia	49.9	18.4	82.2	14.0	1.5	15.0	52.3
Seychelles	27.9	n.a.	34.8	21.5	5.5	23.4	42.0
South Africa	145.6	15.5	92.3	14.9	4.7	13.3	57.5
Swaziland	23.0	32.9	74.9	20.1	8.0	18.2	60.2
Tanzania	16.2	40.6	65.9	18.5	7.5	13.1	62.4
Zambia	11.5	20.1	53.3	19.2	11.4	25.5	64.8
Zimbabwe	44.5	n.a.	85.2	12.9	7.9	21.7	88.0
<b>Average</b>	<b>35.2</b>	<b>37.3</b>	<b>66.0</b>	<b>16.8</b>	<b>5.6</b>	<b>18.0</b>	<b>57.5</b>
<b>Average (excl. South Africa)</b>	<b>27.4</b>	<b>38.7</b>	<b>63.9</b>	<b>17.0</b>	<b>5.6</b>	<b>18.4</b>	<b>57.5</b>

Note: statistics are the most recent available. Source: IMF, World Bank and Central Banks.

Meanwhile, we underline the financial inclusion indicators displayed in the table below. Most of the population has no access to banking services, with only 30% of the adults having a bank account, 6% a credit card or 3% an outstanding mortgage. Indeed, they continue to borrow from family or friends instead of a bank and very few people place their savings in a financial institution.

*Most of the population in the SADC has no access to banking services*

SOUTHERN AFRICAN DEVELOPMENT COMMUNITY - FINANCIAL INCLUSION INDICATORS							
	Adults with an account at a formal financial institution (%)	Adults saving in a formal account in past year (%)	Adults saving using a community-based method in past year (%)	Adults originating a new loan from a formal institution in past year (%)	Adults originating a new loan from family or friends in past year (%)	Adults with a credit card (%)	Adults with an outstanding mortgage (%)
Angola	39	16	8	8	26	15	4
Botswana	30	16	14	6	47	11	1
DR of the Congo	4	1	8	2	30	2	0
Lesotho	18	8	16	3	51	2	1
Madagascar	6	1	0	2	58	0	1
Malawi	17	8	10	9	44	1	5
Mauritius	80	31	6	14	6	14	5
Mozambique	40	17	23	6	35	4	1
South Africa	54	22	14	9	34	8	4
Swaziland	29	18	8	12	51	13	6
Tanzania	17	12	8	7	46	4	4
Zambia	21	12	7	6	42	4	1
Zimbabwe	40	17	11	5	57	6	1
<b>Average</b>	<b>30</b>	<b>14</b>	<b>10</b>	<b>7</b>	<b>41</b>	<b>6</b>	<b>3</b>
<b>Average (excl. South Africa)</b>	<b>28</b>	<b>13</b>	<b>10</b>	<b>7</b>	<b>41</b>	<b>6</b>	<b>3</b>

Source: World Bank Global Findex Database.

This limited access to financial services stems particularly from lack of physical infrastructure, physical-geographical isolation or inaccessibility, limited skills and financial illiteracy, all of which results into exceedingly high cost of providing banking services. In terms of infrastructure, we note that in the Democratic Republic of the Congo, Madagascar and Malawi there is less than one branch per 100,000 adults whereas in Angola, Mauritius, Seychelles and South Africa there are more than 10. Also, the average number of ATMs and point-of-sale terminals per 100,000 adults is significantly below the levels seen in developed countries.

*There are several countries in the SADC where there is less than one branch per 100,000 adults*

SOUTHERN AFRICAN DEVELOPMENT COMMUNITY - FINANCIAL SYSTEM NETWORK			
	Commercial bank branches (per 100,000 adults)	ATMs (per 100,000 adults)	Point-of-sale terminals (per 100,000 adults)
Angola	11	16	25
Botswana	9	27	n.a.
DR of Congo	1	1	n.a.
Lesotho	3	8	n.a.
Madagascar	1	2	2
Malawi	1	n.a.	2
Mauritius	21	43	647
Mozambique	4	7	35
Namibia	7	48	217
Seychelles	37	36	n.a.
South Africa	11	60	n.a.
Swaziland	7	25	52
Tanzania	2	5	11
Zambia	4	8	11
Zimbabwe	5	5	n.a.
<b>Average</b>	<b>8</b>	<b>21</b>	<b>111</b>
<b>Average (excl. South Africa)</b>	<b>8</b>	<b>18</b>	<b>111</b>

Note: statistics are the most recent available. Source: IMF, World Bank and Central Banks.

Financial services are usually more readily available to established businesses and emerging middle and upper-income households that make up a relatively small proportion of the total population in the SADC. However, the surprising fact is that almost two-thirds of the population in the region has a mobile phone, with some countries seeing penetration rates above 100%. In Angola, almost half of the population has a mobile phone subscription.

*Mobile phone penetration rates are high and provide an opportunity to reach the unbanked population*

In this context, new technology-based financial services, such as mobile phone banking and the use of smartcards, are being used to widen financial inclusion and

*Mobile banking as a way to bring financial*



transforming the way that individuals and small businesses have access to finance in these countries. Mobile phone banking is taking services to remote areas where conventional banks have been physically absent. Subscribers can now do routine banking transactions such as open accounts, check their balances, pay their bills, transfer money and cater for their daily basic needs at a much more affordable cost than at a regular retail branch.

There are two main mobile financial service models, namely (1) a bank-led model where additional services are provided to existing clients through a mobile banking application and (2) a nonbank-led (or mobile network operator) model with the aim of reaching the unbanked population. This latter model is being used by many low-income countries.

The most widely used example of this model is the M-Pesa service launched in Kenya by local telecoms operator Safaricom in 2007. Kenyan citizens, especially those in remote rural areas, have limited access not only to basic economic and social infrastructure, but also to affordable financial services, such as payment facilities or savings. At the time the M-Pesa was launched, there were only 1.5 bank branches per 100,000 people and only one ATM per 100,000 people. Most of the people were reported to be unhappy with bank services, which explain the easy switch to mobile money.

The success of this model has been dependent on the regulation of mobile money and the existence of a large reliable network of agents that are engaged in mobile payment systems in Kenya. Today, M-Pesa has twice as many subscribers than the holders of bank accounts in the country and provides mobile banking facilities (through a network of more than 50,000 agents) to more than 70% of adults.

*services to the unbanked population*

*Two mobile financial service models: (1) a bank model to provide services to existing clients and (2) non-bank model for the unbanked*

*M-Pesa was launched in Kenya in 2007 and is the most widely used example of mobile money*

*M-Pesa has twice as many subscribers than holders of bank accounts and provides services to more than 70% of adults*

SOUTHERN AFRICAN DEVELOPMENT COMMUNITY - MOBILE BANKING INDICATORS					
	Adults using mobile money in the past year (%)	Electronic payments used to make payments (%)	Mobile cellular subscriptions (per 100 people)	Mobile phone used to pay bills (%)	Mobile phone used to send money (%)
Botswana	9	7	143	3	5
DR of the Congo	2	0	23	0	2
Lesotho	7	3	56	5	6
Madagascar	1	0	41	0	1
Malawi	1	1	26	0	0
Mauritius	9	7	90	2	4
Mozambique	3	21	33	1	1
South Africa	11	15	127	5	7
Swaziland	20	5	64	6	17
Tanzania	23	3	56	6	15
Zambia	5	4	61	3	4
Zimbabwe	4	10	72	4	2
<b>Average</b>	<b>8</b>	<b>6</b>	<b>66</b>	<b>3</b>	<b>5</b>
<b>Average (excl. South Africa)</b>	<b>8</b>	<b>6</b>	<b>60</b>	<b>3</b>	<b>5</b>

Note: statistics are the most recent available. Source: IMF, World Bank and Central Banks.

In a nutshell, banking levels in most of the countries of the SADC remain modest. However, the high growth and penetration rates of mobile phones in the region, as well as the increasing use of mobile money, provides a unique opportunity for the banking sector to improve the supply of affordable financial services to its existing client base and to reach out to the large unbanked population in Africa. In Angola, mobile banking is still at an early stage, but the local authorities (EMIS, BNA and mobile operators) are working together to provide these services to the population.

*Mobile banking provides an opportunity for the sector to reach out to the people*

## ANNEX I –THE “BIG FIVE” BANKS IN ANGOLA

The five largest banks operating in Angola account for 75-80% of the total assets, loans and deposits of the system. The “big five” banks are (1) Banco Africano de Investimentos, (2) Banco Espírito Santo Angola, (3) Banco de Poupança e Crédito, (4) Banco de Fomento Angola and (5) Banco BIC.

*The five largest banks operating in Angola account for c80% of total assets*

In this section, we provide a quick overview of each of the banks. We take a look at their balance sheet structure, the breakdown of loans and deposits and disclose the shareholder structure of each bank.

### BANCO AFRICANO DE INVESTIMENTOS

Banco Africano de Investimentos (BAI) is the largest bank in Angola, with loans and deposits accounting for more than 20% of the system. It was founded in 1996 and is mostly owned by domestic shareholders, namely Sonangol, which holds 8.5% of the share capital of the bank. BAI is largely focused on the corporate segment (2/3 of total loans). Apart from Angola, it also operates in Portugal and in Cape Verde and holds a representative office in South Africa.

*BAI is the largest bank in Angola and is mostly owned by domestic shareholders, namely Sonangol*

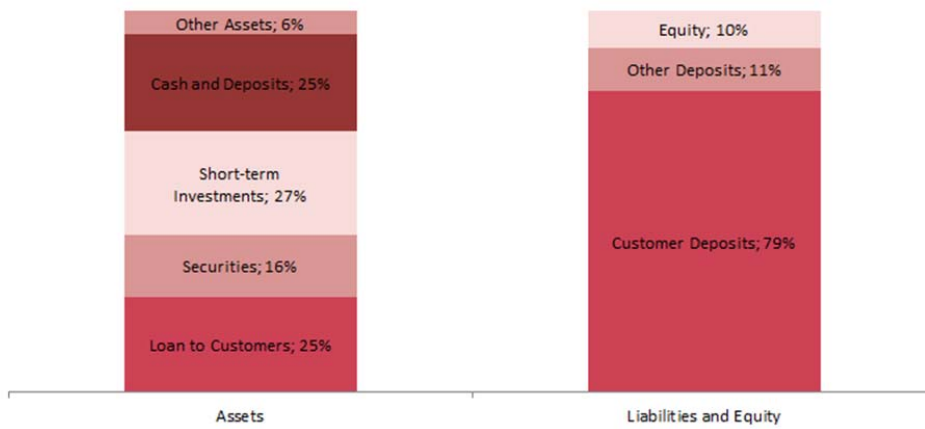
BAI has faced stiffer competition from its main peers lately, as depicted in the recently disclosed figures for 2012. Key balance sheet numbers (assets, loans and deposits) all slowed from the previous year while bottom-line saw significant headwinds from higher provisioning levels after the NPL ratio increased to 7.2% from 4.9% in 2011. All in all, ROE fell below the 20% level for the first time since 2006 and the ROAA fell to 1.59% (vs. 2.12% in 2011). More positively, the solvency ratio of the bank still stands well above the required minimum of 10% at 16.1% in 2012 while BAI remains more efficient than the average of its peers (C/I below 40%).

*BAI's 2012 results were impacted by stronger competition in the sector and deteriorating asset quality figures*

BANCO AFRICANO DE INVESTIMENTOS		Million US\$			
Year	2009	2010	2011	2012	
<b>MAIN INDICATORS</b>					
Net Assets	8 271	8 383	11 887	10 784	
Customer Loans (net)	3 069	2 477	3 002	2 973	
Customer Deposits	7 312	7 284	10 455	8 507	
Equity	643	796	933	1 038	
Net Interest Income	298	382	307	322	
Non-interest Income	228	166	230	251	
Banking Revenue	526	548	536	572	
Overhead Costs	121	174	191	220	
Pre-Tax Profits	264	230	200	185	
Net Profit	231	228	212	180	
Number of Employees	1 276	1 427	1 526	1 747	
Number of Branches	80	85	106	112	
Cost-to-Income Ratio	21.5%	32.3%	35.8%	38.5%	
Loans-to-Deposits Ratio	42.0%	34.0%	28.7%	34.9%	
Return on Equity	36.4%	29.0%	23.0%	17.3%	
Return on Average Assets	3.15%	2.79%	2.12%	1.59%	
NPL Ratio	3.54%	10.75%	4.93%	7.2%	
Solvability Ratio	12.9%	13.7%	13.1%	16.1%	

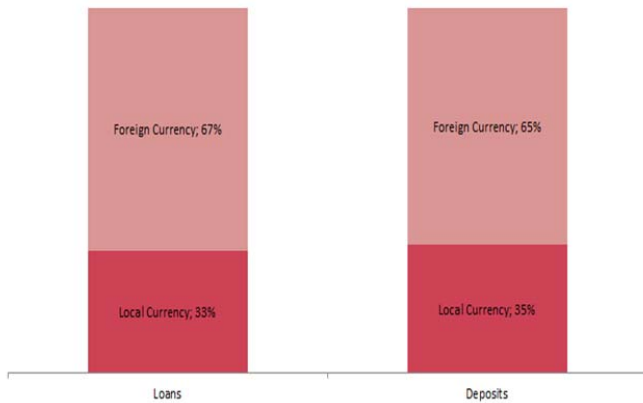
Source: Annual Reports and Eaglestone Securities.

**BALANCE SHEET STRUCTURE (2012)**



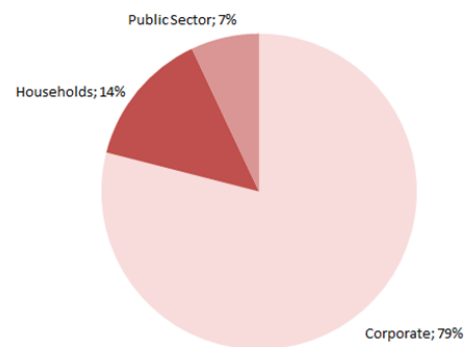
Source: Annual Reports and Eaglestone Securities.

**LOANS AND DEPOSITS – BY CURRENCY (2012)**



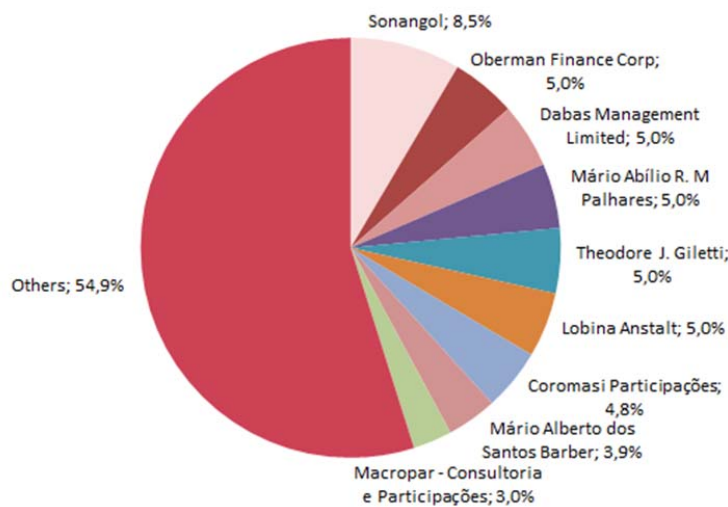
Source: Annual Reports and Eaglestone Securities.

**BREAKDOWN OF LOANS – BY SEGMENT (2012)**



Source: Annual Reports and Eaglestone Securities.

**SHAREHOLDER STRUCTURE**



Source: Annual Reports and Eaglestone Securities.

**BANCO ESPÍRITO SANTO ANGOLA**

Banco Espírito Santo Angola (BESA) was founded in August 2001 and began its operations in early 2002. It is mostly owned by Portugal’s Banco Espírito Santo (51.9% stake). BESA is one of the largest banks operating in Angola in terms of assets and loans, with the latter continuing to grow aggressively (CAGR 2009-12 of 43%) from an already high base. As a result, the bank clearly stands out against its peers when it comes to the level of intermediation (L/D ratio stood above 170% in 2011). BESA’s loan book is largely focused on the real estate and construction sectors, which account for c40% of total loans.

*BESA is largely owned by Portugal’s Banco Espírito Santo. Its loan book is focused on the real estate and construction sectors*

BESA had 41 branches at the end of 2012, but has plans to continue to expand its physical presence in the country. Once the most profitable business unit of BES’s international division, contributing with over 20% of overseas profits, BESA now faces a more challenging business environment. Declining interest rates in Angola have had an impact on margins while deteriorating asset quality has led to stronger provisioning requirements. All in all, bottom-line has dropped to US\$ 74 million in 2012 from US\$ 290 million in the previous year.

*2012 figures evidenced a more challenging business environment, with declining NII and stronger provisioning levels*

<b>BANCO ESPIRITO SANTO ANGOLA</b>		<b>Million US\$</b>			
<b>Year</b>		<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>MAIN INDICATORS</b>					
Net Assets		6 427	7 892	8 915	10 514
Customer Loans (net)		2 411	3 713	5 123	7 100
Customer Deposits		2 526	2 875	2 891	n.a.
Equity		399	714	936	1 006
Net Interest Income		128	390	450	182
Non-interest Income		181	63	50	206
Banking Revenue		309	454	501	387
Overhead Costs		78	90	112	136
Pre-Tax Profits		213	332	350	74
Net Profit		212	331	290	74
Number of Employees		452	509	n.a.	n.a.
Number of Branches		31	36	36	41
Cost-to-Income Ratio		25.3%	19.7%	22.3%	35.2%
Return on Equity		53.0%	46.4%	31.0%	7.3%
Return on Average Assets		3.56%	4.67%	4.22%	0.76%
Solvability Ratio		12.9%	13.7%	13.1%	n.a.

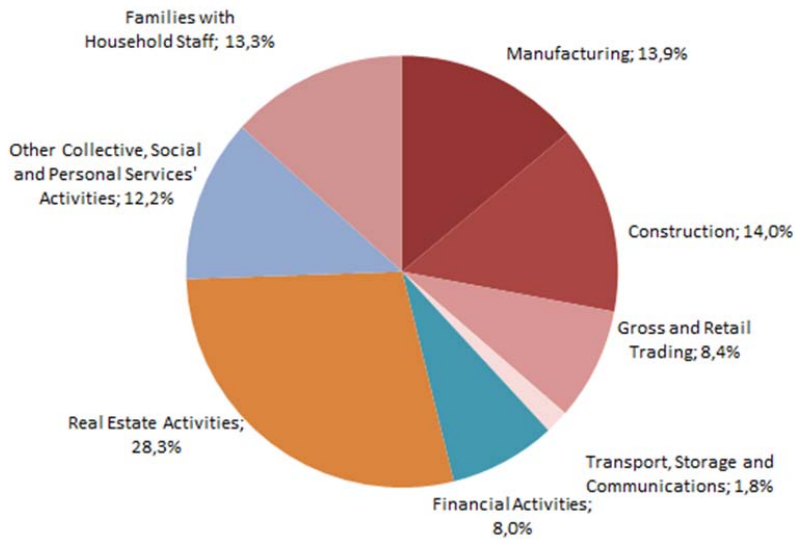
Source: Annual Reports and Eaglestone Securities.

**BALANCE SHEET STRUCTURE (2010)\***



\*The last available Annual Report relates to 2010. Source: Annual Reports and Eaglestone Securities.

**BREAKDOWN OF LOANS – BY SECTOR (2010)\***



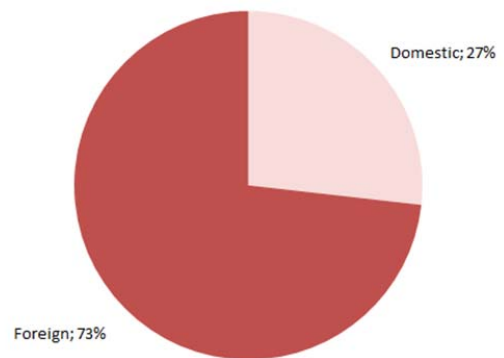
\*The last available Annual Report relates to 2010. Source: Annual Reports and Eaglestone Securities.

**BREAKDOWN OF DEPOSITS – BY MATURITY (2010)**



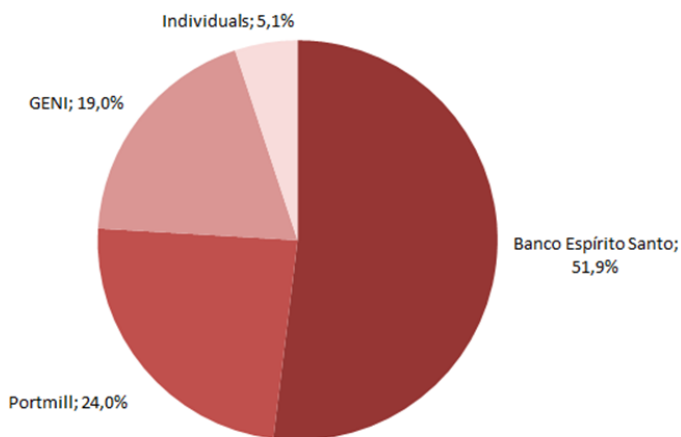
Source: Annual Reports and Eaglestone Securities.

**BREAKDOWN OF DEPOSITS – BY CURRENCY (2010)**



Source: Annual Reports and Eaglestone Securities.

**SHAREHOLDER STRUCTURE**



Source: Annual Reports and Eaglestone Securities.

**BANCO DE POUPANÇA E CRÉDITO**

Banco de Poupança e Crédito (BPC) began its operations in 1976 and is a state-owned bank. Its shareholders are the Angolan Finance Ministry, Angolan Armed Forces Social Security and Angolan Social Security National Institute. BPC is the largest bank in terms of the number of employees, with over 4,000 as of 2011. It is the bank where a significant number of civil service employees deposit their salary. Loans are mostly attributed to the individuals segment (40% of total in 2011), as well as the services and commerce sectors.

*BPC is a state-owned bank and is the largest bank in terms of the number of employees*

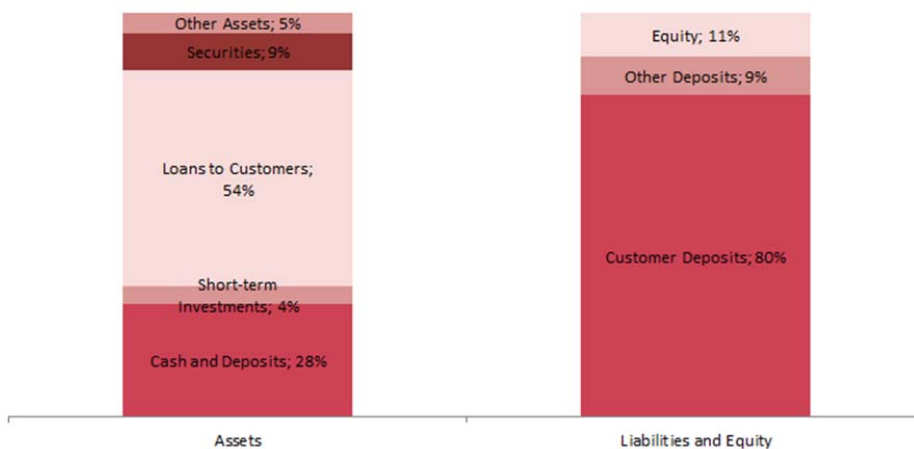
The latest available figures showed a robust operating performance in 2011 that was supported by a favorable top-line contribution (74% of total revenues). This evolution came on the back of healthy volumes (loans up 34% YoY) and margins. Bottom-line was however impacted by higher provisioning levels as well as taxes (effective tax rate of 22.4% vs. 10.2% and 0% in 2010 and 2009, respectively).

*The bank continued to see a healthy operating performance in 2011, but net profit was impacted by higher provisions and taxes*

BANCO DE POUPANÇA E CRÉDITO Year	Million US\$		
	2009	2010	2011
<b>MAIN INDICATORS</b>			
Net Assets	5 165	7 266	7 864
Customer Loans (net)	2 745	3 151	4 219
Customer Deposits	3 107	3 725	6 063
Equity	525	726	845
Net Interest Income	342	543	611
Non-interest Income	128	165	212
Banking Revenue	470	707	823
Overhead Costs	238	262	320
Pre-Tax Profits	125	206	180
Net Profit	125	185	141
Number of Employees	2 836	3 530	4 029
Number of Branches	200	239	265
Cost-to-Income Ratio	50.6%	37.0%	38.9%
Loans-to-Deposit Ratio	88.4%	84.6%	69.6%
Return on Equity	23.7%	25.5%	16.5%
Return on Average Assets	2.69%	3.03%	1.87%
NPL Ratio	4.9%	9.3%	7.5%
Solvability Ratio	17.0%	16.1%	14.1%

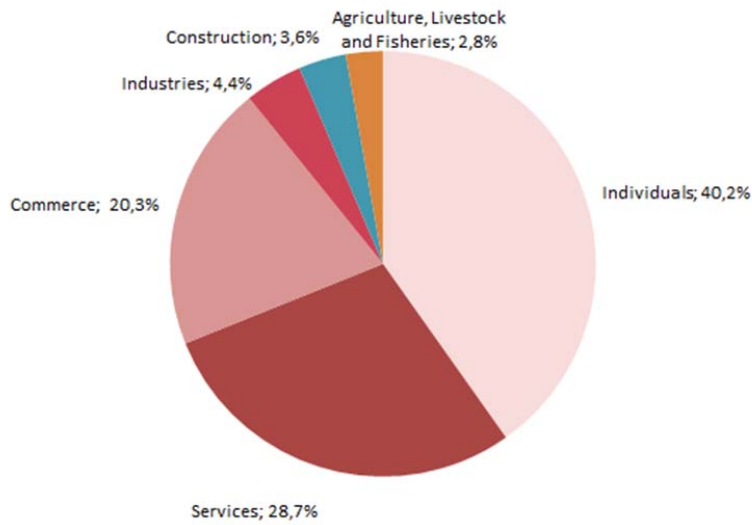
Source: Annual Reports and Eaglestone Securities.

**BALANCE SHEET STRUCTURE (2011)**



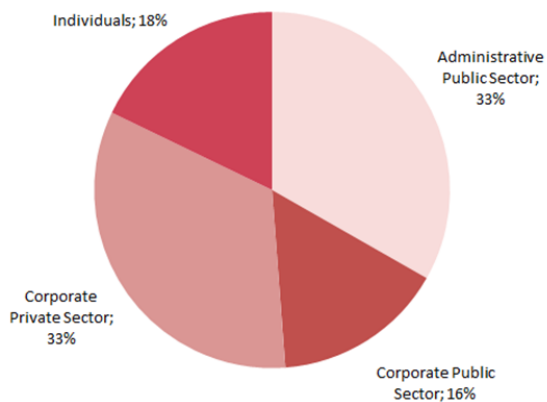
Source: Annual Reports and Eaglestone Securities.

**BREAKDOWN OF LOANS – BY SECTOR (2011)**



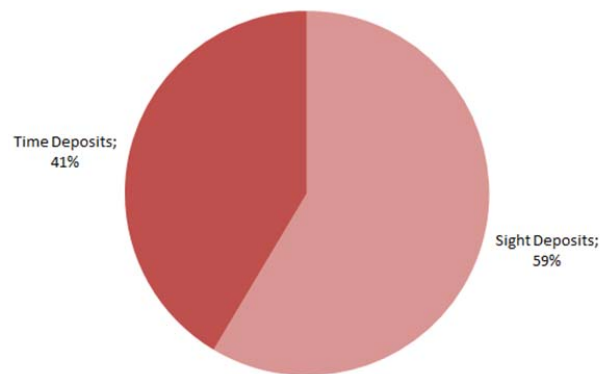
Source: Annual Reports and Eaglestone Securities.

**BREAKDOWN OF DEPOSITS – BY SECTOR (2011)**



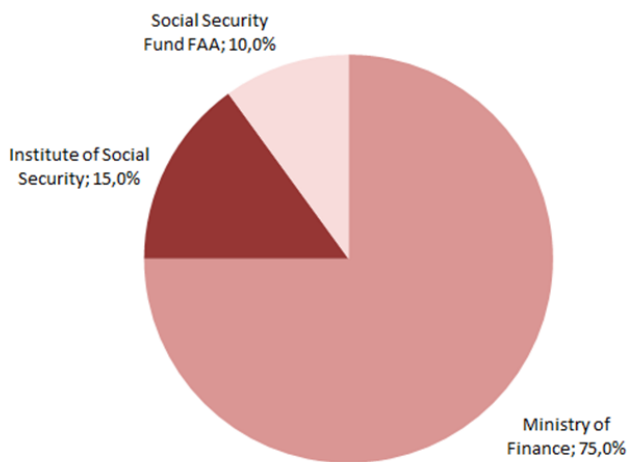
Source: Annual Reports and Eaglestone Securities.

**BREAKDOWN OF DEPOSITS – BY MATURITY (2011)**



Source: Annual Reports and Eaglestone Securities.

**SHAREHOLDER STRUCTURE**



Source: Annual Reports and Eaglestone Securities.

**BANCO DE FOMENTO ANGOLA**

Banco de Fomento Angola (BFA) is the second largest private bank in Angola and has been operating in the country for almost 20 years. It is held by Portugal's Banco BPI (50.1%) and Angola's Unitel (49.9%). BFA has one of the largest branch networks in Angola, with over 160 outlets as of December 2012. The bank is highly focused on the corporate segment, which accounts for roughly half of its loan book and deposits.

*BFA is the second largest private bank and is held by Portugal's Banco BPI and Unitel.*

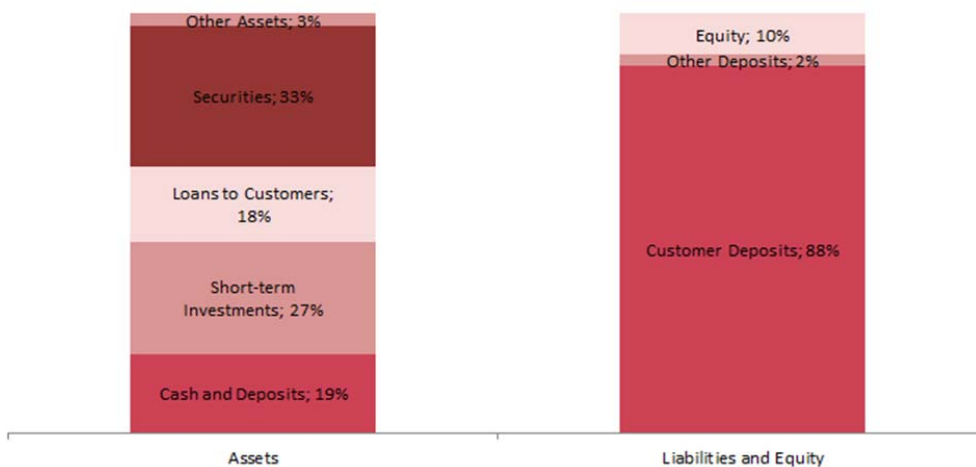
BFA's strong brand and dominant position in the local banking sector has allowed its deposit base to expand at an annual 35-40% over the last decade. On the other hand, its conservative approach has led BFA to reduce its loan portfolio in recent years, instead investing a significant part of its assets in treasury instruments (33% of assets in 2012). All in all, BFA holds one of the best asset quality ratios in the system (4.8% in 2012 vs. 6.1% in the previous year) while its Loans-to-Deposit ratio stood at 20.5%, the lowest amongst its peers.

*The bank has invested a significant part of its assets in treasury instruments, with its L/D ratio standing at 20.5% in 2012*

BANCO DE FOMENTO ANGOLA Year	Million US\$			
	2009	2010	2011	2012
<b>MAIN INDICATORS</b>				
Net Assets	5 897	6 450	7 062	7 930
Customer Loans (net)	1 743	1 575	1 321	1 427
Customer Deposits	5 094	5 566	6 182	6 972
Equity	555	656	755	776
Net Interest Income	228	273	269	227
Non-interest Income	235	151	156	130
Banking Revenue	463	424	425	358
Overhead Costs	136	141	158	158
Pre-Tax Profits	279	252	253	220
Net Profit	250	262	253	220
Number of Employees	1 838	2 038	2 172	2 267
Number of Branches	129	143	158	167
Cost-to-Income Ratio	29.4%	33.3%	37.2%	44.1%
Loans-to-Deposits Ratio	34.2%	28.3%	21.4%	20.5%
Return on Equity	40.1%	39.6%	34.5%	28.2%
Return on Average Assets	3.97%	4.27%	3.74%	2.93%
NPL Ratio	4.0%	4.0%	6.1%	4.8%
Solvability Ratio	23.5%	30.9%	31.4%	30.0%

Source: Annual Reports and Eaglestone Securities.

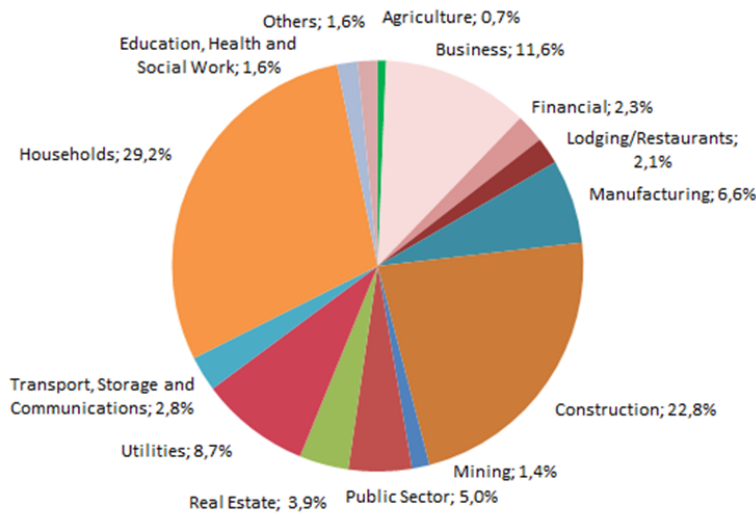
**BALANCE SHEET STRUCTURE (2012)**



Source: Annual Reports and Eaglestone Securities.

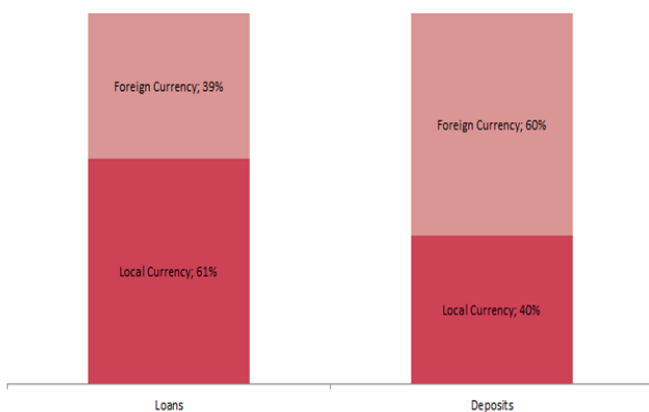


**BREAKDOWN OF LOANS – BY SECTOR (2012)**



Source: Annual Reports and Eaglestone Securities.

**LOANS AND DEPOSITS – BY CURRENCY (2012)**



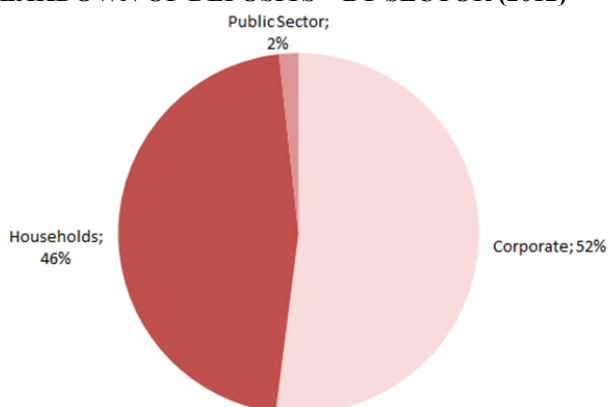
Source: Annual Reports and Eaglestone Securities.

**BREAKDOWN OF DEPOSITS – BY MATURITY (2012)**



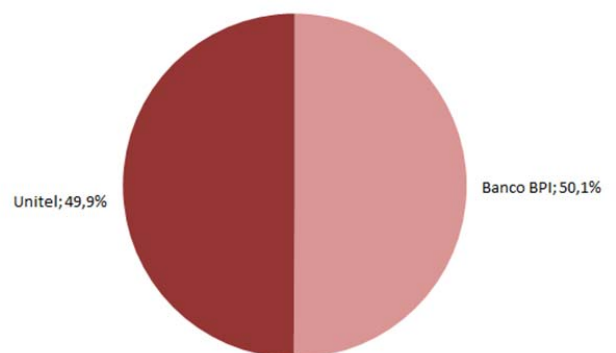
Source: Annual Reports and Eaglestone Securities.

**BREAKDOWN OF DEPOSITS – BY SECTOR (2012)**



Source: Annual Reports and Eaglestone Securities.

**SHAREHOLDER STRUCTURE**



Source: Annual Reports and Eaglestone Securities.

**BANCO BIC**

Banco BIC began its operations in 2005 and is held by domestic and overseas private investors, namely Portugal’s richest man, Américo Amorim, who owns a 25% stake. The bank’s Board of Directors is also largely present in the shareholder structure. Banco BIC is already the biggest private bank in the country in terms of branches, but wants to expand its network to 213 by the end of 2013 from the current 188 branches. The construction and business segments accounted for about 37% of the bank’s loan book in 2012.

*Banco BIC is held by domestic and overseas private investors*

Banco BIC continued to disclose healthy numbers on all fronts in 2012, with net profit improving 8% from the previous year. ROE stood at 22.1% and ROAA at 2.71%. Loans and deposits rose by 21% and 25% YoY, respectively, meaning the Loans/Deposits stood relatively unchanged at 47.1%. Asset quality figures were also better than the peer average, as the NPL ratio stood at 1.6%.

*The bank posted healthy numbers on all fronts in 2012*

Banco BIC Year	Million US\$			
	2009	2010	2011	2012
<b>MAIN INDICATORS</b>				
Net Assets	4 283	4 868	5 513	6 931
Customer Loans (net)	1 838	1 954	1 953	2 356
Customer Deposits	3 400	3 756	4 404	5 487
Equity	460	565	650	760
Net Interest Income	181	169	187	247
Non-interest Income	134	105	83	48
Banking Revenue	315	274	270	295
Overhead Costs	89	108	121	140
Pre-Tax Profits	183	175	176	191
Net Profit	149	142	156	168
Number of Employees	1 168	1 290	1 454	1 705
Number of Branches	117	137	167	184
Cost-to-Income Ratio	25.6%	37.7%	37.4%	37.4%
Loans-to-Deposits Ratio	56.8%	54.8%	47.8%	47.1%
Return on Equity	32.3%	25.2%	24.1%	22.1%
Return on Average Assets	3.68%	3.16%	3.05%	2.71%
NPL Ratio	1.3%	2.0%	2.9%	1.6%
Solvability Ratio	24.0%	27.0%	18.4%	18.6%

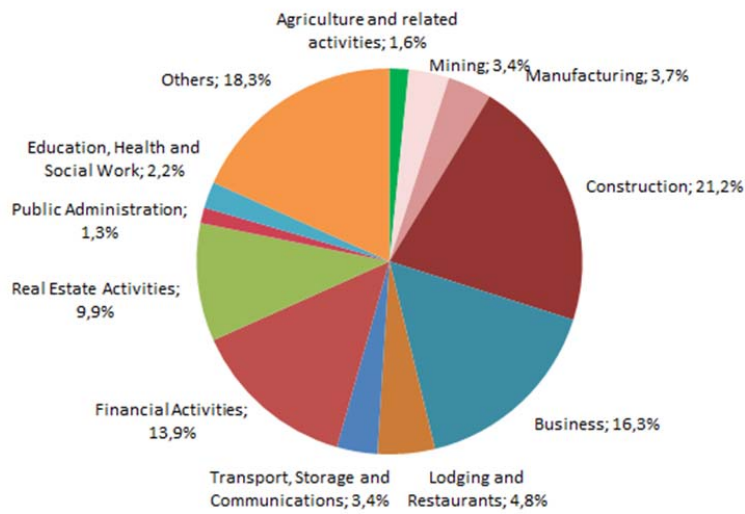
Source: Annual Reports and Eaglestone Securities.

**BALANCE SHEET STRUCTURE (2012)**



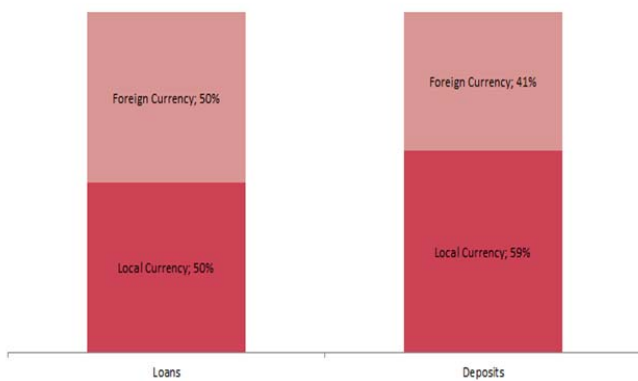
Source: Annual Reports and Eaglestone Securities.

**BREAKDOWN OF LOANS – BY SECTOR (2012)**



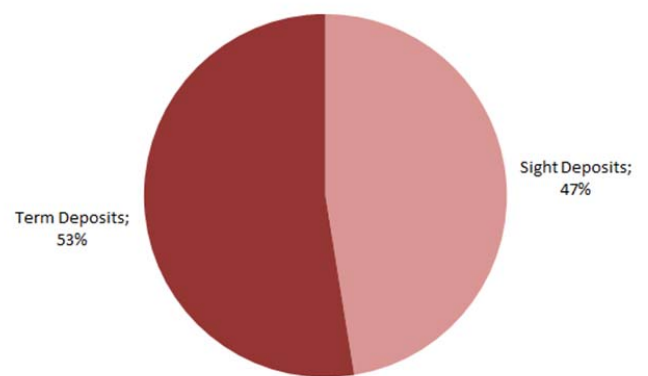
Source: Annual Reports and Eaglestone Securities.

**LOANS AND DEPOSITS – BY CURRENCY (2012)**



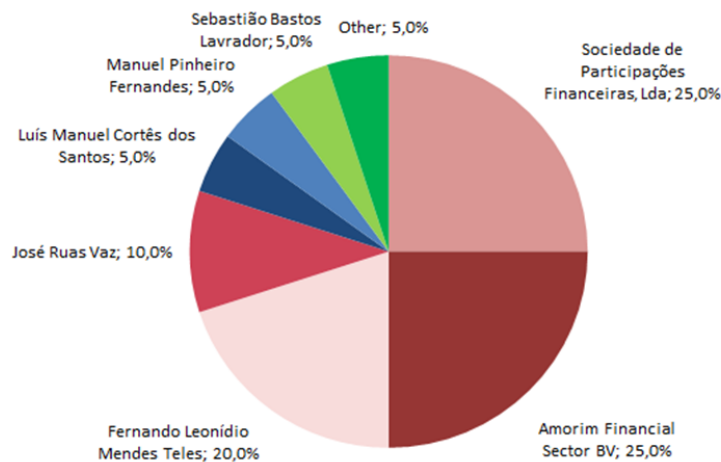
Source: Annual Reports and Eaglestone Securities.

**BREAKDOWN OF DEPOSITS – BY MATURITY (2012)**



Source: Annual Reports and Eaglestone Securities.

**SHAREHOLDER STRUCTURE**



Source: Annual Reports and Eaglestone Securities.

ANNEX II – BALANCE SHEET AND PROFIT & LOSS ACCOUNT DATA

TOTAL ASSETS		Million AOA									
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Banco Africano de Investimentos	34 396	52 051	71 361	103 608	185 445	274 178	573 246	738 735	775 692	1 131 410	1 033 428
Banco Comercial Angolano	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	21 270	21 949	23 501	36 513	n.a.
Banco de Comércio e Indústria	21 341	28 471	38 525	35 984	44 027	53 628	71 727	76 141	65 669	82 555	n.a.
Banco de Fomento Angola	33 967	63 762	93 176	127 538	185 326	266 490	474 023	528 802	597 575	672 921	761 234
Banco Millennium Angola	n.a.	n.a.	n.a.	n.a.	14 201	25 499	48 389	95 725	123 570	170 864	175 521
Banco de Poupança e Crédito	29 196	46 986	78 447	133 220	154 487	213 757	365 555	461 769	673 106	749 266	n.a.
Banco Caixa Geral Totta de Angola	11 878	15 453	17 563	22 188	28 885	36 979	47 512	68 673	92 780	121 144	151 648
Banco Sol	1 529	4 137	6 297	15 259	17 754	35 451	83 018	103 650	120 428	133 153	n.a.
Banco Espírito Santo Angola	n.a.	n.a.	n.a.	n.a.	n.a.	144 937	372 127	574 594	731 151	840 416	1 003 788
Banco Regional do Keve	n.a.	n.a.	n.a.	n.a.	n.a.	17 156	33 102	37 188	44 147	61 524	n.a.
Banco BAI Micro Finanças	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco BIC	n.a.	n.a.	n.a.	34 292	100 232	174 580	340 438	382 875	450 952	525 315	664 191
Banco Privado Atlântico	n.a.	n.a.	n.a.	n.a.	2 820	25 842	106 621	135 961	178 932	223 166	n.a.
Banco de Negócios Internacional	n.a.	n.a.	n.a.	n.a.	n.a.	33 199	57 175	106 788	112 605	115 717	n.a.
Banco VTB África	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco de Desenvolvimento de Angola	n.a.	n.a.	n.a.	n.a.	n.a.	23 727	74 341	81 104	83 314	n.a.	n.a.
Banco Angolano de Negócios e Comércio	n.a.	n.a.	n.a.	n.a.	n.a.	1 667	6 527	8 734	10 639	13 927	n.a.
Fimbanco Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2 956	8 772	15 153	21 312	28 698
Banco Kwanza de Investimento	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Comercial do Huambo	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	730	1 448
Standard Bank Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	33 677	61 977
Banco Valor	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2 397	7 016
<b>TOTAL</b>	<b>132 307</b>	<b>210 861</b>	<b>305 368</b>	<b>472 087</b>	<b>733 176</b>	<b>1 327 090</b>	<b>2 678 026</b>	<b>3 431 461</b>	<b>4 099 942</b>	<b>4 936 724</b>	<b>n.a.</b>

Source: Annual Reports and Eaglestone Securities.

LOANS		Million AOA									
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Banco Africano de Investimentos	6 492	13 745	20 513	24 112	35 272	63 832	133 371	285 427	249 002	308 250	284 897
Banco Comercial Angolano	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4 971	4 807	4 837	4 219	n.a.
Banco de Comércio e Indústria	3 699	5 815	7 989	7 588	10 221	11 377	15 233	26 424	28 363	37 907	n.a.
Banco de Fomento Angola	5 053	12 993	24 626	41 527	69 545	110 799	135 918	164 835	155 565	135 384	145 989
Banco Millennium Angola	n.a.	n.a.	n.a.	n.a.	5 853	13 034	22 770	40 565	56 571	62 036	65 780
Banco de Poupança e Crédito	7 120	19 013	28 564	42 903	68 839	101 076	169 229	264 338	331 980	453 237	n.a.
Banco Caixa Geral Totta de Angola	473	1 730	2 991	4 388	7 654	11 689	14 855	16 757	19 695	26 731	52 509
Banco Sol	99	694	1 375	2 455	4 514	9 175	14 064	23 235	30 765	34 791	n.a.
Banco Espírito Santo Angola	n.a.	n.a.	n.a.	n.a.	n.a.	63 201	122 077	218 273	349 537	484 766	680 316
Banco Regional do Keve	n.a.	n.a.	n.a.	n.a.	n.a.	7 939	13 199	19 839	20 869	26 677	n.a.
Banco BAI Micro Finanças	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco BIC	n.a.	n.a.	n.a.	6 234	42 775	92 186	126 167	172 734	190 514	200 463	247 698
Banco Privado Atlântico	n.a.	n.a.	n.a.	n.a.	2	3 013	13 995	37 843	73 362	115 817	n.a.
Banco de Negócios Internacional	n.a.	n.a.	n.a.	n.a.	n.a.	13 127	27 134	62 901	57 360	64 270	n.a.
Banco VTB África	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco de Desenvolvimento de Angola	n.a.	n.a.	n.a.	n.a.	n.a.	137	5 246	21 256	28 424	n.a.	n.a.
Banco Angolano de Negócios e Comércio	n.a.	n.a.	n.a.	n.a.	n.a.	105	789	1 892	2 943	3 474	n.a.
Fimbanco Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	776	4 319	5 572	7 676	10 874
Banco Kwanza de Investimento	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Comercial do Huambo	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4	61
Standard Bank Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	580	9 882
Banco Valor	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	36	2 107
<b>TOTAL</b>	<b>22 936</b>	<b>53 988</b>	<b>86 057</b>	<b>129 205</b>	<b>244 674</b>	<b>500 688</b>	<b>819 794</b>	<b>1 365 446</b>	<b>1 605 360</b>	<b>1 966 373</b>	<b>n.a.</b>

Source: Annual Reports and Eaglestone Securities.

DEPOSITS		Million AOA									
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Banco Africano de Investimentos	24 225	11 768	42 539	80 465	133 907	212 930	375 929	593 635	558 603	996 148	815 204
Banco Comercial Angolano	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	13 323	17 194	19 250	29 571	n.a.
Banco de Comércio e Indústria	9 311	10 856	16 166	20 648	27 860	34 181	41 074	44 973	44 330	58 962	n.a.
Banco de Fomento Angola	26 707	48 117	68 928	96 189	146 007	157 562	228 968	455 385	515 686	589 014	668 113
Banco Millennium Angola	n.a.	n.a.	n.a.	n.a.	3 238	5 149	19 659	54 662	72 004	111 209	117 956
Banco de Poupança e Crédito	23 167	32 886	55 763	97 778	125 500	179 092	279 317	277 726	345 057	577 651	n.a.
Banco Caixa Geral Totta de Angola	8 202	10 399	11 768	13 578	20 033	25 187	26 932	42 859	65 901	88 712	112 668
Banco Sol	1 265	2 968	5 079	12 296	13 367	22 736	42 274	87 504	108 479	118 433	n.a.
Banco Espírito Santo Angola	n.a.	n.a.	n.a.	n.a.	n.a.	90 760	130 020	225 844	266 374	273 587	348 627
Banco Regional do Keve	n.a.	n.a.	n.a.	n.a.	n.a.	9 238	20 835	25 670	34 659	50 894	n.a.
Banco BAI Micro Finanças	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco BIC	n.a.	n.a.	n.a.	3 932	26 790	120 365	209 298	303 920	347 964	419 608	525 785
Banco Privado Atlântico	n.a.	n.a.	n.a.	n.a.	2 036	23 953	20 112	109 779	147 182	176 492	n.a.
Banco de Negócios Internacional	n.a.	n.a.	n.a.	n.a.	n.a.	8 347	15 660	49 756	74 140	86 224	n.a.
Banco VTB África	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco de Desenvolvimento de Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Angolano de Negócios e Comércio	n.a.	n.a.	n.a.	n.a.	n.a.	359	2 652	5 537	7 748	9 171	n.a.
Fimbanco Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1 324	5 388	11 282	16 058	19 345
Banco Kwanza de Investimento	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Comercial do Huambo	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	240	600
Standard Bank Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	26 673	52 022
Banco Valor	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	465	6 210
<b>TOTAL</b>	<b>92 877</b>	<b>116 995</b>	<b>200 243</b>	<b>324 885</b>	<b>498 738</b>	<b>889 857</b>	<b>1 427 378</b>	<b>2 299 830</b>	<b>2 618 898</b>	<b>3 629 471</b>	<b>n.a.</b>

Source: Annual Reports and Eaglestone Securities.

## The Banking Sector in Angola

Equity Research  
24 July 2013

LOANS/DEPOSITS											
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Banco Africano de Investimentos	26,8%	116,8%	48,2%	30,0%	26,3%	30,0%	35,5%	48,1%	44,6%	30,9%	34,9%
Banco Comercial Angolano	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	37,3%	28,0%	25,1%	14,3%
Banco de Comércio e Indústria	39,7%	53,6%	49,4%	36,7%	36,7%	33,3%	37,1%	58,8%	64,0%	64,3%	n.a.
Banco de Fomento Angola	18,9%	27,0%	35,7%	43,2%	47,6%	70,3%	59,4%	36,2%	30,2%	23,0%	20,5%
Banco Millennium Angola	n.a.	n.a.	n.a.	n.a.	180,8%	253,1%	115,8%	74,2%	78,6%	55,8%	55,8%
Banco de Poupança e Crédito	30,7%	57,8%	51,2%	43,9%	54,9%	56,4%	60,6%	95,2%	96,2%	78,5%	n.a.
Banco Caixa Geral Totta de Angola	5,8%	16,6%	25,4%	32,3%	38,2%	46,4%	55,2%	39,1%	29,9%	30,1%	46,6%
Banco Sol	7,8%	23,4%	27,1%	20,0%	33,8%	40,4%	33,3%	26,6%	28,4%	29,4%	n.a.
Banco Espírito Santo Angola	n.a.	n.a.	n.a.	n.a.	n.a.	69,6%	93,9%	96,6%	131,2%	177,2%	195,1%
Banco Regional do Keve	n.a.	n.a.	n.a.	n.a.	n.a.	85,9%	63,3%	77,3%	60,2%	52,4%	n.a.
Banco BAI Micro Finanças	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco BIC	n.a.	n.a.	n.a.	158,5%	159,7%	76,6%	60,3%	56,8%	54,8%	47,8%	47,1%
Banco Privado Atlântico	n.a.	n.a.	n.a.	n.a.	0,1%	12,6%	69,6%	34,5%	49,8%	65,6%	n.a.
Banco de Negócios Internacional	n.a.	n.a.	n.a.	n.a.	n.a.	157,3%	173,3%	126,4%	77,4%	74,5%	n.a.
Banco VTB África	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco de Desenvolvimento de Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Angolano de Negócios e Comércio	n.a.	n.a.	n.a.	n.a.	n.a.	29,2%	29,7%	34,2%	38,0%	37,9%	n.a.
Fimbanco Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	58,6%	80,2%	49,4%	47,8%	56,2%
Banco Kwanza de Investimento	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Comercial do Huambo	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,8%	10,2%	22,3%
Standard Bank Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2,2%	19,0%
Banco Valor	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7,7%	33,9%
<b>TOTAL</b>	<b>24,7%</b>	<b>46,1%</b>	<b>43,0%</b>	<b>39,8%</b>	<b>49,1%</b>	<b>56,3%</b>	<b>57,4%</b>	<b>59,4%</b>	<b>61,3%</b>	<b>54,2%</b>	<b>59,9%</b>

Source: Annual Reports and Eglestone Securities.

SHAREHOLDERS EQUITY											Million AOA
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Banco Africano de Investimentos	3 452	6 073	6 733	6 990	11 708	17 407	39 587	56 813	72 773	87 687	99 450
Banco Comercial Angolano	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2 173	2 703	3 341	4 149	n.a.
Banco de Comércio e Indústria	2 662	4 323	5 252	4 883	5 103	7 416	8 799	10 689	12 171	12 248	n.a.
Banco de Fomento Angola	2 485	5 578	9 039	13 165	20 437	28 494	42 341	49 591	60 733	68 836	74 376
Banco Millennium Angola	n.a.	n.a.	n.a.	n.a.	3 520	4 052	4 485	14 084	17 102	22 574	27 711
Banco de Poupança e Crédito	1 924	3 395	5 599	9 332	10 562	14 127	21 415	46 890	67 213	80 522	n.a.
Banco Caixa Geral Totta de Angola	1 406	2 398	2 857	4 646	5 920	7 426	9 511	21 342	23 205	26 086	29 359
Banco Sol	243	467	659	987	1 186	1 457	3 466	6 235	8 120	9 692	n.a.
Banco Espírito Santo Angola	n.a.	n.a.	n.a.	n.a.	n.a.	11 267	20 358	35 673	66 162	n.a.	n.a.
Banco Regional do Keve	n.a.	n.a.	n.a.	n.a.	n.a.	4 643	5 781	6 951	7 135	7 896	n.a.
Banco BAI Micro Finanças	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco BIC	n.a.	n.a.	n.a.	938	5 445	11 447	22 030	41 120	52 314	61 959	72 873
Banco Privado Atlântico	n.a.	n.a.	n.a.	n.a.	747	1 151	2 355	12 034	15 989	27 915	n.a.
Banco de Negócios Internacional	n.a.	n.a.	n.a.	n.a.	n.a.	2 791	6 164	9 158	13 949	16 538	n.a.
Banco VTB África	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco de Desenvolvimento de Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	10 439	11 900	n.a.	n.a.
Banco Angolano de Negócios e Comércio	n.a.	n.a.	n.a.	n.a.	n.a.	239	649	1 952	2 360	2 686	n.a.
Fimbanco Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	706	2 053	2 873	3 500	7 186
Banco Kwanza de Investimento	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Comercial do Huambo	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	237	726	1 093
Standard Bank Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3 337	7 440
Banco Valor	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1 912	749
<b>TOTAL</b>	<b>12 172</b>	<b>22 234</b>	<b>30 139</b>	<b>40 942</b>	<b>64 628</b>	<b>111 917</b>	<b>189 820</b>	<b>327 728</b>	<b>437 577</b>	<b>438 262</b>	<b>n.a.</b>

Source: Annual Reports and Eglestone Securities.

BALANCE SHEET PROVISIONS											Million AOA
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Banco Africano de Investimentos	538	418	710	1 204	1 452	1 160	1 499	11 058	19 584	22 191	27 584
Banco Comercial Angolano	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	109	216	324	369	n.a.
Banco de Comércio e Indústria	174	n.a.	n.a.	n.a.	1 179	76	2 086	2 968	2 944	3 852	n.a.
Banco de Fomento Angola	n.a.	n.a.	n.a.	n.a.	773	1 010	5 356	8 967	9 651	9 514	9 212
Banco Millennium Angola	n.a.	n.a.	n.a.	n.a.	33	62	634	1 254	2 780	3 652	4 054
Banco de Poupança e Crédito	146	391	881	1 036		1 814	2 730	18 956	40 090	51 309	n.a.
Banco Caixa Geral Totta de Angola	n.a.	n.a.	n.a.	35	44	109	94	793	1 085	1 163	1 303
Banco Sol	3	22	82	27	80	141	1 010	1 485	1 367	1 977	n.a.
Banco Espírito Santo Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2 758	5 564	n.a.	n.a.
Banco Regional do Keve	n.a.	5	132	227	111	133	568	1 726	2 140	2 166	n.a.
Banco BAI Micro Finanças	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco BIC	n.a.	n.a.	n.a.	n.a.	25	116	2 662	8 418	9 464	14 336	21 886
Banco Privado Atlântico	n.a.	n.a.	n.a.	n.a.	0	87	274	999	2 220	3 475	n.a.
Banco de Negócios Internacional	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	770	979	1 381	2 255	n.a.
Banco VTB África	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco de Desenvolvimento de Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	439	5 333	5 653	n.a.	n.a.
Banco Angolano de Negócios e Comércio	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Fimbanco Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	8	102	635	847	862
Banco Kwanza de Investimento	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Comercial do Huambo	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	3	3
Standard Bank Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	13	354
Banco Valor	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	27
<b>TOTAL</b>	<b>860</b>	<b>836</b>	<b>1 806</b>	<b>2 529</b>	<b>3 697</b>	<b>4 707</b>	<b>18 237</b>	<b>66 011</b>	<b>104 883</b>	<b>117 121</b>	<b>n.a.</b>

Source: Annual Reports and Eglestone Securities.

## The Banking Sector in Angola

Equity Research  
24 July 2013

NET PROFIT											
											Million AOA
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Banco Africano de Investimentos	-541	-794	205	735	875	5 860	12 451	20 654	21 124	20 198	17 217
Banco Comercial Angolano	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3	531	689	903	n.a.
Banco de Comércio e Indústria	89	404	532	-1 935	247	632	1 189	1 877	1 519	205	n.a.
Banco de Fomento Angola	684	1 650	2 904	5 857	6 947	7 769	16 847	19 886	24 068	23 746	20 976
Banco Millennium Angola	n.a.	n.a.	n.a.	n.a.	63	159	433	1 590	3 018	4 129	4 824
Banco de Poupança e Crédito	279	925	1 721	2 962	2 151	3 565	7 288	11 130	17 166	13 296	n.a.
Banco Caixa Geral Totta de Angola	166	740	896	1 790	1 274	1 506	2 085	4 050	3 848	4 767	5 608
Banco Sol	-20	74	-318	-472	-712	457	1 597	2 943	2 473	2 364	n.a.
Banco Espírito Santo Angola	n.a.	n.a.	n.a.	n.a.	n.a.	5 410	9 060	16 842	30 489	31 583	6 499
Banco Regional do Keve	n.a.	n.a.	n.a.	n.a.	n.a.	440	1 139	1 170	183	629	n.a.
Banco BAI Micro Finanças	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco BIC	n.a.	n.a.	n.a.	n.a.	n.a.	6 002	10 584	13 292	13 160	14 906	16 106
Banco Privado Atlântico	n.a.	n.a.	n.a.	n.a.	-55	404	1 204	3 437	3 955	4 739	n.a.
Banco de Negócios Internacional	n.a.	n.a.	n.a.	n.a.	n.a.	1 373	1 880	3 012	2 948	3 221	n.a.
Banco VTB Africa	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco de Desenvolvimento de Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1 191	1 407	n.a.	n.a.
Banco Angolano de Negócios e Comércio	n.a.	n.a.	n.a.	n.a.	n.a.	-166	-115	483	408	292	n.a.
Fimbanco Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-34	607	819	880	1 087
Banco Kwanza de Investimento	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Comercial do Huambo	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-77	-215	-1
Standard Bank Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-744	-983
Banco Valor	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-288	-1 163
<b>TOTAL</b>	<b>656</b>	<b>2 998</b>	<b>5 939</b>	<b>8 936</b>	<b>10 790</b>	<b>33 410</b>	<b>65 611</b>	<b>102 696</b>	<b>127 196</b>	<b>124 610</b>	<b>n.a.</b>

Source: Annual Reports and Eaglestone Securities.

NET INTEREST INCOME											
											Million AOA
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Banco Africano de Investimentos	907	2 216	2 501	3 725	4 346	8 716	14 109	24 072	35 164	28 810	30 848
Banco Comercial Angolano	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	974	763	1 036	1 326	n.a.
Banco de Comércio e Indústria	443	652	607	936	1 346	2 144	4 278	4 723	4 320	4 457	n.a.
Banco de Fomento Angola	559	2 341	4 109	7 592	8 733	13 121	17 996	18 029	25 123	25 261	21 705
Banco Millennium Angola	n.a.	n.a.	n.a.	n.a.	397	1 124	1 393	2 939	6 230	8 262	8 389
Banco de Poupança e Crédito	1 436	1 998	3 698	4 028	4 876	9 258	16 365	30 540	50 266	58 247	n.a.
Banco Caixa Geral Totta de Angola	320	1 396	1 472	2 160	1 499	1 996	2 352	3 399	3 801	3 129	4 445
Banco Sol	19	75	131	56	422	1 193	3 121	2 845	4 328	5 761	n.a.
Banco Espírito Santo Angola	n.a.	n.a.	n.a.	n.a.	n.a.	4 053	8 265	10 198	35 901	41 789	n.a.
Banco Regional do Keve	n.a.	n.a.	n.a.	n.a.	n.a.	857	1 474	1 758	1 573	2 319	n.a.
Banco BAI Micro Finanças	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco BIC	n.a.	n.a.	n.a.	534	2 768	6 783	13 936	16 189	15 701	17 813	23 671
Banco Privado Atlântico	n.a.	n.a.	n.a.	n.a.	6	620	2 477	7 659	7 910	8 794	n.a.
Banco de Negócios Internacional	n.a.	n.a.	n.a.	n.a.	n.a.	687	2 351	2 823	3 780	5 425	n.a.
Banco VTB África	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco de Desenvolvimento de Angola	n.a.	n.a.	n.a.	n.a.	n.a.	575	2 126	47	604	n.a.	n.a.
Banco Angolano de Negócios e Comércio	n.a.	n.a.	n.a.	n.a.	n.a.	37	225	506	533	531	n.a.
Fimbanco Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	75	354	1 018	976	1 145
Banco Kwanza de Investimento	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Comercial do Huambo	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6	7	33
Standard Bank Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	652	1 699
Banco Valor	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2	62
<b>TOTAL</b>	<b>3 685</b>	<b>8 677</b>	<b>12 519</b>	<b>19 032</b>	<b>24 392</b>	<b>51 164</b>	<b>91 516</b>	<b>126 843</b>	<b>197 294</b>	<b>213 562</b>	<b>n.a.</b>

Source: Annual Reports and Eaglestone Securities.

NET INTEREST MARGIN											
											Million AOA
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Banco Africano de Investimentos	2,64%	5,13%	4,05%	4,26%	3,01%	3,79%	3,33%	3,67%	4,64%	3,02%	2,85%
Banco Comercial Angolano	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4,58%	3,53%	4,56%	4,42%	n.a.
Banco de Comércio e Indústria	2,08%	2,62%	1,81%	2,51%	3,36%	4,39%	6,83%	6,39%	6,09%	6,01%	n.a.
Banco de Fomento Angola	1,64%	4,79%	5,24%	6,88%	5,58%	5,81%	4,86%	3,60%	4,46%	3,98%	3,03%
Banco Millennium Angola	n.a.	n.a.	n.a.	n.a.	2,80%	5,66%	3,77%	4,08%	5,68%	5,61%	4,84%
Banco de Poupança e Crédito	4,92%	5,24%	5,90%	3,81%	3,39%	5,03%	5,65%	7,38%	8,88%	8,19%	n.a.
Banco Caixa Geral Totta de Angola	2,69%	10,21%	8,92%	10,87%	5,87%	6,06%	5,57%	5,85%	4,71%	2,93%	3,26%
Banco Sol	1,26%	2,65%	2,51%	0,52%	2,56%	4,48%	5,27%	3,05%	3,86%	4,54%	n.a.
Banco Espírito Santo Angola	n.a.	n.a.	n.a.	n.a.	n.a.	2,80%	3,20%	2,15%	5,50%	5,32%	n.a.
Banco Regional do Keve	n.a.	n.a.	n.a.	n.a.	n.a.	4,99%	5,87%	5,00%	3,87%	4,39%	n.a.
Banco BAI Micro Finanças	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco BIC	n.a.	n.a.	n.a.	1,56%	4,12%	4,94%	5,41%	4,48%	3,77%	3,65%	3,98%
Banco Privado Atlântico	n.a.	n.a.	n.a.	n.a.	0,21%	4,33%	3,74%	6,31%	5,02%	4,37%	n.a.
Banco de Negócios Internacional	n.a.	n.a.	n.a.	n.a.	n.a.	2,07%	5,20%	3,44%	3,45%	4,75%	n.a.
Banco VTB África	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco de Desenvolvimento de Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4,34%	0,06%	0,73%	n.a.	n.a.
Banco Angolano de Negócios e Comércio	n.a.	n.a.	n.a.	n.a.	n.a.	2,23%	5,48%	6,62%	5,50%	4,32%	n.a.
Fimbanco Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2,52%	6,03%	8,51%	5,36%	4,58%
Banco Kwanza de Investimento	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Comercial do Huambo	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0,88%	0,61%	1,43%
Standard Bank Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,94%	3,55%
Banco Valor	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0,07%	1,32%
<b>TOTAL</b>	<b>2,78%</b>	<b>5,06%</b>	<b>4,85%</b>	<b>4,69%</b>	<b>3,99%</b>	<b>4,58%</b>	<b>4,54%</b>	<b>4,15%</b>	<b>5,24%</b>	<b>4,66%</b>	<b>n.a.</b>

Source: Annual Reports and Eaglestone Securities.

BANKING INCOME											
											Million AOA
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Banco Africano de Investimentos	1 254	3 039	4 311	5 798	5 973	15 150	24 125	41 434	49 930	50 049	54 857
Banco Comercial Angolano	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1 506	2 122	3 185	3 413	n.a.
Banco de Comércio e Indústria	2 019	4 300	5 503	2 450	5 404	2 663	6 190	6 327	6 815	7 180	n.a.
Banco de Fomento Angola	2 279	7 314	9 499	15 630	17 873	18 140	25 574	34 076	35 742	35 933	34 135
Banco Millennium Angola	n.a.	n.a.	n.a.	n.a.	614	1 571	2 733	6 572	11 458	14 078	15 542
Banco de Poupança e Crédito	3 138	7 001	9 397	9 368	14 125	16 835	27 063	41 980	65 266	78 415	n.a.
Banco Caixa Geral Totta de Angola	971	2 749	2 521	2 932	2 514	2 531	3 675	7 188	8 429	10 729	13 212
Banco Sol	114	365	519	996	1 577	1 883	4 666	7 274	8 976	10 523	n.a.
Banco Espirito Santo Angola	n.a.	n.a.	n.a.	n.a.	n.a.	9 420	14 431	24 605	41 739	46 591	36 540
Banco Regional do Keve	n.a.	n.a.	n.a.	n.a.	n.a.	1 844	3 130	4 127	3 126	4 428	n.a.
Banco BAI Micro Finanças	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco BIC	n.a.	n.a.	n.a.	1 248	6 134	11 882	23 207	31 026	26 549	30 766	35 870
Banco Privado Atlântico	n.a.	n.a.	n.a.	n.a.	32	1 868	3 575	8 886	11 446	13 618	n.a.
Banco de Negócios Internacional	n.a.	n.a.	n.a.	n.a.	n.a.	1 373	3 342	5 511	6 700	9 651	n.a.
Banco VTB África	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco de Desenvolvimento de Angola	n.a.	n.a.	n.a.	n.a.	n.a.	668	3 131	8 363	3 411	n.a.	n.a.
Banco Angolano de Negócios e Comércio	n.a.	n.a.	n.a.	n.a.	n.a.	57	281	1 171	1 539	1 798	n.a.
Fimbanco Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	153	1 491	2 460	2 933	3 214
Banco Kwanza de Investimento	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Comercial do Huambo	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7	9	136
Standard Bank Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1 985	4 202
Banco Valor	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	65	265
<b>TOTAL</b>	<b>9 777</b>	<b>24 767</b>	<b>31 750</b>	<b>38 421</b>	<b>54 243</b>	<b>85 883</b>	<b>146 782</b>	<b>232 152</b>	<b>286 777</b>	<b>322 162</b>	<b>n.a.</b>

Source: Annual Reports and Eaglestone Securities.

COSTS (INCL. DEPRECIATION)											
											Million AOA
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Banco Africano de Investimentos	646	1 617	2 482	3 188	3 652	4 130	6 827	8 920	16 125	17 897	21 107
Banco Comercial Angolano	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1 503	1 408	1 572	1 818	n.a.
Banco de Comércio e Indústria	935	1 720	2 541	3 092	3 106	2 614	3 484	4 309	5 316	5 901	n.a.
Banco de Fomento Angola	691	2 603	2 920	6 769	6 800	6 478	8 597	10 064	12 347	14 155	15 032
Banco Millennium Angola	n.a.	n.a.	n.a.	n.a.	422	1 101	1 926	4 116	6 134	7 794	8 400
Banco de Poupança e Crédito	1 502	3 210	4 094	5 476	9 835	9 744	12 764	21 250	24 165	30 494	n.a.
Banco Caixa Geral Totta de Angola	210	517	635	734	770	955	1 172	1 683	3 222	4 384	4 658
Banco Sol	79	193	411	710	1 141	1 553	2 301	3 664	6 155	8 078	n.a.
Banco Espirito Santo Angola	n.a.	n.a.	n.a.	n.a.	n.a.	3 829	4 758	6 227	8 241	9 783	n.a.
Banco Regional do Keve	n.a.	n.a.	n.a.	n.a.	n.a.	871	1 300	1 920	2 697	3 069	n.a.
Banco BAI Micro Finanças	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco BIC	n.a.	n.a.	n.a.	617	2 525	4 531	7 307	7 950	10 009	11 514	13 416
Banco Privado Atlântico	n.a.	n.a.	n.a.	n.a.	87	1 201	2 361	4 593	5 772	8 310	n.a.
Banco de Negócios Internacional	n.a.	n.a.	n.a.	n.a.	n.a.	636	1 178	2 266	3 563	4 429	n.a.
Banco VTB África	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco de Desenvolvimento de Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1 634	1 790	1 832	n.a.	n.a.
Banco Angolano de Negócios e Comércio	n.a.	n.a.	n.a.	n.a.	n.a.	219	386	681	1 015	1 457	n.a.
Fimbanco Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	181	454	627	939	1 168
Banco Kwanza de Investimento	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Comercial do Huambo	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	84	222	304
Standard Bank Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3 472	5 474
Banco Valor	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	352	1 540
<b>TOTAL</b>	<b>4 062</b>	<b>9 859</b>	<b>13 083</b>	<b>20 586</b>	<b>28 337</b>	<b>37 864</b>	<b>57 679</b>	<b>81 292</b>	<b>108 875</b>	<b>134 068</b>	<b>n.a.</b>

Source: Annual Reports and Eaglestone Securities.

COST/INCOME RATIO											
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Banco Africano de Investimentos	51,5%	53,2%	57,6%	55,0%	61,1%	27,3%	28,3%	21,5%	32,3%	35,8%	38,5%
Banco Comercial Angolano	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	99,8%	66,4%	49,4%	53,3%	n.a.
Banco de Comércio e Indústria	46,3%	40,0%	46,2%	126,2%	57,5%	98,2%	56,3%	68,1%	78,0%	82,2%	n.a.
Banco de Fomento Angola	30,3%	35,6%	30,7%	43,3%	38,0%	35,7%	33,6%	29,5%	34,5%	39,4%	44,0%
Banco Millennium Angola	n.a.	n.a.	n.a.	n.a.	68,8%	70,1%	70,5%	62,6%	53,5%	55,4%	54,0%
Banco de Poupança e Crédito	47,9%	45,8%	43,6%	58,5%	69,6%	57,9%	47,2%	50,6%	37,0%	38,9%	n.a.
Banco Caixa Geral Totta de Angola	21,6%	18,8%	25,2%	25,0%	30,6%	37,7%	31,9%	23,4%	38,2%	40,9%	35,3%
Banco Sol	68,8%	52,9%	79,2%	71,3%	72,3%	82,5%	49,3%	50,4%	68,6%	76,8%	n.a.
Banco Espirito Santo Angola	n.a.	n.a.	n.a.	n.a.	n.a.	40,6%	33,0%	25,3%	19,7%	21,0%	n.a.
Banco Regional do Keve	n.a.	n.a.	n.a.	n.a.	n.a.	47,2%	41,5%	46,5%	86,3%	69,3%	n.a.
Banco BAI Micro Finanças	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco BIC	n.a.	n.a.	n.a.	49,5%	41,2%	38,1%	31,5%	25,6%	37,7%	37,4%	37,4%
Banco Privado Atlântico	n.a.	n.a.	n.a.	n.a.	272,6%	64,3%	66,0%	51,7%	50,4%	61,0%	n.a.
Banco de Negócios Internacional	n.a.	n.a.	n.a.	n.a.	n.a.	46,3%	35,2%	41,1%	53,2%	45,9%	n.a.
Banco VTB África	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco de Desenvolvimento de Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	21,4%	53,7%	n.a.	n.a.
Banco Angolano de Negócios e Comércio	n.a.	n.a.	n.a.	n.a.	n.a.	382,9%	137,4%	58,2%	65,9%	81,1%	n.a.
Fimbanco Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	118,3%	30,4%	25,5%	32,0%	36,3%
Banco Kwanza de Investimento	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Comercial do Huambo	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1241,9%	2593,2%	222,9%
Standard Bank Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	174,9%	130,3%
Banco Valor	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	544,0%	580,5%
<b>TOTAL</b>	<b>41,5%</b>	<b>39,8%</b>	<b>41,2%</b>	<b>53,6%</b>	<b>52,2%</b>	<b>44,1%</b>	<b>39,3%</b>	<b>35,0%</b>	<b>38,0%</b>	<b>41,6%</b>	<b>n.a.</b>

Includes depreciation. Source: Annual Reports and Eaglestone Securities.

## The Banking Sector in Angola

Equity Research  
24 July 2013

ROE											
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Banco Africano de Investimentos	-15,7%	-13,1%	3,0%	10,5%	7,5%	33,7%	31,5%	36,4%	29,0%	23,0%	17,3%
Banco Comercial Angolano	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0,2%	19,6%	20,6%	21,8%	n.a.
Banco de Comércio e Indústria	3,3%	9,3%	10,1%	-39,6%	4,8%	8,5%	13,5%	17,6%	12,5%	1,7%	n.a.
Banco de Fomento Angola	27,5%	29,6%	32,1%	44,5%	34,0%	27,3%	39,8%	40,1%	39,6%	34,5%	28,2%
Banco Millennium Angola	n.a.	n.a.	n.a.	n.a.	1,8%	3,9%	9,7%	11,3%	17,6%	18,3%	17,4%
Banco de Poupança e Crédito	14,5%	27,2%	30,7%	31,7%	20,4%	25,2%	34,0%	23,7%	25,5%	16,5%	n.a.
Banco Caixa Geral Totta de Angola	11,8%	30,9%	31,3%	38,5%	21,5%	20,3%	21,9%	19,0%	16,6%	18,3%	19,1%
Banco Sol	-8,1%	15,8%	-48,2%	-47,8%	-60,1%	31,3%	46,1%	47,2%	30,5%	24,4%	n.a.
Banco Espírito Santo Angola	n.a.	n.a.	n.a.	n.a.	n.a.	48,0%	44,5%	47,2%	46,1%	n.a.	n.a.
Banco Regional do Keve	n.a.	n.a.	n.a.	n.a.	n.a.	9,5%	19,7%	16,8%	2,6%	8,0%	n.a.
Banco BAI Micro Finanças	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco BIC	n.a.	n.a.	n.a.	n.a.	n.a.	52,4%	48,0%	32,3%	25,2%	24,1%	22,1%
Banco Privado Atlântico	n.a.	n.a.	n.a.	n.a.	-7,4%	35,1%	51,1%	28,6%	24,7%	17,0%	n.a.
Banco de Negócios Internacional	n.a.	n.a.	n.a.	n.a.	n.a.	49,2%	30,5%	32,9%	21,1%	19,5%	n.a.
Banco VTB África	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco de Desenvolvimento de Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11,4%	11,8%	n.a.	n.a.
Banco Angolano de Negócios e Comércio	n.a.	n.a.	n.a.	n.a.	n.a.	-69,2%	-17,7%	24,7%	17,3%	10,9%	n.a.
Fimbanco Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-4,8%	29,6%	28,5%	25,1%	15,1%
Banco Kwanza de Investimento	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Comercial do Huambo	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-32,6%	-29,6%	-0,1%
Standard Bank Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-22,3%	-13,2%
Banco Valor	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-15,1%	-155,3%
<b>TOTAL</b>	<b>5,4%</b>	<b>13,5%</b>	<b>19,7%</b>	<b>21,8%</b>	<b>16,7%</b>	<b>29,9%</b>	<b>34,6%</b>	<b>31,3%</b>	<b>29,1%</b>	<b>28,4%</b>	<b>n.a.</b>

Source: Annual Reports and Eaglestone Securities.

ROA											
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Banco Africano de Investimentos	-1,57%	-1,84%	0,33%	0,84%	0,61%	2,55%	2,94%	3,15%	2,79%	2,12%	1,59%
Banco Comercial Angolano	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0,02%	2,46%	3,03%	3,01%	n.a.
Banco de Comércio e Indústria	0,42%	1,62%	1,59%	-5,19%	0,62%	1,29%	1,90%	2,54%	2,14%	0,28%	n.a.
Banco de Fomento Angola	2,01%	3,38%	3,70%	5,31%	4,44%	3,44%	4,55%	3,97%	4,27%	3,74%	2,93%
Banco Millennium Angola	n.a.	n.a.	n.a.	n.a.	0,45%	0,80%	1,17%	2,21%	2,75%	2,80%	2,79%
Banco de Poupança e Crédito	0,96%	2,43%	2,74%	2,80%	1,50%	1,94%	2,52%	2,69%	3,03%	1,87%	n.a.
Banco Caixa Geral Totta de Angola	1,39%	5,41%	5,42%	9,01%	4,99%	4,57%	4,94%	6,97%	4,77%	4,46%	4,11%
Banco Sol	-1,29%	2,60%	-6,09%	-4,38%	-4,32%	1,72%	2,70%	3,15%	2,21%	1,86%	n.a.
Banco Espírito Santo Angola	n.a.	n.a.	n.a.	n.a.	n.a.	3,73%	3,50%	3,56%	4,67%	4,02%	0,70%
Banco Regional do Keve	n.a.	n.a.	n.a.	n.a.	n.a.	2,56%	4,53%	3,33%	0,45%	1,19%	n.a.
Banco BAI Micro Finanças	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco BIC	n.a.	n.a.	n.a.	n.a.	n.a.	4,37%	4,11%	3,68%	3,16%	3,05%	2,71%
Banco Privado Atlântico	n.a.	n.a.	n.a.	n.a.	-1,95%	2,82%	1,82%	2,83%	2,51%	2,36%	n.a.
Banco de Negócios Internacional	n.a.	n.a.	n.a.	n.a.	n.a.	4,13%	4,16%	3,67%	2,69%	2,82%	n.a.
Banco VTB África	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco de Desenvolvimento de Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,53%	1,71%	n.a.	n.a.
Banco Angolano de Negócios e Comércio	n.a.	n.a.	n.a.	n.a.	n.a.	-9,94%	-2,81%	6,32%	4,21%	2,37%	n.a.
Fimbanco Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-1,15%	10,36%	6,85%	4,83%	4,35%
Banco Kwanza de Investimento	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Comercial do Huambo	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-10,60%	-19,70%	-0,04%
Standard Bank Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-2,21%	-2,05%
Banco Valor	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-12,01%	-24,72%
<b>TOTAL</b>	<b>0,50%</b>	<b>1,75%</b>	<b>2,30%</b>	<b>2,20%</b>	<b>1,77%</b>	<b>2,99%</b>	<b>3,26%</b>	<b>3,36%</b>	<b>3,38%</b>	<b>2,72%</b>	<b>n.a.</b>

Source: Annual Reports and Eaglestone Securities.

SOLVABILITY RATIO											
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Banco Africano de Investimentos	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	14,3%	12,9%	13,7%	13,1%	16,1%
Banco Comercial Angolano	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11,4%	14,0%	14,0%	11,0%	n.a.
Banco de Comércio e Indústria	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco de Fomento Angola	7,1%	8,7%	9,7%	10,3%	24,6%	21,7%	23,3%	23,5%	30,9%	31,4%	30,0%
Banco Millennium Angola	n.a.	n.a.	n.a.	n.a.	n.a.	20,9%	12,2%	17,2%	17,5%	12,8%	14,4%
Banco de Poupança e Crédito	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Caixa Geral Totta de Angola	68,7%	n.a.	n.a.	n.a.	43,8%	40,4%	42,4%	73,4%	n.a.	n.a.	21,7%
Banco Sol	n.a.	n.a.	27,9%	18,2%	11,9%	10,8%	14,6%	19,6%	20,5%	14,6%	n.a.
Banco Espírito Santo Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	13,2%	16,8%	n.a.	n.a.
Banco Regional do Keve	n.a.	n.a.	n.a.	n.a.	n.a.	30,4%	20,2%	22,1%	19,9%	14,2%	n.a.
Banco BAI Micro Finanças	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco BIC	n.a.	n.a.	n.a.	12,4%	11,6%	12,4%	15,0%	24,0%	27,0%	18,4%	18,6%
Banco Privado Atlântico	n.a.	n.a.	n.a.	n.a.	n.a.	12,0%	10,0%	17,0%	10,0%	12,0%	n.a.
Banco de Negócios Internacional	n.a.	n.a.	n.a.	n.a.	n.a.	16,7%	12,6%	10,0%	21,0%	16,0%	n.a.
Banco VTB África	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	36,0%	25,0%
Banco de Desenvolvimento de Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	15,6%	n.a.	n.a.
Banco Angolano de Negócios e Comércio	n.a.	n.a.	n.a.	n.a.	n.a.	4,8%	6,1%	20,2%	25,9%	15,0%	n.a.
Fimbanco Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	45,4%	25,1%	47,5%	24,3%	43,5%
Banco Kwanza de Investimento	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Comercial do Huambo	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Standard Bank Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	47,4%	21,0%
Banco Valor	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	91,8%	10,5%
<b>AVERAGE</b>	<b>37,9%</b>	<b>8,7%</b>	<b>18,8%</b>	<b>13,6%</b>	<b>23,0%</b>	<b>18,9%</b>	<b>19,0%</b>	<b>22,5%</b>	<b>21,6%</b>	<b>25,6%</b>	<b>22,3%</b>

Source: Annual Reports and Eaglestone Securities.



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