



Mozambican Banks

Net profit impacted by slower revenue growth

Research

June 2024

Economic activity continued to improve in 2023

The Mozambican banking sector benefitted from stronger economic growth in 2023, as real GDP growth in the country accelerated to 5.0% in the period from 4.2% in the previous year. The improvement in economic activity was largely thanks to the very significant expansion recorded in the mining sector (35.9%), which contributed 2.3% of the 5.0% total real GDP growth in the period. Despite faster economic growth, some banks continued to refer to the challenging economic backdrop in the country and the significantly more restrictive monetary policy recently implemented by the Banco de Moçambique as important impediments to faster growth in their net profit. In 2023, the central bank decided to leave its key interest rates unchanged (after increasing them a total of 400bps in 2022). However, it lifted the mandatory reserve coefficient in local currency from 28.0% to 39.0% and in foreign currency from 28.5% to 39.5% to absorb liquidity in the banking system and reduce potential inflationary pressures.

Banking

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Revenues impacted by slower growth in net interest income

The combined profit and loss account of the six largest banks in the country showed a deceleration in net profit growth in 2023 after a significant expansion in the previous year. Total net profit reached MZM 25,299 million (US\$ 396 million), rising just 6.8% YoY. This net profit represents a ROE of 19.5% and a ROA of 3.47%. The evolution in net profit continued to reflect some improvement in revenue growth, although this growth was materially slower than the one recorded in the previous year. Overall, the combined operating income of these banks advanced 4.2% YoY, with revenues rising 4.0% and costs 3.9%, with the latter staying well below the average inflation rate of 7.00% recorded in the country in 2023. The cost performance of the sector largely reflected a higher increase in staff costs (accounting for more than half of the total cost base) than in the previous year. This was due to the stabilization of the exchange rate, as an important part of these costs is linked to foreign currency. This meant that the combined cost-to-income ratio of the six banks remained unchanged at 47.7% in 2023. Net profit was also impacted by a significant increase in loan impairments (36.9%) as some banks mentioned that they saw the need to be more prudent in managing their risk in the current higher interest rate environment. However, this impact was mostly offset by significantly lower other provisions, as one of the banks was able to recover loans and interests that had previously been written-off.

Asset quality ratios showed some improvement

Balance sheet data showed that the total amount that the six banks had deposited at the Banco de Moçambique nearly trebled in 2023 when compared with the previous year, accounting for 28.3% of the total assets. This followed the decision by the central bank to sharply increase the mandatory reserve ratios in both local and international currencies. Also, total net loans declined 1.7% YoY mostly because of the persistently high interest rate environment, which has led to a lower demand for credit and a more prudent lending policy approach by the main players in the sector. On the other hand, total deposits remained unchanged in the period and accounted for 90.4% of the total liabilities. Overall, the loans-to-deposits ratio declined further to 37.6% after falling to a level below 40% for the first time in 2022. Other data showed that the combined NPL ratio of these banks improved to 7.97% from 10.04% in 2022, while the NPL coverage ratio also improved to 90.5%. Finally, our estimates show that the combined solvency ratio of the six banks remained well above the required 14% after standing at 25.6% in 2023 (down from 27.2% in the previous year).

ECONOMIC OVERVIEW

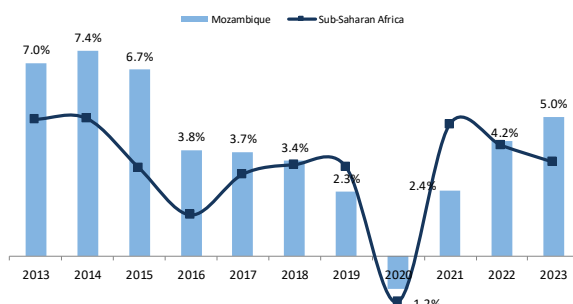
Economic activity in Mozambique continued to improve in 2023, with real GDP growth in the country accelerating to 5.0% from 4.2% in the previous year. This compares with the average growth of 3.4% recorded in Sub-Saharan Africa in the same period, which means that the country outperformed the region for the second consecutive year.

The improved economic performance was mostly due to the significantly stronger growth in the mining sector (35.9%), as it contributed 2.3% of the 5.0% total real GDP growth recorded in the period. Agriculture and fishing, which is by far the largest sector of the Mozambican economy (representing 24.3% of total GDP in 2023), contributed 0.9% to the total economic growth. The transport and communications sector (10.8% of total GDP) expanded 5.4% in the period.

Real GDP growth accelerated to 5.0% in 2023 from 4.2% in the previous year

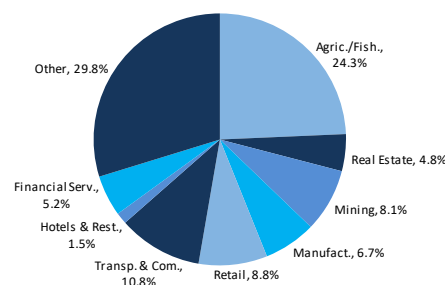
The improved economic performance was thanks to a significantly stronger growth in the mining sector

REAL GDP GROWTH (2013-23)



Sources: INE and IMF.

GDP STRUCTURE (2023)



Source: INE.

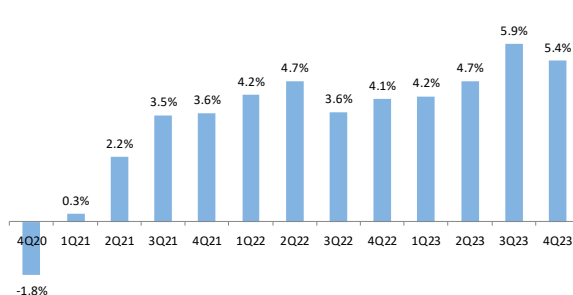
Data from INE also showed that real GDP growth remained robust in the last quarter of the year, despite slowing down from the previous three months (5.4% YoY vs. 5.9% YoY in 3Q). Indeed, if excluding LNG, real GDP growth reached an estimated 3.6% YoY in 4Q, above the 3.3% YoY growth in the previous quarter. We also note that the Mozambican economy advanced 5.6% YoY in the second half of 2023, outpacing the growth of 4.4% YoY recorded in the first six months.

Economic growth improved in the second half of 2023 when compared with the first six months of the year

In the medium-term, economic activity (excluding the LNG sector) is expected to continue to recover, with real GDP growth likely to remain close to the current levels of about 5.0%. That said, there are certain risks to the economic outlook, namely related to the impact of potential climate shocks on agricultural production and several infrastructures.

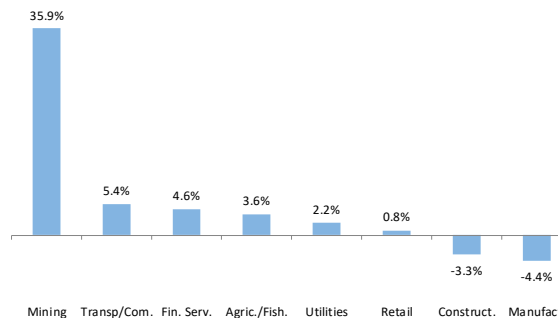
Economic activity is likely to continue to recover, despite certain risks to the outlook

REAL GDP GROWTH (4Q20 – 4Q23; YOY)



Source: INE.

REAL GDP GROWTH BY SECTOR (2023)



Source: INE.

Other data released by INE showed that annual inflation in the country declined in 2023, reaching single-digit figures once again after witnessing some upward pressure during most part of 2022. Recall that inflation was under some pressure in 2022 mostly because of the impact in domestic prices from the volatility in energy and food costs at the international level resulting from the prolonged war in the Ukraine. Last year, inflation benefited from the stability of the metical and the measures implemented by the central bank in terms of monetary policy.

Annual inflation declined in 2023, reaching single-digit figures once again

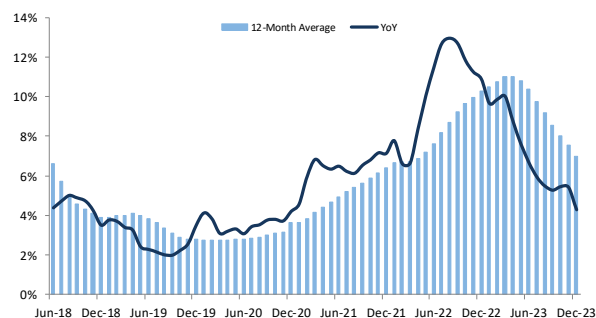
Overall, annual inflation reached 4.29% in December 2023, while the 12-month average inflation rate stood at 7.00%. This is a significant decline from the figures recorded at the end of 2022, namely 10.91% and 10.28%, respectively.

Annual inflation reached 4.29% in December 2023

In terms of components, the evolution of annual inflation continued to mostly reflect the increase in the prices of food and non-alcoholic beverages, with this accounting for by far the largest share of the annual increase.

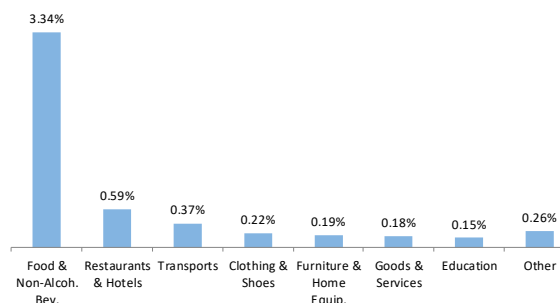
Inflation was mostly impacted by the increase in the prices of food and non-alcoholic beverages

CONSUMER PRICE INDEX – YOY AND 12M AVERAGE



Source: INE.

ANNUAL INFLATION – BIGGEST CONTRIBUTORS (2023)



Source: INE.

Meanwhile, the Banco de Moçambique kept a restrictive monetary policy in 2023 following the measures implemented in the previous year. Recall that, in 2022, the central bank decided to raise interest rates on two occasions, and by 200bps each time. In the March meeting, the Banco de Moçambique raised the MIMO rate to 15.25%, the reference deposit rate (FPD) to 12.25% and the lending rate (FPC) to 18.25%. Then, in the September meeting, the central bank lifted the MIMO rate to 17.25%. The other key rates also increased by the same amount, with the FPD standing at 14.25% and the FPC at 20.25%. According to the central bank, these decisions resulted from the significant upward revision of the short and medium-term inflation outlook following the deterioration of some risks, in particular the escalation of the geopolitical conflict in Europe and the natural disasters in the center and northern parts of Mozambique.

The central bank kept a restrictive monetary policy stance in 2023

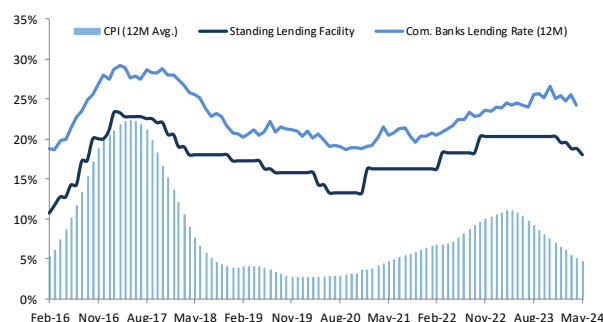
In 2023, the central bank decided to leave its key interest rates unchanged throughout the year, as the inflation outlook continued to suggest that it would remain in single digits in the medium-term. This despite the risks and uncertainties to this outlook remaining high both domestically and internationally. On the domestic front, there was some pressure on consumer prices coming from high public expenditures and the uncertainty related to the evolution of administered prices, mainly fuel prices. Internationally, the risks came mostly from the prolonged conflict between Russia and the Ukraine, the evolution in commodity prices and the volatility in financial markets.

Interest rates remained unchanged, as the inflation outlook continued to indicate that it would remain in single digits in the medium-term

The only change in the central bank's monetary policy instruments came from the decision to lift the mandatory reserves in both local and international currencies. This decision took place in May, with the Banco de Moçambique raising the reserve requirement coefficient in local currency from 28.0% to 39.0% and in foreign currency from 28.5% to 39.5%. The aim was to absorb excess liquidity in the banking system that could potentially create inflationary pressures.

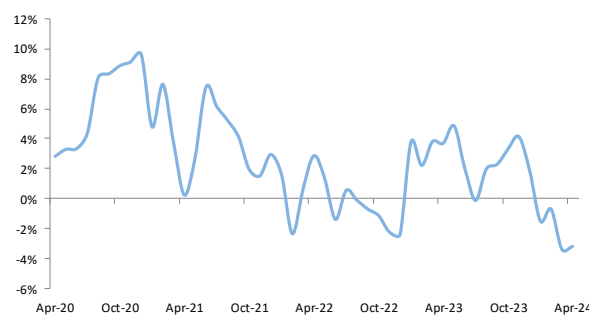
The only change to monetary policy came from the increase in mandatory reserve coefficients in local and foreign currencies

INFLATION, CENTRAL AND COMMERCIAL BANKS RATES



Sources: INE and Banco de Moçambique.

CREDIT GROWTH (YOY CHANGE)



Source: Banco de Moçambique.

More recently, the central bank decided to lower its key interest rates at the three monetary policy meetings that have taken place in 2024. In January, March and May, the central bank decided to cut the MIMO rate by 75bps at each meeting, placing this rate at the current level of 15.00%, as the risks and uncertainties to the inflation outlook became more favorable. The central bank said that the conditions to initiate a cycle of gradual reductions in the MIMO rate had already been created and that this aimed to put the MIMO rate at a normalized level during the next 24–36 months. It added that the pace of these reductions would depend on the inflation outlook, as well as the central bank's assessment of the risks and uncertainties to the medium-term projections. The FPD and the FPC rates were lowered by the same amount and currently stand at 12.00% and 18.00%, respectively. The reserve requirement coefficients in local and foreign currencies were kept unchanged at 39.0% and 39.5%, respectively.

The Banco de Moçambique lowered its key interest rates by 75bps at each of the three meetings that took place in 2024

BANKING SECTOR OVERVIEW

The Mozambican financial system included 15 banks operating in the country at the end of 2023. None of these banks is listed and most of them are units of foreign lenders or controlled by overseas investors, as described in the table below. The financial system also comprised 13 smaller lenders (micro-banks), four credit cooperatives, 13 savings and loans organizations and six foreign exchange institutions.

The local financial system includes 15 banks

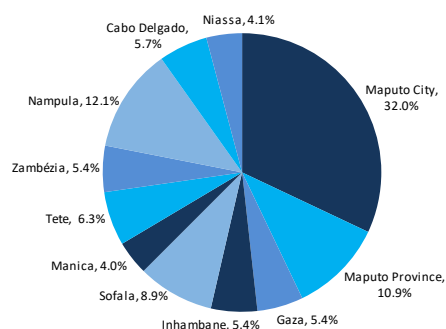
MOZAMBIKAN BANKING SYSTEM			KEY FIGURES (MZM million) - 2023				MARKET SHARE		
	Start of Operations	Majority Shareholder	Assets	Loans	Deposits	Net Profit	Assets	Loans	Deposits
Standard Bank Moçambique	1967	Standard Bank (South Africa)	158,950	34,362	112,952	7,389	17.3%	13.2%	18.0%
Banco Internacional de Moçambique	1995	Millenniumbim (Portugal)	190,385	44,208	146,447	7,278	20.8%	17.0%	23.3%
Banco Comercial e de Investimentos	1996	CGD Group (Portugal)	209,868	67,088	159,499	8,202	22.9%	25.8%	25.4%
Banco Société Générale Moçambique (1)	1999	Société Générale (France)	16,500	5,176	12,291	173	1.8%	2.0%	2.0%
Ecobank Moçambique (2)	2000	Ecobank Group (Togo)	3,012	264	1,773	-101	0.3%	0.1%	0.3%
ABSA Bank Moçambique	2005	Absa Group (South Africa)	76,913	25,843	55,199	1,623	8.4%	9.9%	8.8%
FNB Moçambique	2007	First Rand Group (South Africa)	25,116	5,746	20,804	49	2.7%	2.2%	3.3%
Moza Banco (3)	2008	Kuhanha (Mozambique)	58,972	21,934	40,983	102	6.4%	8.4%	6.5%
United Bank for Africa Moçambique	2010	UBA (Nigeria)	9,191	2,013	4,729	703	1.0%	0.8%	0.8%
Banco Nacional de Investimento	2011	IGEPPE (Mozambique)	12,275	4,324	1,181	269	1.3%	1.7%	0.2%
Nedbank Moçambique (4)	2011	Nedbank (South Africa)	34,459	10,372	27,287	706	3.8%	4.0%	4.3%
First Capital Bank	2013	FMB Capital Holdings (Mauritius)	18,108	6,542	10,928	1,226	2.0%	2.5%	1.7%
Banco Letshego	2016	Letshego Holdings (Botswana)	14,728	12,069	2,732	996	1.6%	4.6%	0.4%
Banco BIG Moçambique	2016	Banco BIG (Portugal)	4,844	0	422	274	0.5%	0.0%	0.1%
Access Bank Moçambique	2020	Access Bank plc (Nigeria)	21,375	5,305	17,586	-380	2.3%	2.0%	2.8%

(1) Previously Mauritius Commercial Bank (Moçambique); (2) Ecobank bought Banco ProCredit in June 2014; (3) Banco Terra merged with Moza Banco in August 2019; (4) Previously Banco Único.
Source: Annual Reports.

According to the latest available information disclosed by the central bank, the branch network of the banking sector consisted of 653 branches at the end of 2023. As expected, these branches were more concentrated around the city of Maputo (32.0% of the total), Nampula (12.1%), the province of Maputo (10.9%) and Sofala (8.9%). As for the banks themselves, Banco Comercial e de Investimento (BCI) led with 32.3% of the total branches of the banking sector, followed by Millennium bim (29.9%), Moza Banco (9.6%), Absa Bank Moçambique (7.4%) and Standard Bank Moçambique (6.1%).

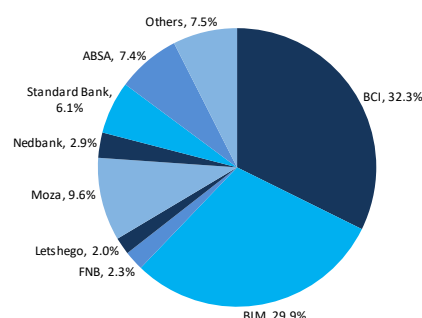
The branch network is more concentrated around Maputo, while BCI is the bank with the largest number of branches in the banking sector

BRANCH NETWORK BY PROVINCE (2023)



Source: Banco de Moçambique.

BRANCH NETWORK BY BANK (2023)

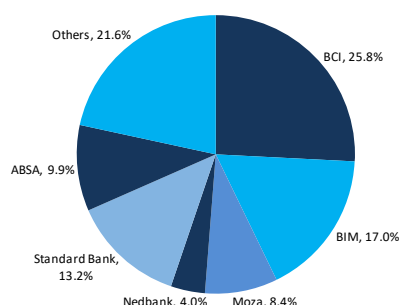


Source: Banco de Moçambique.

The three banks more systemically important for the country's financial system include BCI, Millennium bim and Standard Bank Moçambique, representing about 61%, 56% and 67% of the total assets, loans and deposits of the sector, respectively, at the end of 2023. Absa Bank Moçambique, Moza Banco and Nedbank Moçambique also stand out, but they are clearly smaller than the other three players. Overall, the six banks represent about 80-85% of the sector's total assets, loans and deposits.

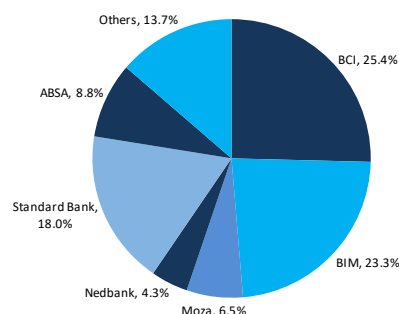
The six largest banks represent about 80-85% of the total assets, loans and deposits of the sector

MARKET SHARE IN LOANS (2023)



Source: Annual Reports.

MARKET SHARE IN DEPOSITS (2023)



Source: Annual Reports.

The Mozambican financial system has become increasingly more developed over the years, with a larger presence and a more relevant role of the banking sector in the domestic economy. That said, local banks still evidence a conservative approach, namely in terms of their lending policies, as demonstrated by the persistently low ratio of loans as a percentage of GDP detailed in the table below.

The banking sector has played a bigger role in the local economy

There has also been an increase in financial inclusion levels, reflected in a larger number of clients that now have access to a bank account, more available banking products, as well as a greater and wider presence of the branch network in the country. The latest available data provided by the central bank indicates that: (1) more than 30% of the country's adult population had a bank account in 2023 (vs. 25.1% in 2014); (2) the number of branches per 100,000 adults stood at 4.1 in 2023, with 83.2% of the districts of the country having at least one bank branch (vs. 53.9% in 2014) and (3) growth in the number of ATMs and POSs per 100,000 adults has slowed in the last 4-5 years following a significant increase in the previous years.

There has also been a clear increase in financial inclusion levels over the years

We detail in the table below some of the key financial inclusion indicators of the sector in the period 2014-23.

FINANCIAL INCLUSION INDICATORS										
Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Bank accounts (per 10,000 Km2)	43,303	55,107	65,831	61,254	63,721	61,113	64,009	64,728	66,628	69,779
Bank cards (per 10,000 Km2)	42,712	37,553	43,228	40,969	41,687	36,600	39,958	41,380	38,148	41,338
Branches (per 10,000 Km2)	7.2	7.7	8.2	8.2	8.7	8.5	8.6	9.4	9.3	9.1
Urban areas	1,208	1,297	1,326	1,360	1,434	1,295	1,273	1,380	1,385	1,334
Rural areas	1.8	1.9	2.4	2.2	2.3	2.8	2.9	3.3	3.2	3.2
ATMs (per 10,000 km2)	16.3	19.7	21.0	21.8	25.6	22.0	21.4	20.5	19.6	18.5
POS (per 10,000 km2)	183.7	256.2	320.3	389.9	402.9	459.1	457.1	462.3	488.6	377.9
Bank accounts (per 100 adults)	25.1	31.1	36.0	32.5	32.7	30.5	31.0	30.4	30.6	30.9
Bank cards (per 100 adults)	24.8	21.2	23.7	21.8	21.4	18.3	19.3	19.4	17.5	18.3
Branches (per 100,000 adults)	4.2	4.3	4.5	4.4	4.5	4.2	4.1	4.4	4.3	4.1
Urban areas	10.8	11.1	10.8	10.6	10.7	9.2	7.4	7.7	7.5	7.0
Rural areas	1.6	1.7	2.0	1.8	1.9	2.2	2.2	2.5	2.3	2.3
ATMs (per 100,000 adults)	9.5	11.4	11.5	11.6	13.1	11.0	10.3	9.6	9.0	8.2
POS (per 100,000 adults)	106.7	144.5	175.3	207.0	207.0	229.2	221.1	216.8	224.4	167.5
Districts with bank branches (% of total)	53.9%	68.0%	76.6%	59.7%	68.8%	72.3%	81.9%	82.6%	79.4%	83.2%
Loans (% of GDP)	36.6%	36.4%	34.7%	26.9%	25.8%	24.2%	27.2%	23.4%	28.0%	20.2%
Loans (MZM million) per 1,000 adults	14.1	16.4	17.9	15.0	14.7	14.4	16.6	14.2	16.6	15.4
Deposits (% of GDP)	44.6%	47.6%	44.0%	41.6%	41.6%	44.6%	54.2%	51.2%	53.0%	44.1%
Deposits (MZM million) per 1,000 adults	17.2	21.4	22.7	23.2	23.7	26.6	33.0	31.0	31.5	33.5
Bank accounts (% of adult population)	25.1%	31.1%	36.0%	32.5%	32.7%	30.5%	31.0%	30.4%	30.6%	30.9%

Source: Banco de Moçambique.

In terms of legislation impacting the Mozambican banking sector, we disclose in the table below the key regulatory changes implemented by the Banco de Moçambique in 2023. This regulation relates to topics such as (1) the constitution of mandatory reserves, (2) the procedures for the repatriation and conversion of revenues from the re-export of petroleum products, (3) the legal framework, the foundations and the general principles applicable to private investments in the Republic of Mozambique eligible for tax and non-tax guarantees and incentives, (4) the legal framework and measures to prevent and combat the use of the financial system and non-financial entities for the purposes of money laundering, terrorist financing and proliferation of weapons of mass destruction, and (5) regulation of foreign exchange law.

Key regulatory changes introduced in 2023

Legislation	Description
Notice 1/GBM/2023, of April 26	Establishes the rules for the constitution of Mandatory Reserves
Notice 2/GBM/2023, of June 16	Establishes the procedures for the repatriation and conversion of revenues from the re-export of petroleum products
Notice n: 3/GBM/2023 of August 10	Regulation for the Exercise of the Activity of Non-Banking Agent – Establishes the terms and conditions for payment service providers to carry out their activity, in national territory, through non-bank agents
Notice n: 4/GBM/2023, of September 14	Establishes the rules regarding the registration process of virtual asset service providers with the Banco de Moçambique
Notice n: 5/GBM/2023, of October 16	Establishes the rules to be observed in the disclosure and provision of pre-contractual information on credit
Notice n: 6/GBM/2023, of October 16	Regulation laying down prudential ratios and limits applicable to mutual guarantee societies
Notice n: 8/GBM/2023 of December 11	Establishes the prudential ratios and limits applicable to leasing companies
Notice n: 9/GBM/2023 of December 29	Regulation of the interbank transfer and settlement system
Notice n: 10/GBM/2023 of December 29	Regulation of the electronic clearing system
Law n: 08/2023 of June 9	Establishes the legal framework, the foundations and the general principles applicable to private investments in the Republic of Mozambique eligible for the enjoyment of tax and non-tax guarantees and incentives
Law n: 14/2023, of August 28	Legal framework and measures to prevent and combat the use of the financial system and non-financial entities for the purposes of money laundering, terrorist financing and proliferation of weapons of mass destruction
Law n: 15/2023, of August 28	Legal regime for the prevention, suppression and combating of terrorism and the proliferation of weapons of mass destruction
Decree n: 53/2023, of August 31	Regulation of the law establishing the legal framework and measures to prevent and combat money laundering and terrorist financing
Decree n: 54/2023, of August 31	Regulation of the law establishing the legal regime for the prevention, suppression and combating of terrorism and the proliferation of weapons of mass destruction
Decree n: 56/2023 of October 3	Regulation of foreign exchange law
Decree n: 59/2023 of October 27	Regulation on the registration and licensing of intermediary providers of electronic services and operators of digital platforms

Source: Banco de Moçambique.

OVERVIEW OF 2023 RESULTS

In this report, we look at the 2023 financial statements of the six largest banks operating in the country and extrapolate these figures to try to analyze the main trends for the sector. We think the combined accounts of these banks provide a fairly accurate picture of the performance of the sector considering that they represent a significant share of the banking sector.

We analyze the 2023 results of the six largest banks operating in Mozambique

We break down our report into two sections. First, we look at the main balance sheet and profit and loss account numbers on a combined basis. We also present the key ratios for both financial statements. Second, we look at each of the six banks individually in more detail and analyze their 2023 accounts separately. In the annex, we provide several tables and graphs comparing the key figures and indicators for these banks.

We look at the figures both on a combined and individual basis

BALANCE SHEET

The combined net assets of the six banks reached MZM 729,546 million (US\$ 11,417 million) in 2023, rising 4.9% from the previous year. This evolution reflects a significantly higher amount that these banks had in terms of cash and deposits at the central bank, which more than offset the declines in deposits at other credit institutions as well as investments in financial assets. Indeed, the amount that these six banks had deposited at the central bank nearly trebled in the period following the decision by the Banco de Moçambique to sharply increase the mandatory reserve coefficients in both local and international currencies throughout 2023. This obliged the banking sector to deposit a significantly higher amount of funds at the central bank rather than allocate them towards other investments.

Total net assets for the six largest banks rose 4.9% YoY in 2023

In particular, the mandatory reserves ratio in local currency was increased to 39.0% by May 2023 and in foreign currency to 39.5%. These ratios compare with 10.5% and 11.5%, respectively, in December 2022. Overall, this meant that the amount of cash and balances at the central bank

Cash and balances at the central bank represented the highest share of total assets

represented 28.3% of the total assets of these six banks in 2023, which is significantly higher than the 10.0% in the previous year.

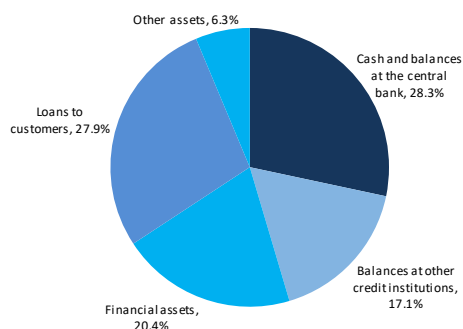
Meanwhile, the total amount of net loans saw a slight fall of 1.7% YoY to MZM 203,807 million (US\$ 3,189 million), representing just 27.9% of total assets in 2023. This compares with 29.8% of total assets in the previous year and a higher 30-35% of total assets in the years prior to that. Most banks mentioned that the weak performance in terms of loan growth is mostly justified by the current economic backdrop and higher interest rate environment in the country, which has affected customer demand for bank loans.

Net loans represented less than 30% of total assets once again in 2023

On the other hand, the total amount of deposits of these banks remained practically unchanged from the previous year at MZM 542,367 million (US\$ 8,488 million) and continued to account for by far the largest share of the total liabilities and equity of the six banks at 74.3%. Total equity rose 8.6% YoY in the period and accounted for 17.7% of the total, as shown below.

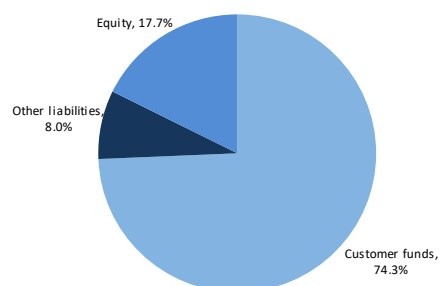
Customer deposits remained by far the largest funding source of the banking sector

BREAKDOWN OF TOTAL ASSETS (2023)



Sources: Annual Reports and Eaglestone Securities.

BREAKDOWN OF TOTAL LIABILITIES AND EQUITY (2023)

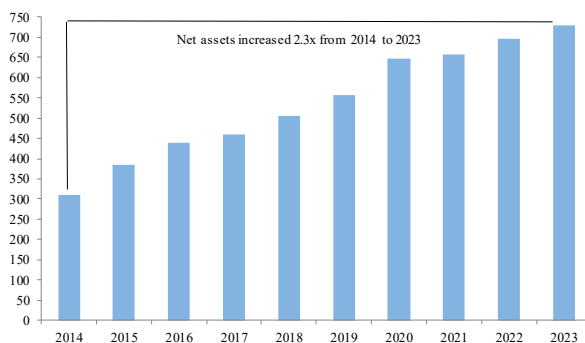


Sources: Annual Reports and Eaglestone Securities.

Overall, the combined net assets of the six banks have gradually increased in the last decade, reaching a level that is 2.3 times higher in 2023 than in 2014. As stated above, less than 30% of the assets of these banks are net loans, with the large majority being loans denominated in local currency. In 2023, the amount of loans denominated in meticaïs stood almost unchanged from the previous year and represented 79.5% of the total loan portfolio of these six banks. Foreign currency loans fell 7.3% YoY and represented 20.5% of total loans.

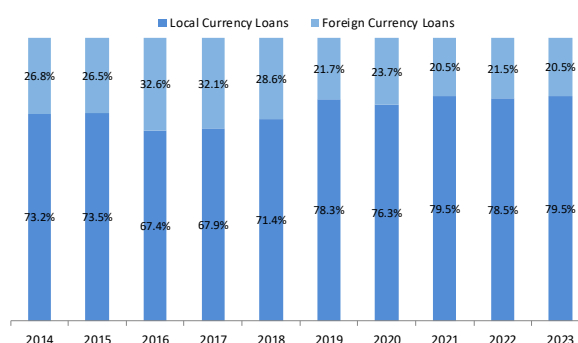
The combined net assets of the six banks were 2.3x larger in 2023 than in 2014

NET ASSETS (2014-23) – BILLION MZM



Sources: Annual Reports and Eaglestone Securities.

LOANS BY TYPE OF CURRENCY (2014-23)



Sources: Annual Reports and Eaglestone Securities.

The total amount of non-performing loans of these six banks fell 23.2% YoY to MZM 17,501 million in 2023. This means that their combined NPL ratio improved to 7.97% in the period after reaching 10.04% in the previous year. The NPL coverage ratio (measured by provisions over NPLs) also improved and stood at 90.5% (up from 86.3% in 2022).

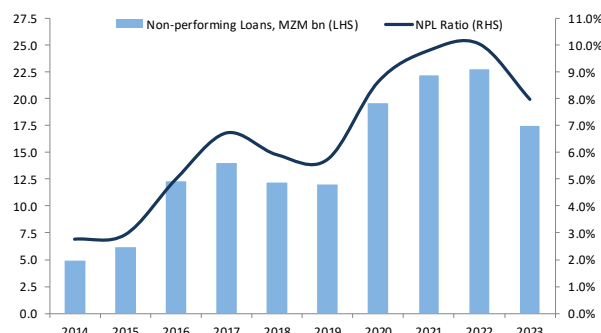
The NPL ratio improved to 7.97%, while the coverage ratio rose to 90.5%

Other data indicated that total loan loss provisions in the balance sheet recorded a significant fall of 19.5% YoY, representing 7.21% of total gross loans in 2023. This compares with 8.66% of total gross loans in the previous year and is materially lower than the level witnessed in the period

Provisions in the balance sheet recorded a significant decline in 2023

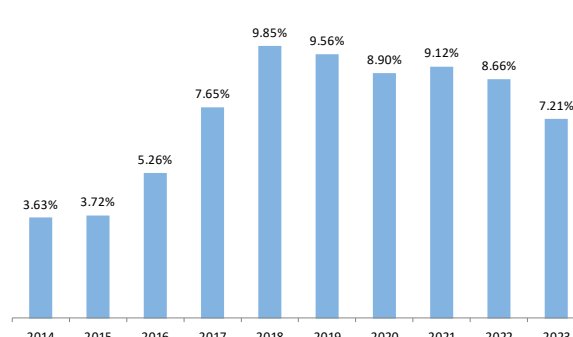
2018-2021. We recall that the higher provisioning levels in recent years reflect the deterioration in asset quality ratios, particularly since 2016, and a more prudent approach from the banking sector in the current economic environment.

ASSET QUALITY INDICATORS (2014-23)



Sources: Annual Reports and Eaglestone Securities.

BAL. SHEET PROVISIONS (% OF GROSS LOANS) (2014-23)

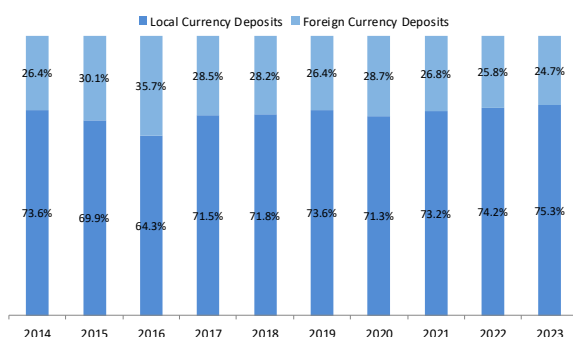


Sources: Annual Reports and Eaglestone Securities.

Meanwhile, as mentioned earlier, the total deposits of the six banks remained practically the same as the previous year, standing at MZM 542,367 million (US\$ 8,488 million). Deposits in meticaïs rose 1.6% YoY and accounted for 75.3% of the total deposit base, while deposits in foreign currency declined 4.2% YoY after recovering in the previous year. Sight deposits were down 2.9% YoY and represented 59.7% of total deposits, a figure that is slightly below the 61.5% recorded in the previous year.

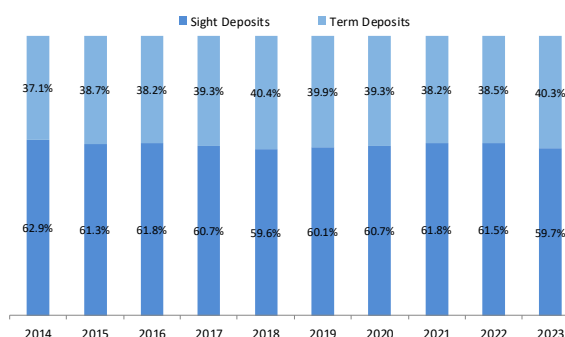
Deposits remained almost unchanged from the previous year, with deposits in meticaïs rising 1.6% and deposits in foreign currency falling 4.2%

DEPOSITS BY TYPE OF CURRENCY (2014-23)



Sources: Annual Reports and Eaglestone Securities.

DEPOSITS BY MATURITY (2014-23)



Sources: Annual Reports and Eaglestone Securities.

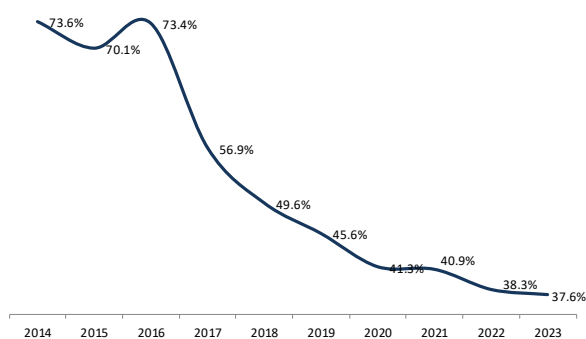
All in all, this means that the combined loans-to-deposits ratio stood at 37.6%, which compares with 38.3% in 2022. We note that this ratio has gradually declined in recent years, falling below the 50%-level for the first time in 2018.

The loans-to-deposits ratio stood at 37.6%

Also, according to our estimates, the combined solvency ratio of the six banks dropped to 25.6% in 2023 (from 27.2% in the previous year), standing well above the regulatory requirement of 14% (12% + 2% systemic buffer) imposed by the Banco de Moçambique for the larger banks operating in the country.

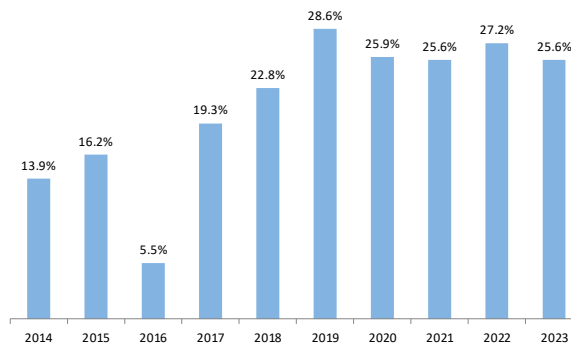
The combined solvency ratio declined to 25.6%, but remained well above the regulatory requirement

LOANS TO DEPOSITS RATIO (2014-23)



Sources: Annual Reports and Eaglestone Securities.

SOLVENCY RATIO (2014-23)



Sources: Annual Reports and Eaglestone Securities.

SIX MAJOR BANKS						Million MZM						Million US\$						% Change (MZM)			
Year						2019	2020	2021	2022	2023		2019	2020	2021	2022	2023		20/19	21/20	22/21	23/22
BALANCE SHEET																					
Net Assets						556,796	647,603	655,921	695,777	729,546		9,058	8,646	10,276	10,894	11,417		16.3%	1.3%	6.1%	4.9%
Customer Loans (net)						189,555	206,601	206,328	207,359	203,807		3,084	2,758	3,232	3,247	3,189		9.0%	-0.1%	0.5%	-1.7%
Local Currency Loans						149,103	158,367	165,330	164,229	163,831		2,426	2,114	2,590	2,571	2,564		6.2%	4.4%	-0.7%	-0.2%
Foreign Currency Loans						40,452	48,234	40,998	43,130	39,976		658	644	642	675	626		19.2%	-15.0%	5.2%	-7.3%
Loan Loss Provisions						20,029	20,172	20,695	19,667	15,831		326	269	324	308	248		0.7%	2.6%	-5.0%	-19.5%
Non-Performing Loans						12,007	19,557	22,224	22,785	17,501		195	261	348	357	274		62.9%	13.6%	2.5%	-23.2%
Customer Deposits						415,250	500,730	504,169	541,949	542,367		6,755	6,685	7,899	8,485	8,488		20.6%	0.7%	7.5%	0.1%
Local Currency Deposits						305,564	357,202	369,062	402,065	408,427		4,971	4,769	5,782	6,295	6,392		16.9%	3.3%	8.9%	1.6%
Foreign Currency Deposits						109,686	143,528	135,107	139,884	133,940		1,784	1,916	2,117	2,190	2,096		30.9%	-5.9%	3.5%	-4.2%
Sight Deposits						249,485	304,015	311,534	333,386	323,591		4,059	4,059	4,881	5,220	5,064		21.9%	2.5%	7.0%	-2.9%
Term Deposits						165,764	196,714	192,636	208,563	218,777		2,697	2,626	3,018	3,265	3,424		18.7%	-2.1%	8.3%	4.9%
Equity						100,457	105,354	116,142	119,428	129,721		1,634	1,407	1,820	1,870	2,030		4.9%	10.2%	2.8%	8.6%
MAIN RATIOS																					
Loans/Deposits						45.6%	41.3%	40.9%	38.3%	37.6%		45.6%	41.3%	40.9%	38.3%	37.6%		-4.4%	-0.3%	-2.7%	-0.7%
Loans/Assets						34.0%	31.9%	31.5%	29.8%	27.9%		34.0%	31.9%	31.5%	29.8%	27.9%		-2.1%	-0.4%	-1.7%	-1.9%
Deposits/Liabilities						91.0%	92.3%	93.4%	94.0%	90.4%		91.0%	92.3%	93.4%	94.0%	90.4%		1.3%	1.1%	0.6%	-3.6%
Loans in Local Currency (% of Total)						78.3%	76.3%	79.5%	78.5%	79.5%		78.3%	76.3%	79.5%	78.5%	79.5%		-2.0%	3.2%	-1.1%	1.1%
Deposits in Local Currency (% of Total)						73.6%	71.3%	73.2%	74.2%	75.3%		73.6%	71.3%	73.2%	74.2%	75.3%		-2.2%	1.9%	1.0%	1.1%
Sight Deposits (% of Total)						60.1%	60.7%	61.8%	61.5%	59.7%		60.1%	60.7%	61.8%	61.5%	59.7%		0.6%	1.1%	-0.3%	-1.9%
Loans per Branch ('000 MZM/US\$)						325,696	348,399	353,301	356,288	353,832		5,298	4,652	5,535	5,578	5,537		7.0%	1.4%	0.8%	-0.7%
Deposits per Branch ('000 MZM/US\$)						713,488	844,401	863,304	931,183	941,610		11,607	11,274	13,525	14,579	14,736		18.3%	2.2%	7.9%	1.1%
NPL Ratio						5.73%	8.62%	9.79%	10.04%	7.97%		5.73%	8.62%	9.79%	10.04%	7.97%		2.90%	1.17%	0.25%	-2.07%
NPL Coverage						166.8%	103.1%	93.1%	86.3%	90.5%		166.8%	103.1%	93.1%	86.3%	90.5%		-63.7%	-10.0%	-6.8%	4.1%
BS Provisions/Loans (gross)						9.56%	8.90%	9.12%	8.66%	7.21%		9.56%	8.90%	9.12%	8.66%	7.21%		-0.66%	0.22%	-0.45%	-1.46%
Solvency Ratio						28.6%	25.9%	25.6%	27.2%	25.6%		28.6%	25.9%	25.6%	27.2%	25.6%		-2.7%	-0.3%	1.6%	-1.7%

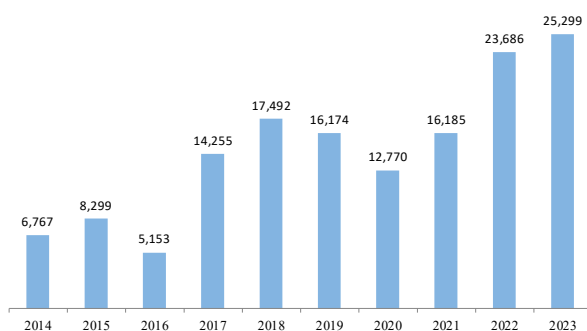
Sources: Annual Reports and Eaglestone Securities.

PROFIT AND LOSS ACCOUNT

The combined profit and loss account of the six banks showed that their total net profit continued to improve, rising 6.8% YoY to MZM 25,299 million (US\$ 396 million) in 2023. This evolution follows a surge in net profit of 46.3% YoY in the previous year that resulted from an improved operating income performance and a sharp drop in net loan impairments. In 2023, the evolution in net profit reflected slower revenue growth and significantly higher loan provisions. Overall, the bottom-line figure represented a return-on-equity (ROE) of 19.5% and a return-on-assets (ROA) of 3.47%, which are almost the same returns witnessed in 2022.

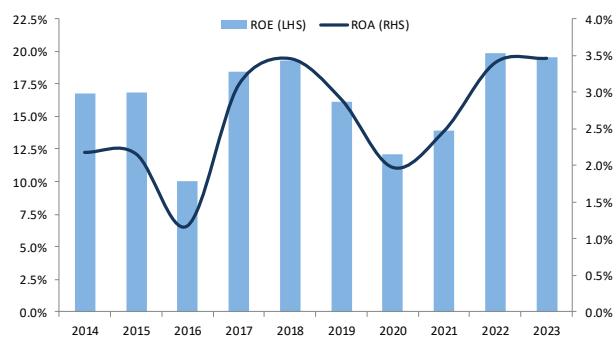
The combined net profit of the six banks rose by a more modest 6.8% YoY in 2023

NET PROFIT (2014-23) – MILLION MZM



Sources: Annual Reports and Eaglestone Securities.

RETURN ON EQUITY AND RETURN ON ASSETS (2014-23)



Sources: Annual Reports and Eaglestone Securities.

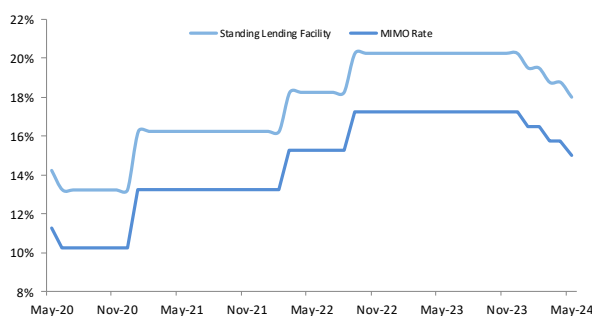
Total revenues for these banks stood at MZM 73,331 million (US\$ 1,148 million), representing a more modest increase of 4.0% YoY. This evolution was thanks to a 3.9% YoY improvement in net interest income, which continued to benefit from the favorable impact on margins from a higher interest rate environment. Recall that the Banco de Moçambique increased its benchmark MIMO interest rate by a total of 400bps in 2022 to try to contain inflationary pressures and that interest rates remained unchanged in 2023, once again benefiting margins. (as mentioned earlier in this report, the central bank has already started cutting interest rates this year)

Revenues benefited once again from the favorable contribution from higher interest rates on net interest income

However, and despite the continued high interest rate environment, the banking sector stated that net interest income was materially impacted by the central bank's decision to raise the mandatory reserve coefficients in 2023. These increases led to lower investments in remunerated assets by the local banks and to a higher amount of non-remunerated balances at the central bank.

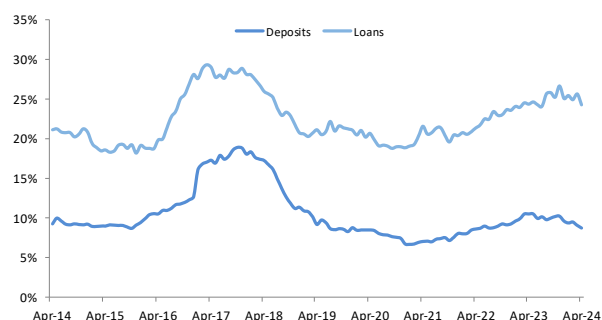
However, net interest income was materially impacted by the increase in mandatory reserve requirements by the central bank

STANDING LENDING FACILITY AND MIMO RATES



Source: Banco de Moçambique.

AVERAGE INTEREST RATES (ONE YEAR)



Source: Banco de Moçambique.

The higher interest rate environment continued to be reflected in some banking sector indicators, including net interest margin, which is the ratio of net interest income over average total assets. According to our calculations, this ratio stood at 7.85% in 2023, slightly down from 7.96% in the previous year. The contribution of net interest income to total banking revenues reached 76.3% (practically unchanged from 2022).

Net interest income accounted for 76.3% of total banking income

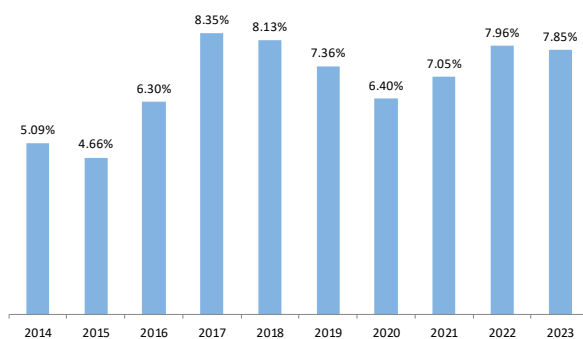
Fees and commissions saw a mixed performance across the six banks. However, the total amount declined 4.8% YoY in the period on a combined basis, representing just 10.8% of their total revenues. Some players continued to state that their fee income was impacted by the persistently challenging macro environment in the country, some regulatory restrictions and the competitive backdrop in the market.

The combined amount of fees and commissions for the six banks fell 4.8% YoY

On the other hand, other banking income saw a strong recovery of 13.6% YoY after falling 6.8% in the previous year. This evolution was largely due to the sharp improvement in results from financial operations at BCI, which saw a significant recovery thanks to stronger activity in the buy/sell business of foreign currency. Other banks like Absa Bank and Moza Banco also recorded a strong recovery in other banking income because of the higher contribution in receipts from FX operations while Nedbank benefited from better results in financial assets at fair value.

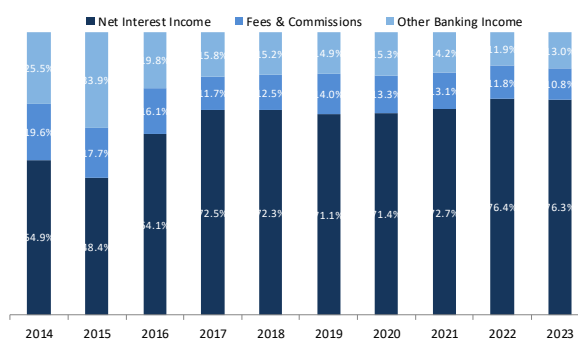
Other banking income improved largely thanks to the better performance at BCI

NET INTEREST MARGIN (NII/ATA) (2014-23)



Sources: Annual Reports and Eaglestone Securities.

REVENUE BREAKDOWN (2014-23)



Sources: Annual Reports and Eaglestone Securities.

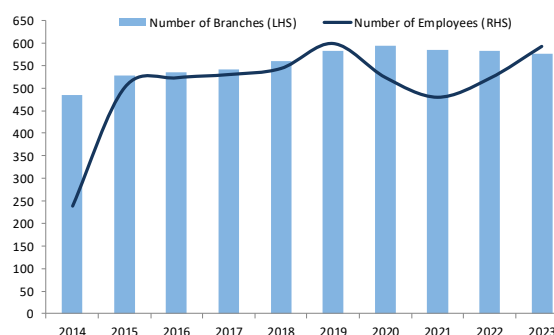
Meanwhile, total costs reached MZM 34,957 million (US\$ 547 million) in 2023, up just 3.9% YoY. This compares with an average inflation rate of 7.00% recorded in the country last year. We note that the total distribution network for the six banks, including the number of branches, stood at 576 at the end of 2023 (-6 when compared with the previous year) and the number of employees stood at 8,841 (+197) in the period.

Total costs rose 3.9% YoY, well below the average inflation rate recorded in the year

The cost performance of the sector continued to reflect a faster increase in staff costs (9.4% YoY) than in the previous year (7.0% YoY). This evolution was due to the stabilization of the metical exchange rate, as an important part of these costs is linked to foreign currency. We also note that staff costs continued to represent more than half of the total costs of these banks (53.2% in 2023).

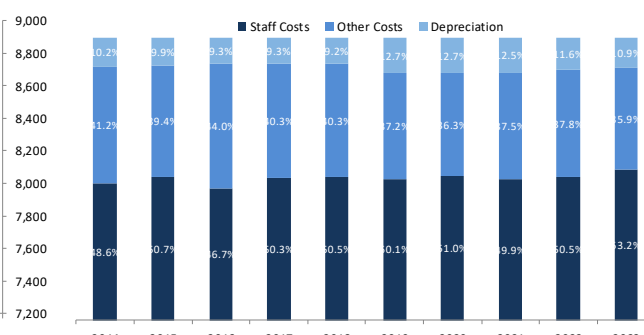
The cost performance of the sector reflected a faster increase in staff costs than in the previous year

NUMBER OF BRANCHES AND EMPLOYEES (2014-23)



Sources: Annual Reports and Eaglestone Securities.

COST BREAKDOWN (2014-23)

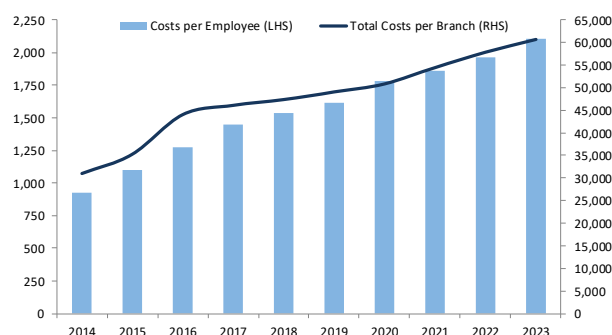


Sources: Annual Reports and Eaglestone Securities.

In terms of efficiency ratios, the lower revenue growth and moderate cost increase in the period meant that the cost-to-income ratio remained unchanged at 47.7%. Moreover, total costs per employee and total costs per branch increased by 7.0% and 5.0%, respectively.

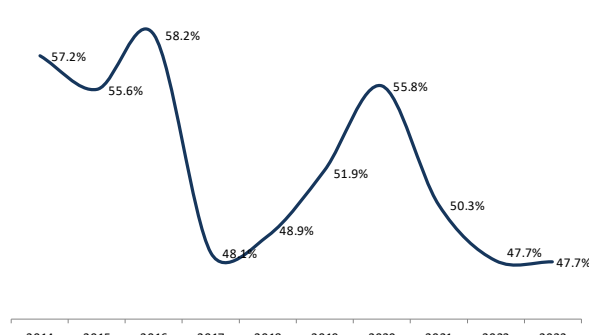
The cost-to-income ratio remained unchanged at 47.7%

COSTS PER EMPLOYEE AND PER BRANCH (2014-23)



Sources: Annual Reports and Eaglestone Securities.

COST-TO-INCOME RATIO (2014-23)



Sources: Annual Reports and Eaglestone Securities.

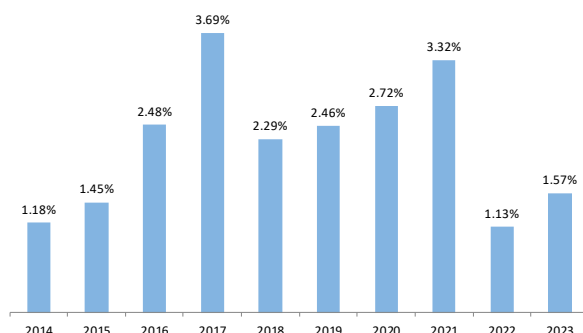
Below the operating income line, net loan loss provisions rose 36.9% YoY after falling sharply in the previous year, as there was a reversal in loan impairments at BCI and a sharp drop at Moza Banco in 2022. Some banks stated that the increase in loan impairments was due to the need to be more prudent in managing risk considering the current challenging macroeconomic and higher interest rate environment in the country. Overall, the total cost-of-risk (measured by the ratio of impairments over loans) rose to 157bps (from 113bps in 2022). Still, cost-of-risk remained well below the levels recorded in the period 2016-2021.

Loan impairments rose 36.9% YoY, with cost of risk standing at 157bps (vs. 113bps in 2022)

Finally, the total effective tax rate for the six banks stood at 25.6% in 2023, a level that is below the 27.1% recorded in the previous year, as demonstrated in the graph below.

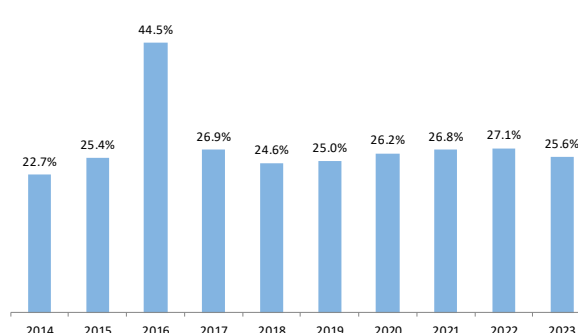
The effective tax rate declined to 25.6%

NET LOAN LOSS PROVISIONS (% OF LOANS) (2014-23)



Sources: Annual Reports and Eaglestone Securities.

TAX RATE (2014-23)



Sources: Annual Reports and Eaglestone Securities.

SIX MAJOR BANKS		Million MZM					Million US\$					% Change (MZM)			
Year		2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	20/19	21/20	22/21	23/22
P&L ACCOUNT															
Net Interest Income		39,052	38,548	45,935	53,815	55,922	635	515	720	843	875	-1.3%	19.2%	17.2%	3.9%
Fees & Commissions		7,713	7,203	8,289	8,285	7,888	125	96	130	130	123	-6.6%	15.1%	0.0%	-4.8%
Other Banking Income		8,184	8,274	8,994	8,382	9,522	133	110	141	131	149	1.1%	8.7%	-6.8%	13.6%
Banking Income		54,949	54,025	63,218	70,483	73,331	894	721	990	1,104	1,148	-1.7%	17.0%	11.5%	4.0%
Staff Costs		14,285	15,378	15,885	17,001	18,605	232	205	249	266	291	7.7%	3.3%	7.0%	9.4%
Other Costs		10,622	10,940	11,939	12,722	12,538	173	146	187	199	196	3.0%	9.1%	6.6%	-1.5%
Depreciation		3,621	3,817	3,980	3,919	3,814	59	51	62	61	60	5.4%	4.3%	-1.5%	-2.7%
Total Costs		28,528	30,135	31,804	33,643	34,957	464	402	498	527	547	5.6%	5.5%	5.8%	3.9%
Operating Income		26,422	23,890	31,414	36,840	38,374	430	319	492	577	601	-9.6%	31.5%	17.3%	4.2%
Net Loan Loss Provisions (LLP)		4,658	5,625	6,857	2,344	3,209	76	75	107	37	50	20.8%	21.9%	-65.8%	36.9%
Other		-195	-953	-2,444	-2,019	-1,180	-3	-13	-38	-32	-18	388.2%	156.4%	-17.4%	-41.6%
Pre-Tax Profits		21,569	17,311	22,113	32,476	33,985	351	231	346	508	532	-19.7%	27.7%	46.9%	4.6%
Taxes		5,395	4,541	5,929	8,791	8,686	88	61	93	138	136	-15.8%	30.6%	48.3%	-1.2%
Net Profit		16,174	12,770	16,185	23,686	25,299	263	170	254	371	396	-21.0%	26.7%	46.3%	6.8%
MAIN RATIOS															
Net Interest Margin (NII/ATA)		7.36%	6.40%	7.05%	7.96%	7.85%	7.36%	6.40%	7.05%	7.96%	7.85%	-0.96%	0.65%	0.91%	-0.12%
Net Interest Income (% of Revenues)		71.1%	71.4%	72.7%	76.4%	76.3%	71.1%	71.4%	72.7%	76.4%	76.3%	0.3%	1.3%	3.7%	-0.1%
Fees (% of Banking Income)		14.0%	13.3%	13.1%	11.8%	10.8%	14.0%	13.3%	13.1%	11.8%	10.8%	-0.7%	-0.2%	-1.4%	-1.0%
Staff Costs (% of Total Costs)		50.1%	51.0%	49.9%	50.5%	53.2%	50.1%	51.0%	49.9%	50.5%	53.2%	1.0%	-1.1%	0.6%	2.7%
Costs per Employee ('000 MZM/US\$)		1,612.6	1,777.9	1,862.2	1,966.8	2,104.5	26.2	23.7	29.2	30.8	32.9	10.2%	4.7%	5.6%	7.0%
Total Costs per Branch ('000 MZM/US\$)		49,016	50,818	54,458	57,806	60,690	797	678	853	905	950	3.7%	7.2%	6.1%	5.0%
Cost-to-Income (incl. Depreciation)		51.9%	55.8%	50.3%	47.7%	47.7%	51.9%	55.8%	50.3%	47.7%	47.7%	3.9%	-5.5%	-2.6%	-0.1%
Net LLP (% of Net Loans)		2.46%	2.72%	3.32%	1.13%	1.57%	2.46%	2.72%	3.32%	1.13%	1.57%	0.27%	0.60%	-2.19%	0.44%
Tax Rate		25.0%	26.2%	26.8%	27.1%	25.6%	25.0%	26.2%	26.8%	27.1%	25.6%	1.2%	0.6%	0.3%	-1.5%
ROE		16.1%	12.1%	13.9%	19.8%	19.5%	16.1%	12.1%	13.9%	19.8%	19.5%	-4.0%	1.8%	5.9%	-0.3%
ROA		2.90%	1.97%	2.47%	3.40%	3.47%	2.90%	1.97%	2.47%	3.40%	3.47%	-0.93%	0.50%	0.94%	0.06%

Sources: Annual Reports and Eaglestone Securities.

BANCO COMERCIAL E DE INVESTIMENTOS (BCI)

BCI disclosed a net profit of MZM 8,202 million (US\$ 128.4 million) in 2023, a very modest increase of 1.0% from the previous year. This net profit figure represents a ROE of 26.5% and a ROA of 3.91%, which compares with 28.9% and 4.02%, respectively, in 2022.

BCI's net profit rose 1.0% YoY to MZM 8,202 million in 2023

Operating income improved just 2.6% YoY after a relatively modest increase of 3.5% YoY in revenues. Net interest income stood flat (following a strong increase in the previous two years) while fees and commissions posted a sharp decline of 24.2% YoY. BCI stated that net interest income was significantly impacted by the increases in the mandatory reserve coefficients by the central bank in 2023. These led to lower investments in remunerated assets by the local banks and to a higher amount of non-remunerated balances at the central bank. BCI also said that the strong fall in fee income was mostly due to the impact of the migration of the payment means to the Euronet system as well as a change in the pricing of some commissions. Other banking income, including results from financial operations, saw a significant recovery thanks to stronger activity in the buy/sell business of foreign currency. Total costs were up 4.6% YoY, which meant that the C/I ratio reached 43.0%, a slight increase from 42.5% in 2022.

Net interest income was largely impacted by the increases in mandatory reserves at the central bank

BCI booked a total of MZM 1,885 million in loan impairments and other provisions (vs. MZM 672 million in 2022). This reflects (1) the reinforcement for some exposures considered to be of higher risk, (2) the reinforcement of impairments by the implementation of an EBA Corporate standard, (3) the high volume of loan recoveries that had been written off from assets in previous years and (4) the reinforcement of provisions for the return of commissions in the context of compliance with Notice No. 13/2017, as well as for civil proceedings that the bank is involved.

BCI booked a significantly higher amount of loan impairments and other provisions

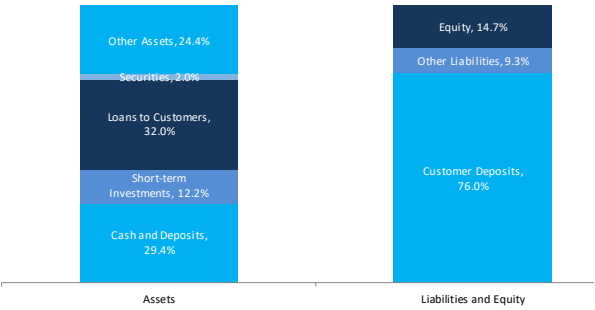
Net loans recovered 6.5% YoY, reflecting the growth in consumer credit following the initiatives implemented by the bank in its Strategic Plan 2021-24. BCI stated that loans continued to be impacted by the high interest rate environment. On the other hand, deposits remained unchanged from the previous year, which meant that the loans-to-deposits ratio increased to 42.1% (from 39.7%). The NPL ratio improved to 11.02%, while NPL coverage stood at 80.5%. Finally, BCI reported a solvency ratio of 24.3% (vs. 27.4% in 2022).

The loans-to-deposits ratio recovered to a level above 40%

B. COM. E DE INVESTIM. (BCI)	MZM Million					US\$ Million					% Change (MZM)			
Year	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	20/19	21/20	22/21	23/22
BALANCE SHEET														
Net Assets	163,391	191,300	187,502	202,152	209,868	2,658	2,554	2,938	3,165	3,284	17.1%	-2.0%	7.8%	3.8%
Customer Loans (net)	66,190	67,091	65,899	63,005	67,088	1,077	896	1,032	986	1,050	1.4%	-1.8%	-4.4%	6.5%
Local Currency Loans	47,537	49,488	50,843	50,399	55,356	773	661	797	789	866	4.1%	2.7%	-0.9%	9.8%
Loan Loss Provisions	5,966	8,387	9,392	7,569	6,528	97	112	147	119	102	40.6%	12.0%	-19.4%	-13.8%
Non-Performing Loans	3,269	9,805	10,699	10,184	8,112	53	131	168	159	127	200.0%	9.1%	-4.8%	-20.3%
Customer Deposits	125,345	151,823	146,531	158,816	159,499	2,039	2,027	2,296	2,487	2,496	21.1%	-3.5%	8.4%	0.4%
Local Currency Deposits	95,787	111,611	111,514	126,376	131,277	1,558	1,490	1,747	1,979	2,054	16.5%	-0.1%	13.3%	3.9%
Equity	18,914	20,170	23,549	28,136	30,916	308	269	369	441	484	6.6%	16.8%	19.5%	9.9%
P&L ACCOUNT														
Net Interest Income	10,266	10,877	13,438	15,690	15,711	167.0	145.2	210.5	245.7	245.9	5.9%	23.5%	16.8%	0.1%
Fees & Commissions	2,094	1,848	2,450	2,342	1,776	34.1	24.7	38.4	36.7	27.8	-11.7%	32.6%	-4.4%	-24.2%
Other Banking Income	2,306	2,560	3,024	2,225	3,470	37.5	34.2	47.4	34.8	54.3	11.0%	18.1%	-26.4%	56.0%
Banking Income	14,666	15,285	18,911	20,257	20,957	238.6	204.1	296.3	317.2	328.0	4.2%	23.7%	7.1%	3.5%
Staff Costs	4,096	4,328	4,348	4,583	5,145	66.6	57.8	68.1	71.8	80.5	5.7%	0.5%	5.4%	12.3%
Other Costs	2,564	2,701	2,905	3,102	3,028	41.7	36.1	45.5	48.6	47.4	5.3%	7.6%	6.8%	-2.4%
Depreciation	826	809	949	924	835	13.4	10.8	14.9	14.5	13.1	-2.1%	17.3%	-2.7%	-9.6%
Total Costs	7,486	7,837	8,202	8,609	9,008	121.8	104.6	128.5	134.8	141.0	4.7%	4.7%	5.0%	4.6%
Operating Income	7,180	7,448	10,709	11,648	11,949	116.8	99.4	167.8	182.4	187.0	3.7%	43.8%	8.8%	2.6%
Net Loan Loss Provisions (LLP)	2,353	2,824	2,233	-512	133	38.3	37.7	35.0	-8.0	2.1	20.0%	-20.9%	n.m.	n.m.
Other	-183	-777	-1,679	-1,184	-1,752	-3.0	-10.4	-26.3	-18.5	-27.4	324.9%	116.1%	-29.5%	48.0%
Pre-Tax Profits	4,644	3,847	6,797	10,977	10,064	75.5	51.4	106.5	171.9	157.5	-17.2%	76.7%	61.5%	-8.3%
Taxes	1,212	1,163	1,580	2,855	1,862	19.7	15.5	24.8	44.7	29.1	-4.0%	35.9%	80.6%	-34.8%
Net Profit	3,432	2,684	5,217	8,122	8,202	55.8	35.8	81.7	127.2	128.4	-21.8%	94.4%	55.7%	1.0%
RATIOS														
Net Interest Margin (NII/ATA)	6.47%	6.13%	7.09%	8.05%	7.63%	6.47%	6.13%	7.09%	8.05%	7.63%	-0.34%	0.96%	0.96%	-0.43%
Net Interest Income (% of Revenue)	70.0%	71.2%	71.1%	77.5%	75.0%	70.0%	71.2%	71.1%	77.5%	75.0%	1.2%	-0.1%	6.4%	-2.5%
Fees (% of Banking Income)	14.3%	12.1%	13.0%	11.6%	8.5%	14.3%	12.1%	13.0%	11.6%	8.5%	-2.2%	0.9%	-1.4%	-3.1%
Staff Costs (% of Total Costs)	54.7%	55.2%	53.0%	53.2%	57.1%	54.7%	55.2%	53.0%	53.2%	57.1%	0.5%	-2.2%	0.2%	3.9%
Costs per Employee ('000)	1,442	1,562	1,603	1,690	1,882	23.5	20.9	25.1	26.5	29.4	8.4%	2.6%	5.4%	11.4%
Cost-to-Income (incl. Depreciation)	51.0%	51.3%	43.4%	42.5%	43.0%	51.0%	51.3%	43.4%	42.5%	43.0%	0.2%	-7.9%	-0.9%	0.5%
Net LLP (% of Net Loans)	3.56%	4.21%	3.39%	-0.81%	0.20%	3.56%	4.21%	3.39%	-0.81%	0.20%	0.65%	-0.82%	-4.20%	1.01%
Tax Rate	26.1%	30.2%	23.3%	26.0%	18.5%	26.1%	30.2%	23.3%	26.0%	18.5%	4.1%	-7.0%	2.8%	-7.5%
ROE	18.1%	13.3%	22.2%	28.9%	26.5%	18.1%	13.3%	22.2%	28.9%	26.5%	-4.8%	8.8%	6.7%	-2.3%
ROA	2.10%	1.40%	2.78%	4.02%	3.91%	2.10%	1.40%	2.78%	4.02%	3.91%	-0.70%	1.38%	1.24%	-0.11%
Loans/Deposits	52.8%	44.2%	45.0%	39.7%	42.1%	52.8%	44.2%	45.0%	39.7%	42.1%	-8.6%	0.8%	-5.3%	2.4%
Loans/Assets	40.5%	35.1%	35.1%	31.2%	32.0%	40.5%	35.1%	35.1%	31.2%	32.0%	-5.4%	0.1%	-4.0%	0.8%
Deposits/Liabilities	86.8%	88.7%	89.4%	91.3%	89.1%	86.8%	88.7%	89.4%	91.3%	89.1%	2.0%	0.7%	1.9%	-2.1%
Loans in Local Currency (% Total)	71.8%	73.8%	77.2%	80.0%	82.5%	71.8%	73.8%	77.2%	80.0%	82.5%	1.9%	3.4%	2.8%	2.5%
Deposits in Local Currency (% Total)	76.4%	73.5%	76.1%	79.6%	82.3%	76.4%	73.5%	76.1%	79.6%	82.3%	-2.9%	2.6%	3.5%	2.7%
Loans per Branch ('000)	318,220	317,968	313,806	298,601	317,953	5,177	4,245	4,916	4,675	4,976	-0.1%	-1.3%	-4.8%	6.5%
Deposits per Branch ('000)	602,622	719,540	697,768	752,683	755,918	9,804	9,607	10,932	11,785	11,830	19.4%	-3.0%	7.9%	0.4%
Solvency Ratio	25.0%	24.5%	23.1%	27.4%	24.3%	25.0%	24.5%	23.1%	27.4%	24.3%	-0.4%	-1.4%	4.3%	-3.1%
NPL Ratio	4.53%	12.99%	14.21%	14.43%	11.02%	4.53%	12.99%	14.21%	14.43%	11.02%	8.46%	1.22%	0.22%	-3.41%
NPL Coverage	182.5%	85.5%	87.8%	74.3%	80.5%	182.5%	85.5%	87.8%	74.3%	80.5%	-97.0%	2.2%	-13.5%	6.1%
BS Provisions/Loans (gross)	8.27%	11.11%	12.47%	10.72%	8.87%	8.27%	11.11%	12.47%	10.72%	8.87%	2.84%	1.36%	-1.75%	-1.86%

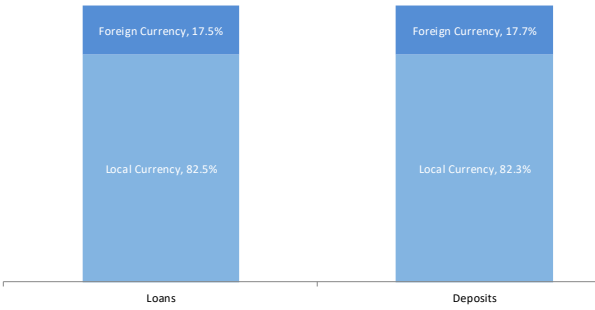
Source: Annual Reports and Eaglestone Securities.

BALANCE SHEET STRUCTURE - 2023



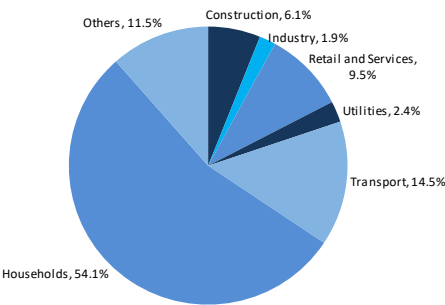
Sources: Annual Reports and Eaglestone Securities.

LOANS AND DEPOSITS BY CURRENCY - 2023



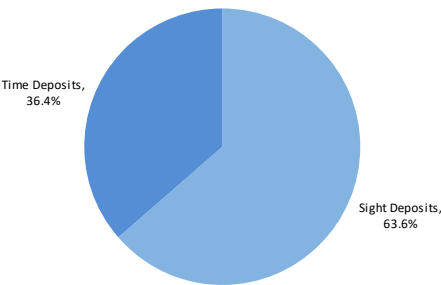
Sources: Annual Reports and Eaglestone Securities.

LOAN BREAKDOWN - 2023



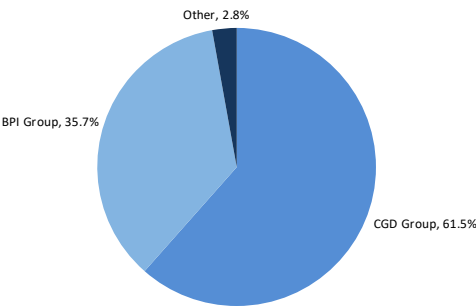
Sources: Annual Reports and Eaglestone Securities.

DEPOSIT BREAKDOWN - 2023



Sources: Annual Reports and Eaglestone Securities.

SHAREHOLDER STRUCTURE - 2023



Sources: Annual Reports and Eaglestone Securities.

MILLENNIUM BIM (BIM)

Millennium bim (BIM) reported a net profit of MZM 7,278 million (US\$ 113.9 million) in 2023, rising 5.0% YoY. Despite a lower contribution from operating income (-7.8% YoY), net profit benefited from a significant fall in loan impairments (-56.5% YoY) and a reversal in other provisions. Overall, this means that ROE and ROA reached 19.3% and 3.82%, respectively.

BIM's net profit rose 5.0% YoY in 2023

BIM saw a very modest improvement in revenues (1.4% YoY), with the increase in net interest income and fees slightly offsetting the decline in other banking income. Net interest income was up 2.3% YoY mostly thanks to higher interest from loans (21.9%) while fee income (3.4% YoY) benefited from a larger contribution from banking services fees (22.9%). The decline in other banking income reflected the sharp fall in results from foreign exchange operations (-18.2%). Meanwhile, total costs increased 13.7% YoY, well above the average inflation rate of 7.0% for the year, with staff rising 9.1% and accounting for 39.9% of the total cost base. The increase in other costs and depreciation is related to the investments in the IT platform that the bank has done in recent years to improve digitalization levels. All in all, this means that the cost-to-income ratio increased to 47.8% (from 42.6% in 2022). Below the operating income line, we note the near MZM 2,600 million related to the recovery of loans and interests previously written-off. In particular, there was one credit that BIM had written-off in 2020 and now allowed the bank to recover about 65% of the amount (MZM 2,440 million).

Revenues saw a modest improvement while costs increased well above the inflation rate

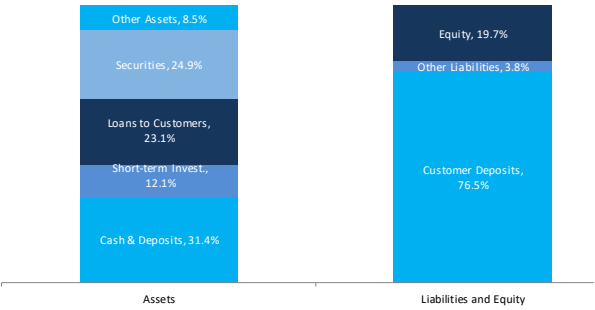
Net loans increased 3.3% YoY aided by a sharp recovery in loans in foreign currency (74.2%). Deposits declined 3.8% YoY due to the 8.0% fall in sight deposits, which means that the loans-to-deposits ratio recovered to a level slightly above 30% (vs. 28.1% in 2022). Most of the loans (90.9%) and deposits (81.8%) were denominated in local currency. Meanwhile, the NPL ratio saw a strong improvement to 2.87%, with NPL coverage standing at 148.4%. These figures compare with 7.78% and 104.2%, respectively, in 2022. BIM stated that the improvement in credit quality ratios reflects the write-off of loans that have a low probability of recovery. Finally, the bank's solvency ratio stood at a comfortable 37.2% (vs. 36.4% in 2022).

Credit quality ratios saw a strong improvement thanks to the write-off of loans with a low probability of recovery

MILLENNIUM BIM (BIM)	MZM Million					US\$ Million					% Change (MZM)			
Year	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	20/19	21/20	22/21	23/22
BALANCE SHEET														
Net Assets	163,389	185,351	184,138	192,430	190,385	2,658	2,475	2,885	3,013	2,979	13.4%	-0.7%	4.5%	-1.1%
Customer Loans (net)	44,293	44,506	41,830	42,801	44,208	721	594	655	670	692	0.5%	-6.0%	2.3%	3.3%
Local Currency Loans	38,563	40,042	38,405	40,485	40,174	627	535	602	634	629	3.8%	-4.1%	5.4%	-0.8%
Loan Loss Provisions	5,965	3,547	3,808	3,774	1,967	97	47	60	59	31	-40.5%	7.3%	-0.9%	-47.9%
Non-Performing Loans	3,316	2,982	3,634	3,622	1,325	54	40	57	57	21	-10.1%	21.9%	-0.3%	-63.4%
Customer Deposits	118,056	138,990	138,085	152,176	146,447	1,921	1,856	2,163	2,383	2,292	17.7%	-0.7%	10.2%	-3.8%
Local Currency Deposits	93,459	111,274	112,628	122,643	119,739	1,520	1,486	1,765	1,920	1,874	19.1%	1.2%	8.9%	-2.4%
Sight Deposits	57,741	68,546	65,430	75,317	69,257	939	915	1,025	1,179	1,084	18.7%	-4.5%	15.1%	-8.0%
Equity	37,304	37,579	40,744	35,302	37,728	607	502	638	553	590	0.7%	8.4%	-13.4%	6.9%
P&L ACCOUNT														
Net Interest Income	12,757	11,391	12,429	13,664	13,977	207.5	152.1	194.7	213.9	218.7	-10.7%	9.1%	9.9%	2.3%
Fees & Commissions	2,244	2,192	2,440	2,614	2,704	36.5	29.3	38.2	40.9	42.3	-2.3%	11.3%	7.1%	3.4%
Other Banking Income	2,176	1,286	1,529	1,664	1,515	35.4	17.2	24.0	26.0	23.7	-40.9%	18.9%	8.8%	-8.9%
Banking Income	17,176	14,870	16,398	17,942	18,196	279.4	198.5	256.9	280.9	284.8	-13.4%	10.3%	9.4%	1.4%
Staff Costs	2,949	2,897	3,026	3,183	3,473	48.0	38.7	47.4	49.8	54.3	-1.7%	4.5%	5.2%	9.1%
Other Costs	3,023	3,007	3,122	3,418	3,996	49.2	40.1	48.9	53.5	62.5	-0.5%	3.9%	9.5%	16.9%
Depreciation	870	968	989	1,051	1,234	14.2	12.9	15.5	16.4	19.3	11.3%	2.1%	6.3%	17.5%
Total Costs	6,841	6,872	7,137	7,651	8,703	111.3	91.8	111.8	119.8	136.2	0.5%	3.9%	7.2%	13.7%
Operating Income	10,335	7,997	9,261	10,291	9,493	168.1	106.8	145.1	161.1	148.6	-22.6%	15.8%	11.1%	-7.8%
Net Loan Loss Provisions (LLP)	1,390	2,419	328	387	169	22.6	32.3	5.1	6.1	2.6	73.9%	-86.4%	18.1%	-56.5%
Other	43	-128	-759	-534	998	0.7	-1.7	-11.9	-8.4	15.6	n.m.	490.6%	-29.6%	n.m.
Pre-Tax Profits	8,988	5,450	8,174	9,369	10,323	146.2	72.8	128.1	146.7	161.5	-39.4%	50.0%	14.6%	10.2%
Taxes	1,965	763	1,718	2,441	3,045	32.0	10.2	26.9	38.2	47.6	-61.2%	125.1%	42.0%	24.7%
Net Profit	7,023	4,687	6,456	6,928	7,278	114.2	62.6	101.1	108.5	113.9	-33.3%	37.7%	7.3%	5.0%
RATIOS														
Net Interest Margin (NII/ATA)	8.12%	6.53%	6.73%	7.26%	7.30%	8.12%	6.53%	6.73%	7.26%	7.30%	-1.59%	0.19%	0.53%	0.04%
Net Interest Income (% of Revenue)	74.3%	76.6%	75.8%	76.2%	76.8%	74.3%	76.6%	75.8%	76.2%	76.8%	2.3%	-0.8%	0.4%	0.7%
Fees (% of Banking Income)	13.1%	14.7%	14.9%	14.6%	14.9%	13.1%	14.7%	14.9%	14.6%	14.9%	1.7%	0.1%	-0.3%	0.3%
Staff Costs (% of Total Costs)	43.1%	42.2%	42.4%	41.6%	39.9%	43.1%	42.2%	42.4%	41.6%	39.9%	-0.9%	0.2%	-0.8%	-1.7%
Costs per Employee ('000)	1,168	1,188	1,213	1,271	1,349	19.0	15.9	19.0	19.9	21.1	1.7%	2.1%	4.8%	6.1%
Cost-to-Income (incl. Depreciation)	39.8%	46.2%	43.5%	42.6%	47.8%	39.8%	46.2%	43.5%	42.6%	47.8%	6.4%	-2.7%	-0.9%	5.2%
Net LLP (% of Net Loans)	3.14%	5.43%	0.78%	0.91%	0.38%	3.14%	5.43%	0.78%	0.91%	0.38%	2.29%	-4.65%	0.12%	-0.52%
Tax Rate	21.9%	14.0%	21.0%	26.1%	29.5%	21.9%	14.0%	21.0%	26.1%	29.5%	-7.9%	7.0%	5.0%	3.4%
ROE	18.8%	12.5%	15.8%	19.6%	19.3%	18.8%	12.5%	15.8%	19.6%	19.3%	-6.4%	3.4%	3.8%	-0.3%
ROA	4.30%	2.53%	3.51%	3.60%	3.82%	4.30%	2.53%	3.51%	3.60%	3.82%	-1.77%	0.98%	0.09%	0.22%
Loans/Deposits	37.5%	32.0%	30.3%	28.1%	30.2%	37.5%	32.0%	30.3%	28.1%	30.2%	-5.5%	-1.7%	-2.2%	2.1%
Loans/Assets	27.1%	24.0%	22.7%	22.2%	23.2%	27.1%	24.0%	22.7%	22.2%	23.2%	-3.1%	-1.3%	-0.5%	1.0%
Deposits/Liabilities	93.6%	94.1%	96.3%	96.8%	95.9%	93.6%	94.1%	96.3%	96.8%	95.9%	0.4%	2.2%	0.6%	-0.9%
Loans in Local Currency (% Total)	87.1%	90.0%	91.8%	94.6%	90.9%	87.1%	90.0%	91.8%	94.6%	90.9%	2.9%	1.8%	2.8%	-3.7%
Deposits in Local Currency (% Total)	79.2%	80.1%	81.6%	80.6%	81.8%	79.2%	80.1%	81.6%	80.6%	81.8%	0.9%	1.5%	-1.0%	1.2%
Loans per Branch ('000)	221,463	223,650	210,202	217,263	226,706	3,603	2,986	3,293	3,402	3,548	1.0%	-6.0%	3.4%	4.3%
Deposits per Branch ('000)	590,279	698,444	693,895	772,468	751,009	9,603	9,325	10,871	12,094	11,753	18.3%	-0.7%	11.3%	-2.8%
Solvency Ratio	45.8%	43.9%	44.8%	36.4%	37.2%	45.8%	43.9%	44.8%	36.4%	37.2%	-1.9%	0.9%	-8.4%	0.8%
NPL Ratio	6.60%	6.21%	7.96%	7.78%	2.87%	6.60%	6.21%	7.96%	7.78%	2.87%	-0.39%	1.76%	-0.19%	-4.91%
NPL Coverage	179.9%	118.9%	104.8%	104.2%	148.4%	179.9%	118.9%	104.8%	104.2%	148.4%	-60.9%	-14.2%	-0.6%	44.2%
BS Provisions/Loans (gross)	11.87%	7.38%	8.34%	8.10%	4.26%	11.87%	7.38%	8.34%	8.10%	4.26%	-4.49%	0.96%	-0.24%	-3.84%

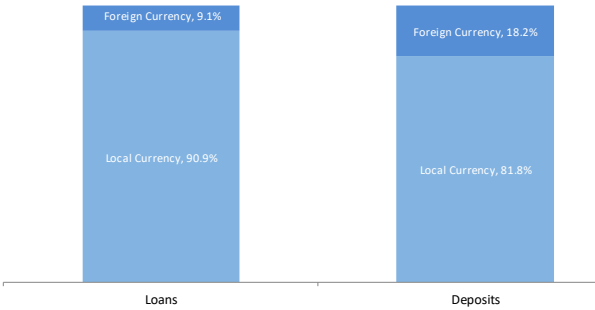
Source: Annual Reports and Eaglestone Securities.

BALANCE SHEET STRUCTURE - 2023



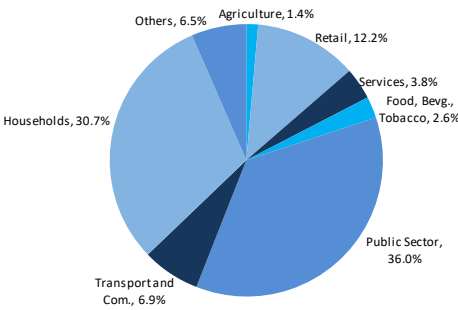
Sources: Annual Reports and Eaglestone Securities.

LOANS AND DEPOSITS BY CURRENCY - 2023



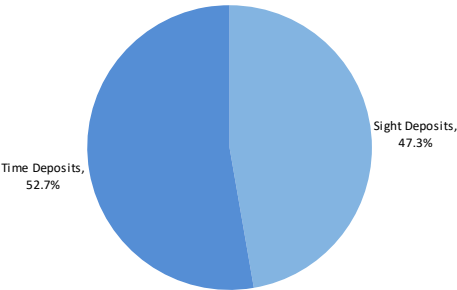
Sources: Annual Reports and Eaglestone Securities.

LOAN BREAKDOWN - 2023



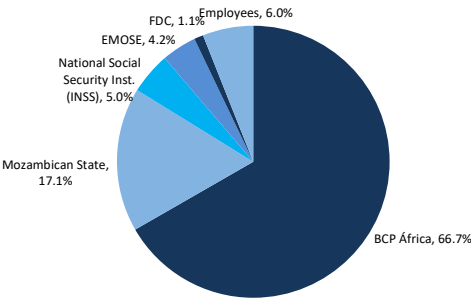
Sources: Annual Reports and Eaglestone Securities.

DEPOSIT BREAKDOWN - 2023



Sources: Annual Reports and Eaglestone Securities.

SHAREHOLDER STRUCTURE - 2023



Sources: Annual Reports and Eaglestone Securities.

STANDARD BANK MOÇAMBIQUE

Standard Bank Moçambique's net profit increased 7.9% YoY to MZM 7,389 million (US\$ 115.6 million) in 2023. This evolution reflects a healthy improvement in operating income (6.7% YoY) and a decline in loan impairments (-3.9% YoY). Overall, ROE reached 20.6% and ROA stood at 4.65% (vs. 20.2% and 4.38%, respectively, in 2022).

Net interest income rose once again by double digits (10.4% YoY), benefiting from the continued high interest rate environment and lower funding costs (namely through the decline of 25.1% in term deposits in local currency). This meant that net interest income represented 78.3% of total revenues. Standard Bank said that fees and other banking income were impacted by a persistently weak economic activity in the country and that this was reflected in the low transaction volumes in its individuals and corporate segments. More positively, the bank saw its license to negotiate in the interbank FX market restored in July 2023. Still, results from financial operations remained under pressure due to the weak demand for foreign currency. Meanwhile, costs were up by a modest 2.5% YoY, allowing for another improvement in the cost-to-income ratio (45.0% from 46.0% in 2022).

In terms of the balance sheet, net loans saw a sharp fall of 15.8% YoY that, according to the bank, was due to (1) the repayment of loans held by some of its large corporate clients and (2) a shift in liquidity lent to other commercial banks, for balances held at Banco de Moçambique, to meet the higher reserve requirements. This explains why the bank's portfolio in local currency also recorded a sharp decline of 16.1% YoY. Deposits also decreased in the period (-4.7% YoY) after a recovery recorded in the previous year. Sight deposits continued to represent most of the deposit base (71.5% of the total), while deposits in local currency represented 58.2% of the total. Overall, the loans-to-deposits ratio fell to 30.4% (from 34.5% in 2022), maintaining a downward trend. Moreover, the NPL ratio deteriorated further, reaching 7.01%, while NPL coverage stood at 95.8% (compared with 6.02% and 98.3%, respectively, in 2022). Finally, the solvency ratio reached 23.3%, down from 26.2% in the previous year.

Net profit increased 7.9% YoY thanks to a healthy improvement in operating income and lower loan impairments

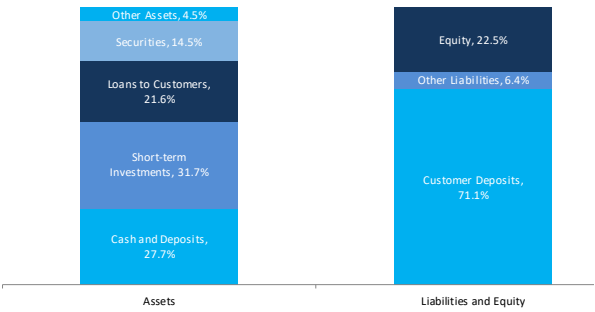
Net interest income continued to benefit from the high interest rate environment

The NPL ratio deteriorated further, reaching 7.01% in the period

STANDARD BANK MOÇAMBIQUE	MZM Million					US\$ Million					% Change (MZM)			
Year	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	20/19	21/20	22/21	23/22
BALANCE SHEET														
Net Assets	119,286	143,387	143,815	156,422	158,950	1,941	1,914	2,253	2,449	2,487	20.2%	0.3%	8.8%	1.6%
Customer Loans (net)	28,447	37,864	40,633	40,813	34,362	463	506	637	639	538	33.1%	7.3%	0.4%	-15.8%
Local Currency Loans	21,181	24,889	27,975	21,362	17,917	345	332	438	334	280	17.5%	12.4%	-23.6%	-16.1%
Loan Loss Provisions	1,680	2,094	2,474	2,568	2,472	27	28	39	40	39	24.7%	18.1%	3.8%	-3.8%
Non-Performing Loans	444	1,046	2,090	2,611	2,581	7	14	33	41	40	135.5%	99.8%	25.0%	-1.2%
Customer Deposits	88,479	111,664	109,046	118,463	112,952	1,439	1,491	1,708	1,855	1,768	26.2%	-2.3%	8.6%	-4.7%
Local Currency Deposits	51,938	61,126	65,381	68,332	65,778	845	816	1,024	1,070	1,029	17.7%	7.0%	4.5%	-3.7%
Sight Deposits	74,779	95,513	86,952	90,329	80,617	1,217	1,275	1,362	1,414	1,262	27.7%	-9.0%	3.9%	-10.8%
Equity	24,916	28,402	31,447	33,940	35,785	405	379	493	531	560	14.0%	10.7%	7.9%	5.4%
P&L ACCOUNT														
Net Interest Income	8,681	8,917	10,678	13,637	15,062	141.2	119.0	167.3	213.5	235.7	2.7%	19.8%	27.7%	10.4%
Fees & Commissions	1,933	1,806	1,872	1,964	1,907	31.4	24.1	29.3	30.7	29.8	-6.6%	3.7%	4.9%	-2.9%
Other Banking Income	2,430	3,256	2,617	2,761	2,265	39.5	43.5	41.0	43.2	35.4	34.0%	-19.6%	5.5%	-18.0%
Banking Income	13,043	13,979	15,167	18,362	19,234	212.2	186.6	237.6	287.5	301.0	7.2%	8.5%	21.1%	4.7%
Staff Costs	3,514	3,699	4,133	4,702	4,846	57.2	49.4	64.8	73.6	75.8	5.3%	11.7%	13.8%	3.1%
Other Costs	2,004	2,179	2,908	3,005	3,132	32.6	29.1	45.6	47.0	49.0	8.7%	33.5%	3.3%	4.2%
Depreciation	659	760	752	744	686	10.7	10.2	11.8	11.7	10.7	15.4%	-1.1%	-1.1%	-7.9%
Total Costs	6,177	6,639	7,793	8,451	8,663	100.5	88.6	122.1	132.3	135.6	7.5%	17.4%	8.4%	2.5%
Operating Income	6,867	7,340	7,374	9,911	10,571	111.7	98.0	115.5	155.2	165.4	6.9%	0.5%	34.4%	6.7%
Net Loan Loss Provisions (LLP)	106	-166	583	769	740	1.7	-2.2	9.1	12.0	11.6	n.m.	n.m.	31.9%	-3.9%
Pre-Tax Profits	6,761	7,506	6,790	9,142	9,831	110.0	100.2	106.4	143.1	153.9	11.0%	-9.5%	34.6%	7.5%
Taxes	1,821	2,068	1,843	2,296	2,443	29.6	27.6	28.9	35.9	38.2	13.6%	-10.9%	24.6%	6.4%
Net Profit	4,941	5,439	4,948	6,846	7,389	80.4	72.6	77.5	107.2	115.6	10.1%	-9.0%	38.4%	7.9%
RATIOS														
Net Interest Margin (NII/ATA)	7.92%	6.79%	7.44%	9.08%	9.55%	7.92%	6.79%	7.44%	9.08%	9.55%	-1.13%	0.65%	1.65%	0.47%
Net Interest Income (% of Revenue)	66.6%	63.8%	70.4%	74.3%	78.3%	66.6%	63.8%	70.4%	74.3%	78.3%	-2.8%	6.6%	3.9%	4.0%
Fees (% of Banking Income)	14.8%	12.9%	12.3%	10.7%	9.9%	14.8%	12.9%	12.3%	10.7%	9.9%	-1.9%	-0.6%	-1.6%	-0.8%
Staff Costs (% of Total Costs)	56.9%	55.7%	53.0%	55.6%	55.9%	56.9%	55.7%	53.0%	55.6%	55.9%	-1.2%	-2.7%	2.6%	0.3%
Costs per Employee ('000)	2,933	3,093	3,485	3,743	3,553	47.7	41.3	54.6	58.6	55.6	5.5%	12.7%	7.4%	-5.1%
Cost-to-Income (incl. Depreciation)	47.4%	47.5%	51.4%	46.0%	45.0%	47.4%	47.5%	51.4%	46.0%	45.0%	0.1%	3.9%	-5.4%	-1.0%
Net LLP (% of Net Loans)	0.37%	-0.44%	1.44%	1.89%	2.15%	0.37%	-0.44%	1.44%	1.89%	2.15%	-0.81%	1.87%	0.45%	0.27%
Tax Rate	26.9%	27.5%	27.1%	25.1%	24.8%	26.9%	27.5%	27.1%	25.1%	24.8%	0.6%	-0.4%	-2.0%	-0.3%
ROE	19.8%	19.1%	15.7%	20.2%	20.6%	19.8%	19.1%	15.7%	20.2%	20.6%	-0.7%	-3.4%	4.4%	0.5%
ROA	4.14%	3.79%	3.44%	4.38%	4.65%	4.14%	3.79%	3.44%	4.38%	4.65%	-0.35%	-0.35%	0.94%	0.27%
Loans/Deposits	32.2%	33.9%	37.3%	34.5%	30.4%	32.2%	33.9%	37.3%	34.5%	30.4%	1.8%	3.4%	-2.8%	-4.0%
Loans/Assets	23.8%	26.4%	28.3%	26.1%	21.6%	23.8%	26.4%	28.3%	26.1%	21.6%	2.6%	1.8%	-2.2%	-4.5%
Deposits/Liabilities	93.8%	97.1%	97.0%	96.7%	91.7%	93.8%	97.1%	97.0%	96.7%	91.7%	3.4%	-0.1%	-0.3%	-5.0%
Loans in Local Currency (% Total)	74.5%	65.7%	68.8%	52.3%	52.1%	74.5%	65.7%	68.8%	52.3%	52.1%	-8.7%	3.1%	-16.5%	-0.2%
Deposits in Local Currency (% Total)	58.7%	54.7%	60.0%	57.7%	58.2%	58.7%	54.7%	60.0%	57.7%	58.2%	-4.0%	5.2%	-2.3%	0.6%
Loans per Branch ('000)	711,180	946,608	1,015,822	1,020,336	859,041	11,570	12,638	15,914	15,975	13,444	33.1%	7.3%	0.4%	-15.8%
Deposits per Branch ('000)	2,211,982	2,791,588	2,726,157	2,961,566	2,823,808	35,985	37,271	42,710	46,369	44,191	26.2%	-2.3%	8.6%	-4.7%
Solvency Ratio	29.3%	24.8%	22.2%	26.1%	23.3%	29.3%	24.8%	22.2%	26.1%	23.3%	-4.5%	-2.6%	3.9%	-2.7%
NPL Ratio	1.47%	2.62%	4.85%	6.02%	7.01%	1.47%	2.62%	4.85%	6.02%	7.01%	1.14%	2.23%	1.17%	0.99%
NPL Coverage	378.2%	200.2%	118.4%	98.3%	95.8%	378.2%	200.2%	118.4%	98.3%	95.8%	-178.0%	-81.8%	-20.0%	-2.6%
BS Provisions/Loans (gross)	5.58%	5.24%	5.74%	5.92%	6.71%	5.58%	5.24%	5.74%	5.92%	6.71%	-0.34%	0.50%	0.18%	0.79%

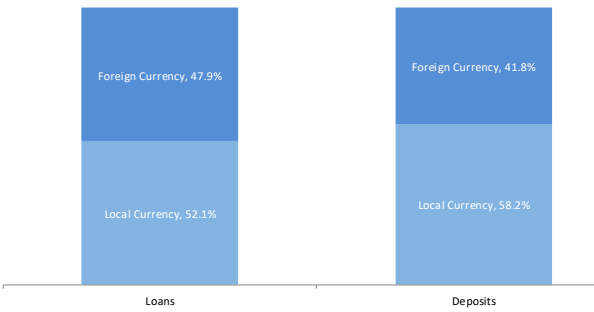
Source: Annual Reports and Eaglestone Securities.

BALANCE SHEET STRUCTURE - 2023



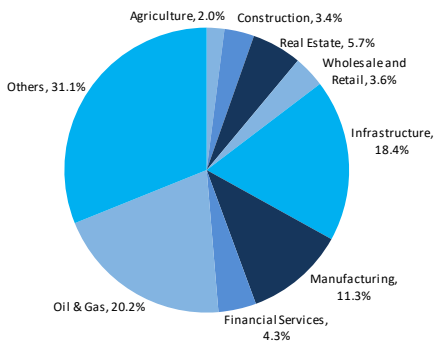
Sources: Annual Reports and Eaglestone Securities.

LOANS AND DEPOSITS BY CURRENCY - 2023



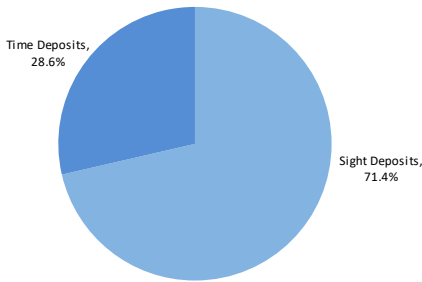
Sources: Annual Reports and Eaglestone Securities.

LOAN BREAKDOWN - 2023



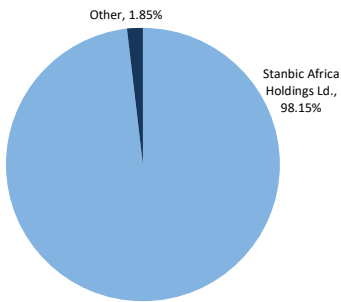
Sources: Annual Reports and Eaglestone Securities.

DEPOSIT BREAKDOWN - 2023



Sources: Annual Reports and Eaglestone Securities.

SHAREHOLDER STRUCTURE - 2023



Sources: Annual Reports and Eaglestone Securities.

ABSA BANK MOÇAMBIQUE

Absa Bank Moçambique's net profit saw a sharp improvement (58.7% YoY) once again in 2023, with the bottom-line reaching MZM 1,623 million (US\$ 25.4 million) in the period. This was thanks to another strong operating performance (24.5% YoY) that more than offset the impact from higher loan provisions. Still, ROE reached only 15.8% and ROA 2.11%, which remains relatively low when compared with the other larger banks.

The bank recorded another strong increase in net profit in 2023

Total revenues rose 16.2% YoY after a robust increase of 12.2% YoY in net interest income in the period. This evolution was thanks to an increase of 36% in the interest received from client loans, net of the interest the bank paid on client deposits. The bank stated that this contributed 55% to the improvement in net interest income, with the remaining 45% coming from the return on investment in financial assets. Fees and commissions were boosted by a higher contribution from fees on documentary credit (67%) while the increase in other banking income reflected a 25% increase in receipts generated from the bank's trading floor (FX and fixed income). Total costs rose 11.1% YoY, with staff costs advancing 10.3% and representing 40.2% of the total cost base of the bank. Other costs were up 17.5% largely on the back of the sharp increase in IT costs (62%), resulting from investments made in the digitalization process of the bank. Overall, this means that the efficiency ratio improved to 59.1% (from 61.8% in the previous year). Below the operating income line, loan impairments rose 13.3% YoY (after already significant increases in the previous two years). This was due to the increase in the bank's loan portfolio in recent years and the impact that higher interest rates are having on the ability of clients to pay their loans.

Net profit benefited from a rather strong operating performance that more than offset higher loan impairments

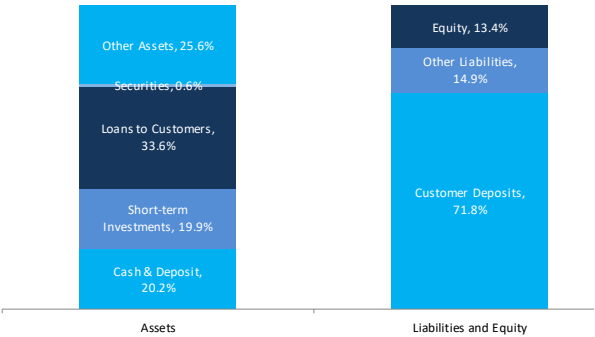
Net loans declined 3.7% YoY, reflecting the write-off of a specific credit in the business banking unit, together with the early repayment of a large credit and reduction in exposure in the corporate banking division. On the other hand, deposits advanced 5.0% YoY thanks to the sharp increase in term deposits (59.0%) in both local and foreign currency in the corporate and business banking divisions. This means the Loans/Deposits ratio declined to 46.8% (from 51.0% in 2022). We also note that the NPL ratio improved to 7.4%, with NPL coverage standing at 104.1% (vs. 7.8% and 85.4%, respectively, in 2022). Finally, the solvency ratio remained unchanged at 20.0%.

The NPL ratio improved slightly in the period

ABSA BANK MOÇAMBIQUE	MZM Million					US\$ Million					% Change (MZM)			
Year	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	20/19	21/20	22/21	23/22
BALANCE SHEET														
Net Assets	41,167	47,991	64,226	66,077	76,913	670	641	1,006	1,035	1,204	16.6%	33.8%	2.9%	16.4%
Customer Loans (net)	16,273	22,949	24,894	26,835	25,843	265	306	390	420	404	41.0%	8.5%	7.8%	-3.7%
Local Currency Loans	13,150	16,985	18,693	21,272	20,983	214	227	293	333	328	29.2%	10.1%	13.8%	-1.4%
Loan Loss Provisions	769	867	1,506	1,915	2,156	13	12	24	30	34	12.7%	73.7%	27.1%	12.6%
Non-Performing Loans	767	905	1,954	2,243	2,072	12	12	31	35	32	18.0%	115.9%	14.8%	-7.6%
Customer Deposits	31,508	36,370	52,347	52,572	55,199	513	486	820	823	864	15.4%	43.9%	0.4%	5.0%
Local Currency Deposits	21,741	25,244	33,740	34,957	35,725	354	337	529	547	559	16.1%	33.7%	3.6%	2.2%
Sight Deposits	15,652	20,041	43,030	40,585	36,143	255	268	674	635	566	28.0%	114.7%	-5.7%	-10.9%
Equity	7,434	7,681	8,012	9,011	10,280	121	103	126	141	161	3.3%	4.3%	12.5%	14.1%
P&L ACCOUNT														
Net Interest Income	3,294	3,453	4,037	5,206	5,844	53.6	46.1	63.2	81.5	91.5	4.8%	16.9%	29.0%	12.2%
Fees & Commissions	561	530	668	439	629	9.1	7.1	10.5	6.9	9.8	-5.4%	26.0%	-34.2%	43.1%
Other Banking Income	730	761	993	1,059	1,321	11.9	10.2	15.6	16.6	20.7	4.3%	30.4%	6.7%	24.8%
Banking Income	4,585	4,745	5,698	6,705	7,794	74.6	63.3	89.3	105.0	122.0	3.5%	20.1%	17.7%	16.2%
Staff Costs	1,571	1,749	1,519	1,677	1,850	25.6	23.3	23.8	26.3	29.0	11.3%	-13.1%	10.4%	10.3%
Other Costs	1,504	1,970	1,972	2,007	2,358	24.5	26.3	30.9	31.4	36.9	31.0%	0.1%	1.8%	17.5%
Depreciation	365	397	437	458	395	5.9	5.3	6.8	7.2	6.2	8.8%	10.0%	4.8%	-13.6%
Total Costs	3,440	4,116	3,928	4,142	4,603	56.0	55.0	61.5	64.9	72.0	19.7%	-4.6%	5.4%	11.1%
Operating Income	1,145	629	1,769	2,563	3,191	18.6	8.4	27.7	40.1	49.9	-45.1%	181.4%	44.9%	24.5%
Net Loan Loss Provisions (LLP)	7	263	599	751	851	0.1	3.5	9.4	11.8	13.3	3764.3%	128.0%	25.4%	13.3%
Pre-Tax Profits	1,138	366	1,171	1,812	2,340	18.5	4.9	18.3	28.4	36.6	-67.8%	219.7%	54.8%	29.1%
Taxes	90	72	537	790	717	1.5	1.0	8.4	12.4	11.2	-20.5%	650.3%	47.1%	-9.2%
Net Profit	1,048	295	634	1,023	1,623	17.1	3.9	9.9	16.0	25.4	-71.9%	115.1%	61.4%	58.7%
RATIOS														
Net Interest Margin (NII/ATA)	8.32%	7.75%	7.19%	7.99%	8.17%	8.32%	7.75%	7.19%	7.99%	8.17%	-0.57%	-0.55%	0.80%	0.18%
Net Interest Income (% of Revenue)	71.8%	72.8%	70.8%	77.7%	75.0%	71.8%	72.8%	70.8%	77.7%	75.0%	0.9%	-1.9%	6.8%	-2.7%
Fees (% of Banking Income)	12.2%	11.2%	11.7%	6.6%	8.1%	12.2%	11.2%	11.7%	6.6%	8.1%	-1.0%	0.5%	-5.2%	1.5%
Staff Costs (% of Total Costs)	45.7%	42.5%	38.7%	40.5%	40.2%	45.7%	42.5%	38.7%	40.5%	40.2%	-3.2%	-3.8%	1.8%	-0.3%
Costs per Employee ('000)	2,078	2,480	2,393	2,529	2,591	33.8	33.1	37.5	39.6	40.6	19.4%	-3.5%	5.7%	2.4%
Cost-to-Income (incl. Depreciation)	75.0%	86.7%	68.9%	61.8%	59.1%	75.0%	86.7%	68.9%	61.8%	59.1%	11.7%	-17.8%	-7.2%	-2.7%
Net LLP (% of Net Loans)	0.04%	1.14%	2.40%	2.80%	3.29%	0.04%	1.14%	2.40%	2.80%	3.29%	1.10%	1.26%	0.39%	0.50%
Tax Rate	7.9%	19.5%	45.9%	43.6%	30.6%	7.9%	19.5%	45.9%	43.6%	30.6%	11.6%	26.3%	-2.3%	-12.9%
ROE	14.1%	3.8%	7.9%	11.3%	15.8%	14.1%	3.8%	7.9%	11.3%	15.8%	-10.3%	4.1%	3.4%	4.4%
ROA	2.55%	0.61%	0.99%	1.55%	2.11%	2.55%	0.61%	0.99%	1.55%	2.11%	-1.93%	0.37%	0.56%	0.56%
Loans/Deposits	51.6%	63.1%	47.6%	51.0%	46.8%	51.6%	63.1%	47.6%	51.0%	46.8%	11.5%	-15.5%	3.5%	-4.2%
Loans/Assets	39.5%	47.8%	38.8%	40.6%	33.6%	39.5%	47.8%	38.8%	40.6%	33.6%	8.3%	-9.1%	1.9%	-7.0%
Deposits/Liabilities	93.4%	90.2%	93.1%	92.1%	82.8%	93.4%	90.2%	93.1%	92.1%	82.8%	-3.2%	2.9%	-1.0%	-9.3%
Loans in Local Currency (% Total)	80.8%	74.0%	75.1%	79.3%	81.2%	77.2%	71.3%	70.8%	74.0%	74.9%	-6.8%	1.1%	4.2%	1.9%
Deposits in Local Currency (% Total)	69.0%	69.4%	64.5%	66.5%	64.7%	69.0%	69.4%	64.5%	66.5%	64.7%	0.4%	-5.0%	2.0%	-1.8%
Loans per Branch ('000)	332,109	458,987	497,888	547,657	538,401	5,403	6,128	7,800	8,575	8,426	38.2%	8.5%	10.0%	-1.7%
Deposits per Branch ('000)	643,019	727,409	1,046,949	1,072,895	1,149,979	10,461	9,712	16,402	16,798	17,997	13.1%	43.9%	2.5%	7.2%
Solvency Ratio	20.0%	18.7%	19.2%	20.0%	20.0%	20.0%	18.7%	19.2%	20.0%	20.0%	-1.3%	0.5%	0.8%	0.0%
NPL Ratio	4.50%	3.80%	7.40%	7.80%	7.40%	4.50%	3.80%	7.40%	7.80%	7.40%	-0.70%	3.60%	0.40%	-0.40%
NPL Coverage	100.3%	95.8%	77.1%	85.4%	104.1%	100.3%	95.8%	77.1%	85.4%	104.1%	-4.5%	-18.7%	8.3%	18.7%
BS Provisions/Loans (gross)	4.51%	3.64%	5.71%	6.66%	7.70%	4.51%	3.64%	5.71%	6.66%	7.70%	-0.87%	2.06%	0.96%	1.04%

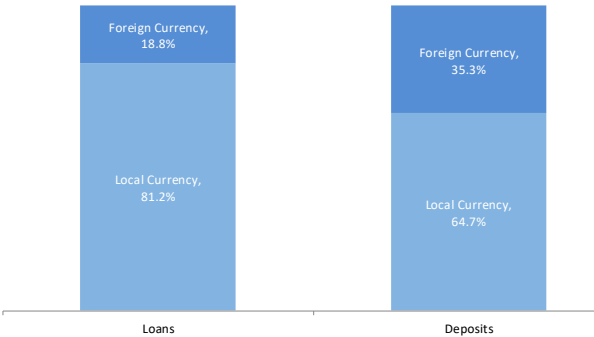
Source: Annual Reports and Eaglestone Securities.

BALANCE SHEET STRUCTURE - 2023



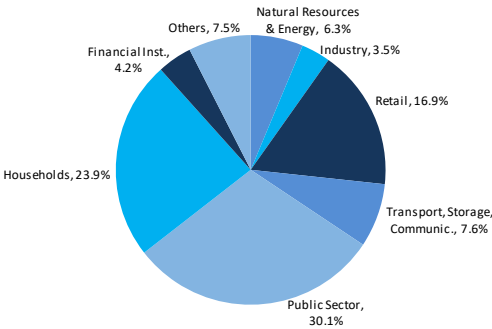
Sources: Annual Reports and Eaglestone Securities.

LOANS AND DEPOSITS BY CURRENCY - 2023



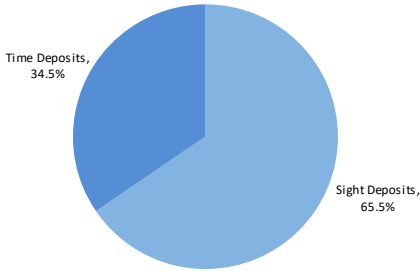
Sources: Annual Reports and Eaglestone Securities.

LOAN BREAKDOWN - 2023



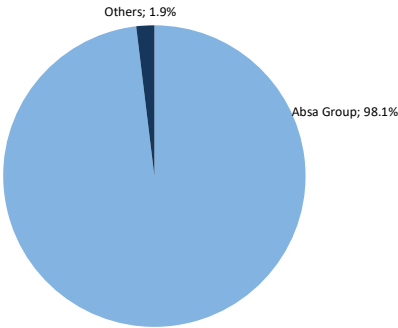
Sources: Annual Reports and Eaglestone Securities.

DEPOSIT BREAKDOWN - 2023



Sources: Annual Reports and Eaglestone Securities.

SHAREHOLDER STRUCTURE - 2023



Sources: Annual Reports and Eaglestone Securities.

MOZA BANCO

Moza Banco reported a net profit of MZM 102 million (US\$ 1.6 million) in 2023, an increase of 13.0% YoY. The bank's bottom-line benefited from the favorable impact of a non-recurrent gain resulting from the recovery of a loan that was restructured back in 2021. According to the bank, this impact amounted to the larger part of MZM 1,207 million, which means that, if excluding this non-recurrent item, the bottom-line would be significantly lower than the one reported.

Revenues declined 5.7% YoY, with net interest income falling 10.5% in the year. The bank said that this evolution is due to the higher financing costs that have resulted from a larger deposit base and higher interest rates, together with a decline in receipts from the investment in securities. Fees remained flat while results from financial operations recovered 36.3% after falling sharply in 2022. This reflects the growth in receipts from FX operations, namely those related to trade finance. Meanwhile, staff costs were up 17.6% YoY, well above the average inflation rate. We note that the "other costs" line in the table below includes the favorable impact of the non-recurrent gain mentioned above. This means that total costs for the period fell 30.5% YoY and that this led to a significant improvement in the cost-to-income ratio, as it fell from 71.7% in 2022 to 52.8%. Below the operating income line, we note that loan impairments and other provisions saw a sharp increase of 67.2% YoY. The bank said that this increase in total provisions is due to the need to be more prudent in managing its risk in the context of the current challenging macroeconomic environment.

Balance sheet data showed that net loans remained almost flat (+0.8% YoY) in the period, while deposits increased at a faster pace (15.8% YoY) after a recovery in the previous year. This meant that the loans-to-deposits ratio of the bank fell once again, reaching 53.5% (from 61.5% in 2022). Also worth noting is the improvement in the NPL ratio (from 15.5% to 10.7% in 2023), with NPL coverage standing at 72.8% (vs. 77.9% in 2022). Finally, the solvency ratio reached 19.9%, down from 22.6% in the previous year.

Moza Banco recorded a net profit of MZM 102 million in 2023, an increase of 13.0% YoY

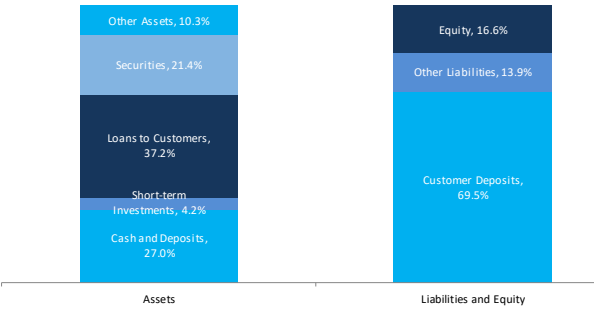
The bank saw a significant increase in operating income thanks to the favorable impact of a one-off item related to the recovery of a loan that was restructured in 2021

The NPL ratio improved in the period, but remains in double digits

MOZA BANCO	MZM Million					US\$ Million					% Change (MZM)			
Year	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	20/19	21/20	22/21	23/22
BALANCE SHEET														
Net Assets	41,817	47,534	45,108	47,676	58,972	680	635	707	746	923	13.7%	-5.1%	5.7%	23.7%
Customer Loans (net)	23,875	24,411	22,071	21,754	21,934	388	326	346	341	343	2.2%	-9.6%	-1.4%	0.8%
Local Currency Loans	20,294	20,107	21,146	20,746	20,827	330	268	331	325	326	-0.9%	5.2%	-1.9%	0.4%
Loan Loss Provisions	4,721	4,530	2,655	2,989	1,848	77	60	42	47	29	-4.1%	-41.4%	12.6%	-38.2%
Non-Performing Loans	3,406	4,386	3,572	3,838	2,539	55	59	56	60	40	28.8%	-18.6%	7.5%	-33.8%
Customer Deposits	29,346	35,150	32,753	35,397	40,983	477	469	513	554	641	19.8%	-6.8%	8.1%	15.8%
Local Currency Deposits	26,339	29,772	29,269	30,616	35,325	428	397	459	479	553	13.0%	-1.7%	4.6%	15.4%
Sight Deposits	10,681	12,924	13,524	15,883	20,656	174	173	212	249	323	21.0%	4.6%	17.4%	30.0%
Equity	7,780	7,926	8,498	8,468	9,811	127	106	133	133	154	1.9%	7.2%	-0.3%	15.9%
P&L ACCOUNT														
Net Interest Income	2,327	2,354	3,505	3,261	2,919	37.9	31.4	54.9	51.0	45.7	1.2%	48.9%	-7.0%	-10.5%
Fees & Commissions	501	475	520	574	575	8.1	6.3	8.1	9.0	9.0	-5.1%	9.4%	10.4%	0.2%
Other Banking Income	308	160	491	286	390	5.0	2.1	7.7	4.5	6.1	-47.9%	206.3%	-41.8%	36.3%
Banking Income	3,135	2,990	4,516	4,120	3,884	51.0	39.9	70.7	64.5	60.8	-4.6%	51.0%	-8.8%	-5.7%
Staff Costs	1,296	1,716	1,734	1,773	2,085	21.1	22.9	27.2	27.8	32.6	32.4%	1.0%	2.3%	17.6%
Other Costs	1,121	713	621	733	-448	18.2	9.5	9.7	11.5	-7.0	-36.4%	-12.8%	18.0%	n.m.
Depreciation	655	576	505	447	414	10.7	7.7	7.9	7.0	6.5	-12.0%	-12.3%	-11.6%	-7.2%
Total Costs	3,072	3,005	2,860	2,953	2,051	50.0	40.1	44.8	46.2	32.1	-2.2%	-4.8%	3.2%	-30.5%
Operating Income	63	-15	1,655	1,167	1,833	1.0	-0.2	25.9	18.3	28.7	n.m.	n.m.	-29.5%	57.0%
Net Loan Loss Provisions (LLP)	607	-247	2,933	819	1,172	9.9	-3.3	46.0	12.8	18.3	n.m.	n.m.	-72.1%	43.1%
Other	-26	-7	28	-22	-234	-0.4	-0.1	0.4	-0.3	-3.7	-74.5%	n.m.	n.m.	973.9%
Pre-Tax Profits	-570	225	-1,250	326	427	-9.3	3.0	-19.6	5.1	6.7	n.m.	n.m.	n.m.	30.9%
Taxes	205	80	132	236	325	3.3	1.1	2.1	3.7	5.1	-61.2%	65.1%	79.4%	37.7%
Net Profit	-776	146	-1,381	90	102	-12.6	1.9	-21.6	1.4	1.6	n.m.	n.m.	n.m.	13.0%
RATIOS														
Net Interest Margin (NII/ATA)	5.95%	5.27%	7.57%	7.03%	5.47%	5.95%	5.27%	7.57%	7.03%	5.47%	-0.68%	2.30%	-0.54%	-1.55%
Net Interest Income (% of Revenue)	74.2%	78.7%	77.6%	79.1%	75.2%	74.2%	78.7%	77.6%	79.1%	75.2%	4.5%	-1.1%	1.5%	-4.0%
Fees (% of Banking Income)	16.0%	15.9%	11.5%	13.9%	14.8%	16.0%	15.9%	11.5%	13.9%	14.8%	-0.1%	-4.4%	2.4%	0.9%
Staff Costs (% of Total Costs)	42.2%	57.1%	60.6%	60.1%	101.6%	42.2%	57.1%	60.6%	60.1%	101.6%	14.9%	3.5%	-0.6%	41.6%
Costs per Employee ('000)	1,410	1,855	1,890	1,845	2,211	23	25	30	29	35	31.6%	1.9%	-2.4%	19.8%
Cost-to-Income (incl. Depreciation)	98.0%	100.5%	63.3%	71.7%	52.8%	98.0%	100.5%	63.3%	71.7%	52.8%	2.5%	-37.2%	8.3%	-18.9%
Net LLP (% of Net Loans)	2.54%	-1.01%	13.29%	3.77%	5.35%	2.54%	-1.01%	13.29%	3.77%	5.35%	-3.56%	14.30%	-9.52%	1.58%
Tax Rate	-36.0%	35.4%	-10.5%	72.4%	76.1%	-36.0%	35.4%	-10.5%	72.4%	76.1%	71.4%	-45.9%	82.9%	3.8%
ROE	-10.0%	1.8%	-16.3%	1.1%	1.0%	-10.0%	1.8%	-16.3%	1.1%	1.0%	11.8%	-18.1%	17.3%	0.0%
ROA	-1.85%	0.31%	-3.06%	0.19%	0.17%	-1.85%	0.31%	-3.06%	0.19%	0.17%	2.16%	-3.37%	3.25%	-0.02%
Loans/Deposits	81.4%	69.4%	67.4%	61.5%	53.5%	81.4%	69.4%	67.4%	61.5%	53.5%	-11.9%	-2.1%	-5.9%	-7.9%
Loans/Assets	57.1%	51.4%	48.9%	45.6%	37.2%	57.1%	51.4%	48.9%	45.6%	37.2%	-5.7%	-2.4%	-3.3%	-8.4%
Deposits/Liabilities	86.2%	88.7%	89.5%	90.3%	83.4%	86.2%	88.7%	89.5%	90.3%	83.4%	2.5%	0.7%	0.8%	-6.9%
Loans in Local Currency (% Total)	85.0%	82.4%	95.8%	95.4%	95.0%	85.0%	82.4%	95.8%	95.4%	95.0%	-2.6%	13.4%	-0.4%	-0.4%
Deposits in Local Currency (% Total)	89.8%	84.7%	89.4%	86.5%	86.2%	89.8%	84.7%	89.4%	86.5%	86.2%	-5.1%	4.7%	-2.9%	-0.3%
Loans per Branch ('000)	385,085	348,724	350,330	334,671	348,162	6,265	4,656	5,488	5,240	5,449	-9.4%	0.5%	-4.5%	4.0%
Deposits per Branch ('000)	473,325	502,145	519,891	544,576	650,531	7,700	6,704	8,145	8,526	10,180	6.1%	3.5%	4.7%	19.5%
Solvency Ratio	23.8%	14.8%	23.2%	22.6%	19.9%	23.8%	14.8%	23.2%	22.6%	19.9%	-9.0%	8.4%	-0.6%	-2.7%
NPL Ratio	11.9%	15.2%	14.4%	15.5%	10.7%	11.91%	15.15%	14.45%	15.51%	10.68%	3.24%	-0.71%	1.07%	-4.84%
NPL Coverage	138.6%	103.3%	74.3%	77.9%	72.8%	138.6%	103.3%	74.3%	77.9%	72.8%	-35.3%	-28.9%	3.5%	-5.1%
BS Provisions/Loans (gross)	16.51%	15.65%	10.74%	12.08%	7.77%	16.51%	15.65%	10.74%	12.08%	7.77%	-0.86%	-4.91%	1.34%	-4.31%

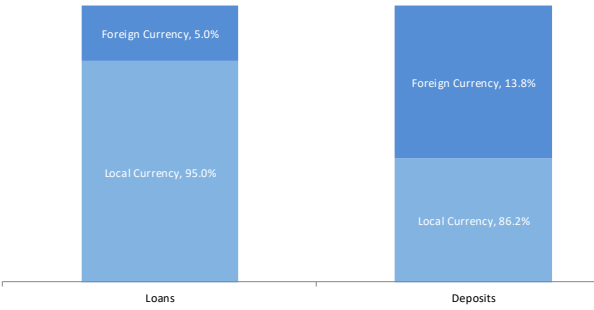
Source: Annual Reports and Eaglestone Securities.

BALANCE SHEET STRUCTURE - 2023



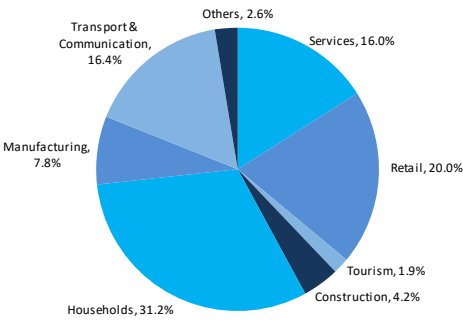
Sources: Annual Reports and Eaglestone Securities.

LOANS AND DEPOSITS BY CURRENCY - 2023



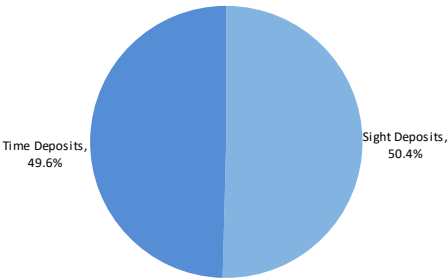
Sources: Annual Reports and Eaglestone Securities.

LOAN BREAKDOWN - 2023



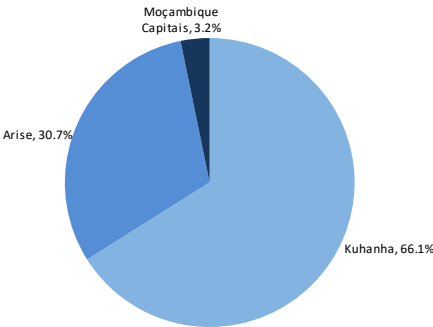
Sources: Annual Reports and Eaglestone Securities.

DEPOSIT BREAKDOWN - 2023



Sources: Annual Reports and Eaglestone Securities.

SHAREHOLDER STRUCTURE - 2023



Sources: Annual Reports and Eaglestone Securities.

NEDBANK MOÇAMBIQUE

Nedbank Moçambique disclosed a net profit of MZM 706 million (US\$ 11.0 million) in 2023, an increase of 4.3% YoY. This evolution reflected another improvement in the bank's operating performance (after it nearly doubled in the previous year) and lower other provisions (-41.3% YoY). On the other hand, the bottom-line was impacted by significantly higher taxes, with the effective tax rate reaching 29.5% in the period (vs. 20.4% in 2022). Overall, this means that ROE reached 13.6% and ROA 2.05%. This compares with 14.8% and 2.18%, respectively, in 2022.

Operating income advanced 6.2% YoY thanks to another favorable contribution from revenues (5.5% YoY) and a modest increase in costs (5% YoY). On the revenue front, net interest income (2.2% YoY) benefited from higher interest from financial assets and customer loans, which more than offset the impact of the higher funding costs from customer deposits. Other banking income surged 44.8% YoY because of the contributions from results in financial assets at fair value and other operating income. On the other hand, commissions fell 15.6% YoY due to the persistently challenging macro environment in the country (although, according to the bank, it shows signs of recovery) and the competitive backdrop in the market, which continued to put considerable pressure on the fee income. Meanwhile, total costs increased below the average inflation rate in the country largely because of the decline in depreciation charges (-15.8% YoY). This decline is justified by the bank's prudent investment strategy following the investments made in 2021 with its rebranding and the update of part of its IT structure. Overall, the cost-to-income ratio remained relatively stable at 59.0% (vs. 59.3% in 2022).

In terms of the balance sheet, the bank saw a sharp decline of 14.6% YoY in net loans, which the Nedbank said was due to a more prudent lending policy considering the current macro backdrop. It is also worth noting that the NPL ratio increased to 7.76%, while NPL coverage declined to 98.7% (from an impressive 2.21% and 296%, respectively, in 2022). Deposits recovered 11.3%, which means that the loans-to-deposits ratio dropped to 38.0% (from 49.5% in 2022). Finally, the bank's solvency ratio improved slightly from 21.5% to 22.3% in the period.

Nedbank Moçambique reported a net profit of MZM 706 million in 2023, an increase of 4.3% YoY

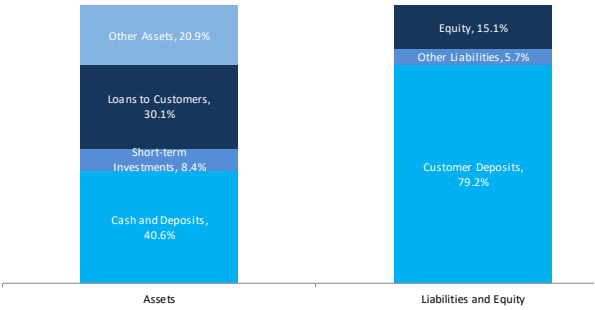
The bank saw another improvement in its operating performance

Nedbank's asset quality ratios saw a significant deterioration in 2023

NEDBANK MOÇAMBIQUE	MZM Million					US\$ Million					% Change (MZM)			
Year	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	20/19	21/20	22/21	23/22
BALANCE SHEET														
Net Assets	27,746	32,040	31,131	31,018	34,459	451	428	488	486	539	15.5%	-2.8%	-0.4%	11.1%
Customer Loans (net)	10,477	9,779	11,000	12,151	10,372	170	131	172	190	162	-6.7%	12.5%	10.5%	-14.6%
Local Currency Loans	8,378	6,856	8,268	9,965	8,574	136	92	130	156	134	-18.2%	20.6%	20.5%	-14.0%
Loan Loss Provisions	927	746	860	852	860	15	10	13	13	13	-19.5%	15.2%	-0.9%	1.0%
Non-Performing Loans	805	433	275	287	871	13	6	4	4	14	-46.1%	-36.5%	4.3%	203.3%
Customer Deposits	22,515	26,732	25,406	24,524	27,287	366	357	398	384	427	18.7%	-5.0%	-3.5%	11.3%
Local Currency Deposits	16,300	18,175	16,529	19,141	20,582	265	243	259	300	322	11.5%	-9.1%	15.8%	7.5%
Sight Deposits	11,344	13,462	16,842	14,021	15,488	185	180	264	220	242	18.7%	25.1%	-16.8%	10.5%
Equity	4,109	3,595	3,891	4,570	5,201	67	48	61	72	81	-12.5%	8.2%	17.4%	13.8%
P&L ACCOUNT														
Net Interest Income	1,727	1,556	1,849	2,357	2,409	28.1	20.8	29.0	36.9	37.7	-10.0%	18.8%	27.5%	2.2%
Fees & Commissions	381	351	339	353	297	6.2	4.7	5.3	5.5	4.7	-7.9%	-3.5%	4.1%	-15.6%
Other Banking Income	235	250	340	387	561	3.8	3.3	5.3	6.1	8.8	6.7%	35.8%	13.9%	44.8%
Banking Income	2,344	2,157	2,527	3,097	3,267	38.1	28.8	39.6	48.5	51.1	-8.0%	17.2%	22.5%	5.5%
Staff Costs	859	989	1,125	1,084	1,207	14.0	13.2	17.6	17.0	18.9	15.1%	13.7%	-3.6%	11.4%
Other Costs	406	371	410	457	472	6.6	4.9	6.4	7.2	7.4	-8.8%	10.7%	11.4%	3.3%
Depreciation	246	306	348	297	250	4.0	4.1	5.4	4.6	3.9	24.6%	13.7%	-14.7%	-15.8%
Total Costs	1,511	1,666	1,883	1,837	1,929	24.6	22.2	29.5	28.8	30.2	10.2%	13.0%	-2.4%	5.0%
Operating Income	833	491	645	1,260	1,338	13.5	6.6	10.1	19.7	20.9	-41.0%	31.3%	95.4%	6.2%
Net Loan Loss Provisions (LLP)	195	534	181	129	145	3.2	7.1	2.8	2.0	2.3	173.4%	-66.0%	-28.6%	11.8%
Other	-29	-41	-34	-280	-193	-0.5	-0.5	-0.5	-4.4	-3.0	40.6%	-17.4%	725.3%	-31.1%
Pre-Tax Profits	608	-84	430	851	1,001	9.9	-1.1	6.7	13.3	15.7	n.m.	n.m.	98.0%	17.7%
Taxes	102	396	119	174	295	1.7	5.3	1.9	2.7	4.6	286.9%	-70.0%	46.3%	69.7%
Net Profit	506	-480	311	677	706	8.2	-6.4	4.9	10.6	11.0	n.m.	n.m.	117.7%	4.3%
RATIOS														
Net Interest Margin (NII/ATA)	6.43%	5.20%	5.85%	7.58%	7.36%	6.43%	5.20%	5.85%	7.58%	7.36%	-1.23%	0.65%	1.73%	-0.23%
Net Interest Income (% of Revenue)	73.7%	72.1%	73.1%	76.1%	73.7%	73.7%	72.1%	73.1%	76.1%	73.7%	-1.6%	1.0%	3.0%	-2.4%
Fees (% of Banking Income)	16.3%	16.3%	13.4%	11.4%	9.1%	16.3%	16.3%	13.4%	11.4%	9.1%	0.0%	-2.9%	-2.0%	-2.3%
Staff Costs (% of Total Costs)	56.9%	59.4%	59.7%	59.0%	62.6%	56.9%	59.4%	59.7%	59.0%	62.6%	2.5%	0.3%	-0.7%	3.6%
Costs per Employee ('000)	1,386	1,609	1,926	1,978	2,358	22.5	21.5	30.2	31.0	36.9	16.1%	19.7%	2.7%	19.2%
Cost-to-Income (incl. Depreciation)	64.5%	77.2%	74.5%	59.3%	59.0%	64.5%	77.2%	74.5%	59.3%	59.0%	12.8%	-2.7%	-15.2%	-0.3%
Net LLP (% of Net Loans)	1.86%	5.46%	1.65%	1.07%	1.40%	1.86%	5.46%	1.65%	1.07%	1.40%	3.59%	-3.81%	-0.58%	0.33%
Tax Rate	16.8%	-474.5%	27.7%	20.4%	29.5%	16.8%	-474.5%	27.7%	20.4%	29.5%	-491.4%	502.2%	-7.2%	9.0%
ROE	12.3%	-13.3%	8.0%	14.8%	13.6%	12.3%	-13.3%	8.0%	14.8%	13.6%	-25.7%	21.3%	6.8%	-1.2%
ROA	1.82%	-1.50%	1.00%	2.18%	2.05%	1.82%	-1.50%	1.00%	2.18%	2.05%	-3.32%	2.50%	1.18%	-0.13%
Loans/Deposits	46.5%	36.6%	43.3%	49.5%	38.0%	46.5%	36.6%	43.3%	49.5%	38.0%	-10.0%	6.7%	6.2%	-11.5%
Loans/Assets	37.8%	30.5%	35.3%	39.2%	30.1%	37.8%	30.5%	35.3%	39.2%	30.1%	-7.2%	4.8%	3.8%	-9.1%
Deposits/Liabilities	95.3%	94.0%	93.3%	92.7%	93.3%	95.3%	94.0%	93.3%	92.7%	93.3%	-1.3%	-0.7%	-0.5%	0.5%
Loans in Local Currency (% Total)	80.0%	70.1%	75.2%	82.0%	82.7%	80.0%	70.1%	75.2%	82.0%	82.7%	-9.9%	5.0%	6.8%	0.7%
Deposits in Local Currency (% Total)	72.4%	68.0%	65.1%	78.0%	75.4%	72.4%	68.0%	65.1%	78.0%	75.4%	-4.4%	-2.9%	13.0%	-2.6%
Loans per Branch ('000)	455,514	425,175	500,016	607,570	545,916	7,410	5,677	7,834	9,513	8,543	-6.7%	17.6%	21.5%	-10.1%
Deposits per Branch ('000)	978,933	1,162,282	1,154,814	1,226,225	1,436,149	15,925	15,518	18,092	19,199	22,475	18.7%	-0.6%	6.2%	17.1%
Solvency Ratio	16.7%	14.9%	14.9%	21.5%	22.3%	16.7%	14.9%	14.9%	21.5%	22.3%	-1.8%	0.0%	6.5%	0.8%
NPL Ratio	7.06%	4.12%	2.32%	2.21%	7.76%	7.06%	4.12%	2.32%	2.21%	7.76%	-2.94%	-1.80%	-0.11%	5.55%
NPL Coverage	115.2%	172.2%	312.3%	296.5%	98.7%	115.2%	172.2%	312.3%	296.5%	98.7%	57.0%	140.0%	-15.8%	-197.8%
BS Provisions/Loans (gross)	8.13%	7.09%	7.25%	6.55%	7.66%	8.13%	7.09%	7.25%	6.55%	7.66%	-1.04%	0.16%	-0.70%	1.11%

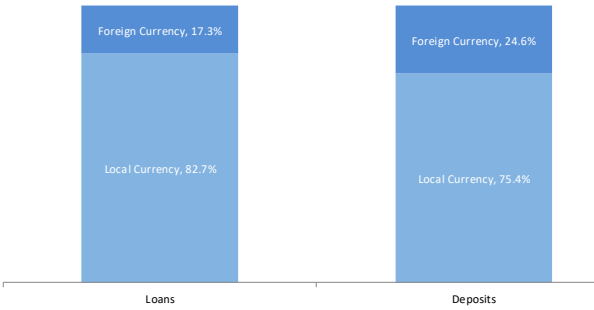
Source: Annual Reports and Eaglestone Securities.

BALANCE SHEET STRUCTURE - 2023



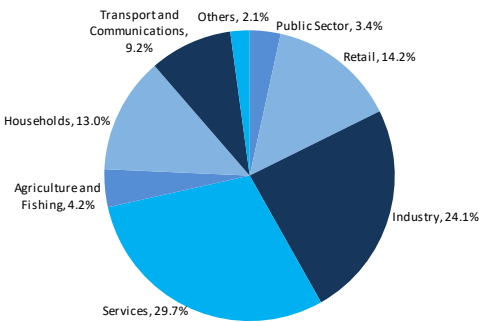
Sources: Annual Reports and Eaglestone Securities.

LOANS AND DEPOSITS BY CURRENCY - 2023



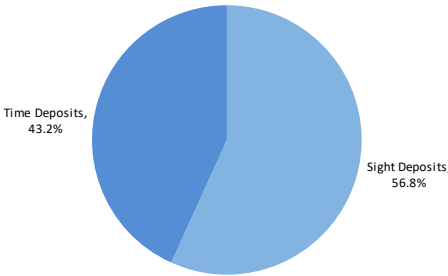
Sources: Annual Reports and Eaglestone Securities.

LOAN BREAKDOWN - 2023



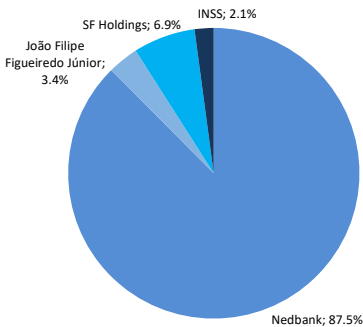
Sources: Annual Reports and Eaglestone Securities.

DEPOSIT BREAKDOWN - 2023



Sources: Annual Reports and Eaglestone Securities.

SHAREHOLDER STRUCTURE - 2023



Sources: Annual Reports and Eaglestone Securities.

ANNEX I – SIX MAJOR BANKS COMPARISON (TABLES)

SIX MAJOR BANKS - MAIN INDICATORS									
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net Interest Margin (NII/ATA)									
Banco Comercial e de Investimentos	3.63%	4.55%	5.37%	6.38%	6.47%	6.13%	7.09%	8.05%	7.63%
Millennium bim	5.48%	7.50%	9.00%	9.13%	8.12%	6.53%	6.73%	7.26%	7.30%
Standard Bank Moçambique	4.96%	7.20%	11.20%	9.87%	7.92%	6.79%	7.44%	9.08%	9.55%
ABSA Bank Moçambique	6.58%	10.44%	14.15%	9.98%	8.32%	7.75%	7.19%	7.99%	8.17%
Moza Banco	2.66%	3.20%	7.24%	5.89%	5.95%	5.27%	7.57%	7.03%	5.47%
Nedbank Moçambique	5.74%	6.27%	7.55%	7.03%	6.43%	5.20%	5.85%	7.58%	7.36%
Net Interest Income (% of Banking Revenue)									
Banco Comercial e de Investimentos	48.0%	61.4%	61.8%	69.6%	70.0%	71.2%	71.1%	77.5%	75.0%
Millennium bim	55.9%	66.8%	77.2%	75.4%	74.3%	76.6%	75.8%	76.2%	76.8%
Standard Bank Moçambique	39.5%	54.3%	71.5%	69.1%	66.6%	63.8%	70.4%	74.3%	78.3%
ABSA Bank Moçambique	54.9%	71.0%	84.7%	75.5%	71.8%	72.8%	70.8%	77.7%	75.0%
Moza Banco	28.9%	180.4%	79.8%	74.6%	74.2%	78.7%	77.6%	79.1%	75.2%
Nedbank Moçambique	61.6%	62.0%	71.9%	75.1%	73.7%	72.1%	73.1%	76.1%	73.7%
Fees (% of Banking Income)									
Banco Comercial e de Investimentos	20.5%	21.0%	12.4%	13.1%	14.3%	12.1%	13.0%	11.6%	8.5%
Millennium bim	17.9%	14.6%	13.6%	12.3%	13.1%	14.7%	14.9%	14.6%	14.9%
Standard Bank Moçambique	14.7%	12.5%	9.6%	11.5%	14.8%	12.9%	12.3%	10.7%	9.9%
ABSA Bank Moçambique	17.6%	10.6%	7.4%	10.1%	12.2%	11.2%	11.7%	6.6%	8.1%
Moza Banco	17.2%	73.6%	13.1%	18.5%	16.0%	15.9%	11.5%	13.9%	14.8%
Nedbank Moçambique	15.8%	15.2%	14.5%	15.0%	16.3%	16.3%	13.4%	11.4%	9.1%
Staff Costs (% of Total Costs)									
Banco Comercial e de Investimentos	50.8%	52.1%	53.1%	54.4%	54.7%	55.2%	53.0%	53.2%	57.1%
Millennium bim	45.2%	44.8%	43.6%	43.1%	43.1%	42.2%	42.4%	41.6%	39.9%
Standard Bank Moçambique	58.5%	56.9%	58.3%	58.5%	56.9%	55.7%	53.0%	55.6%	55.9%
ABSA Bank Moçambique	53.8%	45.3%	48.3%	47.3%	45.7%	42.5%	38.7%	40.5%	40.2%
Moza Banco	41.4%	26.3%	38.8%	40.9%	42.2%	57.1%	60.6%	60.1%	101.6%
Nedbank Moçambique	62.7%	60.4%	60.1%	57.8%	56.9%	59.4%	59.7%	59.0%	62.6%
Costs per Employee ('000 MZM)									
Banco Comercial e de Investimentos	883	1,076	1,227	1,309	1,442	1,562	1,603	1,690	1,882
Millennium bim	892	1,039	1,073	1,147	1,168	1,188	1,213	1,271	1,349
Standard Bank Moçambique	1,732	2,067	2,688	2,847	2,933	3,093	3,485	3,743	3,553
ABSA Bank Moçambique	1,475	1,370	1,805	1,813	2,078	2,480	2,393	2,529	2,591
Moza Banco	1,109	1,375	1,288	1,511	1,410	1,855	1,890	1,845	2,211
Nedbank Moçambique	1,257	1,379	1,344	1,320	1,386	1,609	1,926	1,978	2,358
Total Costs per Branch ('000 MZM)									
Banco Comercial e de Investimentos	27,419	31,969	34,702	34,743	35,992	37,143	39,057	40,799	42,690
Millennium bim	27,455	31,684	32,738	33,911	34,206	34,534	35,867	38,839	44,632
Standard Bank Moçambique	85,336	107,732	135,753	144,970	154,417	165,966	194,829	211,269	216,582
ABSA Bank Moçambique	44,753	49,095	63,161	62,085	70,196	82,316	78,567	84,530	95,902
Moza Banco	36,278	69,435	45,802	50,592	49,556	42,931	45,399	45,430	32,558
Nedbank Moçambique	49,439	58,612	62,798	61,147	65,703	72,434	85,576	91,860	101,516
Cost-to-Income (incl. Depreciation)									
Banco Comercial e de Investimentos	61.9%	61.9%	52.2%	49.2%	51.0%	51.3%	43.4%	42.5%	43.0%
Millennium bim	42.1%	38.3%	37.9%	37.6%	39.8%	46.2%	43.5%	42.6%	47.8%
Standard Bank Moçambique	46.8%	44.4%	41.5%	43.3%	47.4%	47.5%	51.4%	46.0%	45.0%
ABSA Bank Moçambique	82.3%	67.0%	62.0%	67.7%	75.0%	86.7%	68.9%	61.8%	59.1%
Moza Banco	85.4%	728.4%	98.4%	111.7%	98.0%	100.5%	63.3%	71.7%	52.8%
Nedbank Moçambique	64.5%	58.3%	51.0%	60.0%	64.5%	77.2%	74.5%	59.3%	59.0%
Net LLP (% of Loans)									
Banco Comercial e de Investimentos	1.05%	1.25%	3.71%	1.86%	3.56%	4.21%	3.39%	-0.81%	0.20%
Millennium bim	1.65%	2.10%	3.26%	4.86%	3.14%	5.43%	0.78%	0.91%	0.38%
Standard Bank Moçambique	1.21%	3.81%	1.34%	0.75%	0.37%	-0.44%	1.44%	1.89%	2.15%
ABSA Bank Moçambique	1.62%	3.47%	2.71%	-2.45%	0.04%	1.14%	2.40%	2.80%	3.29%
Moza Banco	1.54%	7.52%	9.20%	1.41%	2.54%	-1.01%	13.29%	3.77%	5.35%
Nedbank Moçambique	3.40%	1.69%	3.89%	3.64%	1.86%	5.46%	1.65%	1.07%	1.40%
Tax Rate									
Banco Comercial e de Investimentos	28.7%	25.3%	27.1%	28.4%	26.1%	30.2%	23.3%	26.0%	18.5%
Millennium bim	19.3%	28.1%	23.6%	18.9%	21.9%	14.0%	21.0%	26.1%	29.5%
Standard Bank Moçambique	33.8%	35.1%	24.1%	24.2%	26.9%	27.5%	27.1%	25.1%	24.8%
ABSA Bank Moçambique	0.0%	22.3%	28.3%	21.1%	7.9%	19.5%	45.9%	43.6%	30.6%
Moza Banco	9.9%	3.3%	-0.1%	-40.7%	-36.0%	35.4%	-10.5%	72.4%	76.1%
Nedbank Moçambique	23.8%	29.2%	32.2%	21.4%	16.8%	-474.5%	27.7%	20.4%	29.5%
ROE									
Banco Comercial e de Investimentos	16.5%	12.6%	15.1%	24.3%	18.1%	13.3%	22.2%	28.9%	26.5%
Millennium bim	18.3%	21.3%	21.5%	20.3%	18.8%	12.5%	15.8%	19.6%	19.3%
Standard Bank Moçambique	23.0%	22.1%	32.0%	26.5%	19.8%	19.1%	15.7%	20.2%	20.6%
ABSA Bank Moçambique	8.1%	13.4%	20.4%	20.5%	14.1%	3.8%	7.9%	11.3%	15.8%
Moza Banco	3.3%	183.5%	-20.3%	-8.5%	-10.0%	1.8%	-16.3%	1.1%	1.0%
Nedbank Moçambique	5.9%	18.1%	16.3%	12.1%	12.3%	-13.3%	8.0%	14.8%	13.6%
ROA									
Banco Comercial e de Investimentos	1.36%	1.00%	1.51%	2.63%	2.10%	1.40%	2.78%	4.02%	3.91%
Millennium bim	3.10%	3.62%	4.49%	4.51%	4.30%	2.53%	3.51%	3.60%	3.82%
Standard Bank Moçambique	3.52%	3.49%	6.40%	5.59%	4.14%	3.79%	3.44%	4.38%	4.65%
ABSA Bank Moçambique	1.31%	2.10%	3.69%	3.63%	2.55%	0.61%	0.99%	1.55%	2.11%
Moza Banco	0.26%	-18.40%	-5.47%	-2.11%	-1.85%	0.31%	-3.06%	0.19%	0.17%
Nedbank Moçambique	0.69%	1.94%	2.16%	1.69%	1.82%	-1.50%	1.00%	2.18%	2.05%

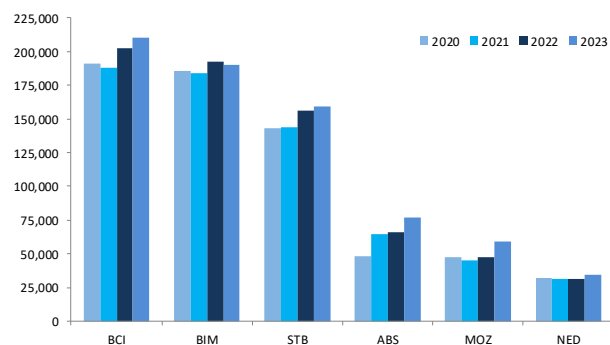
Sources: Annual Reports and Eaglestone Securities.

SIX MAJOR BANKS - MAIN INDICATORS (CONT.)									
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023
Loans/Deposits									
Banco Comercial e de Investimentos	75.5%	80.4%	64.1%	56.5%	52.8%	44.2%	45.0%	39.7%	42.1%
Millennium bin	74.4%	80.0%	61.6%	45.3%	37.5%	32.0%	30.3%	28.1%	30.2%
Standard Bank Moçambique	53.9%	47.9%	33.5%	38.3%	32.2%	33.9%	37.3%	34.5%	30.4%
ABSA Bank Moçambique	67.3%	70.1%	48.1%	44.7%	51.6%	63.1%	47.6%	51.0%	46.8%
Moza Banco	72.5%	106.8%	85.1%	72.3%	81.4%	69.4%	67.4%	61.5%	53.5%
Nedbank Moçambique	64.2%	59.4%	54.0%	54.3%	46.5%	36.6%	43.3%	49.5%	38.0%
Loans/Assets									
Banco Comercial e de Investimentos	55.4%	57.7%	46.9%	42.5%	40.5%	35.1%	35.1%	31.2%	32.0%
Millennium bin	55.1%	56.5%	44.7%	33.3%	27.1%	24.0%	22.7%	22.2%	23.2%
Standard Bank Moçambique	40.1%	37.0%	25.2%	28.3%	23.8%	26.4%	28.3%	26.1%	21.6%
ABSA Bank Moçambique	48.6%	52.1%	34.4%	32.3%	39.5%	47.8%	38.8%	40.6%	33.6%
Moza Banco	57.2%	62.0%	57.3%	49.4%	57.1%	51.4%	48.9%	45.6%	37.2%
Nedbank Moçambique	54.0%	50.2%	44.6%	45.8%	37.8%	30.5%	35.3%	39.2%	30.1%
Deposits/Liabilities									
Banco Comercial e de Investimentos	79.9%	78.0%	81.2%	84.4%	86.8%	88.7%	89.4%	91.3%	89.1%
Millennium bin	89.2%	85.1%	91.7%	94.4%	93.6%	94.1%	96.3%	96.8%	95.9%
Standard Bank Moçambique	88.0%	91.8%	94.0%	93.8%	93.8%	97.1%	97.0%	96.7%	91.7%
ABSA Bank Moçambique	86.0%	88.3%	87.3%	87.8%	93.4%	90.2%	93.1%	92.1%	82.8%
Moza Banco	85.5%	52.7%	92.2%	91.1%	86.2%	88.7%	89.5%	90.3%	83.4%
Nedbank Moçambique	95.3%	94.6%	95.1%	97.8%	95.3%	94.0%	93.3%	92.7%	93.3%
Loans in Local Currency (% of Total)									
Banco Comercial e de Investimentos	65.0%	56.2%	57.5%	60.5%	71.8%	73.8%	77.2%	80.0%	82.5%
Millennium bin	78.5%	74.9%	76.5%	82.5%	87.1%	90.0%	91.8%	94.6%	90.9%
Standard Bank Moçambique	64.9%	62.0%	56.3%	67.5%	74.5%	65.7%	68.8%	52.3%	52.1%
ABSA Bank Moçambique	86.2%	78.9%	83.3%	74.4%	80.8%	74.0%	75.1%	79.3%	81.2%
Moza Banco	88.8%	81.9%	87.1%	83.4%	85.0%	82.4%	95.8%	95.4%	95.0%
Nedbank Moçambique	88.4%	80.0%	75.5%	76.9%	80.0%	70.1%	75.2%	82.0%	82.7%
Deposits in Local Currency (% of Total)									
Banco Comercial e de Investimentos	75.2%	68.2%	76.2%	76.9%	76.4%	73.5%	76.1%	79.6%	82.3%
Millennium bin	75.0%	70.6%	75.6%	77.4%	79.2%	80.1%	81.6%	80.6%	81.8%
Standard Bank Moçambique	45.0%	45.3%	56.0%	53.1%	58.7%	54.7%	60.0%	57.7%	58.2%
ABSA Bank Moçambique	70.3%	62.8%	66.8%	65.1%	69.0%	69.4%	64.5%	66.5%	64.7%
Moza Banco	82.3%	79.4%	84.8%	86.5%	89.8%	84.7%	89.4%	86.5%	86.2%
Nedbank Moçambique	67.9%	60.7%	69.4%	71.2%	72.4%	68.0%	65.1%	78.0%	75.4%
Loans per Branch ('000 MZM)									
Banco Comercial e de Investimentos	363,257	429,523	371,338	326,874	318,220	317,968	313,806	298,601	317,953
Millennium bin	392,491	444,790	330,178	259,923	221,463	223,650	210,202	217,263	226,706
Standard Bank Moçambique	671,831	737,206	550,330	707,395	711,180	946,608	1,015,822	1,020,336	859,041
ABSA Bank Moçambique	223,784	279,525	218,893	250,699	332,109	458,987	497,888	547,657	538,401
Moza Banco	304,025	311,746	288,321	327,011	385,085	348,724	350,330	334,671	348,162
Nedbank Moçambique	510,284	570,223	538,468	516,415	455,514	425,175	500,016	607,570	545,916
Deposits per Branch ('000 MZM)									
Banco Comercial e de Investimentos	481,154	534,275	579,496	578,686	602,622	719,540	697,768	752,683	755,918
Millennium bin	527,838	555,789	535,600	573,716	590,279	698,444	693,895	772,468	751,009
Standard Bank Moçambique	1,246,781	1,539,928	1,643,227	1,848,488	2,211,982	2,791,588	2,726,157	2,961,566	2,823,808
ABSA Bank Moçambique	332,412	399,006	455,321	560,768	643,019	727,409	1,046,949	1,072,895	1,149,979
Moza Banco	419,232	291,969	338,870	452,604	473,325	502,145	519,891	544,576	650,531
Nedbank Moçambique	794,546	960,296	996,717	950,202	978,933	1,162,282	1,154,814	1,226,225	1,436,149
Solvency Ratio									
Banco Comercial e de Investimentos	12.7%	14.0%	17.1%	17.0%	25.0%	24.5%	23.1%	27.4%	24.3%
Millennium bin	19.8%	18.8%	17.1%	39.0%	45.8%	43.9%	44.8%	36.4%	37.2%
Standard Bank Moçambique	15.3%	17.0%	20.4%	19.4%	29.3%	24.8%	22.2%	26.1%	23.3%
ABSA Bank Moçambique	24.7%	19.7%	24.8%	23.1%	20.0%	18.7%	19.2%	20.0%	20.0%
Moza Banco	9.9%	-98.9%	23.5%	21.7%	23.8%	14.8%	23.2%	22.6%	19.9%
Nedbank Moçambique	16.4%	12.4%	17.7%	15.8%	16.7%	14.9%	14.9%	21.5%	22.3%
NPL Ratio									
Banco Comercial e de Investimentos	1.21%	3.58%	8.40%	5.66%	4.53%	12.99%	14.21%	14.43%	11.02%
Millennium bin	4.18%	3.54%	5.05%	5.33%	6.60%	6.21%	7.96%	7.78%	2.87%
Standard Bank Moçambique	1.57%	7.93%	4.78%	2.60%	1.47%	2.62%	4.85%	6.02%	7.01%
ABSA Bank Moçambique	9.44%	17.82%	9.50%	7.68%	4.50%	3.80%	7.40%	7.80%	7.40%
Moza Banco	2.27%	4.58%	8.74%	9.89%	11.91%	15.15%	14.45%	15.51%	10.68%
Nedbank Moçambique	3.33%	2.12%	3.63%	9.00%	7.06%	4.12%	2.32%	2.21%	7.76%
NPL Coverage									
Banco Comercial e de Investimentos	155.9%	66.1%	50.0%	158.3%	182.5%	85.5%	87.8%	74.3%	80.5%
Millennium bin	141.7%	205.4%	191.5%	211.9%	179.9%	118.9%	104.8%	104.2%	148.4%
Standard Bank Moçambique	130.2%	62.0%	149.1%	242.2%	378.2%	200.2%	118.4%	98.3%	95.8%
ABSA Bank Moçambique	64.8%	31.6%	76.4%	65.4%	100.3%	95.8%	77.1%	85.4%	104.1%
Moza Banco	122.6%	226.1%	185.0%	179.1%	138.6%	103.3%	74.3%	77.9%	72.8%
Nedbank Moçambique	135.8%	179.4%	177.4%	91.8%	115.2%	172.2%	312.3%	296.5%	98.7%
BS Provisions/Loans (gross)									
Banco Comercial e de Investimentos	1.89%	2.37%	4.20%	8.96%	8.27%	11.11%	12.47%	10.72%	8.87%
Millennium bin	5.92%	7.28%	9.67%	11.29%	11.87%	7.38%	8.34%	8.10%	4.26%
Standard Bank Moçambique	2.05%	4.92%	7.13%	6.31%	5.58%	5.24%	5.74%	5.92%	6.71%
ABSA Bank Moçambique	6.12%	5.64%	7.26%	5.02%	4.51%	3.64%	5.71%	6.66%	7.70%
Moza Banco	2.79%	10.35%	16.17%	17.72%	16.51%	15.65%	10.74%	12.08%	7.77%
Nedbank Moçambique	4.52%	3.80%	6.44%	8.26%	8.13%	7.09%	7.25%	6.55%	7.66%

Sources: Annual Reports and Eaglestone Securities.

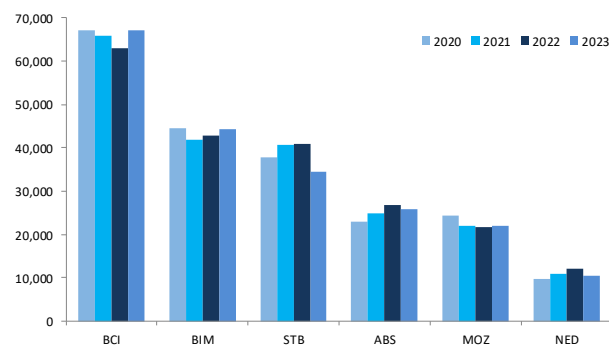
ANNEX II – SIX MAJOR BANKS COMPARISON (GRAPHS)

ASSETS (MZM MILLION)



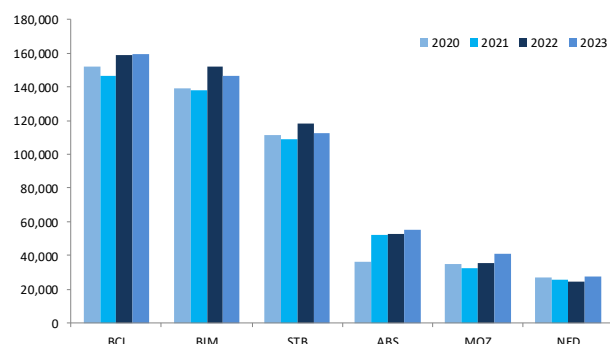
Sources: Annual Reports and Eaglestone Securities.

NET LOANS (MZM MILLION)



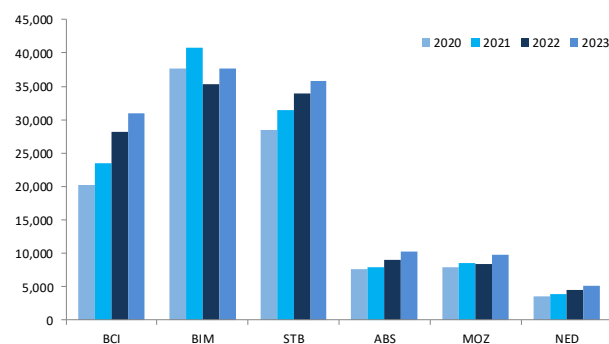
Sources: Annual Reports and Eaglestone Securities.

DEPOSITS (MZM MILLION)



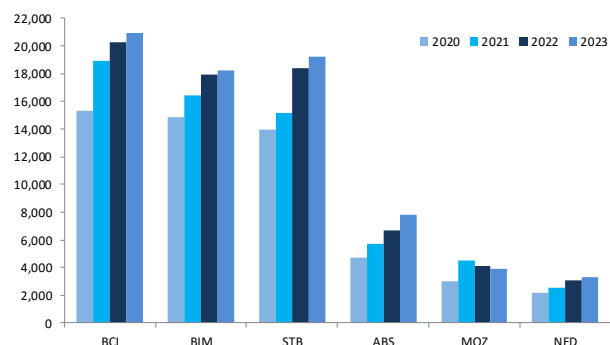
Sources: Annual Reports and Eaglestone Securities.

EQUITY (MZM MILLION)



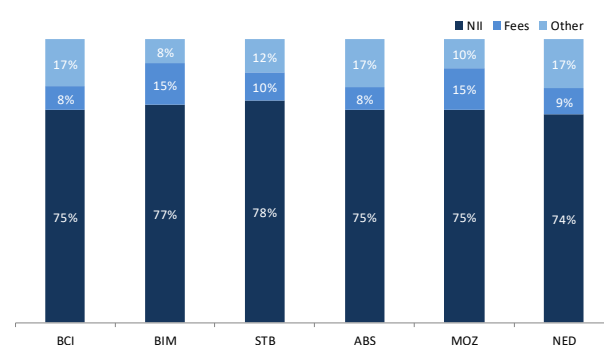
Sources: Annual Reports and Eaglestone Securities.

REVENUES (MZM MILLION)



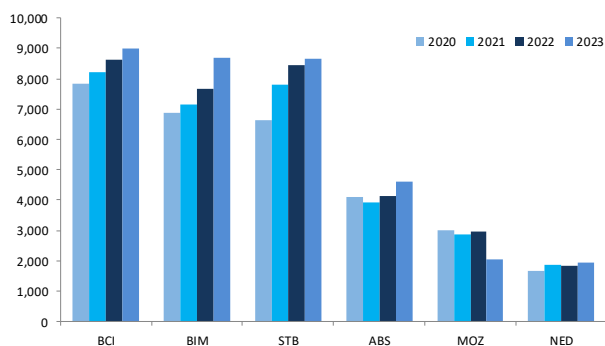
Sources: Annual Reports and Eaglestone Securities.

REVENUE BREAKDOWN - 2023



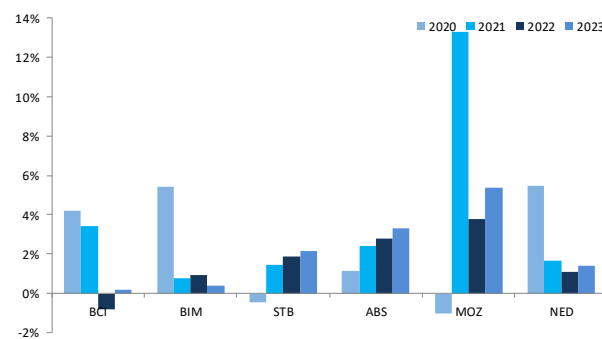
Sources: Annual Reports and Eaglestone Securities.

COSTS (MZM MILLION)



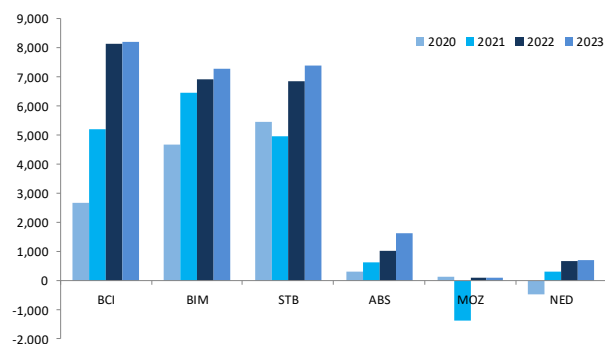
Sources: Annual Reports and Eaglestone Securities.

COST OF RISK (NET LOAN LOSS PROVISIONS / LOANS)



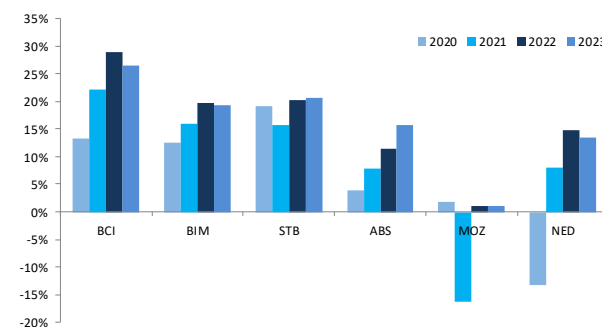
Sources: Annual Reports and Eaglestone Securities.

NET PROFIT (MZM MILLION)



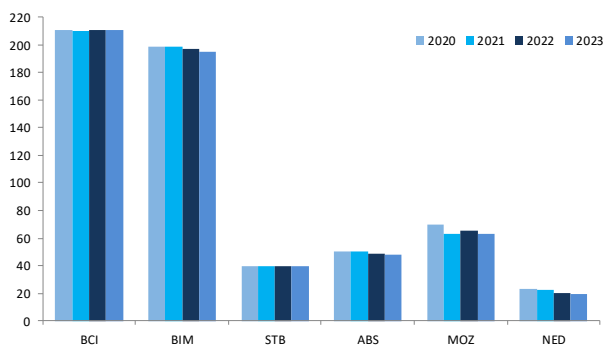
Sources: Annual Reports and Eaglestone Securities.

RETURN ON EQUITY (ROE)



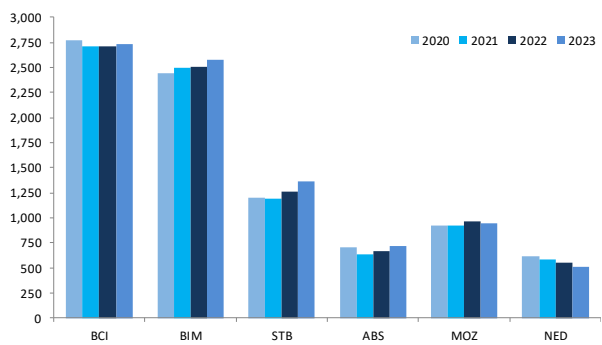
Sources: Annual Reports and Eaglestone Securities.

NUMBER OF BRANCHES



Sources: Annual Reports and Eaglestone Securities.

NUMBER OF EMPLOYEES



Sources: Annual Reports and Eaglestone Securities.

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Disclosures

Eaglestone was founded in December 2011 with the aim to be a committed partner for the development of businesses located primarily in Sub-Saharan Africa and to support the development of renewable energy projects on a global basis.

The company has three business activities - financial advisory services, asset management and brokerage - and currently has offices in Amsterdam, Cape Town London, Lisbon, Luanda and Maputo

Eaglestone is committed to operating and behaving according to the highest standards of corporate governance. Its subsidiary in the United Kingdom is authorized and regulated by the Financial Conduct Authority.

Eaglestone operates with a clear vision and mission to act on behalf of and in the best interests of all its stakeholders, whether they are investors, employees or users of its services.

EAGLESTONE SECURITIES

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