



Mozambican Banks

Net profit recovers to pre-pandemic levels

Research

July 2022

Banks continued to face a challenging economic environment

The Mozambican banking sector continued to face a challenging economic backdrop in 2021. Although activity recovered following the recession (-1.2%) in the previous year, the country's first since 1992, real GDP growth of just 2.3% in the period stood well below the levels recorded in the years prior to the pandemic. The international economic environment also remained demanding, as it was impacted by geopolitical tensions, new Covid-19 variants, disturbances in global supply-chains and increasing inflationary pressures that also affected prices domestically. This led the Banco de Moçambique to raise its benchmark MIMO interest rate by 300bps to 13.25% at the start of the year and to lower reserve requirements at the central bank (from 11.5% to 10.5% for local currency deposits and 34.5% to 11.5% for foreign currency).

Banking

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Improved operating performance thanks to higher interest rates and activity

The combined profit and loss account of the six largest banks in the country showed an improved operating performance in 2021. This evolution was due to the favorable impact of higher interest rates on margins from customer loans and profitability from debt instruments. Revenues were also boosted by both higher commissions and other banking income. The former benefited from the end of the extraordinary measures adopted by the central bank in 2020 to mitigate the effects of the pandemic and the latter from an increase in activity, together with stronger gains from operations in the foreign exchange market. Meanwhile, total costs advanced relatively in line with the average inflation rate of 5.69% recorded in 2021. The cost performance of the sector continued to be partly influenced by the impact of extraordinary expenditures and investments associated with Covid-19. However, the sharp appreciation of the metical allowed for an important reduction in foreign currency related costs, namely in terms of staff costs that represent about half of the cost structure of the banking sector. This meant that the combined cost-to-income ratio of the six largest banks improved from 55.8% in 2020 to 50.3% in the period.

Higher impairments and other provisions continued to affect the bottom-line

The banking sector continued to significantly increase loan impairments during 2021 while provisions for other assets also surged in the period. This reflects the persistent precautionary approach taken by several banks to consider potential risks associated with the pandemic, including the impact on the country's real estate market, and the more challenging economic backdrop in recent years. Overall, after declining in both 2019-20, the combined net profit of the six banks recovered 26.7% YoY last year, reaching MZM 16,185 million (US\$ 254 million). This net profit represents a ROE of 13.9% and a ROA of 2.47%.

Lowering the NPL ratio remains a challenge for the sector

Despite Covid-19 and the military instability in some parts of Mozambique, the local banking sector remains solid, liquid, and profitable. The solvency and liquidity ratios remained above the regulatory requirement levels in 2021. Our estimates indicate that the combined solvency ratio of the six banks stood at 25.6% (almost unchanged from the 25.8% in 2020), well above the required 12%. Also, liquid assets (including cash and balances at the central bank and other credit institutions as well as financial assets) represented more than 50% of total assets. Still, NPLs remain elevated, with the NPL ratio surpassing 10% in 2021 and standing above the 5% benchmark ratio. Thus, improving asset quality remains a challenge for Mozambican banks, also when compared with the NPL ratios witnessed in other countries in Sub-Saharan Africa.

ECONOMIC OVERVIEW

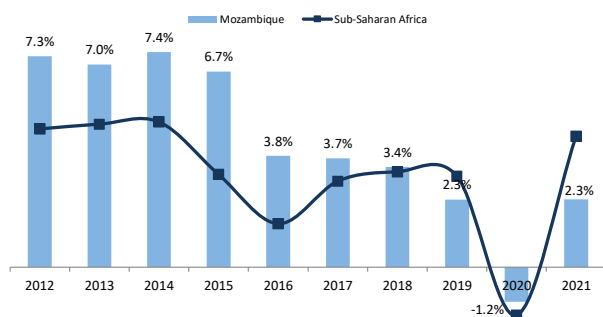
Mozambique’s economy recovered in 2021 after recording a recession in the previous year that was mostly caused by the measures implemented domestically and abroad to contain the spread of the Covid-19 pandemic. According to figures from the National Statistics Institute (INE), real GDP in the country advanced 2.3% in the period from a contraction of -1.2% recorded in 2020. It is worth noting that this was the first recession in the country since 1992 and that the Mozambican economy still performed relatively better than the average in Sub-Saharan Africa, as the region saw a contraction of -1.7% in 2020.

Mozambique recorded its first recession since 1992 due to the impacts from the Covid-19 pandemic

The economic recovery witnessed last year was largely due to an improved performance in the agriculture and fishing sector, which represents roughly a quarter of the country’s GDP, and a positive contribution from the mining sector (6.0% of GDP) after two years of negative growth. These sectors expanded by 3.8% and 2.5%, respectively, in 2021. However, the other major sectors of the economy, namely transports and communication, retail, and manufacturing, all recorded a relatively modest evolution in the period. The transports and communication sector (0.6%) and the manufacturing industry (1.5%) recorded almost flat growth, while the retail sector only expanded by 2.2% from the previous year.

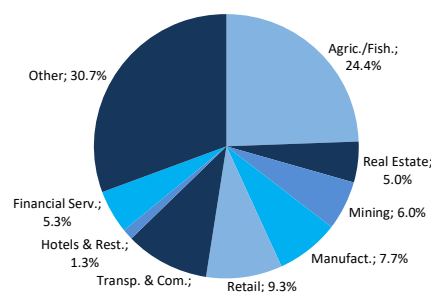
The economic recovery in 2021 was due to a better performance in the agriculture and fishing sector and a positive contribution from the mining sector

REAL GDP GROWTH (2012-21)



Sources: INE and IMF.

GDP STRUCTURE (2021)



Source: INE.

Data from INE also showed that real GDP growth in homologous terms improved markedly in the second half of 2021 relatively to the first six months of the year. Economic activity grew by 3.6% YoY in the last quarter after advancing 3.5% YoY in the previous three months. This was largely due to a recovery in activity in the mining sector and a larger contribution from the agriculture and fishing sector as well as construction.

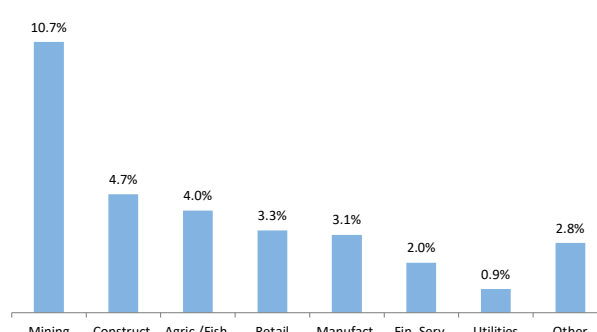
Economic growth improved in the second half of 2021 while growth in the latter part of the year was largely thanks to a strong recovery in the mining sector

REAL GDP GROWTH (1Q19 – 4Q21; YOY)



Source: INE.

REAL GDP GROWTH BY SECTOR (4Q21; YOY)



Source: INE.

Other data released by INE showed that the inflation rate in the country increased throughout 2021, remaining, nevertheless, in single digits. Annual inflation reached 6.74% in December while the 12-month average stood at 5.69%. These figures compare with 3.52% and 3.14%, respectively, in December 2020. In terms of components, the evolution of annual inflation largely reflected the increase in the prices of food and non-alcoholic beverages, with this accounting for a significant share of the annual increase, as shown in the graph below.

Annual inflation increased in 2021, but remained in single digits in the period

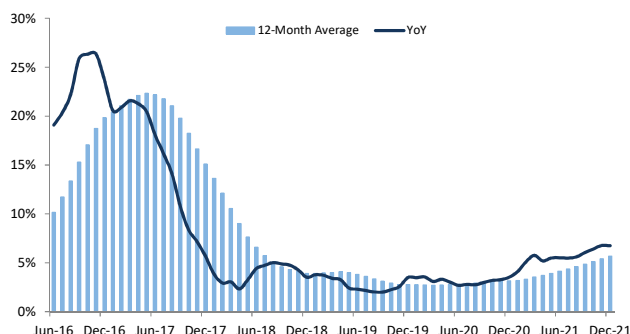
The increase in inflation was also due to higher fuel costs, namely crude prices in international

Apart from higher food

markets, and the effects of the Covid-19 pandemic on the economy. These impacts included the extension in supply-chain constrains, which resulted in elevated transportation costs and delays in the delivery of goods.

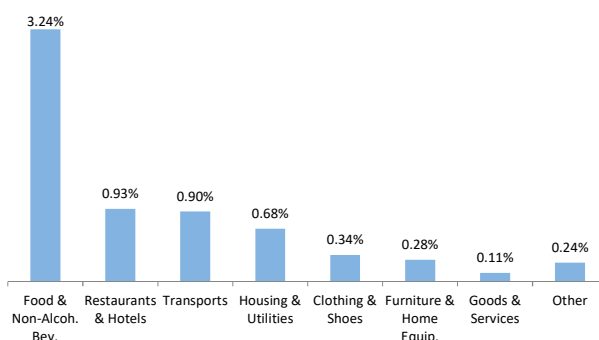
costs, inflation increased because of the impact of the Covid-19 pandemic

CONSUMER PRICE INDEX – YOY AND 12M AVERAGE



Source: INE.

ANNUAL INFLATION – BIGGEST CONTRIBUTORS (2021)



Source: INE.

In terms of monetary policy, the year 2021 saw a shift from the looser monetary policy stance followed by the central bank in previous years. The Banco de Moçambique decided to increase the interbank reference lending rate (MIMO) by 300 basis points (bps) to 13.25% in January. The decision to raise its main monetary policy instrument was based on the substantial revision in the medium-term inflation outlook, which resulted from the continued depreciation of the metical and its possible pass-through effect on domestic prices. The evolution of the local currency was due to the deterioration in the risks and uncertainties, especially those related to the fast spread of the Covid-19 pandemic, the occurrence of natural calamities and the military instability in some parts of the country. The reference deposit rate (FPD) and the lending rate (FPC) were lifted by the same amount to 10.25% and 16.25%, respectively, and the mandatory reserves in local currency were kept at 11.50% and foreign currency at 34.50%.

The central bank decided to increase interest rates at the beginning of 2021 after a significant revision in its inflation outlook

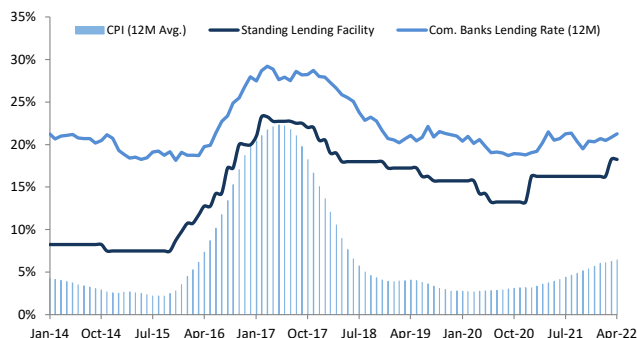
The central bank decided to keep interest rates unchanged at these levels for the remainder of 2021, as it expected inflation to remain in single digits in the short to medium-term, despite the likely increase in domestic transportation costs, food items and crude prices in international markets. However, it decided to lower the mandatory reserves in local currency to 10.50% in September and, more importantly, to significantly cut mandatory reserves in foreign currency to 11.50% with the aim of providing more liquidity to the economy.

Interest rates remained unchanged for the remainder of 2021, but reserve requirements were lowered

Meanwhile, the Banco de Moçambique decided to raise the MIMO rate by 200bps to 15.25% in March 2022 after its inflation outlook was significantly revised upwards. This revision came on the back of some risks related to the escalation of the geopolitical conflict in Europe and the occurrence of natural disasters in the central and northern parts of the country. According to the central bank, this increase in the MIMO rate aimed to control inflation in the short to medium-term to allow the beginning of a transition to single-digit interest rates in the medium to long-term. This transition will take place in the context of a resumption of an IMF program as well as the execution of the natural gas projects in the country.

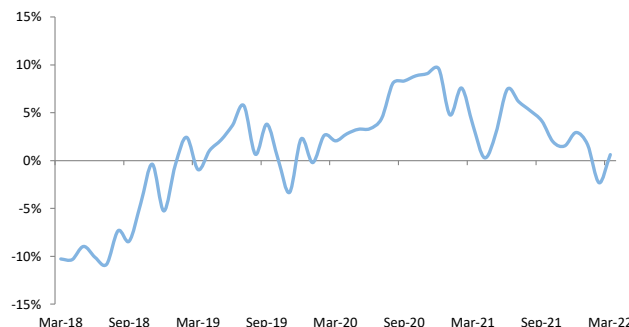
The Banco de Moçambique raised interest rates again in March 2022

INFLATION, CENTRAL AND COMMERCIAL BANKS RATES



Sources: INE and Banco de Moçambique.

CREDIT GROWTH (YOY CHANGE)



Source: Banco de Moçambique.

Specifically, current projections suggest that headline and core inflation will accelerate in the short to medium-term mainly because of the direct and indirect impact of the increase in fuel and food prices. The impact of the natural disasters that have occurred in the country are also likely to be reflected on inflation levels, despite the stabilization of the Metical. The inflation outlook has also deteriorated due to (1) the impact of the Russia-Ukraine armed conflict, (2) the persistent constraints in global supply chains, (3) the effects of recent adverse weather conditions on household prices and (4) the passthrough impact of adjustments in fuel costs to the prices of other goods and services.

The inflation outlook for the short to medium-term has deteriorated

BANKING SECTOR OVERVIEW

The Mozambican banking sector included 15 banks operating in the country at the end of 2021. 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 11 smaller lenders (micro-banks), one credit cooperative and five financing institutions, including two financing societies and three foreign exchange institutions.

The banking sector includes 15 banks

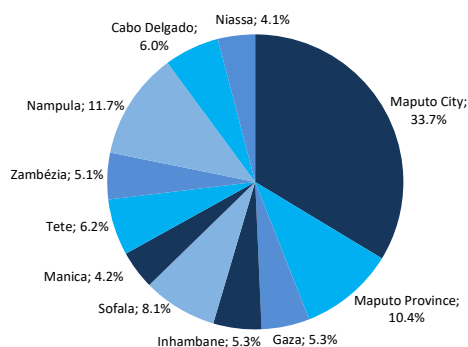
MOZAMBICAN BANKING SYSTEM		
	Start of Operations	Majority Shareholder
Standard Bank Moçambique	1967	Standard Bank (South Africa)
Millennium bim	1995	Millenniumbcp (Portugal)
BCI - Fomento	1996	CGD Group (Portugal)
Société Générale Moçambique (1)	1999	Société Générale (France)
Ecobank Moçambique (2)	2000	Ecobank Group (Togo)
ABSA Bank Moçambique	2005	Absa Group (South Africa)
FNB Moçambique	2007	First Rand Group (South Africa)
Moza Banco (3)	2008	Kuhanha (5) (Mozambique)
United Bank for Africa Moçambique	2010	UBA (Nigeria)
Banco Nacional de Investimento	2011	IGEPE (Mozambique)
Nedbank Moçambique (4)	2011	Nedbank (South Africa)
First Capital Bank	2013	FMB Capital Holdings (Mauritius)
Banco Letshego	2016	Letshego Holdings (Botswana)
BIG - Banco de Investimento Global	2016	Banco BIG (Portugal)
Access Bank Mozambique	2020	Access Bank plc (Nigeria)

(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.

The distribution network of the financial system comprised a total of 747 branches at the end of the period, including 665 branches for the banks, 81 for the micro-banks and one for the credit cooperative. As expected, the branch network of the sector was more concentrated around the city of Maputo (33.7% of the total), Nampula (11.7%), the province of Maputo (10.4%) and Sofala (8.1%). As for the banks themselves, Banco Comercial e de Investimento (BCI) led with a market share of 31.7% in terms of the total branches of the banking sector, followed by Millennium bim (29.8%), Moza Banco (9.0%), Standard Bank Moçambique (8.1%) and Absa Bank Moçambique (7.5%).

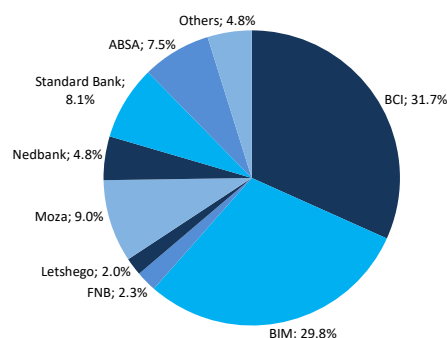
The branch network is more concentrated around Maputo, while BCI is the bank with the largest market share

BRANCH NETWORK BY PROVINCE (2021)



Source: Banco de Moçambique.

BRANCH NETWORK BY BANK (2021)



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 67%, 63% and 57% of the total assets, loans and deposits of the sector at the end of 2021. Absa Bank Moçambique, Moza Banco and Nedbank Moçambique also stand out, but they are clearly smaller than the other three players. Overall, these six banks represent about 85-90% of the sector's total assets, loans and deposits.

The six largest banks represent about 85-90% of the total assets, loans and deposits of the sector

SIX MAJOR BANKS - 2021	Million								Branches	Employees
	Assets		Loans		Deposits		Net Profit			
	MZM	US\$	MZM	US\$	MZM	US\$	MZM	US\$		
BCI - Fomento	187,502	2,938	65,899	1,032	146,531	2,296	5,217	82	210	2,712
Millennium bim	184,138	2,885	41,830	655	138,085	2,163	6,456	101	199	2,496
Standard Bank Moçambique	143,815	2,253	40,633	637	109,046	1,708	4,948	78	40	1,186
Absa Bank Moçambique	64,226	1,006	24,894	390	52,347	820	634	10	50	635
Moza Banco	45,108	707	22,071	346	32,753	513	-1,381	-22	63	917
Nedbank Moçambique	31,131	488	11,000	172	25,406	398	311	5	22	584

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 31% of the country's adult population had a bank account in 2021 (vs. 16.9% in 2012), (2) the number of branches per 100,000 adults increased to 4.4, with 82.6% of the districts of the country having at least one bank branch (vs. 49.2% in 2012) and (3) the number of ATMs and POSs per 100,000 adults recorded a significant increase over the 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 2012-21.

FINANCIAL INCLUSION INDICATORS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Bank accounts (per 10,000 Km2)	27,441	40,050	43,303	55,107	65,831	61,254	63,721	61,113	64,009	66,711
Bank cards (per 10,000 Km2)	34,897	39,853	42,712	37,553	43,228	40,969	41,687	36,600	39,958	41,380
Branches (per 10,000 Km2)	6.4	6.5	7.2	7.7	8.2	8.7	8.7	8.5	8.6	9.4
Urban areas	1,095	1,114	1,208	1,297	1,326	1,360	1,434	1,295	1,273	1,380
Rural areas	1.5	1.6	1.8	1.9	2.4	2.2	2.3	2.8	2.9	3.3
ATMs (per 10,000 km2)	11.0	13.5	16.3	19.7	21.0	21.8	25.6	22.0	21.4	20.5
POS (per 10,000 km2)	89.1	146.8	183.7	256.2	320.3	389.9	402.9	459.1	457.1	462.3
Bank accounts (per 100 adults)	16.9	23.9	25.1	31.1	36.0	32.5	32.7	30.5	31.0	31.3
Bank cards (per 100 adults)	21.5	23.8	24.8	21.2	23.7	21.8	21.4	18.3	19.3	19.4
Branches (per 100,000 adults)	3.9	3.9	4.2	4.3	4.5	4.4	4.5	4.2	4.1	4.4
Urban areas	13.6	10.4	10.8	11.1	10.8	10.6	10.7	9.2	7.4	7.7
Rural areas	1.2	1.4	1.6	1.7	2.0	1.8	1.9	2.2	2.2	2.5
ATMs (per 100,000 adults)	6.8	8.1	9.5	11.1	11.5	11.6	13.1	11.0	10.3	9.6
POS (per 100,000 adults)	54.8	87.8	106.7	144.5	175.3	207.0	207.0	229.2	221.1	216.8
Districts with bank branches (% of total)	49.2%	49.2%	53.9%	68.0%	76.6%	59.7%	68.8%	72.7%	82.5%	82.6%
Loans (% of GDP)	23.8%	31.5%	36.6%	36.4%	34.7%	26.9%	25.8%	24.2%	27.2%	28.0%
Loans (MZM million) per 1,000 adults	7.9	11.3	14.1	16.4	17.9	15.0	14.7	14.4	16.6	16.0
Deposits (% of GDP)	32.0%	40.2%	44.6%	47.6%	44.0%	41.6%	41.6%	44.6%	54.2%	52.8%
Deposits (MZM million) per 1,000 adults	10.7	14.5	17.2	21.4	22.7	23.2	23.7	26.6	33.0	30.2
Bank accounts (% of adult population)	16.9%	23.9%	25.1%	31.1%	36.0%	32.5%	32.7%	30.5%	31.0%	31.3%

Source: Banco de Moçambique.

OVERVIEW OF 2021 RESULTS

In this report, we look at the 2021 financial accounts 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 2021 results of the six largest banks operating in Mozambique

We breakdown 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 2021 accounts separately. In the annex, we provide several tables and graphs comparing the key figures and indicators for these banks.

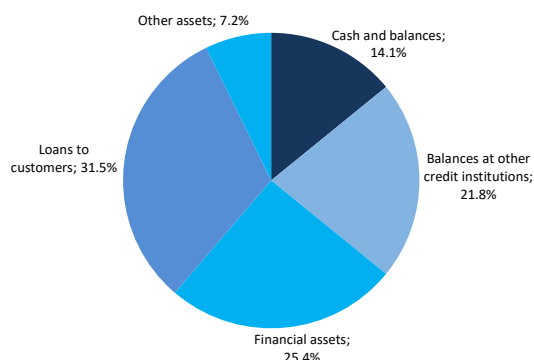
We look at the figures both on a combined and individual basis

BALANCE SHEET

The combined net assets of the six banks reached MZM 655,921 million (US\$ 10,276 million) in 2021, remaining practically unchanged from the previous year. On one hand, this evolution reflects a higher amount of investments in financial assets by the sector (+26.3%) and, on the other, a near 19% decline in cash and deposits at the central bank. These two items accounted for 25.4% and 14.1% of total assets, respectively. We also note that balances at other credit institutions (representing 21.8% of total assets) stood almost flat in the period.

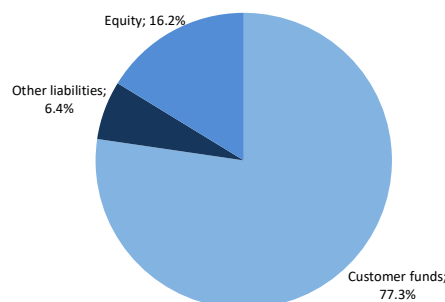
Total net assets for the six largest banks remained almost unchanged in 2021

BREAKDOWN OF TOTAL ASSETS (2021)



Sources: Annual Reports and Eaglestone Securities.

BREAKDOWN OF TOTAL LIABILITIES AND EQUITY (2021)

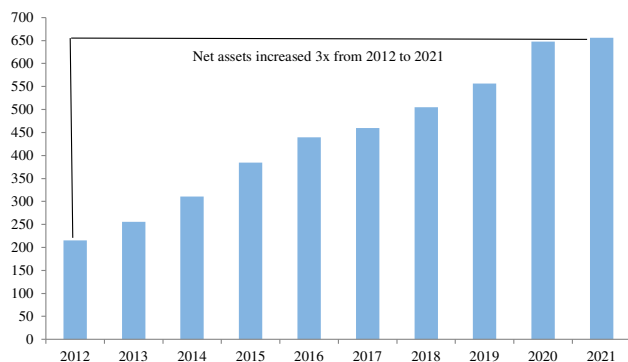


Sources: Annual Reports and Eaglestone Securities.

The same could be said for the combined net loans of these banks. Net loans represented 31.5% of total assets and stood at nearly the same level (MZM 206,328 million, or US\$ 3,232 million) recorded in 2020. This compares with 31.9% of total assets in the previous year and a markedly higher figure (35-40% of total assets) during the period 2017-19. This latest performance is justified by the current economic backdrop and higher interest rate environment in the country, which affected customer demand for bank loans. The sharp appreciation of the metical also impacted foreign currency denominated loans, as these declined 14.7% YoY in the period and represented only 20.5% of total loans (down from 23.7% in 2020).

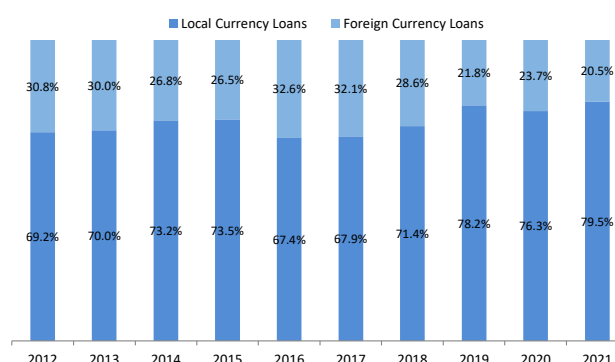
Net loans were impacted by the current economic and interest rate environment

NET ASSETS (2012-21) – BILLION MZM



Sources: Annual Reports and Eaglestone Securities.

LOANS BY TYPE OF CURRENCY (2012-21)

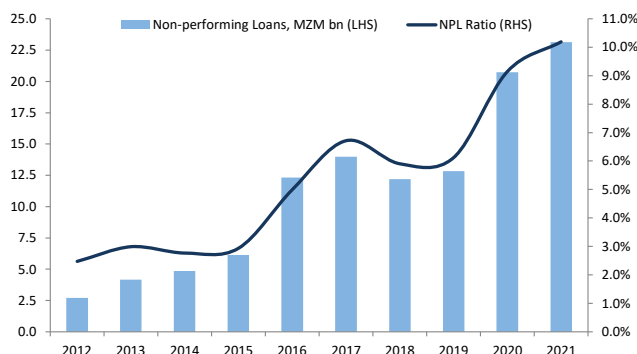


Sources: Annual Reports and Eaglestone Securities.

Other data also suggest that loan loss provisions in the balance sheet have shown a more muted evolution in recent years when compared with the sharp increases observed during the period 2016-18. These provisions represented 9.12% of total gross loans in 2021, which compares with 8.98% in 2020. 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 marked by slower growth.

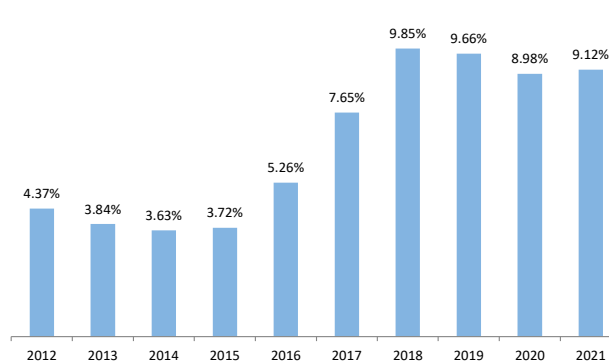
Provisions in the balance sheet continued to stabilize in 2021 after rising significantly during 2016-18

ASSET QUALITY INDICATORS (2012-21)



Sources: Annual Reports and Eaglestone Securities.

BAL. SHEET PROVISIONS (% OF GROSS LOANS) (2012-21)



Sources: Annual Reports and Eaglestone Securities.

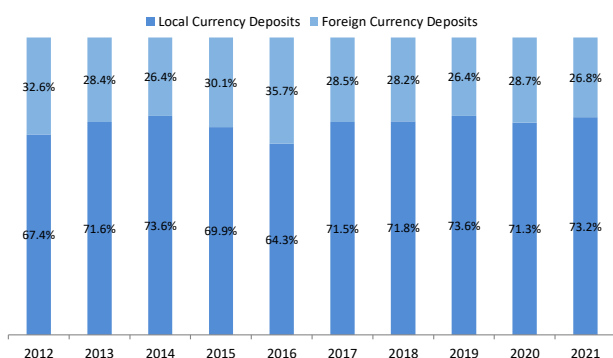
The combined NPL ratio of the six banks continued to deteriorate in 2021, reaching double-digit figures of 10.19% in the period (from 9.14% in the previous year). NPLs rose 11.6% YoY in absolute terms after surging more than 65% in 2020. Recall that this sharp increase in NPLs was largely because BCI started adopting a new calculation methodology recommended by the Banco de Moçambique whereby it incorporates restructured loans with a delay of one day. The NPL coverage ratio (measured by provisions over NPLs) fell to 89.6% from 98.0% in 2020.

The NPL ratio deteriorated to 10.19%, while coverage fell to 89.6%

Meanwhile, the total deposits of these six banks also stood rather unchanged from the previous year at MZM 504,169 million (US\$ 7,899 million) after rising 20.6% YoY in 2020. Deposits clearly remained the main source of funding of the sector, as they represented 93.4% of total liabilities. Deposits in meticaís rose a modest 3.3% YoY and accounted for 73.2% of the total deposit base, while deposits in foreign currency fell 5.9% YoY because of the appreciation of the metical in the period. Sight deposits declined 2.9% and represented 58.6% of total deposits, a figure that is somewhat lower than the near 60% recorded in the period 2011-20.

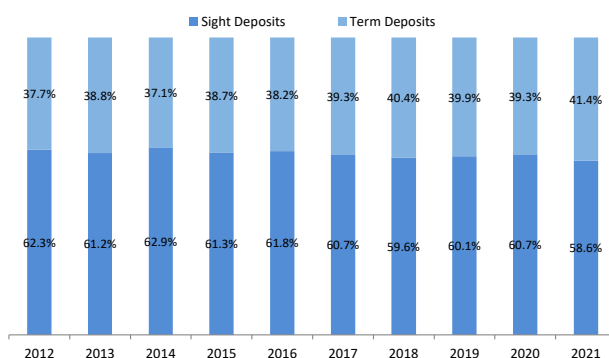
Deposits remained almost unchanged from the prior year, with slightly higher local currency deposits offsetting the impact of lower foreign currency denominated deposits

DEPOSITS BY TYPE OF CURRENCY (2012-21)



Sources: Annual Reports and Eaglestone Securities.

DEPOSITS BY MATURITY (2012-21)

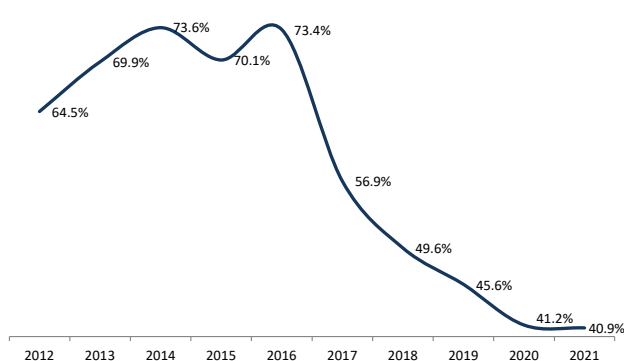


Sources: Annual Reports and Eaglestone Securities.

All in all, this means that the combined loans-to-deposits ratio stood at 40.9%, which compares with 41.2% in 2020. We note that this ratio fell below the 50%-level for the first time only in 2018. Also, according to our estimates, the combined solvency ratio of the six banks stood at 25.6% in 2021 (almost unchanged from the 25.8% in the previous year), standing well above the regulatory requirement of 12% imposed by the Banco de Moçambique for banks operating in the country.

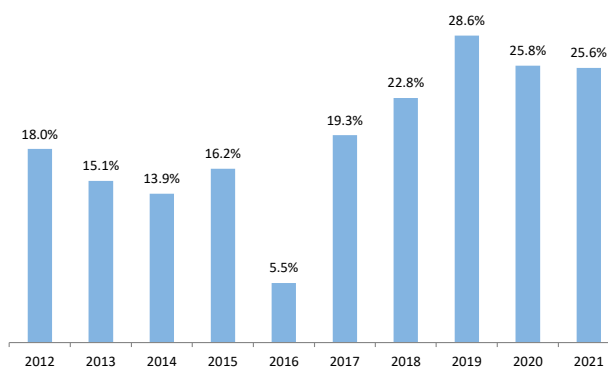
The loans-to-deposits ratio stood at 40.9% while the solvency ratio stood at 25.6%, well above the regulatory requirement

LOANS TO DEPOSITS RATIO (2012-21)



Sources: Annual Reports and Eaglestone Securities.

SOLVENCY RATIO (2012-21)



Sources: Annual Reports and Eaglestone Securities.

SIX MAJOR BANKS	Million MZM					Million US\$					% Change (MZM)				
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021	18/17	19/18	20/19	21/20	
BALANCESHEET															
Net Assets	460,058	504,961	556,730	647,472	655,921	7,795	8,215	9,057	8,644	10,276	9.8%	10.3%	16.3%	1.3%	
Customer Loans (net)	192,176	185,983	189,555	206,408	206,328	3,256	3,026	3,084	2,756	3,232	-3.2%	1.9%	8.9%	0.0%	
Local Currency Loans	131,028	133,285	149,103	158,367	165,330	2,220	2,168	2,426	2,114	2,590	1.7%	11.9%	6.2%	4.4%	
Foreign Currency Loans	61,147	52,698	40,452	48,041	40,998	1,036	857	658	641	642	-13.8%	-23.2%	18.8%	-14.7%	
Loan Loss Provisions	15,927	20,315	20,274	20,364	20,717	270	330	330	272	325	27.6%	-0.2%	0.4%	1.7%	
Non-Performing Loans	13,979	12,185	12,838	20,735	23,132	237	198	209	277	362	-12.8%	5.4%	61.5%	11.6%	
Customer Deposits	337,647	374,629	415,250	500,730	504,169	5,721	6,095	6,755	6,685	7,899	11.0%	10.8%	20.6%	0.7%	
Local Currency Deposits	241,532	268,978	305,564	357,202	369,062	4,092	4,376	4,971	4,769	5,782	11.4%	13.6%	16.9%	3.3%	
Foreign Currency Deposits	96,115	105,652	109,686	143,528	135,107	1,629	1,719	1,784	1,916	2,117	9.9%	3.8%	30.9%	-5.9%	
Sight Deposits	204,859	223,162	249,485	304,015	295,342	3,471	3,630	4,059	4,059	4,627	8.9%	11.8%	21.9%	-2.9%	
Term Deposits	132,788	151,468	165,764	196,714	208,827	2,250	2,464	2,697	2,626	3,272	14.1%	9.4%	18.7%	6.2%	
Equity	77,384	90,738	100,457	105,354	116,142	1,311	1,476	1,634	1,407	1,820	17.3%	10.7%	4.9%	10.2%	
MAIN RATIOS															
Loans/Deposits	56.9%	49.6%	45.6%	41.2%	40.9%	56.9%	49.6%	45.6%	41.2%	40.9%	-7.3%	-4.0%	-4.4%	-0.3%	
Loans/Assets	41.8%	36.8%	34.0%	31.9%	31.5%	41.8%	36.8%	34.0%	31.9%	31.5%	-4.9%	-2.8%	-2.2%	-0.4%	
Deposits/Liabilities	88.2%	90.4%	91.0%	92.4%	93.4%	88.2%	90.4%	91.0%	92.4%	93.4%	2.2%	0.6%	1.4%	1.0%	
Loans in Local Currency (% of Total)	67.9%	71.4%	78.2%	76.3%	79.5%	67.9%	71.4%	78.2%	76.3%	79.5%	3.5%	6.8%	-1.9%	3.2%	
Deposits in Local Currency (% of Total)	71.5%	71.8%	73.6%	71.3%	73.2%	71.5%	71.8%	73.6%	71.3%	73.2%	0.3%	1.8%	-2.2%	1.9%	
Sight Deposits (% of Total)	60.7%	59.6%	60.1%	60.7%	58.6%	60.7%	59.6%	60.1%	60.7%	58.6%	-1.1%	0.5%	0.6%	-2.1%	
Loans per Branch ('000 MZM/US\$)	355,223	332,113	325,696	348,075	353,301	6,019	5,403	5,298	4,647	5,535	-6.5%	-1.9%	6.9%	1.5%	
Deposits per Branch ('000 MZM/US\$)	624,117	668,981	713,488	844,401	863,304	10,575	10,883	11,607	11,274	13,525	7.2%	6.7%	18.3%	2.2%	
NPL Ratio	6.72%	5.91%	6.12%	9.14%	10.19%	6.72%	5.91%	6.12%	9.14%	10.19%	-0.81%	0.21%	3.03%	1.05%	
NPL Coverage	113.9%	166.7%	157.9%	98.2%	89.6%	113.9%	166.7%	157.9%	98.2%	89.6%	52.8%	-8.8%	-59.7%	-8.7%	
BS Provisions/Loans (gross)	7.65%	9.85%	9.66%	8.98%	9.12%	7.65%	9.85%	9.66%	8.98%	9.12%	2.19%	-0.19%	-0.68%	0.14%	
Solvency Ratio	19.3%	22.8%	28.6%	25.8%	25.6%	19.3%	22.8%	28.6%	25.8%	25.6%	3.5%	5.8%	-2.8%	-0.2%	

Sources: Annual Reports and Eaglestone Securities.

PROFIT AND LOSS ACCOUNT

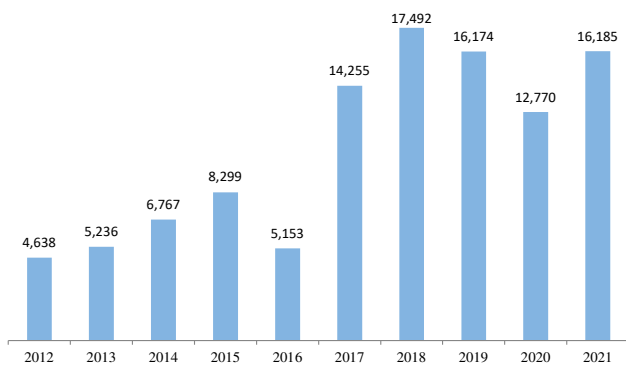
The combined profit and loss account of the six banks showed that total net profit recovered 26.7% YoY to MZM 16,185 million (US\$ 254 million) in 2021 after declining in the previous two years. This evolution was largely due to an improved revenue performance in the period, which more than offset the impact from higher loan impairments and provisions for other assets. Overall, this bottom-line figure represents a return-on-equity (ROE) of 13.9% and a return-on-assets (ROA) of 2.47%.

Total revenues for these banks stood at MZM 63,218 million (US\$ 990 million), representing an increase of 17.0% YoY. Both net interest income and commissions recovered after being under pressure in the previous year, while other banking income recorded a significantly better performance than in the recent past. Specifically, net interest income rose 19.2% YoY thanks to the favorable impact on margins from a higher interest rate environment in the period together with an improved profitability in financial assets held by the banking sector. Recall that the central bank increased its benchmark MIMO interest rate by 300bps to 13.25% at the start of the year to try to contain inflationary pressures.

The combined net profit of the six banks recovered 26.7% YoY in 2021

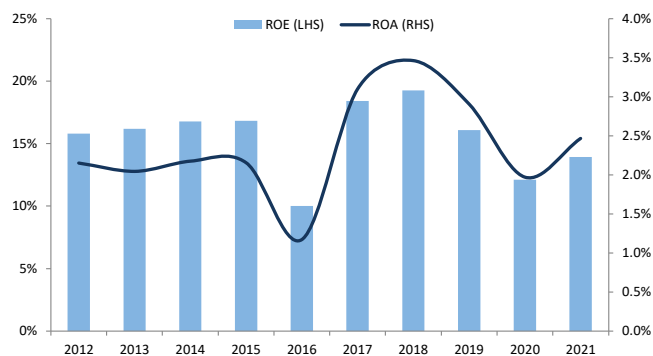
Revenues benefited from higher interest rates and an improved economic environment

NET PROFIT (2012-21) – MILLION MZM



Sources: Annual Reports and Eaglestone Securities.

RETURN ON EQUITY AND RETURN ON ASSETS (2012-21)

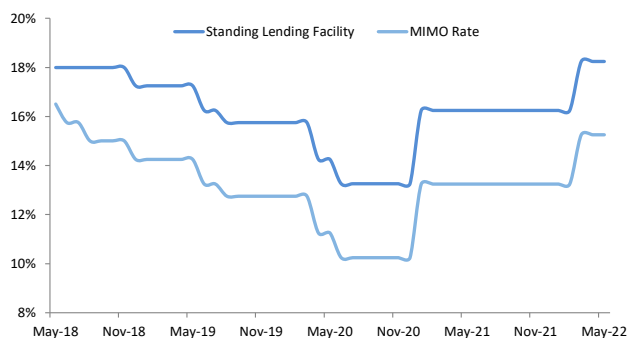


Sources: Annual Reports and Eaglestone Securities.

The higher interest rate environment was 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 7.05% in 2021, up from 6.40% in the previous year. The contribution of net interest income to total banking revenues improved to 72.7% (vs. 71.4% in 2020).

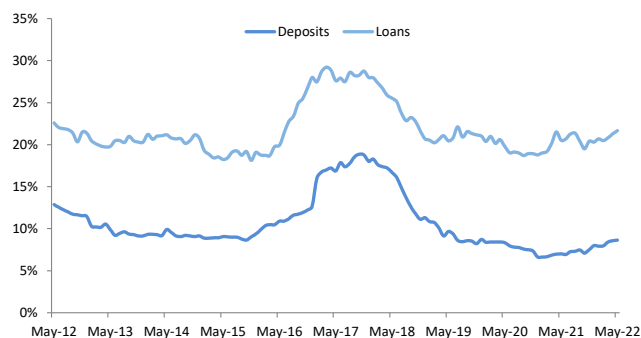
Net interest income accounted for 72.7% of total banking income

STANDING LENDING FACILITY AND MIMO RATES



Source: Banco de Moçambique.

AVERAGE INTEREST RATES (ONE YEAR)



Source: Banco de Moçambique.

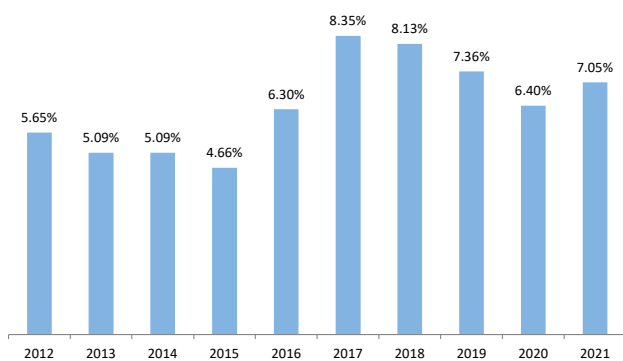
Commissions increased 15.1% YoY partly due to an improved economic environment in 2021, but also because of the end of the extraordinary measures adopted by the central bank in the previous year aimed at mitigating the effects of the pandemic. Recall that these measures included a temporary exemption and/or reduction of certain transaction fees on ATMs and POSs, as well as transactions made in digital channels. These measures were announced at the end of March 2020 and lasted until September 30.

Fees recovered in the period thanks to an improved economic environment and the end of the extraordinary measures implemented by the central bank in 2020

Some banks mentioned that they continued to record higher commissions related to the greater utilization of digital channels by the local population as an alternative to the normal in-person channels, while others also benefited from an increase in their client base. The improved performance in other banking income (+8.7% YoY) largely reflects an increase in activity and gains registered in operations in the foreign exchange market.

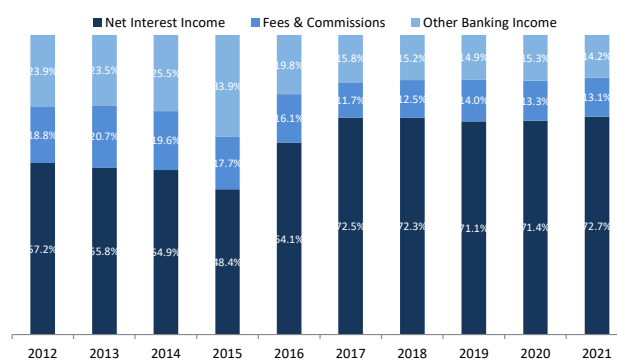
Some banks also saw higher fees related to the increased utilization of digital channels

NET INTEREST MARGIN (NII/ATA) (2012-21)



Sources: Annual Reports and Eaglestone Securities.

REVENUE BREAKDOWN (2012-21)



Sources: Annual Reports and Eaglestone Securities.

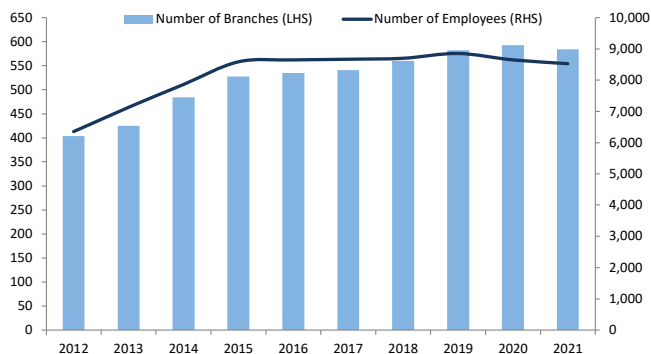
Meanwhile, total costs reached MZM 31,804 million (US\$ 498 million) in 2021, up 5.5% YoY. This compares with an average inflation of 5.69% recorded in the country last year. We note that the total number of branches and employees for the six banks declined from the previous year, standing at 584 branches (-9) and 8,530 employees (-120) at the end of 2021.

Total costs rose 5.5% YoY, relatively in line with the average inflation rate recorded in the year

The cost performance of the sector continued to reflect, in part, the effects of the extraordinary expenditures that have been undertaken since 2020 to mitigate the effects of the pandemic. On the other hand, we should note that the sharp appreciation of the metical in the period allowed for an important reduction in the costs linked to foreign currency. This is most relevant in terms of staff costs (+3.6% YoY), which continued to represent about half of the total costs of the six banks.

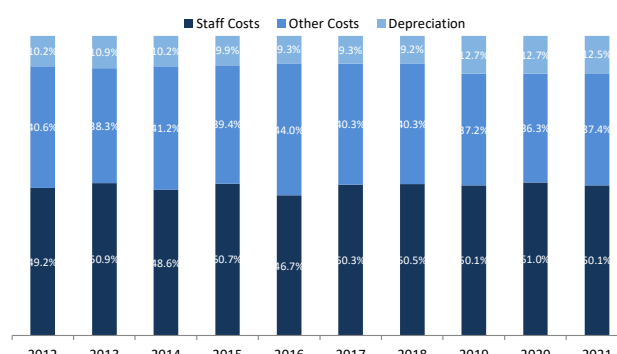
Costs continued to be impacted by the measures implemented to combat the pandemic, but benefited from the appreciation of the metical

NUMBER OF BRANCHES AND EMPLOYEES (2012-21)



Sources: Annual Reports and Eaglestone Securities.

COST BREAKDOWN (2012-21)

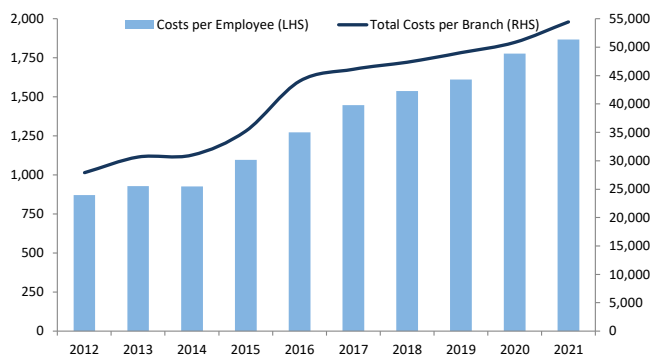


Sources: Annual Reports and Eaglestone Securities.

In terms of efficiency ratios, the improved revenue performance and the moderate cost increase in the period meant that the cost-to-income ratio declined from 55.8% in 2020 to 50.3% last year. Moreover, total costs per employee and total costs per branch increased 5.0% and 7.2%, respectively.

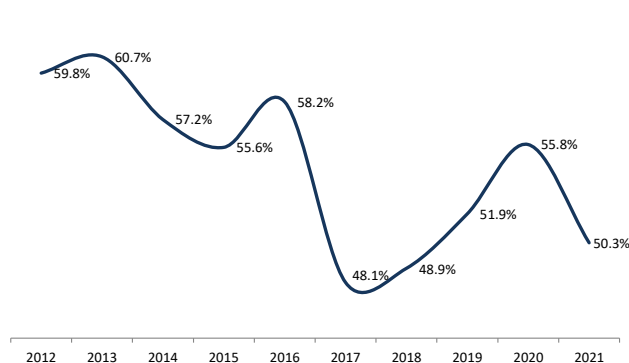
The cost-to-income ratio improved to 50.3% (from 55.8% in the previous year)

COSTS PER EMPLOYEE AND PER BRANCH (2012-21)



Sources: Annual Reports and Eaglestone Securities.

COST-TO-INCOME RATIO (2012-21)



Sources: Annual Reports and Eaglestone Securities.

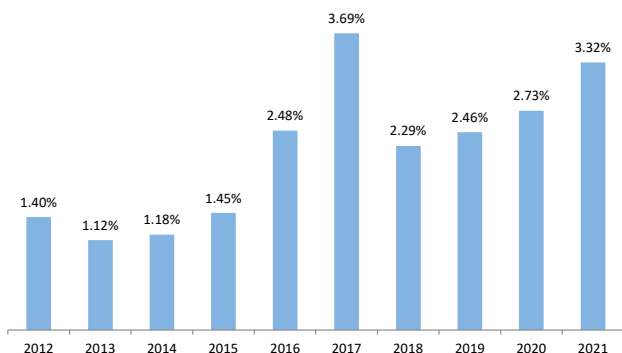
Below the operating income line, net loan loss provisions increased 21.9% YoY after already rising more than 20% in the previous year, while other provisions surged once again in the period. This strong increase in impairment levels continues to reflect a precautionary approach taken by several banks to consider potential risks resulting from the Covid-19 pandemic, including the impact on the country’s real estate market, and the more challenging economic environment witnessed in recent years. Overall, the total cost-of-risk (measured by the ratio of impairments over loans) rose to 332bps (from 273bps in 2020).

Loan impairments rose by 21.9% YoY, with cost of risk standing at 332bps

Finally, the total effective tax rate for the six banks stood at 26.8% in the period, a level that has remained relatively stable in recent years, as demonstrated in the graph below.

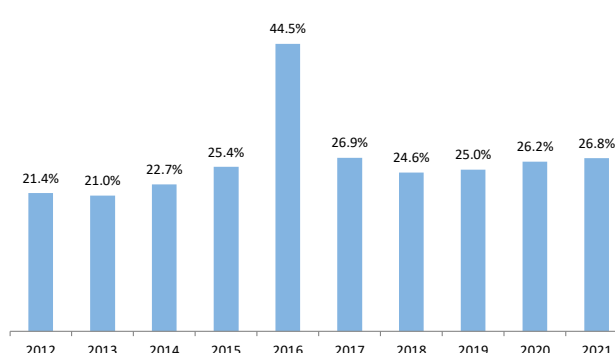
The effective tax rate has remained relatively stable in recent years

NET LOAN LOSS PROVISIONS (% OF LOANS) (2012-21)



Sources: Annual Reports and Eaglestone Securities.

TAX RATE (2012-21)



Sources: Annual Reports and Eaglestone Securities.

SIX MAJOR BANKS	Million MZM					Million US\$					% Change (MZM)			
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021	18/17	19/18	20/19	21/20
P&L ACCOUNT														
Net Interest Income	37,573	39,236	39,052	38,548	45,935	637	638	635	515	720	4.4%	-0.5%	-1.3%	19.2%
Fees & Commissions	6,080	6,802	7,713	7,203	8,289	103	111	125	96	130	11.9%	13.4%	-6.6%	15.1%
Other Banking Income	8,199	8,225	8,184	8,274	8,994	139	134	133	110	141	0.3%	-0.5%	1.1%	8.7%
Banking Income	51,852	54,264	54,949	54,025	63,218	879	883	894	721	990	4.7%	1.3%	-1.7%	17.0%
Staff Costs	12,545	13,387	14,285	15,378	15,931	213	218	232	205	250	6.7%	6.7%	7.7%	3.6%
Other Costs	10,062	10,694	10,622	10,940	11,893	170	174	173	146	186	6.3%	-0.7%	3.0%	8.7%
Depreciation	2,332	2,443	3,621	3,817	3,980	40	40	59	51	62	4.8%	48.2%	5.4%	4.3%
Total Costs	24,938	26,523	28,528	30,135	31,804	423	431	464	402	498	6.4%	7.6%	5.6%	5.5%
Operating Income	26,914	27,741	26,422	23,890	31,414	456	451	430	319	492	3.1%	-4.8%	-9.6%	31.5%
Net Loan Loss Provisions (LLP)	7,087	4,253	4,658	5,625	6,857	120	69	76	75	107	-40.0%	9.5%	20.8%	21.9%
Other	-338	-301	-195	-953	-2,444	-6	-5	-3	-13	-38	-10.8%	-35.2%	388.2%	156.4%
Pre-Tax Profits	19,489	23,186	21,569	17,311	22,113	330	377	351	231	346	19.0%	-7.0%	-19.7%	27.7%
Taxes	5,234	5,694	5,395	4,541	5,929	89	93	88	61	93	8.8%	-5.3%	-15.8%	30.6%
Net Profit	14,255	17,492	16,174	12,770	16,185	242	285	263	170	254	22.7%	-7.5%	-21.0%	26.7%
MAIN RATIOS														
Net Interest Margin (NII/ATA)	8.35%	8.13%	7.36%	6.40%	7.05%	8.35%	8.13%	7.36%	6.40%	7.05%	-0.22%	-0.78%	-0.95%	0.65%
Net Interest Income (% of Revenues)	72.5%	72.3%	71.1%	71.4%	72.7%	72.5%	72.3%	71.1%	71.4%	72.7%	-0.2%	-1.2%	0.3%	1.3%
Fees (% of Banking Income)	11.7%	12.5%	14.0%	13.3%	13.1%	11.7%	12.5%	14.0%	13.3%	13.1%	0.8%	1.5%	-0.7%	-0.2%
Staff Costs (% of Total Costs)	50.3%	50.5%	50.1%	51.0%	50.1%	50.3%	50.5%	50.1%	51.0%	50.1%	0.2%	-0.4%	1.0%	-0.9%
Costs per Employee ('000 MZM/US\$)	1,447.3	1,537.8	1,612.6	1,777.9	1,867.6	24.5	25.0	26.2	23.7	29.3	6.3%	4.9%	10.2%	5.0%
Total Costs per Branch ('000 MZM/US\$)	46,097	47,363	49,016	50,818	54,458	781	771	797	678	853	2.7%	3.5%	3.7%	7.2%
Cost-to-Income (incl. Depreciation)	48.1%	48.9%	51.9%	55.8%	50.3%	48.1%	48.9%	51.9%	55.8%	50.3%	0.8%	3.0%	3.9%	-5.5%
Net LLP (% of Net Loans)	3.69%	2.29%	2.46%	2.73%	3.32%	3.69%	2.29%	2.46%	2.73%	3.32%	-1.40%	0.17%	0.27%	0.60%
Tax Rate	26.9%	24.6%	25.0%	26.2%	26.8%	26.9%	24.6%	25.0%	26.2%	26.8%	-2.3%	0.5%	1.2%	0.6%
ROE	18.4%	19.3%	16.1%	12.1%	13.9%	18.4%	19.3%	16.1%	12.1%	13.9%	0.9%	-3.2%	-4.0%	1.8%
ROA	3.10%	3.46%	2.91%	1.97%	2.47%	3.10%	3.46%	2.91%	1.97%	2.47%	0.37%	-0.56%	-0.93%	0.50%

Sources: Annual Reports and Eaglestone Securities.

BANCO COMERCIAL E DE INVESTIMENTOS (BCI)

BCI disclosed a net profit of MZM 5,217 million (US\$ 81.7 million) in 2021, nearly doubling the bottom-line result from the previous year. This evolution was due to a healthy improvement in the operating performance (+43.8%) and lower loan loss provisions (-20.9%). Overall, this meant that BCI reported a ROE of 22.2% and ROA of 2.78%, which compares with 13.3% and 1.40%, respectively, in the previous year.

The operating income performance reflected a favorable contribution from revenues (+23.7%) and a greater efficiency in terms of controlling costs, as these rose only 4.7% in the period. The healthy evolution in revenues was thanks to a sharp increase in net interest income, which benefited from a significant increase in interest rates in the market together with the amount of assets in local currency. It was also due to higher fees and commissions and other banking income, evidencing the first signs of an economic recovery in the country after the recession in the previous year. The modest increase in costs (lower than the inflation rate) benefited from the cost controlling measures implemented by the bank and the favorable impact of the strong appreciation of the metical on those costs denominated in foreign currency. This allowed for an improvement in the cost-to-income ratio to 43.4% (from 51.3% in 2020). BCI lowered its loan impairments after the sharp increases in the previous two years. However, the bank kept a prudent stance in terms of provisions for other assets considering some exposures that are still risky and to reflect the negative impact of the pandemic on the local real estate market.

Regarding the balance sheet, net loans declined by -1.8% YoY, reflecting the current economic situation in the country as well as the higher interest rate environment. This evolution occurred in foreign currency denominated loans after the sharp appreciation of the metical. Deposits also fell (-3.5% YoY), which means that the loans-to-deposits ratio stood almost unchanged at 45%. The NPL ratio continued to deteriorate and reached 14.21% while NPL coverage improved slightly to 87.8%. This reflects the deceleration in economic activity since 2020. Finally, BCI reported a solvency ratio of 23.1%, slightly lower than the 24.5% recorded in 2020.

BCI's net profit nearly doubled in 2021 thanks to a healthy operating performance and lower loan impairments

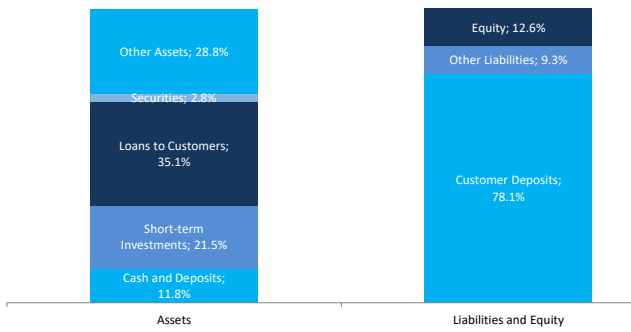
Revenues saw a strong improvement thanks to the sharp increase in net interest income while costs advanced at a pace below the inflation rate

The current economic situation in the country had an impact on loans, deposits as well as on the bank's asset quality ratios

B. COM. E DE INVESTIM. (BCI)	MZM Million					US\$ Million					% Change (MZM)				
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021	18/17	19/18	20/19	21/20	
BALANCESHEET															
Net Assets	154,556	153,808	163,391	191,300	187,502	2,619	2,502	2,658	2,554	2,938	-0.5%	6.2%	17.1%	-2.0%	
Customer Loans (net)	72,411	65,375	66,190	67,091	65,899	1,227	1,064	1,077	896	1,032	-9.7%	1.2%	1.4%	-1.8%	
Local Currency Loans	41,638	39,550	47,537	49,488	50,843	705	643	773	661	797	-5.0%	20.2%	4.1%	2.7%	
Loan Loss Provisions	3,173	6,433	5,966	8,387	9,392	54	105	97	112	147	102.8%	-7.3%	40.6%	12.0%	
Non-Performing Loans	6,349	4,064	3,269	9,805	10,699	108	66	53	131	168	-36.0%	-19.6%	200.0%	9.1%	
Customer Deposits	113,002	115,737	125,345	151,823	146,531	1,915	1,883	2,039	2,027	2,296	2.4%	8.3%	21.1%	-3.5%	
Local Currency Deposits	86,052	89,047	95,787	111,611	111,514	1,458	1,449	1,558	1,490	1,747	3.5%	7.6%	16.5%	-0.1%	
Equity	15,419	16,621	18,914	20,170	23,549	261	270	308	269	369	7.8%	13.8%	6.6%	16.8%	
P&L ACCOUNT															
Net Interest Income	8,006	9,832	10,266	10,877	13,438	135.7	159.9	167.0	145.2	210.5	22.8%	4.4%	5.9%	23.5%	
Fees & Commissions	1,607	1,849	2,094	1,848	2,450	27.2	30.1	34.1	24.7	38.4	15.1%	13.3%	-11.7%	32.6%	
Other Banking Income	3,350	2,444	2,306	2,560	3,024	56.8	39.8	37.5	34.2	47.4	-27.0%	-5.7%	11.0%	18.1%	
Banking Income	12,963	14,125	14,666	15,285	18,911	219.6	229.8	238.6	204.1	296.3	9.0%	3.8%	4.2%	23.7%	
Staff Costs	3,590	3,782	4,096	4,328	4,348	60.8	61.5	66.6	57.8	68.1	5.4%	8.3%	5.7%	0.5%	
Other Costs	2,435	2,484	2,564	2,701	2,905	41.3	40.4	41.7	36.1	45.5	2.0%	3.2%	5.3%	7.6%	
Depreciation	742	682	826	809	949	12.6	11.1	13.4	10.8	14.9	-8.2%	21.2%	-2.1%	17.3%	
Total Costs	6,767	6,949	7,486	7,837	8,202	114.7	113.0	121.8	104.6	128.5	2.7%	7.7%	4.7%	4.7%	
Operating Income	6,196	7,176	7,180	7,448	10,709	105.0	116.7	116.8	99.4	167.8	15.8%	0.1%	3.7%	43.8%	
Net Loan Loss Provisions (LLP)	2,685	1,218	2,353	2,824	2,233	45.5	19.8	38.3	37.7	35.0	-54.7%	93.2%	20.0%	-20.9%	
Other	-309	-303	-183	-777	-1,679	-5.2	-4.9	-3.0	-10.4	-26.3	-1.7%	-39.7%	324.9%	116.1%	
Pre-Tax Profits	3,202	5,655	4,644	3,847	6,797	54.3	92.0	75.5	51.4	106.5	76.6%	-17.9%	-17.2%	76.7%	
Taxes	868	1,608	1,212	1,163	1,580	14.7	26.2	19.7	15.5	24.8	85.2%	-24.7%	-4.0%	35.9%	
Net Profit	2,334	4,047	3,432	2,684	5,217	39.5	65.8	55.8	35.8	81.7	73.4%	-15.2%	-21.8%	94.4%	
RATIOS															
Net Interest Margin (NII/ATA)	5.37%	6.38%	6.47%	6.13%	7.09%	5.37%	6.38%	6.47%	6.13%	7.09%	1.01%	0.10%	-0.34%	0.96%	
Net Interest Income (% of Revenue)	61.8%	69.6%	70.0%	71.2%	71.1%	61.8%	69.6%	70.0%	71.2%	71.1%	7.8%	0.4%	1.2%	-0.1%	
Fees (% of Banking Income)	12.4%	13.1%	14.3%	12.1%	13.0%	12.4%	13.1%	14.3%	12.1%	13.0%	0.7%	1.2%	-2.2%	0.9%	
Staff Costs (% of Total Costs)	53.1%	54.4%	54.7%	55.2%	53.0%	53.1%	54.4%	54.7%	55.2%	53.0%	1.4%	0.3%	0.5%	-2.2%	
Costs per Employee (000)	1,227	1,309	1,442	1,562	1,603	20.8	21.3	23.5	20.9	25.1	6.6%	10.1%	8.4%	2.6%	
Cost-to-Income (incl. Depreciation)	52.2%	49.2%	51.0%	51.3%	43.4%	52.2%	49.2%	51.0%	51.3%	43.4%	-3.0%	1.8%	0.2%	-7.9%	
Net LLP (% of Net Loans)	3.71%	1.86%	3.56%	4.21%	3.39%	3.71%	1.86%	3.56%	4.21%	3.39%	-1.85%	1.69%	0.65%	-0.82%	
Tax Rate	27.1%	28.4%	26.1%	30.2%	23.3%	27.1%	28.4%	26.1%	30.2%	23.3%	1.3%	-2.3%	4.1%	-7.0%	
ROE	15.1%	24.3%	18.1%	13.3%	22.2%	15.1%	24.3%	18.1%	13.3%	22.2%	9.2%	-6.2%	-4.8%	8.8%	
ROA	1.51%	2.63%	2.10%	1.40%	2.78%	1.51%	2.63%	2.10%	1.40%	2.78%	1.12%	-0.53%	-0.70%	1.38%	
Loans/Deposits	64.1%	56.5%	52.8%	44.2%	45.0%	64.1%	56.5%	52.8%	44.2%	45.0%	-7.6%	-3.7%	-8.6%	0.8%	
Loans/Assets	46.9%	42.5%	40.5%	35.1%	35.1%	46.9%	42.5%	40.5%	35.1%	35.1%	-4.3%	-2.0%	-5.4%	0.1%	
Deposits/Liabilities	81.2%	84.4%	86.8%	88.7%	89.4%	81.2%	84.4%	86.8%	88.7%	89.4%	3.1%	2.4%	2.0%	0.7%	
Loans in Local Currency (% Total)	57.5%	60.5%	71.8%	73.8%	77.2%	57.5%	60.5%	71.8%	73.8%	77.2%	3.0%	11.3%	1.9%	3.4%	
Deposits in Local Currency (% Total)	76.2%	76.9%	76.4%	73.5%	76.1%	76.2%	76.9%	76.4%	73.5%	76.1%	0.8%	-0.5%	-2.9%	2.6%	
Loans per Branch (000)	371,338	326,874	318,220	317,968	313,806	6,292	5,318	5,177	4,245	4,916	-12.0%	-2.6%	-0.1%	-1.3%	
Deposits per Branch (000)	579,496	578,686	602,622	719,540	697,768	9,819	9,414	9,804	9,607	10,932	-1.0%	4.1%	19.4%	-3.0%	
Solvency Ratio	17.1%	17.0%	25.0%	24.5%	23.1%	17.1%	17.0%	25.0%	24.5%	23.1%	-0.1%	8.0%	-0.4%	-1.4%	
NPL Ratio	8.40%	5.66%	4.53%	12.99%	14.21%	8.40%	5.66%	4.53%	12.99%	14.21%	-2.74%	-1.13%	8.46%	1.22%	
NPL Coverage	50.0%	158.3%	182.5%	85.5%	87.8%	50.0%	158.3%	182.5%	85.5%	87.8%	108.3%	24.2%	-97.0%	2.2%	
BS Provisions/Loans (gross)	4.20%	8.96%	8.27%	11.11%	12.47%	4.20%	8.96%	8.27%	11.11%	12.47%	4.76%	-0.69%	2.84%	1.36%	

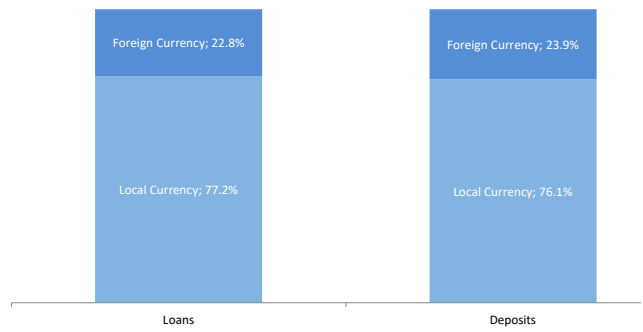
Source: Annual Reports and Eaglestone Securities.

BALANCE SHEET STRUCTURE - 2021



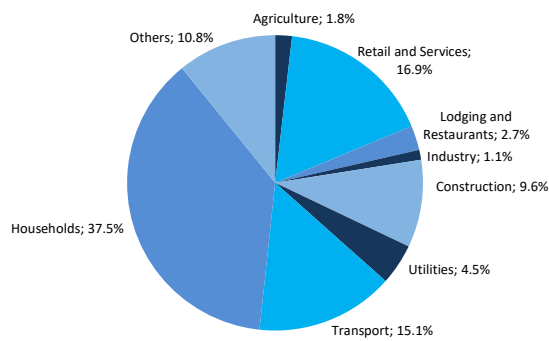
Sources: Annual Reports and Eaglestone Securities.

LOANS AND DEPOSITS BY CURRENCY - 2021



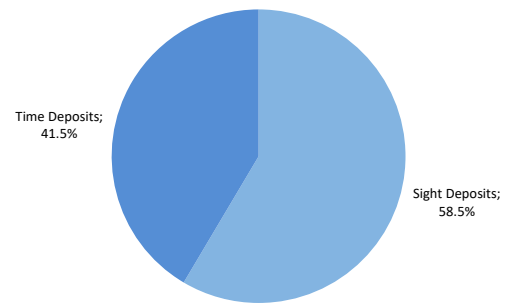
Sources: Annual Reports and Eaglestone Securities.

LOAN BREAKDOWN - 2021



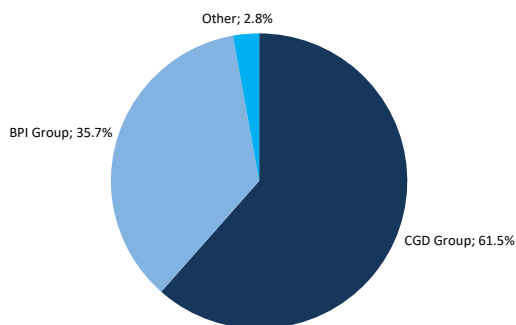
Sources: Annual Reports and Eaglestone Securities.

DEPOSIT BREAKDOWN - 2021



Sources: Annual Reports and Eaglestone Securities.

SHAREHOLDER STRUCTURE - 2021



Sources: Annual Reports and Eaglestone Securities.

MILLENNIUM BIM (BIM)

Millennium bim (BIM) reported a net profit of MZM6,456 million (US\$101.1 million) in 2021, an increase of 37.7% YoY. This reflects a recovery of 15.8% in operating income and, more importantly, a sharp drop in loan impairments (-86.4%). This reduction in provisions follows the significant increase that occurred in 2020 because of the deteriorating economic backdrop in the country and the uncertainties about the impact from the pandemic. Overall, ROE stood at 15.8% and ROA at 3.51%, which compares with 12.5% and 2.53%, respectively, in 2020.

BIM saw a double-digit recovery in revenues thanks to the improvement in net interest income, but also fees and other banking income. Net interest income benefited from the higher interest rate environment in the country and greater profitability in the bank's financial assets portfolio, which is mostly composed of public debt instruments. Fees improved partly because of a wider customer base as well as services provided while the higher other banking income reflected the larger volume of FX transactions. In terms of costs, the key points to mention are the impact that Covid-19 continued to have on BIM's cost structure, as social benefits from the pandemic rose by 22% YoY, and the continued increase in depreciation that is related to the investments in the IT platform in recent years to improve digitalization levels. All in all, this means that the cost-to-income ratio improved to 43.5% (from 46.2% in 2020).

As for the balance sheet, net loans declined -6.0% after another sharp fall in foreign currency denominated loans as well as loans in meticaais. On the other hand, deposits remained almost flat in the period, which means that the loans-to-deposits ratio stood at 30.3% (vs. 32.0% in 2020). Most of the loans (92%) and deposits (82%) were denominated in local currency while 47.4% were sight deposits. Meanwhile, the NPL ratio rose to 7.96%, with coverage standing at 105% (vs. 6.21% and 119%, respectively, in 2020). Finally, the bank's solvency ratio stood at comfortable 44.8%.

BIM's net profit improved 37.7% YoY thanks to a recovery in the bank's operating performance and lower loan impairments

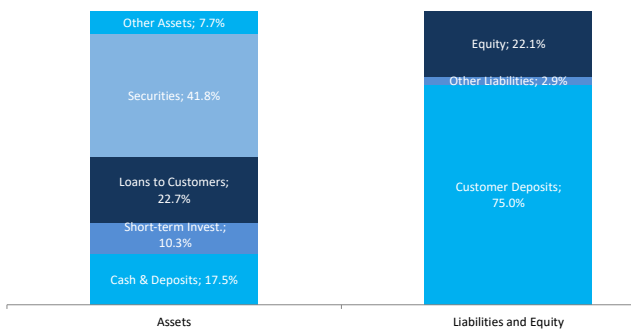
Revenues posted a double-digit recovery in the period while costs continued to advance at a relatively moderate pace

Net loans declined while deposits remained almost unchanged from the previous year, leading the transformation ratio to stand at around 30%

MILLENNIUM BIM (BIM)	MZM Million					US\$ Million					% Change (MZM)				
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021	18/17	19/18	20/19	21/20	
BALANCESHEET															
Net Assets	137,331	150,808	163,389	185,351	184,138	2,327	2,453	2,658	2,475	2,885	9.8%	8.3%	13.4%	-0.7%	
Customer Loans (net)	61,413	50,165	44,293	44,506	41,830	1,041	816	721	594	655	-18.3%	-11.7%	0.5%	-6.0%	
Local Currency Loans	47,000	41,375	38,563	40,042	38,405	796	673	627	535	602	-12.0%	-6.8%	3.8%	-4.1%	
Loan Loss Provisions	6,571	6,384	5,965	3,547	3,808	111	104	97	47	60	-2.8%	-6.6%	-40.5%	7.3%	
Non-Performing Loans	3,432	3,013	3,316	2,982	3,634	58	49	54	40	57	-12.2%	10.1%	-10.1%	21.9%	
Customer Deposits	99,622	110,727	118,056	138,990	138,085	1,688	1,801	1,921	1,856	2,163	11.1%	6.6%	17.7%	-0.7%	
Local Currency Deposits	75,325	85,687	93,459	111,274	112,628	1,276	1,394	1,520	1,486	1,765	13.8%	9.1%	19.1%	1.2%	
Sight Deposits	51,171	55,964	57,741	68,546	65,430	867	910	939	915	1,025	9.4%	3.2%	18.7%	-4.5%	
Equity	28,661	33,566	37,304	37,579	40,744	486	546	607	502	638	17.1%	11.1%	0.7%	8.4%	
P&L ACCOUNT															
Net Interest Income	12,417	13,148	12,757	11,391	12,429	210.4	213.9	207.5	152.1	194.7	5.9%	-3.0%	-10.7%	9.1%	
Fees & Commissions	2,180	2,144	2,244	2,192	2,440	36.9	34.9	36.5	29.3	38.2	-1.7%	-4.6%	-2.3%	11.3%	
Other Banking Income	1,480	2,135	2,176	1,286	1,529	25.1	34.7	35.4	17.2	24.0	44.3%	1.9%	-40.9%	18.9%	
Banking Income	16,077	17,427	17,176	14,870	16,398	272.4	283.5	279.4	198.5	256.9	8.4%	-1.4%	-13.4%	10.3%	
Staff Costs	2,656	2,822	2,949	2,897	3,026	45.0	45.9	48.0	38.7	47.4	6.3%	4.5%	-1.7%	4.5%	
Other Costs	2,874	3,117	3,023	3,007	3,122	48.7	50.7	49.2	40.1	48.9	8.5%	-3.0%	-0.5%	3.9%	
Depreciation	560	605	870	968	989	9.5	9.8	14.2	12.9	15.5	8.1%	43.8%	11.3%	2.1%	
Total Costs	6,089	6,545	6,841	6,872	7,137	103.2	106.5	111.3	91.8	111.8	7.5%	4.5%	0.5%	3.9%	
Operating Income	9,988	10,882	10,335	7,997	9,261	169.2	177.0	168.1	106.8	145.1	9.0%	-5.0%	-22.6%	15.8%	
Net Loan Loss Provisions (LLP)	2,004	2,437	1,390	2,419	328	33.9	39.6	22.6	32.3	5.1	21.6%	-42.9%	73.9%	-86.4%	
Other	80	-48	43	-128	-759	1.4	-0.8	0.7	-1.7	-11.9	n.m.	n.m.	n.m.	490.6%	
Pre-Tax Profits	8,065	8,397	8,988	5,450	8,174	136.6	136.6	146.2	72.8	128.1	4.1%	7.0%	-39.4%	50.0%	
Taxes	1,904	1,588	1,965	763	1,718	32.3	25.8	32.0	10.2	26.9	-16.6%	23.8%	-61.2%	125.1%	
Net Profit	6,161	6,809	7,023	4,687	6,456	104.4	110.8	114.2	62.6	101.1	10.5%	3.1%	-33.3%	37.7%	
RATIOS															
Net Interest Margin (NII/ATA)	9.00%	9.13%	8.12%	6.53%	6.73%	9.00%	9.13%	8.12%	6.53%	6.73%	0.12%	-1.01%	-1.59%	0.19%	
Net Interest Income (% of Revenue)	77.2%	75.4%	74.3%	76.6%	75.8%	77.2%	75.4%	74.3%	76.6%	75.8%	-1.8%	-1.2%	2.3%	-0.8%	
Fees (% of Banking Income)	13.6%	12.3%	13.1%	14.7%	14.9%	13.6%	12.3%	13.1%	14.7%	14.9%	-1.3%	0.8%	1.7%	0.1%	
Staff Costs (% of Total Costs)	43.6%	43.1%	43.1%	42.2%	42.4%	43.6%	43.1%	43.1%	42.2%	42.4%	-0.5%	0.0%	-0.9%	0.2%	
Costs per Employee ('000)	1,073	1,147	1,168	1,188	1,213	18.2	18.7	19.0	15.9	19.0	6.9%	1.9%	1.7%	2.1%	
Cost-to-Income (incl. Depreciation)	37.9%	37.6%	39.8%	46.2%	43.5%	37.9%	37.6%	39.8%	46.2%	43.5%	-0.3%	2.3%	6.4%	-2.7%	
Net LLP (% of Net Loans)	3.26%	4.86%	3.14%	5.43%	0.78%	3.26%	4.86%	3.14%	5.43%	0.78%	1.60%	-1.72%	2.29%	-4.65%	
Tax Rate	23.6%	18.9%	21.9%	14.0%	21.0%	23.6%	18.9%	21.9%	14.0%	21.0%	-4.7%	3.0%	-7.9%	7.0%	
ROE	21.5%	20.3%	18.8%	12.5%	15.8%	21.5%	20.3%	18.8%	12.5%	15.8%	-1.2%	-1.5%	-6.4%	3.4%	
ROA	4.49%	4.51%	4.30%	2.53%	3.51%	4.49%	4.51%	4.30%	2.53%	3.51%	0.03%	-0.22%	-1.77%	0.98%	
Loans/Deposits	61.6%	45.3%	37.5%	32.0%	30.3%	61.6%	45.3%	37.5%	32.0%	30.3%	-16.3%	-7.8%	-5.5%	-1.7%	
Loans/Assets	44.7%	33.3%	27.1%	24.0%	22.7%	44.7%	33.3%	27.1%	24.0%	22.7%	-11.5%	-6.2%	-3.1%	-1.3%	
Deposits/Liabilities	91.7%	94.4%	93.6%	94.1%	96.3%	91.7%	94.4%	93.6%	94.1%	96.3%	2.8%	-0.8%	0.4%	2.2%	
Loans in Local Currency (% Total)	76.5%	82.5%	87.1%	90.0%	91.8%	76.5%	82.5%	87.1%	90.0%	91.8%	5.9%	4.6%	2.9%	1.8%	
Deposits in Local Currency (% Total)	75.6%	77.4%	79.2%	80.1%	81.6%	75.6%	77.4%	79.2%	80.1%	81.6%	1.8%	1.8%	0.9%	1.5%	
Loans per Branch ('000)	330,178	259,923	221,463	223,650	210,202	5,594	4,228	3,603	2,986	3,293	-21.3%	-14.8%	1.0%	-6.0%	
Deposits per Branch ('000)	535,600	573,716	590,279	698,444	693,895	9,075	9,333	9,603	9,325	10,871	7.1%	2.9%	18.3%	-0.7%	
Solvency Ratio	17.1%	39.0%	45.8%	43.9%	44.8%	17.1%	39.0%	45.8%	43.9%	44.8%	21.9%	6.8%	-1.9%	0.9%	
NPL Ratio	5.05%	5.33%	6.60%	6.21%	7.96%	5.05%	5.33%	6.60%	6.21%	7.96%	0.28%	1.27%	-0.39%	1.76%	
NPL Coverage	191.5%	211.9%	179.9%	118.9%	104.8%	191.5%	211.9%	179.9%	118.9%	104.8%	20.4%	-32.0%	-60.9%	-14.2%	
BS Provisions/Loans (gross)	9.67%	11.29%	11.87%	7.38%	8.34%	9.67%	11.29%	11.87%	7.38%	8.34%	1.62%	0.58%	-4.49%	0.96%	

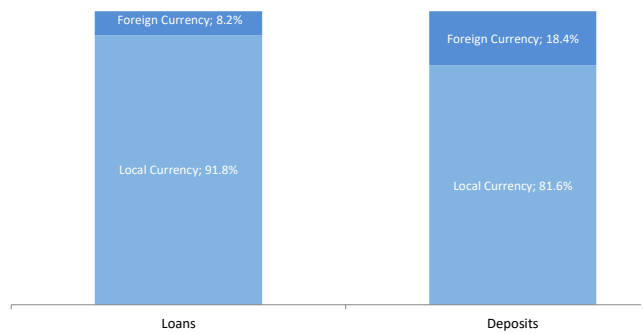
Source: Annual Reports and Eaglestone Securities.

BALANCE SHEET STRUCTURE - 2021



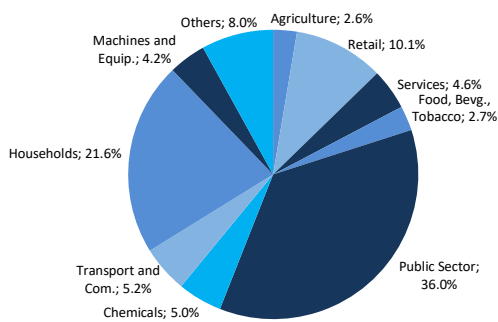
Sources: Annual Reports and Eaglestone Securities.

LOANS AND DEPOSITS BY CURRENCY - 2021



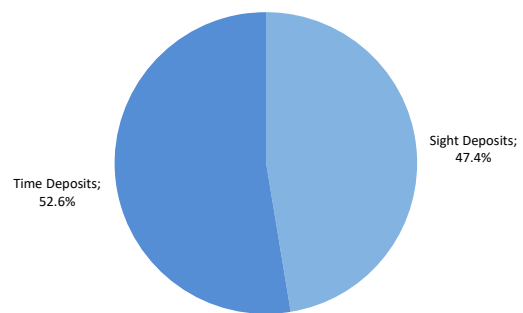
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LOAN BREAKDOWN - 2021



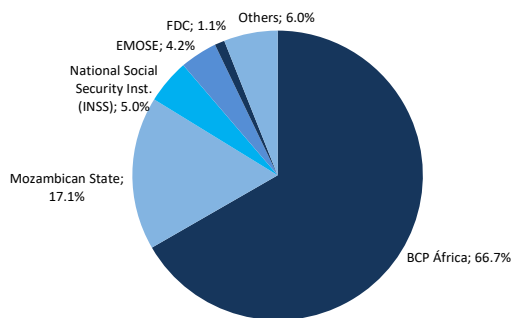
Sources: Annual Reports and Eaglestone Securities.

DEPOSIT BREAKDOWN - 2021



Sources: Annual Reports and Eaglestone Securities.

SHAREHOLDER STRUCTURE - 2021



Sources: Annual Reports and Eaglestone Securities.

STANDARD BANK MOÇAMBIQUE

Standard Bank Moçambique's net profit declined 9.0% YoY to MZM 4,948 million (US\$ 77.5 million) in 2021. This reflects the fact that operating income remained practically unchanged from the previous year while loan provisions saw a significant increase in the period. This sharp rise in impairments was due to the bank's corporate loan portfolio, namely one important corporate loan that has in the meantime been renegotiated. Overall, ROE reached 15.7% and ROA stood at 3.44% (vs. 19.1% and 3.79%, respectively, in 2020).

The bank's revenue performance (+8.5% YoY) was mixed, with net interest income increasing 19.8% and fees 3.7% and other banking income falling by nearly 20%. The latter resulted from the central bank's decision to suspend Standard Bank Moçambique in July 2021 from all FX activities for a period of up to one year following some "grave prudential and FX infractions". The healthy improvement in net interest income, which represented 70% of total revenues in 2021, reflects not only the positive impact of higher interest rates in the market but also the continued expansion of the bank's loan portfolio. Meanwhile, costs were up sharply in the period (17.4%) that, according to the bank, relate to the significant impact from the compliance of regulatory requirements that should be of a temporary nature. The bank said that it continues to work with the central bank to resolve these pending issues. This means that the cost-to-income ratio rose to 51.4% (from 47.5% in 2020).

In terms of the balance sheet, net loans rose by 7.3% YoY after already surging 33.1% in the previous year, despite the impact of the pandemic on banking activity. The bank said that the percentage of its remunerated assets to total assets rose from 77.1% in 2020 to 83.9% because of the marked increase in very liquid assets, namely interbank lending and well as financial assets available for sale. Deposits fell by -2.3% YoY following very strong increases in recent years. Almost 70% of loans and 60% of deposits were in local currency. It is also worth noting that nearly 80% of deposits were sight deposits. Moreover, the NPL ratio rose significantly to 4.85% while NPL coverage fell sharply to 118%. Finally, the solvency ratio stood at 22.2%, which compares with 24.8% in 2020, remaining well above the regulatory requirement of 12%.

Net profit fell by 9.0% YoY after a significant increase in loan impairments

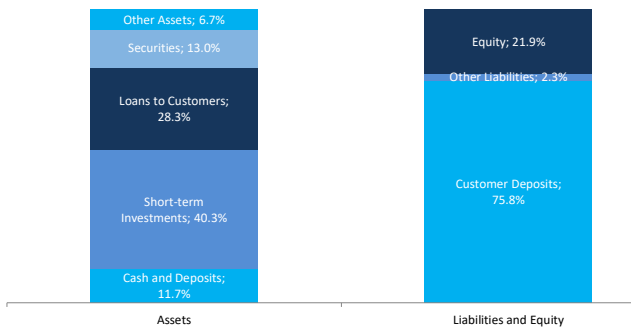
The bank's revenue performance was mixed, while costs rose sharply due to apparent one-off effects

The NPL ratio rose to 4.85% (from 2.62% in the previous year)

STANDARD BANK MOÇAMBIQUE	MZM Million					US\$ Million					% Change (MZM)				
	Year	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021	18/17	19/18	20/19	21/20
BALANCE SHEET															
Net Assets	87,428	99,928	119,286	143,387	143,815	1,481	1,626	1,941	1,914	2,253	14.3%	19.4%	20.2%	0.3%	
Customer Loans (net)	22,013	28,296	28,447	37,864	40,633	373	460	463	506	637	28.5%	0.5%	33.1%	7.3%	
Local Currency Loans	12,384	19,092	21,181	24,889	27,975	210	311	345	332	438	54.2%	10.9%	17.5%	12.4%	
Loan Loss Provisions	1,689	1,905	1,680	2,094	2,474	29	31	27	28	39	12.8%	-11.8%	24.7%	18.1%	
Non-Performing Loans	1,133	787	444	1,046	2,090	19	13	7	14	33	-30.6%	-43.5%	135.5%	99.8%	
Customer Deposits	65,729	73,940	88,479	111,664	109,046	1,114	1,203	1,439	1,491	1,708	12.5%	19.7%	26.2%	-2.3%	
Local Currency Deposits	36,807	39,274	51,938	61,126	65,381	624	639	845	816	1,024	6.7%	32.2%	17.7%	7.0%	
Sight Deposits	57,185	64,406	74,779	95,513	86,952	969	1,048	1,217	1,275	1,362	12.6%	16.1%	27.7%	-9.0%	
Equity	17,493	21,114	24,916	28,402	31,447	296	343	405	379	493	20.7%	18.0%	14.0%	10.7%	
P&L ACCOUNT															
Net Interest Income	9,359	9,249	8,681	8,917	10,678	158.6	150.5	141.2	119.0	167.3	-1.2%	-6.1%	2.7%	19.8%	
Fees & Commissions	1,256	1,542	1,933	1,806	1,872	21.3	25.1	31.4	24.1	29.3	22.8%	25.3%	-6.6%	3.7%	
Other Banking Income	2,481	2,596	2,430	3,256	2,617	42.0	42.2	39.5	43.5	41.0	4.6%	-6.4%	34.0%	-19.6%	
Banking Income	13,096	13,387	13,043	13,979	15,167	221.9	217.8	212.2	186.6	237.6	2.2%	-2.6%	7.2%	8.5%	
Staff Costs	3,166	3,391	3,514	3,699	4,179	53.6	55.2	57.2	49.4	65.5	7.1%	3.6%	5.3%	13.0%	
Other Costs	1,920	1,972	2,004	2,179	2,862	32.5	32.1	32.6	29.1	44.8	2.7%	1.6%	8.7%	31.3%	
Depreciation	343	436	659	760	752	5.8	7.1	10.7	10.2	11.8	27.1%	50.9%	15.4%	-1.1%	
Total Costs	5,430	5,799	6,177	6,639	7,793	92.0	94.3	100.5	88.6	122.1	6.8%	6.5%	7.5%	17.4%	
Operating Income	7,666	7,588	6,867	7,340	7,374	129.9	123.4	111.7	98.0	115.5	-1.0%	-9.5%	6.9%	0.5%	
Net Loan Loss Provisions (LLP)	295	213	106	-166	583	5.0	3.5	1.7	-2.2	9.1	-27.6%	-50.5%	n.m.	n.m.	
Pre-Tax Profits	7,371	7,374	6,761	7,506	6,790	124.9	120.0	110.0	100.2	106.4	0.0%	-8.3%	11.0%	-9.5%	
Taxes	1,776	1,788	1,821	2,068	1,843	30.1	29.1	29.6	27.6	28.9	0.6%	1.8%	13.6%	-10.9%	
Net Profit	5,595	5,587	4,941	5,439	4,948	94.8	90.9	80.4	72.6	77.5	-0.1%	-11.6%	10.1%	-9.0%	
RATIOS															
Net Interest Margin (NII/ATA)	11.20%	9.87%	7.92%	6.79%	7.44%	11.20%	9.87%	7.92%	6.79%	7.44%	-1.33%	-1.95%	-1.13%	0.65%	
Net Interest Income (% of Revenue)	71.5%	69.1%	66.6%	63.8%	70.4%	71.5%	69.1%	66.6%	63.8%	70.4%	-2.4%	-2.5%	-2.8%	6.6%	
Fees (% of Banking Income)	9.6%	11.5%	14.8%	12.9%	12.3%	9.6%	11.5%	14.8%	12.9%	12.3%	1.9%	3.3%	-1.9%	-0.6%	
Staff Costs (% of Total Costs)	58.3%	58.5%	56.9%	55.7%	53.6%	58.3%	58.5%	56.9%	55.7%	53.6%	0.2%	-1.6%	-1.2%	-2.1%	
Costs per Employee ('000)	2,688	2,847	2,933	3,093	3,524	45.5	46.3	47.7	41.3	55.2	5.9%	3.0%	5.5%	13.9%	
Cost-to-Income (incl. Depreciation)	41.5%	43.3%	47.4%	47.5%	51.4%	41.5%	43.3%	47.4%	47.5%	51.4%	1.9%	4.0%	0.1%	3.9%	
Net LLP (% of Net Loans)	1.34%	0.75%	0.37%	-0.44%	1.44%	1.34%	0.75%	0.37%	-0.44%	1.44%	-0.58%	-0.38%	-0.81%	1.87%	
Tax Rate	24.1%	24.2%	26.9%	27.5%	27.1%	24.1%	24.2%	26.9%	27.5%	27.1%	0.1%	2.7%	0.6%	-0.4%	
ROE	32.0%	26.5%	19.8%	19.1%	15.7%	32.0%	26.5%	19.8%	19.1%	15.7%	-5.5%	-6.6%	-0.7%	-3.4%	
ROA	6.40%	5.59%	4.14%	3.79%	3.44%	6.40%	5.59%	4.14%	3.79%	3.44%	-0.81%	-1.45%	-0.35%	-0.35%	
Loans/Deposits	33.5%	38.3%	32.2%	33.9%	37.3%	33.5%	38.3%	32.2%	33.9%	37.3%	4.8%	-6.1%	1.8%	3.4%	
Loans/Assets	25.2%	28.3%	23.8%	26.4%	28.3%	25.2%	28.3%	23.8%	26.4%	28.3%	3.1%	-4.5%	2.6%	1.8%	
Deposits/Liabilities	94.0%	93.8%	93.8%	97.1%	97.0%	94.0%	93.8%	93.8%	97.1%	97.0%	-0.2%	-0.1%	3.4%	-0.1%	
Loans in Local Currency (% Total)	56.3%	67.5%	74.5%	65.7%	68.8%	56.3%	67.5%	74.5%	65.7%	68.8%	11.2%	7.0%	-8.7%	3.1%	
Deposits in Local Currency (% Total)	56.0%	53.1%	58.7%	54.7%	60.0%	56.0%	53.1%	58.7%	54.7%	60.0%	-2.9%	5.6%	-4.0%	5.2%	
Loans per Branch ('000)	550,330	707,395	711,180	946,608	1,015,822	9,324	11,508	11,570	12,638	15,914	28.5%	0.5%	33.1%	7.3%	
Deposits per Branch ('000)	1,643,227	1,848,488	2,211,982	2,791,588	2,726,157	27,842	30,071	35,985	37,271	42,710	12.5%	19.7%	26.2%	-2.3%	
Solvency Ratio	20.4%	19.4%	29.3%	24.8%	22.2%	20.4%	19.4%	29.3%	24.8%	22.2%	-1.0%	9.9%	-4.5%	-2.6%	
NPL Ratio	4.78%	2.60%	1.47%	2.62%	4.85%	4.78%	2.60%	1.47%	2.62%	4.85%	-2.18%	-1.13%	1.14%	2.23%	
NPL Coverage	149.1%	242.2%	378.2%	200.2%	118.4%	149.1%	242.2%	378.2%	200.2%	118.4%	93.1%	136.0%	-178.0%	-81.8%	
BS Provisions/Loans (gross)	7.13%	6.31%	5.58%	5.24%	5.74%	7.13%	6.31%	5.58%	5.24%	5.74%	-0.82%	-0.73%	-0.34%	0.50%	

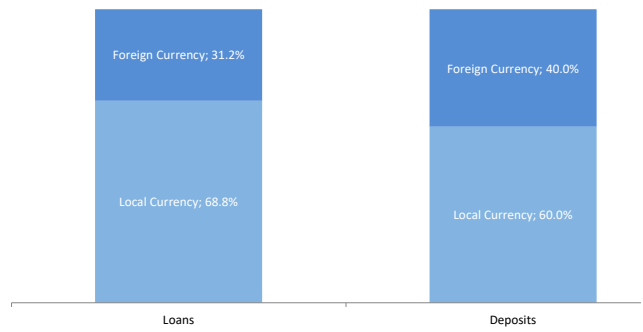
Source: Annual Reports and Eaglestone Securities.

BALANCE SHEET STRUCTURE - 2021



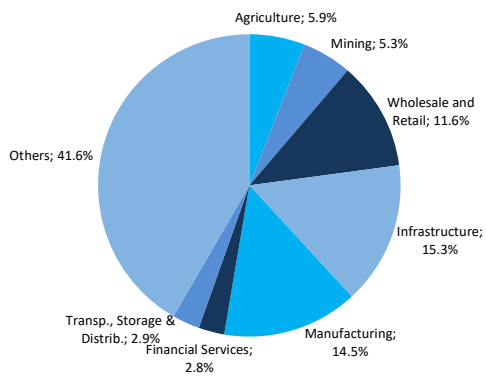
Sources: Annual Reports and Eaglestone Securities.

LOANS AND DEPOSITS BY CURRENCY - 2021



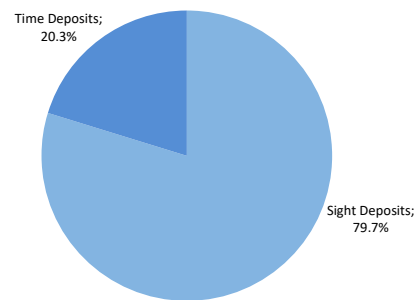
Sources: Annual Reports and Eaglestone Securities.

LOAN BREAKDOWN - 2021



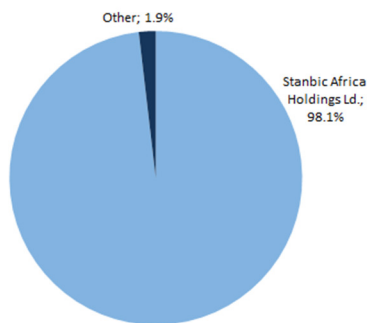
Sources: Annual Reports and Eaglestone Securities.

DEPOSIT BREAKDOWN - 2021



Sources: Annual Reports and Eaglestone Securities.

SHAREHOLDER STRUCTURE - 2021



Sources: Annual Reports and Eaglestone Securities.

ABSA BANK MOÇAMBIQUE

Absa Bank Moçambique's net profit more than doubled to MZM 634 million in 2021 after the bank recorded a decline in its bottom-line in the previous two years. This positive evolution was thanks to a rather strong operating performance (+181.4% YoY) that more than offset the impact from sharp increases in loan provisions and taxes. Nevertheless, ROE reached only 7.9% and ROA 0.99%, which is relatively low when compared with the other larger banks.

Revenues advanced 20.1% YoY after a healthy performance in net interest income (NII), fees and other banking income. NII benefitted from both continued strong loan growth (9.4% YoY) and a higher interest rate environment, while the 26% YoY growth in fees reflects the increase in the number of non-financial transactions as well as activities related with off-balance sheet commercial financing. It is also worth mentioning that the bank's FX activities accounted for a relatively high 58.3% of non-interest income. This was due to (1) a 36% increase in the volume of transactions, (2) a 30bp increase in margins and (3) the continued sale of FX by the central bank to commercial banks. Meanwhile, total costs declined 4.6% YoY thanks to a 13.1% fall in staff costs. This came in line with a reduction in the average number of employees at the bank during 2021 (683 vs. 730 in the previous year). Staff costs represented just 38.7% of total costs, a level that is clearly below the ones recorded in previous years. Below the operating income line, the sharp increase in loan impairments reflects not only the continued impact of Covid-19 but also the significant exposure that the bank has to the LNG sector. Indeed, the suspension of the project in Area 4 had a relevant impact on the ability of some companies directly involved in that project to pay their loans.

Net loans continued to advance at a healthy pace and allowed ABSA to continue to gain market share (9.4% vs. 8.9% in 2020). Deposits surged 43.9% YoY specially thanks to the Corporate Banking unit, lifting the bank's market share by 2.7% to 9.1%. This means the Loans/Deposits ratio fell to 47.6% (vs. 62.6% in 2020). We also note that the NPL ratio increased to 10.83%, while coverage stood at 53.4%. Finally, the solvency ratio stood at 19.2% (vs. 18.3% in 2020).

The bank's net profit more than doubled in 2021 when compared with the previous year

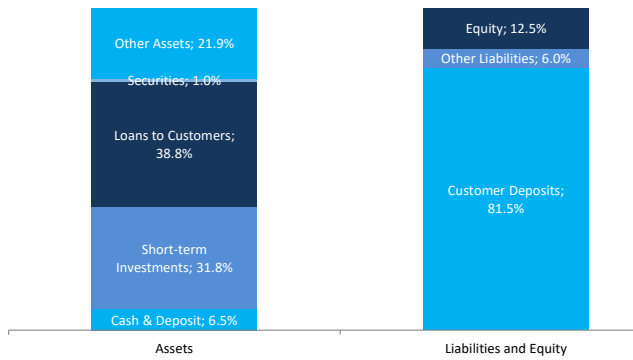
Net profit benefited from a rather strong operating performance that more than offset higher loan impairments and taxes

ABSA continued to gain market share in loans and deposits

ABSA BANK MOÇAMBIQUE	MZM Million					US\$ Million					% Change (MZM)			
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021	18/17	19/18	20/19	21/20
BALANCESHEET														
Net Assets	29,912	38,053	41,100	47,860	64,226	507	619	669	639	1,006	27.2%	8.0%	16.4%	34.2%
Customer Loans (net)	10,288	12,284	16,273	22,757	24,894	174	200	265	304	390	19.4%	32.5%	39.8%	9.4%
Local Currency Loans	8,565	9,140	13,150	16,985	18,693	145	149	214	227	293	6.7%	43.9%	29.2%	10.1%
Loan Loss Provisions	805	650	1,014	1,060	1,528	14	11	17	14	24	-19.3%	56.1%	4.5%	44.2%
Non-Performing Loans	1,054	994	1,598	2,082	2,862	18	16	26	28	45	-5.7%	60.8%	30.3%	37.5%
Customer Deposits	21,400	27,478	31,508	36,370	52,347	363	447	513	486	820	28.4%	14.7%	15.4%	43.9%
Local Currency Deposits	14,298	17,876	21,741	25,244	33,740	242	291	354	337	529	25.0%	21.6%	16.1%	33.7%
Sight Deposits	10,351	11,746	15,652	20,041	26,838	175	191	255	268	420	13.5%	33.2%	28.0%	33.9%
Equity	5,410	6,742	7,434	7,681	8,012	92	110	121	103	126	24.6%	10.3%	3.3%	4.3%
P&L ACCOUNT														
Net Interest Income	4,052	3,391	3,294	3,453	4,037	68.7	55.2	53.6	46.1	63.2	-16.3%	-2.8%	4.8%	16.9%
Fees & Commissions	355	454	561	530	668	6.0	7.4	9.1	7.1	10.5	27.8%	23.6%	-5.4%	26.0%
Other Banking Income	380	646	730	761	993	6.4	10.5	11.9	10.2	15.6	70.2%	12.9%	4.3%	30.4%
Banking Income	4,787	4,491	4,585	4,745	5,698	81.1	73.1	74.6	63.3	89.3	-6.2%	2.1%	3.5%	20.1%
Staff Costs	1,435	1,440	1,571	1,749	1,519	24.3	23.4	25.6	23.3	23.8	0.4%	9.1%	11.3%	-13.1%
Other Costs	1,331	1,388	1,504	1,970	1,972	22.5	22.6	24.5	26.3	30.9	4.3%	8.3%	31.0%	0.1%
Depreciation	203	215	365	397	437	3.4	3.5	5.9	5.3	6.8	5.7%	70.0%	8.8%	10.0%
Total Costs	2,969	3,042	3,440	4,116	3,928	50.3	49.5	56.0	55.0	61.5	2.5%	13.1%	19.7%	-4.6%
Operating Income	1,818	1,448	1,145	629	1,769	30.8	23.6	18.6	8.4	27.7	-20.3%	-21.0%	-45.1%	181.4%
Net Loan Loss Provisions (LLP)	279	-301	7	263	599	4.7	-4.9	0.1	3.5	9.4	n.m.	n.m.	3764.3%	128.0%
Pre-Tax Profits	1,539	1,749	1,138	366	1,171	26.1	28.5	18.5	4.9	18.3	13.7%	-34.9%	-67.8%	219.7%
Taxes	436	369	90	72	537	7.4	6.0	1.5	1.0	8.4	-15.4%	-75.6%	-20.5%	650.3%
Net Profit	1,103	1,380	1,048	295	634	18.7	22.5	17.1	3.9	9.9	25.2%	-24.1%	-71.9%	115.1%
RATIOS														
Net Interest Margin (NII/ATA)	14.15%	9.98%	8.32%	7.76%	7.20%	14.15%	9.98%	8.32%	7.76%	7.20%	-4.18%	-1.65%	-0.56%	-0.56%
Net Interest Income (% of Revenue)	84.7%	75.5%	71.8%	72.8%	70.8%	84.7%	75.5%	71.8%	72.8%	70.8%	-9.2%	-3.7%	0.9%	-1.9%
Fees (% of Banking Income)	7.4%	10.1%	12.2%	11.2%	11.7%	7.4%	10.1%	12.2%	11.2%	11.7%	2.7%	2.1%	-1.0%	0.5%
Staff Costs (% of Total Costs)	48.3%	47.3%	45.7%	42.5%	38.7%	48.3%	47.3%	45.7%	42.5%	38.7%	-1.0%	-1.6%	-3.2%	-3.8%
Costs per Employee (000)	1,805	1,813	2,078	2,480	2,393	30.6	29.5	33.8	33.1	37.5	0.5%	14.6%	19.4%	-3.5%
Cost-to-Income (incl. Depreciation)	62.0%	67.7%	75.0%	86.7%	68.9%	62.0%	67.7%	75.0%	86.7%	68.9%	5.7%	7.3%	11.7%	-17.8%
Net LLP (% of Net Loans)	2.71%	-2.45%	0.04%	1.15%	2.40%	2.71%	-2.45%	0.04%	1.15%	2.40%	-5.16%	2.49%	1.11%	1.25%
Tax Rate	28.3%	21.1%	7.9%	19.5%	45.9%	28.3%	21.1%	7.9%	19.5%	45.9%	-7.3%	-13.2%	11.6%	26.3%
ROE	20.4%	20.5%	14.1%	3.8%	7.9%	20.4%	20.5%	14.1%	3.8%	7.9%	0.1%	-6.4%	-10.3%	4.1%
ROA	3.69%	3.63%	2.55%	0.62%	0.99%	3.69%	3.63%	2.55%	0.62%	0.99%	-0.06%	-1.08%	-1.93%	0.37%
Loans/Deposits	48.1%	44.7%	51.6%	62.6%	47.6%	48.1%	44.7%	51.6%	62.6%	47.6%	-3.4%	6.9%	10.9%	-15.0%
Loans/Assets	34.4%	32.3%	39.6%	47.5%	38.8%	34.4%	32.3%	39.6%	47.5%	38.8%	-2.1%	7.3%	8.0%	-8.8%
Deposits/Liabilities	87.3%	87.8%	93.6%	90.5%	93.1%	87.3%	87.8%	93.6%	90.5%	93.1%	0.4%	5.8%	-3.1%	2.6%
Loans in Local Currency (% Total)	83.3%	74.4%	80.8%	74.6%	75.1%	77.2%	70.7%	76.1%	71.3%	70.7%	-8.8%	6.4%	-6.2%	0.5%
Deposits in Local Currency (% Total)	66.8%	65.1%	69.0%	69.4%	64.5%	66.8%	65.1%	69.0%	69.4%	64.5%	-1.8%	3.9%	0.4%	-5.0%
Loans per Branch (000)	218,893	250,699	332,109	455,133	497,888	3,709	4,078	5,403	6,077	7,800	14.5%	32.5%	37.0%	9.4%
Deposits per Branch (000)	455,321	560,768	643,019	727,409	1,046,949	7,715	9,123	10,461	9,712	16,402	23.2%	14.7%	13.1%	43.9%
Solvency Ratio	24.8%	23.1%	20.0%	18.3%	19.2%	24.8%	23.1%	20.0%	18.3%	19.2%	-1.8%	-3.0%	-1.7%	1.0%
NPL Ratio	9.50%	7.68%	9.24%	8.74%	10.83%	9.50%	7.68%	9.24%	8.74%	10.83%	-1.82%	1.56%	-0.50%	2.09%
NPL Coverage	76.4%	65.4%	63.5%	50.9%	53.4%	76.4%	65.4%	63.5%	50.9%	53.4%	-11.0%	-1.9%	-12.6%	2.5%
BS Provisions/Loans (gross)	7.26%	5.02%	5.87%	4.45%	5.78%	7.26%	5.02%	5.87%	4.45%	5.78%	-2.23%	0.84%	-1.42%	1.33%

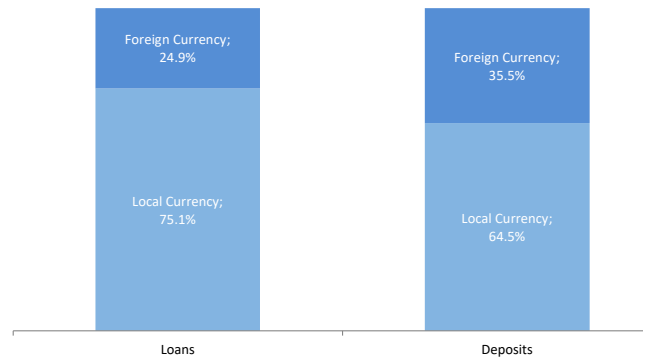
Source: Annual Reports and Eaglestone Securities.

BALANCE SHEET STRUCTURE - 2021



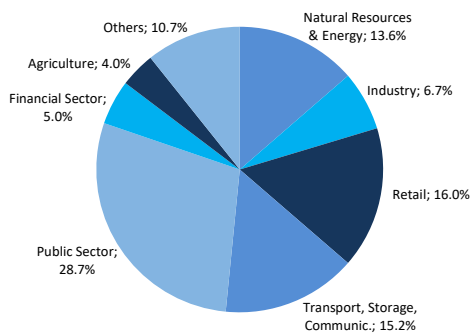
Sources: Annual Reports and Eaglestone Securities.

LOANS AND DEPOSITS BY CURRENCY - 2021



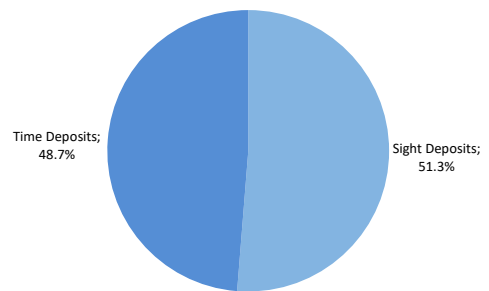
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LOAN BREAKDOWN - 2021



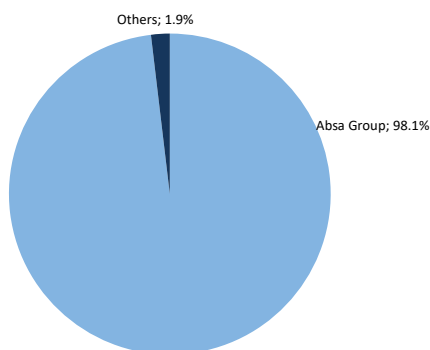
Sources: Annual Reports and Eaglestone Securities.

DEPOSIT BREAKDOWN - 2021



Sources: Annual Reports and Eaglestone Securities.

SHAREHOLDER STRUCTURE - 2021



Sources: Annual Reports and Eaglestone Securities.

MOZA BANCO

Moza Banco reported a net loss of MZM -1,381 million (US\$ -21.6 million) in 2021. This compares with a net profit of MZM 146 million (US\$ 1.9 million) in the previous year, which was the first time Moza recorded a positive result since 2015. The bottom-line performance in 2021 was hugely impacted by a significant amount (MZM 2,933 million) of loan impairments done in the period. The bank stated that these were due to the need to cover the risk exposure of some loans, including from the potential impact from Covid-19 related risks, and for already overdue loans. On the other hand, Moza saw a much-improved operating performance in 2021.

Revenues rose 51% YoY mostly thanks to significantly higher net interest income and financial operations, which includes FX results and trading operations. The latter nearly trebled to MZM 491 million after the revaluation of lease liabilities in foreign currency considering the IFRS 16 rules and the appreciation of the metical in the period (impact of MZM 303 million). Fees recovered 9.4% YoY after falling in the previous year. Meanwhile, total costs declined once again thanks to Moza's cost rationalization efforts and extraordinary gains from the recovery of overdue loans and other assets that were previously booked as losses. Overall, Moza Banco's cost-to-income ratio improved significantly to 63.3% (vs 100.5% in 2020), nevertheless clearly remaining the highest amongst the largest banks operating in the country.

Balance sheet data showed a decline in both loans and deposits in the period, as activity in the local banking sector was conditioned by the unfavorable evolution of NPLs resulting from the pandemic crisis. This led the banking sector to prefer to invest its excess liquidity in interbank market instruments. This meant that Moza lost market share and fell from fifth to sixth place amongst the largest banks operating in the country with a market share of 5.6% in terms of assets. Also worth noting is the improvement in the NPL ratio (from 15.2% to 14.4% in 2021), with NPL coverage standing at 74.3% (vs. 103.3% in 2020). Finally, the bank's solvency ratio improved to 23.2% from 14.8% in the previous year.

Moza Banco recorded a net loss in 2021 after booking a significant amount of loan impairments

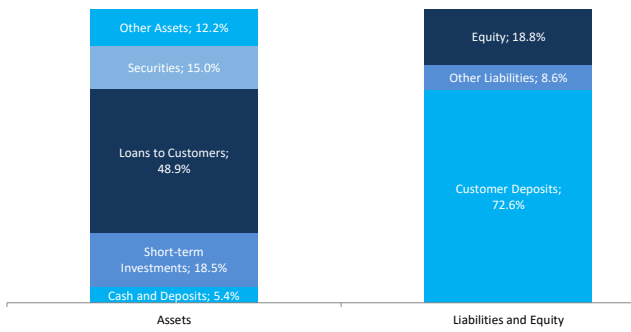
The bank saw a significant improvement in its operating performance

The NPL ratio improved in 2021, but remains the highest amongst the largest banks operating in the country

MOZA BANCO	MZM Million					US\$ Million					% Change (MZM)			
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021	18/17	19/18	20/19	21/20
BALANCESHEET														
Net Assets	26,676	36,411	41,817	47,534	45,108	452	592	680	635	707	36.5%	14.8%	13.7%	-5.1%
Customer Loans (net)	15,281	17,986	23,875	24,411	22,071	259	293	388	326	346	17.7%	32.7%	2.2%	-9.6%
Local Currency Loans	13,309	14,993	20,294	20,107	21,146	225	244	330	268	331	12.7%	35.4%	-0.9%	5.2%
Loan Loss Provisions	2,947	3,873	4,721	4,530	2,655	50	63	77	60	42	31.4%	21.9%	-4.1%	-41.4%
Non-Performing Loans	1,593	2,163	3,406	4,386	3,572	27	35	55	59	56	35.7%	57.5%	28.8%	-18.6%
Customer Deposits	17,960	24,893	29,346	35,150	32,753	304	405	477	469	513	38.6%	17.9%	19.8%	-6.8%
Local Currency Deposits	15,222	21,539	26,339	29,772	29,269	258	350	428	397	459	41.5%	22.3%	13.0%	-1.7%
Sight Deposits	6,788	8,002	10,681	12,924	13,524	115	130	174	173	212	17.9%	33.5%	21.0%	4.6%
Equity	7,198	9,093	7,780	7,926	8,498	122	148	127	106	133	26.3%	-14.4%	1.9%	7.2%
P&L ACCOUNT														
Net Interest Income	1,968	1,858	2,327	2,354	3,505	33.3	30.2	37.9	31.4	54.9	-5.6%	25.3%	1.2%	48.9%
Fees & Commissions	324	461	501	475	520	5.5	7.5	8.1	6.3	8.1	42.1%	8.6%	-5.1%	9.4%
Other Banking Income	175	173	308	160	491	3.0	2.8	5.0	2.1	7.7	-1.2%	78.0%	-47.9%	206.3%
Banking Income	2,467	2,491	3,135	2,990	4,516	41.8	40.5	51.0	39.9	70.7	1.0%	25.9%	-4.6%	51.0%
Staff Costs	943	1,138	1,296	1,716	1,734	16.0	18.5	21.1	22.9	27.2	20.7%	13.9%	32.4%	1.0%
Other Costs	1,091	1,263	1,121	713	621	18.5	20.6	18.2	9.5	9.7	15.8%	-11.2%	-36.4%	-12.8%
Depreciation	394	381	655	576	505	6.7	6.2	10.7	7.7	7.9	-3.2%	71.9%	-12.0%	-12.3%
Total Costs	2,427	2,783	3,072	3,005	2,860	41.1	45.3	50.0	40.1	44.8	14.6%	10.4%	-2.2%	-4.8%
Operating Income	40	-291	63	-15	1,655	0.7	-4.7	1.0	-0.2	25.9	n.m.	n.m.	n.m.	n.m.
Net Loan Loss Provisions (LLP)	1,406	254	607	-247	2,933	23.8	4.1	9.9	-3.3	46.0	-81.9%	139.1%	n.m.	n.m.
Other	-91	-1	-26	-7	28	-1.5	0.0	-0.4	-0.1	0.4	-99.2%	3325.3%	-74.5%	n.m.
Pre-Tax Profits	-1,457	-546	-570	225	-1,250	-24.7	-8.9	-9.3	3.0	-19.6	-62.5%	4.5%	n.m.	n.m.
Taxes	2	222	205	80	132	0.0	3.6	3.3	1.1	2.1	n.m.	-7.7%	-61.2%	65.1%
Net Profit	-1,459	-768	-776	146	-1,381	-24.7	-12.5	-12.6	1.9	-21.6	-47.3%	0.9%	n.m.	n.m.
RATIOS														
Net Interest Margin (NII/ATA)	7.24%	5.89%	5.95%	5.27%	7.57%	7.24%	5.89%	5.95%	5.27%	7.57%	-1.35%	0.06%	-0.68%	2.30%
Net Interest Income (% of Revenue)	79.8%	74.6%	74.2%	78.7%	77.6%	79.8%	74.6%	74.2%	78.7%	77.6%	-5.2%	-0.3%	4.5%	-1.1%
Fees (% of Banking Income)	13.1%	18.5%	16.0%	15.9%	11.5%	13.1%	18.5%	16.0%	15.9%	11.5%	5.4%	-2.5%	-0.1%	-4.4%
Staff Costs (% of Total Costs)	38.8%	40.9%	42.2%	57.1%	60.6%	38.8%	40.9%	42.2%	57.1%	60.6%	2.1%	1.3%	14.9%	3.5%
Costs per Employee ('000)	1,288	1,511	1,410	1,855	1,890	22	25	23	25	30	17.3%	-6.7%	31.6%	1.9%
Cost-to-Income (incl. Depreciation)	98.4%	111.7%	98.0%	100.5%	63.3%	98.4%	111.7%	98.0%	100.5%	63.3%	13.3%	-13.7%	2.5%	-37.2%
Net LLP (% of Net Loans)	9.20%	1.41%	2.54%	-1.01%	13.29%	9.20%	1.41%	2.54%	-1.01%	13.29%	-7.79%	1.13%	-3.56%	14.30%
Tax Rate	-0.1%	-40.7%	-36.0%	35.4%	-10.5%	-0.1%	-40.7%	-36.0%	35.4%	-10.5%	-40.6%	4.7%	71.4%	-45.9%
ROE	-20.3%	-8.5%	-10.0%	1.8%	-16.3%	-20.3%	-8.5%	-10.0%	1.8%	-16.3%	11.8%	-1.5%	11.8%	-18.1%
ROA	-5.47%	-2.11%	-1.85%	0.31%	-3.06%	-5.47%	-2.11%	-1.85%	0.31%	-3.06%	3.36%	0.26%	2.16%	-3.37%
Loans/Deposits	85.1%	72.3%	81.4%	69.4%	67.4%	85.1%	72.3%	81.4%	69.4%	67.4%	-12.8%	9.1%	-11.9%	-2.1%
Loans/Assets	57.3%	49.4%	57.1%	51.4%	48.9%	57.3%	49.4%	57.1%	51.4%	48.9%	-7.9%	7.7%	-5.7%	-2.4%
Deposits/Liabilities	92.2%	91.1%	86.2%	88.7%	89.5%	92.2%	91.1%	86.2%	88.7%	89.5%	-1.1%	-4.9%	2.5%	0.7%
Loans in Local Currency (% Total)	87.1%	83.4%	85.0%	82.4%	95.8%	87.1%	83.4%	85.0%	82.4%	95.8%	-3.7%	1.6%	-2.6%	13.4%
Deposits in Local Currency (% Total)	84.8%	86.5%	89.8%	84.7%	89.4%	84.8%	86.5%	89.8%	84.7%	89.4%	1.8%	3.2%	-5.1%	4.7%
Loans per Branch ('000)	288,321	327,011	385,085	348,724	350,330	4,885	5,320	6,265	4,656	5,488	13.4%	17.8%	-9.4%	0.5%
Deposits per Branch ('000)	338,870	452,604	473,325	502,145	519,891	5,742	7,363	7,700	6,704	8,145	33.6%	4.6%	6.1%	3.5%
Solvency Ratio	23.5%	21.7%	23.8%	14.8%	23.2%	23.5%	21.7%	23.8%	14.8%	23.2%	-1.8%	2.1%	-9.0%	8.4%
NPL Ratio	8.7%	9.9%	11.9%	15.2%	14.4%	8.74%	9.89%	11.91%	15.15%	14.45%	1.15%	2.02%	3.24%	-0.71%
NPL Coverage	185.0%	179.1%	138.6%	103.3%	74.3%	185.0%	179.1%	138.6%	103.3%	74.3%	-5.9%	-40.5%	-35.3%	-28.9%
BS Provisions/Loans (gross)	16.17%	17.72%	16.51%	15.65%	10.74%	16.17%	17.72%	16.51%	15.65%	10.74%	1.55%	-1.21%	-0.86%	-4.91%

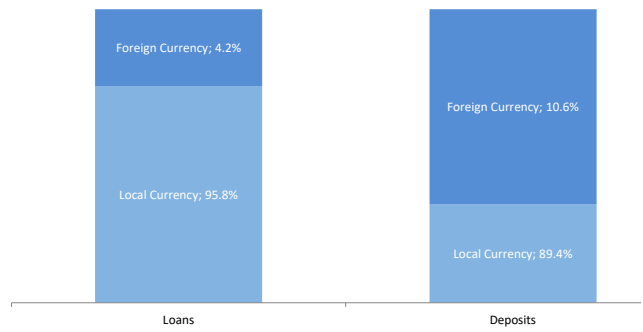
Source: Annual Reports and Eaglestone Securities.

BALANCE SHEET STRUCTURE - 2021



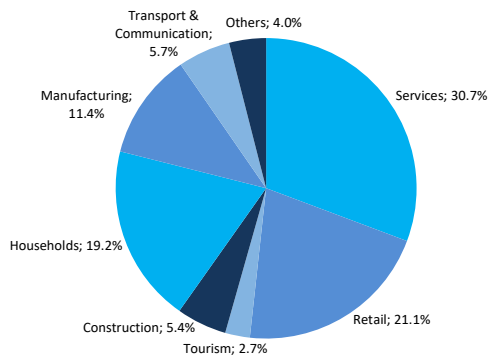
Sources: Annual Reports and Eaglestone Securities.

LOANS AND DEPOSITS BY CURRENCY - 2021



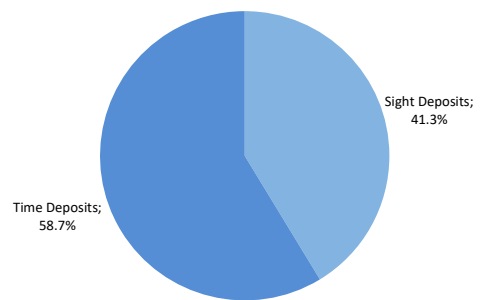
Sources: Annual Reports and Eaglestone Securities.

LOAN BREAKDOWN - 2021



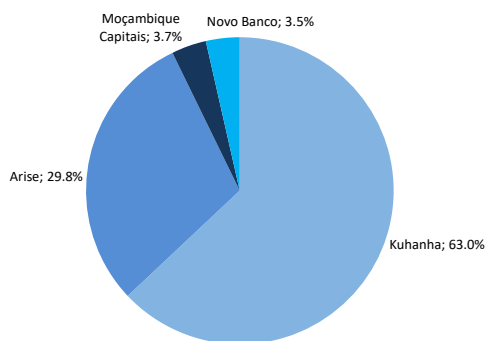
Sources: Annual Reports and Eaglestone Securities.

DEPOSIT BREAKDOWN - 2021



Sources: Annual Reports and Eaglestone Securities.

SHAREHOLDER STRUCTURE - 2021



Sources: Annual Reports and Eaglestone Securities.

NEDBANK MOÇAMBIQUE

Nedbank Moçambique disclosed a net profit of MZM 311 million (US\$ 4.9 million) in 2021 after recording a loss of MZM -480 million (US\$ -6.4 million) in the previous year. This evolution reflects a significant improvement in the bank's operating performance (+31.3% YoY) and a sharp drop in loan impairments (-66% YoY) after these rose significantly in 2020 because of the losses that Nedbank expected on several of its corporate and individual clients due to the impact of Covid-19. Overall, this means that ROE reached 8.0% and ROA 1.0%.

Nedbank Moçambique reported a net profit of MZM 311 million in 2021

On the revenue front (+17.2% YoY), we note the recovery in net interest income after several years of negative performances. This reflects the dual effect of the increase in the bank's loan book (12.5% YoY) and the higher interest rate environment in the period. The sharp increase in other banking income reflects the favorable impacts from the greater commercial dynamism of the bank and the appreciation of the metical. On the other hand, fee income remained under pressure, with Nedbank saying this was the result of the adverse economic backdrop (strongly impacted by Covid-19), the existing regulatory requirements and tougher competition in the sector. Meanwhile, costs rose 13.0% YoY, with the only note worth mentioning being the cost that Nedbank had with the rebranding of the bank. All in all, this meant that the cost-to-income ratio improved slightly to 74.5% from 77.2% in the previous year.

The bank saw a significant improvement in its operating performance

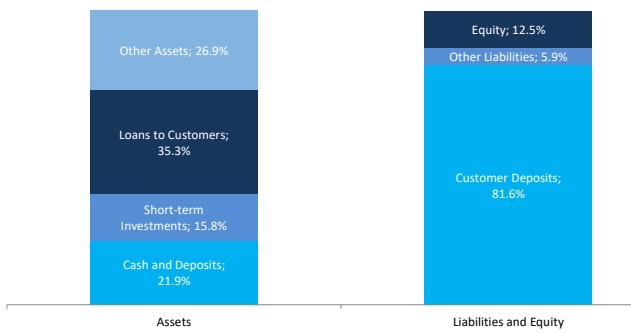
In terms of the balance sheet, net loan impairments rose 15.2% to MZM 860 million, with these representing 7.25% of gross loans (vs. 7.09% in 2020). Also, the amount of NPLs in the bank's balance sheet continued to decline (36.5% YoY), which means that the NPL ratio fell to 2.32% in the period, while NPL coverage reached 312%. These figures compare with 4.12% and 172%, respectively, in the previous year. This means that Nedbank's asset quality ratios remain by far the best amongst the largest banks operating in the country. Finally, the bank's solvency ratio remained unchanged at 14.9%.

Nedbank's asset quality ratios remain the best in terms of the largest banks operating in the country

NEDBANK MOÇAMBIQUE		MZM Million					US\$ Million					% Change (MZM)			
Year	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021	18/17	19/18	20/19	21/20	
BALANCESHEET															
Net Assets	24,154	25,953	27,746	32,040	31,131	409	422	451	428	488	7.4%	6.9%	15.5%	-2.8%	
Customer Loans (net)	10,769	11,878	10,477	9,779	11,000	182	193	170	131	172	10.3%	-11.8%	-6.7%	12.5%	
Local Currency Loans	8,133	9,135	8,378	6,856	8,268	138	149	136	92	130	12.3%	-8.3%	-18.2%	20.6%	
Loan Loss Provisions	741	1,070	927	746	860	13	17	15	10	13	44.4%	-13.3%	-19.5%	15.2%	
Non-Performing Loans	418	1,165	805	433	275	7	19	13	6	4	178.8%	-30.9%	-46.1%	-36.5%	
Customer Deposits	19,934	21,855	22,515	26,732	25,406	338	356	366	357	398	9.6%	3.0%	18.7%	-5.0%	
Local Currency Deposits	13,828	15,554	16,300	18,175	16,529	234	253	265	243	259	12.5%	4.8%	11.5%	-9.1%	
Sight Deposits	10,111	11,219	11,344	13,462	16,842	171	183	185	180	264	11.0%	1.1%	18.7%	25.1%	
Equity	3,203	3,603	4,109	3,595	3,891	54	59	67	48	61	12.5%	14.0%	-12.5%	8.2%	
P&L ACCOUNT															
Net Interest Income	1,770	1,760	1,727	1,556	1,849	30.0	28.6	28.1	20.8	29.0	-0.5%	-1.9%	-10.0%	18.8%	
Fees & Commissions	358	353	381	351	339	6.1	5.7	6.2	4.7	5.3	-1.5%	8.2%	-7.9%	-3.5%	
Other Banking Income	334	231	235	250	340	5.7	3.8	3.8	3.3	5.3	-30.8%	1.5%	6.7%	35.8%	
Banking Income	2,462	2,344	2,344	2,157	2,527	41.7	38.1	38.1	28.8	39.6	-4.8%	0.0%	-8.0%	17.2%	
Staff Costs	755	813	859	989	1,125	12.8	13.2	14.0	13.2	17.6	7.7%	5.7%	15.1%	13.7%	
Other Costs	411	469	406	371	410	7.0	7.6	6.6	4.9	6.4	14.1%	-13.4%	-8.8%	10.7%	
Depreciation	89	124	246	306	348	1.5	2.0	4.0	4.1	5.4	38.8%	97.9%	24.6%	13.7%	
Total Costs	1,256	1,406	1,511	1,666	1,883	21.3	22.9	24.6	22.2	29.5	12.0%	7.5%	10.2%	13.0%	
Operating Income	1,206	938	833	491	645	20.4	15.3	13.5	6.6	10.1	-22.2%	-11.2%	-41.0%	31.3%	
Net Loan Loss Provisions (LLP)	419	433	195	534	181	7.1	7.0	3.2	7.1	2.8	3.3%	-54.9%	173.4%	-66.0%	
Other	-18	51	-29	-41	-34	-0.3	0.8	-0.5	-0.5	-0.5	n.m.	n.m.	40.6%	-17.4%	
Pre-Tax Profits	769	557	608	-84	430	13.0	9.1	9.9	-1.1	6.7	-27.6%	9.2%	n.m.	n.m.	
Taxes	248	119	102	396	119	4.2	1.9	1.7	5.3	1.9	-51.9%	-14.1%	286.9%	-70.0%	
Net Profit	521	437	506	-480	311	8.8	7.1	8.2	-6.4	4.9	-16.1%	15.6%	n.m.	n.m.	
RATIOS															
Net Interest Margin (NII/ATA)	7.55%	7.03%	6.43%	5.20%	5.85%	7.55%	7.03%	6.43%	5.20%	5.85%	-0.52%	-0.59%	-1.23%	0.65%	
Net Interest Income (% of Revenue)	71.9%	75.1%	73.7%	72.1%	73.1%	71.9%	75.1%	73.7%	72.1%	73.1%	3.2%	-1.4%	-1.6%	1.0%	
Fees (% of Banking Income)	14.5%	15.0%	16.3%	16.3%	13.4%	14.5%	15.0%	16.3%	16.3%	13.4%	0.5%	1.2%	0.0%	-2.9%	
Staff Costs (% of Total Costs)	60.1%	57.8%	56.9%	59.4%	59.7%	60.1%	57.8%	56.9%	59.4%	59.7%	-2.3%	-1.0%	2.5%	0.3%	
Costs per Employee ('000)	1,344	1,320	1,386	1,609	1,926	23	21	23	21	30	-1.8%	5.0%	16.1%	19.7%	
Cost-to-Income (incl. Depreciation)	51.0%	60.0%	64.5%	77.2%	74.5%	51.0%	60.0%	64.5%	77.2%	74.5%	9.0%	4.5%	12.8%	-2.7%	
Net LLP (% of Net Loans)	3.89%	3.64%	1.86%	5.46%	1.65%	3.89%	3.64%	1.86%	5.46%	1.65%	-0.25%	-1.78%	3.59%	-3.81%	
Tax Rate	32.2%	21.4%	16.8%	-474.5%	27.7%	32.2%	21.4%	16.8%	-474.5%	27.7%	-10.8%	-4.6%	-491.4%	502.2%	
ROE	16.3%	12.1%	12.3%	-13.3%	8.0%	16.3%	12.1%	12.3%	-13.3%	8.0%	-4.1%	0.2%	-25.7%	21.3%	
ROA	2.16%	1.69%	1.82%	-1.50%	1.00%	2.16%	1.69%	1.82%	-1.50%	1.00%	-0.47%	0.14%	-3.32%	2.50%	
Loans/Deposits	54.0%	54.3%	46.5%	36.6%	43.3%	54.0%	54.3%	46.5%	36.6%	43.3%	0.3%	-0.7%	-10.0%	6.7%	
Loans/Assets	44.6%	45.8%	37.8%	30.5%	35.3%	44.6%	45.8%	37.8%	30.5%	35.3%	1.2%	-8.0%	-7.2%	4.8%	
Deposits/Liabilities	95.1%	97.8%	95.3%	94.0%	93.3%	95.1%	97.8%	95.3%	94.0%	93.3%	2.6%	-2.5%	-1.3%	-0.7%	
Loans in Local Currency (% Total)	75.5%	76.9%	80.0%	70.1%	75.2%	75.5%	76.9%	80.0%	70.1%	75.2%	1.4%	3.1%	-9.9%	5.0%	
Deposits in Local Currency (% Total)	69.4%	71.2%	72.4%	68.0%	65.1%	69.4%	71.2%	72.4%	68.0%	65.1%	1.8%	1.2%	-4.4%	-2.9%	
Loans per Branch ('000)	538,468	516,415	455,514	425,175	500,016	9,123	8,401	7,410	5,677	7,834	-4.1%	-11.8%	-6.7%	17.6%	
Deposits per Branch ('000)	996,717	950,202	978,933	1,162,282	1,154,814	16,888	15,458	15,925	15,518	18,092	-4.7%	3.0%	18.7%	-0.6%	
Solvency Ratio	17.7%	15.8%	16.7%	14.9%	14.9%	17.7%	15.8%	16.7%	14.9%	14.9%	-1.9%	0.9%	-1.8%	0.0%	
NPL Ratio	3.63%	9.00%	7.06%	4.12%	2.32%	3.63%	9.00%	7.06%	4.12%	2.32%	5.37%	-1.94%	-2.94%	-1.80%	
NPL Coverage	177.4%	91.8%	115.2%	172.2%	312.3%	177.4%	91.8%	115.2%	172.2%	312.3%	-85.5%	23.4%	57.0%	140.0%	
BS Provisions/Loans (gross)	6.44%	8.26%	8.13%	7.09%	7.25%	6.44%	8.26%	8.13%	7.09%	7.25%	1.82%	-0.13%	-1.04%	0.16%	

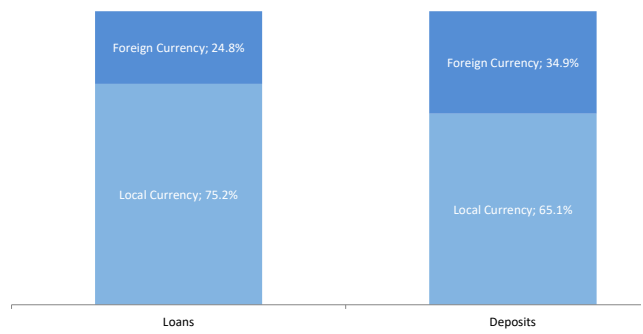
Source: Annual Reports and Eaglestone Securities.

BALANCE SHEET STRUCTURE - 2021



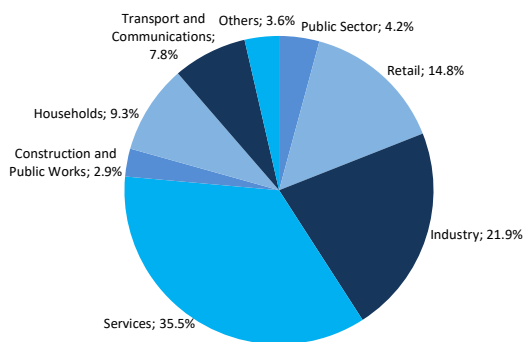
Sources: Annual Reports and Eaglestone Securities.

LOANS AND DEPOSITS BY CURRENCY - 2021



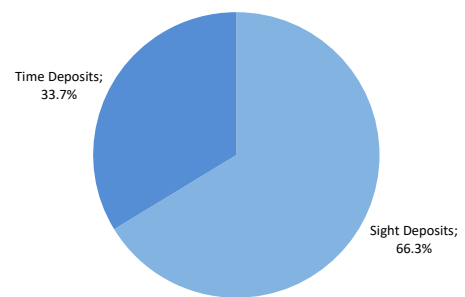
Sources: Annual Reports and Eaglestone Securities.

LOAN BREAKDOWN - 2021



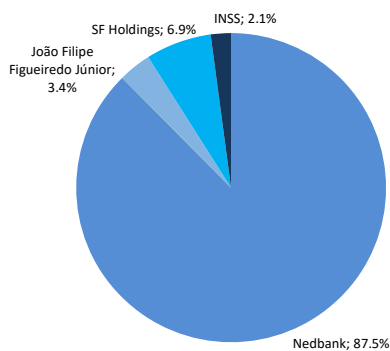
Sources: Annual Reports and Eaglestone Securities.

DEPOSIT BREAKDOWN - 2021



Sources: Annual Reports and Eaglestone Securities.

SHAREHOLDER STRUCTURE - 2021



Sources: Annual Reports and Eaglestone Securities.

ANNEX I – SIX MAJOR BANKS COMPARISON (TABLES)

SIX MAJOR BANKS - MAIN INDICATORS									
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net Interest Margin (NI/ATA)									
Banco Comercial e de Investimentos	3.69%	4.02%	3.63%	4.55%	5.37%	6.38%	6.47%	6.13%	7.09%
Millennium bim	6.28%	6.09%	5.48%	7.50%	9.00%	9.13%	8.12%	6.53%	6.73%
Standard Bank Moçambique	5.47%	5.51%	4.96%	7.20%	11.20%	9.87%	7.92%	6.79%	7.44%
ABSA Bank Moçambique	4.41%	4.77%	6.58%	10.44%	14.15%	9.98%	8.32%	7.76%	7.20%
Moza Banco	5.54%	4.11%	2.66%	3.20%	7.24%	5.89%	5.95%	5.27%	7.57%
Nedbank Moçambique	4.83%	5.68%	5.74%	6.27%	7.55%	7.03%	6.43%	5.20%	5.85%
Net Interest Income (% of Banking Revenue)									
Banco Comercial e de Investimentos	52.9%	53.8%	48.0%	61.4%	61.8%	69.6%	70.0%	71.2%	71.1%
Millennium bim	58.9%	61.0%	55.9%	66.8%	77.2%	75.4%	74.3%	76.6%	75.8%
Standard Bank Moçambique	51.6%	48.1%	39.5%	54.3%	71.5%	69.1%	66.6%	63.8%	70.4%
ABSA Bank Moçambique	61.5%	55.3%	54.9%	71.0%	84.7%	75.5%	71.8%	72.8%	70.8%
Moza Banco	54.4%	43.5%	28.9%	180.4%	79.8%	74.6%	74.2%	78.7%	77.6%
Nedbank Moçambique	60.5%	61.4%	61.6%	62.0%	71.9%	75.1%	73.7%	72.1%	73.1%
Fees (% of Banking Income)									
Banco Comercial e de Investimentos	21.0%	21.3%	20.5%	21.0%	12.4%	13.1%	14.3%	12.1%	13.0%
Millennium bim	20.1%	19.6%	17.9%	14.6%	13.6%	12.3%	13.1%	14.7%	14.9%
Standard Bank Moçambique	18.0%	16.5%	14.7%	12.5%	9.6%	11.5%	14.8%	12.9%	12.3%
ABSA Bank Moçambique	36.9%	22.8%	17.6%	10.6%	7.4%	10.1%	12.2%	11.2%	11.7%
Moza Banco	19.7%	19.1%	17.2%	73.6%	13.1%	18.5%	16.0%	15.9%	11.5%
Nedbank Moçambique	17.1%	19.0%	15.8%	15.2%	14.5%	15.0%	16.3%	16.3%	13.4%
Staff Costs (% of Total Costs)									
Banco Comercial e de Investimentos	49.8%	47.0%	50.8%	52.1%	53.1%	54.4%	54.7%	55.2%	53.0%
Millennium bim	47.6%	47.1%	45.2%	44.8%	43.6%	43.1%	43.1%	42.2%	42.4%
Standard Bank Moçambique	58.4%	55.2%	58.5%	56.9%	58.3%	58.5%	56.9%	55.7%	53.6%
ABSA Bank Moçambique	52.4%	46.0%	53.8%	45.3%	48.3%	47.3%	45.7%	42.5%	38.7%
Moza Banco	44.4%	42.4%	41.4%	26.3%	38.8%	40.9%	42.2%	57.1%	60.6%
Nedbank Moçambique	53.1%	56.8%	62.7%	60.4%	60.1%	57.8%	56.9%	59.4%	59.7%
Costs per Employee ('000 MZM)									
Banco Comercial e de Investimentos	802	808	883	1,076	1,227	1,309	1,442	1,562	1,603
Millennium bim	765	817	892	1,039	1,073	1,147	1,168	1,188	1,213
Standard Bank Moçambique	1,398	1,490	1,732	2,067	2,688	2,847	2,933	3,093	3,524
ABSA Bank Moçambique	990	740	1,475	1,370	1,805	1,813	2,078	2,480	2,393
Moza Banco	1,068	977	1,109	1,375	1,288	1,511	1,410	1,855	1,890
Nedbank Moçambique	1,091	1,135	1,257	1,379	1,344	1,320	1,386	1,609	1,926
Total Costs per Branch ('000 MZM)									
Banco Comercial e de Investimentos	25,698	25,128	27,419	31,969	34,702	34,743	35,992	37,143	39,057
Millennium bim	23,830	24,772	27,455	31,684	32,738	33,911	34,206	34,534	35,867
Standard Bank Moçambique	67,382	71,195	85,336	107,732	135,753	144,970	154,417	165,966	194,829
ABSA Bank Moçambique	35,549	31,962	44,753	49,095	63,161	62,085	70,196	82,316	78,567
Moza Banco	29,217	32,548	36,278	69,435	45,802	50,592	49,556	42,931	45,399
Nedbank Moçambique	42,840	45,797	49,439	58,612	62,798	61,147	65,703	72,434	85,576
Cost-to-Income (incl. Depreciation)									
Banco Comercial e de Investimentos	64.8%	62.2%	61.9%	61.9%	52.2%	49.2%	51.0%	51.3%	43.4%
Millennium bim	43.6%	42.9%	42.1%	38.3%	37.9%	37.6%	39.8%	46.2%	43.5%
Standard Bank Moçambique	54.4%	54.6%	46.8%	44.4%	41.5%	43.3%	47.4%	47.5%	51.4%
ABSA Bank Moçambique	136.9%	87.2%	82.3%	67.0%	62.0%	67.7%	75.0%	86.7%	68.9%
Moza Banco	87.8%	81.8%	85.4%	728.4%	98.4%	111.7%	98.0%	100.5%	63.3%
Nedbank Moçambique	108.6%	78.2%	64.5%	58.3%	51.0%	60.0%	64.5%	77.2%	74.5%
Net LLP (% of Loans)									
Banco Comercial e de Investimentos	0.85%	1.30%	1.05%	1.25%	3.71%	1.86%	3.56%	4.21%	3.39%
Millennium bim	0.93%	0.88%	1.65%	2.10%	3.26%	4.86%	3.14%	5.43%	0.78%
Standard Bank Moçambique	1.72%	0.84%	1.21%	3.81%	1.34%	0.75%	0.37%	-0.44%	1.44%
ABSA Bank Moçambique	2.05%	2.40%	1.62%	3.47%	2.71%	-2.45%	0.04%	1.15%	2.40%
Moza Banco	1.32%	1.07%	1.54%	7.52%	9.20%	1.41%	2.54%	-1.01%	13.29%
Nedbank Moçambique	1.26%	2.17%	3.40%	1.69%	3.89%	3.64%	1.86%	5.46%	1.65%
Tax Rate									
Banco Comercial e de Investimentos	12.2%	25.2%	28.7%	25.3%	27.1%	28.4%	26.1%	30.2%	23.3%
Millennium bim	17.4%	18.5%	19.3%	28.1%	23.6%	18.9%	21.9%	14.0%	21.0%
Standard Bank Moçambique	29.4%	29.4%	33.8%	35.1%	24.1%	24.2%	26.9%	27.5%	27.1%
ABSA Bank Moçambique	0.0%	0.0%	0.0%	22.3%	28.3%	21.1%	7.9%	19.5%	45.9%
Moza Banco	39.3%	14.7%	9.9%	3.3%	-0.1%	-40.7%	-36.0%	35.4%	-10.5%
Nedbank Moçambique	29.0%	42.0%	23.8%	29.2%	32.2%	21.4%	16.8%	-474.5%	27.7%
ROE									
Banco Comercial e de Investimentos	19.8%	17.6%	16.5%	12.6%	15.1%	24.3%	18.1%	13.3%	22.2%
Millennium bim	22.3%	20.7%	18.3%	21.3%	21.5%	20.3%	18.8%	12.5%	15.8%
Standard Bank Moçambique	18.4%	19.8%	23.0%	22.1%	32.0%	26.5%	19.8%	19.1%	15.7%
ABSA Bank Moçambique	-35.7%	-0.5%	8.1%	13.4%	20.4%	20.5%	14.1%	3.8%	7.9%
Moza Banco	1.6%	7.3%	3.3%	183.5%	-20.3%	-8.5%	-10.0%	1.8%	-16.3%
Nedbank Moçambique	-10.8%	1.6%	5.9%	18.1%	16.3%	12.1%	12.3%	-13.3%	8.0%
ROA									
Banco Comercial e de Investimentos	1.46%	1.32%	1.36%	1.00%	1.51%	2.63%	2.10%	1.40%	2.78%
Millennium bim	3.94%	3.57%	3.10%	3.62%	4.49%	4.51%	4.30%	2.53%	3.51%
Standard Bank Moçambique	2.83%	3.20%	3.52%	3.49%	6.40%	5.59%	4.14%	3.79%	3.44%
ABSA Bank Moçambique	-3.51%	-0.07%	1.31%	2.10%	3.69%	3.63%	2.55%	0.62%	0.99%
Moza Banco	0.15%	0.66%	0.26%	-18.40%	-5.47%	-2.11%	-1.85%	0.31%	-3.06%
Nedbank Moçambique	-1.13%	0.16%	0.69%	1.94%	2.16%	1.69%	1.82%	-1.50%	1.00%

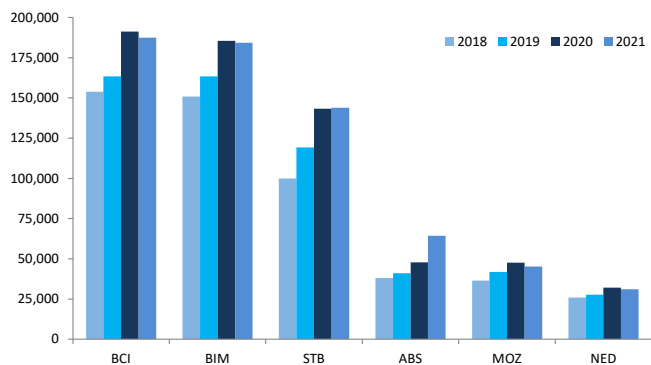
Sources: Annual Reports and Eaglestone Securities.

SIX MAJOR BANKS - MAIN INDICATORS (CONT.)									
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021
Loans/Deposits									
Banco Comercial e de Investimentos	75.4%	80.0%	75.5%	80.4%	64.1%	56.5%	52.8%	44.2%	45.0%
Millennium bim	74.2%	73.6%	74.4%	80.0%	61.6%	45.3%	37.5%	32.0%	30.3%
Standard Bank Moçambique	53.0%	59.6%	53.9%	47.9%	33.5%	38.3%	32.2%	33.9%	37.3%
ABSA Bank Moçambique	66.1%	70.3%	67.3%	70.1%	48.1%	44.7%	51.6%	62.6%	47.6%
Moza Banco	71.1%	80.7%	72.5%	106.8%	85.1%	72.3%	81.4%	69.4%	67.4%
Nedbank Moçambique	73.3%	72.8%	64.2%	59.4%	54.0%	54.3%	46.5%	36.6%	43.3%
Loans/Assets									
Banco Comercial e de Investimentos	54.7%	59.1%	55.4%	57.7%	46.9%	42.5%	40.5%	35.1%	35.1%
Millennium bim	54.5%	54.5%	55.1%	56.5%	44.7%	33.3%	27.1%	24.0%	22.7%
Standard Bank Moçambique	42.9%	46.5%	40.1%	37.0%	25.2%	28.3%	23.8%	26.4%	28.3%
ABSA Bank Moçambique	46.1%	43.4%	48.6%	52.1%	34.4%	32.3%	39.6%	47.5%	38.8%
Moza Banco	55.7%	59.1%	57.2%	62.0%	57.3%	49.4%	57.1%	51.4%	48.9%
Nedbank Moçambique	60.3%	60.1%	54.0%	50.2%	44.6%	45.8%	37.8%	30.5%	35.3%
Deposits/Liabilities									
Banco Comercial e de Investimentos	78.3%	79.8%	79.9%	78.0%	81.2%	84.4%	86.8%	88.7%	89.4%
Millennium bim	89.2%	89.5%	89.2%	85.1%	91.7%	94.4%	93.6%	94.1%	96.3%
Standard Bank Moçambique	95.8%	92.9%	88.0%	91.8%	94.0%	93.8%	93.8%	97.1%	97.0%
ABSA Bank Moçambique	77.3%	73.5%	86.0%	88.3%	87.3%	87.8%	93.6%	90.5%	93.1%
Moza Banco	86.1%	80.5%	85.5%	52.7%	92.2%	91.1%	86.2%	88.7%	89.5%
Nedbank Moçambique	91.8%	91.3%	95.3%	94.6%	95.1%	97.8%	95.3%	94.0%	93.3%
Loans in Local Currency (% of Total)									
Banco Comercial e de Investimentos	57.6%	63.4%	65.0%	56.2%	57.5%	60.5%	71.8%	73.8%	77.2%
Millennium bim	76.1%	79.0%	78.5%	74.9%	76.5%	82.5%	87.1%	90.0%	91.8%
Standard Bank Moçambique	63.4%	66.6%	64.9%	62.0%	56.3%	67.5%	74.5%	65.7%	68.8%
ABSA Bank Moçambique	88.9%	87.9%	86.2%	78.9%	83.3%	74.4%	80.8%	74.6%	75.1%
Moza Banco	96.8%	88.7%	88.8%	81.9%	87.1%	83.4%	85.0%	82.4%	95.8%
Nedbank Moçambique	83.6%	86.8%	88.4%	80.0%	75.5%	76.9%	80.0%	70.1%	75.2%
Deposits in Local Currency (% of Total)									
Banco Comercial e de Investimentos	77.5%	77.1%	75.2%	68.2%	76.2%	76.9%	76.4%	73.5%	76.1%
Millennium bim	77.1%	79.1%	75.0%	70.6%	75.6%	77.4%	79.2%	80.1%	81.6%
Standard Bank Moçambique	47.6%	49.8%	45.0%	45.3%	56.0%	53.1%	58.7%	54.7%	60.0%
ABSA Bank Moçambique	67.8%	71.0%	70.3%	62.8%	66.8%	65.1%	69.0%	69.4%	64.5%
Moza Banco	86.4%	88.5%	82.3%	79.4%	84.8%	86.5%	89.8%	84.7%	89.4%
Nedbank Moçambique	74.4%	75.2%	67.9%	60.7%	69.4%	71.2%	72.4%	68.0%	65.1%
Loans per Branch ('000 MZM)									
Banco Comercial e de Investimentos	340,266	347,709	363,257	429,523	371,338	326,874	318,220	317,968	313,806
Millennium bim	305,227	342,137	392,491	444,790	330,178	259,923	221,463	223,650	210,202
Standard Bank Moçambique	511,382	558,809	671,831	737,206	550,330	707,395	711,180	946,608	1,015,822
ABSA Bank Moçambique	171,944	210,167	223,784	279,525	218,893	250,699	332,109	455,133	497,888
Moza Banco	229,135	303,330	304,025	311,746	288,321	327,011	385,085	348,724	350,330
Nedbank Moçambique	337,401	444,916	510,284	570,223	538,468	516,415	455,514	425,175	500,016
Deposits per Branch ('000 MZM)									
Banco Comercial e de Investimentos	451,314	434,556	481,154	534,275	579,496	578,686	602,622	719,540	697,768
Millennium bim	411,298	464,721	527,838	555,789	535,600	573,716	590,279	698,444	693,895
Standard Bank Moçambique	965,314	937,161	1,246,781	1,539,928	1,643,227	1,848,488	2,211,982	2,791,588	2,726,157
ABSA Bank Moçambique	260,303	298,754	332,412	399,006	455,321	560,768	643,019	727,409	1,046,949
Moza Banco	322,276	375,877	419,232	291,969	338,870	452,604	473,325	502,145	519,891
Nedbank Moçambique	460,501	610,869	794,546	960,296	996,717	950,202	978,933	1,162,282	1,154,814
Solvency Ratio									
Banco Comercial e de Investimentos	11.9%	8.6%	12.7%	14.0%	17.1%	17.0%	25.0%	24.5%	23.1%
Millennium bim	21.4%	19.0%	19.8%	18.8%	17.1%	39.0%	45.8%	43.9%	44.8%
Standard Bank Moçambique	13.3%	9.7%	15.3%	17.0%	20.4%	19.4%	29.3%	24.8%	22.2%
ABSA Bank Moçambique	8.2%	27.3%	24.7%	19.7%	24.8%	23.1%	20.0%	18.3%	19.2%
Moza Banco	13.5%	10.5%	9.9%	-98.9%	23.5%	21.7%	23.8%	14.8%	23.2%
Nedbank Moçambique	9.8%	10.0%	16.4%	12.4%	17.7%	15.8%	16.7%	14.9%	14.9%
NPL Ratio									
Banco Comercial e de Investimentos	2.79%	1.93%	1.21%	3.58%	8.40%	5.66%	4.53%	12.99%	14.21%
Millennium bim	1.68%	2.17%	4.18%	3.54%	5.05%	5.33%	6.60%	6.21%	7.96%
Standard Bank Moçambique	2.61%	2.03%	1.57%	7.93%	4.78%	2.60%	1.47%	2.62%	4.85%
ABSA Bank Moçambique	13.36%	13.93%	9.44%	17.82%	9.50%	7.68%	9.24%	8.74%	10.83%
Moza Banco	3.28%	2.22%	2.27%	4.58%	8.74%	9.89%	11.91%	15.15%	14.45%
Nedbank Moçambique	1.38%	1.78%	3.33%	2.12%	3.63%	9.00%	7.06%	4.12%	2.32%
NPL Coverage									
Banco Comercial e de Investimentos	66.1%	122.7%	155.9%	66.1%	50.0%	158.3%	182.5%	85.5%	87.8%
Millennium bim	348.0%	241.3%	141.7%	205.4%	191.5%	211.9%	179.9%	118.9%	104.8%
Standard Bank Moçambique	85.8%	88.8%	130.2%	62.0%	149.1%	242.2%	378.2%	200.2%	118.4%
ABSA Bank Moçambique	63.4%	52.8%	64.8%	31.6%	76.4%	65.4%	63.5%	50.9%	53.4%
Moza Banco	82.6%	118.6%	122.6%	226.1%	185.0%	179.1%	138.6%	103.3%	74.3%
Nedbank Moçambique	169.8%	175.9%	135.8%	179.4%	177.4%	91.8%	115.2%	172.2%	312.3%
BS Provisions/Loans (gross)									
Banco Comercial e de Investimentos	1.84%	2.37%	1.89%	2.37%	4.20%	8.96%	8.27%	11.11%	12.47%
Millennium bim	5.83%	5.23%	5.92%	7.28%	9.67%	11.29%	11.87%	7.38%	8.34%
Standard Bank Moçambique	2.24%	1.80%	2.05%	4.92%	7.13%	6.31%	5.58%	5.24%	5.74%
ABSA Bank Moçambique	8.46%	7.35%	6.12%	5.64%	7.26%	5.02%	5.87%	4.45%	5.78%
Moza Banco	2.71%	2.63%	2.79%	10.35%	16.17%	17.72%	16.51%	15.65%	10.74%
Nedbank Moçambique	2.34%	3.14%	4.52%	3.80%	6.44%	8.26%	8.13%	7.09%	7.25%

Sources: Annual Reports and Eaglestone Securities.

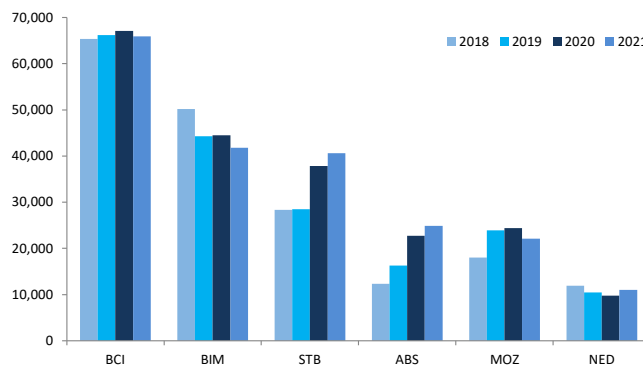
ANNEX II – SIX MAJOR BANKS COMPARISON (GRAPHS)

ASSETS (MZM MILLION)



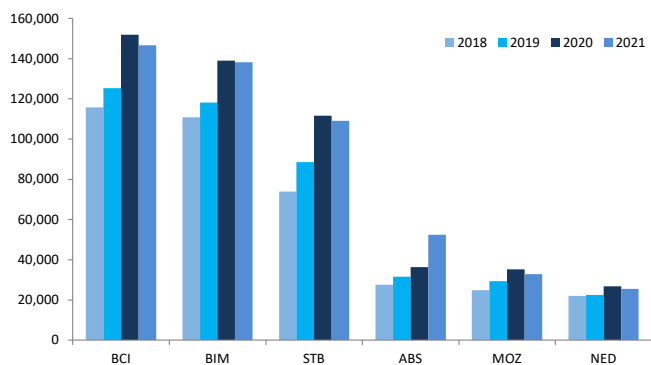
Sources: Annual Reports and Eaglestone Securities.

NET LOANS (MZM MILLION)



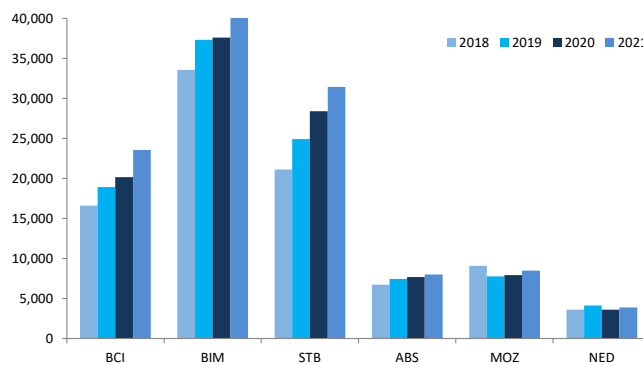
Sources: Annual Reports and Eaglestone Securities.

DEPOSITS (MZM MILLION)



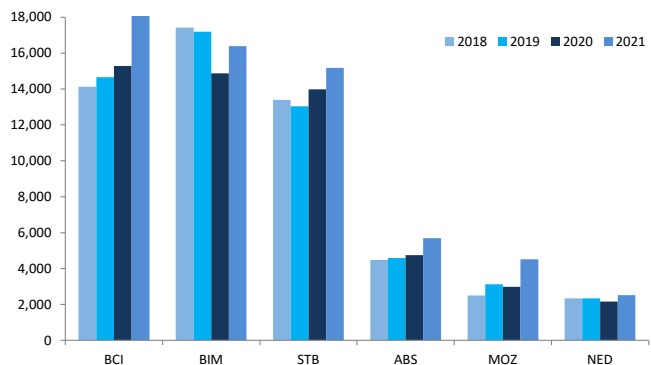
Sources: Annual Reports and Eaglestone Securities.

EQUITY (MZM MILLION)



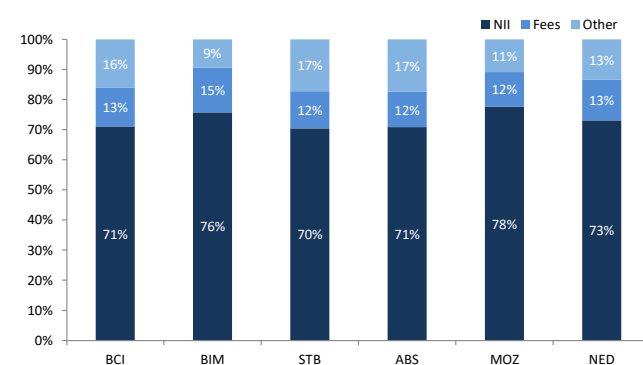
Sources: Annual Reports and Eaglestone Securities.

REVENUES (MZM MILLION)



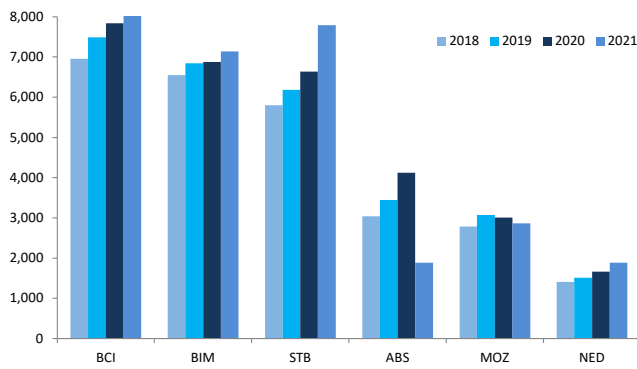
Sources: Annual Reports and Eaglestone Securities.

REVENUE BREAKDOWN - 2021



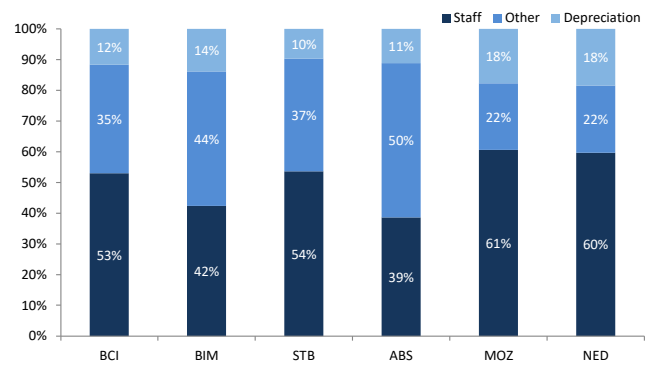
Sources: Annual Reports and Eaglestone Securities.

COSTS (MZM MILLION)



Sources: Annual Reports and Eaglestone Securities.

COSTS BREAKDOWN - 2021



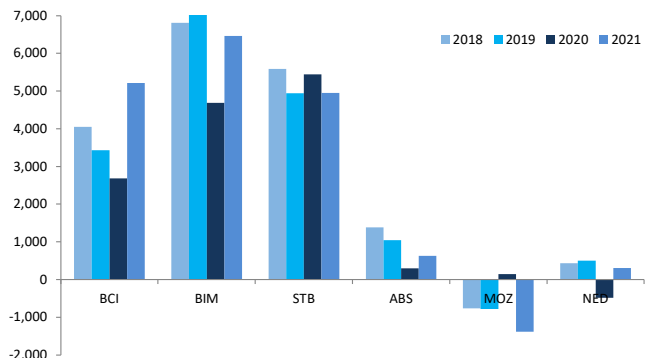
Sources: Annual Reports and Eaglestone Securities.

COST OF RISK (NET LOAN LOSS PROVISIONS / LOANS)



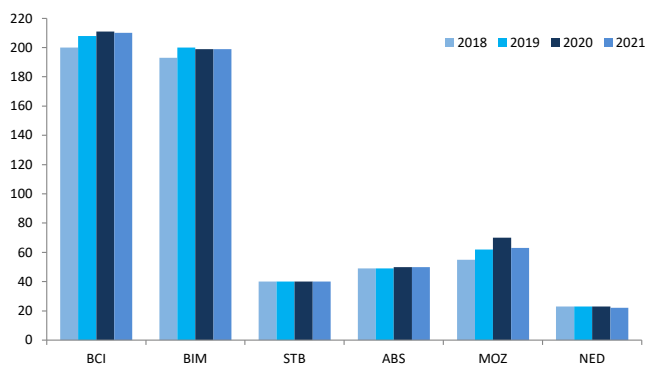
Sources: Annual Reports and Eaglestone Securities.

NET PROFIT (MZM MILLION)



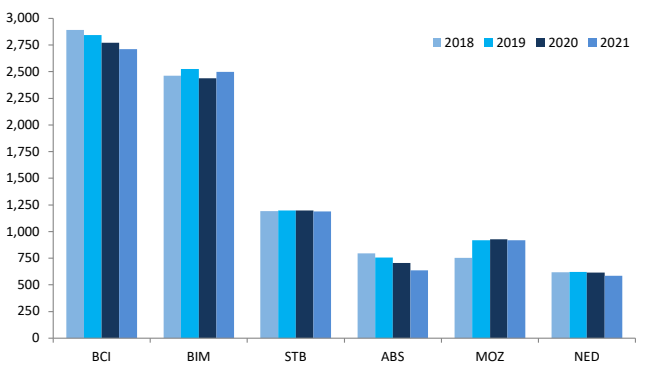
Sources: Annual Reports and Eaglestone Securities.

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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