

# 2015

## ANNUAL REPORT



**BancoBIC**  
Growing together



# 2015

## ANNUAL REPORT



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# CHAIRMAN'S STATEMENT



Angola is currently facing an economic crisis. In 2015, the Angolan economy was penalized by plunging oil prices in the international market. Given continued high levels of dependence on revenue from the oil sector, the persistence of this downward trend has conditioned the performance of the entire Angolan economy, which has subsequently been reflected in the main economic and financial variables.

Thus, the Angolan economy, which saw its tax and export revenues plummeting by 40% in comparison with 2014, consequently leading to a high deficit in the balance of payments and tax revenue in 2015, was forced to make inevitable adjustments.

Reduction in foreign currency revenue had a particular impact at an exchange level, making access to foreign currency difficult. As a result of increasing scarcity of foreign currency, the BNA promoted a depreciation of the Kwanza, with a view to balancing

the supply and demand of currency, as a measure to preserve the stock of international reserves, so that the balance of outflows, which give rise to reserve variations, would be established in US dollars.

The measures adopted in 2015 resulted in a depreciation of the Kwanza against the US dollar by approximately 30%.

The national banking system was also significantly hit by the effects of the crisis, recording a fall in loans granted to the economy which slipped from 39 thousand million US dollars to 30 thousand million, a contraction of approximately 22%. In terms of deposit collection, despite growth in domestic currency, a decrease of approximately 13% was observed when converted to US dollars, thus reflecting a reduction in the purchasing power of the currency.

Notwithstanding the challenges posed by this backdrop, 2015 was a special year for Banco BIC, since it commemorated its 10th anniversary. In fact, this date may be summarised in two simple but nonetheless emblematic words: growth and solidarity. Let us start with growth.

We have observed 10 years of growth recording extraordinary results which have propelled us to a top ranking position in the Banking Sector. Banco BIC has expanded across the entire Angolan territory, boasting 223 branches, 2,081 employees and over 1.2 million customers. Such is the scale of this private bank with the largest commercial network in Angola. .

We have given priority to our involvement with populations, creating a favourable climate for investment and growth, based on a commitment to quality and offering financial support to large and small businesses and individual customers. We have encouraged private domestic investment, particularly in the provinces, by subsidising loan rates to the agricultural, fishing and construction sectors.

Additionally, credit to the Angolan government, through the acquisition of public debt securities, has made the performance of many infrastructure projects possible, which are of interest to the general population.

Throughout its 10 years of history, internationalization has also been at the root of such growth. We began with Banco BIC Português, and today we are already present in two continents and five different countries, namely Angola, Portugal, South Africa, Cape Verde and Namibia

The trajectory of our growth has also led us to new business perspectives, innovative services and other ways of participating in society beyond our banking activity. The insurance activity, with the launch of BIC Seguros [BIC Insurance] is an example. We will continue to grow with Angola and the Angolan people.

Naturally, having come this far since our first branch was opened in Maianga in 2005, reflects the fruit of hard work and dedication. Therefore, our 10th anniversary represents the celebration of success, a commitment to our customers, suppliers and to society at large, and above all, it represents an added responsibility towards all our customers.

It also conveys a commitment to our mission, through the practice of our values and principles such as ethical concerns, transparency, quality, commitment, integrity, efficiency, objectivity, collaboration, respect, innovation, team work and sustainability.

The year 2015 was particularly demanding and intense, however we rely on the commitment and collaboration of everyone in order to overcome daily challenges. Given the national economy,

sustainability requires the maintenance of a sound, efficient, engaged and competitive financial system, committed to the expectations of the development and well-being of society as a whole.

Chairman of the Board of Directors



Fernando Mendes Teles

# KEY PERFORMANCE INDICATORS

## Key Performance Indicators

(Amounts in million Angolan Kwanzas)

	2015	2014	Var. (%)
<b>Total net assets</b>	<b>977,609</b>	<b>835,923</b>	<b>17%</b>
<b>Business turnover</b>	<b>1,582,067</b>	<b>1,394,272</b>	<b>13%</b>
<b>Credit to the economy</b>	<b>841,445</b>	<b>709,600</b>	<b>19%</b>
Loans to customers	335,259	278,800	20%
Credit to the State	419,733	366,428	15%
Off-balance sheet items	86,453	64,372	34%
<b>Customer funds</b>	<b>740,622</b>	<b>684,672</b>	<b>8%</b>
<b>Turnover by employee</b>	<b>760,2</b>	<b>664,9</b>	<b>14%</b>
<b>Earnings from financial brokerage</b>	<b>58,396</b>	<b>39,843</b>	<b>47%</b>
<b>Earnings from financial brokerage by employee</b>	<b>28,06</b>	<b>19,00</b>	<b>48%</b>
<b>Administrative and marketing costs / Earnings from financial brokerage</b>	<b>51.1%</b>	<b>50.9%</b>	<b>0%</b>
<b>Staff costs / Earnings from financial brokerage</b>	<b>20%</b>	<b>25%</b>	<b>19%</b>
<b>Net income for the year</b>	<b>27,656</b>	<b>20,537</b>	<b>35%</b>
<b>Net position</b>	<b>102,721</b>	<b>91,055</b>	<b>13%</b>
<b>Earnings before tax / Average net assets</b>	<b>3.2%</b>	<b>2.7%</b>	<b>18%</b>
<b>Earnings from financial brokerage / Average net assets</b>	<b>6.44%</b>	<b>5.02%</b>	<b>28%</b>
<b>Earnings before tax / Average equity</b>	<b>30%</b>	<b>24%</b>	<b>24%</b>
<b>Regulatory solvency ratio</b>	<b>16%</b>	<b>21%</b>	<b>-22%</b>
<b>Number of branches</b>	<b>223</b>	<b>219</b>	<b>2%</b>
<b>Number of employees</b>	<b>2,081</b>	<b>2,097</b>	<b>-1%</b>
<b>Number of customers</b>	<b>1,208,691</b>	<b>1,086,448</b>	<b>11%</b>

## Key Performance Indicators

(Amounts in million US Dollars)

	2015	2014	Var. (%)
<b>Total net assets</b>	<b>7,225</b>	<b>8,127</b>	<b>-11%</b>
<b>Business turnover</b>	<b>11,692</b>	<b>13,554</b>	<b>-14%</b>
<b>Credit to the economy</b>	<b>6,219</b>	<b>6,898</b>	<b>-10%</b>
Loans to customers	2,478	2,710	-9%
Credit to the State	3,102	3,562	-13%
Off-balance sheet items	639	626	2%
<b>Customer funds</b>	<b>5,473</b>	<b>6,656</b>	<b>-18%</b>
<b>Turnover by employee</b>	<b>5,6</b>	<b>6,5</b>	<b>-13%</b>
<b>Earnings from financial brokerage</b>	<b>432</b>	<b>387</b>	<b>12%</b>
<b>Earnings from financial brokerage by employee</b>	<b>0,21</b>	<b>0,18</b>	<b>12%</b>
<b>Administrative and marketing costs / Earnings from financial brokerage</b>	<b>50.9%</b>	<b>47.1%</b>	<b>-8%</b>
<b>Staff costs / Earnings from financial brokerage</b>	<b>20%</b>	<b>25%</b>	<b>19%</b>
<b>Net income for the year</b>	<b>204</b>	<b>200</b>	<b>2%</b>
<b>Net position</b>	<b>759</b>	<b>885</b>	<b>-14%</b>
<b>Earnings before tax / Average net assets</b>	<b>2.8%</b>	<b>2.8%</b>	<b>-1%</b>
<b>Earnings from financial brokerage / Average net assets</b>	<b>5.63%</b>	<b>4.89%</b>	<b>15%</b>
<b>Earnings before tax / Average equity</b>	<b>26%</b>	<b>24%</b>	<b>10%</b>
<b>Regulatory solvency ratio</b>	<b>16%</b>	<b>21%</b>	<b>-22%</b>
<b>Number of branches</b>	<b>223</b>	<b>219</b>	<b>2%</b>
<b>Number of employees</b>	<b>2,081</b>	<b>2,097</b>	<b>-1%</b>
<b>Number of customers</b>	<b>1,208,691</b>	<b>1,086,448</b>	<b>11%</b>



Head Office of Banco BIC Angola



# 01

## BANCO BIC ANGOLA

- › CORPORATE GOVERNANCE
- › ORGANISATION CHART
- › REMUNERATION POLICY
- › MISSION, VISION AND VALUES

# CORPORATE STRUCTURE

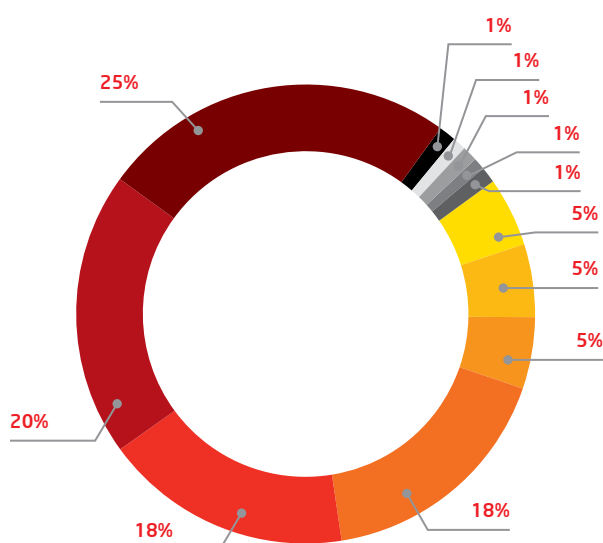
## CORPORATE GOVERNANCE

The Bank's corporate governance model is established in its Articles of Association and complies with the Law on Financial Institutions (Law 12/05, of 17 June). The Governing Bodies are the General Meeting and respective Chairman, the Board of Directors, the Executive Committee of the Board of Directors, the Internal Audit Committee and the Board of the General Meeting and the External Auditor.

Banco BIC was incorporated by Deed of 22 April 2005, following the communication of Banco Nacional de Angola of 19 April 2005, which authorised its incorporation, and has its head office at Edifício Banco BIC, situated in Bairro de Talatona, Municipality of Samba, Luanda.

The Bank is committed to obtaining third party funds, in the form of deposits or other, which it invests, along with its own funds, in the granting of loans, in deposits at Banco Nacional de Angola, investments in credit institutions, acquisition of securities and other assets, for which it is duly authorised. The Bank also renders other banking services and performs various types of transactions in foreign currency

The share capital of Banco BIC is distributed as follows:



The members of the Governing Bodies were elected for the three-year period 2014/2017 at the General Meeting of 10 April 2014. On that same date, the Board of Directors appointed the members of the Executive Committee of the Board of Directors and its Chairman, under the terms of the Articles of Association.



## GENERAL MEETING

The General Meeting is the governing body made up of all the Bank's Shareholders, and is regulated under the terms of the Articles of Association. Its main responsibilities are as follows:

- Election and approval of the fixed and/or variable remunerations of the members of the governing bodies;
- Appraisal of the annual report of the Board of Directors, discussion and voting on the Bank's balance sheet and other financial statements, taking the opinions of the Internal Audit Committee and External Auditor into account;
- Deliberation on the distribution of net income as per proposal of the Board of Directors; and
- Deliberation on amendments to the articles of association.

## BOARD OF DIRECTORS

The current Board of Directors is composed of ten members, of who eight, appointed by this same Board, assure the Bank's executive management.

The meetings of the Board of Directors are held at least quarterly, and whenever called by the Chairman of the Board of Directors.

In order to regulate its internal functioning, the Board of Directors has delegated the Bank's current management to an Executive Committee, composed of eight members, under the terms established by deliberation of this delegation.

## EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS

The Executive Committee of the Board of Directors, within the scope of its responsibilities, and subject to the plans of action and annual budget, in addition to other measures and guidelines approved by the Board of Directors, has broad management powers to conduct the Bank's current activity, although its intervention is subject to permanent monitoring by the Internal Audit Committee and External Auditor.

All the members of the Executive Committee perform an active role in the current management of the Bank's business activity, and are responsible for one or more specific business areas, according to their respective profiles and individual competencies, without prejudice to the inclusion/exclusion of any other member in a particular area.

The Executive Committee of the Board of Directors is called to meet at least once a month by its Chairman.

## INTERNAL AUDIT COMMITTEE

The composition of the Internal Audit Committee is regulated by the provisions in the Articles of Association, and is made up of a Chairman and two permanent voting members. The Internal Audit Committee holds at least one meeting per quarter.

## EXTERNAL AUDITOR

External auditing is conducted by Deloitte & Touche – Auditores Limitada. The rules for the provision of services by the External Auditor are defined in Banco Nacional de Angola Notice 04/2013 of 22 April.

The Bank considers its External Auditors to meet the expected requirements of availability, knowledge, experience and conduct for the suitable performance of their duties.

## EXECUTIVE COMMITTEE



**HUGO SILVA TELES**  
Director

**PEDRO NUNES M'BIDINGANI**  
Director

**GRAZIELA RODRIGUES ESTEVES**  
Director

**FERNANDO TELES**  
Chairman

**GRAÇA MARIA PEREIRA**  
Director

**FERNANDO ALEIXO DUARTE**  
Director

**JOSÉ MANUEL CÂNDIDO**  
Director

## Composition of Governing Bodies

The Bank is currently assessing the composition of its governing bodies, namely in terms of the amount of members required for each body. This situation will be resolved in the General Meeting scheduled for the first quarter of 2016.

BOARD OF DIRECTORS	EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS
<p><b>CHAIRMAN</b> Fernando Mendes Teles</p> <p><b>VOTING MEMBERS</b> Graziela Rodrigues Esteves Fernando Aleixo Duarte Graça Maria Pereira Hugo Silva Teles Jaime Galhoz Pereira José Manuel Cândido Pedro Nunes M'Bidingani Isabel José dos Santos * Amadeu Maurício **</p>	<p><b>CHAIRMAN</b> Fernando Mendes Teles</p> <p><b>VOTING MEMBERS</b> Graziela Rodrigues Esteves Fernando Aleixo Duarte Graça Maria Pereira Hugo Silva Teles Jaime Galhoz Pereira José Manuel Cândido Pedro Nunes M'Bidingani</p>
INTERNAL AUDIT BOARD	INDEPENDENT AUDITOR
<p><b>CHAIRMAN</b> Henrique Camões Serra</p> <p><b>VOTING MEMBER</b> Maria Ivone dos Santos</p>	<p>Deloitte &amp; Touche – Auditores Limitada</p>

(\*) Non Executive Director (\*\*) Independent Non Executive Director

# ORGANISATION CHART

The Bank's functional structure enables a clear division of the areas and duties of each department and/or office, under the responsibility of each one of the executive directors.

The organisation chart of the Bank may be observed below:

EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS							
(CHAIRMAN) <b>FERNANDO TELES</b> ▼	<b>GRAZIELA ESTEVES</b> ▼	<b>FERNANDO DUARTE</b> ▼	<b>GRAÇA PEREIRA</b> ▼	<b>HUGO TELES</b> ▼	<b>JAIME PEREIRA</b> ▼	<b>JOSÉ CÂNDIDO</b> ▼	<b>PEDRO M'BIDINGANI</b> ▼
Credit Board	IBD I Individuals and Business Department I	ISD Information Systems Department	IAD Internal Audit Department	Private Banking Department	IFB International and Financial Bureau	PFD Payments and Foreign Department	CD III Companies Division III
HRTD Human Resources and Training Department	CD I Companies Department I	IBD II Individuals and Business Division II	CRAD Credit Risk Analysis Department	CD II Companies Division II	PAMD Planning, Accounting and Management Department	ABO Angola – Brazil Office	MD Marketing Department
MRD Material Resources Department	APO Angola-Portugal Office	ACPM Alternative Channels and Payment Methods Department	OB Organisation Bureau	Investment Centres Department	RB Risk Bureau	IBD IV Individuals and Business Division IV	LCRD Legal and Credit Recovery Department
Fixing Office	OSD Operational Support Division		CO Compliance Office	IBD III Individuals and Business Division III	CMO Capital Market Office		
Holding Office			LD Litigation Department				
CT Central Treasury							

## Composition of the structural units

**Fernando Teles**  
(Chairman)

### HRTD - Human Resources and Training Department

Main duties:

- Recruitment of Human Resources, including the planning of human resources, researching the market of candidates, recruitment, selection and integration;
- Allocation of Human Resources, including analysis and description of duties, staff mobility (horizontal, vertical and diagonal), career planning and merit or performance assessment;
- Human Resources Maintenance, including remuneration (salary management), social benefit plans (health), other plans (Loans), workplace health and safety, records, staff and work relations control (such as declarations, work certificates);
- Development of Human Resources, including training and personal development plans; and,
- Control of Human Resources, including management indicators, information systems of human resources (research and data processing, statistics, records, maps and statements).

Operational and Accounting Area

Managing Director: Telma Pinheiro

Sub-Directors: Sarah Figueiredo

Number of staff members: 6

### MRD - Material Resources Department

Main duties:

- Conducting the organisation and promotion of procurement/consulting previously selected suppliers, analysing proposals and preparing documentation for their selection/approval;
- Negotiating, entering into, awarding, renewing, changing, revising and terminating the provision of goods and services contracts;
- Managing all purchase and order processes relative to furniture, equipment, including computer and mobile communication equipment (mobile phones and access panels to mobile internet devices), services, stationary/supplies, books and periodic publications; and,
- Securing the physical planning of spaces connected to the activity of the Bank, proposing and justifying solutions geared towards the optimization and rationalization of the connection and use of spaces by the various Departments, in addition to complying with the established technical, operational, safety and environmental requirements for this area.

Operational and Accounting Support Area

Managing Director : Alberto Castelo Branco

Number of staff members : 44

### Fixing Office

Main duties:

- Checking the precision of the legal documents that are part of the process associated with each operation;
- Conducting prior analysis of approved operations in the decision-making circuit, validating documentation presented, in addition to the correct and adequate framework in conformity with the existing laws and manuals of products and services; and
- Requesting the re-assessment of operations to the appropriate decision-making circuit, in the case of identifying procedural defects, suggesting the proper framework so as to correct the formalisation of operations.

Operational and Accounting Support Area

Managing Director : José Carlos Silva

Sub-Director: Helga Peres

Number of staff members : 9

### Holding Office

Main duties:

- Ensuring the realisation and issuance of Life and Non-Life Insurance, accomplished under guarantees associated with Loans granted by the Bank; and
- Ensuring the maintenance of Policies/Changes/Write-offs/ Reversals associated with Credit products.

Operational and Accounting Support Area

Managing Directors: Fátima Monteiro/Joaquim Moutinho

Number of staff members : 3

### Central Treasury

Main duties:

- Ensuring that the collection and delivery of valuables in the Safes of the Branches is conducted within the periods laid down for such purpose;
- Ensuring that the maximum ceiling established for the valuables in the safes of the Branches is never exceeded, thus mitigating the operational risk; and,
- Ensuring that Treasury valuables in the Bank are never exceeded, taking measures for their due deposit in the Central Bank.

Operational and Accounting Support Area

Managing Director : Inocêncio Almeida

Sub- Director: Afonso Nunda

Number of staff members : 16

## Graziela Esteves

### IBD I - Individuals and Business Division I

#### Main duties:

- Defining and implementing commercial action policies, within the scope of the commercial strategy defined by the Board of Directors of the Bank;
- Boosting customer and business attraction in their target segment;
- Analysing market conditions;
- Establishing business goals, in close connection with the Board of Directors and the Commercial Departments of the Branch Network;
- Monitoring and controlling overdue credit of the Division and taking measures for its respective collection;
- Monitoring and collaborating in measures to minimize risk in Customers showing alert signals, and not exclusively default; and,
- Analysing reports from the Inspection and Audit Department (IAD) on commercial and administrative activities, controlling and promoting the correction of abnormalities and informing the Division Director, in writing, of the measures taken.

#### Business area

Managing Directors: Anabela Santinho / Henrique Oliveira / José Zacarias

Assistant Director: Emília Calohombo

Area Directors: Alfredo de Castro / Ana Paula Cajada / Armindo Cunha / Edna Gaspar / Horácio Almeida / Pedro Marta / Rui Caetano / Solange Martins

Number of staff members: 664

### CD I - Companies Division I

#### Main duties:

- Defining and implementing action policies, within the scope of the commercial strategy defined by the Board of Directors of the Bank;
- Boosting customer and business attraction in their target segment;
- Analysing market conditions;
- Monitoring and controlling overdue credit of the Division and taking measures for its respective collection;
- Monitoring and collaborating in measures to minimize risk in Customers showing alert signals, and not exclusively default; and,
- Analysing reports from the Inspection and Audit Department (IAD) on commercial and administrative activities, controlling and promoting the correction of abnormalities and informing the Division Director, in writing, of the measures taken.

#### Business area

Managing Director: Bruno Bastos

Centre Director: Dinamene Monteiro / Luena Fundões

Number of staff members : 35

### **APO - Angola - Portugal Office**

Main duties:

- Within the scope of furthering internationalization of the Bank, ensuring and/or expediting the business relationship between Banco BIC Angola, S.A. and Banco BIC Português, S.A. and respective Customers (or potential Customers); and,
- Within the scope of the above-mentioned business relationship, ensure the creation and maintenance of efficient communication and procedural channels, in strict compliance with the legal framework of both countries and the internal regulations of the institutions.

Operational and Accounting Support Area

Managing Director: José Carlos Silva

Number of staff members: 1

### **OSD - Operational Support Division**

Main duties:

- Receiving loan proposals from the Commercial Networks and recording them for monitoring and control purposes;
- Providing full support to the Commercial Networks, in terms of information requests on the situation of credit operations;
- Debiting the Customer with commissions and contract expenses whenever applicable;

Operational and Accounting Support Area

Managing Director : Jerusa Silva

Number of staff members : 12

## **Fernando Duarte**

### **ISD - Information Systems Department**

Main duties:

- Identifying and enhancing the definition of strategic intervention lines regarding Information Systems and respective technological support;
- Comprehensively managing information system and technological infrastructure components, so as to ensure their permanent alignment with current needs and to identify the predictable impact of new requests from the various Business Units; and,
- Ensuring the planning and development of necessary action for the adoption of measures and methods based on a rigorous framework in terms of productivity, efficiency, quality, control, safety, service levels and costs.

Operational and Accounting Support Area

Managing Director : Luis Nikolai

Assistant Director: Rui Valente

Sub-Director: Jaime Corte-Real

Number of staff members : 29

## IBD II - Individuals and Business Division II

### Main duties:

- Defining and implementing action policies, within the scope of the commercial strategy defined by the Board of Directors of the Bank;
- Boosting customer and business attraction in their target segment;
- Analysing market conditions;
- Establishing business goals, in close connection with the Board of Directors and the Commercial Departments of the Branch Network;
- Monitoring and controlling overdue credit of the Division and taking measures for its respective collection;
- Monitoring and collaborating in measures to minimize risk in Customers showing alert signals, and not exclusively default; and,
- Analysing reports from the Inspection and Audit Department (IAD) on commercial and administrative activities, controlling and promoting the correction of abnormalities and informing the Division Director, in writing, of the measures taken.

### Business area

Managing Directors: Amílcar Aguiar / Francisco Lourenço / António Silva

Coordinating Directors: Elisabeth Pina / Fátima Silva

Area Directors: Edgar Magalhães / Fábio Leitão / Francisco Melo / João Ivungo / José Assis / Justina Praça / Patricia Faria / Simão Finde

Number of staff members : 721

## ACPM - Alternative Channels and Payment Methods Department

### Main duties:

- Ensuring the efficient implementation and functioning of operational procedures regarding the following products and services: Bank Cards (Debit, Credit or others); Automatic Payment Terminals (POS); Multibanco Teller Machines (ATM); Interactive Service (Netbanking-Individuals; Netbanking-Companies); and Other Alternative Channels (such as Mobile Banking, Tablet Banking, SMS Banking);
- Contributing, in close connection with other Organisational Units of the Bank, to the definition of new products and services, campaigns and promotional action, new or improved features; and,
- Ensuring correct and constant functioning of the POS and ATM.

### Operational and Accounting Support Area

Managing Director : N'Kiniani Rangel

Sub-Director: Márcia Lima

Number of staff members : 29

## Graça Pereira

### AID - Audit and Inspection Department

Main duties:

- Defining and preparing the Annual Audit Plan, ensuring its accomplishment;
- Ensuring the audit of all Branches, Corporate Centres, Investment Centres and Central Services of the Bank;
- Drawing up audit reports, proposing the adoption of corrective measures for situations defined as defective or not totally regular;
- Analysing Customer complaints that justify AID intervention, in close connection with the Body of the Bank involved, and collaborating whenever necessary, in drawing up the respective reply; and,
- Whenever necessary, carrying out inspections (analysis and technical evaluation) on Bodies or events that may show signs of irregularities, whether with a view to ascertaining responsibilities in such situations, suspecting illegitimate or fraudulent procedures, or when the established regulations and guidelines are deemed to have been breached, with potential consequences for the asset interests of the Bank or third parties.

Control Area

Managing Director: Pedro Viagem

Managing Inspection Director: Augusto Silva

Auditing Sub-Director : Fernanda Pinto

Inspection Sub-Director : Cristiano Fontoura

Number of staff members: 20

### CRAD - Credit Risk Analysis Department

Main duties:

- Analysing credit operations related to Customer or Corporate risk, pursuant to the Credit Regulations;
- Drawing up Credit Risk Reports of Customers/Corporations (Credit Reports), focusing on analyses developed for new and greater exposure, atypical and more complex credit situations under analysis by the Credit Committee;
- Ensuring procedures for the creation of Balance Sheet Grids and Credit Ratings, ensuring their maintenance;
- Ensuring the correct creation of Economic Corporations and Circuits and their respective maintenance; and,
- Taking steps to obtain management information on issues falling under its scope of authority.

Operational and Accounting Support Area

Managing Director: Carla Estronca

Sub-Director: Maria Franco

Number of staff members: 21

### OB - Organisation Bureau

Main duties:

- Ensuring the creation and maintenance of Internal Regulations, in close connection with the Organisational Units of the Bank, corresponding approval from the Board of Directors , dissemination and historical archiving;
- Ensuring or collaborating in the definition of the corporate structure and competences/responsibilities of the Organisational Bodies of the Bank, corresponding approval from the Board of Directors , dissemination and historical archiving;
- Designing and assuring maintenance of the content of the Bank's printed material and templates; and,
- Promoting collaboration and the sharing of information and knowledge among the various Functional Structures of the Bank.

Operational and Accounting Support Area

Sub-Director: Maria Manuela Pereira

Number of staff members: 2

### GC - Gabinete de Compliance

Main duties:

- Drawing up and presenting a yearly report, at the minimum, to the Board of Directors and the Internal Audit Committee of the Bank, identifying any non-compliance verified and the measures adopted to correct any defects that may have been detected;
- Informing the Board of Directors immediately of any evidence of a breach of legal obligations, rules of conduct and relations with Customers or of any other duties that may give rise to the Institution or its employees being accused of a misdemeanour;
- Monitoring and disseminating the legislation and regulations published by the various supervisory and regulatory entities; and ,
- Within the scope of Anti-Money Laundering and Counter-Terrorist Financing: ensuring the updating of internal regulations with regard to changes in the law in force and reliability of the Anti-Money Laundering and Counter-Terrorist Financing technological applications.

Control area

Managing Director: Filipe Meneses

Sub-Director: Sónia Lilita Almeida

Number of staff members: 2

### LD - Litigation Department

Main duties:

- Ensuring the Bank's prelitigation and litigation procedures, with regard to Customer contract default;
- Within its field of action, supporting all procedures relative to independent Lawyers.

Business area

Managing Director: Joaquim Machado

Number of staff members: 5

## Hugo Teles

### Private Banking Department

Main duties:

- Collaborating with the Board of Directors and Marketing Department in the definition of a global commercial strategy and in the proposal of value regarding the Private segment, promoting its realization and implementation; and,
- Supporting Private Bankers by visiting Customers of relevant importance, as a means to boost business attraction and in actions for attracting Customers with high potential.

Business area

Managing Director: Stephan Silva

Number of staff members: 6

### CD II - Companies Division II

Main duties:

- Defining and implementing action policies, within the scope of the commercial strategy defined by the Board of Directors of the Bank;
- Boosting customer and business attraction in their target segment;
- Analysing market conditions;
- Monitoring and controlling overdue credit of the Division and taking measures for its respective collection;
- Monitoring and collaborating in measures to minimize risk in Customers showing alert signals, and not exclusively default; and,
- Analysing reports from the Inspection and Audit Department (IAD) on commercial and administrative activities, controlling and promoting the correction of abnormalities and informing the Division Director, in writing, of the measures taken.

Business area

Centre Directors: Marcília Gonçalves / Regina Guimarães

Number of staff members: 40

### Investment Centre Department

Main duties:

- Developing best practices within the scope of monitorization and prospection, in order to accomplish the commitment with investors, with a view to attaining the successful realization of each project, building strategic partnerships and synergies of value;
- Supervising the entire investment project with the investor, from its conception up to its entry into full activity; and
- Studying investment alternatives that are in line with the evolution of the entrepreneurial reality, enhancing the commercial network of the economic agents that maintain financial relations with the Bank.

Business area

Managing Director: Monalisa Dias

Number of staff members: 12

### IBD III - Individual and Business Division III

#### Main duties:

- Defining and implementing action policies, within the scope of the commercial strategy defined by the Board of Directors of the Bank;
- Boosting customer and business attraction in their target segment;
- Analysing market conditions;
- Establishing business goals, in close connection with the Board of Directors and the Commercial Departments of the Branch Network;
- Monitoring and controlling overdue credit of the Division and taking measures for its respective collection;
- Monitoring and collaborating in measures to minimize risk in Customers showing alert signals, and not exclusively default; and,
- Analysing reports from the Inspection and Audit Department (IAD) on commercial and administrative activities, controlling and promoting the correction of abnormalities and informing the Division Director, in writing, of the measures taken.

#### Business area

Managing Director: Susana Silva

Diretor Área: Carlos Santos / Hélio Lopes

Number of staff members: 118

### Jaime Pereira

### IFB - International and Financial Bureau

#### Main duties:

- Coordinating and managing the foreign exchange risk position and managing the liquidity of the Bank and compliance with the mandatory reserves;
- Monitoring fulfillment of the exposure limits to market and counterparty risks;
- Controlling and managing the correct recording of all the accomplished operations in the systems of the Bank;
- Ensuring the timely processing and recording of operations performed with counterparties in the appropriate information system, and in accordance with the procedures established for such purpose;
- Collaborating in the updating of the Price List of the Bank with regard to Products and Services related to the activity of the Department;
- Establishing the pricing of exchange products (sight and term), Purchase/Sale operations of Bank notes and foreign currency and monetary market operations; and,
- Monitoring the evolution of the markets.

#### Business area

Managing Director : Irene Vezo

Assistant Directors: Lília Cunha

Number of staff members: 13

### **PAMD - Planning, Accounting and Management Department**

Main duties:

- Preparing the financial statements and all the other items relative to the Bank's legal reporting;
- Producing and reporting accounting, prudential, statistical and fiscal information to the supervisory entities and fiscal authorities respectively, ensuring compliance with the accounting standards and regulatory and fiscal requirements;
- Managing the invoicing of and payment to third parties.

Operational and Accounting Support Area

Managing Director: Alzira Gama

Sub-Directors: Edhylaine Tavares / Soraia Ramos

Number of staff members: 19

### **RB - Risk Bureau**

Main duties:

- Obtaining a comprehensive vision of the risks to which the Bank is exposed in the sense of understanding its various impacts, including the evolution of internal capital;
- Implementing management and risk measurement methodologies suited to the materiality and characteristics of each type of risk;
- Ensuring implementation of a sound and reliable management and risk measurement system that will enable comprehensive and segmented processing of risks and understanding of the respective impacts;
- Fostering the level of internal control;
- Coordinating, drawing up and maintaining the Business Continuity Plan (BCP); and,
- Contributing to boosting an internal risk culture and quality improvement of the services.

Control area

Managing Director: Joaquim Moutinho

Number of staff members: 1

### **CMO - Capital Market Office**

Main duties:

- At a single contact point, making the accomplishment of the main capital market financial instruments possible for Customers, while the required reliability, safety and transparency conditions are guaranteed at all times;
- Boosting consultancy investment services for Customers of the Bank who hold assets of high value; and,
- Ensuring the organisation and structuring of capital market and debt operations.

Operational and Accounting Support Area

Head: Bruno Bastos

Number of staff members: 1

## José Cândido

### ABO - Angola - Brazil Office

Main duties:

- Within the scope of furthering internationalization of the Bank, ensuring and/or expediting the business relationship between Banco BIC Angola, S.A. and Banco BIC Brasil, S.A. And respective Customers (or potential Customers); and,
- Within the scope of the above-mentioned business relationship, ensure the creation and maintenance of efficient communication and procedural channels, in strict compliance with the legal framework of both countries and the internal regulations of the institutions.

Operational and Accounting Support Area

Responsável: José Carlos Silva

Number of staff members: 1

### IBD IV - Individuals and Business Division IV

Main duties:

- Defining and implementing action policies, within the scope of the commercial strategy defined by the Board of Directors of the Bank;
- Boosting customer and business attraction in their target segment;
- Analysing market conditions;
- Establishing business goals, in close connection with the Board of Directors and the Commercial Departments of the Branch Network;
- Monitoring and controlling overdue credit of the Division and taking measures for its respective collection;
- Monitoring and collaborating in measures to minimize risk in Customers showing alert signals, and not exclusively default; and,
- Analysing reports from the Inspection and Audit Department (IAD) on commercial and administrative activities, controlling and promoting the correction of abnormalities and informing the Division Director, in writing, of the measures taken.

Business area

Managing Director: Paula Sousa

Area Director: Telmo Bernardo / Felícia Fortes

Number of staff members: 158

### PFD - Payments and Foreign Department

Main duties:

- Opening, maintenance and settlement of documentary and external financing operations , OPEs and MROs;
- Performing the duties related to the compensation received; and,
- Performing duties related to Bank cheques paid or deposited in the Commercial Networks.

Operational and Accounting Support Area

Assistant Director: Inês Carvalho

Sub-Directors: Paulo Brito

Number of staff members: 31

## Pedro M'Bidingani

### CD III - Companies Division III

Main duties:

- Defining and implementing action policies, within the scope of the commercial strategy defined by the Board of Directors of the Bank;
- Boosting customer and business attraction in their target segment;
- Analysing market conditions;
- Monitoring and controlling overdue credit of the Division and taking measures for its respective collection;
- Monitoring and collaborating in measures to minimize risk in Customers showing alert signals, and not exclusively default; and,
- Analysing reports from the Inspection and Audit Department (IAD) on commercial and administrative activities, controlling and promoting the correction of abnormalities and informing the Division Director, in writing, of the measures taken.

Business area

Managing Director: Pedro Santos

Centre Directors: Dacia Nascimento / Isabel Lopes

Number of staff members: 35

### MD - Marketing Department

Main duties:

- Proposing the launch of commercial promotional campaigns to sustain the strategic goals of the Bank, particularly those designed for the marketing of new products and services, monitoring the accomplishment of the defined goals;
- Ensuring the contents available on the intranet and internet are updated;
- Ensuring and validating the accomplishment, on the part of the Advertising Companies, of all the commercials and advertisements for the implementation of campaigns (TV and radio spots, press advertisements, materials and
- Coordinating and monitoring the organisation of all events, namely Management meetings, Conventions and Anniversaries;
- Implementing the procedures required for the publication of Annual Reports, ensuring coordination with the Communication Agency selected for its production and publication; and,
- Analysing, negotiating and implementing all sponsorships, capitalizing on all investment return and ensuring correct application of the brand identity on the various materials.

Operational and Accounting Support Area

Managing Director: Mafalda Carvalho

Number of staff members: 4

**LCRD - Legal and Credit Recovery Department**

Main duties:

- Analysing the files forwarded by the Commercial Networks;
- Drawing up proposals for debt settlement agreements;
- Within its field of action, supporting all procedures relative to independent Lawyers;
- Attending to consultations of a technical and legal nature formulated by all the Bodies of the Bank; and,
- Drawing up financial and business contracts.

Operational and Accounting Support Area

Managing Director: Carlos Campos

Sub-Director: Isilda Tavares / Nelson Guilherme

Number of staff members: 19

# REMUNERATION POLICY

## Disclosure of Quantitative Information

In compliance with the provisions in Articles 22, No.3, sub-paragraph d) point i) of Banco Nacional de Angola Notice 01/2013 of 22 March, we hereby disclose that the remunerations earned in the year 2015 by the Board of Directors and Internal Audit Committee of the Bank amounted to approximately 162 million Kwanzas.

## Annual Disclosure on the Remuneration Policy

### 1. Remuneration of the Governing Bodies

- 1.1.** The Remuneration Policy of the governing bodies of Banco BIC S.A., in force for the reporting year 2015, was submitted by the Board of Directors and approved by the General Meeting on 9 April 2015.
- 1.2.** No external consultants participated in defining the Remuneration Policy, nor was there a Remuneration Committee.
- 1.3.** The Remuneration Policy in 2015 was compatible with the long term interests of the Bank, and did not foster excessive risk taking.
- 1.4.** The Non-Executive members of the Board of Directors only receive a fixed remuneration approved by the General Meeting.
- 1.5.** The members of the Internal Audit Committee only receive a fixed remuneration approved by the General Meeting.
- 1.6.** Remuneration of the members of the Executive Committee:
  - a) All members of the Executive Committee receive a fixed remuneration 14 times per year;
  - b) The General Assembly evaluates the Board of Directors on an annual basis, taking into consideration attainment of goals, quantitative and qualitative results in addition to an analysis of their origin and nature, sustainability and regularity, their associated risk, regulatory compliance, the added value for shareholders and the relations established between the institution and other stakeholders.

- 1.7.** Remuneration of the members of the Board of the General Meeting:

The members of the Board of the General Meeting receive a fixed attendance sum for participation in each meeting, which is defined and approved by this General Meeting.

### 2. Remuneration of Employees

- 2.1.** The Remuneration Policy of the Employees of Banco BIC S.A., in force for the reporting year 2015, was submitted by the Board of Directors and approved by the General Meeting on 9 April 2015.
- 2.2.** The performance of Employees is evaluated on a yearly basis, and conducted by the respective hierarchical superior, the results of which condition the attribution of a variable remuneration component.
- 2.3.** Employees who are legally bound to the Bank by means of an employment contract do not benefit from any other forms of remuneration other than those falling under the normal application of the Company Agreement or labour legislation, nor are they entitled to any annual bonus system or non-pecuniary benefits, without prejudice to the possibility of receiving a variable remuneration, as provided for in the remuneration policy in force.

# MISSION, VISION AND VALUES

Our vision is to value the dedication of all those involved in our mission, through the work carried out on the basis of our corporate values which have boosted our motto: Investing Together, Growing Together.

## VISION

Becoming the best, innovative and largest private Bank operating in Angola, with sustained growth, offering the best solutions to its Customers, being capable of constant renewal, and actively contributing to the development and growth of Angola.

## MISSION

Being a sound, profitable, socially responsible, efficient, agile Bank, with domestic and international projection, geared towards the creation of assets and value, a partner of businesses and

households, which sets itself apart through its asset valuation, Customer satisfaction and the accomplishment of its employees, while constantly adhering to high standards of ethical and social responsibility.

## VALUES

Transmitting our guiding principles through our behaviour, attitudes and decisions in the performance of our duties and in the achievement of our aims:

### CUSTOMER-DRIVEN

Establishing long-lasting relations with our Customers, based on rigour, integrity and transparency. Our dedication and commitment to our values ensure our Customers that they can rely on us to provide high quality services, which will help them to achieve their personal and professional goals.



## **INNOVATION**

Constantly observing and interpreting the market so that we are able to stand out in such a highly competitive sphere, not only by anticipating solutions and acquiring new knowledge, but also through our creation of value.

## **AMBITION**

By continuously bringing together humbleness, at a personal level, and professional ambition, we believe that we can always do more and identify ways of constantly improving our services. This belief is one of the driving forces underlying the professional growth of all of us as individuals, and particularly as a team.

## **RECOGNITION AND CONTINUOUS APPRECIATION OF OUR EMPLOYEES**

Our Human Resources are one of the driving forces behind our growth and the achievement of our strategic objectives. Our action is geared towards the creation of working conditions and individual career plans that serve to satisfy and enhance the motivation of all our employees, in addition to constantly investing in the development of their technical and behavioural skills.

## **TEAM WORK**

It is on a collective, and not an individual basis that we pursue our Mission. The aim of our constant combination of talents and skills is to establish highly competent teams, capable of building on and improving their management skills, thus going beyond their own limits.

## **HIGH STANDARD OF INTEGRITY**

All our employees act in accordance with principles of a high ethical standard, and are rigorously guided by the Bank's regulations and recommendations, within the legal framework of the respective Regulatory Entities.

## **SOCIAL RESPONSIBILITY**

Wherever we are, we seek to create an environment that fosters investment and growth, and to be fully integrated in the Community, both through our involvement with the population and by means of the services rendered. Each employee, and the team as a whole, leave our work as a legacy for the construction of a better world for future generations.

These values (Customer-driven approach, Innovation, Ambition, Recognition and continuous appreciation of our employees, Teamwork, High Standard of integrity and Social Responsibility) reflect the personality and corporate essence of Banco BIC, and are our inspiration to do more, to improve our services and broaden our scope of action, day after day, year after year, to the benefit of all.



National Assembly of Angola

# 02

## MACROECONOMIC SCENARIO

- > WORLD ECONOMY
- > ANGOLAN ECONOMY
- > POSITIONING OF BANCO BIC  
IN THE BANKING SECTOR



# MACROECONOMIC SCENARIO

## WORLD ECONOMY

Following the 2007/8 financial crisis, the western world has become subject to highly expansionary monetary policies seeking to stimulate growth and establish inflation at approximately 2%, in order to counter the threat of deflation. In terms of inflation, the USA is closer to this goal than the euro area.

Therefore, recourse has been taken to the so-called non-conventional monetary policies (Quantitative Easing) and some central banks (ECB, Japan, Denmark, Switzerland and Sweden) have started to apply negative interest rates to the deposits they receive from commercial banks. By doing so, these central banks aim to discourage commercial banks from applying their excess liquidity therein, in an attempt to force them to give more credit to the real economy, households and companies, thus supporting investment and consumption and contributing to aggregate demand and inflation.

The problem is that these negative interest rates, over a prolonged period of time, (as, indeed, was the case with the very low rates) affect saving and, in turn, investment. Such situations may lead to exchange conflicts as a result of currency depreciation, as the financial intermediaries will tend to shift money to other countries (carry trade) in search of more appealing remunerations, given the continued depressed credit demand.

On the other hand, these negative interest rates end up affecting credit benchmarks, such as the euro-indexed negative interest rates (and not only), as may already be observed in the 3 and 6 month Euribor rates. In fact, the 3 month Euribor rate is only expected to return to positive territory in 2019.

This negative territory of credit benchmarks has a considerable effect on the profitability of commercial banks, since the active credit interest rates are lowered, while the banks continue to positively remunerate their Customers' deposits.

There are also a number of countries issuing long-term debt at negative interest rates, such as Japan and possibly Germany.

Furthermore, some countries are showing signs of negative yields of their sovereign debt in the secondary market: Switzerland, Japan, Germany, Holland, Austria, Belgium, France, Finland, Ireland, Denmark, Sweden, Czech Republic, Slovenia, Italy and Spain.

## EMPLOYMENT, PRODUCTION AND INVESTMENT

Five years on, and recovery of the world economy is still struggling to gain traction.

Low productivity growth (all factors) of wages and potential output are the most common and striking situations.

The low investment rate has been affected by low demand, yet it has also been equally jeopardised by aggregate demand, in a vicious circle that is proving to be sluggish to suppress. The legacies of the 2008 crisis are still weighing heavily: high public and private debt, financial instability and ongoing credit bubble adjustment.

Over the last five years, projected growth has failed due to overestimated upward expectations. Further deflections have been observed in output and fewer in employment, thus revealing an unanticipated downward trend in productivity. Despite higher recorded levels of employment, weak output growth has resulted in the protraction of high unemployment figures.

Growth in the emerging and developing countries has continued to decelerate for the fifth consecutive year, while modest crisis recovery has been observed in the advanced countries.

Brazil and Russia have slipped into recession owing to the slump in oil prices and, in the case of Russia, to imposed economic sanctions.

Gross world product recorded a growth of 3.1%, down on the 3.4% year-on-year figure. Growth of the advanced countries stood at 1.9%, approximately in line with the previous year (1.8%).

The USA is still setting itself apart with a growth rate of 2.5% in 2015, and 2.4% in 2014.

In the euro area, GDP increased by 1.5% and by 1.9% in the European Union. These figures represent an acceleration vis-à-vis the figures recorded in the previous year, 0.9% (euro area) and 1.5% (European Union).

In the emerging and developing countries, growth stood at 4% (against 4.6% in 2014), a record low since the financial crisis of 2008.

Growth in China has continued on a downward trend for several years, however in 2015, its descent plummeted unexpectedly. The Chinese economy has continued to decelerate, recording a growth rate of 6.9% in 2015, compared with 7.3% in 2014.

Evolution among the advanced countries is differentiated. The USA and United Kingdom have already recovered the GDP figure recorded before the crisis, and the respective yields are already very close to their potential. Unemployment is already below the level recorded during the 2007 pre-crisis peak. These performances have been made possible, despite exchange rate appreciation, due to the dynamic labour market, low oil prices and the healthy financial conditions of households, despite the exchange revaluation.

Notwithstanding an exchange rate devaluation caused by the expansionary monetary policy, the euro area and Japan have seen more modest growth. Output is still far below its capacity.

Recovery of the European economy, which began in the second quarter of 2013, continued through 2015. This recovery is primarily the result of private consumption. Companies have benefited from the depreciation of the euro and the energy price slump. Investment has increased moderately, despite improved financial conditions triggered by the expansionary monetary policy.

The price of oil has continued on a plummeting downward trend. The cost of Brent in euros plunged by 36.4%, followed by more moderate descents of 9.3% in 2014 and 5.8% in 2013. The spot price per barrel was 28.3 euros in January (three month moving median) representing a record low in the last 12 years (since April 2004).

One would expect the oil price slump to stimulate global demand, as oil importers have more of a tendency to spend than its exporters. However, this was not the case owing to financial instability and low investment recorded in the energy sector, which was specifically affected by low profitability stemming from the price slump.

In the European Union, the unemployment rate fell from 11% at the start of 2013, to 9% by the end of 2015. Employment was observed to recover steadily, coming close to the record high observed before the crisis.

In the USA, unemployment levels stood at 5%, representing the lowest rate in the last 8 years (since February 2008).

Recovery in the European Union has been backed by consumer demand which, in turn, has been aided by low inflation. Investment, on the other hand, continues to remain at low levels with stable company credit demands, despite the ultra expansionary monetary policy.

Out of the group of European countries requiring an external bailout (Ireland, Portugal, Greece and Cyprus), only Greece has failed to show signs of recovery. Ireland, Spain and Cyprus have recorded growth levels above euro area levels. Ireland is evidently recovering, recording a remarkable growth of 6.9% in 2015, while Portugal and Cyprus, albeit more moderately, have both shown clear signs of recovery, with respective growth rates of 1.4% and 1.5% in 2015.

Devaluation of the euro exchange rate has been observed since September 2014. In 2015, depreciation of the euro stood at 16.5% against the US dollar, 4.3% against the yen and 10% against the sterling pound. As a result of this depreciation, almost all the euro area countries have gained market shares in international markets.

As a result of the euro exchange rate plummet, price competitiveness in the euro area inverted in 2015 to the trend prior to the fall. The effective exchange rate in the euro area fell by 9.7% following increases of 0.2% in 2014 and 5% in 2013.

The oil price slump has contributed to keeping inflation and the expansionary monetary policy low.

Inflation rates in the advanced countries have remained below the goal levels of the central banks.

In the advanced countries, prices increased marginally in 2015 (0.3%), compared with an increase of 1.4% in 2014. In the emerging and developing countries, inflation has remained stable, close to 5%.

In the European Union, inflation stood at 0.23% and at 0.7% in the USA.

Recovery in Europe has enabled the majority of countries to reduce their public deficits. In the euro area, aggregate public deficit for all the countries as a percentage of GDP decreased in 2015 by 0.4 percentage points, standing at 2.2%. The number of countries to which the Excessive Deficit Procedure still applies fell from 16 in 2014 to 9 in 2015.

In general, the interest fall in sovereign debt has allowed the advanced countries to follow expansionary fiscal policies. In 2015, the fiscal deficit stood at 2.5% in the European Union, 4.2% in the USA and 5.1% in Japan.

In the advanced economies, the easy monetary conditions and low long term interest rates have reduced the spreads and contributed to stabilizing debt dynamics.

## SUB-SAHARAN AFRICA

The Sub-Saharan region of Africa which recorded GDP growth of 5.0% in 2014, is still the second region in the world with the highest growth rate, despite recording a year-on-year growth of 3.8% in 2015.

The main risks of the economy of Sub-Saharan Africa are the plummeting tax revenue for the commodity-dependent economies; exchange depreciations; slowdown of the Chinese economy; potential changes in FED interest rates and the decompression of bond risk premiums in the advanced economies.

Given this unfavourable scenario, in some countries of the region, economic growth has remained steady, recording upward trends above 7%, namely the Democratic Republic of Congo, Mozambique and Tanzania, recording respective growth rates of 8.4%, 7.0% and 6.9%, in addition to the Ivory Coast and Ethiopia, both with economic growth rates of 7%, supported primarily by investments in infrastructures and private consumption.

Notwithstanding, other countries in the region have seen their economic growth follow the worldwide trend. The oil exporters of the region are the most affected, since the price slump had a considerable negative impact on exploration revenue, obliging them to make budgetary adjustments, as was the case in Nigeria and Angola. There are also other countries in which, despite feeling the impacts of this downturn, cheaper oil prices served to alleviate the costs of energy import.

The economy growth rate for some of the countries in the region is projected to be lower in 2015: Namibia 4.4%, Zambia 4.3%, Mauritius Islands 3.2%, Seychelles Islands 4%, Madagascar 3.4%, Botswana and Lesotho 2.6% and Zimbabwe 1.9%.

As for the economies of the region, in the past 12 months the general price level decelerated in the majority of the countries standing at 3.11% in Zimbabwe, 3.3% in Namibia, 3.80% in Lesotho and 2.90% in Botswana, 4.60% in South Africa, 2.00% in the Mauritius Islands, 6.10% in Tanzania and 7.70% in Zambia at September 2015. These falls were largely attributed to the plummet in the prices of raw-materials, foodstuffs and metals. Notwithstanding, year-on-year inflation accelerated to 4.50% in the Seychelles Islands, 2.73% in Mozambique and 1.95% in the Democratic Republic of Congo.

The Sub-Saharan region of Africa which recorded GDP growth of 5.0% in 2014, is still the second region in the world with the highest growth rate, despite recording a year-on-year growth of 3.8% in 2015.

The South African economy decreased to 1.4% in 2015, against 1.5% in 2014, projecting a further downturn to 1.3% in 2016. The weak performance of the South African economy was a result of the drought that affected the country in 2015, low external demand, low commodity prices and currency depreciation. However, it was also due to structural factors, particularly the restriction on the supply of electricity, low-skilled workforce, a scarcity of infrastructures and political problems related to the bad management of public funds. The end of 2015 was also marked by the Chancellor of the Exchequer being replaced twice.

With regard to the monetary market, tension in the mining sector, the fall in the price of metal commodities, concerns related to growth of the Chinese economy and the expectation of increased interest rates on the part of FED- - Federal Reserve (USA Central Bank), obliged SARB - South Africa Reserve Bank (South African Central Bank) to increase its benchmark interest rate to curb inflation around potential salary increases of the civil service and the miners.

The South African inflation rate remained between the 3% and 6% limits stipulated by the Central Bank. This dampening of the inflation rate was the result of low raw-material prices and a restrictive monetary policy.

Nigeria, boosted by its diversified economy, projected favourable growth for 2015, with a more attenuated rate of 4%, vis-à-vis 6.3% recorded in 2014, notwithstanding, a moderate acceleration of the economy to 4.3% is projected for 2016. The inflation rate saw a year-on-year growth from 7.9% to 9.6% in 2015, pursuant to IMF data.

In line with other oil exporting countries, the Angolan economy was affected by over 50% by the price slump. Real GDP growth fell from 4.8% in 2014 to 4.0% in 2015. The inflation rate soared to 14.27% in 2015, against the 7% BNA target. In order to leverage the economy, it was necessary to increase public debt from 31% in 2014, to 45.8% of GDP in 2015.

In 2015, the economy in Mozambique remained in line with the data relative to a growth rate below 7%, owing to a reduction

in foreign investment inflow, a restrictive tax policy, a fall in external revenue and currency depreciation. The devaluation of metal (metical) by approximately 50% triggered an increase in the inflation rate and depleted the RIL stock, forcing the central bank to adopt a more restrictive monetary policy. In 2016, the IMF anticipates a growth of 6.5%, based on heavy investment in natural gas and coal production products.

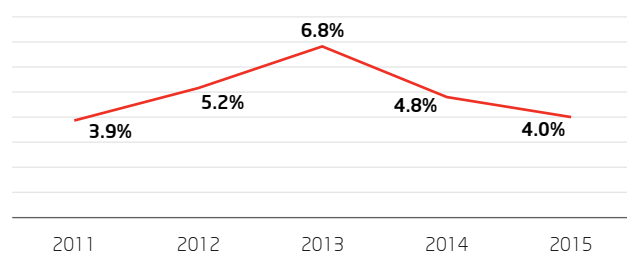
## ANGOLAN ECONOMY

2015 was a year marked by plunging oil prices, which negatively impacted the Angolan economy, and directly contributed to a plummet in net exports. The excessive offer of oil in the international market and the slowdown of the main world economies led to over a 50% reduction in the price per oil barrel, making an adjustment of the Angolan economy unavoidable. Consequently, Angola saw a year-on-year slump in its tax and export revenue of approximately 40%, thus inducing a high balance of payments deficit in its tax revenue in 2015.

A negative impact on the economy was, thus, inevitable, and obliged the Angolan Government to adjust the State Budget, by taking even more conservative assumptions into consideration. The contribution of oil revenue, the main source of revenue of the State Budget, amounted to over 75% and also the main source of tax revenue, representing over 90%, were reduced by 35.7%, changing their value of 4.1 trillion kwanzas to 2.6 trillion kwanzas. By the same token, expenditure was cut by 33%, plunging from 5.2 trillion Kwanzas to 3.4 trillion.

Overall, a slowdown in economic activity was observed which, naturally, led to a downward revision of growth rates for 2015. The real GDP growth rate stood at 4.0% for 2015, far short of the projections of the National Development Plan which estimated a growth rate for the Angolan economy of 8.8%, 9.8% for oil GDP and 5.3% for non-oil GDP.

### Real GDP Growth (in %)

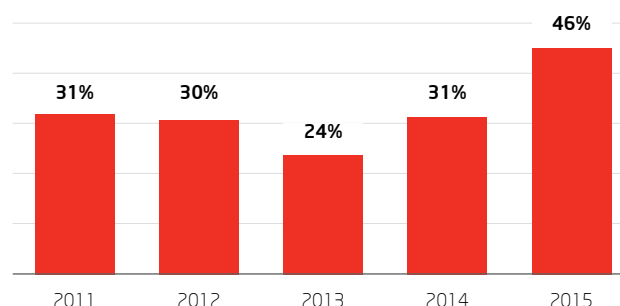


The excessive offer of oil in the international market and the slowdown of the main world economies led to over a 50% reduction in the price per oil barrel, making an adjustment of the Angolan economy unavoidable.

Angolan public debt increased considerably to approximately 46% of GDP, while Net International Reserves reached 24,550 million US dollars, equivalent to circa 6 months of imports. Inflation soared to 14.27%, surpassing the initial aim of a maximum 9% of the Central Bank of Angola.

Within this landscape, exposure of the Angolan economy to external shocks will be even greater, given the current economic conjecture of the country, characterised by a reduction in international reserves and exports and higher international and domestic indebtedness, as a means to curtail current expenditure and capital.

### Public Debt in %



After years of flourishing growth, 2015 reflected a sharp slowdown, negatively impacting both companies and individuals, given the difficulty in meeting international payments, the increase in unemployment rates, delays in state payments, increased inflation and a reduction in real salaries and, consequently in purchasing power.

## GROSS DOMESTIC PRODUCT

The year 2015 will remain marked by the constant readjustment of macroeconomic scenarios and great uncertainty in terms of recovery projections in oil prices. In the shadow of golden years of significant economic growth, 2015 saw economy deceleration, falling far short of initial projections for the year.

Throughout 2015, the BNA proceeded to depreciate the Kwanza in relation to the US dollar on a number of occasions, which led to an accumulated depreciation in the region of 30%.

The constraints that continue to hamper economic activity also obstruct fulfilment of the strategic diversification goals of the Angolan economy. Diversification is a vehicle for long-term sustainability which seeks to potentiate the collection of non-oil revenue and to improve the self-sufficiency of the country through a gradual substitution of imports. Angolan domestic production is still relatively low given the current market demand, and is highly dependent on the oil sector, which despite having recorded a reduction in prices, was still one of the sectors that contributed to real GDP growth.

#### Real GDP Growth- Production perspective

(annual variation in %)

	2013	2014	2015	2016 Proj.
GDP mp	6,8	4,8	4,0	3,3
Oil sector	-0,3	-0,8	2,3	1,5
Non-oil sector	7,2	5,6	1,7	1,9
Agriculture	42,3	11,9	2,5	4,6
Fish and derivatives	2,4	19,1	2,0	0,2
Diamonds and other	3,3	1,0	3,2	1,0
Oil	-0,9	-2,6	7,8	4,8
Manufacturing industry	8,6	8,1	2,6	3,1
Construction	8,1	8,0	3,5	3,1
Energy	34,4	17,3	12,0	20,0
Market services	7,0	8	2,2	2,4
Other	0,7	6,0	1,1	0,0

Source: Ministry of Finance

According to data published by the Treasury, the real GDP growth rate stood at 4.0% in 2015, reflecting a slowdown of 4 pp when compared with the projections of the National Development Plan, in which oil production presented a growth of 7.8%, resulting from a production increase in some blocs, despite price instability. The non-oil sector was the most affected by the oil price slump, notwithstanding it recorded positive growth, in the region of 1.7%, against 5.6% observed in 2014. In terms of sector contribution to global GDP, in spite of external shocks, and contrary to 2014, it was the oil sector that contributed most with 2.3%.

Growth in the non-oil sector was based on the energy (12%), construction (3.5%) and diamonds and other (3.2%) sectors, the manufacturing industry (2.6%) and agriculture (2.5%). The agricultural economy is still experiencing sharp slowdowns, reflecting an unstable and unsustainable trend of the sector which, in 2012, recorded negative growth in view of the persistent drought which devastated the country. The Government is projected to bolster investment in projects that will contribute to a diversification of the economy, and put effort into attracting private investment, thus boosting an increase in domestic production and in short-term exports.

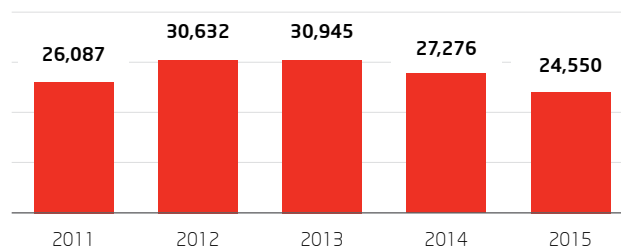
In order to re-launch the economy, public debt is important to tackle the crisis, to enable action that is not oil-dependent. New methods for managing the financial activity of the state are necessary, and at this level, the Programa de Potenciação da Receita Tributária [Tax Revenue Boost Programme] has a broader dynamic, allowing for an increase in non-oil tax revenue, which could offer a higher contribution to revenue in the oncoming years.

#### International Reserves and Oil Sector

Net International Reserves fell significantly with the slump in the price of the main commodity, recording a 20% decrease between 2012 and 2015, equivalent to approximately 6 thousand million US dollars.

The current level of international reserves, despite having recorded a contraction in 2015, remained stable and at levels considered adequate to act as buffers against imbalances in the balance of payments. Therefore, a stock of 24,550 thousand million US dollars was recorded, reflecting a decrease in the region of 8.6% when compared with January 2015, thus preventing maintenance of BNA currency sales to commercial banks.

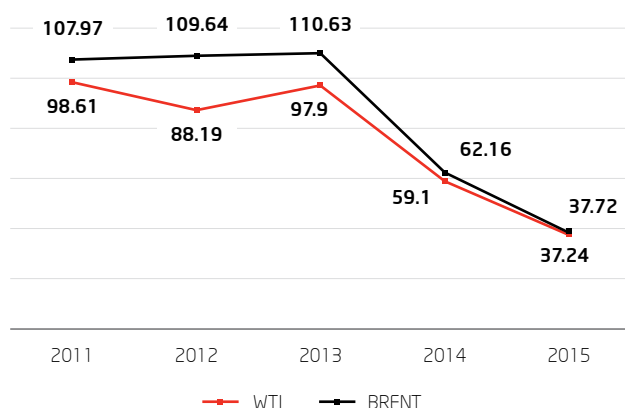
#### Net International Reserves



Evolution of the oil activity has had the strongest influence on defining net international reserve stock levels, since a sharp fall in oil export revenue has been recorded. Oil revenue fell by over 50%, and according to the revised stage budget data, oil revenue up to the third quarter of 2015 stood at 449 thousand million Kwanzas (approximately 3 thousand million US dollars), reflecting a year-on-year downturn of 42.13%.

The current price of oil in international markets is still unsustainable, owing to the uncertainty of the evolution of market forces and speculative factors. In 2015, the spot price of Brent oil fell by 39%, in accumulated terms, with a plunge from USD 62.16/bbl at December 2014 to USD 37.72 bbl at December 2015.

### Evolution of the price of Oil

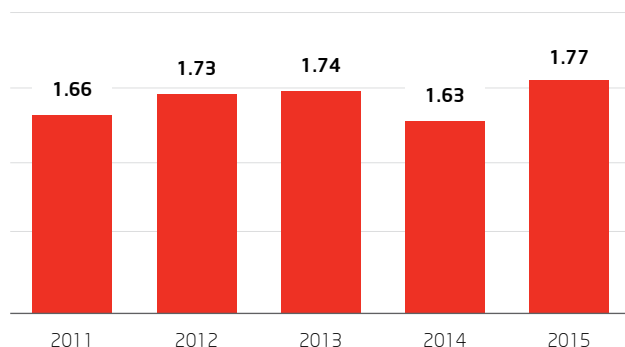


Notwithstanding the sharp fall of crude oil in the international market, coupled with a downward trend in the tax revenue related to this commodity, the amount of crude exported by the country saw a year-on-year respective increase of 599 million barrels to 645 million barrels in 2015, thus partially contributing towards the price slump, despite the significant revenue decrease recorded.

The launching of new projects boosted oil production growth which rose to 1.76 million barrels per day (mmbd) in the first quarter, and to 1.77 (mmbd) in the second quarter of 2015, reflecting an average of 1.74 million barrels per day, up by 1.63 (mmbd) against the total for 2014. Effective implementation of the tax policy will be crucial for the evolution of oil production, to secure constraints that may reduce production to levels below projected growth, or even a revival of negative growth.

### Oil Production

In million barrels/day



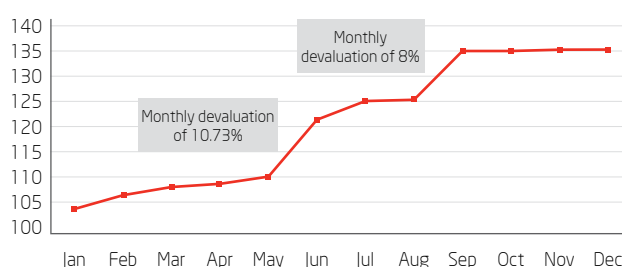
### Foreign Exchange Market

The economic conjecture in 2015, driven by the oil price slump, led to a decrease in the inflow of foreign currency to Angola and, consequently, less availability of currencies for the liquidation of foreign transactions on the part of the government, companies and individuals. This had a considerable impact on the imbalance of the foreign exchange market, serving to create significant exchange pressure which culminated in depreciation of the domestic currency. Furthermore, the gap between the formal and informal foreign exchange rates increased exponentially to spreads above 100%.

Throughout 2015, the BNA proceeded to depreciate the Kwanza in relation to the US dollar on a number of occasions, which led to an accumulated depreciation in the region of 30%. This exchange depreciation emerged at the point when the inflow of other currencies into the economy had been lower since the 2nd quarter of 2014, having remained so to date, resulting from the crude oil price reduction in international markets and, by default, in oil revenue. Naturally, this is one of the factors that contributed to the acceleration of inflation from the beginning of the depreciation period.

The economic conjecture in 2015, driven by the oil price slump, led to a decrease in the inflow of foreign currency to Angola and, consequently, less availability of currencies

### Evolution of Foreign Exchange Rates



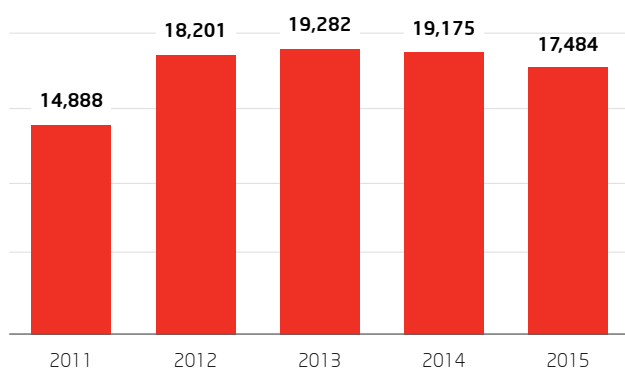
In terms of the coordinated management of foreign exchange policies, the government adopted a set of restrictive measures, namely the obligation of commercial banks to create a specific reserve of domestic currency with the BNA, amounting to the corresponding exchange value of the intended foreign currency

requirements. Furthermore, in addition to its currency sale by auction, the BNA began to intervene in the foreign exchange market through sales geared towards targeting the sectors deemed a priority by the government.

In total, the BNA sold 17,484 million US dollars to commercial banks in 2015 (corresponding to a monthly average of 1,457 million), and a total of 19,175 million US dollars in 2014.

### BNA Currency Sales

In million USD



Source: BNA

It should be noted that in 2014, the purchase of currency from the BNA represented 55% of transactions, and in 2015 approximately 96% of transactions, thus reflecting some dependence as, with the exception of the oil sector, which has been selling its currency to the BNA since November 2015, replacing the commercial banks, export revenues of other sectors are not so important to tackle responsibilities with foreign countries.

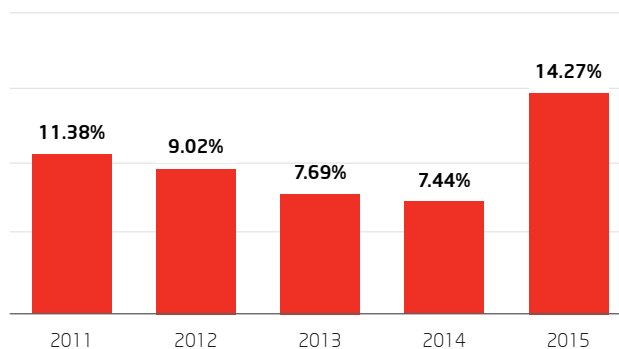
The downward trend of the price per oil barrel led to a sharp reduction not only in the value of crude oil exports but also in the accumulation of foreign currency reserves. The restrictive guidelines of the monetary and tax policies focused on preserving macro-financial stability, reflected by the assurance of external solvency of the economy, controlled inflation and funding from the Treasury, without compromising the debt ratio, in order to pave the way for public spending.

### Inflation and the Monetary Market

Evolution over recent years has shed light upon an economy highly dependent on oil, to the point of jeopardising Angola's intention to become a benchmark economy of the Sub-Saharan region. The monetary policies adopted throughout 2015 aimed to control the overall level of prices and to secure the stability of the national financial system.

Accumulated inflation stood at 7.44% in 2014, while in December 2015, the accumulated rate was recorded at 14.27%, reflecting a percentage increase of 91.8% (registando-se um aumento percentual de 91,8% ara esta inflação foram determinantes três factores): depreciation of domestic currency against the US dollar, reflecting a correction in the region of 30% when compared with December 2014, adjustment of the price of fuel which ceased to be subsidised by the government, to be regulated by a free price system and an increase in imported goods to the detriment of a currency reduction in the market through oil exports.

### Accumulated Annual Inflation



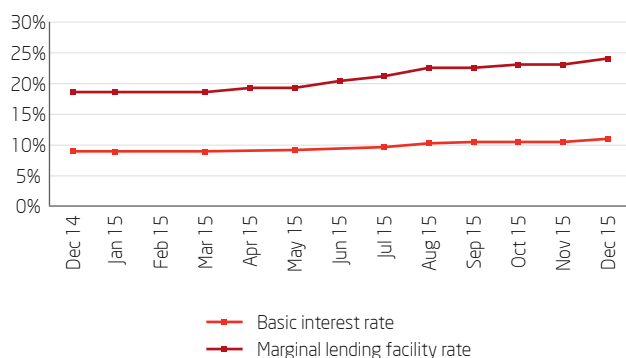
There is still a need for adjustments in order to guarantee preservation of external solvency and to control inflation rate trends. Notwithstanding, the structural characteristics of the domestic economy, of oil exports and the high dependence on imports and oil revenue provide limited buffers for a more effective understanding of the monetary function.

Several "tightening monetary policy" measures were adopted by the Angolan government: at 3 June, by means of Instruction 3/2015, the government increased the coefficient of the mandatory cash reserves on the balances of liabilities in domestic currency from 20% to 25%; Instruction 10/2015 of 4 June determined that the participant Banks in the purchase and sale of currency sessions were to create a specific reserve, in Kwanzas, amounting to the corresponding sum of the foreign currency requirements, each time they communicated to the BNA the amount of currency requirements for the following week. This reserve, which is not bound by compliance with mandatory reserves, was supposed to remain fixed to assure exclusive coverage of currency purchase transactions from the BNA.

At 29 June, the Monetary Policy Committee decided to increase the basic interest rate from 9.25% to 9.75% and the Marginal Lending Facility from 10% to 10.5% (the latter having risen from 9.75% to 10% in April 2015). Central Banks increased the basic interest rate as a means to control the volume of currency in circulation and, in line with inflation, the basic interest rate also underwent a number of changes throughout the year. The first

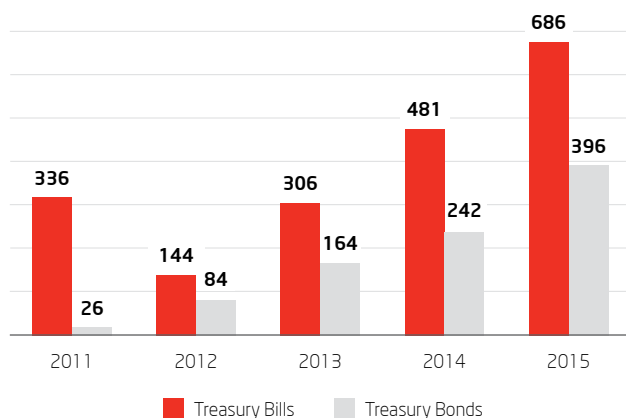
occurred in the first quarter of 2015, shifting from 9% to 9.35%, in the third quarter from 10.25% to 10.50%, and in the last quarter from 10.50% to 11%, with a variance of 17% as of February 2015 to December 2015.

### Macroeconomic Indicators



Given the oil price slump, and within the scope of the macroeconomic imbalances recorded, the government resorted to issuing debt in order to assure government functioning and to accomplish a number of public projects. Thus, in relation to 2014, an increase of 33% in the issue of Treasury bonds was observed in the bond market. In 2015, bonds to the amount of AOA 1,081.09 thousand million, reflecting AOA 685.56 thousand million in Treasury Bills (TBs) and AOA 395.53 thousand million in Treasury Bonds (TBs), for the current management of the National Treasury.

### Issuance of Securities

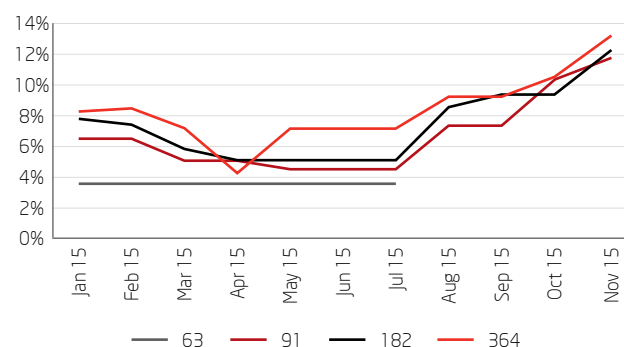


Between January and December 2015, the average interest rates of Treasury Bonds (TBs) reached 7.27%, 8.07% and 8.00% for maturities of 91, 182 and 364 days, while the rates for the same maturities stood at 13.90%, 14.95% and 12.60% respectively at the end of December. This behaviour of the public debt cost reflects a year-on-year decline as in 2014, the average TB interest rates stood at 4.28% at 91 days; 4.80% at 182 days and 7.92%

for a maturity of 364 days, due to greater need, on the part of the Treasury, to obtain short-term funding.

As for Treasury Bonds with 2,3,4 and 5 year maturities, the respective interest rates remained stable during the reporting year, with respective rates of 7.00%, 7.29% and 7.81%.

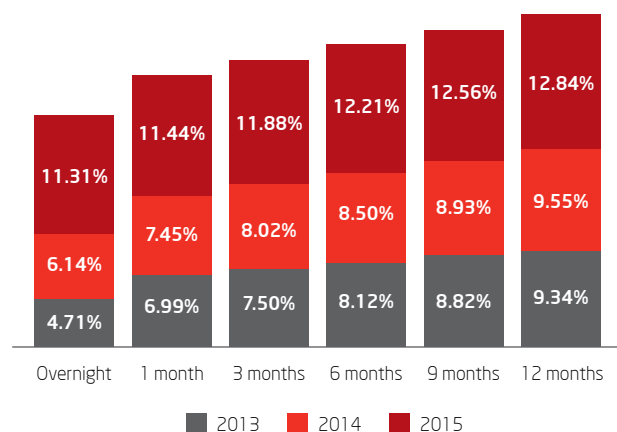
### Interest Rates - Treasury Bills



In light of the foregoing monetary policy changes, an increase in the interbank money market interest rates was observed. At the end of May, the overnight rate (O/N) stood at 6.63%, having shifted to 13.26% by September, and closing the year 2015 at 11.29%. The rate increase was largely the result of Instruction 10/2015, relative to boosting mandatory reserves and Instruction 12/2015 relative to customers' prior constitution of a reserve in Kwanzas, for foreign currency purchase operations, having entered into force.

The 3,6 and 12 months Luibor rates recorded an increase throughout the course of the year, with benchmark rates in January standing at 8.29%, 8.91% and 9.75% respectively, and at 31 December at 11.88%, 12.21% and 12.84% respectively. This increase not only made loans among banks more expensive, but also credit to the economy, since it is the benchmark rate for the granting of loans.

### Luibor BNA



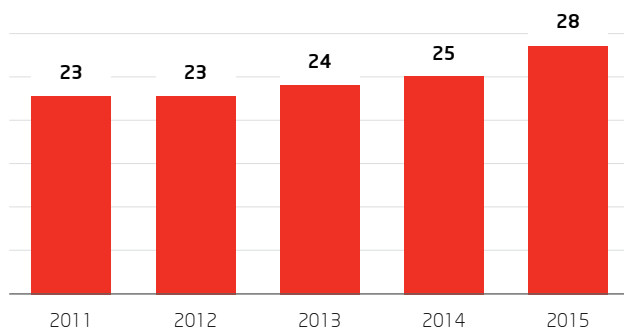
As a result of the monetary policy alterations, an increase in the interest rate of the interbank money market was observed.

Globally, evolution of paper interest rates reflected increased need of funding on the part of the government, owing to the reduction in oil sector revenue and increased risk resulting from projections of an economic slowdown. This increase in domestic funding through the primary securities market may bring restrictions on the granting of loans to the private sector, thus compromising the contribution of this sector to growth of the economy.

### Banking Sector Indicators

Increasing the Angolan population's rate of bank usage is still a priority for the banking sector. Taking the most recent data into consideration, the rate of bank usage by the Angolan population stood in the region of 47% in 2014, boosted by the growth recorded in the 'bankita à ordem' accounts, to which 2014 saw a subscription rate of 36.8%.

#### Evolution of Authorised Financial Institutions

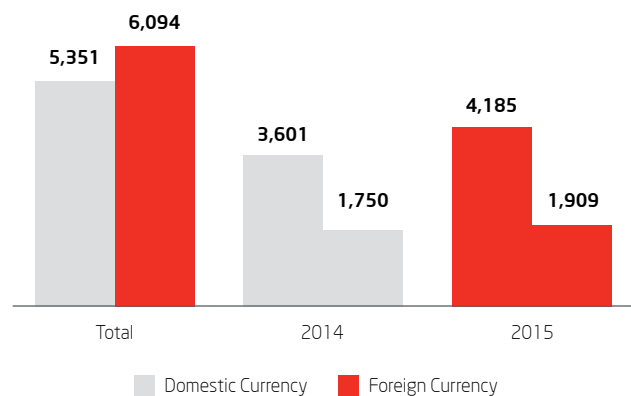


Growth of the banking sector has been made possible by expanding branch networks, the availability of alternative distribution channels, in addition to electronic means. Capitalisation on the growth of middle class population bank usage, the structuring of more complex bank products and services and the return associated with products geared towards specific market segments have also contributed to this growth. Thus, the establishment of agreements between public and private entities for the development of projects deemed structural for the country has propelled bank usage levels of the population in the money circuit.

Thus, in 2015, the value associated with customer deposits stood at 6,095 thousand million Kwanzas, reflecting an annual growth of 14% against 2014. This growth was mainly boosted by demand deposits, representing over 50% of all deposits. In 2015, deposits in domestic currency represented 69% (67% in 2014) of all deposits, thus indicating the de-dollarization phenomenon of the Angolan economy.

#### Total Deposits

In thousand million Kwanzas

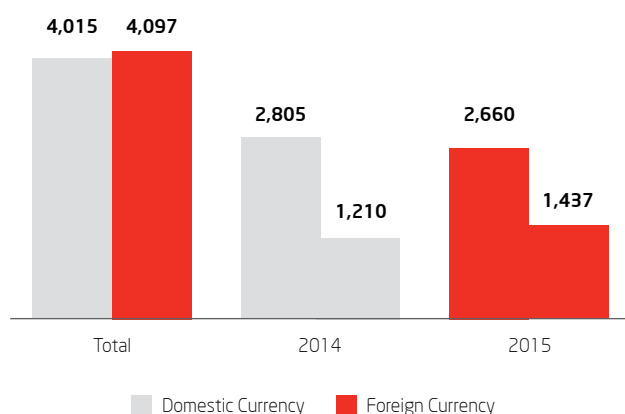


In line with the vast majority of financial items in the Angolan market, the amount of loans granted recorded positive growth rates, albeit lower than those seen in 2014. In 2015, the amount of loans granted (gross credit) recorded a growth rate of 2.01%, lower than the figure for 2014 (9.55%). Loans granted to customers continue to indicate an upward trend, however at a less expressive pace than in former years as a result of the economic activity slowdown and more restrictive regulations, a direct consequence of the monetary policies adopted by the BNA, and by the banks themselves. Its added value corresponded to 4,096 thousand million kwanzas, while loans granted in domestic currency (albeit with a 65% weight on the portfolio), recorded a decrease of 5% while loans granted in foreign currency increased by 19%. The strategy has been to grant long and middle-term financing to the business sector for projects related to the development of the economy, namely within the scope of Angola Investe, in an attempt to reduce foreign and import dependence.

Diversification is a vehicle for long-term sustainability to boost the collection of non-oil revenue and to improve the self-sufficiency of the country.

## Total Loans

In thousand million Kwanzas



Evolution in the raising of funds and granting of credit reflects the crucial role the banking sector still plays in the structural and continued development of the Angolan economy, by supporting businesses and individuals in its solutions for their investment needs, thus enhancing structural diversification of the economy.

The developments of the banking sector have boosted continued growth of the bank usage population of Angola. Banking institutions continue to implement their growth strategies for urban and rural areas for individual, corporate and institutional customers by expanding their network of physical channels (branches and corporate centres) and broadening access to different payment methods and use of electronic channels to conduct main banking activities, thus bolstering the tendency observed in recent years.

Notwithstanding the levels of growth recorded in recent years, with some slowdown in 2015, current projections for the Angolan economy and increasing competitiveness, boosted by the large number of financial institutions, may, in fact, threaten the overall profitability of the sector. Many challenges are expected in 2016 for the Angolan banking system, namely in terms of controlling operating costs, loan impairments and further adjustment to international compliance standards.

# POSITIONING OF BANCO BIC IN THE BANKING SECTOR

Economic projections in 2015 were clouded by the considerable fall in oil prices in the international market, owing to continued significant dependence on revenue from the oil sector which, in turn, conditioned the performance of the global Angolan economy and was reflected in the main economic and financial variables.

One of the main impacts occurred resulting from considerable reduction in the foreign exchange market, in the region of 40% against the traded volume recorded in 2014 which, thus, delayed and decreased overseas payments, bearing negative effects for business and individual activity. Of course this situation, associated with the foreign exchange depreciation, gave rise to lower levels of business turnover and individuals' purchasing power. Furthermore, both companies and individuals found themselves less enabled to honour their previously established commitments.

Within the scope of foreign exchange policies, the government adopted a set of restrictive measures, namely the obligation of commercial banks to create a specific reserve of domestic currency with the BNA, amounting to the corresponding exchange value of the intended foreign currency requirements. Furthermore, in addition to its currency sale by auction, the BNA began to intervene in the foreign exchange market through sales geared towards targeting the sectors deemed a priority by the government. Additionally, by means of Instruction 3/2015, the government increased the coefficient of the mandatory cash reserves on the balances of domestic currency liabilities from 20% to 25%.

Consequently, the national banking system was also hit significantly by the effects of the crisis, recording a fall in loans granted to the economy which slipped from 39 thousand million US dollars to 30 thousand million, a contraction of approximately 22%. In terms of deposit collection, notwithstanding growth in domestic currency, a decrease in the region of 13% was observed when converted to US dollars. Both indicators were naturally affected by the AOA/USD foreign exchange depreciation.

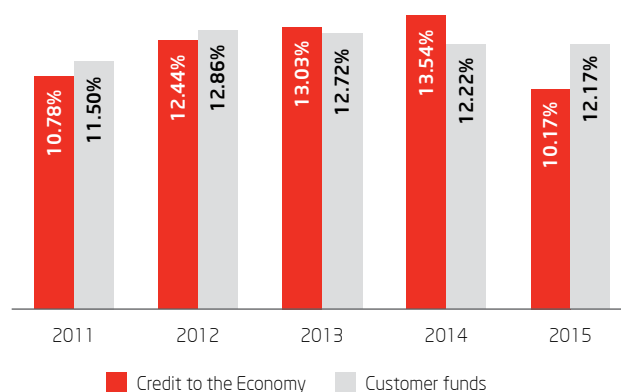
Against this difficult macroeconomic backdrop, characterized by inflation, higher interest rates and decreased money supply, Banco BIC focused on tighter control of its structural costs, reacting more prudently to the granting and analysis of new loans, and gearing its liquidity management towards short-term needs, such as investing in further adjustment to compliance requirements, in view of the international panorama.

Notwithstanding, 2015 was a positive year for Banco BIC in terms of the evolution of its key business indicators, which was only made possible by a dynamic commercial approach by over 220 of its commercial units. The loan portfolio, measured in Kwanzas, saw a year-on-year growth of 19%, while customer deposits recorded a positive evolution of 8% in comparison with December 2014.

Within this context, in 2015 the BNA, in its foreign exchange interventions, made funds to the value of USD 17,484.26 million available to commercial banks, through primary market auctions, thus reflecting a fall of 8.82% against 2014. Banco BIC purchased an amount in the region of 2,344 million throughout 2015.

The volume of credit increased at sustainable rates, compatible with the risk factor and at 31 December 2015, the Bank had a portfolio of credit granted to the economy of USD 6,219 million, thus obtaining a market share of approximately 10% in 2015.

## Market Shares



Loan activity also performs a crucial role in supporting ongoing efforts to diversify the Angolan economy, acting as a force to boost the different sectors of the economy. It was in this context that Banco BIC joined Angola Investe in 2013 (which includes a subsidised credit line and a public guarantee fund), having approved approximately 12 billion Kwanzas at 31 December 2015, corresponding to a total of 37 projects, of which 32 have already been implemented.

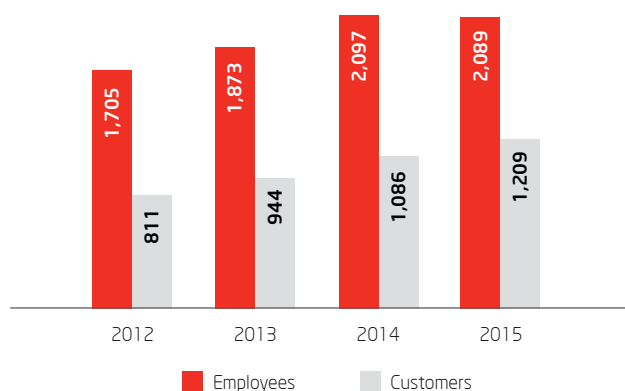
By 2015, approximately AOA 9 billion had already been disbursed under the Angola Investe programme. The most benefited provinces were Luanda, South and North Kwanza, Bengo, Benguela, Uíge, Bié, Huíla and Huambo. The Manufacturing Industry and Agriculture and Fishing sectors received the most with a total of 18 and 11 respective projects.

The growth achieved, to date, by Banco BIC has involved considerable investments in infrastructure, information technology and human capital, which are essential pillars for the banking sector. However, in view of the afore-mentioned economic climate, a slowdown of investment in infrastructures and technology was observed in 2015.

Hence, Banco BIC adopted more moderate measures to reinforce the branch network, opening a further 4 branches, thus amounting to a total of 223 branches spread across the entire national territory, assisting a diversified customer base, and continuing to implement its effective and balanced strategy and to build on its assets. In line with our cost reduction policy, a cut-back on staff resulted in the loss of 16 employees, leaving a total of 2,081 members of staff.

### Market Indicators

Em milhares



Banco BIC has stuck to its philosophy of keeping its doors open, encouraging proximity and welcoming all those who come in search of its products and services. Consequently, our customer base has seen growth of over 122,000 customers, bringing our overall total to 1,209,000 customers.

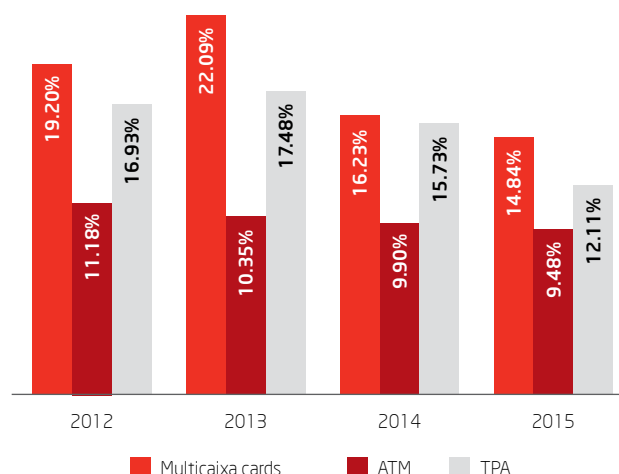
Growth in the loan volume at sustainable and risk-compatible rates was observed and In 2015, the Bank's loan portfolio to the economy stood at USD 6,219 million.

Our constant investment in diversifying our supply and provision of banking services may be observed through the availability of a network offering a total of 252 ATMs which are distributed across the entire territory, thus enabling the population to carry out their operations at any time of the day and reflecting an increase of 9% against 2014.

A total of 4,188 POS systems were installed at our customers' premises in 2015, representing 12.11% of all POS systems available in the market.

In terms of cards, one of the segments offering products and services issued a total of 507,692 cards in 2015, reflecting a year-on-year increase of 3%.

### Market shares





Luanda Bay

# 03

## ACTIVITY FRAMEWORK

- › MAIN LINES OF BUSINESS
- › DISTRIBUTION NETWORK  
AND GEOGRAPHICAL PRESENCE
- › HISTORICAL MILESTONES
- › MARKETING AND COMMUNICATION
- › HUMAN RESOURCES



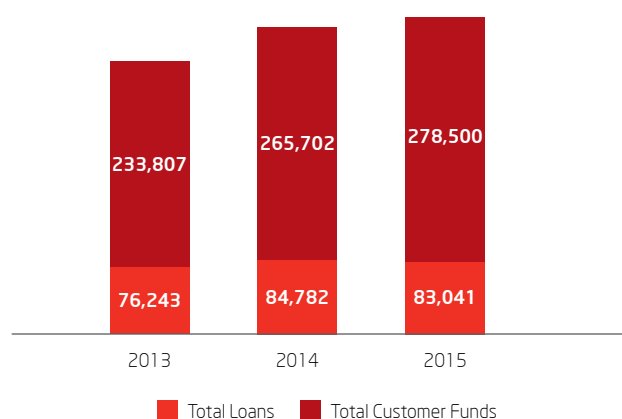
# MAIN BUSINESS LINES

Since its incorporation, the differentiating and strategic features of Banco BIC have been observed in its provision of services, characterised by high quality and constant commitment to offering tailored solutions to its customers.

The Bank's commercial structure was defined with a view to improving its orientation towards customers' needs, and is thus divided into four main segments, namely Individuals and Business, Private Banking and Investment and Companies.

Our reinforced international activity, namely with Banco BIC Português, our satellite office in South Africa and the projected opening of Bank BIC Namibia in 2016, has enabled us to focus on inter-institution efficiency levels, which represent a source of growth and an increase in value deemed fundamental for our customers.

This Department, which supports the branch network of Banco BIC, recorded an increase of AOA 12,798 million in terms of total customer funds (+5% in relation to 31 December 2014) (2015), attaining a total amount of AOA 278,500 million by 31 December 2015. With regard to total loans, the overall value of the IBD's portfolio stood at AOA 83,041 million as at 31 December 2015.



## Individuals and Business Department

As at 31 December 2015, the Individuals and Business Department (hereinafter referred to as IBD) boasted a total of 195 branches and 7 Customer Service Desks distributed across all the provinces of Angola, representing approximately 90% of the total commercial network of Banco BIC.



## Business Department

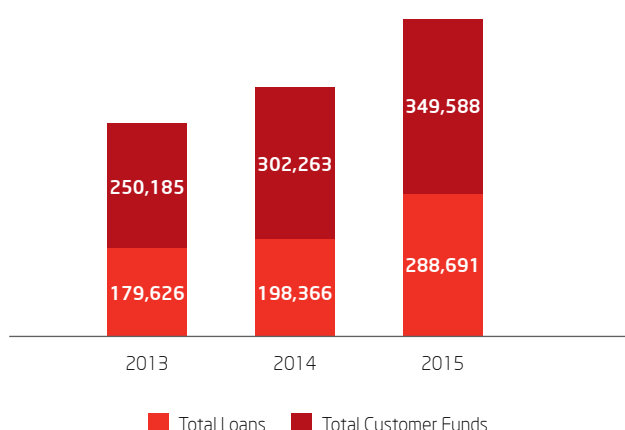
In 2015, the Business Department (hereinafter referred to as BD) continued to work on retaining customer loyalty by providing a more qualified service. At 31 December 2015, the BD had 17 Corporate Centres.

In 2015, the BD sought not only to attract more customers, but also to boost its business relations with existing customers, which gave rise to growth in terms of funds raised amounting to over AOA 47,325, increasing from AOA 302,263 million as at December 2014 to AOA 349,588 million at December 2015 (14% growth).

In terms of total loans to customers, the total amount managed by the BD stood at AOA 288,691 million at 31 December 2015, reflecting a growth rate of 46% against 31 December 2014. While constantly conscious of the Bank's solvency ratios, the soundness of the business and the quality of the loan portfolio, the BD continued to closely monitor its portfolio of customers and, for those showing signs of greater difficulty, established a strict renewal of operations policy, in which additional guarantee measures associated with loan operations were implemented, as a decisive management tool.

At December 2015, contribution of the Business Department stood at approximately 68% for the loan portfolio and 47% for the Bank's total resource portfolio.

In million Kwanzas



## Business Department -Petrol and Gas Bureau

Upon approval of the Foreign Exchange Law in May 2012, applicable to the oil sector, Banco BIC created an Oil and Gas Bureau, specifically designed to provide exclusive and high quality service geared towards the particular needs of this segment.

The Bank's commercial structure was defined with a view to improving its orientation towards customers' needs

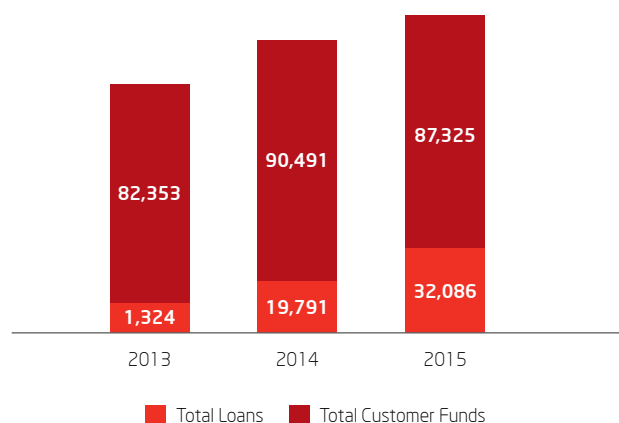
At the initial stage, the Department essentially focused on front office activities to support companies in the transition process of the various stages of the new Foreign Exchange Law. Back-office activities were developed in the following stage, namely through the creation of a series of sub-divisions in the different departments of the central services which, coupled with a number of technological innovations, set out to assure promptness and efficiency in all processes, and improved adjustment to the requirements of this sector.

## Private Banking

We are committed to constantly improving and upgrading our service to our customers, in terms of ensuring the highest and most distinguished level of customer assistance, offering a more personalised structure based on the sale of financial consulting products, in line with the risk profile identified for each customer. Our main goal continues to be driven towards sustained preservation of our customers' assets over performance, in order to maintain the growth and consolidation of the activity.

At 31 December 2015, funds amounted to AOA 87,325 million. Regarding loans, at 31 December 2015 the portfolio presented a total in the region of AOA 32,086 million, reflecting a year-on-year increase of 62%.

In million Kwanzas



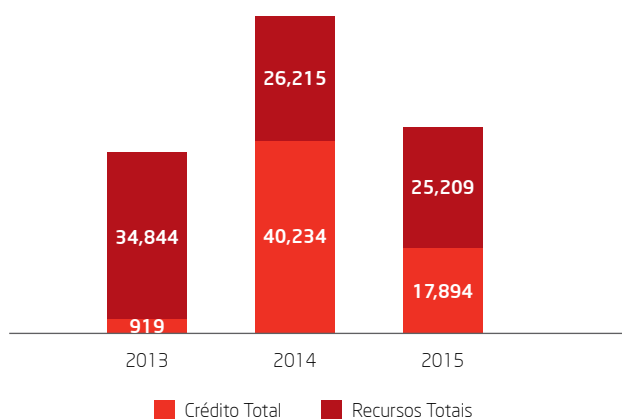
## Investment Department

The Investment Department follows the traditional model of segmenting its customers in terms of their investment/return. Our premise is to know our customers better and to develop best monitoring and prospection practices, in order to carry through commitments made to investors, with a view to successfully accomplishing each project, by building strategic partnerships and valuable synergies. The Investment Department is present throughout the entire investment project cycle, alongside the investor, from its design phase right up to full implementation of its activity.

For investors who are interested in diversifying their investment through this segment, Banco BIC offers various alternatives within this scope, which accompany the evolution of the business reality, and stimulate the commercial network of the economic agents that establish financial relations with the Bank.

As at 31 December 2015, this department had three Investment Centres, providing constant and specialized accompaniment in both the daily management of the customer portfolio and in investment decision-making. At 31 December 2015, the total portfolio balance stood at AOA 25,209 million and the loan portfolio at AOA 17,894 million.

In million Kwanzas



In 2015, the Bank attained a business turnover of AOA 1,582,067 million, as a result of its boost in commercial dynamism.

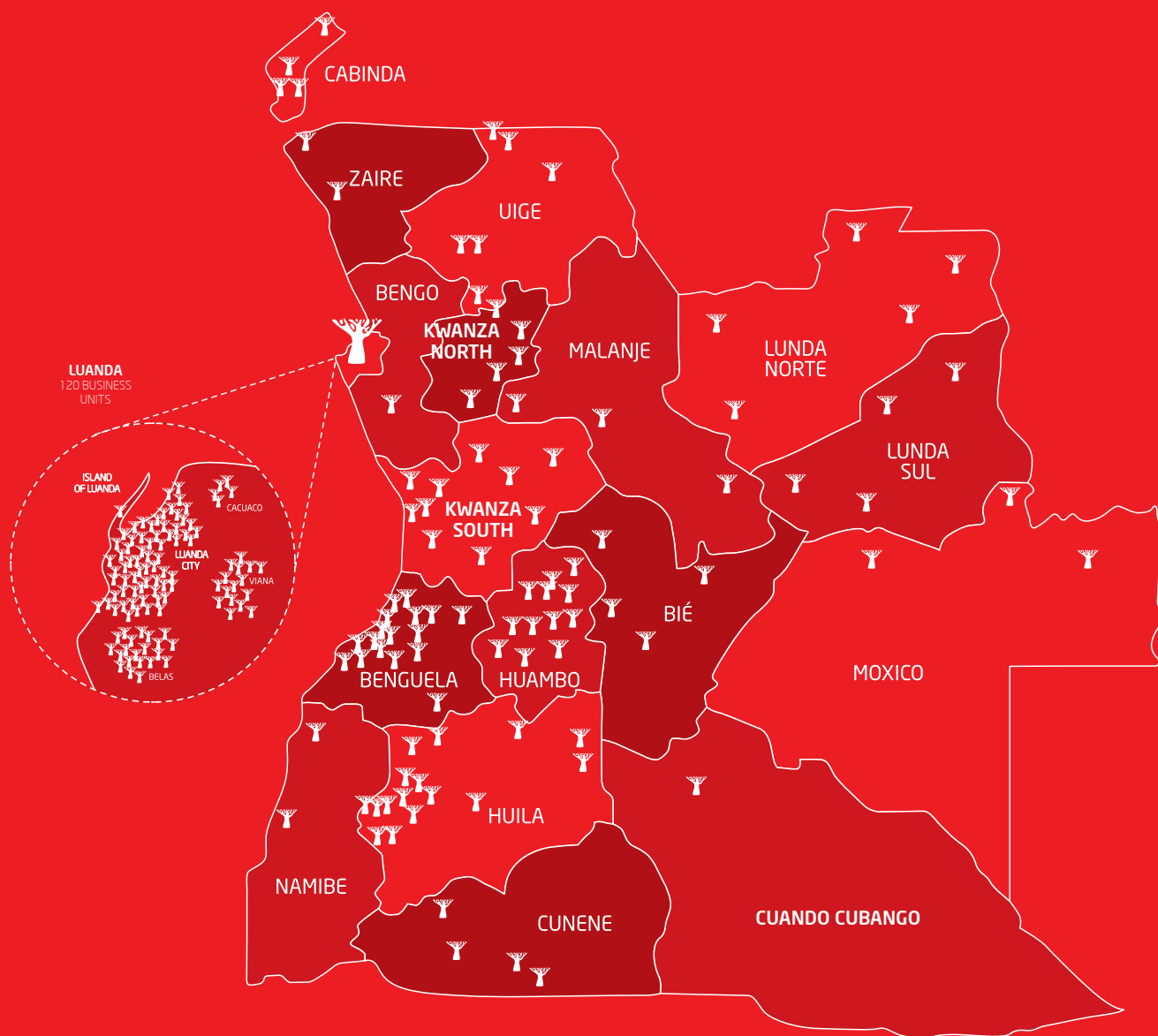
## Angola Portugal Office

The Angola Portugal Office (hereinafter referred to as APO) was established in May 2012 to boost bilateral business between Angola and Portugal, securing management of the financial flows between the two countries and supporting Angolan and Portuguese entrepreneurs in their internationalisation activity.

In line with the business strategy of the Bank, the aim of this Office is to increasingly narrow commercial relations between the two countries, while equally assuring the required levels of excellence and professionalism.

The main activities of the Angola Portugal Office include financial support to the current activity of businesses in both countries, namely through export financial support services, the provision of information on the specifics of each market, and by monitoring the flows generated between the two countries, with particular attention to the promptness of processes and pricing competitiveness.

# DISTRIBUTION NETWORK AND GEOGRAPHICAL PRESENCE



\*Network updated at 31 December 2015

## **BENGUELA**

Branch - 1

## **BENGUELA**

Branches - 17

Corporate Centres - 2

Customer Service Desks - 1

## **BIÉ**

Branches - 4

## **CABINDA**

Branches - 4

## **CUNENE**

Branches - 4

## **HUAMBO**

Branches - 12

## **HUILA**

Branches - 16

Corporate Centre - 1

## **KWANZA NORTH**

Branches - 5

## **KWANZA SOUTH**

Branches - 10

## **LUANDA**

Branches - 98

Corporate Centres - 14

Centros de Investimento - 3

Customer Service Desks - 4

Private Banking - 1

## **LUNDA NORTH**

Branches - 5

## **LUNDA SOUTH**

Branches - 4

## **MALANGE**

Branches - 3

## **MOXICO**

Branches - 3

## **NAMIBE**

Branches - 2

## **UIGE**

Branches - 6

Customer Service Desks - 1

## **ZAIRE**

Branches - 2

# HISTORICAL MILESTONES

Since its incorporation, Banco BIC has remained faithful to the values of its brand name, based on its ongoing contribution to the economic, cultural and social development of Angola and the countries in which it operates.

The historical milestones of Banco BIC are a clear reflection of a consistent strategy and a balanced and stable approach to management.

## 2015

- Banco BIC commemorates its tenth anniversary, with many reasons for celebration. 10 Years later Banco BIC has taken on another dimension:
  - for its growth;
  - for its international expansion;
  - for its selection of products and services;
  - for the far-reaching scope of the Banco BIC brand;
  - for its performance as an economic agent;
  - for its role as employer;
  - for its ability to support development of the country.
- Over 10 years of growth, 10 years growing together:
  - Over 1 million customers;
  - Over 220 branches;
  - Its presence in 5 countries and 2 continents;
  - A considerable selection of Insurance services.
- Banco BIC holds the 805th position in the ranking of the "TOP 1000 World Banks", published annually by The Banker in June 2015. In terms of ranking in Angola, Banco BIC holds 4th position.

## 2014

- BIC Seguros, S.A. inaugurates its Head Office on 15 October 2014;
- The shareholders of Banco BIC obtain a license on 1 October 2014 to operate in the insurance market in Angola, with Seguradora BIC Seguros, S.A.;
- Banco BIC in Angola surpasses the threshold of 1,000,000 customers and has 2,097 employees and a total of 217 branches;

- Banco BIC is increasingly more an international brand name. Not only due to its presence in Portugal, since 2008, but now also in Cape Verde (IFI), South Africa (Satellite Office) and Brazil;
- Banco BIC was distinguished with the "SIRIUS 2014 Award" for Best Financial Education Programme"
- Banco BIC ranks among the 100 Largest African Banks, positioned in 32nd place, as per The Banker publication.

## 2013

- Banco BIC was distinguished as "Best Company of the Year in the Financial Sector in Angola", attributed in the "Sirius 2013 Awards";
- Best Bank in Angola award granted by the prestigious The Banker of the Financial Times group;
- Launch of the internationalisation and convertibility of the Angolan currency ( Kwanza) process, whereby Kwanza notes began to be traded in the branch network of Banco BIC in Portugal;
- Banco BIC boosted its international activity by starting to operate in Cape Verde and closing an agreement to begin its activity in Brazil.

## 2012

- According to the African Business magazine, which annually publishes a list of the 100 largest African banks based on the equity of each institution, Banco BIC was ranked the 32nd largest African Bank. This remarkable accomplishment is even more important considering that Banco BIC only came into existence seven years ago, while many of the other institutions have over 50 years of history in the African financial system;
- Banco BIC closed the financial year 2012 with over 800 thousand customers, thus demonstrating the confidence entrusted by the customers with the Bank and the effort of its employees;

- The Oil & Gas Bureau was established to meet the specific needs of this sector. Since Angola is one of the largest oil producers, and its Government has imposed conditions for greater involvement of companies in this sector in the domestic financial market, banks must acknowledge the need to adapt to the specific requirements of these companies.

## 2011

- Acquisition of Banco Português de Negócios from the Portuguese government, thus contributing to expanding the presence of Banco BIC in the Portuguese and European market (formally accomplished on 29 March 2012);
  - Inauguration of the new head office of Banco BIC in Talatona, at a ceremony chaired by the Governor of Banco Nacional de Angola, Dr. José de Lima Massano. The new head office makes it possible to centralise the services of the Bank, thus helping to ensure that the quality levels of customer assistance are even higher. The ten storey building accommodates approximately 350 employees distributed across the central services, a branch, a corporate centre, an investment centre and a private banking centre;
  - After slightly over six years of existence, and an initial capital of USD 30 million, the equity of Banco BIC exceeded USD 650 million as at 31 December 2011;
  - Banco BIC became the largest Angolan private bank in terms of commercial coverage in Angola, with 167 commercial units of which 99 are located in Luanda and the remaining 68 are spread across the different provinces of the country;
  - Launch of the BIC MAIS magazine, a new form of internal communication for sharing information, which has served to create even more value and represents a differentiating factor;
  - Launch of the BIC Cofre Mealheiro (piggy bank) account, targeting children and parents, to encourage saving practices from a very early age, with a view to enabling the accomplishment of future projects; and
  - Signing of the Depósito Bankita partnership, launched by Banco Nacional de Angola, with a further 7 banks. This product, which has lowered the minimum value for the opening of an account to 100 Kwanzas, aims to extend all citizens' access to the banking circuit.
- wages through Banco BIC, and there are further benefits to be received: Personal Credit, Vehicle Financing, Housing Loans and Advances of up to 100% on customers' wages;
- Launch of the CAN 2010 Awards [African Nations Championship] campaign, under the theme – "The Palancas [name of national team] have the support of the fans and the Bank", including a prize of USD 1,000,000 for the Angolan national team for winning the championship, also for winning matches, scoring goals and for individual performance as best player on the field;
  - Launch of the "5 YEARS of making Angola grow" campaign, to commemorate the 5th anniversary of Banco BIC. The strongest motive was to let the Angolans know that we are present throughout the country, in the 18 provincial capitals and in the main municipalities. This is the same as saying that Banco BIC is becoming increasingly closer to the Angolans, their households and companies, and is a strong partner in development for all;
  - The threshold of 500,000 customers, including large and small businesses and individuals was surpassed in 2010, showing a clear indication of our customers' confidence and trust in the Bank;
  - The African Business magazine elected Banco BIC as the 42nd Largest African Bank, from a list in which banks with over half a century of history were included. The financial soundness and the quality of services rendered to its customers were crucial factors in such recognition of the Bank;
  - Closing of an agreement with the multinational Coca-Cola for the opening of two credit lines designed to fund private projects in the province of Bengo. The combined overall amount of these two credit lines, namely Bengo Investe I and II, stood at 23 million dollars; and
  - Banco BIC became the largest Angolan private bank in terms of geographic coverage of its branches, present in 48 of the 163 municipalities of the country.

## 2009

## 2010

- Launch of the BIC Salário – Função Pública [BIC Wage – Civil Service] campaign. Now, civil servants can also receive their
- Presence at Filda 2009, where the "Investing Together" – "Growing Together" campaign was promoted, highlighting the connection with Banco BIC Português, thus emphasising the main driving force underlying its constitution.

## 2008

- In 2008, the threshold of 1,000 employees was exceeded, of whom approximately 81% were part of the commercial network. This growth in the Bank's personnel, reflected in the expansion of its customer service network, is one of the pillars of the Bank's Growth Strategy;
- Attribution by EuroMoney of "The Best Bank in Angola" award, due to the high quality of its performance in all its commercial-related areas, its service and consolidated results achieved;
- Launch of the new BIC Multicaixa campaign – "a personalised debit card, which will enable you to perform operations in your Current Account in Angola through the Multicaixa network at Filda 2008 and Expo Huila 2008"; and
- Opening of Banco BIC Português. The increased economic relations between Portugal and Angola was one of the motivating factors leading to this decision, thus drawing the Portuguese business sector closer to its internationalization strategy in Angola, as well as Angolan investors already operating or who may wish to operate in Portugal and Europe.

## 2007

- Authorisation by Banco de Portugal for the incorporation of Banco BIC Português, S.A. mainly with Angolan capital, gearing its activity towards supporting Angolan and Portuguese entrepreneurs with interests in Angola;
- Signing of an agreement with the Treasury for the funding of the reconstruction project of the province of Uíge, valued in the region of USD 150 million;
- Creation of the Housing Loan Bureau aimed at promoting and improving the management of this loan segment;
- Marketing of VISA – Visa Premium and Visa Gold credit cards and launch of a campaign for their sale; and
- Launch of the Crédito Fácil [Easy Credit] at Filda, a new general loan product for the acquisition of consumer goods, whose main feature is a swift loan granting loans at a very attractive interest rate, and with less bureaucracy involved.

## 2006

- Launch of the BIC Salary account, a new personal credit product, enabling customers to access Automatic Credit, up to the maximum amount of their net wage plus the possibility of access to a credit line;
- Launch of the BIC Housing and BIC Vehicle campaigns;
- Expansion of the Bank's branch network to almost every province in the country, with the exception of three still awaiting coverage, and where construction works are already underway;
- Deliberation of a new share capital increase from USD 20,000,000 to USD 30,000,000, pursuant to authorisation by Banco Nacional de Angola;
- Signing of an agreement with Banco Popular de Portugal, with a view to establishing credit lines aimed at fostering relations between the economic agents of Angola and Portugal, through funding and promoting the export sector;
- Admission to the "POS VISA" network, where BIC operates as main member and as issuer of internationally accepted credit cards, thus being able to support other Angolan banks in obtaining VISA cards, and being part of the restricted group of banks selected by VISA; and

## 2005

- Attribution of a performance certificate by American Express, for the quality of the processing of overseas operations which, following its few months of existence, placed Banco BIC on the map of the world's best banks in this segment;
- Promotion of the Banco BIC brand name associated with the motto "Growing Together", thus affirming ourselves as partners in the growth of our Customers and of Angola;
- Opening of the first branch in Luanda (Maianga Branch); and
- Incorporation by deed of Banco BIC, S.A., pursuant to authorisation by Banco Nacional de Angola, with a share capital of USD 6,000,000.

# MARKETING AND COMMUNICATION

Positioned in a highly competitive market, Banco BIC has consolidated its symbolic and commercial value by means of a marketing strategy which, year upon year, has developed and strengthened the relationship between the Institution and the Angolan society.

In line with previous years, throughout 2015 the Bank carried out various campaigns to promote products and services, sponsorships, the organization of and participation in cultural and sports events, and was also involved in social responsibility interventions. Below, some of highlights of the year may be observed:

## January

### Promotion of the Credit Campaigns

Introducing itself as an available and trustworthy partner, Banco BIC launches the Credit Campaign to encourage use of bank loans. Under the concept "The easiest way", the campaign aims to mirror the simplicity and ease of obtaining loans with Banco BIC.



## March

### Distinction of Merit for the best students of the Catholic University of Angola

Within the scope of our support for educational and training causes, Banco BIC established a partnership with the Catholic University of Angola (UCAN), related to the annual event in which awards are given to the outstanding students of UCAN.



## May

### O Banco BIC celebra a primeira década de existência

In order to commemorate its 10th anniversary, Banco BIC launches the institutional campaign "BIC 10 Years", linked to the concept "10 YEARS LATER, BANCO BIC IS ON ANOTHER DIMENSION". The campaign stems from the motto of the Bank -Growing Together- to transmit the idea of a two-fold growth, between the Bank and its customers, which resulted in this new dimension.

As growth is the key of success for Banco BIC, the moment has come to transmit that this growth has taken us to a far greater scale, putting an Angolan brand name on the world map. In other words, after 10 years of activity, one may safely say that this continued and common growth has allowed Banco BIC to reach another dimension. This dimension is physical (accomplished through our branches, employees and customers), but also economic, social and international. It covers different angles, other business perspectives, other customer responses, and different ways of participating in society.

The campaign "BIC 10 Years" is multimedia, including television, radio, shop posters, the press and website.



### 1st Banco BIC Club Rally Paper

Once again, to commemorate the 10th anniversary of Banco BIC, the Banco BIC Club organised its first rally paper competition, on the week-end 1 to 3 May 2015, which took place in the province of Benguela. This first edition boasted the participation of 30 teams, a total of 111 participants, including Banco BIC employees, relatives and friends.



### Commemoration of the 10th Anniversary of Banco BIC

A memorable event was held on 22 May, with pomp and circumstance, to celebrate the tenth anniversary of Banco BIC, marking this special and symbolic date for the Institution. All those who contribute daily to the growth and development of the Bank were invited to celebrate this anniversary.



### Official Swimming Tournament - CANA, Angola

The Angolan Swimming Federation organised the official tournament of the African Swimming Association from 6 to 9 May, to commemorate the 40th anniversary of Angola's independence.

13 African countries and approximately 350 sportsmen and women, including athletes, coaches and managers participated in the tournament, held at the Alvalade Swimming Pools. Banco BIC supported the event as its official sponsor.



## June

### Products and Services Campaigns

In line with the gradual growth of Banco BIC, its selection of products and services also expanded, and the Institution currently offers a broad range of insurance solutions, capable of accommodating many types of risk for both individuals and companies.

A campaign is launched, with a view to familiarising customers with the Bank's various types of insurance such as BIC Vehicle Insurance, BIC Travel Insurance, BIC Multi-risk Home Insurance and BIC Corporate Insurance.

The range of insurance options is available throughout the Banco BIC commercial network



### Roller Hockey World Championship, France

A historical partner in roller hockey, Banco BIC supported the world championship once again. On this occasion, the best national squads from all around the globe come together, including the teams from Angola and Portugal.



### Corporate Forum Angola - Portugal, under the motto "Together in diversification of the Economy"

Participation in the corporate forum which set out to boost business opportunities in both countries.



## July

### FILDA 2015

Participation in the 32nd edition of the International Fair of Luanda (FILDA), a multi-sectoral event for exposure of national and international businesses, regarded as the largest business gathering in Angola.



## August

### 12th Agricultural Fair of Huíla

Participation in the country's largest agricultural fair.



## October

### 1st Edition of the Bicycle Tour Angola 2015

As part of the commemorations of 40 years of Independence, the first Bicycle Tour of Angola was held. In line with its strong support of cycling, Banco BIC was one of the sponsors, with the mission of developing and promoting cycling in Angola.



# INFORMATION TECHNOLOGIES

Nowadays, Information Technologies are of utmost importance in the pursuit and accomplishment of Banco BIC's business objectives, in maximising the value of the organisation, and in backing its mission.

Throughout 2015, Banco BIC maintained its investment in Information Systems, as part of its strategy, having continued to pursue prior initiatives of a technological nature, and launched projects which contribute to enabling the Bank's systems to monitor and bolster its growth. These investments, conducted in automatic processing systems, and fully adapted to the characteristics of each customer, have already proven to be a powerful instrument in enhancing close and solid relationships with our customers.

Operating risk remained at the top of our modernization concerns and initiatives throughout 2015. A significant initiative was the

acquisition of equipment to support two new Data Processing Centres in 2014. This project, which extended throughout 2015, is a clear reflection of how Banco BIC has evolved.

Banco BIC acknowledges that the availability of its systems directly affects its ability to conduct business on a regular basis. Hence, the Security and Risk Mitigation policies, within the scope of the Information Systems were enhanced and a number of initiatives were adopted.

Additionally, and by virtue of pressure exerted through new legislation and regulations, as well as on the part of customers and the international financial system, in terms of Anti-Money Laundering and Counter-Terrorist Financing, this was a central issue in the Bank's activity in 2015.



# HUMAN RESOURCES

The Human Resources Policy of Banco BIC is defined on the basis of the Bank's strategy and consists of planning, organisation, coordination and control of techniques that support a healthy, balanced, and competitive working environment, geared towards results. This orientation has significant importance in periods of economic deceleration, as was the case in 2015.

The 2015 activity plan aimed to consolidate the Human Resources strategy by promoting structural programmes for the development of Banco BIC from a sustained perspective:

- Continuation of alignment and organisational clarification, set on adapting Human Resources to business demands and creating new opportunities for internal mobility;
- Enhancement of developmental programmes for the Bank's employees, taking new challenges and the dissemination of knowledge into account;
- Continuation of the acknowledgement of organisational and individual merit, in a sustained manner;
- Improvement of practices for recognising talent and performance.

## Characterisation of Human Capital

At the end of 2015, a slight reduction of 0.76% in relation to 2014 was observed in the number of employees.

Number of Employees	2015	2014
Male	1,037	1,049
Female	1,044	1,048
<b>Total</b>	<b>2,081</b>	<b>2,097</b>

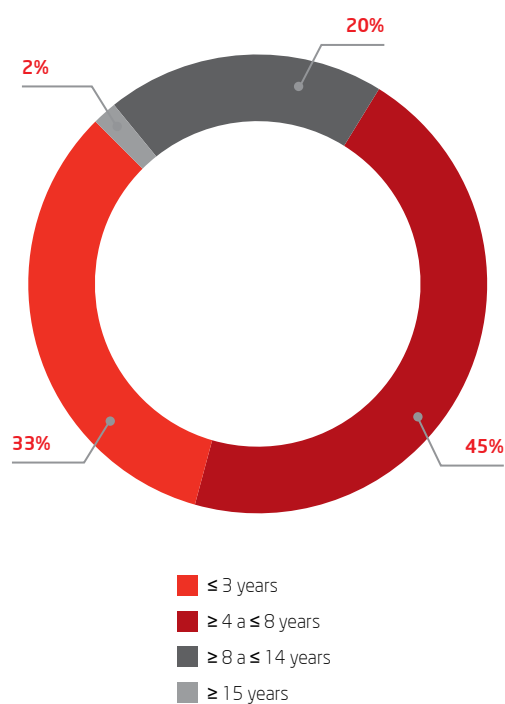
Of all 2,081 employees, 1,393 are located in Luanda, 687 are distributed across other provinces of the country and there is one employee in the South African satellite office.

86% of the Bank's total employees are allocated to the commercial area, in line with previous years.

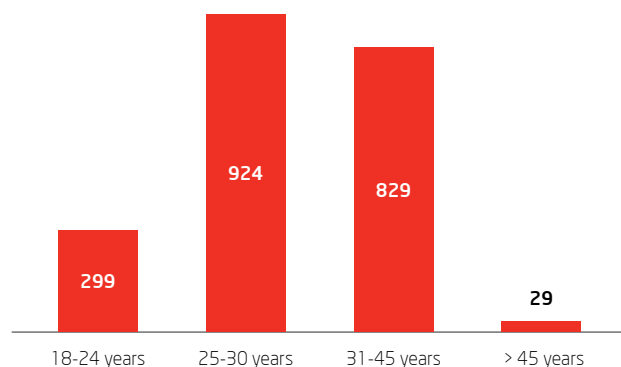
Functional Area	2015	2014
Central Services	286	304
Commercial Network	1,795	1,793
<b>Average no. per Branch</b>	<b>8</b>	<b>8</b>

As for the "ratios" of experience in the banking sector, age, higher education and 10 years of activity, the median age of the Bank's employees stood at 30 years, while 59% of the employees were aged between 18 and 30 years. The percentage of employees with university education remained at 75%.

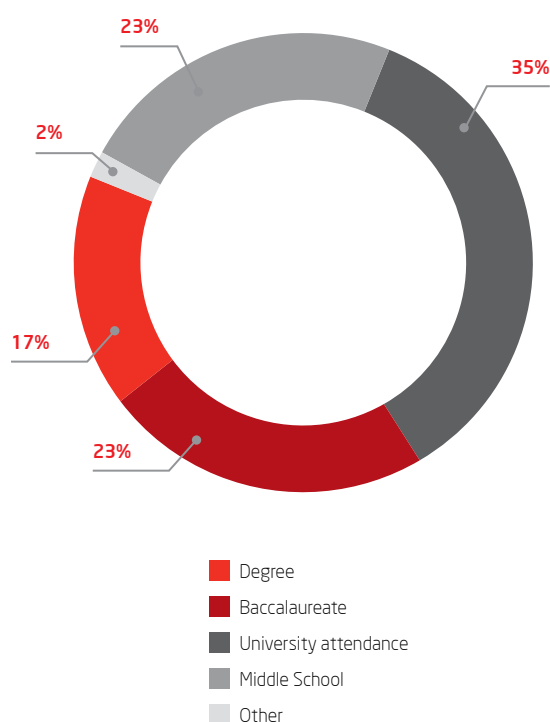
## Experience in the Banking Sector



## Age Bracket



## Schooling



## Training and Talent Retention

Within the scope of knowledge management, deemed essential for the success of the Bank, professional training remained geared towards the development of people and business, reflected in over 36,000 hours of training, 18 hours per employee.

### Training Activity

Total amount of training (total hours of training)	36,579
Average no. of training hours per employee	18h

The main aim behind all the training sessions was to value the potential of each employee, and to align Human Resources policies with the expectations of the employees and the strategic objectives of the Institution.

The Annual Training Programme includes transversal and specific types of training. At a transversal level, an example is behavioural training, aligned with the values and organisational strategy of the Bank, namely "Conduct in Customer Relations". As far as specific training is concerned, we invested, once again, in training sessions geared towards specific banking techniques, such as Banking Products and Payment methods, in addition to Credit Workflow on the new Credit Risk management and analysis platform. Training and literacy on Anti-money Laundering and Counter-Terrorist Financing remained at the forefront of the Bank's main concerns in 2015.

Moreover, and in partnership with Banco BIC Portugal, the policy of attributing professional training internships for a number of employees was also maintained.

## Medical Assistance Benefits

The benefits policy of Banco BIC, which focuses on offering support to its employees in important areas of their personal and family life, covers a broad range of additional benefits in the field of health.

In 2015, medical assistance benefits, attributed transversally, amounted to 42,589 clinical acts, corresponding to the total sum of AOA 652,043,300.95, of which AOA 543,369,417.46 represented direct costs for the Bank.

### Medical Acts 2015

Speciality	Family Members	Employees
Supplementary Tests	2450	2821
General Medicine	3917	9646
Stomatology	728	2220
Gynaecology/Obstetrics	3447	6914
Surgery	370	239
Paediatrics	7176	0
Other Specialities	1040	1621
<b>Total</b>	<b>19,129</b>	<b>23,459</b>

## Performance Assessment

The Performance Assessment System, an indispensable tool in the active management of talent and careers, continued to focus primarily on boosting critical competencies and a merit-based culture.

Ethical conduct and professional excellence, coupled with enthusiasm and initiative, in addition to extending appreciation for the team work of all employees, leads to an objective management approach that is geared towards the importance of Human Capital for business success.

Attracting, retaining, managing and developing professional talent, under working conditions that stimulate a true feeling of pride and belonging among the employees, continues to be one of the main objectives of Banco BIC in terms of its Human Resources.



Tunda-Vala Volcanic Fissure

# 04

## RISK MANAGEMENT SYSTEM

- › RISK MANAGEMENT
- › COMPLIANCE
- › RISK MANAGEMENT POLICIES  
AND PROCESSES

# RISK MANAGEMENT

Risk Management is becoming increasingly important for the banking sector.

In November 2015, the Chief Risk Officer of the Bank was appointed. The management and risk control duties of the Chief Risk Officer include advising the Board of Directors in terms of risk strategy, to supervise implementation of the risk strategy by the institution, and to oversee all risk management duties secured by the Risk Department.

The mission of the Risk Department is to provide the Bank with a comprehensive and effective system for identifying, measuring, monitoring and controlling risks. This system should allow for integrated and segmented handling of the different risk types, with a view to contributing towards creating value in an efficient and sustainable manner, in addition to meeting the demands of internal control established by the Banco Nacional de Angola. Hence, the duties of the Risk Department are as follows:

- to obtain an integrated vision of the risks to which the Bank is exposed, so as to understand their different impacts;
- to implement risk measurement and monitoring methodologies suited to the materiality and characteristics of each risk type;
- to contribute towards enhancing an internal culture, based on risk and improvement of service quality;
- to foster constant enhancement of the internal control mechanisms; and
- to coordinate the creation and maintenance of the Plano de Continuidade de Negócio [Business Continuity Plan].

In November 2015, the Service Order of the Risk Department was published and accompanied by an outline of a plan for the progressive operationalization of duties within the scope of its function.

Following the establishment of the Risk Department, the document "Principles and Policies of Risk Management" was also published, aiming to provide information on the risk management policy of Banco BIC, including main guidelines and a framework for the action of the different units, with particular emphasis on those with specific responsibilities in this area.

The mission of the Risk Department is to provide the Bank with a comprehensive and effective system for identifying, measuring, monitoring and controlling risks.

In December 2015, the Asset and Liability Management Committee (ALCO) was established. This Committee is responsible for monitoring the evolution of liquidity risk, interest rate risk and foreign exchange rate risk, in addition to available capital.

In 2016, the Risk Department will continue to develop risk control and management procedures and methodologies.

The Executive Committee of the Board of Directors is currently responsible for approving and monitoring the Bank's risk strategies, including the policies and procedures associated with the Internal Control System, which enable the various departments of the Bank to accomplish their defined goals.

# COMPLIANCE

Compliance is established in the Bank in an independent, constant and effective manner.

The main objectives of this duty are observance of the applicable legal and regulatory provisions, including those relative to Anti-money Laundering and Counter-Terrorist Financing, as well as standards and professional and deontological practices, internal and statutory rules, codes of conduct and customer relations, and guidelines of the governing bodies in order to protect the reputation and integrity of the Bank, in order to avoid the imposition of sanctions.

Furthermore, in the context of the duties associated with Anti-money Laundering and Counter-Terrorist Financing measures, the Compliance Office is obliged to guarantee the correct training of the Bank's employees in this area, and to report any suspicious situations to the Financial Information Unit (FIU).

2015 was a year of restructuring and challenges for the Compliance Office, particularly in view of the Angolan banking market in the global capital market, in addition to the country risk associated with the Republic of Angola. Only recently did it witness its removal from the FATF List of Monitored Countries, during a local inspection on Angola by members of FATF, in which the Compliance Office of Banco BIC was also represented.

Enormous pressure was also observed in 2015 with regard to Anti-money Laundering and Counter-Terrorist Financing, not only at a domestic and BNA level, through the issue of new Notices and periodic inspections of the Compliance duty, but also on an international scale with corresponding banks and requests for the updating of Anti-Money Laundering (AML) documentation and policies.

The Bank adapted to international best practices in this sector and introduced more modern software for filtering and monitoring customers and transactions, guaranteeing their protection and strict compliance with recommendations not only from the domestic regulator, but also from FATF. Compliance-related procedures were also revised in terms of operation analysis, and relations in this area were narrowed with the Banco Nacional de Angola and the Financial Information Unit.

The Bank adapted to international best practices in this sector and introduced more modern software for filtering and monitoring customers and transactions, guaranteeing their protection and strict compliance with recommendations not only from the domestic regulator, but also from FATF.

During the reporting year 2016, this pressure on Compliance-related issues should be maintained at both a domestic and international level. The report to FACTA will also take on greater importance, given the recent agreement signed between the Republic of Angola and the United States of America.

# RISK MANAGEMENT POLICIES AND PROCESSES

Risk Management is a fundamental area for the banking sector. Currently, risk analysis is distributed across various departments of the Bank.

The Executive Committee of the Board of Directors is currently responsible for approving and monitoring the Bank's risk strategies, including the policies and procedures associated with the Internal Control System, which enable the various departments of the Bank to attain their defined goals.

## CREDIT RISK

Credit risk is considered one of the most important risks in the activity of financial institutions. It emerges through the losses and uncertainty over future gains generated by the loan portfolio, due to the possibility of a default on the part of the Customer (and guarantor, when applicable), issuer of a security or counterparty in a contract.

The limits and procedures of granting and managing credit operations are defined in the General Credit Regulations of the Bank.

Credit risk analysis and decision is distributed across various decision-making and loan granting levels.

The Credit Risk Analysis Department (CRAD) is responsible for assuring the definition and monitoring of the credit risk management policy. There are currently a number of manuals and standards in place which assure the foregoing through the definition of competence levels in the granting of loans, the limits per type of operation, assessment of the customer's capacity, monitoring of compliance with the financial plans, assessment of the risk of customer default and the need to renegotiate operations.

The Bank has progressively adopted and developed risk management methodologies, particularly in terms of granting, monitoring and recovering loans.



It should be noted that the platform Information Centre and Credit Risk, for providing information on the credit exposure of individual customers and companies in the banking sector, has seen increasingly more usage, and has contributed to more suitable credit risk management.

## DECISION-MAKING

The Credit Risk Analysis Department (CRAD) is subdivided into:

- Major Risks – the area responsible for the analysis of all credit operations or customers with a general debt of AOA 8.6 million, equivalent to USD 50 thousand;
- Retail – the area responsible for the analysis of all credit operations or customers with a general debt below AOA 8.6 million, equivalent to USD 50 thousand.

## ASSESSMENT

Credit risk assessment is conducted on the basis of the following criteria:

- Internal Ratings of non-financial entities:
  - Financial Elements of the Customer, attributing a Rating Level in quantitative terms;
  - Completion of a questionnaire by the commercial area (which may be reviewed at any time by the CRAD, consisting of qualitative data that will define the Risk Level. The real value of the company, in qualitative terms, should be reflected in the Risk Level.
- Type of Credit, Purpose and Proposed Amount;
- Credit Risk of the Corporate Group as a whole;
- Overall debt acknowledged by the Credit Risk Information Centre (CIRC) of Banco Nacional de Angola;
- Existence of debts to the Government or Social Security;
- Concentration of exposure;
- Current commercial and credit relations/experience;
- Net Worth of the Corporate Group.

There are also distinct assessment processes for specific types of credit such as:

- Funding of construction which, in addition to the foregoing considerations, is further analysed with regard to:
  - Completed projects (historical record);
  - Works in progress;
  - Project to be funded (Statement of operations, Financial Plan, Project Description, including basic premises, required licenses and permits for its accomplishment);
- Housing Loan and Vehicle/ Personal Credit, which, in addition to the foregoing considerations, are further analysed with regard to:

- Valuation of the property to be purchased;
- Valuation of the property to be purchased;
- Current commercial and credit relations/experience;
- Income of the bidders;
- Income of the bidders;

The Bank has progressively adopted and developed risk management methodologies, particularly in terms of the granting, monitoring and recovery of loans.

On a final note, the entire analysis process includes the valuation of collateral.

The CIRC has proven to be an essential tool in the assessment of general customer debt in the national banking system, thus making it possible to conduct a more in-depth analysis of the risk level of credit operations.

## MONITORING

Monitoring of the Customer involves ongoing observation, in order to be fully aware, at all times, of the likelihood of prompt repayment of any loan that may have been granted and/or timely warning of any circumstances that might hinder its accomplishment.

The process of loan monitoring begins immediately upon initiation of the contract and extends up to the full repayment, so as to ensure compliance. The Bank categorises the loans into different levels of Special Surveillance (SS), pursuant to the degree of concern as to a possible default (SS4 – monitoring, SS3 – reinforcement of guarantees, SS2 – reduction and SS1 – extinction).

Customers who are in default, and for whom no further negotiations are deemed possible by the commercial structure, are categorized into L – Litigation and PL – Pre-Litigation.

In terms of monitoring of the overdue loan portfolio, CRAD conducts permanent control of overdue loans when they exceed USD 5 thousand. The foregoing control is carried out through monthly reports and meetings held with the respective commercial areas.

## CENTRAL ARCHIVE

An area for the management of filing credit cases above AOA 8.6 million, equivalent to USD 50 thousand, is centralised in the Credit Risk and Monitoring Department.

## BALANCE SHEET CENTRE - CREDIT RATING

In 2014, the Bank implemented the Balance Sheet Centre in order to obtain a database of economic and financial information on its corporate customers. The information contained therein is based on the annual financial statements of the companies.

The main aim of the Balance Sheet Centre is to contribute towards gaining further understanding of the economic and

financial situation of these companies by analyzing the different ratios, thus making a quantitative and qualitative analysis of loan requests possible.

## CREDIT WORK-FLOW

As a result of its application of the Credit Work-Flow (WFC) last year, the Bank was able to expedite the loan granting process (formulation of applications-decision).

Throughout and up to the end of 2015, over 10,500 operations were recorded:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Approved	644 87.1%	591 88.1%	643 82.1%	703 88.4%	846 88.9%	1,042 87.3%	687 81.4%	894 88.7%	872 89.3%	1,025 89.6%	594 87.0%	683 87.1%	9,224 87.2%
Rejected	88 11.9%	77 11.5%	133 17.0%	82 10.3%	95 10.0%	134 11.2%	143 16.9%	99 9.8%	90 9.2%	105 9.2%	66 9.7%	84 10.7%	1,196 11.3%
Withdrawn	7 0.9%	3 0.4%	6 0.8%	10 1.3%	11 1.2%	18 1.5%	14 1.7%	15 1.5%	15 1.5%	14 1.2%	23 3.4%	16 2.0%	152 1.4%
Awaiting Approval	-	-	-	-	-	-	-	-	-	-	-	1 0.1%	1 -
Awaiting Withdrawal	-	-	1 0.1%	-	-	-	-	-	-	-	-	-	1 -
<b>Total</b>	<b>739 100%</b>	<b>671 100%</b>	<b>783 100%</b>	<b>795 100%</b>	<b>952 100%</b>	<b>1,194 100%</b>	<b>844 100%</b>	<b>1,008 100%</b>	<b>977 100%</b>	<b>1,144 100%</b>	<b>683 100%</b>	<b>784 100%</b>	<b>10,574 100%</b>



The WFC has proven to be an effective and efficient tool in the processing of all the Bank's credit operations, as a result of the following:

### CELERITY

The time spent on analysing credit operations has been considerably reduced.

### DOCUMENT MANAGEMENT

The supporting documentation of credit operations circulates automatically on the platform.

### STANDARDIZATION

Credit operations are performed in a standardised manner by the entire Bank organisation.

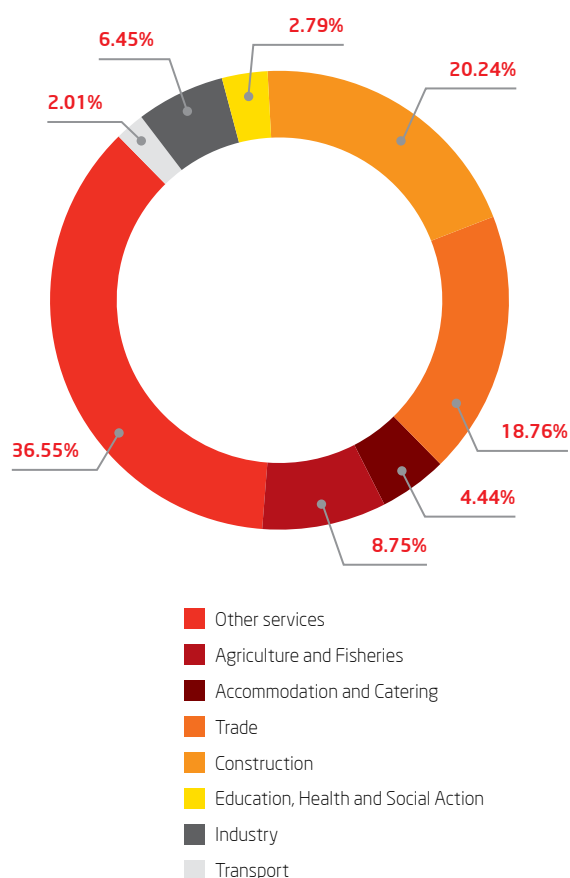
### AUTOMATISATION

Pre-existing customer data is collected on the central application of the Bank.

### PROCESS CONTROL

The WFC enables all stakeholders to have access to precise information throughout the entire circuit of the credit operation.

A carteira de crédito a empresas do Banco apresenta uma diversificação sectorial equilibrada.



Composition of the loan portfolio by risk categories displays concentration in the lowest risk classes (A, B and C), which, as a whole, represented 77.4% of the Bank's total loan portfolio as at 31 December 2015.

Level	Risk	2015	2014	2013
A	Zero	10.8%	17.2%	17.5%
B	Very Low	40.5%	30.4%	21.9%
C	Low	26.1%	29.1%	41.7%
D	Moderate	5.0%	8.3%	5.3%
E	High	6.1%	6.3%	4.0%
F	Very High	5.2%	2.8%	2.3%
G	Loss	6.3%	5.9%	7.3%
		<b>100%</b>	<b>100%</b>	<b>100%</b>

Remaining at comfortable levels and showing signs of a prudent risk management policy, the ratio of total loan coverage (excluding asset-backed loans) by provisions stood at 14 % at 31 December 2015 (12% as at 31 December 2014).

(milhões de AKZ)

	2015	2014	2013
Provisions	44,504	32,026	24,600
Coverage of overdue loans	188%	170%	223%
Coverage of total loans	14%	12%	11%

## LIQUIDITY, MARKET AND FOREIGN EXCHANGE RISK

The monitoring of liquidity, market and foreign exchange rate risks is conducted by the International and Financial Department (referred to hereinafter as IFD).

Given the importance of the afore-mentioned risks, their monitoring is crucial, and, therefore, performed on a daily basis according to specific statistical information, obtained from the competent entities.

The structure of the IFD is specifically tailored to the monitoring of liquidity, market and foreign exchange rate risks, whereby the prudential limits of exposure to these risks are defined for the Bank's action in interbank money and foreign exchange markets.

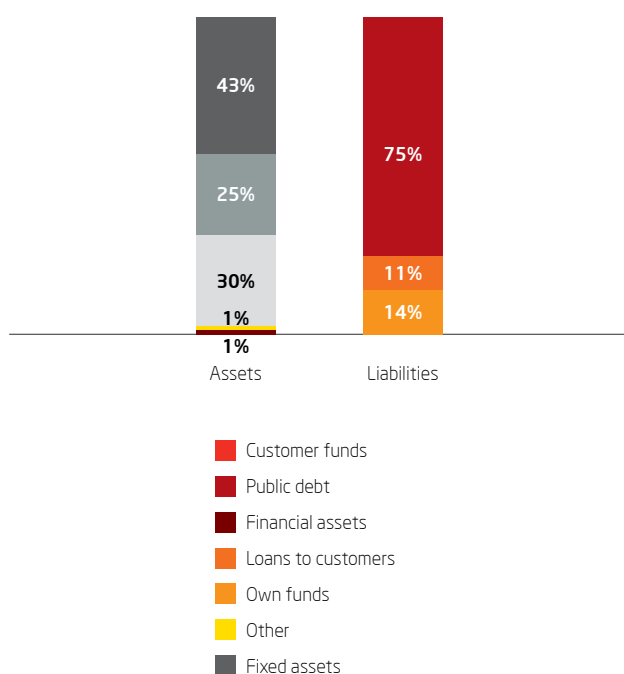
On a monthly basis, the IFD prepares the information to be reported to the Executive Committee of the Board of Directors on the evolution of the investments made by the Bank and its exposure with regard to the afore-mentioned risks.

Additionally, the Asset and Liability Management Committee (ALCO) was created in 2015, and is responsible for monitoring

the evolution of liquidity risk, interest rate risk and foreign exchange rate risk, in addition to available capital.

In terms of market risks, the Risk Department, in addition to its participation in drawing up the Investment Policy, also has a second line control role of assuring coherence between the activity undertaken and stipulated in the said policy, namely by monitoring the established limits, calculating the VAR and conducting further analyses for such purposes.

In 2015, the growth rate of Customer funds stood at 8% (11% in 2014). This ability to attract customer deposits made it possible to suppress the need for funding and liquidity in good time. The Bank's Balance Sheet structure, as at 31 December 2015, reflects its soundness and robustness. The volume of customer funds (75% of Assets) is the basis for most of the Bank's funding activity.



In its liquidity management policy, the Bank seeks to invest surplus liquidity that has not been channelled into loans, based on diversification criteria and adequacy of the investment maturities, in order to guarantee efficient management over time. As at 31 December 2015, financial instruments for mobilisation and use over a short period of time represent 30.2% of investments.

With regard to managing its foreign exchange exposure, the Bank simplifies this process by operating primarily with US dollars and keeping its positions in other currencies at low levels. The Bank essentially purchases foreign currency in the primary market through the BNA's process of foreign exchange auctions, thus, endeavouring to promptly meet Customers' foreign exchange requests.

## OPERATIONAL RISK

Operational risk is associated with the adequacy of the processes implemented under the internal control system, including risks related to Compliance and information systems.

The control duties, namely Internal Audit and Compliance, are responsible for monitoring the operational risk. They ensure correct definition of the control activities which serve to mitigate the most significant operational risks in the Bank's daily activity.

In order to guarantee correct implementation of the foregoing control activities, those responsible for control duties conduct audits and inspections throughout the year, which make it possible to pinpoint situations requiring further improvement, and also to define and monitor the plans of action for their resolution.

The Internal Audit Department intends to continue its auditing of key duties in the bank throughout 2016, and to monitor the plans of action resulting from the implementation of processes seeking to ensure compliance with the provisions foreseen in BNA Notices 1/2013 and 2/2013, of 22 March.

Reports are periodically submitted to the Executive Board on the audits and inspections conducted, in which identified situations and plans of action to be implemented are specified.

The Risk Department is currently in the final stages of establishing an operation risk management and monitoring methodology which is expected to be implemented in 2016.

	Total (MAOA)	[0 - 7D]	[7D - 1M]	[1M - 3M]	[3M - 6M]	[6M - 1Y]	[1Y - 3Y]	[> 3Y]	Total (%)
Cash and cash equivalents	155,697	23.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	23.6%
Investments in C.I.	79,475	0.0%	5.6%	1.5%	4.4%	0.5%	0.0%	0.0%	12.0%
Bonds and transferrable securities	425,641	0.7%	0.3%	3.0%	2.9%	6.8%	35.8%	15.0%	64.6%
<b>Total</b>	<b>660,813</b>	<b>24.3%</b>	<b>5.9%</b>	<b>4.5%</b>	<b>7.3%</b>	<b>7.3%</b>	<b>35.8%</b>	<b>15.0%</b>	<b>100.0%</b>

## CONCENTRATION RISK

The Risk Department is currently in the final stages of its periodic analysis and report of this issue.

## REPUTATION RISK

The image of the Bank is monitored by the Marketing Department, which conducts advertising campaigns and actions throughout the year targeting the Bank's customers, so as to transmit the principles and values associated with Banco BIC.

The reputation policy of the Bank sets out to ensure the constant transmission of the vision, mission and values underlying its activity and relations with its customers, counterparties, shareholders, investors and Supervisory Entity.

## COMPLIANCE RISK

The main objectives of the Bank, within the scope of compliance risk, are observance of the applicable legal and regulatory provisions, including those relative to Anti-Money Laundering and Counter-Terrorist Financing, as well as standards and professional and deontological practices, internal and statutory rules, codes of conduct and customer relations, and guidelines of the governing bodies in order to protect the reputation of the Institution, so as to avoid the imposition of sanctions.





Port of Luanda

# 05

## ANTI-MONEY LAUNDERING AND COUNTER-TERRORIST FINANCING



# ANTI-MONEY LAUNDERING AND COUNTER-TERRORIST FINANCING

Credit Institutions are susceptible to being used to conceal, convert, transfer or invest funds of illicit origin, arising from activities deemed criminal.

The Republic of Angola approved Resolutions 19/99 of 30 July, 21/10 of 22 June and 38/10 of 17 December, published in the Official Gazette, Series 1, nos. 31, 115 and 239, which ratify the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, transnational criminality and the suppression of terrorist financing, respectively, with a view to ensuring security of the Angolan financial system.

Law 34/11 of 12 December establishes measures of a preventive and repressive nature to combat the laundering of benefits of illicit origin and terrorist financing.

BNA Notice 22/2012, under the terms of Article 36 of Law 34/11, regulates the conditions of fulfilment of the obligations stipulated in the said law.

These legal provisions are not restricted to criminalising certain behaviours, namely those corresponding to the "laundering of funds of illicit origin", but also establish a number of preventive measures, specifically designed for the financial system.

To such end, Banco BIC has progressively adopted strategies, policies and processes, namely through the establishment of service standards and orders, which serve to prevent use of Credit Institutions for Money Laundering and Terrorist Financing.

The Compliance Office is responsible for guaranteeing compliance with the procedures adopted in order to achieve the above.

As referred to in the chapter on Compliance, it is the responsibility of this Office to ensure correct training of the Bank's employees for this area and to report suspicious situations to the Financial Information Unit (FIU).







# 06

## FINANCIAL ANALYSIS

- › FINANCIAL ANALYSIS
- › BALANCE SHEET
- › INCOME STATEMENT
- › PROPOSED APPROPRIATION  
OF PROFITS



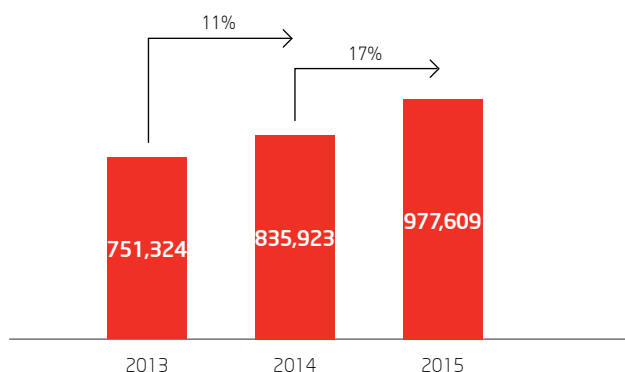
# FINANCIAL ANALYSIS

In 2015, the upward trend in the business turnover of Banco BIC continued, reflecting a year-on-year growth of 13%, and attaining the amount of AOA 1,582,099 million.

The total net assets of the bank stood at AOA 977,609 million at 31 December 2015, an increase of AOA 141,686 million against 2014, corresponding to a variation of 17%. This upswing was boosted by the bond and transferrable securities portfolio, which climbed from AOA 369,979 million at 31 December 2014 to AOA 425,641 million (growth recorded essentially in terms of Angolan Public Debt), through Loans to Customers, which recorded an increase of AOA 43,981 million, and due to an increase in Cash and Investments which rose to AOA 40,918 million.

## Net Assets

Million AOA



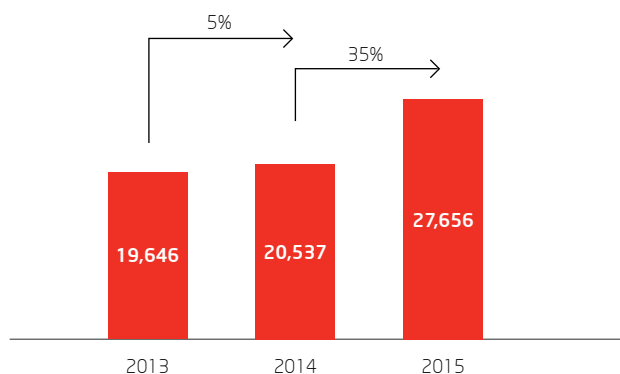
The assets of the bank are essentially financed by customer funds, which recorded a year-on-year growth of AOA 55,950 million (8%), while loans granted to the government increased by 53,305 million during 2015, reflecting a growth rate of 15%. At 31 December 2015, customer funds amounted to AOA 740,622 million.

The net income of Banco BIC for the reporting year 2015 reached a total of AOA 27,656 million, reflecting a significant increase of 35% when compared with the sum of AOA 20,537 million for the net income of 2014. This upward trend is essentially due to variation in foreign exchange gains and losses.

Loans granted to customers recorded a year-on-year growth of 23%;

## Net Income

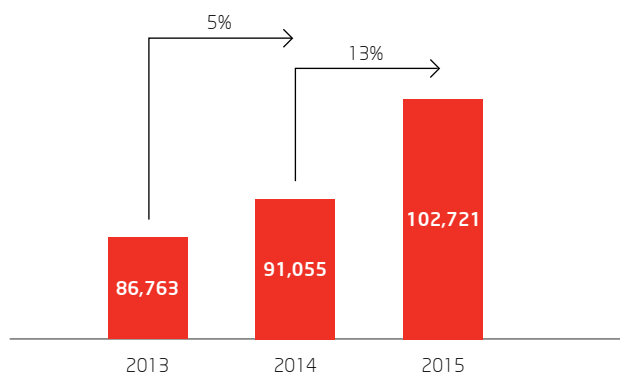
Million AOA



At 31 December 2015, the Bank's equity amounted to AOA 102,721 million, up by AOA 11,666 million, against AOA 91,055 million recorded at 31 December 2014. This variation may be explained by the distribution in 2015 of dividends relative to 2014, to the value of AOA 20,537 million.

## Equity

Million AOA



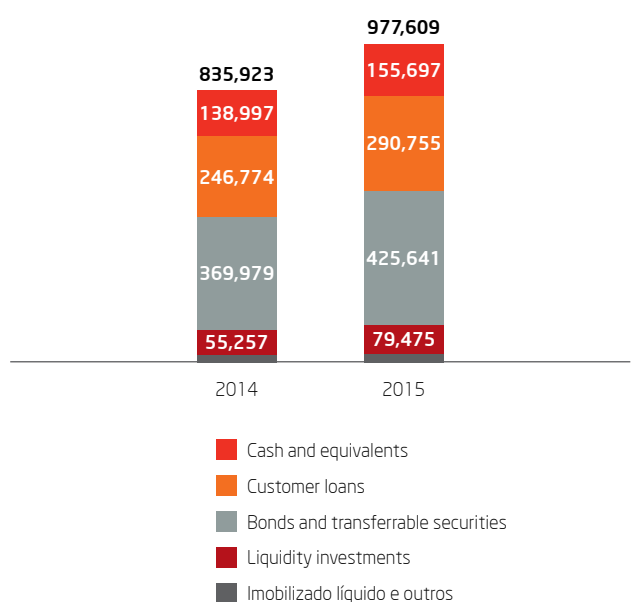
# BALANCE SHEET

## ASSETS

As at 31 December 2015, Net Assets amounted to a total of AOA 977,609 million, thus recording a year-on-year increase of 17%. The heading Cash and Investments saw a growth of AOA 55,661 million against 31 December 2014, resulting from the 109,688 increase in Treasury Bonds, partly compensated by the reduction in the Treasury Bills portfolio which stood at AOA 58,028 million. Additionally, Loans to Customers saw an increase of AOA 43,981 million and Cash and Investments recorded a year-on-year increase of AOA 40,918 million.

### Net Assets

Million AOA



Em milhões

Assets	2015		2014		Var. %
	AOA	USD	AOA	USD	
Cash and equivalents	155,697	1,151	138,997	1,351	12%
Liquidity Investments	79,475	587	55,257	537	44%
Bonds and transferrable securities	425,641	3,146	369,979	3,597	15%
Customer loans	290,755	2,149	246,774	2,399	18%
Net fixed assets	11,963	88	11,455	111	4%
Other assets	14,078	104	13,461	132	5%
<b>Total</b>	<b>977,609</b>	<b>7,225</b>	<b>835,923</b>	<b>8,127</b>	<b>17%</b>

## LOANS TO CUSTOMERS

Banco BIC maintains its availability to support the investments of customers in the Angolan Economy, and conducts a selection of projects on the basis of their credit risk profile in the various sectors of economic activity.

The loans to customers portfolio (including asset-backed loans) recorded a balance of AOA 421,712 million at 31 December 2015, equivalent to an increase of 23%, when compared with AOA 343,172 million, the amount recorded at 31 December 2014.

Loans granted to Customers	2015		2014		Var. %
	AOA	USD	AOA	USD	
Total loans	421,712	3,116	343,172	3,336	23%
Customer loans	305,539	2,258	256,102	2,490	19%
Domestic currency loans	151,996	1,123	173,120	1,683	-12%
Foreign currency loans	153,543	1,135	82,982	807	85%
Overdue loans and interest	23,639	175	18,810	183	26%
Overdue loans and interest in domestic currency	12,558	93	8,079	79	55%
Overdue loans and interest in foreign currency	11,081	82	10,731	104	3%
Interest receivable	6,081	44	3,888	37	56%
Domestic currency interest receivable	3,559	26	2,661	26	34%
Foreign currency interest receivable	2,522	18	1,227	11	106%
Asset-backed loans	86,453	639	64,372	626	34%
Guarantees and sureties provided	78,607	581	54,515	530	44%
Open documentary credit	7,846	58	9,857	96	-20%
Provisions constituted for credit risk	45,807	339	33,137	322	38%
> Doubtful debt loans	44,504	329	32,026	311	39%
> Provision of guarantees	1,303	10	1,111	11	17%
Loans granted, net of provisions	375,905	2,777	310,035	3,014	21%
<b>Overdue loans / Total loans</b>	<b>7.18%</b>	<b>7.18%</b>	<b>6.84%</b>	<b>6.84%</b>	

At the end of 2015, loans granted to customers represented approximately 34% of all assets (33% at 31 December 2014).

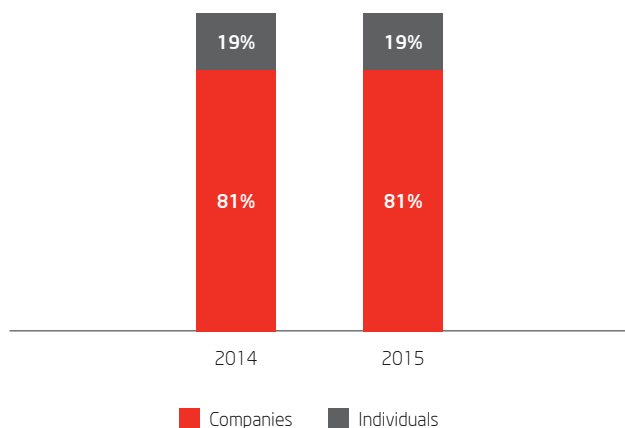
In 2015, depreciation of domestic currency against the US dollar resulted in an increase in the weight of foreign currency credit, whereby the total credit granted soared from 34% to 50%.

In the reporting year 2015, asset-backed loans increased by AOA 22,081 million, equal to 34%, standing at AOA 86,453 million. Guarantees and sureties provided increased from AOA 54,515 million as at 31 December 2014 to AOA 78,607 million in 2015, while Documentary Credit Opened saw a downturn of AOA 2,011 million. Relations with Banco BIC Português in the offer of support to common customers operating in both markets had considerable influence on maintaining such high figures in this heading.

In 2015, the Bank maintained its conservative policy in the classification of risk relative to credit operations, and reinforced the provisions established for credit risk. At 31 December 2015, Banco BIC held total provisions to the approximate value of AOA 45,807 million, reflecting a year-on-year net variation in the region of AOA 12,670 million (38%).

At 31 December 2015, coverage of loans by provision stood at 13.52%, compared with 11.65% recorded at 31 December 2014. 188% was recorded for coverage of overdue credit by provision as at 31 December 2015 (170% in 2014).

### Distribution of loans by beneficiary



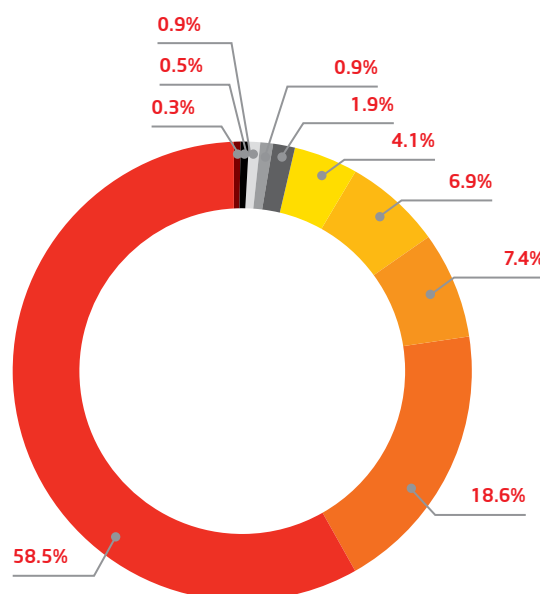
At 31 December 2015, in line with the previous year, approximately 81% of the loan portfolio corresponded to loans to companies, while the remaining 19% reflected loans to individual customers.

At 31 December 2015 and 2014, the loan portfolio may be broken down as follows by product type:

Em milhões

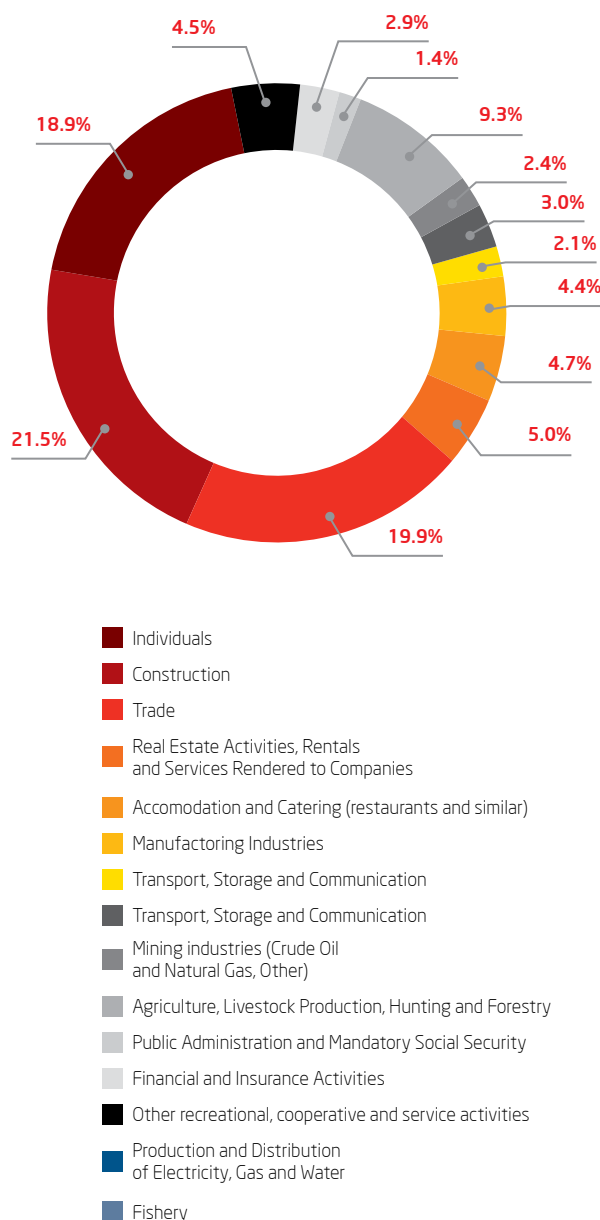
Loans by product type	2015		2014		Var.
	AOA	USD	AOA	USD	%
Funding	246,555	1,823	183,659	1,785	34%
Guarantees and sureties provided	78,607	581	54,515	530	44%
Housing	31,309	231	27,688	269	13%
Treasury	29,215	216	40,664	395	-28%
Consumer credit	17,420	129	17,401	169	0%
Open documentary credit	7,846	58	9,857	96	-20%
Investment	3,984	29	2,958	29	35%
Current account overdrafts	3,979	29	4,068	40	-2%
VISA credit card	1,924	14	1,445	14	33%
Motor vehicle	873	6	917	9	-5%
<b>Total</b>	<b>421,712</b>	<b>3,116</b>	<b>343,172</b>	<b>3,336</b>	<b>23%</b>

The increase in loans granted may be explained by the increase in funding products and guarantees and sureties provided in 2015.



- Funding
- Guarantees and sureties provided
- Housing
- Treasury
- Consumer credit
- Open documentary credit
- Investment
- Current account overdrafts
- VISA credit card
- Motor vehicle

Distribution of the loan portfolio by product type indicates a great diversity of activities supported by Banco BIC. The most popular products for the Bank's customers were Funding, with a weight of 58.5%, Guarantees and Sureties Provided with 158.6%, Home Loans recording 7.4%, Cash-flow loans of 11.8%, and Consumer Credit with a weight of 4.1%.



In the first quarter of 2015, in terms of loans granted, the construction and trade sectors received most support from Banco BIC, accounting for 21.5% and 19.9%, respectively. Loans granted to individual customers also absorbed 19% of the total loans granted.

The verified boost in provisions for loans was a determinant factor in the increased ratio of provisions for loans granted, climbing from 11.65% to 13.52% at the end of 2015.

At the end of 2015, notwithstanding the increase in overdue loans and interest to AOA 23,639 million against the figures recorded at the end of 2014, the Bank continued to maintain an adequate coverage of credit risk by provisions.

The verified boost in provisions for loans was a determinant factor in the increased ratio of provisions for loans granted, climbing from 11.65% to 13.52% at the end of 2015, while the coverage of overdue loans by provisions stood at 188% at that same date.

in millions

Overdue loans	2015		2014		Var.
	AOA	USD	AOA	USD	%
Loans granted	329,178	2,433	274,912	2,673	20%
Overdue loans	23,639	175	18,810	183	26%
Overdue loans / Loans granted	7.18%		6.84%		5%
Overdue loans covered by provisions	188%		170%		11%
Provisions for loans / Loans granted	13.52%		11.65%		16%

## SECURITIES PORTFOLIO

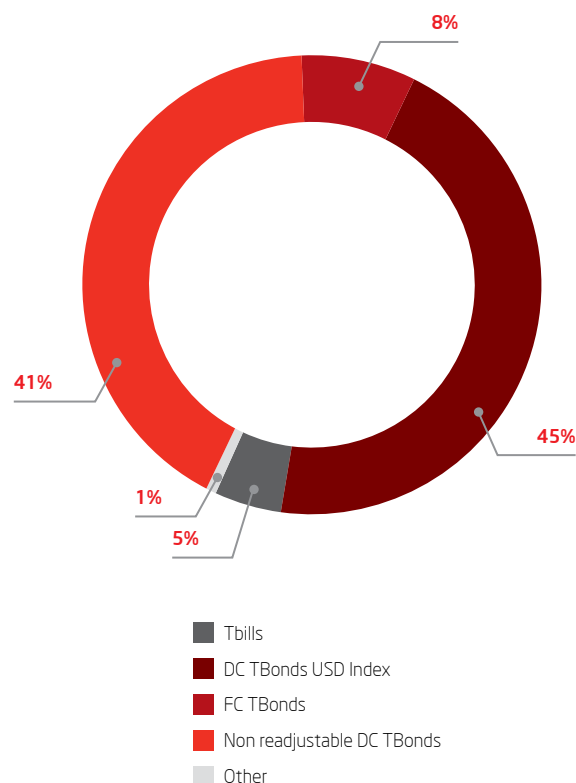
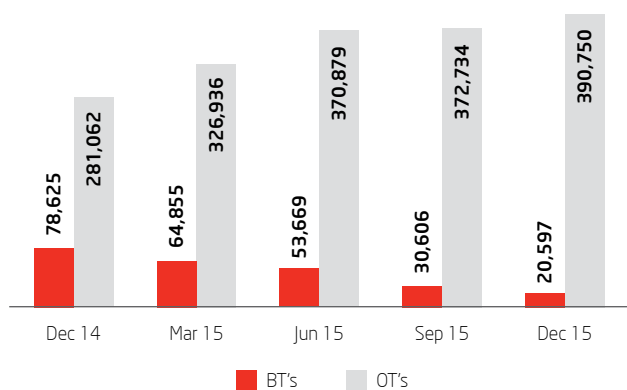
The Bank's securities portfolio is classified according to the purpose underlying their acquisition and, under the terms of the applicable rules and regulations, consists of the following categories:

- Held for trading - in which Treasury Bills (TBs), denominated in Kwanzas, are included.
- Available for sale - equity stakes through shares.
- Held to maturity - in which Treasury Bonds (TBs) in or indexed to the US dollar and non-readjustable Treasury Bonds (TBs) in Domestic Currency.

in millions

Securities Portfolio	2015		2014		Var. %
	AOA	USD	AOA	USD	
Held for trading	22,999	170	80,650	784	-71%
> Treasury Bills	20,597	152	78,625	764	-74%
> Other securities for trading	1,449	11	-	-	100%
> Interest receivable	953	7	2,025	20	-53%
Available for sale	4,459	33	3,551	35	26%
Held to maturity	398,183	2,943	285,778	2,778	39%
> Treasury Bonds	390,750	2,888	281,062	2,732	39%
- In domestic currency (USD Index)	187,397	1,385	98,060	953	91%
- In foreign currency (USD Index)	33,683	249	13,165	128	156%
- In domestic currency (non-readjustable)	169,670	1,254	169,837	1,651	0%
> Interest receivable	7,433	55	4,716	46	58%
<b>Total</b>	<b>425,641</b>	<b>3,146</b>	<b>369,979</b>	<b>3,597</b>	<b>15%</b>

In 2015, the Bank's securities portfolio recorded an increase in the region of AOA 55,662 million (15%) against 31 December 2014. This variation was mainly impacted by the Treasury Bonds in Domestic Currency indexed to the US dollar and denominated in US dollars, which increased by AOA 89,337 million and AOA 20,518 million respectively, and also the reduction in Treasury Bills by AOA 58,028 million.



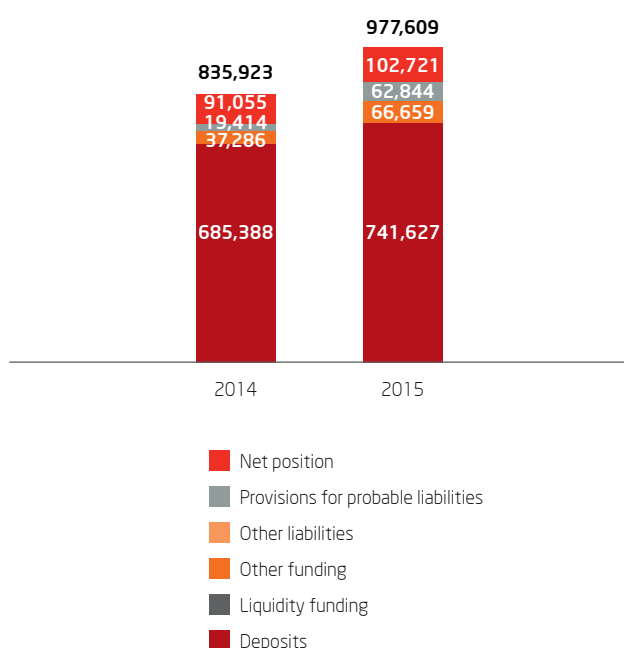
## LIABILITIES AND NET POSITION

In 2015, the liabilities of the Bank recorded a year-on-year increase in the region of AOA 130,019 million, reflecting a variation of approximately 17%. This was essentially due to an increase of the headings Customer Deposits, by approximately AOA 55,950 million (8%), and Other Bonds, by AOA 43,430 million, against 2014.

In 2015, the Bank's equity increased by AOA 11,666 million, owing both to the net income for the year (AOA 27,656 million), and to the distribution in 2015 of dividends relative to 2014, to the value of AOA 20,537 million.

## Liabilities and Net Position

Em milhões



Liabilities and Net Position	2015		2014		Var. %
	AOA	USD	AOA	USD	
Deposits	741,627	5,480	685,388	6,663	8%
> Customer deposits	740,622	5,473	684,672	6,656	8%
> Demand deposits of Credit Institutions	1,005	7	716	7	40%
Other funding	66,659	493	37,286	362	79%
Other liabilities	62,844	465	19,414	190	224%
Provisions for probable liabilities	3,758	28	2,780	27	35%
Net position	102,721	759	91,055	885	13%
<b>Total</b>	<b>977,609</b>	<b>7,225</b>	<b>835,923</b>	<b>8,127</b>	<b>17%</b>

## CUSTOMER FUNDS

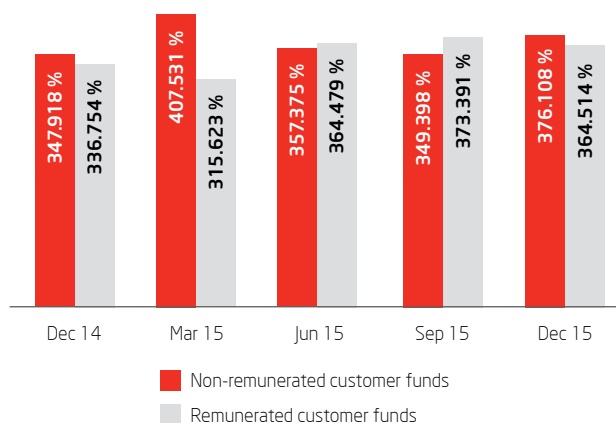
The total customer funds portfolio for the reporting year 2015 amounted to AOA 740,622 million, corresponding to an increase of AOA 55,950 million and an 8% variation against 31 December 2014.

At 31 December 2015, the Total Customer Funds included demand deposits standing at AOA 371,738 million, term deposits to the value of AOA 364,514 million and other deposits amounting to AOA 4,370 million.

Total Customer Funds	2015		2014		Var. %
	AOA	USD	AOA	USD	
Customer deposits	736,252	5,441	679,187	6,603	8%
> Demand Deposits	371,738	2,747	342,433	3,329	9%
- Domestic currency	289,566	2,140	279,654	2,719	4%
- Foreign currency	82,172	607	62,779	610	31%
> Term deposits	364,514	2,694	336,754	3,274	8%
- Domestic currency	251,286	1,857	204,763	1,991	23%
- Foreign currency	113,228	837	131,991	1,283	-14%
Other deposits	4,370	32	5,485	53	-20%
- Domestic currency	4,370	32	5,485	53	-20%
<b>Total</b>	<b>740,622</b>	<b>5,473</b>	<b>684,672</b>	<b>6,656</b>	<b>8%</b>

At 31 December 2015, approximately 74% of the Customer Funds Portfolio was denominated in domestic currency (72% in 2014), while the remaining 26% was denominated in foreign currency.

In 2015 and 2014, approximately 49% of deposits corresponded to remunerated funds, equivalent to AOA 364,514 million and AOA 336,754 million, respectively.



The transformation ratio of Loans/Funds rose from 94% at 31 December 2014 to 102% at 31 December 2015.

Em milhões

Loan to Deposit Ratio	2015		2014	
	AKZ	USD	AKZ	USD
Customer funds	684,672	6,656	740,622	5,473
Total loans (including loans to the State)	645,228	6,273	754,992	5,580
<b>Total</b>	<b>102%</b>		<b>94%</b>	

## PROVISIONS

As at 31 December 2015, the balance of the provisions heading for probable liabilities stood in the region of AOA 3,757 million (AOA 2,780 million at 31 December 2014). Of this total amount, AOA 1,303 million are relative to provisions for guarantees provided, AOA 2,152 million to retirement pensions, and the remaining AOA 302 million to provisions established in the case of contingencies arising from the Bank's activity, and also to reflect potential losses in the realisable value of other assets and accruals and deferred income accounts.

## EQUITY

As at 31 December 2015, the Bank's equity stood at AOA 102,721 million, reflecting an increase of AOA 11,666 million, equivalent to approximately 13% in relation to 31 December 2014.

This variation in the equity of Banco BIC was influenced not only by the net income for the year (AOA 27,656 million) but also as a direct consequence of the distribution in 2015 of dividends relative to 2014, amounting to AOA 20,537 million.

Em milhões

Equity	2015		2014	
	AOA	USD	AOA	USD
Share capital	3,000	22	3,000	29
Reserves	72,065	533	67,518	656
Net income for the year	27,656	204	20,537	200
<b>Total</b>	<b>102,721</b>	<b>759</b>	<b>91,055</b>	<b>885</b>

The reserves heading increased by AOA 4,547 million in 2015, of which AOA 4,107 million corresponded to 20% of the net income for 2014, in accordance with the proposed appropriation of profits approved by the General Meeting. At 31 December 2015, the total reserves, standing at AOA 72,065 million, reflected the monetary revaluation reserve of own funds relative to 2009, amounting to AOA 5,798 million, the legal reserve standing at AOA 23,452 million, and other reserves to the value of AOA 42,815 million.

At 31 December 2015, the Bank's Regulatory Own Funds, calculated pursuant to BNA Instruction 03/2011, of 8 June, stood in the region of AOA 100,986 million, equivalent to a Regulatory Solvency Ratio of approximately 16%, against 21% recorded at 31 December 2014.

# INCOME STATEMENT

Banco BIC closed the reporting year 2015 with a net profit of AOA 27,656 million, corresponding to a year-on-year growth of 35%.

Em milhões

Em milhões

Conta de Exploração	2015		2014	
	AOA	USD	AOA	USD
1. Net interest income (NII)	34,108	252	31,982	311
2. Additional margin (AM)	24,288	179	7,861	76
3. Earnings from financial brokerage (EFB)=(NII)+(AM)	58,396	431	39,843	387
4. Earnings from goods, products and other services =(EGPOS)	73	1	59	1
5. Administrative and marketing costs (AMC)	28,463	210	19,211	187
6. Earnings from financial fixed-assets (EF)	40	-	32	-
7. Other operating income and costs (OOIC)	(890)	(7)	175	2
8. Net operating income (RO) = (NOI)+(EGPOS)-(AMC)-(EF)+(OOIC)	29,076	215	20,834	203
9. Non-operating earnings (NOE)	36	-	784	8
10. Earnings before tax (EBT) = (NOI)+(NOE)	29,112	215	21,618	211
11. Income tax (IT)	1,456	11	1,081	11
12. Net income for the year (NIY) = (EBT)-(IT)	27,656	204	20,537	200
13. Cash Flow after tax (CF)	38,819	287	30,354	295

The net profit recorded for 2015 was positively influenced by an increase in the additional margin of AOA 16,427 million, resulting from earnings from trading and fair value adjustments.

In 2015, the net interest income recorded a year-on-year growth rate of AOA 2,126 million. Notwithstanding a decline in Credit Interest gains, the income from Interest on Bonds and Transferrable Securities recorded growth of 29.8%, compared with 2014. In relative terms, this heading, which represented approximately 48% of the active income at December 2014, reflected 56% at the end of the reporting year 2015.

Net Interest Income	2015		2014	
	AOA	USD	AOA	USD
Interest from loans	21,816	161	22,410	218
Interest from bonds and transferrable securities	29,448	218	22,680	220
Interest from liquidity investments	1,209	9	1,811	18
Interest from financial instrument liabilities	(18,365)	(136)	(14,919)	(145)
<b>Total</b>	<b>34,108</b>	<b>252</b>	<b>31,982</b>	<b>311</b>

In 2015, the Additional Margin rose by AOA 16,427 million, against 2014, resulting from the increase in the heading earnings from trading and fair value adjustment. This variation was caused by appreciation of Treasury Bonds Indexed to the US dollar and Bonds in Foreign Currency during the reporting year.

Em milhões

Additional Margin	2015		2014	
	AOA	USD	AOA	USD
Earnings from trading and fair value adjustments	1,520	11	509	5
Earnings from foreign exchange transactions	26,202	193	9,805	95
Resultados de prestação de serviços financeiros	6,462	48	6,003	58
Provisions for doubtful debt	(9,896)	(73)	(8,456)	(82)
<b>Total</b>	<b>24,288</b>	<b>179</b>	<b>7,861</b>	<b>76</b>

Earnings from foreign exchange operations, which essentially correspond to exchange profit and loss in the portfolio of issued securities or securities indexed to foreign currency, and in domestic currency deposits indexed to foreign currency, from purchase and sale of foreign currency carried out by the Bank, and revaluation of the foreign exchange position, stood at AOA 26,202 million in 2015, as a result of depreciation of the Kwanza against the US dollar during the said reporting year.

Earnings from provision of financial services corresponded to gains arising from fees charged.

The administrative costs of the Bank, which cover expenses with employees to the value of AOA 11,725 million, third-party supplies and other costs amounting to AOA 15,883 million, and the depreciations and amortisations of the year standing at AOA 855 million, recorded an increase in the region of AOA 9,252 million (48%), against 2014.

Em milhões

Administrative and Marketing Costs	2015		2014	
	AOA	USD	AOA	USD
Staff	11,725	87	9,836	96
Third party supplies and other costs	15,883	117	8,348	81
Depreciation and amortisation	855	6	1,027	10
<b>Total</b>	<b>28,463</b>	<b>210</b>	<b>19,211</b>	<b>187</b>

Total personnel costs stood at 11,725 million, up by AOA 1,889 million in relation to 2014, while third-party supplies and other costs amounted to AOA 15,883 million, corresponding to a year-on-year variation of 90%.

Depreciations and amortisations for the year stood at AOA 855 million, reflecting a marginal decline for amortisations against the figures recorded for 2014.

Despite a reduction in the number of employees from 2,097 at 31 December 2014 to 2,089 at 31 December 2015, expansion of the commercial network of the Bank from 219 to 223 commercial units, and the increase in commercial and organisational support services, in addition to other services rendered by Bank-related entities contributed to an increase in administrative and commercialization costs.

Em milhões de AKZ

Cost-to-income	2015	2014
Administrative and marketing costs	28,463	19,211
Earnings from financial brokerage	58,396	39,843
<b>Cost-to-income</b>	<b>49%</b>	<b>48%</b>

In 2015, the cost-to-income ratio decreased marginally from 49% to 48% in relation to 2014.

In 2015, the recorded income tax amounted to AOA 1,456 million (AOA 1,081 million in 2014), corresponding to an effective industrial tax rate in the region of 5%.

Earnings from public debt securities received from Treasury Bonds and Treasury Bills issued by the Angolan government are exempt from Industrial tax, under the terms of subparagraph c)

of number 1 of Article 23 of the Industrial Tax Code. This tax framework is a decisive factor in the difference between calculated tax loss and the nominal rate in force (30%).

Presidential Decree 05/11, of 30 December, introduced a norm by which the interest from Treasury Bills, Treasury Bonds and other financial investments is subject to IAC [Capital Gains Tax]. Notwithstanding, and pursuant to the above, this tax is only applicable to securities as of January 2013.

The IAC rate varies between 5% (in the case of income from debt securities admitted to trading in a regulated market, presenting maturity equal to or above three years) and 15%. In 2015 and 2014, the costs related to this tax, which are recorded in the income statement, under the heading "Income Exempt from Tax and Fees" amounted to AOA 1,190,033 and AOA 874,478, respectively.

As at 31 December 2014, according to the amounts recorded for both taxes, namely the Industrial Tax and the Capital Gains Tax, the joint effective rate was equivalent to 9.09% and 9.05%, respectively.

# PROPOSED APPROPRIATION OF PROFITS

Pursuant to the legal provisions relative to the constitution of reserves, the Board of Directors proposes the following appropriation of the positive net income for the year ended 31 December 2015, to the value of 27,656 million Angolan Kwanzas:

**Legal Reserve 20%**

5,531 million Kwanzas

**Distribution of Dividends to Shareholders 80%**

22,125 million Kwanzas





Moon Valley Viewpoint



**07**

**FINANCIAL  
STATEMENTS  
AND NOTES**

# FINANCIAL STATEMENTS

## Balance sheets at 31 December 2015 and 2014

Amounts in thousand Angolan Kwanzas

	Notes	2015	2014
<b>Assets</b>			
Cash and equivalents	3	155,697,399	138,997,119
Liquidity investments		79,474,542	55,256,508
> Investments in Credit Institutions	4	79,464,765	54,788,902
> Purchase of third party securities with reverse repurchase agreement	4	-	457,829
> Investments in gold and other precious metals		9,777	9,777
Bonds and transferrable securities	5	425,640,860	369,979,711
> Held for trading		22,998,659	80,649,565
> Available for sale		4,459,067	3,551,284
> Held to maturity		398,183,134	285,778,862
Loans in the payment system		162,555	3,757
Foreign exchange transactions	6	34,051	2,700,681
Loans		290,754,947	246,773,618
> Loans to customers	7	335,258,547	278,800,101
> (-) Provision for doubtful debt	7 e 15	(44,503,600)	(32,026,483)
Other values	8	13,880,899	10,756,413
Fixed assets		11,963,431	11,454,737
> Financial fixed assets	9	351,788	365,080
> Tangible fixed assets	10	11,599,639	11,080,932
> Intangible fixed assets	10	12,004	8,725
<b>Total Assets</b>		<b>977,608,684</b>	<b>835,922,544</b>
<b>Liabilities</b>			
Deposits		741,627,154	685,388,001
> Demand deposits	11	372,742,983	343,148,826
> Term deposits	11	364,514,317	336,753,876
> Other deposits	11	4,369,854	5,485,299
Liabilities in the payment system	12	45,869,195	7,395,853
Foreign exchange transactions	6	34,317	2,704,402
Other liabilities	13	66,659,313	37,286,370
> Other funding		66,659,313	37,286,370
Other liabilities	14	16,902,331	9,234,332
Trade and industrial suppliers		37,611	78,290
Provisions for doubtful debt	15	3,757,291	2,779,990
<b>Total Liabilities</b>		<b>874,887,212</b>	<b>744,867,238</b>
<b>Equity</b>			
Share capital	16	3,000,000	3,000,000
Monetary revaluation of own funds reserve	16	5,797,507	5,797,507
Reserves and funds	16	64,896,150	60,788,846
Potential earnings	16	1,371,686	932,434
Net income for the year	16	27,656,129	20,536,519
<b>Total equity</b>		<b>102,721,472</b>	<b>91,055,306</b>
<b>Total liabilities and equity</b>		<b>977,608,684</b>	<b>835,922,544</b>

The Annex is an integral part of these statements.

## Income statement by nature for the years ending 31 December 2015 and 2014

Amounts in thousand Angolan Kwanzas

	Notes	2015	2014
<b>Net interest income</b>	20	<b>34,108,042</b>	<b>31,982,231</b>
<b>Income from financial instrument assets</b>	20	<b>52,472,650</b>	<b>46,901,476</b>
Income from liquidity investments		1,208,817	1,811,015
Income from bonds and transferrable securities		29,447,646	22,679,886
Income from loans		21,816,187	22,410,575
<b>(-) Costs of financial instrument liabilities</b>	20	<b>(18,364,608)</b>	<b>(14,919,245)</b>
Costs of deposits		(16,594,652)	(13,837,477)
Liquidity funding costs		(1,769,956)	(1,081,768)
Earnings from trading and fair value adjustments	21	1,520,513	509,187
Earnings from foreign exchange transactions	22	26,201,691	9,804,928
Earnings from provision of financial services	23	6,462,282	6,002,690
(-) Provisions for doubtful debt and provision of guarantees	15	(9,896,316)	(8,455,694)
<b>Earnings from Financial Brokerage</b>		<b>58,396,212</b>	<b>39,843,342</b>
<b>Earnings from Goods, Products and Other Services</b>		<b>72,784</b>	<b>59,061</b>
<b>(-) Administrative and marketing costs</b>		<b>(29,822,412)</b>	<b>(20,298,077)</b>
Staff	24	(11,725,128)	(9,835,861)
Third party supplies	25	(15,845,721)	(8,299,139)
Taxes and charges not applicable to net income	18	(1,351,364)	(1,067,372)
Sanctions applied by regulatory authorities		(7,780)	(19,168)
Other administrative and marketing costs		(37,248)	(49,106)
Depreciation and amortisation	10	(855,171)	(1,027,431)
(-) Provisions for other values and probable liabilities	15	(410,975)	(334,683)
Earnings from financial fixed assets	9	(40,236)	(31,869)
Other operating income and costs	26	880,096	1,595,650
<b>Other Operating Income and Costs</b>		<b>(29,393,527)</b>	<b>(19,068,979)</b>
<b>Operating Income</b>		<b>29,075,469</b>	<b>20,833,424</b>
<b>Non-Operating Income</b>	27	<b>36,246</b>	<b>783,964</b>
<b>Earnings Before Tax and Other Charges</b>		<b>29,111,715</b>	<b>21,617,388</b>
<b>(-) Charges in Current Earnings</b>	18	<b>(1,455,586)</b>	<b>(1,080,869)</b>
<b>Net Income for the Year</b>		<b>27,656,129</b>	<b>20,536,519</b>
Shares in circulation	16	3,000,000	3,000,000
Earnings per share (AOA th)		9.22	6.85

The Annex is an integral part of these statements.

## Statement of changes in equity for the years ending 31 December 2015 and 2014

Amounts in thousand Angolan Kwanzas

	Share Capital	Revaluation of own funds		Legal reserve	Other reserves	Potential earnings	Retained earnings	Net income for the year	Equity
		Capital	Net income						
<b>Balance at 31 December 2013</b>	<b>2,414,511</b>	<b>4,170,188</b>	<b>1,627,319</b>	<b>15,415,958</b>	<b>35,870,555</b>	<b>1,459,694</b>	<b>6,158,618</b>	<b>19,646,021</b>	<b>86,762,864</b>
> Appropriation of net income for 2013	-	-	-	3,929,204	-	-	-	(3,929,204)	-
> Dividend distribution	-	-	-	-	-	-	-	(15,716,817)	(15,716,817)
> Reclassification of retained earnings to other reserves	-	-	-	-	6,158,618	-	(6,158,618)	-	-
> Share capital increase by incorporation of reserves	585,489	-	-	-	(585,489)	-	-	-	-
> Potential earnings	-	-	-	-	-	(527,260)	-	-	(527,260)
> Net income for the year	-	-	-	-	-	-	-	20,536,519	20,536,519
<b>Balance at 31 December 2014</b>	<b>3,000,000</b>	<b>4,170,188</b>	<b>1,627,319</b>	<b>19,345,162</b>	<b>41,443,684</b>	<b>932,434</b>	<b>-</b>	<b>20,536,519</b>	<b>91,055,306</b>
> Appropriation of net income for 2014	-	-	-	4,107,304	-	-	-	(4,107,304)	-
> Dividend distribution	-	-	-	-	-	-	-	(16,429,215)	(16,429,215)
> Potential earnings	-	-	-	-	-	439,252	-	-	439,252
> Net income for the year	-	-	-	-	-	-	-	27,656,129	27,656,129
<b>Balance at 31 December 2015</b>	<b>3,000,000</b>	<b>4,170,188</b>	<b>1,627,319</b>	<b>23,452,466</b>	<b>41,443,684</b>	<b>1,371,686</b>	<b>-</b>	<b>27,656,129</b>	<b>102,721,472</b>

The Annex is an integral part of these statements.

## Cash flow statement for the years ending 31 December 2015 and 2014

Amounts in thousand Angolan Kwanzas

	2015	2014
<b>Operating cash flow of financial brokerage</b>	<b>41,982,872</b>	<b>42,179,334</b>
<b>Cash flow of net interest income</b>	<b>31,495,339</b>	<b>31,354,916</b>
> Receipt of income from financial instrument assets	48,642,884	45,592,468
> Payment of costs of financial instrument liabilities	(17,147,545)	(14,237,552)
<b>Cash flow of earnings from foreign exchange transactions</b>	<b>4,025,251</b>	<b>4,821,728</b>
<b>Cash flow of earnings from provision of financial services</b>	<b>6,462,282</b>	<b>6,002,690</b>
<b>Cash flow of earnings with other services</b>	<b>(31,023,563)</b>	<b>(19,515,502)</b>
Payments to staff and suppliers	(27,558,694)	(19,145,436)
Other receipts/payments relative to operating activity	(2,869,837)	(428,271)
Payment of industrial contribution	(249,677)	(587,765)
Other values	174,354	24,300
Other liabilities	(519,709)	621,670
<b>Cash flow of investments</b>	<b>(84,959,666)</b>	<b>(68,522,576)</b>
<b>Cash flow from financial brokerage investments</b>	<b>(83,594,523)</b>	<b>(67,662,180)</b>
> Liquidity investments	(24,189,825)	31,312,309
> Investments in bonds and transferrable securities	(6,613,732)	(43,400,054)
> Investments in customer loans	(52,790,966)	(55,574,435)
<b>Cash flow of fixed assets</b>	<b>(1,365,143)</b>	<b>(860,396)</b>
> Acquisition of tangible and intangible fixed assets	(1,365,143)	(874,133)
> Acquisition of financial fixed assets	-	13,737
<b>Cash flow of financing</b>	<b>90,683,251</b>	<b>62,091,836</b>
<b>Cash flow of financial brokerage financing</b>	<b>107,112,466</b>	<b>77,808,653</b>
> Financing of deposits	77,830,115	69,225,219
> Financing of liquidity funding	-	(1,000,000)
> Financing of funding with other funding	29,282,351	9,583,434
<b>Cash flow of financing with own funds</b>	<b>(16,429,215)</b>	<b>(15,716,817)</b>
<b>Payment of dividends</b>	<b>(16,429,215)</b>	<b>(15,716,817)</b>
<b>Variations in cash and cash equivalents</b>	<b>16,682,894</b>	<b>16,233,092</b>
<b>Balance of cash and cash equivalents at the beginning of the period</b>	<b>138,997,119</b>	<b>122,764,027</b>
<b>Balance of cash and cash equivalents at the end of the period</b>	<b>155,680,013</b>	<b>138,997,119</b>

The Annex is an integral part of these statements.

# NOTES TO THE FINANCIAL STATEMENTS

## em 31 de Dezembro de 2015 e 2014

(Amounts in thousand Angolan Kwanzas , unless otherwise expressly stated)

### 1. Introduction

Banco BIC, S.A. (hereinafter also referred to as "Banco BIC" or "Bank") was incorporated by Deed of 22 April 2005, following the communication of Banco Nacional de Angola of 19 April 2005 which authorised its incorporation, and has its head office at Edifício Banco BIC, situated in Bairro de Talatona, Municipality of Samba, in Luanda..

The Bank is committed to obtaining third party funds, in the form of deposits or other, which it invests, together with its own funds, in the granting of loans, in deposits at Banco Nacional de Angola, investments in credit institutions, acquisition of securities and other assets, for which it is duly authorised. The Bank also renders other banking services and performs various types of transactions in foreign currency.

In order to accomplish its operations, the Bank currently has a national network of 202 branches and customer service points, 17 corporate centres, three investment centres and one private banking unit in Angola (198 branches and customer service points, 17 corporate centres, three investment centres and one private banking unit as at 31 December 2014)..

### 2. Presentation Basis And Summary Of Significant Accounting Policies

The financial statements were prepared on a going concern basis from the ledgers and records kept by the Bank, in conformity with the accounting principles established in the Chart of Accounts of Financial Institutions (CONTIF), as defined in Banco Nacional de Angola Instruction 09/07, of 19 September and subsequent updates. These principles may differ from those generally accepted in other countries.

The Bank's financial statements as at 31 December 2015 and 2014 are expressed in Angolan Kwanzas, where all assets and liabilities denominated in other currencies were converted into domestic currency, based on the benchmark average exchange rate published by Banco Nacional de Angola on those dates.

As at 31 December 2015 and 2014, the exchange rate of the Angolan Kwanza (AOA) relative to the US Dollar (USD) and Euro (EUR) was as follows:

	2015	2014
1 USD	135,315	102,863
1 EUR	147,832	125,195

The main accounting policies used in the preparation of the financial statements were as follows:

#### a) Accruals Basis

Income and costs are recognised according to the enforcement period of the transactions, pursuant to the accrual accounting principle, and are recorded as they are generated, irrespective of the time of their receipt or payment.

## b) Transactions in foreign currency

Transactions in foreign currency are recorded in accordance with the multi-currency system, whereby each transaction is recorded according to the respective currency of denomination. Assets and liabilities denominated in foreign currency are converted into Angolan Kwanzas at the average exchange rate published by Banco Nacional de Angola on the reporting date.

On their contracting date, purchases and sales of foreign currency, spot and term, are recorded in the foreign exchange position.

Costs and income relative to exchange rate differences, realized or potential, are recorded in the income statement for the year in which they occur, under the heading "Earnings from foreign exchange transactions".

## c) Loans to customers

Loans granted to customers are initially recorded at their nominal value. The interest component is stated separately in the respective profit or loss accounts. Income is recognised when received and distributed by monthly periods, according to the pro rata temporis rule, in the case of operations which produce revenue flows over a period longer than one month.

The Bank annuls interest overdue by over 60 days and does not recognise interest as of this date, until the date upon which the customer settles the situation. Late payment interest is recorded under the heading "Collection of overdue payment interest, net of write-offs" (Note 27).

At a later date, operations of loans granted to customers, including guarantees and sureties provided, are submitted to the constitution of provisions, pursuant to Banco Nacional de Angola Notice 4/2011, of 8 June, and other applicable instructions and rules.

At 17 December, BNA Notice 11/2014 was published, which establishes the specific requirements for credit operations which shall enter into force as of 1 January 2016.

## Provisions for doubtful debt and bank guarantees and sureties provided

Under the terms of the provisions in force, the Bank classifies loan operations, including guarantees and sureties provided, in an increasing risk order, pursuant to the following categories:

- Level A: Zero risk
- Level B: Very low risk
- Level C: Low risk
- Level D: Moderate risk
- Level E: High risk
- Level F: Very high risk
- Level G: Risk of loss

Loan operations, including bank guarantees and sureties provided, are classified individually, taking into account the characteristics and risks of the operations and borrower, generally observing the following criteria for operations without default:

- Class A: Loans backed by escrow accounts at the Bank and/or State securities (Treasury Bonds and Bills, as well as Central Bank Securities);
- Class B: Loans backed by mortgages and other customers who, based on the criteria described above, are considered by the Bank as very low risk; and
- Class C: All other loans with promissory mortgages and/or other types of asset-backed guarantees, as well as operations which are only backed by personal guaranty.

Overdue loans are also analysed casuistically and are at least classified into the risk levels indicated above, according to the time elapsed since the date of the operation's entry into default.

The minimum provisioning levels are calculated in accordance with the following table:

Risk levels	A	B	C	D	E	F	G
Provision %	0%	1%	3%	10%	20%	50%	100%
<b>Time elapsed since entry into default:</b>							
Operations under a two year term	up to 15 days	15 to 30 days	1 to 2 months	2 to 3 months	3 to 5 months	5 to 6 months	over 6 months
Operations over a two year term	up to 15 days	15 to 60 days	2 to 4 months	4 to 6 months	6 to 10 months	10 to 12 months	over 12 months

As a rule, operations which are renegotiated are kept at least in the same risk level in which they had been classified in the month immediately prior to the renegotiation. Under these terms, their reclassification to a lower risk level occurs only if there has been a regular and significant repayment of the operation or if there is a significant reinforcement of the received guarantees.

In general, the classification of the loan operations of the same customer, for the purpose of constitution of provisions, is made in the class showing highest risk

Provisions for doubtful debt are classified in the receivable assets of the heading "Loans to customers" (Note 7).

Whenever the Bank considers that the expectations of recovery of the amounts in debt of loans that have been classified for over six months in Class G are clearly no longer recoverable, they are written off from the assets by using the respective provision. Furthermore, these loans remain recorded under an off-balance sheet heading for a minimum period of ten years.

#### d) Securities portfolio

Taking into account the characteristics of the securities at the time of their acquisition, the Bank's portfolio of securities is valued as follows:

##### Held for Trading

Trading securities are considered those which are acquired for the purpose of sale.

Treasury Bills and Securities of the Central Bank, issued at discounted value, are recorded at their acquisition cost. The difference between this discounted value and the redemption value (nominal value), which constitutes the Bank's remuneration, is reflected through the straight-line method over the period between the purchase date and the maturity date of the securities, against the heading "Income receivable" (Note 5).

##### Available for sale

Financial assets available for sale correspond to shares which are initially recorded at acquisition cost, and subsequently at their fair value.

Fair value variations are recorded against own funds, under the heading "Potential earnings – Adjustments to fair value in financial assets available for sale", with any gains recognised through profit or loss for the year at the time of the definitive sale of the asset.

##### Held to Maturity

This heading includes securities which the Bank intends and has the capacity to hold until their maturity.

Treasury Bonds are recorded at acquisition cost. The accrued interest relative to these securities, and the difference between the acquisition cost and redemption value (in the case of securities issued at discounted value), is reflected through the straight-line method through profit or loss, against the heading "Income receivable" (Note 5).

Treasury Bonds issued in domestic currency, indexed to the Consumer Price Index, are subject to the updating of the nominal value of the security in accordance with the variation of this index. Hence, the results of the aforesaid updating of the nominal value of the securities and accrued interest are reflected in the income statement for the year in which they occur, under the headings "Earnings from trading and fair value adjustments" and "Income from bonds and transferrable securities", respectively (Notes 22 and 21).

Treasury Bonds issued in domestic currency, indexed to the USD exchange rate, and Treasury Bonds in foreign currency are subject to exchange rate updating. Therefore, the result of the exchange rate updating of the nominal value of the securities is reflected in the income statement for the year in which it occurs, under the heading "Earnings from trading and fair value adjustments" (Note 22), and the discount and accrued interest are reflected under the heading "Income from securities" (Note 20).

Order 159/12 of 20 February was published in 2012, which authorizes the regular issue of Treasury Bonds in domestic currency, non-adjustable, with predefined coupon interest rates by maturity.

The accrued interest relative to these securities are reflected in the income statement for the year in which it occurs, under the heading "Income from bonds and transferrable securities" (Note 20).

### **Purchase of third party securities with reverse repurchase agreement**

During 2015 and 2014, the Bank carried out operations of temporary purchase of liquidity in the inter-financial market from Banco Nacional de Angola in which resources were invested receiving Treasury Bonds in guarantee. These operations have an underlying agreement of resale of the securities at a future date, for a price previously established between the parties (Note 4).

The income from purchase of third party securities operations with repurchase agreements correspond to the difference between the resale value and the purchase value of the securities. Recognition of the income is conducted in accordance with the accrual principle based on the time period of the operations under the heading "Income from financial instrument assets – Purchase of Third Party Securities with Reverse Repurchase Agreement" (Note 20).

Securities purchased under a reverse repurchase agreement are not recorded in the securities portfolio. The funds delivered are recorded under assets on their settlement date below the heading "Liquidity investments – Purchase of Third Party Securities with Reverse Repurchase Agreement", and the accrued interest value also falls under the same heading.

### **Sale of own securities under a reverse purchase agreement**

Securities granted through a reverse purchase agreement are recorded in the liabilities of the securities portfolio of the Bank under the heading "Purchase of Third Party Securities with Reverse Repurchase Agreement". When these securities are traded with advance interest, the difference between the repurchase value and the respective sale value is recorded under the same heading as "Costs payable", and reflected in the income statement relative to the year in which they occur, under "Costs of financial instrument liabilities- Securities sold by Reverse Repurchase Agreement" (Note 20).

Risk category classification:

Under the terms of the rules in force, the Bank classifies debt securities by increasing risk order, according to the following categories:

- Level A: Zero risk
- Level B: Very low risk
- Level C: Low risk
- Level D: Moderate risk
- Level E: High risk
- Level F: Very high risk
- Level G: Risk of loss

The Bank classifies debt securities of the Angolan State and Banco Nacional de Angola in Level A.

### e) Financial Fixed Assets

The financial holdings in which the Bank directly or indirectly holds a percentage stake equal to or above 10% of the respective share capital are recorded by the equity method. According to this method, the holdings are initially valued at acquisition cost, which is subsequently adjusted based on the Bank's effective percentage stake in the net changes in equity (including profit or loss) of the participated companies. The financial holdings in which the Bank directly or indirectly holds a percentage stake lower than 10% of the respective share capital are recorded at acquisition cost. When denominated in foreign currency, this is reflected in the book value at the exchange rate on the transaction date. Whenever permanent losses are estimated in their realisation value, the corresponding provisions are constituted, reflected in the income statement under the heading "Earnings from financial fixed assets".

### f) Intangible and tangible assets

Intangible fixed assets essentially correspond to software and goodwill. These expenses are recorded at acquisition cost and amortised on a straight-line basis over a period of three years.

Tangible fixed costs are recorded at acquisition cost. Depreciation is calculated on a straight-line basis at the maximum rates acceptable as costs for tax purposes, pursuant to the Industrial Tax Code, which correspond to the following estimated years of useful life:

	Years of useful life
Properties for own use	50
Works in rented buildings	3
Equipment:	
> Interior facilities	10
> Furniture and material	10
> Machinery and tools	3 to 10
> Computer equipment	3 and 10
> Transport material	3
> Other equipment	10

Notwithstanding the range referred to above, most of the computer equipment is being amortised over three years.

### g) Assets not for own use

The heading "Assets not for own use – Properties received in lieu of repayment" records the assets received in lieu of repayment, following the recovery of loans in default, when intended for subsequent sale (Note 8).

Pursuant to the provisions of CONTIF, the value of the assets received in lieu of repayment is recorded according to the amount estimated in their valuation, against the value of the recovered loan and respective specific provisions that have been constituted.

When the valuation value of the assets is higher than its book value (net of provisions), the difference should be recognized as income for the year, up to the estimated valuation of the assets. When the valuation of the assets is lower than the book value of the loan operation, the difference should be recognized as cost for the year.

When the legal period of two years has come to an end without sale of the properties (extendable by authorisation of Banco Nacional de Angola), a new valuation is conducted, aimed at estimating the updated market value, with a view to eventual constitution of the corresponding provision.

## h) Income Tax

### Industrial Tax

The Bank is subject to Industrial Tax and considered, for tax purposes, a Group A taxpayer bound to an applicable tax rate of 30%.

Current tax includes the Industrial Tax, calculated on the basis of taxable profit for the year, which may differ from the book value profit owing to adjustments in the Industrial Tax Code, the IAC and IPU.

As at 1 January 2015, a new Industrial Tax Code, approved by Law 19/14 of 22 October entered into force, which determines that the income subject to the Capital Investment Tax (IAC) may be deducted for the purpose of determining the taxable profit, thus rendering IAC costs unacceptable in terms of tax (Note 18).

Notwithstanding, in a meeting with ABANC, AGT corroborated that the income from public debt securities (including possible foreign exchange revaluations), issued before 31 December 2012, were exempt of all taxes under the provisions relative to the issuance of such securities after this date in domestic currency, however those indexed to foreign currency were subject to Industrial Tax, until the BNA was in a position to retain IAC on such earnings.

Furthermore, under the terms of the new Industrial Tax Code, taxpayers conducting activity with supervisory powers in relation to BNA, as is the case of Banco BIC, were to provisionally settle the Industrial Tax, calculated on the basis of 2% of the income arising from financial intermediation operations, relative to that year, by the end of August, and calculated in the first six months of the previous reporting year, excluding earnings subject to IAC.

Note 18 presents the reconciliation between the taxable profit and the book value profit.

### Capital Investment Tax (IAC)

Presidential Decree 5/11, of 30 December, introduced various legislative amendments to the Capital Investment Tax, having since been amended by Presidential Decree 2/14. The IAC is generally applied to income derived from the Bank's financial investments, namely income from investments and interest of securities. The rate varies between 5% (in the case of interest paid relative to public debt securities with a maturity equal to or above three years) and 15%.

A letter sent from the BNA to the Angolan Association of Banks (ABANC) reiterated that the interest of Treasury Bonds, Treasury Bills and Central Bank Securities are only subject to IAC in the case of securities issued after 1 January 2013.

### Urban Property Tax (IPU)

The IPU, at a rate of 0.5%, is applied to the asset value of own property that is to be used for the development of the Bank's normal activity when its asset value is above AOA 5,000 thousand.

### Deferred Taxes

Deferred tax assets and liabilities correspond to the value of the tax recoverable or payable in future periods arising from temporary deductible or taxable differences between the book value of an asset or liability and its taxable base, used to determine taxable income.

Deferred tax liabilities are normally recorded for all temporary taxable differences, while deferred tax assets are only recognized up to the amount that it is likely there will be future taxable profit which enable the use of the corresponding deductible taxable differences or tax losses carried forward.

Current taxes and deferred taxes are reflected through profit or loss, with the exception of taxes relative to transactions recorded directly in equity, namely potential gains or losses of securities classified in the available for sale portfolio.

As at 31 December 2015 and 2014, the Bank had no deferred tax assets. On the same date, the deferred tax liabilities recorded refer to potential gains or losses of securities classified in the available for sale portfolio (Notes 14 and 16).

Furthermore, no deferred tax assets on tax losses were recorded for 2014 or as at 31 December 2015, since no taxable profit was expected in the next three years

#### **i) Monetary revaluation reserve of own funds**

Under the terms of Banco Nacional de Angola Notice 2/2009, of 8 May, on monetary revaluation, which revoked Notice 10/2007, of 26 September, financial institutions are required, to consider the effects of changes, in the case of inflation, on a monthly basis on purchasing power in domestic currency, based on the Consumer Price Index.

The value arising from the monetary revaluation should be reflected monthly, debited to the profit or loss account, against the monetary revaluation of own funds reserve.

In 2009, in view of the evolution observed in the exchange rate of the Angolan Kwanza against the US Dollar and, consequently, its impact in terms of the inflation rate measured in domestic currency, the Bank requested specific authorization from Banco Nacional de Angola for the prospective application of the provisions laid down in Notice 2/2009.

By means of a letter dated 26 November 2009, the Department of Supervision of Financial Institutions informed that, by Order of the Governor of Banco Nacional de Angola of 23 November, Banco BIC's request concerning monetary revaluation had been duly authorised. The Bank did not revalue any of its own funds in 2015 and 2014.

#### **j) Retirement Pensions**

Law 07/04, of 15 October, which regulates the Social Security system of Angola, foresees the attribution of retirement pensions to all Angolan workers enrolled in Social Security. The value of these pensions is calculated on the basis of a table proportional to the number of years of service, applied to the average of the monthly gross wage received in the periods immediately before the date when the activity of the worker ended. Pursuant to Decree 7/99, of 28 May, the contribution rates to this system are 8% for the employing entity and 3% for the respective employees.

Law 02/00 of 15 October foresees the attribution of a compensation for retirement, which is determined by multiplying 25% of the base monthly wage applied on the date upon which the worker reaches the legal retirement age, by the number of years of seniority on that same date.

The new General Labour Law (Law 07/2015, of 15 June), which entered into force in September 2015, does not foresee the payment of retirement supplements to employees who reach the legal retirement age. Notwithstanding, the Bank is currently studying the implementation of a supplementary retirement and survival programme, and has thus decided to maintain the provision for this purpose, calculated in a consistent manner pursuant to the previous year.

Therefore, the liabilities that may be incurred by the Bank through this pension scheme were calculated through an actuarial evaluation conducted by an independent expert, based on coverage of the Bank's population and the following assumptions:

Actuarial technical rate (discount)	2%
Wage growth rate	8%
Mortality table	SA 85-90 (Light)
Normal retirement age	60 years or 35 of service

The discount rate was estimated taking into account the performance of the financial markets, duration of the liabilities and inherent risk.

## k) Liquidity investments and funding

Liquidity investments and funding, as systemic and regular operations seeking to distribute liquidity throughout the entire domestic and international financial system, in the most appropriate manner, are not considered mutual funds among financial institutions.

## l) Cash and cash equivalents

For cash flow statement preparation purposes, the Bank considers the total balances of the headings "Cash and cash equivalents" "Funds of other credit institutions- Overdrafts in current accounts" as the balance of Cash and cash equivalents at the end of the year (Notes 3 an 11).

## 3. Cash and Cash Equivalents

This heading may be broken down as follows:

	2015		2014	
	Foreign currency	Domestic currency	Foreign currency	Domestic currency
<b>Cash</b>				
> Domestic notes and coins:				10,326,311
- Vault cash		6,568,062		3,618,088
- ATM cash		3,547,503		
> Foreign notes and coins:				
- In USD	26,205,590	3,546,009		3,061,645
- In EUR	11,564,283	1,709,571	29,764,295	287,779
- In other currencies		109,278	2,298,643	57,897
	<b>15,480,423</b>		<b>17,351,720</b>	
<b>Demand deposits at Banco Nacional de Angola (BNA):</b>				
> In domestic currency		129,972,159		71,945,423
> In foreign currency - USD	46,260,000	6,259,672	292,000,000	30,035,996
	<b>136,231,831</b>		<b>101,981,419</b>	
<b>Demand deposits at correspondent banks overseas:</b>				
> Banco BIC Português, S.A.		2,706,943		12,744,491
> Commerzbank		1,048,188		316,443
> Montepio Geral		92,213		73,971
> Standard Chartered Bank		72,644		6,004,068
> Byblos Bank Europe		37,595		67,338
> HSBC Bank – Joanesburgo		-		133,683
> Banco Popular Portugal		-		24,889
> Other		24,348		99,018
	<b>3,981,931</b>		<b>19,463,901</b>	
Cheques for collection – In the country		3,214		200,079
	<b>155,697,399</b>		<b>138,997,119</b>	

The heading demand deposits at Banco Nacional de Angola includes deposits constituted to meet the requirements of constitution and maintenance of mandatory reserves.

As at 31 December 2015, the mandatory reserves are calculated under the terms of the provisions in Instruction 19/2015, of 2 December. As at 31 December 2014, these reserves were calculated under the terms of the provisions in Instruction 7/2014, of 3 December. The mandatory reserves are constituted in domestic and foreign currency, according to the respective denomination of the liabilities constituting their base of incidence.

As at 31 December 2015, the mandatory reserve requirement is calculated through the application of a coefficient of 25% on eligible liabilities in domestic currency, while the bank may resort to up to 20% (twenty percent) of such collectability in Treasury Bonds, belonging to its open portfolio and/or through a medium or long term Financing Contract established with the Treasury, weighing the respective maturities, provided they are issued or disbursed as of January 2015, and a coefficient of 15% on the eligible liabilities in foreign currency. At 31 December 2014, collectability of mandatory reserves maintenance is calculated by application of a coefficient of 15% on the eligible liabilities in domestic and foreign currency.

Up to 5% of the weekly arithmetical average of final daily balances, calculated in the domestic currency cash account may be deducted from the amount payable in domestic currency, or up to 60% of the assets that are representative of the disbursements of loans granted in domestic currency, calculated on the last day of the week of the loan portfolio's constitution, in the sectors relative to agriculture, fishery and the production of foodstuffs, provided that the maturity is equal to or above 36 months.

Demand deposits in Banco Nacional de Angola and those domiciled in other credit institutions overseas are not remunerated.

As at 31 December 2015 and 2014, the balance of the heading "Cheques for collection – In the country" refers to cheques submitted for clearing during the business days after the end of the respective years.

## 4. Liquidity Investments

The operations carried out in the inter-financial money market correspond to term deposits in credit institutions and are detailed as follows:

	Currency	2015		2014	
		Foreign currency	Domestic currency	Foreign currency	Domestic currency
In foreign credit institutions:					
> Banco BIC Português, S.A.	USD	253,000,000	34,234,695	284,319,212	29,245,927
> Banco BIC Cabo Verde IFI	EUR	180,878,589	26,739,644	175,718,612	21,999,092
> Commerzbank	USD	75,000,000	10,148,625	-	-
> Byblos Bank Europe	USD	35,000,000	4,736,025	5,044,488	518,890
> Banco BIC Cabo Verde IFI	USD	23,000,000	3,112,245	23,000,000	2,365,849
> Banco BIC Português, S.A.	EUR	2,000,000	295,664	3,500,000	438,183
> Banco Popular Portugal	USD		-	500,000	51,432
			79,266,898		54,619,373
Interest receivable			197,867		169,529
			79,464,765		54,788,902

A significant part of the foregoing term deposits in credit institutions overseas constitute collateral for the opening of documentary credit and other operations, within the scope of contracted credit lines and other agreements established with these financial institutions.

As at 31 December 2015 and 2014, the term deposits in credit Institutions, excluding interest receivable, presented the following structure, by residual maturity periods:

	2015	2014
Up to one month	36,940,995	24,141,351
From one to three months	9,877,995	3,123,964
From three to six months	29,065,033	22,249,482
From six months to one year	3,382,875	-
Over a year	-	5,104,576
	<b>79,266,898</b>	<b>54,619,373</b>

As at 31 December 2015 and 2014, the term deposits in credit institutions overseas accrued interest at the following annual average rates, weighted by the respective nominal value of the investments:

	2015	2014
In US Dollars	0.62%	1.24%
In Euros	2.73%	2.89%

Purchase of Third Party securities with Reverse Repurchase Agreement corresponds to Treasury Bonds acquired from Banco Nacional de Angola, with an agreement of repurchase on a future date, at a predefined price agreed upon by all parties.

The revenue earned by Banco BIC in these transactions corresponds, solely and exclusively, to the positive difference between the repurchase price of these Treasury Bonds, predefined and agreed upon by all parties, and their initial acquisition value

As at 31 December 2014, the Purchase of Third Party Securities with Reverse Repurchase Agreement was as follows:

	2014	
	Interest rate	Amount
Treasury Bonds		
> In domestic currency (USD Index)	5.09%	457,700
Income receivable		129
		<b>457,829</b>

As at 31 December 2014, the maturity date for the Purchase of Third Party Securities with Reverse Repurchase Agreement was in the first quarter of 2015.

## 5. Bonds and Transferable Securities

This heading may be broken down as follows:

	2015		2014	
	Interest rate	Amount	Interest rate	Amount
Held for trading:				
> Treasury Bills	8.25%	20,596,770	5.44%	78,625,097
> Other securities		1,448,754		-
Income receivable		953,135		2,024,468
		<b>22,998,659</b>		<b>80,649,565</b>
Available for sale		4,459,067		3,551,284
Held to maturity:				
> Treasury Bonds				
- In domestic currency:				
- Non-readjustable	7.60%	169,670,468	7.55%	169,837,020
- USD Index	7.18%	187,397,015	7.30%	98,060,200
- In foreign currency (USD)	4.65%	33,683,012	3.68%	13,164,798
Income receivable		7,432,639		4,716,844
		<b>398,183,134</b>		<b>285,778,862</b>
		<b>425,640,860</b>		<b>369,979,711</b>

As at 31 December 2015 and 2014, the securities classified as "Available for sale" are as follows:

Nature	Currency	Amount	2015				2014		
			Market value	Balance Sheet Value		Market value	Balance Sheet Value		
				Currency	AOA th		Currency	AOA th	
Shares	EUR	27,646,900	1.09	30,163,068	4,459,067	27,646,900	1.03	28,366,020	3,551,284
					4,459,067	3,551,284			

As at 31 December 2015 and 2014, the potential earnings are as follows:

	2015	2014
Adjustment of the fair value of financial assets available for sale	1,959,532	1,434,494
Tax charges on potential earnings	(587,846)	(502,060)
	<b>1,371,686</b>	<b>932,434</b>

As at 31 December 2015 and 2014, the Bank classifies the securities recorded in the portfolios of "Held for trading-Treasury Bills" and "Held to maturity" at risk level A – Zero, due to their issuance by the Angolan State and Banco Nacional de Angola.

As at 31 December 2014 and 2013, the distribution of debt securities by index benchmark, excluding income receivable, is as follows:

	2015			2014		
	Fixed rate	Libor 6M	Total	Fixed rate	Libor 6M	Total
Treasury Bills	20,596,770	-	<b>20,596,770</b>	78,625,097	-	<b>78,625,097</b>
Treasury Bonds						
> In domestic currency (non-reajustable)	169,670,468	-	<b>169,670,468</b>	169,837,020	-	<b>169,837,020</b>
> In domestic currency (Index USD)	187,397,015	-	<b>187,397,015</b>	98,060,200	-	<b>98,060,200</b>
> In foreign currency (USD)	-	33,683,012	<b>33,683,012</b>	-	13,164,798	<b>13,164,798</b>
	<b>377,664,253</b>	<b>33,683,012</b>	<b>411,347,265</b>	<b>346,522,317</b>	<b>13,164,798</b>	<b>359,687,115</b>

As at 31 December 2015 and 2014, the portfolio securities presented the following structure, based on their residual maturity periods:

	2015	2014
Up to three months	20,919,897	29,318,439
From three to six months	18,420,320	29,100,883
From six months to one year	43,605,831	59,902,624
Over a year	329,849,971	241,365,169
Undefined maturity	4,459,067	3,551,284
	<b>417,255,086</b>	<b>363,238,399</b>

## 6. Foreign Exchange Operations

As at 31 December 2015 and 2014, this heading is broken down as follows:

	2015	2014
Income from purchase and sale of foreign currency receivable	34,051	2,700,681
Costs of purchase and sale of foreign currency payable	(34,317)	(2,704,402)
	<b>(266)</b>	<b>(3,721)</b>

As at 31 December 2015 and 2014, the net value arising from currency sold and currency acquired, converted at the exchange rate relative to the Kwanza on the reporting date is broken down as follows:

2015						
Currency Purchased			Currency Sold			
Balance Sheet Value			Balance Sheet Value			
Currency	Amount	AOA th	Currency	Amount	mAKZ	Net Value
GBP	170,000	34,051	USD	(253,606)	34,317	(266)
		34,051			34,317	(266)

2014						
Currency Purchased			Currency Sold			Net Value
Balance Sheet Value			Balance Sheet Value			
Currency	Amount	AOA th	Currency	Amount	mAKZ	
USD	20,000,000	2,057,260	AOA	(2,058,600,000)	(2,058,600)	(1,340)
EUR	4,500,000	563,378	USD	(5,496,750)	(565,413)	(2,035)
JPY	86,261,000	74,443	USD	(726,714)	(74,752)	(309)
GBP	35,000	5,600	USD	(54,803)	(5,637)	(37)
		2,700,681			(2,704,402)	(3,721)

## 7. Loans to Customers

This heading is broken down as follows:

	2015	2014
<b>Domestic currency</b>		
Overdrafts in current accounts	776,797	2,206,400
Loans	126,887,933	138,396,668
Current account credit	19,557,624	29,086,216
Loans to employees	4,773,357	3,430,407
	<b>151,995,711</b>	<b>173,119,691</b>
<b>Foreign currency</b>		
Overdrafts in current accounts	732,043	30,640
Loans	147,578,362	78,567,511
Current account credit	915,522	790,464
Loans to employees	4,316,652	3,592,803
	<b>153,542,579</b>	<b>82,981,418</b>
Total loans falling due	305,538,290	256,101,109
Overdue loans and interest:		
Domestic currency	12,558,065	8,079,521
Foreign currency	11,080,908	10,731,528
Total overdue loans and interest	23,638,973	18,811,049
Total overdue loans and interest	329,177,263	274,912,158
Income receivable – Domestic currency	3,559,013	2,661,049
Income receivable – Foreign currency	2,522,271	1,226,894
Total income receivable	6,081,284	3,887,943
	<b>335,258,547</b>	<b>278,800,101</b>
Provision for doubtful loans (Note 15)	<b>(44,503,600)</b>	<b>(32,026,483)</b>
	<b>290,754,947</b>	<b>246,773,618</b>

As at 31 December 2015 and 2014, the residual periods of the loans granted to customers, excluding overdue loans, are broken down as follows:

	2015	2014
Up to three months	30,119,535	34,699,098
From three to six months	9,035,519	35,180,132
From six months to one year	42,867,091	34,901,120
From one to three years	58,677,428	37,249,533
From three to five years	51,452,763	38,358,047
From five to ten years	77,326,739	48,637,940
Over ten years	36,059,215	27,075,239
	<b>305,538,290</b>	<b>256,101,109</b>

As at 31 December 2015 and 2014, the distribution of loans granted to customers, excluding income receivable, between companies and individuals, is broken down as follows:

	2015			2014		
	Outstanding	Overdue	Total	Outstanding	Overdue	Total
Companies	248,921,083	17,780,823	266,701,906	206,820,160	15,311,864	222,132,024
Individuals	56,617,207	5,858,150	62,475,357	49,280,949	3,499,185	52,780,134
	<b>305,538,290</b>	<b>23,638,973</b>	<b>329,177,263</b>	<b>256,101,109</b>	<b>18,811,049</b>	<b>274,912,158</b>

As at 31 December 2015 and 2014, the distribution of loans granted to customers, excluding income receivable, was by index benchmark, as may be observed below:

Variable Rate- Indexes											
Date	Fixed Rate	Euribor 3M	Euribor 6M	Libor 1M	Libor 3M	Libor 6M	Libor 12M	Luibor 3M	Luibor 6M	Luibor 12M	Total
2015	260,568,615	3,695,800	2,028,255	124,760	879,424	2.240.248	4,145,938	3,682,369	18,498,857	33,312,997	329,177,263
2014	218,819,020	-	-	2,047,452	876,189	1.919.998	3,239,404	624,024	11,439,741	35,946,330	274,912,158

The increase in loans granted in foreign currency in 2015 is essentially the effect of the foreign exchange variation of that period.

The table below presents the methodology used to calculate the provision for doubtful loans, income receivable and open documentary credit as at 31 December 2015 and 2014:

	2015						
	Loans in arrears	Overdue loans	Bank Guarantees	Documentary Credit	Total	Provision rate	Provision
			(Note 17)	(Note 17)			(Note 15)
Class A	36,006,077	92,944	4,504,001	-	40,603,022	0%	-
Class B	135,243,645	579,951	51,694,203	7,481,605	194,999,404	1%	1,950,108
Class C	85,531,023	2,102,541	22,310,057	347,515	110,291,136	3%	3,308,736
Class D	16,525,240	305,076	61,946	-	16,892,262	11%	1,803,640
Class E	19,445,885	951,409	-	16,631	20,413,925	23%	4,815,822
Class F	14,277,786	3,267,354	36,958	-	17,582,098	60%	10,408,943
Class G	4,589,918	16,339,698	-	-	20,929,616	100%	20,929,616
	<b>311,619,574</b>	<b>23,638,973</b>	<b>78,607,165</b>	<b>7,845,751</b>	<b>421,711,463</b>		<b>43,216,865</b>
Economic Provisions	-	-	-	-	-		2,589,558
	<b>311,619,574</b>	<b>23,638,973</b>	<b>78,607,165</b>	<b>7,845,751</b>	<b>421,711,463</b>		<b>45,806,423</b>

	2014						
	Loans in arrears	Overdue loans	Bank Guarantees	Documentary Credit	Total	Provision rate	Provision
			(Note 17)	(Note 17)			(Note 15)
Class A	47,908,548	62,846	3,862,357	-	51,833,751	0%	-
Class B	84,676,991	43,034	32,813,492	7,440,354	124,973,871	1%	1,249,739
Class C	80,803,312	400,461	17,638,268	2,158,109	101,000,150	3%	3,030,004
Class D	18,374,407	4,745,690	122,004	14,709	23,256,810	11%	2,453,617
Class E	14,783,808	2,800,502	79,130	244,009	17,907,449	26%	4,612,720
Class F	7,824,534	54,086	-	-	7,878,620	69%	5,469,851
Class G	5,617,452	10,704,430	-	-	16,321,882	100%	16,321,882
	<b>259,989,052</b>	<b>18,811,049</b>	<b>54,515,251</b>	<b>9,857,181</b>	<b>343,172,533</b>		<b>33,137,813</b>

Movement in the migration pattern of borrowers' between 31 December 2015 and 2014 is as follows:

31 December 2015											
Risk Level	A	B	C	D	E	F	G	Asset Write-Offs	Settlements/ Amortisation	Total	Portfolio Distribution at 31-12-2014
31 December 2014	A	<b>57.45%</b>	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	42.48%	<b>15.10%</b>	51,833,751
	B	0.00%	<b>65.20%</b>	2.19%	0.32%	0.95%	0.03%	0.06%	31.25%	<b>36.41%</b>	124,973,871
	C	0.00%	1.22%	<b>66.47%</b>	0.15%	0.16%	2.61%	0.32%	29.07%	<b>29.43%</b>	101,000,150
	D	0.00%	0.01%	0.01%	<b>30.70%</b>	10.84%	1.68%	0.53%	56.20%	<b>6.78%</b>	23,256,810
	E	0.00%	0.01%	0.00%	0.01%	<b>49.46%</b>	6.90%	15.55%	28.06%	<b>5.22%</b>	17,907,449
	F	0.00%	0.00%	0.00%	0.00%	0.02%	<b>29.52%</b>	0.12%	70.34%	<b>2.30%</b>	7,878,620
	G	0.00%	0.00%	0.00%	0.79%	0.12%	0.00%	<b>84.91%</b>	13.92%	<b>4.76%</b>	16,321,882
<b>Total</b>	<b>8.68%</b>	<b>24.11%</b>	<b>20.36%</b>	<b>2.28%</b>	<b>3.72%</b>	<b>1.93%</b>	<b>5.00%</b>	<b>0.02%</b>	<b>33.90%</b>	<b>100.00%</b>	
Portfolio distribution of 31-12-2014 at 31-12-2015	29,791,022	82,746,853	69,868,628	7,827,443	12,754,505	6,625,567	17,169,000	54,870	116,334,645		343,172,533

31 December 2014											
Risk Level	A	B	C	D	E	F	G	Asset Write-Offs	Settlements/ Amortisation	Total	Portfolio Distribution at 31-12-2013
31 December 2013	A	<b>27.06%</b>	22.59%	0.37%	0.00%	0.00%	0.00%	0.00%	49.98%	<b>21.83%</b>	56,239,467
	B	0.00%	<b>43.84%</b>	12.87%	2.92%	3.54%	0.00%	1.11%	35.72%	<b>21.40%</b>	55,132,147
	C	0.00%	9.83%	<b>55.58%</b>	5.59%	2.99%	0.03%	0.41%	25.54%	<b>40.50%</b>	104,354,470
	D	0.00%	0.05%	0.00%	<b>12.73%</b>	20.44%	7.81%	1.38%	57.57%	<b>4.69%</b>	12,078,032
	E	0.00%	0.31%	0.01%	16.32%	<b>40.32%</b>	6.32%	33.88%	2.79%	<b>3.38%</b>	8,711,652
	F	0.00%	0.02%	0.01%	0.00%	39.41%	<b>14.64%</b>	28.99%	16.94%	<b>1.98%</b>	5,107,865
	G	0.00%	0.01%	0.00%	6.48%	0.00%	0.00%	<b>51.62%</b>	36.12%	<b>6.22%</b>	16,023,579
<b>Total</b>	<b>5.90%</b>	<b>18.32%</b>	<b>25.35%</b>	<b>4.44%</b>	<b>5.07%</b>	<b>0.88%</b>	<b>5.39%</b>	<b>0.38%</b>	<b>34.27%</b>	<b>100.00%</b>	
Portfolio Distribution of 31-12-2013 at 31-12-2014	15,211,630	47,191,442	65,302,558	11,436,831	13,062,839	2,272,600	13,892,255	970,670	88,306,387		257,647,212

An analysis of the migration matrix shows that of the total loans as at 31 December 2014, standing at AOA 343,172,533 thousand, 61.36% remained at the same level. Movements between risk levels also indicate that 0.40% of the loans lowered their risk level, and 4.32% migrated to more serious levels.

Maintained at the same level	
> In debt	61.36%
> Settlements/amortisations	33.90%
Migrated to other levels	
> More serious	4.32%
> Less serious	0.40%
> Written-off from assets	0.02%

At present, the Bank does not have automatic means of identifying loan operations which have been restructured, namely those whose conditions and guarantees were renegotiated due to credit risk deterioration or the risk of default. Notwithstanding, given the continuous development of the information and credit risk analysis systems, renegotiated loan operations are becoming easier to identify.

In the years ended 2015 and 2014, the Bank renegotiated operations due to credit risk deterioration or the risk of default. The following renegotiated amounts were identified:

	2015	2014
Companies	111,140,789	37,323,658
Individuals	1,144,143	891,505
	<b>112,284,932</b>	<b>38,215,163</b>

In 2015 and 2014, the Bank wrote-off the respective amounts of AOA 14,826 thousand and AOA 1,459,313 thousand from the assets.

As at 31 December 2015 and 2014, the portfolio of loans granted to customers, excluding income receivable, by activity sector is as follows:

	2015				2014			
	Outstanding	Overdue	Total	%	Outstanding	Overdue	Total	%
Companies:	67,678,037	2,945,704	70,623,741	21.45%	48,119,514	5,514,848	53,634,362	19.51%
> Construction	59,245,553	6,198,666	65,444,219	19.88%	36,617,412	4,027,017	40,644,429	14.78%
> Trade	29,870,696	641,715	30,512,411	9.27%	20,774,838	311,354	21,086,192	7.67%
> Agriculture, Livestock Production, Hunting and Forestry	14,435,374	1,978,907	16,414,281	4.99%	15,708,111	1,057,661	16,765,772	6.10%
> Real Estate Activities, Rentals and Services Rendered to Companies	15,241,627	240,890	15,482,517	4.70%	12,739,525	8,132	12,747,657	4.64%
> Accommodation and Catering (restaurants and similar)	14,259,386	561,081	14,820,467	4.50%	4,056,246	17,967	4,074,213	1.48%
> Other recreational, cooperative and service activities	13,340,161	1,261,561	14,601,722	4.44%	15,884,603	926,312	16,810,915	6.12%
> Manufacturing Industries	9,676,527	59,996	9,736,523	2.96%	8,059,188	19,784	8,078,972	2.94%
> Education, Health and Social Action	9,601,246	-	9,601,246	2.92%	29,820,455	-	29,820,455	10.85%
> Financial and Insurance Activities	7,763,454	133,498	7,896,952	2.40%	5,394,931	92,084	5,487,015	2.00%
> Mining industries (Crude Oil and Natural Gas, Other)	3,410,309	3,649,588	7,059,897	2.14%	4,523,078	3,254,510	7,777,588	2.83%
> Transport, Storage and Communication	4,389,845	88,639	4,478,484	1.36%	4,730,455	63,982	4,794,437	1.74%
> Public Administration and Mandatory Social Security	4,380	20,544	24,924	0.01%	269,562	15,617	285,179	0.10%
> Production and Distribution of Electricity, Gas and Water	4,488	34	4,522	0.00%	122,242	2,596	124,838	0.05%
> Fishery	56,617,207	5,858,150	62,475,357	18.98%	49,280,949	3,499,185	52,780,134	19.20%
	<b>305,538,290</b>	<b>23,638,973</b>	<b>329,177,263</b>	<b>100.00%</b>	<b>256,101,109</b>	<b>18,811,049</b>	<b>274,912,158</b>	<b>100.00%</b>

## 8. Other Values

This heading is broken down as follows:

	2015	2014
Properties not for own use		
> Properties received in lieu of payment	5,411,457	508,966
> Real estate projects – Employees	4,375,987	4,153,848
VISA collateral	2,654,581	1,948,389
Tax recoverable	249,677	-
Advances – Angolan Kwanzas	134,093	1,236,966
Rentals and leases	99,071	69,711
Cash shortages	48,103	103,959
Office supplies	54,234	42,406
Advances – cheques	51,266	38,971
Bank cheques	-	1,500,000
Computer equipment	-	420,065
Other	893,252	777,937
	13,971,721	10,801,218
Provisions for properties in lieu of repayment (Nota 15)	(90,822)	(44,805)
	<b>13,880,899</b>	<b>10,756,413</b>

As at 31 December 2015 and 2014, the balance of the heading “Properties not for own use – Properties received in lieu of repayment” refers to properties received in lieu of repayment of loans granted. As at 31 December 2015 and 2014, the value of the provision includes estimated losses in the realisation of these properties.

As at 31 December 2015 and 2014, the balance of the heading “Properties not for own use – Real estate projects – Employees” refers to real estate projects currently under construction which are to be disposed of to Bank employees. In the reporting years 2015 and 2014, part of the increase of this heading, to the respective values of AOA 52,767 thousand and AOA 223,668 thousand is the result of “Fixed assets in progress” transfers (Note 10).

As at 31 December 2015, the balance of the heading “Tax recoverable” refers to the temporary settlement of the industrial tax conducted in 2015.

Under the terms of the contract established between Banco BIC and Visa International, the Bank undertakes to maintain a collateral deposit at VISA’s custodian bank (Barclays Bank London), whereby its amount is calculated according to the volume of transactions carried out. As at 31 December 2015 and 2014, this collateral deposit amounted respectively to approximately USD 18,952,670 and USD 18,941,593 (AOA 2,654,581 thousand and AOA 1,94,389 thousand). and was remunerated at the annual interest rate of 0.15%. Additionally, as at 31 December 2015 and 2014, the balance of the collateral deposit includes values due from Banco Sol, S.A., for procurement services, amounting to USD 16,923,013 (AOA 2,289,938 thousand and AOA 1,740,752 thousand as at 31 December 2015 and 2014, respectively) (Note 12). As at 31 December 2015 and 2014, the heading “Advances – Angolan Kwanzas” refers to bank notes in AOA which were earmarked to Banco BIC Português, arising from the trading of Kwanzas at the branches of this financial institution.

Provisions for cash shortages fall under the heading “Other provisions” (Note 15).

As at 31 December 2015 and 2014, the balance of the heading “Advances – Cheques” refers to advances made by the Bank to customers relative to the purchase of cheques drawn on foreign banks and not yet collected up to this date. These accounts receivable are charged to the correspondent bank at the beginning of the following fiscal year.

As at 31 December 2015 and 2014, the heading “Bank cheques” refers to advances made for the accomplishment of operations, to be settled in 2015.

As at 31 December 2015, the heading "Computer equipment" corresponds to advances made on account of the project for the technological renovation of the Bank's infrastructures, due to commence in 2015. In the first quarter of 2015, it was reclassified as "Construction currently in progress" (Note 10).

As at 31 December 2015 and 2014, the balance of the heading "Other" includes the respective amounts of AOA 39,661 thousand and AOA 32,107 thousand, relative to doubtful debt of assets, which are fully provisioned under the heading "Other provisions" (Note 15).

## 9. Financial Fixed Assets

This heading is broken down as follows:

	Currency	2015		2014	
		Foreign currency	Domestic currency	Foreign currency	Domestic currency
GI10					
> Financial Holding	EUR	965,156	142,681	1,245,840	155,973
EMIS:					
> Equity Holding	USD	352,556	47,706	463,782	47,706
> Shareholders loans	USD	908,406	122,921	1,194,997	122,921
ABANC					
> Shareholders loans	USD	179,022	24,225	235,507	24,225
BVDA					
> Shareholders loans	USD	105,345	14,255	138,582	14,255
		<b>351,788</b>		<b>365,080</b>	

As at 31 December 2015 and 2014, the Bank held a 30% stake in the capital of GI10 -Investimentos e Gestao, SGPS, S.A., a company based in Portugal, whose core business is to manage equity holdings of other insurance brokerage-related companies.

In 2015 and 2014, as a result of the valuation of this holding, the Bank recognised a respective loss of EUR 280,668 (AOA 40,236 thousand) and EUR 254,156 (AOA 31,869 thousand) under the heading "Earnings from financial fixed assets".

As at 31 December 2015 and 2014, the Bank held a 4.63% stake in the capital of EMIS – Empresa Interbancaria de Servicos, S.A.R.L. (EMIS). EMIS was incorporated in Angola with a view to managing the electronic payment methods and supplementary services.

Following the EMIS General Meeting, held in December 2011, an injection of share capital was deliberated to the value of USD 4,800,000, of which USD 338,291 was determined as the contribution of Banco BIC, which was duly settled in January 2012. Additional instalments were also deliberated for which Banco BIC was liable for the total sum of USD 1,182,480, paid in two equal instalments of USD 591,240 in August and September 2012.

In the Extraordinary General Meeting of the Angolan Association of Banks (ABANC), of which the Bank is an associate, held on 28 July 2009, a fixed assets investment plan was approved. As at 31 December 2015, the stake of Banco BIC in this association stood at a total of USD 179,022.

At 31 December 2015 and 2014, the Bank held a 0.95% stake in the capital of BVDA – Bolsa de Valores e Derivativos de Angola, S.A. (BVDA) [Angolan Securities and Derivatives Exchange].

## 10. Intangible and Tangible Fixed Assets, and Fixed Assets in Progress

Movement under these headings for the periods ending 31 December 2015 and 2014 were as follows:

	Gross Assets									
	Balance at 31-12-2013	Increases	Write-offs	Transfers	Settlements	Balance at 31-12-2014	Increases	Write-offs	Transfers	Settlements
<b>Intangible fixed assets</b>										
> Goodwill	149,815	-	-	-	-	149,815	-	-	-	-
> Incorporation expenses	4,383	-	-	-	-	4,383	-	-	-	-
> Multi-annual costs automatic	35,289	-	-	-	-	35,289	-	-	-	-
data processing software	333,582	-	-	-	-	333,582	11,042	-	-	-
> Other intangible fixed assets	679	-	-	-	-	679	-	-	-	-
	<b>523,748</b>	-	-	-	-	<b>523,748</b>	<b>11,042</b>	-	-	-
<b>Tangible fixed assets</b>										
> Properties for own use	7,839,683	160,355	(164,393)	332,272	-	8,167,917	192,286	-	196,630	-
> Works in rented buildings	1,536,265	20,118	(737)	153,951	-	1,709,597	1,672	-	-	-
> Equipment	6,003,165	436,683	(28,308)	176,645	(6)	6,588,179	391,232	(16,431)	61,120	-
> Art collection	4,120	97	-	-	-	4,217	-	-	-	-
	<b>15,383,233</b>	<b>617,253</b>	<b>(193,438)</b>	<b>662,868</b>	<b>(6)</b>	<b>16,469,910</b>	<b>585,190</b>	<b>(16,431)</b>	<b>257,750</b>	<b>-</b>
Fixed assets in progress	1,126,932	457,225	(380)	(662,868)	(236,946)	683,963	850,497	-	(257,750)	(65,155)
	<b>17,033,913</b>	<b>1,074,478</b>	<b>(193,818)</b>	<b>-</b>	<b>(236,952)</b>	<b>17,677,621</b>	<b>1,446,729</b>	<b>(16,431)</b>	<b>-</b>	<b>(65,155)</b>
										<b>19,042,764</b>

	Accumulated Amortisation								
	Balance at 31-12-2013	Injections	Write-offs	Settlements	Balance at 31-12-2014	Injections	Write-offs	Settlements	Balance at 31-12-2015
Intangible fixed assets									
> Goodwill	149,814	-	-	-	149,814	-	-	-	149,814
> Incorporation expenses	4,383	-	-	-	4,383	-	-	-	4,383
> Multi-annual costs	35,289	-	-	-	35,289	-	-	-	35,289
> Multi-annual costs automatic									
data processing software	313,768	11,091	-	-	324,859	7,763	-	-	332,622
> Other intangible fixed assets	678	-	-	-	678	-	-	-	678
	503,932	11,091	-	-	515,023	7,763	-	-	522,786
Tangible fixed assets									
> Properties for own use	636,704	158,797	(274)	(10,315)	784,912	166,305	-	-	951,217
> Works in rented buildings	1,263,857	219,572	(307)	10,315	1,493,437	64,082	-	-	1,557,519
> Equipment	3,171,024	637,971	(14,403)	-	3,794,592	617,021	(12,014)	-	4,399,599
	5,071,585	1,016,340	(14,984)	-	6,072,941	847,408	(12,014)	-	6,908,335
	5,575,517	1,027,431	(14,984)	-	6,587,964	855,171	(12,014)	-	7,431,121

During 2015 and 2014, the properties under construction for disposal to Bank employees were transferred to the heading "Other values" (Note 8) and, for the purpose of presentation in terms of real estate property movement, were included in the "Settlements" column.

At 31 December 2015 and 2014, the heading "Equipment" may be broken down as follows:

	2015			2014		
	Gross value	Accumulated amortisation	Net value	Gross value	Accumulated amortisation	Net value
Interior facilities	1,889,643	(976,137)	913,506	1,764,003	(802,562)	961,441
Furniture and material	1,393,912	(775,730)	618,182	1,342,085	(643,053)	699,032
Machinery and tools	1,407,302	(700,023)	707,279	1,268,828	(564,291)	704,537
Computer equipment	1,363,495	(1,235,365)	128,130	1,286,464	(1,134,026)	152,438
Transport material	623,957	(575,718)	48,239	598,852	(547,228)	51,624
Other equipment	345,791	(136,626)	209,165	327,947	(103,432)	224,515
	<b>7,024,100</b>	<b>(4,399,599)</b>	<b>2,624,501</b>	<b>6,588,179</b>	<b>(3,794,592)</b>	<b>2,793,587</b>

As at 31 December 2015 and 2014, the heading relative to fixed assets in progress mainly refers to the costs incurred for the acquisition of the site and payment to suppliers for the works that are currently being carried out at the Bank's premises, whether purchased or rented, namely at a building for the installation of administrative services, new branches and other facilities, which are projected to be inaugurated in the years following the reporting date of the balance sheet.

As at 31 December 2015, the heading relative to fixed assets in progress includes AOA 437,554 regarding computer equipment for the new Data Centre of the Bank (Note 8).

## 11. Deposits

These headings are broken down as follows:

	2015	2014
Demand deposits of Credit Institutions:		
Funds of credit institutions in the country		
Demand deposits:		
> Banco de Desenvolvimento de Angola	676,575	514,315
> Interest payable	309,614	201,930
	<b>986,189</b>	<b>716,245</b>
Funds of credit institutions abroad		
Overdrafts in current accounts:		
> BYLBOS BANK EUROPE, S.A - USD	17,386	-
Demand deposits of residents:		
In domestic currency		
> Public administrative sector	1,869,138	2,387,454
> Public corporate sector	1,881,881	2,359,188
> Companies	182,682,977	175,136,218
> Individuals	98,585,220	94,490,436
	<b>285,019,216</b>	<b>274,373,296</b>
In foreign currency		
> Public administrative sector	506,358	679,252
> Public corporate sector	303,658	1,006,889
> Companies	53,416,225	35,210,892
> Individuals	27,649,159	25,369,282
	<b>81,875,400</b>	<b>62,266,315</b>
Demand deposits of non-residents:		
In domestic currency	4,547,604	5,280,892
In foreign currency	297,188	512,078
	<b>4,844,792</b>	<b>5,792,970</b>
	<b>371,739,408</b>	<b>342,432,581</b>
<b>Total demand deposits</b>	<b>372,742,983</b>	<b>343,148,826</b>

As at 31 December 2015 and 2014, the demand deposits of customers are not remunerated, except in specific situations defined in accordance with the guidelines of the Board of Directors of the Bank.

In 2007, Banco BIC entered into a financial agreement with Banco de Desenvolvimento de Angola (BDA), under which the BDA would finance the Bank for its loans granted to projects within the scope of boosting private economic activity in the production of goods and services.

	2015	2014
Term deposits of residents:		
In domestic currency		
> Public administrative sector	7,891,280	12,280,674
> Public corporate sector	1,419,382	1,362,638
> Companies	207,218,255	143,336,953
> Individuals	31,521,277	45,331,960
> Interest payable	3,193,778	2,112,188
	<b>251,243,972</b>	<b>204,424,413</b>
In foreign currency		
> Public corporate sector	3,462,871	3,977,189
> Companies	40,176,276	67,784,854
> Individuals	68,230,781	58,863,026
> Interest payable	1,052,002	1,115,097
	<b>112,921,930</b>	<b>131,740,166</b>
Term deposits of non-residents:		
In domestic currency	40,481	335,683
> Interest payable	1,445	2,743
In foreign currency	304,693	250,665
> Interest payable	1,796	206
	<b>348,415</b>	<b>589,297</b>
<b>Total term deposits</b>	<b>364,514,317</b>	<b>336,753,876</b>

As at 31 December 2015 and 2014, the term deposits of customers, excluding interest payable, presented the following structure, by currency and average interest rate:

	2015			2014		
	Interest rate	Currency amount	Amount in AOA th	Interest rate	Currency amount	Amount in AOA th
In thousand Angolan Kwanzas	5.88%		248,090,675	5.27%		202,647,908
In US Dollars	4.73%	806,502,751	109,131,920	3.98%	1,251,368,071	128,719,474
In Euros	2.35%	20,582,153	3,042,701	1.58%	17,223,214	2,156,260
			<b>360,265,296</b>			<b>333,523,642</b>

As at 31 December 2015 and 2014, the term deposits of customers, excluding interest payable, presented the following structure, according to their residual maturity period:

	2015	2014
Up to three months	193,956,319	226,355,393
From three to six months	131,339,461	84,706,211
From six months to one year	34,904,365	22,432,696
From one to three years	64,754	29,059
Over three years	397	283
	<b>360,265,296</b>	<b>333,523,642</b>

As at 31 December 2015 and 2014, the heading "Other deposits" refers to drawing orders pending settlement in Banco BIC customer accounts.

## 12. Liabilities in the Payment System

This heading is broken down as follows:

	2015	2014
Import-related funds –foreign currency		
> Cash funds	41,977,147	4,200,361
VISA Collateral(Note 8)	2,289,938	1,740,752
Certified cheques – Domestic currency	1,602,110	1,454,740
	<b>45,869,195</b>	<b>7,395,853</b>

The heading "Import-related funds –cash funds" refers to the amounts deposited by customers which are held by the bank for the settlement of import operations.

## 13. Other Funds

This heading may be broken down as follows:

	2015	2014
Overseas credit institution funds		
> Banco BIC Cabo Verde IFI - USD	37,008,653	7,714,725
> Banco BIC Português, S.A. - EUR	23,653,120	18,779,250
> Banco BIC Cabo Verde IFI – EUR	5,883,714	-
> Banco BIC Português, S.A. - USD	-	10,769,161
> Interest payable	113,826	23,234
	<b>66,659,313</b>	<b>37,286,370</b>

As at 31 December 2015 and 2014, interest on the amounts owed to overseas credit institutions stood at the following annual average rates, weighted by the respective nominal value of the investments:

	2015	2014
In US Dollars	2.64%	3.07%
In Euros	2.25%	2.92%

As at 31 December 2015 and 2014, the amounts owed to overseas credit institutions, excluding interest payable, presented the following structure, based on their residual maturity period:

	2015	2014
Up to one month	60,632,207	14,697,786
From one to three months	5,913,280	22,565,350
	<b>66,545,487</b>	<b>37,263,136</b>

## 14. Other Liabilities

This heading may be broken down as follows:

	2015	2014
Tax liabilities:		
> Industrial Tax – Article 71	972,477	355,747
> Capital investment tax	423,478	515,326
> Tax charges on potential earnings	587,846	502,060
> Stamp duty	76,029	67,169
> Remuneration tax	62,551	334,021
> Other taxes	4,647	135
	<b>2,127,028</b>	<b>1,774,458</b>
Civil liabilities:		
> Deferred income - Guarantees	100,328	61,757
> Other	(38,781)	(15,991)
	<b>61,547</b>	<b>45,766</b>
Administrative/commercial liabilities:		
> Interest from restructured loans	9,504,618	2,561,957
> Amounts pending settlement – Properties in lieu of repayment	483,239	721,188
> Employees – Wages and other remuneration		
- Employee expenses (Note 24)	200,466	3,378
- Holidays and holiday bonus	823,912	962,712
- Clinical services	66,947	118,938
> VISA cards	433,227	540,524
> ATM offsetting	500,780	759,548
> Communication and dispatch expenses		
- Data circuit	108,635	99,714
- Communication	33,139	64,301
- Other	5,010	1,205
> Security and surveillance	20,100	9,407
> Specialised services	46,101	62,238
> Maintenance and repair	35,451	29,274
> Other administrative costs	2,452,131	1,479,724
	<b>14,713,756</b>	<b>7,414,108</b>
	<b>16,902,331</b>	<b>9,234,332</b>

As at 31 December 2015 and 2014, the balance of the heading "Tax charges on potential earnings" refers to the deferred tax liabilities calculated on the potential capital gains of the securities recorded in the "Available for Sale" portfolio.

As at 31 December 2015 and 2014, the balance of the heading "Interest from restructured loans" refers to interest from loans subject to restructuring operations, which shall only be recognised through profit or loss upon its receipt.

As at 31 December 2015 and 2014, the heading "Amounts pending settlement – Properties in lieu of repayment" refers to advances received on account of the sale of properties received in lieu of repayment.

As at 31 December 2015 and 2014 the balance of the heading "ATM offsetting" refers to the movements made at Banco BIC's ATM and POS systems during the last days of the reporting year which are pending offsetting by EMIS

The balance of the heading "Employee Expenses" refers to the estimate made by the Bank of the performance bonuses of its employees relative to 2015 and 2014, to be settled in 2016 and 2015, respectively.

As at 31 December 2015 and 2014, the heading "Other administrative costs" includes the reinforcement of estimated tax to the value of AOA 2,080,875 thousand and AOA 1,080,869 thousand, respectively (Note 18).

## 15. Provisions

Movement in the provisions in the years ended 31 December 2015 and 2014 may be observed below:

	Balance at 31-12-2014	Injections	Write-backs and annulments	Foreign ex. variation	Use	Transfers	Balance at 31-12-2015
Loans of doubtful debt	32,026,483	57,340,129	(47,728,995)	3,277,454	(648,727)	237,256	44,503,600
Provision of guarantees	1,111,330	655,434	(370,252)	186,470	-	(280,159)	1,302,823
Retirement pensions	1,388,651	290,442	-	472,416	-	-	2,151,509
Properties for not own use	44,805	-	-	3,114	-	42,903	90,822
Other provisions	280,009	120,533	-	76,771	(174,354)	-	302,959
	<b>34,851,278</b>	<b>58,406,538</b>	<b>(48,099,247)</b>	<b>4,016,225</b>	<b>(823,081)</b>	<b>-</b>	<b>48,351,713</b>

	Balance at 31-12-2013	Injections	Write-backs and annulments	Foreign ex. variation	Use	Transfers	Balance at 31-12-2014
Loans of doubtful debt	24,599,668	33,657,024	(25,497,629)	1,003,121	(1,459,313)	(276,388)	32,026,483
Provision of guarantees	562,884	490,709	(194,410)	13,567	-	238,580	1,111,330
Retirement pensions	1,083,571	236,525	-	68,555	-	-	1,388,651
Properties for not own use	6,514	-	-	483	-	37,808	44,805
Other provisions	192,242	98,158	-	13,909	(24,300)	-	280,009
	<b>26,444,879</b>	<b>34,482,416</b>	<b>(25,692,039)</b>	<b>1,099,635</b>	<b>(1,483,613)</b>	<b>-</b>	<b>34,851,278</b>

The balance of the Bank's provision for retirement pensions, presented a respective balance of AOA 2,151,509 thousand and AOA 1,388,651 thousand at 31 December 2015 and 2014, equivalent to approximately USD 15,900 thousand and USD 10,262 thousand, respectively (Note 2.j).

As at 31 December 2015 and 2014, the balance of the heading "Other provisions" is to meet any contingencies that may arise from the Bank's activity, and also to reflect potential losses in the realisation value of the accounts receivable and other assets (Note 8).

The effect of foreign exchange variations in the movement of provisions is reflected in the heading "Earnings from foreign exchange transactions" (Note 22).

## 16. Movement in Equity

Movement in equity for the periods ended 31 December 2015 and 2014 were as follows:

	Share capital	Revaluation of own funds	Legal reserve	Other reserves	Potential earnings	Retained earnings	Net income for the year	Own funds
<b>Balance at 31 December 2013</b>	<b>2,414,511</b>	<b>5,797,507</b>	<b>15,415,958</b>	<b>35,870,555</b>	<b>1,459,694</b>	<b>6,158,618</b>	<b>19,646,021</b>	<b>86,762,864</b>
> Appropriation of net income for 2013	-	-	3,929,204	-	-	-	(3,929,204)	-
> Dividend distribution	-	-	-	-	-	-	(15,716,817)	(15,716,817)
> Reclassification of retained earnings to other reserves	-	-	-	6,158,618	-	(6,158,618)	-	-
> Share capital increase by incorporation of reserves	585,489	-	-	(585,489)	-	-	-	-
> Potential earnings	-	-	-	-	(527,260)	-	-	(527,260)
> Net income for the year	-	-	-	-	-	-	20,536,519	20,536,519
<b>Balance at 31 December 2014</b>	<b>3,000,000</b>	<b>5,797,507</b>	<b>19,345,162</b>	<b>41,443,684</b>	<b>932,434</b>	<b>-</b>	<b>20,536,519</b>	<b>91,055,306</b>
> Appropriation of net income for 2014	-	-	4,107,304	-	-	-	(4,107,304)	-
> Dividend distribution	-	-	-	-	-	-	(16,429,215)	(16,429,215)
> Potential earnings	-	-	-	-	439,252	-	-	439,252
> Net income for the year	-	-	-	-	-	-	27,656,129	27,656,129
<b>Balance at 31 December 2015</b>	<b>3,000,000</b>	<b>5,797,507</b>	<b>23,452,466</b>	<b>41,443,684</b>	<b>1,371,686</b>	<b>-</b>	<b>27,656,129</b>	<b>102,721,472</b>

### Share Capital

The Bank was incorporated with a share capital of AOA 522,926 thousand (equivalent to the counter value of USD 6,000,000 on that date), represented by 522,926 registered shares of one thousand Angolan Kwanzas each, which was fully subscribed and paid up in cash.

During 2006, the Bank increased its share capital by AOA 1,088,751 thousand (equivalent to USD 14,000,000) and, at a later date, in the General Meeting held on 1 December 2006, a further injection of the Bank's share capital was deliberated from USD 20,000,000 to USD 30,000,000, which was fully paid up in cash and thereof represented by 2,414,511 registered shares of one thousand Angolan Kwanzas each.

In the first semester of 2014, the Bank increased its share capital by incorporation of free reserves amounting to AOA 585,498 thousand, represented by 3,000,000 shares, with a nominal value of one thousand Angolan Kwanzas each. The share capital increase aimed to comply with the provisions laid down in BNA Notice 14/2013, of 15 November, which establishes the minimum value of the share capital of financial institutions at AOA 2,500,000 thousand.

As at 31 December 2015 and 2014, the shareholder structure of the Bank was as follows:

Shareholders	Number of shares	Percentage
Sociedade de Participações Financeiras, Lda.	750,000	25
Fernando Leonídio Mendes Teles	600,000	20
Finisantor Holding Limited	525,000	17.5
Telesgest B.V.	525,000	17.5
Luís Manuel Cortez dos Santos	150,000	5
Manuel Pinheiro Fernandes	150,000	5
Sebastião Bastos Lavrador	150,000	5
Outros accionistas	150,000	5
	<b>3,000,000</b>	<b>100</b>

In compliance with the provisions in number 3 of Article 446 of Law 1/2004, of 13 February, which establishes the framework of the Commercial Companies Law, the number of shares held by members of the Bank's administration and audit bodies, and respective percentage stakes, are set out as follows:

Shareholders	Position	Acquisition	No. Shares	Holding
Isabel José dos Santos	Non-Executive Director	Nominal value	1,275,000	42.50%
Fernando Leonídio Mendes Teles	Chairman	Nominal value	1,125,000	37.50%
Fernando José Aleixo Duarte	Director	Nominal value	30,000	1.00%
Graziela do Céu Rodrigues Esteves	Director	Nominal value	30,000	1.00%
Graça Maria dos Santos Pereira	Director	Nominal value	30,000	1.00%

### **Appropriation of profits**

On 9 April 2015, the General Meeting approved the appropriation of profits proposal submitted by the Board of Directors and presented in the Management Report. Consequently, the positive net income calculated at the end of 2014, amounting to AOA 20,536,519 thousand (approximately USD 200 million), was appropriated as follows: 20% was transferred to the legal reserves heading, to the value of AOA 4,107,304 thousand (approximately USD 40 million) while 80% was distributed as dividends among the shareholders, amounting to AOA 16,429,215 thousand (approximately USD 160 million).

On 10 April 2014, the General Meeting approved the proposal for the appropriation of profits submitted by the Board of Directors and presented in the Management Report. Consequently, the positive net income calculated at the end of 2013, amounting to AOA 19,646,021 thousand (approximately USD 201 million), was appropriated as follows: 20% was transferred to the legal reserves heading, to the value of AOA 3,929,204 thousand (approximately USD 40 million) and 80% was distributed as dividends among the shareholders, amounting to AOA 15,716,817 thousand (approximately USD 161 million).

### **Legal reserve**

Under the terms of the legislation in force, the Bank shall constitute a legal reserve fund in line with its share capital. To such end, a minimum of 10% of the net income of the previous reporting year is transferred annually to this reserve (20% up to publication of Law 12/2015- . Basic Law of Financial Institutions on 17 June 2015). This reserve may only be used to cover accumulated losses when all other constituted reserves have been exhausted.

### **Potential earnings**

Potential earnings correspond to net potential capital gains of tax charges, relative to the securities falling under the heading "Securities - Available for Sale".

## Related parties

As at 31 December 2015 and 2014, the main balances held by the Bank with related parties are as follows:

	2015				Total
	Banco BIC Português, S.A.	Banco BIC Cabo Verde IFI	Entities Held by the Shareholders	Members of the Board of Directors and Audit Committee	
Assets:					
> Cash and equivalents (Note 3)	2,706,943	7,392	-	-	2,714,335
> Liquidity investments (Note 4)	34,568,665	30,006,498	-	-	64,575,163
> Bonds and transferrable securities (Note 5)	-	-	1,448,754	-	1,448,754
> Loans to customers (Note 7)	-	-	55,686,336	161,898	55,848,234
> Other values (Note 8)	150,961	-	122,190	-	273,151
Liabilities:					
> Deposits (Note 11)	-	-	19,587,405	305,177	19,892,582
> Other funding (Note 13)	23,670,860	42,988,453	-	-	66,659,313
> Other liabilities (Note 14)	2,042	-	483,239	-	485,281
Off-balance sheet items:					
> Guarantees and sureties provided (Note 17)	-	-	9,827,050	-	9,827,050
> Irrevocable commitments (Note 17)	40,594,500	-	-	-	40,594,500
> Open documentary credit (Note 17)	-	-	3,535,788	-	3,535,788
Income statement:					
> Income from liquidity investments and loans (Note 20)	239,973	768,533	3,395,933	9,515	4,413,954
> Costs of liquidity funding and deposits (Note 20)	768,743	568,907	317,988	5,490	1,661,128
> Fees for guarantees and sureties provided (Note 23)	-	-	134,111	-	134,111
> Third party supplies (Note 25)	-	-	9,707,777	-	9,707,777

	2014				Total
	Banco BIC Português, S.A.	Banco BIC Cabo Verde IFI	Entities Held by the Shareholders	Members of the Board of Directors and Audit Committee	
Assets:					
> Cash and equivalents (Note 3)	12,744,491	6,260	-	-	12,750,751
> Liquidity investments (Note 4)	29,684,110	24,364,941	-	-	54,049,051
> Loans to customers (Note 7)	-	-	33,474,579	1,076,416	34,550,995
> Other values (Note 8)	1,251,279	-	269,069	-	1,520,348
Liabilities:					
> Deposits (Note 11)	-	-	5,654,132	5,654,315	11,308,447
> Other funding (Note 14)	29,548,411	7,714,725	-	-	37,263,136
> Other liabilities (Note 15)	11,745	-	721,188	-	732,933
Off-balance sheet items:					
> Guarantees and sureties provided (Note 18)	-	-	888,224	-	888,224
> Irrevocable commitments (Note 18)	30,859,900	-	-	-	30,859,900
Income statement:					
> Income from liquidity investments and loans (Note 21)	212,377	729,729	894,929	7,764	1,844,799
> Costs of liquidity funding and deposits (Note 21)	963,807	62,225	70,195	241,449	1,337,676
> Fees for guarantees and sureties provided (Note 24)	-	-	5,163	-	5,163
> Third party supplies (Note 26)	-	-	2,489,735	-	2,489,735

Part of the loans granted to related parties are backed by shares of a financial institution based in the euro area.

## 17. Off-Balance Sheet Headings

These heading may be broken down as follows:

	2015	2014
Guarantees provided and other possible liabilities		
> Guarantees and sureties provided (Note 7)	78,607,165	54,515,251
> Irrevocable commitments	47,842,987	36,998,174
> Open documentary credits (Note 7)	7,845,751	9,857,181
	<b>134,295,903</b>	<b>101,370,606</b>
Liabilities for services rendered		
> Custody of securities	66,558,618	30,840,259
> Collection of values - in the country	5,681,678	3,342,214
> Collection of values - overseas	252,128	201,990
	<b>72,492,424</b>	<b>34,384,463</b>

As at 31 December 2015 and 2014, the balance of the heading "Irrevocable commitments" includes a credit line, based on a partnership with Banco BIC Português S.A., to the value of USD 300 million, for the opening and confirmation of documentary credits and bank guarantees.

## 18. Taxes

As at 31 December 2015 and 2014, the costs related to income tax recorded through profit and loss, in addition to the tax charge, measured by the relation between appropriation for income tax and earnings before tax for the year, may be presented as follows:

	2015	2014
Total industrial tax recognised through profit or loss	1,455,586	1,080,869
Earnings before tax	29,111,715	21,617,388
Effective industrial tax rate	5.00%	5.00%

As at 31 December 2015 and 2014, reconciliation between the nominal tax rate and the effective tax rate may be observed below:

	2015		2014	
	Rate	Tax	Rate	Tax
Earnings before tax		29,111,715		21,617,388
Tax calculated based on nominal rate	30.00%	8,733,515	30.00%	6,485,216
Tax benefits for income from public debt securities or equivalents:				
> Interest and similar income (Note 20)	-31.42%	(9,146,574)	-31.47%	(6,803,966)
> Net profit from financial operations				
- Earnings from securities (Note 21)	-17.92%	(5,217,459)	-9.74%	(2,104,468)
Tax benefits for income from real estate	0.00%	(220)	0.00%	(867)
Costs unaccepted for tax purposes				
> Positive asset variations	0.54%	157,511	0.00%	(867)
> Tax	1.26%	365,364	1.23%	265,641
> Provisions	1.04%	301,854	0.63%	136,631
> Other	0.87%	254,088	0.02%	5,093
	<b>-15.64%</b>	<b>(4,551,921)</b>	<b>-9.33%</b>	<b>(2,017,587)</b>
Deferred tax asset deemed immaterial	15.64%	4,551,921	9.33%	2,017,587
Reinforcement of tax estimate	5.00%	1,455,586	5.00%	1,080,869
	<b>5.00%</b>	<b>1,455,586</b>	<b>5.00%</b>	<b>1,080,869</b>

As at 31 December 2015 and 2014, the Bank did not record any income related to tax receivable. The amount under "Reinforcement of estimated tax" corresponds to 5% of earnings before tax (historical average effective tax rate) and is recorded under "Other liabilities" (Note 14).

As at 31 December 2015 and 2014, costs related to the Capital Investment Tax are recorded in the income statement, under the heading "Taxes and Charges not Applicable to Net Income" and amounted, respectively to AOA 1,190,033 thousand and AOA 874,478 thousand.

As at 31 December 2015 and 2014, , according to the amounts of both these taxes, namely Industrial and Capital Gains, the joint effective rate is equivalent to 9.09% and 9.05% respectively.

Furthermore, throughout 2015, the Bank recorded an equity value of AOA 85,786 thousand relative to the Current Tax on the potential portfolio valuations available for sale.

The tax authorities may review the Bank's tax situation over a period of five years, where possible rectifications of the calculated taxes may arise owing to different interpretation of the tax legislation.

In view of the tax amnesty regime, and relative to Industrial Tax, Capital Investment Tax on Income from Work, Stamp Duty and Urban Property Tax, the tax authorities may only review the Bank's tax situation for the financial years from 2013 to 2015. The Board of Directors of the Bank considers that any rectifications that might arise from such reviews will not have any significant bearing on the financial statements herein.

## 19. Balance Per Currency

As at 31 December 2015 and 2014, balance per currency of the Bank presented the following structure:

	2015				2014		
	Domestic currency	Indexed to foreign currency	Foreign currency	Total	Domestic currency	Foreign currency	Total
Cash and cash equivalents							
Liquidity investments	140,090,937	-	15,606,462	155,697,399	86,089,902	52,907,217	138,997,119
> Investments in credit institutions	-	-	79,464,765	79,464,765	-	54,788,902	54,788,902
> Purchase of third party securities with reverse repurchase agreement	-	-	-	-	457,829	-	457,829
> Investments in gold and other precious metals	9,777	-	-	9,777	9,777	-	9,777
<b>Bonds and transferrable securities</b>							
> Held for trading	21,549,906	-	1,448,753	22,998,659	80,649,565	-	80,649,565
> Available for sale	-	-	4,459,067	4,459,067	-	3,551,284	3,551,284
> Held to maturity	176,896,418	187,397,015	33,889,701	398,183,134	272,420,409	13,358,453	285,778,862
Loans in the payment system	162,555	-	-	162,555	3,757	-	3,757
Foreign exchange transactions	-	-	34,051	34,051	-	2,700,681	2,700,681
<b>Loans</b>							
> Loans to customers	168,112,789	167,145,758	-	335,258,547	183,860,261	94,939,840	278,800,101
> (-) Provision for doubtful debt	(35,741,810)	(8,761,790)	-	(44,503,600)	(10,778,223)	(21,248,260)	(32,026,483)
Other values	11,093,748	-	2,787,151	13,880,899	8,044,081	2,712,332	10,756,413
<b>Fixed assets</b>							
> Financial fixed assets	209,107	-	142,681	351,788	209,107	155,973	365,080
> Tangible fixed assets	11,599,639	-	-	11,599,639	11,080,932	-	11,080,932
> Intangible fixed assets	12,004	-	-	12,004	8,725	-	8,725
<b>Total assets</b>	<b>493,995,070</b>	<b>345,780,983</b>	<b>137,832,631</b>	<b>977,608,684</b>	<b>632,056,122</b>	<b>203,866,422</b>	<b>835,922,544</b>
<b>Deposits</b>							
> Demand deposits	289,566,820	-	83,176,163	372,742,983	279,654,188	63,494,638	343,148,826
> Term deposits	251,285,897	79,085,528	34,142,892	364,514,317	204,762,838	131,991,038	336,753,876
> Other deposits	4,369,854	-	-	4,369,854	5,485,299	-	5,485,299
Liabilities in the payment system	35,407,112	-	10,462,083	45,869,195	1,728,685	5,667,168	7,395,853
Foreign exchange transactions	-	-	34,317	34,317	2,058,600	645,802	2,704,402
<b>Other funding</b>							
> Other funding	-	-	66,659,313	66,659,313	-	37,286,370	37,286,370
Other liabilities	10,976,583	-	5,925,748	16,902,331	7,049,695	2,184,637	9,234,332
Trade and industrial suppliers	37,611	-	-	37,611	78,290	-	78,290
Provisions for probable liabilities	387,134	-	3,370,157	3,757,291	441,257	2,338,733	2,779,990
<b>Total liabilities</b>	<b>592,031,011</b>	<b>79,085,528</b>	<b>203,770,673</b>	<b>874,887,212</b>	<b>501,258,852</b>	<b>243,608,386</b>	<b>744,867,238</b>
<b>Net assets / (liabilities)</b>	<b>(98,035,941)</b>	<b>266,695,455</b>	<b>(65,938,042)</b>	<b>102,721,472</b>	<b>130,797,270</b>	<b>(39,741,964)</b>	<b>91,055,306</b>

As at 31 December 2015 and 2014, the balance of the heading "Bonds and Transferable Securities-Held to Maturity" includes the respective amounts of AOA 187,397,015 thousand and AOA 98,060,200 thousand, relative to Treasury Bonds in domestic currency indexed to the US Dollar.

As at 31 December 2015 and 2014, the balance of the heading "Deposits – Term Deposits" includes the respective amounts of AOA 79,085,528 thousand and AOA 37,482,773, relative to customer term deposits in domestic currency indexed to the US Dollar.

Both the foregoing operations are indexed to the BNA purchase AOA/USD exchange rate and, thus, are subject to the updating of foreign exchange rates.

## 20. Income and Costs of Financial Instruments

These headings are broken down as follows:

	2015	2014
These headings are broken down as follows:		
From loans	21,816,187	22,410,575
From bonds and transferable securities:		
> Treasury Bonds	26,398,614	18,972,691
> Treasury Bills	3,049,032	3,707,195
	<b>29,447,646</b>	<b>22,679,886</b>
From liquidity investments		
> Overseas	1,018,247	1,106,196
> In the country	148,697	188,674
> Third party securities with reverse repurchase agreement	41,873	516,145
<b>Total income from financial instrument assets</b>	<b>1,208,817</b>	<b>1,811,015</b>
Costs of financial instrument liabilities:	52,472,650	46,901,476
Of deposits:		
> Demand	51,354	41,908
> Term	16,543,298	13,795,569
	<b>16,594,652</b>	<b>13,837,477</b>
Of liquidity funding:		
> Securities sold with repurchase agreement	246,471	1,189
> Funds of other credit institutions	1,523,485	1,080,579
	<b>1,769,956</b>	<b>1,081,768</b>
Total costs of financial instrument liabilities	18,364,608	14,919,245
Net interest income	34,108,042	31,982,231

## 21. Earnings from Trading and Fair Value Adjustments

As at 31 December 2015 and 2014, this heading primarily corresponds to gains obtained by the Bank through bond and transferable securities transactions.

The Bank transferred the earnings in Treasury Bonds in domestic currency indexed to foreign currency relative to 2014, standing at AOA 4,974,581, from "Earnings from Trading and Fair Value Adjustments" to "Earnings from Foreign Exchange Transactions" (Note 22).

## 22. Earnings from Foreign Exchange Transactions

As at 31 December 2015 and 2014, this heading corresponds, for the most part, to profits and losses obtained in the securities portfolio issued or indexed to foreign currency and in domestic currency deposits indexed to foreign currency, in the purchase and sale of foreign currency conducted by the Bank, and the revaluation of the foreign exchange position as laid down in Note 2. b), and is broken down as follows:

	2015			2014		
	Profit	Loss	Net	Profit	Loss	Net
Earnings from US-indexed Treasury Bonds	45,437,772	(463,113)	44,974,659	6,113,910	(1,139,329)	4,974,581
Earnings from banknotes and coins	1,274,353	(138,250)	1,136,103	862,724	(110,959)	751,765
Earnings from currency	43,894,170	(48,761,274)	(4,867,104)	18,144,431	(12,115,781)	6,028,650
Earnings from indexed deposits	-	(15,041,967)	(15,041,967)	193,690	(2,143,758)	(1,950,068)
	<b>90,606,295</b>	<b>(64,404,604)</b>	<b>26,201,691</b>	<b>25,314,755</b>	<b>(15,509,827)</b>	<b>9,804,928</b>

## 23. Earnings from Provision Of Financial Services

This heading may be broken down as follows:

	2015	2014
<b>Income:</b>		
Commissions on guarantees and sureties	1,692,000	1,378,787
Commissions on EMIS transactions	1,278,332	1,065,592
Subscription Commission	972,427	-
Visa Commissions	768,709	629,493
Commissions on payment orders issued	759,668	478,075
Commissions – Treasury	446,122	552,219
Commissions for the opening, management and renewal of escrow current accounts	271,881	182,278
Commissions for documentary credits and remittances	181,399	352,083
Commissions for automatic payment terminals	128,705	106,039
Commissions for account maintenance	-	395,439
Other commissions	809,119	613,698
	<b>7,308,362</b>	<b>6,753,703</b>
<b>Costs:</b>		
Commissions on EMIS transactions	(647,641)	(531,538)
Visa Commissions	(143,340)	(166,896)
Other commissions	(55,099)	(52,579)
	<b>(846,080)</b>	<b>(751,013)</b>
	<b>6,462,282</b>	<b>6,002,690</b>

## 24. Employee Expenses

These headings may be broken down as follows:

	2015	2014
Remunerations	6,929,223	5,756,085
Variable remuneration – Performance bonus:		
> Settled during the year	3,502,576	3,112,726
> Payable (Note 14)	200,466	3,378
Mandatory social security charges	306,307	239,096
Optional social security charges	671,029	554,257
Other	115,527	170,319
	<b>11,725,128</b>	<b>9,835,861</b>

## 25. Third Party Supplies

These headings may be broken down as follows:

	2015	2014
Security and surveillance	1,336,312	1,115,101
Communication and dispatch expenses	1,317,086	937,040
Forms and consumables	503,831	464,792
Maintenance and repair	523,603	551,581
Specialized services:		
> Consulting	145,780	681,902
> Information technology	138,380	104,071
> Other	126,992	76,399
Rentals and leases	375,775	422,703
Water, energy and fuel	281,483	176,569
Publicity	219,651	321,830
Travel and accommodation expenses	199,404	236,124
Cleaning Services	143,592	135,598
Levies and donations	107,413	89,619
Insurances	43,590	24,521
Staff training	13,737	15,530
Other	10,369,092	2,945,759
	<b>15,845,721</b>	<b>8,299,139</b>

As at 31 December 2015 and 2014, the balance of the heading "Other" includes the respective amounts of approximately AOA 9,708,000 thousand and AOA 2,490,000 thousand relative to the cost of several commercial, and organisational support services, in addition to other services rendered by entities related to the Bank during the reporting years 2015 and 2014.

## 26. Other Operating Income And Costs

This heading may be broken down as follows:

	2015	2014
Income from a diversity of services rendered:		
> Sale of currency/Withdrawals	472,014	440,819
> Cheque issuance	82,333	90,073
> Other	89,528	72,827
Reimbursement of expenses:		
> On payment orders	276,532	312,375
> Other	19,072	16,903
Administrative expenses	143,123	102,001
Settlement of certified cheques	-	400,633
Other	160,329	217,484
	<b>1,242,931</b>	<b>1,653,115</b>
Settlement of outstanding balances	(187,581)	-
Other costs and losses	(175,254)	(57,465)
	<b>880,096</b>	<b>1,595,650</b>

## 27. Non-Operating Earnings

These headings may be broken down as follows:

	2015	2014
Extraordinary gains:		
> Collection of overdue interest, net of write-offs	38,550	729,866
> Settlement of previous year estimates	-	85,783
> Other	1,885	-
	<b>40,435</b>	<b>815,649</b>
Extraordinary Losses:		
> Earnings from divestment of fixed assets	(4,189)	(12,747)
> Outras perdas extraordinárias	-	(18,938)
	<b>36,246</b>	<b>783,964</b>

## 28. Subsequent Events

### a) Foreign exchange rate variation on 4 January 2016

At 31 December 2015 and 4 January 2016, the Kwanza exchange rate (AOA) against the US Dollar (USD) and Euro (EUR) were as follows:

	04-01-2016	31-12-2015
1 USD	155,612	135,315
1 EUR	169,664	147,832

If this variation had been reflected in the accounts as at 31 December 2015 of the Bank, the assets, liabilities and equity would be as follows:

	2015	Impact of foreign exchange variation;	2015 pro forma
Assets	977,608,684	66,826,086	1,044,434,770
Liabilities	(874,887,212)	(49,189,374)	(924,076,586)
Equity	102,721,472	17,636,712	120,358,184

The recorded foreign exchange variation was primarily the result of appreciation of securities and deposits indexed to foreign currency.

#### b) Endorsement of IAS/IFRS

Banco Nacional de Angola is promoting full endorsement of IAS/IFRS for the domestic banking sector, and 1 January 2016 is the projected date for this transition. The process itself implies a review of current regulations, including CONTIF of issues in which there is currently no convergence.

The Bank has been progressively identifying and quantifying the impact of the transitions to IAS/IFRS since 1 January 2016, and also adapted its policies and procedures in conformity with the regulations defined by Banco Nacional de Angola.

# INDEPENDENT AUDITOR'S REPORT



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## INDEPENDENT AUDITOR'S REPORT

(Amounts expressed in thousand Kwanzas – AOA th)

Ao Conselho de Administração  
do Banco BIC, SA

### Introduction

1. We hereby present our Legal Certification of Accounts on the accompanying financial statements of Banco BIC S.A. (hereinafter equally referred to as "Bank" or "BIC"), which comprise the Balance Sheet as at December 2015, reflecting a total of 977,608,684 thousand Kwanzas and equity of 102,721,472 thousand Kwanzas, including a positive net income of 27,656,129 thousand Kwanzas, the statements of income, changes in equity and cash flows for the year then ended, and corresponding notes..

### Responsibilities of the Board of Directors for the Financial Statements

2. The Board of Directors of the Bank is responsible for the preparation of the financial statements in accordance with the accounting principles generally accepted in Angola for the banking sector, and for the internal control it deems necessary to ensure there are no material misstatements owing to fraud or error in the preparation of these financial statements.

### Responsibilities of the Statutory Auditor

3. Our responsibility is to express an independent opinion on these financial statements as a result of our auditing, which was conducted in accordance with the International Auditing Standards. These standards demand the fulfilment of ethical requirements and that the audit be planned and performed with a view to obtaining reasonable assurance as to whether the financial statements are free of any material misstatements.
4. An audit involves carrying out procedures to obtain proof of the amounts and disclosures contained in the financial statements. The procedures adopted depend on the judgement of the statutory auditor, including the assessment of risks related to material misstatements, fraud and error. By assessing the risk, the statutory auditor considers internal control relevant for the preparation and appropriate presentation of the financial statements on the part of the entity, so as to devise auditing procedures tailored to the circumstances, however not to express an opinion on the efficacy of the internal control of the entity. An audit also includes an assessment of the adequacy of the accounting principles used and obtaining reasonable assurance of the accounting estimates conducted by the Board of Directors and an assessment of the overall presentation of the financial statements.
5. We believe that the auditing proof we obtained provides a sufficient and appropriate basis for expressing our opinion.

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**Opinion**

6. In our opinion, the financial statements referred to in paragraph 1 above appropriately present, in all material respects, the financial position of Banco BIC, S.A as at 31 December 2015, the income from its operations, the changes in its equity and cash flows for the year then ended, pursuant to the accounting principles generally accepted in Angola for the banking sector (Note 2).

Luanda, 15 April 2016

A handwritten signature in blue ink, appearing to read "J. A. Mendes Garcia Barata".

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Deloitte & Touche - Auditores, Lda.  
Represented by José António Mendes Garcia Barata

# INTERNAL AUDIT REPORT

## REPORT AND OPINION OF THE INTERNAL AUDIT COMMITTEE

To the Shareholders of Banco BIC S.A.

1. In compliance with the applicable legislation, we hereby present the report on our supervisory activity in addition to our opinion on the accounting documents submitted by the Board of Directors of Banco BIC, S.A. (Bank) relative to the financial year ended 31 December 2015.
2. During the financial year 2015, we monitored the evolution of the Bank's activity, the regularity of book-keeping and compliance with the applicable legal and statutory rules, with the frequency and to the extent deemed appropriate. The Board of Directors and various departments of the Bank provided all the information and explanations requested for the issue of our opinion.
3. We have analysed the content of the Legal Certification of Accounts issued by the Audit Firm Delloite & Touche -Auditores, Limitada, with which we are in agreement and hereby fully subscribe.
4. Within the scope of our duties, we examined the Balance Sheet as at 31 December 2015, the statement of profit and loss, the statement of changes in equity and the cash flow statement for the financial year ended 31 December 2015, in addition to the accompanying Notes, including the accounting policies and valuation criteria adopted.
5. Additionally, we examined the Management Report relative to 2015, prepared by the Board of Directors, and the proposed appropriation of profits therein.
6. In view of the above, and considering the work performed and conclusions resulting from the Legal Certification of Accounts, we are of the opinion that the General Meeting should:
  - a. Approve the Management Report relative to the year ended 31 December 2015;
  - b. Approve the Accounts relative to that year, and
  - c. Approve the Proposed Appropriation of profits obtained that same year.



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7. On a final note, we wish to acknowledge the collaboration of the Board of Directors and the various departments of the Bank.

Luanda, 20 April 2016

Internal Audit Committee



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Henrique Manuel Camões Serra  
Chairman



**BancoBIC**

Growing together