



Resilience and Evolution

Angola Banking Survey

KPMG Angola

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Welcome to this edition of the Angola Banking Survey, an initiative of KPMG Angola, which has been an annual benchmark source of information for the country's financial sector.

Despite the challenges that the macroeconomic environment continues to pose, Angolan banks have been able to present positive indicators in 2015 and, therefore, a consistent evolution. As in previous years, the levels of non-performing loans deserve a special attention, with their volume increasing by nearly 8%.

The work developed by regulatory entities is also highlighted, especially from Banco Nacional de Angola, which through the introduction of new regulations maintained the objective of align the sector with the best international practices, always making significant contributions to place national institutions beside the global banking community.

Being heavily dependent on the evolution of the angolan macroeconomic context, the banking sector is moving towards a new stage of maturity. If, on one hand, we continue to verify the entry of new institutions in the market, on the other hand we see the expected beginning in the movement of consolidation, through the merger of Banco Privado Atlântico and Banco Millennium Angola. The visible results of this process allow us to conclude that this development will be a fundamental step towards the creation of stronger institutions, more robust and better prepared to face the challenges that the current environment and internationalization pose to Angolan banks.

Regarding the future, we have remained faithful to the positioning that our study has taken on the market. Therefore again, we highlight the main challenges of the sector, presented by the leaders of the three business areas of KPMG Angola. We hope that this exercise will once again support Angolan banks in the definition of its strategy and priorities for the following months.

We are convinced that we will continue to have a resilient, dynamic and enthusiastic sector that recognizes its central role, in order to have an increasingly diversified and stronger economy that allows the country to become increasingly attractive for national and international investment.

As Financial Services leader, I would like to emphasize that KPMG Angola remains committed to the sector and to the country and is aware of its mission: help this industry to generate more and more value for all stakeholders.

Thank you,

Vitor da Cunha Ribeirinho
Head of Audit & Financial Services



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01 Methodology and Sources of Information

This analysis is based on data and analysis obtained from public information (Annual Reports) provided by the Financial Institutions, *Banco Nacional de Angola (BNA)* and *Interbank Services Company (EMIS)*, among other sources.

The analysis performed is based in the sum of the amounts associated with the financial institutions selected. Any exception to this approach is properly identified.

This analysis is based on the universe of commercial banks authorized to operate in Angola by BNA in 2015. The analysis and data used in the present edition are representative of approximately 90% of that universe, since it was not possible to include complete data from three Financial Institutions (*Banco Económico*, *Banco BAI Micro-Finanças* and *Banco Valor*). Considering this, we believe that the representativeness of the sector is ensured for all the indicators under analysis.

This year's study presents a change in the treatment of aggregate data. Considering the inexistence of public financial statements for *Banco Económico* as at 2014 and 2015 and in order to ensure the comparability of information, we changed the methodology, which consisted of the sum of all the financial institutions' accounts. Since the non-inclusion of *Banco Económico* would result in aggregate data that was not comparable with 2013, KPMG decided to use the aggregated data and removed this bank from 2013 data.

Banco de Poupança e Promoção Habitacional was excluded from the population of analysed institutions in previous years editions, once that with the creation of *Banco Económico*, this bank ceased its activity. Additionally, four institutions that began its activity in 2015 were added: *Banco Prestígio*, *Banco Pungo Andongo*, *Banco Yetu* and *Banco de Crédito do Sul*.

FINANCIAL INSTITUTION		INITIAL YEAR OF ACTIVITY
BPC	BANCO DE POUPANÇA E CRÉDITO	1976
BCI	BANCO DE COMÉRCIO E INDÚSTRIA	1991
BCGA	BANCO CAIXA GERAL ANGOLA	1993
BFA	BANCO DE FOMENTO ANGOLA	1993
BAI	BANCO ANGOLANO DE INVESTIMENTOS	1997
BCA	BANCO COMERCIAL ANGOLANO	1999
BSOL	BANCO SOL	2001
BE	BANCO ECONÔMICO ⁽¹⁾	2002
KEVE	BANCO REGIONAL DO KEVE	2003
BMF	BANCO BAI MICRO-FINANÇAS	2004
BIC	BANCO BIC	2005
BPA	BANCO PRIVADO ATLÂNTICO	2006
BMA	BANCO MILLENNIUM ANGOLA	2006
BNI	BANCO DE NEGÓCIOS INTERNACIONAL	2006
BDA	BANCO DE DESENVOLVIMENTO DE ANGOLA	2006
VTB	BANCO VTB-ÁFRICA	2007
BANC	BANCO ANGOLANO DE NEGÓCIOS E COMÉRCIO	2007
FNB	FINIBANCO ANGOLA	2008
BKI	BANCO KWANZA DE INVESTIMENTO	2008
SBA	STANDARD BANK	2009
BCH	BANCO COMERCIAL DO HUAMBO	2010
BVB	BANCO VALOR	2010
SCBA	STANDARD CHARTERED BANK DE ANGOLA	2013
BPG	BANCO PRESTÍGIO	2015
BPAN	BANCO PUNGO ANDONGO	2015
YETU	BANCO YETU	2015
BCS	BANCO DE CRÉDITO DO SUL	2015

Source: BNA and Annual Reports

(1) Previously called *Banco Espírito Santo Angola*. In August 2014 this bank was intervened by BNA and subsequently renamed *Banco Económico*.

In this context, this study is intended to be a faithful representation of the Angolan banking sector, ensuring a quantitative and qualitative analysis of its various dimensions, namely:



Sector size

(e.g. assets, credit, deposits, operating income, number of branches, number of employees);



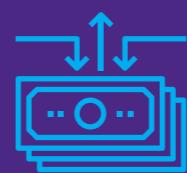
Profitability

(e.g. net income, ROE, ROAA);



Efficiency

(e.g. cost-to-income);



Leverage

(e.g. transformation ratio); and



Solvency

(e.g. solvency).

02 Macroeconomic Framework

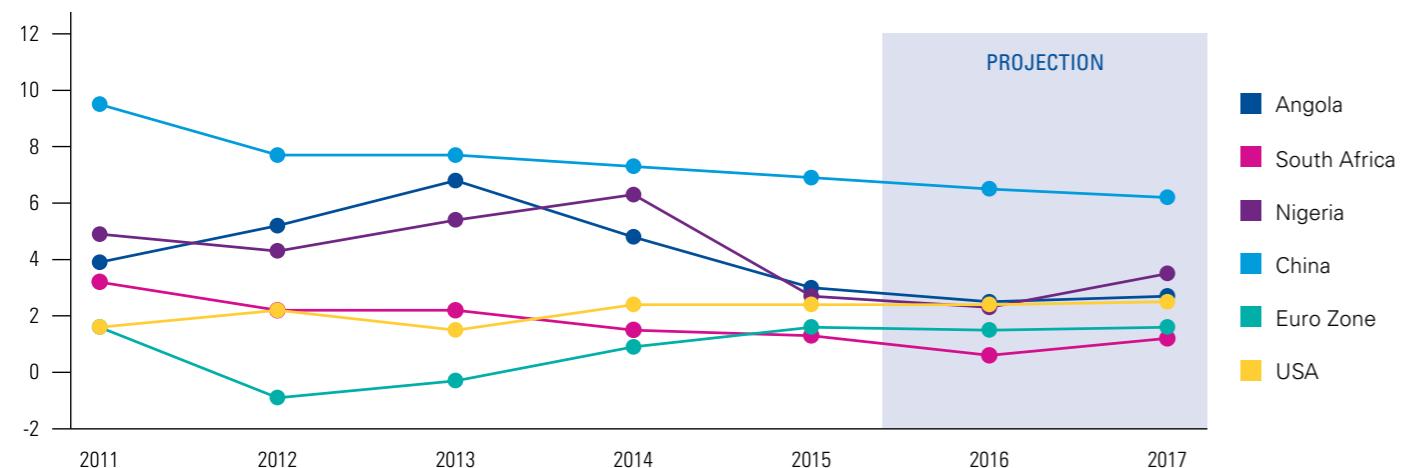
2.1 General outlook

2015 and the first half of 2016 have been marked by a continuously adverse economic environment for Angola due to the significant fall in oil prices in international markets, which resulted in the lack of foreign currency to finance imports, from which the economy remains highly dependent.

However, during this period occurred a reinforcement in the domestic oil production, which allowed to mitigate the sharp deceleration observed in other sectors that receded with the restrictions on imports. This trend is expected to continue throughout 2016.

According to the World Economic Outlook report of the International Monetary Fund (IMF), issued on April 2016, it was expected, in 2016, an increase of global economic activity in Angola at an approximate rate of 2.5%, a decrease when compared to the 3% of 2015.

EVOLUTION OF REAL GDP (%)



Source: *World Economic Outlook* – International Monetary Fund, April 2016.

Also according to this report, economic growth in 2017 is expected to remain moderate (2.7%).

This moderate growth for 2017 is mainly due to the heavy dependence on oil and the decreasing trend of its prices. In July 2016 the average price was about 7% below the price registered in the beginning of 2015. This fact is enhanced by the high contribution of tax income to the country's economy.

The decrease in export revenues, as a result of the reduction in the price of oil causes a reduction in the supply of foreign exchange for economic agents and has a direct impact on GDP growth, generating effects throughout the economy as a consequence of the relations between the sectors. In this respect, it should be noted that the public accounts deficit was revised by the Government in July 2016, for 6% of GDP.

IMF estimated that the inflation of the economy was around 19.1% in 2016, a figure which, as we have seen over the year, is well below the final values – approximately 40%, well above the estimate for Africa (9%). Notwithstanding this deviation from IMF estimates, the figures for Angola are naturally affected by the heavy devaluation of Kwanza in 2015 and 2016.

2.2 Economic growth

According to IMF, the forecasts for a modest growth of the world economy for 2016 (3.2% versus 3.1% in 2015) are maintained, even though emerging economies' growth will be particularly penalized by the low commodity prices in international markets. This factor plus the expected increase in costs of funding, the generalized depreciation of local currencies and consequent increase in inflation justifies the expected deceleration of the economic activity in Sub-Saharan Africa, with a growth forecast for 2016 of 3.0%, compared with the 3.4% recorded in 2015.

Additionally, the Angolan Real GDP is estimated to have grown by 3% in 2015, compared to the 4.8% growth observed in 2014.

This slowdown is a reflection of adverse external economic conditions, the dependence on revenues from the oil sector and the low degree of diversification of the Angolan economy as a consequence of the fall and maintenance of low oil prices.

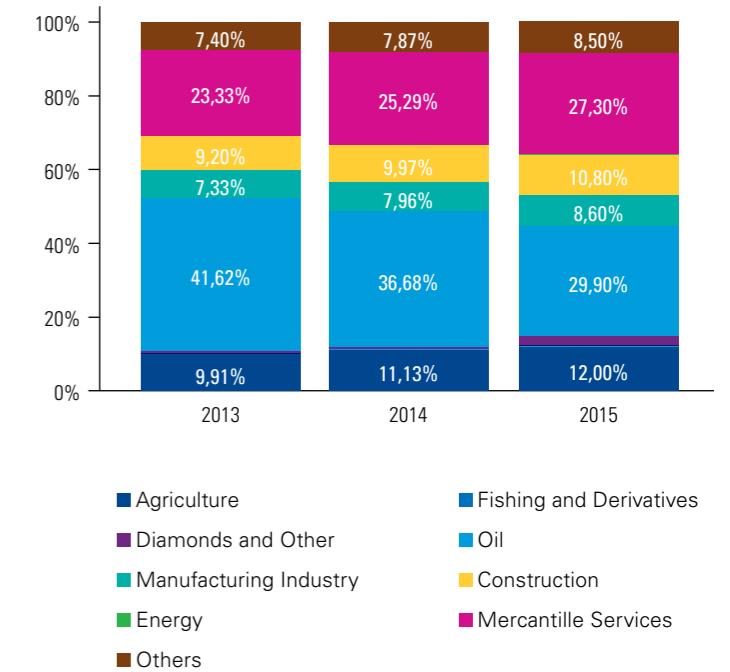
Notwithstanding the 5.8% increase in oil production in 2015 in relation to the previous year, the heavy drop in crude oil prices (decrease of 47.1% in 2015) contributed significantly to the performance of the country's economy. The downward trend in crude oil prices was reversed throughout 2016, showing a growth of 8.2% until July 2016, maintaining a favorable evolution during the second half of the year.

It should also be noted that the economic evolution in 2015 was also due to the performance of the non-oil sector, which faced a heavy slowdown. According to government estimates, this sector should have grown by 1.3% in 2015 compared to the projections of around 8% in 2014 (with special impact on agriculture, fishing, construction and services sub-sectors).

This deceleration is justified by the fall in domestic demand, retraction of public investment and the difficult access to imports due to the shortage of foreign currency.

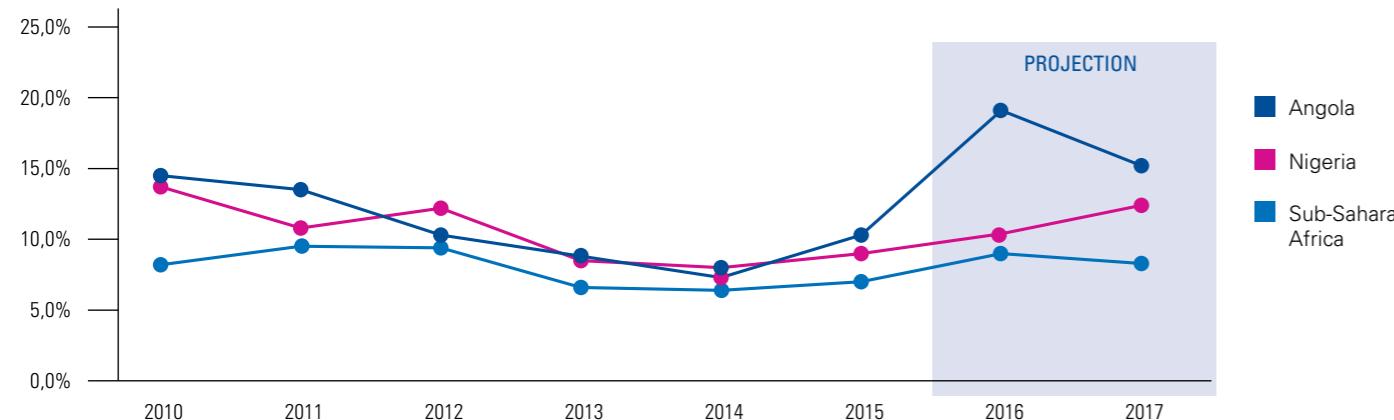
The factors described above shall have a significant impact over the current Public Investment Program due to the necessary restriction on public investment arising from the heavy fall in budgeted revenues which is the result of the dependence on oil sector income. This restriction may imply the need to review the timing of implementation of some of the structuring projects currently under development, as well as influence the economic diversification effort currently in progress. In fact, besides the growing contribution of the non-oil sector to Angolan GDP, this diversification effort have not been translated into less dependence on the foreign economy, maintaining the need for foreign currencies and large-scale imports.

STRUCTURE OF GROSS DOMESTIC PRODUCT IN PERCENTAGE



Source: Banco Nacional de Angola.

EVOLUTION OF INFLATION RATE (%)



Source: *World Economic Outlook – International Monetary Fund, April 2016*.

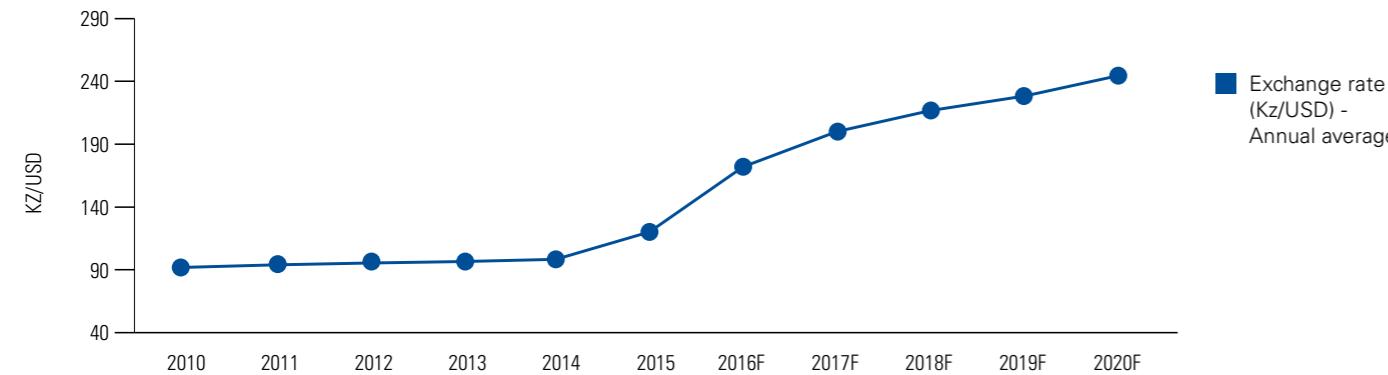
2.3 Monetary and Foreign Exchange policy

As already mentioned and reversing the stabilization trend of previous years, it is expected that Angolan economy will show an inflation rate around 40% at the end of 2016, which represents the highest inflation rate in the last decade.

According to IMF, the inflation rate in 2015 was 10.3%, representing a 3 p.p. increase over 2014. This deterioration behavior in the inflation rate reflects, among others, the effect of the significant depreciation of Kwanza, the consequent significant increase in the price of imported goods as well as the increase in the price of domestically produced goods, resulting from the increase in production costs and the consumption tax rate for a large group of goods. The expectation for 2016 of a 40% inflation rate represents an increase of around 29 p.p. towards the prior period.

In this context, *Banco Nacional de Angola* has been favoring the allocation of foreign currency to the country's priority needs, namely essential food items, health and others, to ensure the stability in the prices of these goods and services and to prevent the population from feeling the effects of the fall in oil prices in the international market.

EVOLUTION OF THE AVERAGE EXCHANGE RATE



Source: Economist Intelligence Unit.



2.4 Business relationships and foreign accounts

According to IMF data, the balance of payments of Angola indicators maintained its downward trend:

INDICATOR	2010	2011	2012	2013	2014	2015	2016F
Balance of Current Payments (USD bn)	7,5	13,1	13,9	8,3	(3,7)	(8,5)	(8,7)
Balance of Current Payments (%GDP)	9,1%	12,6%	12,0%	6,7%	(2,9%)	(8,3%)	(9,4%)
External Debt (USD bn)	16,9	19,3	21,1	25,0	28,4	33,8	37,7
External Debt (%GDP)	20,6%	18,5%	18,3%	20,0%	22,4%	33,0%	40,7%
Public Debt (%GDP)	37,6%	31,5%	30,2%	31,4%	34,2%	57,3%	57,2%

Source: Economist Intelligence Unit.

Since 2011, the balance of current payments, as a proportion of GDP, has presented a negative evolution, registering a negative balance of USD 8.5bn in 2015 as a result of the decrease in oil export revenues, which was associated with the significant fall in oil prices in the international markets and to the decrease of 7.3% in the volume of oil exports. In fact, it is estimated that more than 95% of exports arise from oil revenues.

Despite the implementation of state policies to promote the production of national products and the effort to promote economic diversification, namely through the customs tariff revision, EIU forecasts a negative balance of USD 8.7bn in 2016.

In terms of trade partners and in accordance with the Angolan National Statistics Institute (INE – *Instituto Nacional de Estatística*) for external commerce, China continues to be the main destination of exports (51%), followed by the United States (9%) and India (9%), with the predominance of the oil sector (96%) among all sectors of activity. Regarding imports, Portugal and China are the main trading partners, with 23% and 16%, respectively.

Regarding public debt, the fall in budgeted revenues over the last few years shall put an increased pressure on the government's ability to finance debt markets. The public debt in percentage of GDP grew by 23.1 p.p. in 2015, representing about 57.3% of GDP. The Government expects a significant increase in the public debt stock in 2016, essentially financing external debt.

The implementation of a financial assistance program under the IMF may put additional pressure on the amount of public debt. We also highlight the issuance of public debt securities at the end of 2015, under the form of Eurobonds, in the amount of USD 1,500 m.

In following years, the slowdown in oil revenues together with the ongoing public investment programs may contribute to aggravate the state budget balance to amounts close to the public debt sustainability threshold, set at 70%.

It should also be noted the monitoring of the situation by the rating agencies, which have been translated into negative economic prospects for the Angolan economy, mainly justified by the fall in oil prices. In fact, there were downward ratings revisions by Standard & Poor's and Moody's agencies in the first half of 2016.

2.5 Budget implementation

Despite external constraints, the oil sector continued to have a very significant impact on budgeted revenues in 2015. The decrease of approximately 46% in oil revenues on a year-on-year basis led to a contraction of the total tax revenues of approximately 25%. This situation limited the investment capacity and public expenditure, which contracted approximately 27% when compared to 2014.

For 2016, the government forecasts a public deficit of approximately 6% of GDP. The achievement of this target is highly dependent of the fluctuation in oil prices and of the capacity in obtaining external funding.

EVOLUTION OF BUDGETED BALANCE (% OF GDP)



Source: Economist Intelligence Unit.

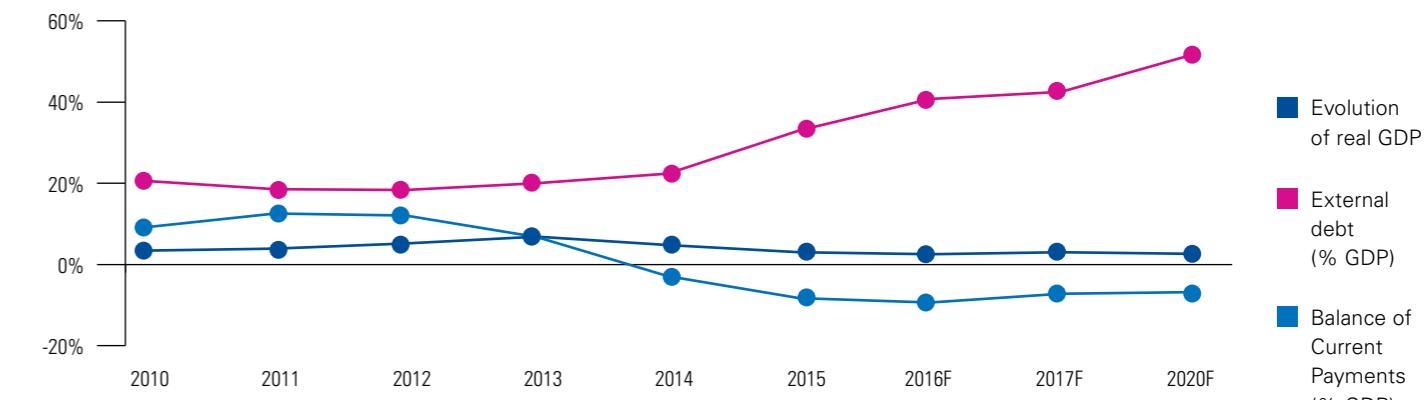
The government budget for 2016 foresees an increase in oil revenues, at a moderate level, of approximately 5% (corresponding to an estimate of USD 45 for an average price per barrel), contrasting with an increase in non-oil revenues of 28%. On the expenditure side, it is also expected an increase towards 2015.

2.6 Future perspectives

Considering the above mentioned factors, 2016 has been a very challenging year for the Angolan economy, considering the uncertainty of oil prices in international markets, the maintenance of the restrictive macroeconomic scenario, the pressure regarding Kwanza devaluation and the consequent conservative prospects for economic growth.

In fact, the Angolan economy continues to present, like other sub-Saharan African economies, a strong dependence on the international macroeconomic framework, especially in what concerns oil demand and oil prices.

PERSPECTIVES ON THE EVOLUTION OF KEY INDICATORS



Source: Economist Intelligence Unit.

According to EIU, the prospects of economic growth for the following years reflect the difficult macroeconomic scenario, being expected a moderated growth which will reach 2.6% in 2020.

The devaluation of Kwanza against the Dollar observed in 2015 and 2016 has been impacting the confidence of the economic agents and has significantly affected the inflation rate. Inflation control will be one of the main challenges for the Angolan government in 2016 and 2017 given its impact in monetary and budgetary terms and the need to protect and maintain international reserves.

The expectations for the depreciation of the current payments balance, of the commercial balance and the potential increase of public debt, which are justified by the reduction of the oil exports revenues, are another critical challenge that may lead to the adjustment of the public investment forecasted in the State Budget for 2016 in case of an unfavorable evolution of oil prices and of the exchange rate AKZ/USD.

This indicators are also dependent of the success of the recent tax reforms adopted by the Executive, with the following objectives: increase in non-oil sector tax revenue, optimization of public expenditure and rationalization of the import of goods.

This adverse economic environment has had a significant effect on the basic foundations of the Angolan economy, namely in the fulfillment of the budgetary and monetary targets and the objectives set out in the National Development Plan 2013/2017. The weaknesses demonstrated by the dependence on the global economy reinforce the need to pursue economic diversification policies, based on the replacement of imports. Additionally, there are also non-economic indicators that reveal social aspects that still need to be improved, namely poverty, social differences, infant mortality, illiteracy, among others.

03 Analysis of the Angolan Banking Sector

In 2015, the Angolan banking sector registered a slowdown in the main indicators of activity and size, despite the maintenance of high levels of resilience from the national banking institutions.

In terms of size, Angolan banking sector registered a 16.5% increase in the volume of assets under management, a 4.4% increase in the number of branches and a 3.1% increase in the number of employees.

Currently, one of the main challenges in the banking sector is the level of underperforming loans. The volume of overdue loans increased approximately 8%, compared to an increase of 41.6% in 2014. However, the ratio of overdue loans as a proportion of total loans had similar figures to the last year, approximately 11% when compared with the growth of total loans, which is partly explained by the effect of the depreciation of Kwanza on foreign currency loans.

In terms of profitability, the sector's aggregate net income increased by 22.1%. This variation was enhanced by the exchange rate movements registered in 2015, by increasing volumes of income related to loans granted and progressive levels of operational efficiency, mitigated however by the evolution of provisions for overdue loans.

The evolution of key performance indicators, together with the banking system strengthening and the efforts of banking institutions to approach international banking standards, forecasts a positive evolution whose effective implementation will depend on Angola's macroeconomic evolution in the following years.

For the purposes of this analysis and due to the unavailability of financial data regarding *Banco Económico S.A.*¹, KPMG decided

to remove from the performed analyses the component referring to the financial performance of this bank.

Developments in the sector

In 2015, *Banco Nacional de Angola* (BNA) authorized the registration and beginning of activity of four new Banking Institutions: *Banco Prestígio*, *Banco Pungo Andongo*, *Banco Yetu* and *Banco de Crédito do Sul*. Currently, there are 27 financial institutions in the Angolan banking sector and, according to BNA, in 2016, there will be 302. The year of 2015 was also the first year of activity of *Banco Económico*, formerly known as *Banco Espírito Santo Angola* (BESA).

The high concentration of assets that has characterized this sector in recent years continues, although there is a slight tendency to dilute it (in 2013 and 2014 the five largest banks held, respectively, 73% and 71% of the total assets of the sector; in 2015 this percentage decreased to 69%). The same tendency was observed in the captions of Loans granted and Deposits.

From a regulatory perspective, BNA continues to play a key role of oversight and intervention, in line with the best practices, seeking to strengthen its reputation with the international banking community. Currently, Angolan economy faces several challenges, mainly monetary and foreign exchange, which demands a reinforcement of the prudential and behavioural supervision of BNA.

During 2015, BNA issued a set of directives, notices and instructions regarding the monetary and foreign exchange policies - reporting and monitorization of foreign exchange transactions, establishment of maximum margins for foreign exchange operations and sale of foreign currencies and legislation that limits the inflow and outflow of funds - to banking activities – regarding the mandatory reserves and the calculation of provisions - and to combat money laundering. Additionally, it should be noted the creation of a guarantee fund, which aims to protect depositors and the capital invested in banking institutions, and the entry into force of the new Private Investment Law, which will facilitate the repatriation of profits and dividends from foreign entities. As future measures, the emphasis should fall on the full adoption of the accounting reporting standards IAS/IFRS, the new regulations for the determination of prudential ratios and the strengthening of the new tax regulation on foreign operations.

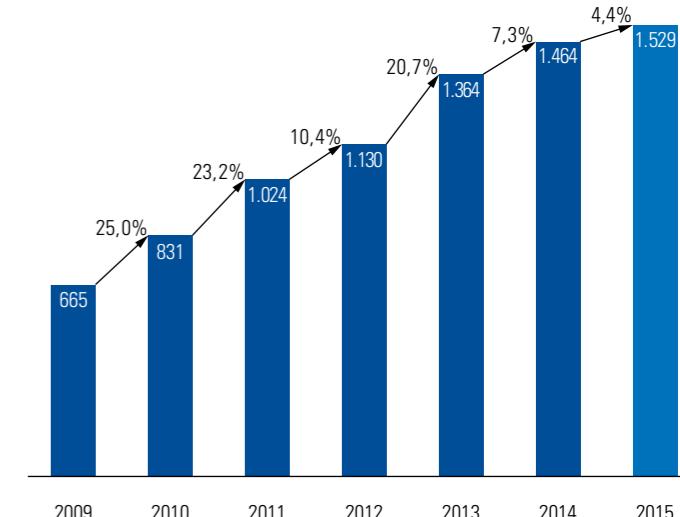
In recent years, the Angolan banking sector has shown a strong dynamism, and short-term changes are not expected. According to the latest available information, the Angolan capital market - BODIVA - shall be operational by the end of 2016. In the beginning, it will only include transactions of public debt between banks, in order to enable a sustained start-up and a phased evolution to other segments and financial instruments.

Banking Operations

Promoting banking services amongst the population continues to be a major challenge for African banking institutions. The Angolan banking sector is aware of this fact and the increase in the banking services promotion rate amongst the Angolan population is a priority objective for these institutions. According to the latest demographics, registered on the 2014 Census, the usage of Angolan banking services grew from 23% in 2012 to 47% in 2014. BNA has not yet released final data for this indicator in 2015, however is expected a positive scenario for its evolution.

Regarding the number of agencies, the Angolan banking sector registered an increase of about 4.4% in the number of available branches, which corresponds to about six new branches per month. Notwithstanding, this was the lowest annual increase recorded since 2009 and is the reflex of the resizing process of the branch network, as a result of the market evolution and as a response to current circumstances.

EVOLUTION IN THE NUMBER OF BRANCHES



Source: BNA and Annual Reports

Means of payment and distribution channels

In 2015, and as in previous years, the use of different means of payment and electronic channels for performing the main banking activities has been positive. However, there was also a below-average growth regarding the number recorded in previous years.

Non-physical channels are of increasing importance in the banking sector in general. With regards to Angolan banking sector, the increasing levels of competitiveness, the need to increase population's financial inclusion and to cultivate client relationships similar to the ones existing in more developed economies, have contributed to a growing investment of Angolan Banks in the expansion of their distribution network.

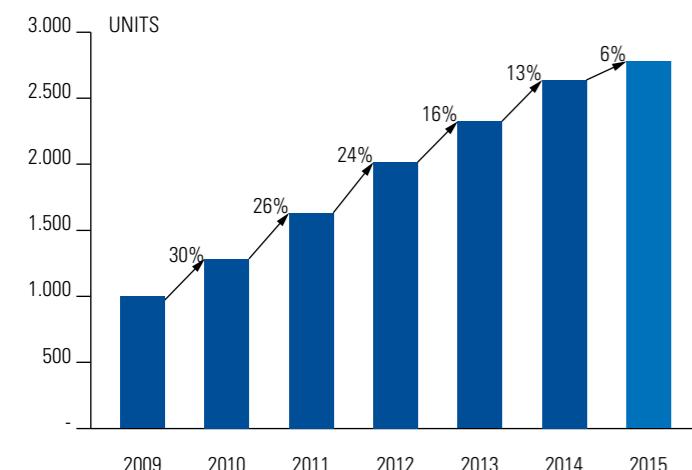
Regarding the *Multicaixa* network, the transactions performed in Automatic Teller Machines (ATM) and in Automatic Payment Terminals (TPA) registered a significant increase in 2015.

(1) *Banco Espírito Santo Angola* until August 2014..

(2) Ecobank Angola is waiting for the beginning of operations, while *Banco Postal* and *Banco da China* are waiting for registration within BNA.

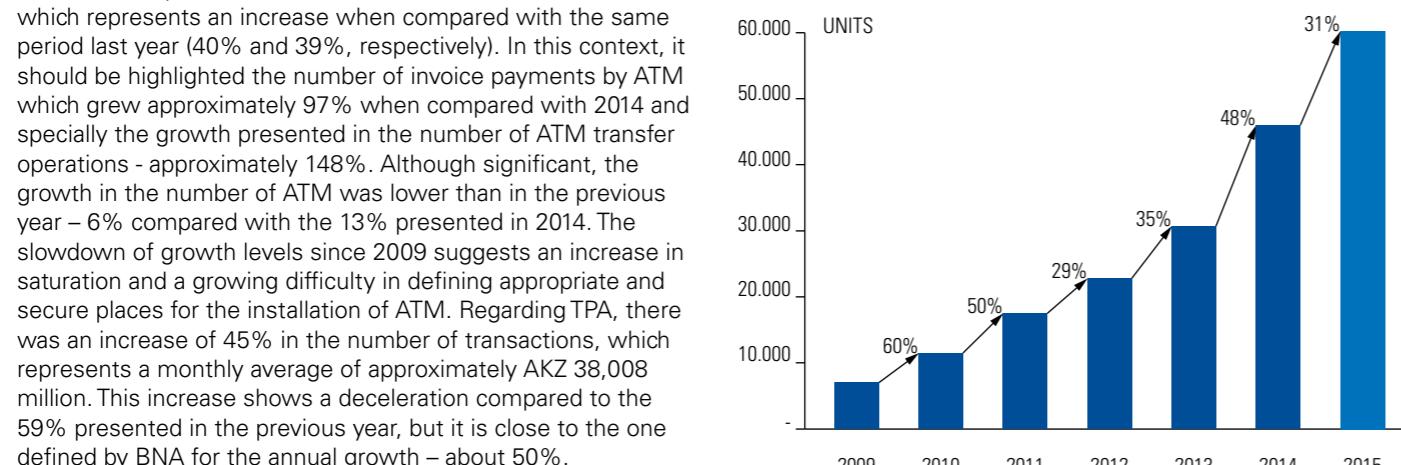
ATM transactions registered an increase of approximately 20% and its operations amounted to AKZ 1.581.040 million, which represents an increase when compared with the same period last year (40% and 39%, respectively). In this context, it should be highlighted the number of invoice payments by ATM which grew approximately 97% when compared with 2014 and specially the growth presented in the number of ATM transfer operations - approximately 148%. Although significant, the growth in the number of ATM was lower than in the previous year - 6% compared with the 13% presented in 2014. The slowdown of growth levels since 2009 suggests an increase in saturation and a growing difficulty in defining appropriate and secure places for the installation of ATM. Regarding TPA, there was an increase of 45% in the number of transactions, which represents a monthly average of approximately AKZ 38.008 million. This increase shows a deceleration compared to the 59% presented in the previous year, but it is close to the one defined by BNA for the annual growth - about 50%.

EVOLUTION OF AUTOMATIC TELLER MACHINES (ATM)



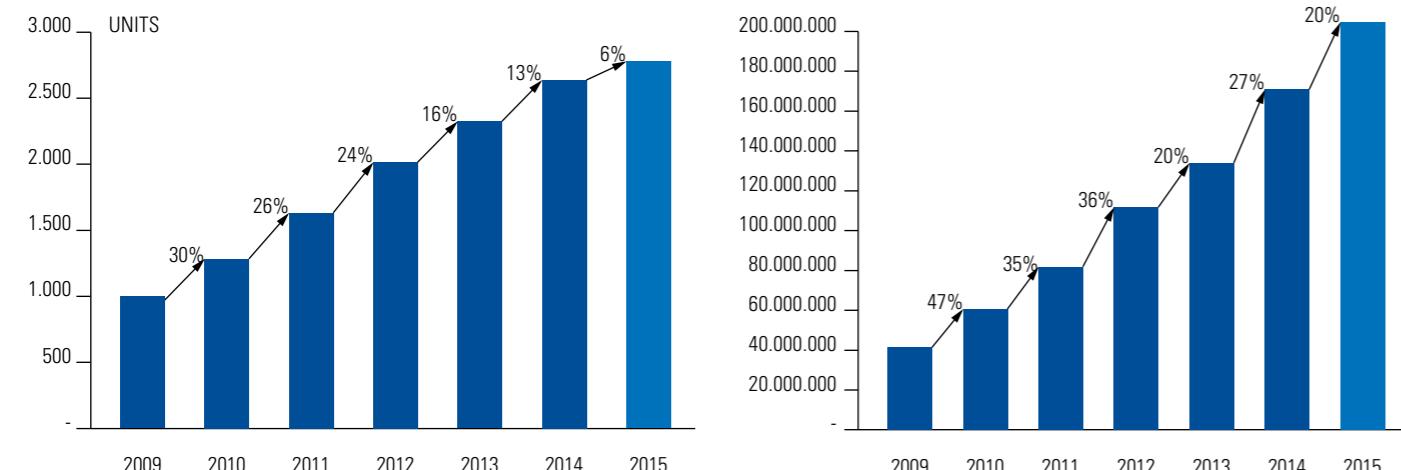
Source: EMIS

EVOLUTION OF AUTOMATIC PAYMENT TERMINALS (TPA)



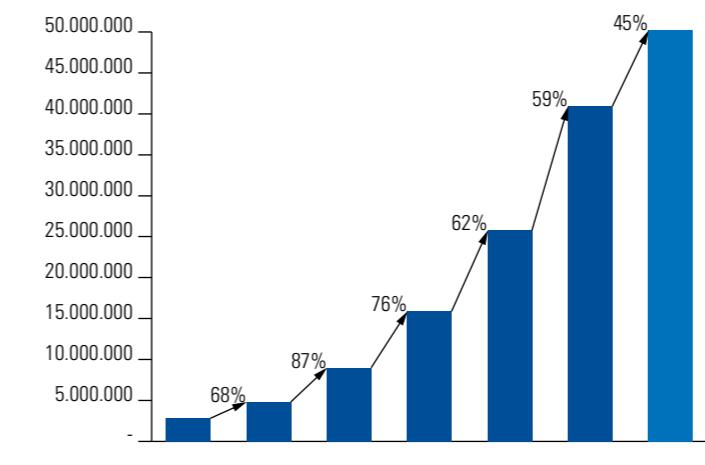
Source: EMIS

ATM TRANSACTIONS



Source: EMIS

TPA TRANSACTIONS



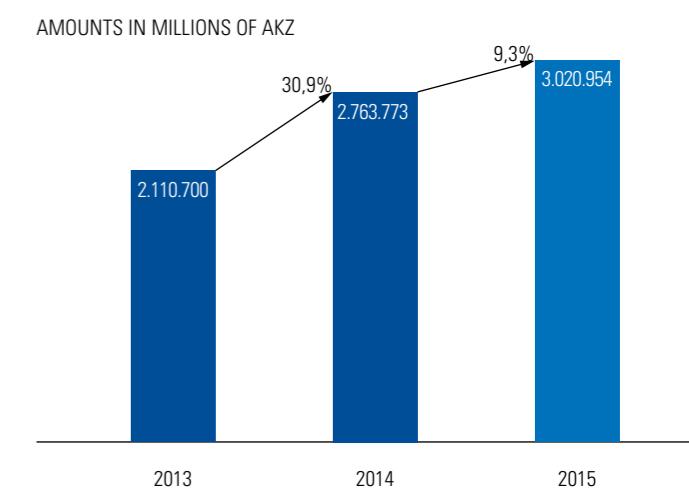
Source: EMIS

It is also important to note that the sector made an effort to improve the different distribution channels. The investment in this type of equipment is highly dependent on the availability of foreign currency, which is currently scarce in the Angolan economy. Additionally, the constant improvements of user's protection mechanisms should also be valued. However, it is also necessary to continue to increase the quality of service from the client's point of view as a user of these channels.

Loans and deposits

The levels of loans granted presented positive growth rates, but below the ones registered in 2014. In 2015, loans granted (gross loans) increased 9.3%, 21.6 p.p. below the growth registered in 2014 and 1.9 p.p. below the growth registered in 2013.

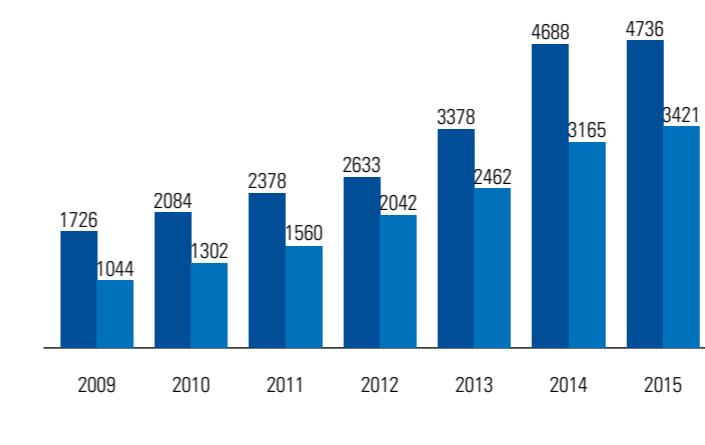
LOANS EVOLUTION



Source: BNA and Annual Reports

In 2014, the Multicaixa cards reached a volume of 4.74 million valid cards, from which 3.42 million registered activity. The evolution of the number of active cards followed the evolution registered in other means of payment/distribution channels of the sector, presenting, in 2014, growth rates lower than the ones in 2013 - 8% and 29% respectively. However, despite the slowdown in the evolution of the number of cards, approximately 300 million card transactions were performed in 2015.

EVOLUTION OF THE NUMBER OF CARDS (1000 UNITS)

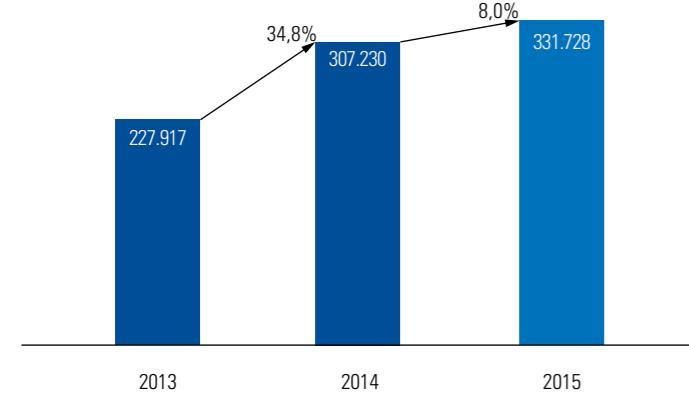


Source: EMIS

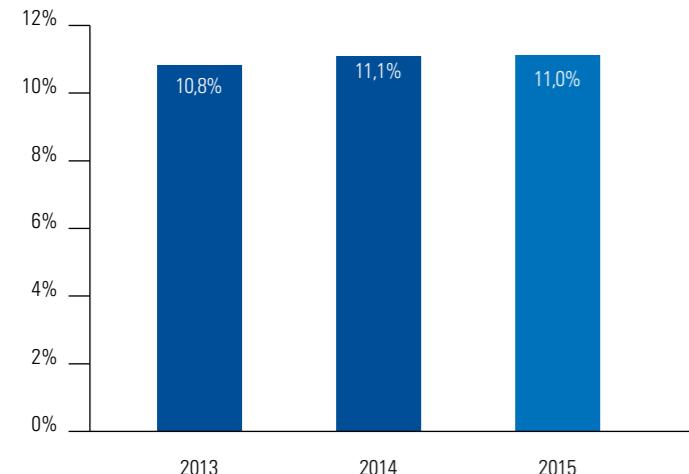
The favorable increase in credit volume was followed by the increase in non-performing loans, which remains one of the biggest challenges of the Angolan banking sector. The volume of overdue loans has doubled since 2012, corresponding to an annual growth of 21%. In this last year, overdue loans registered an increase of 8%, which is, however, the lowest increase since 2012. Notwithstanding, the ratio of overdue loans remained approximately constant, registering a decrease of 0.1 p.p.

OVERDUE LOANS EVOLUTION

AMOUNTS IN MILLIONS OF AKZ



Source: BNA and Annual Reports

OVERDUE LOANS/TOTAL LOANS (%)

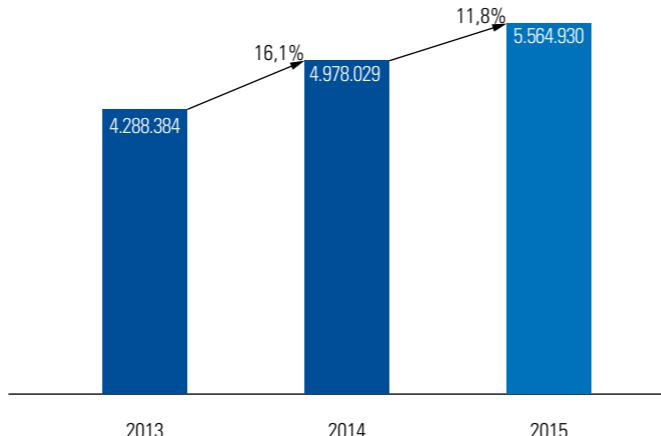
Source: BNA and Annual Reports

The current economic difficulties that Angola faces and which indicate growing levels of default, were compensated, in 2015, by a greater scrutiny of banking institutions in loan granting.

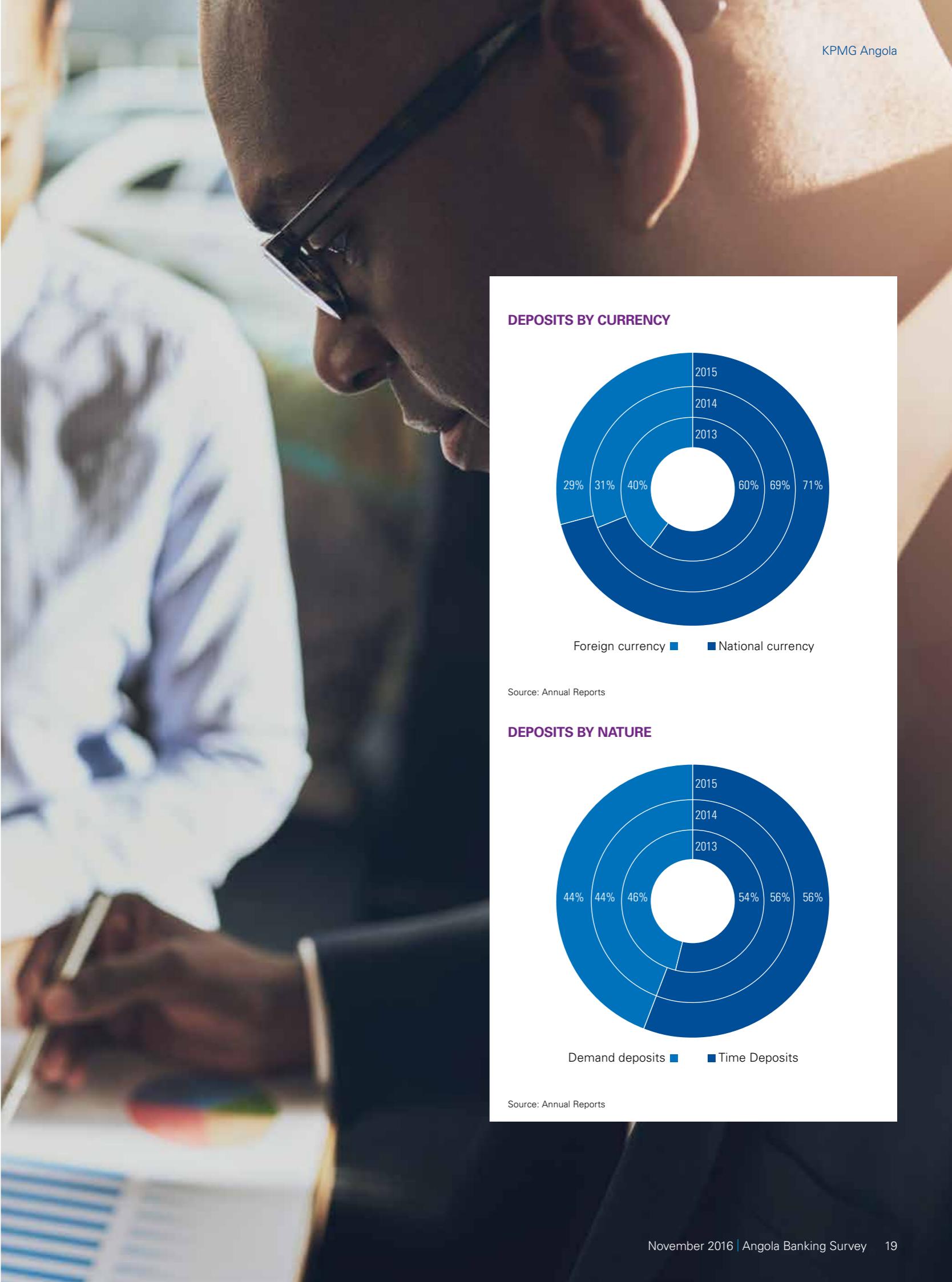
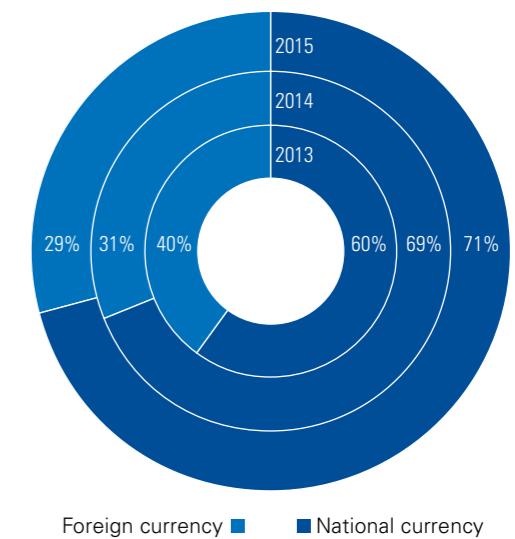
Regarding Deposits from Clients, in 2015, the Angolan banking sector presented growth rates of approximately 11.8%, yet below the ones presented in 2014 (16.1%). This growth was powered mainly by demand deposits, which presented a 13% evolution during 2015, and currently represent 56% of the total deposits. Time deposits also increased 10.1%, representing in 2015, 44% of the total deposits. Regarding the currency distribution, national currency deposits represented 71% of the total deposits, while the ones denominated in foreign currency represented the remaining 29%. The desdolarization phenomenon of the Angolan economy, an objective that has been continually reinforced by the Angolan Governmental Executive, is evident when we observe, since 2012, the annual growth of 22% of national currency deposits and the annual decrease of 1% in the foreign currency deposits.

DEPOSITS EVOLUTION

AMOUNTS IN MILLIONS OF AKZ

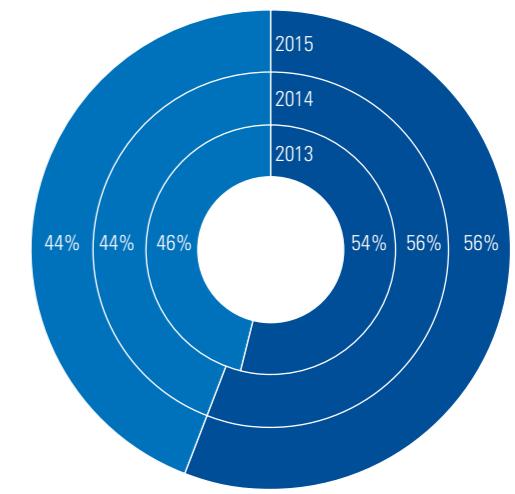


Source: BNA and Annual Reports

**DEPOSITS BY CURRENCY**

Foreign currency ■ National currency

Source: Annual Reports

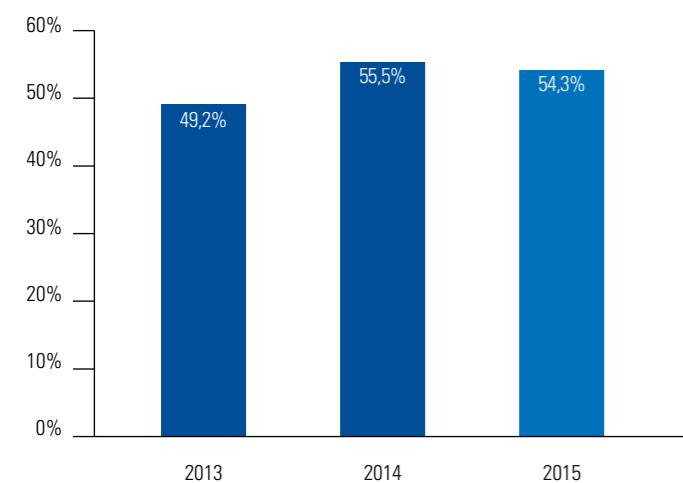
DEPOSITS BY NATURE

Demand deposits ■ Time Deposits

Source: Annual Reports

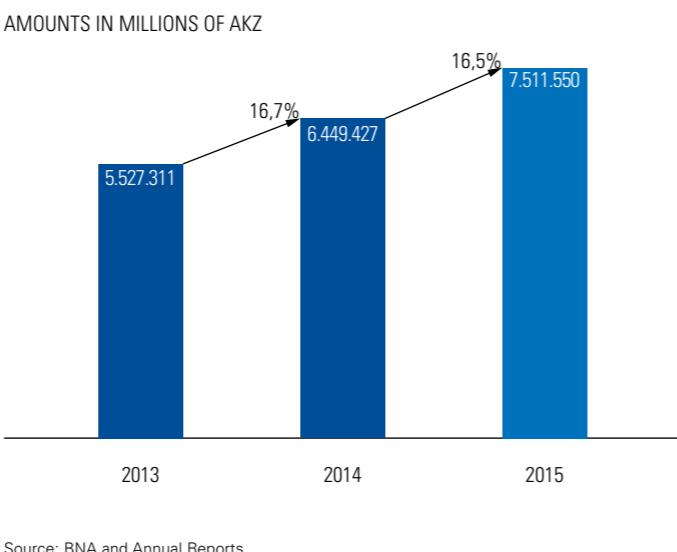
The Transformation Ratio in the Angolan banking sector decreased 1.2 p.p. from 55.5% in 2014 to 54.3% in 2015, which means that, on average, for each deposit, Banks are granting less credit when compared with the previous year. This variation reflects a higher growth in the volume of deposits, when compared with the growth of gross loans to customers (11.8% and 9.3%, respectively), but it is also a reflection of greater scrutiny of financial institutions in the evaluation of investment projects and the current economic environment.

TRANSFORMATION RATIO



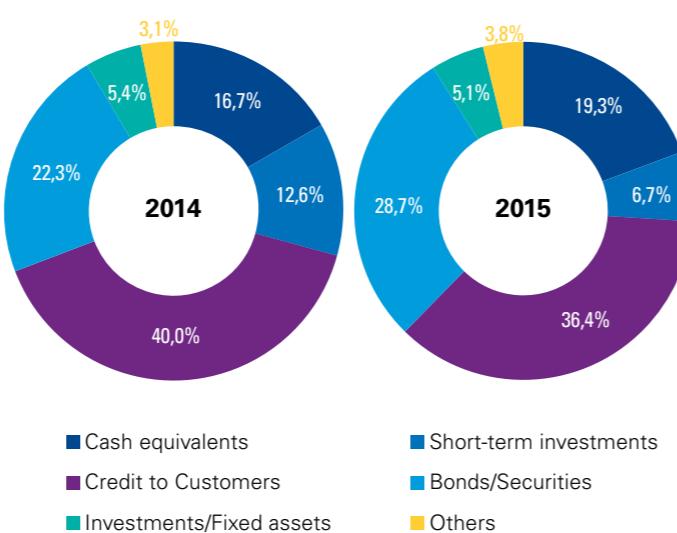
Regarding the volume of assets, the Angolan banking sector presents a higher volume of total assets than the one registered in 2014 – approximately 16.5%. Its evolution reflects a market valued in approximately AKZ 7,512 billion.

TOTAL ASSETS



The asset structure remained stable compared with 2014. It is important to refer the decrease in liquidity investments in approximately 5.9 p.p. and the increase in securities in approximately 6.4 p.p.

ASSETS STRUCTURE



Operating Income

In 2015, the operating income regarding the aggregated Angolan Banking Sector increased approximately 39.4%. This situation corresponds to the maintenance tendency verified since 2013, representing the growth acceleration of this indicator. This evolution, below the average of previous years, was enhanced by an increase of 51% in the complementary margin.

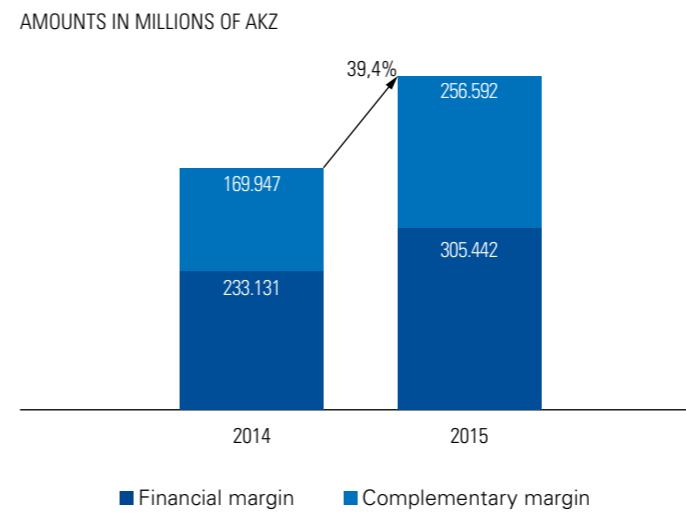
The financial margin grew approximately 31% resulting from an increase of approximately 18.4% in income from loans and, mainly in the income from securities, of approximately 79%.

The growth in deposit costs of approximately 14% and the decrease of the income from short-term investments of approximately 28%, conditioned a higher performance of the financial margin.

The complementary margin, as previously mentioned, registered a steep growth of 51%, the highest increase of the period 2010-2015. This increase was enhanced by a significant increase in results from foreign exchange operations, of approximately 83%. The large exchange rate volatility to which the Angolan Kwanza was subject, with a marked devaluation tendency, contributed to this evolution.

In 2015, the financial margin corresponded to 54.4% (2014: 57.8%) of the operating income structure while the complementary margin corresponded to 45.7% (2014: 42.2%).

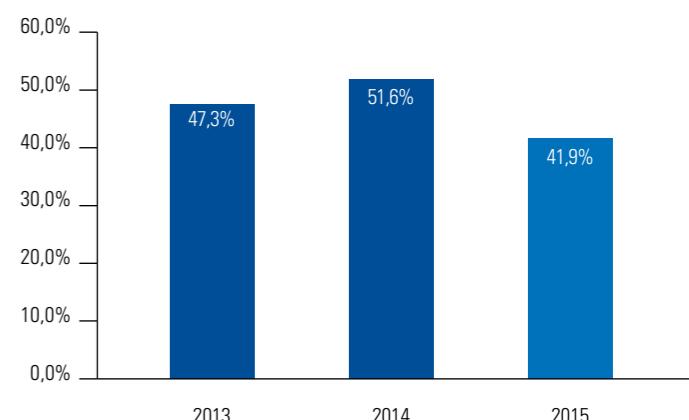
OPERATING INCOME



Cost-to-Income

Cost-to-Income ratio stood at 41.9% in 2015, the best figure of the period 2010-2015. However, the improvement reflects a growth of operating income (39.4%) higher than operating costs (13.3%). During this period, and especially in this moment of financial uncertainty that Angola is going through, operational efficiency presents itself as one of the biggest challenges for the Angolan Financial Institutions. However, in the period under review, banks fell short in adopting measures to optimize their cost structure in order to obtain a sustainable growth.

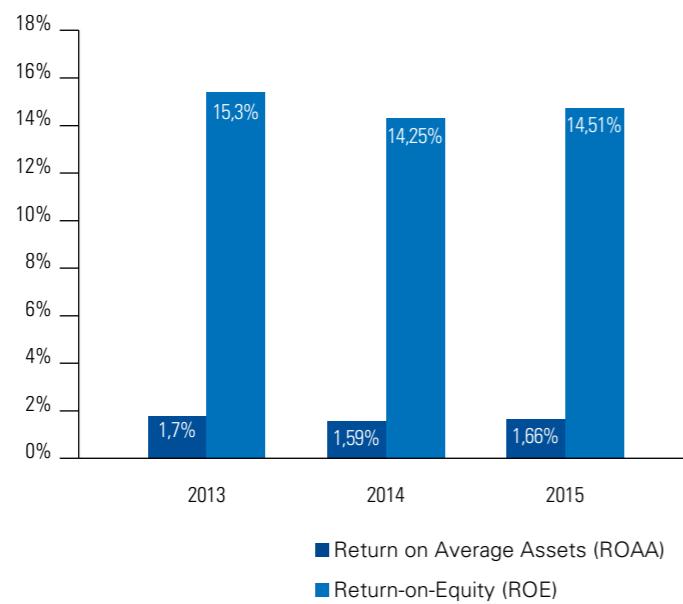
COST-TO-INCOME



Profitability

In 2015, the profitability of the Angolan banking sector continued to register levels similar to those presented last year. Both Return on Average Assets (ROAA) and Return-on-Equity (ROE) were similar to the ones presented in 2014. ROE stood at 14.5% while the profitability of the average assets was 1.7%, which represents an increase of 0.26 p.p. and 0.07 p.p., respectively.

Nevertheless, the Angolan banking sector presents, since 2010, a decreasing tendency of profitability levels. The strong competitive environment and the levels of non-performing loans are the main causes for this tendency.

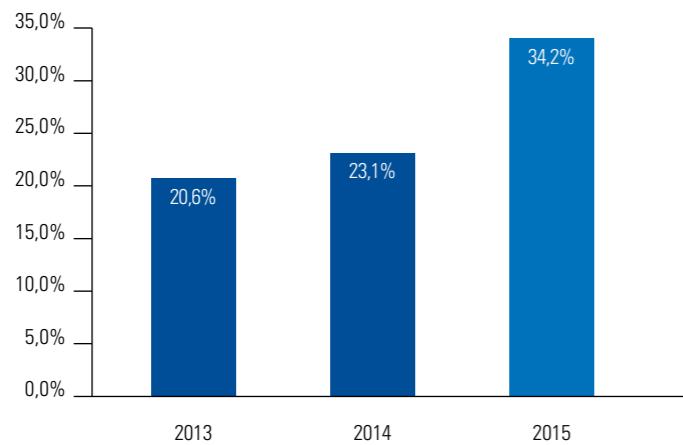


Source: BNA and Annual Reports

Solvency ratio

The solvency levels of the Angolan banking sector continues to present an increasing tendency. In 2015, the solvency ratio of the Angolan banking sector was 34.2%, which means, 11.2 p.p. above the figure registered in 2014 and 13.6 p.p. above the one observed in 2013. The reinforcement of solvency levels shall result into a greater robustness of the banking sector, supporting the accomplishment of the minimum ratio required by Banco Nacional de Angola (10%).

SOLVENCY RATIO



Source: Annual Reports



04 Challenges facing the Angolan Banking Sector

As in previous editions, the KPMG's Financial Services team identified what it considers to be the 12 major challenges for Angolan banking institutions in the near future.

1. REINFORCEMENT OF THE COLLATERAL MANAGEMENT PROCESS AND IMPACT IN DETERMINING IMPAIRMENT IN ACCORDANCE WITH IFRS
2. INCREASED NEED FOR INFORMATION ON BORROWERS FOR CREDIT RISK MANAGEMENT
3. IMPROVEMENT OF THE PREPARATION PROCESS OF FINANCIAL AND PRUDENTIAL INFORMATION
4. MANAGEMENT OF THE LIQUIDITY RISK AT THE CURRENCIES LEVEL
5. TAX IMPACTS OF IFRS ADOPTION
6. IMPACTS OF THE INTRODUCTION OF VAT
7. INNOVATION IN BANKING PRODUCTS AND SERVICES
8. ENTERPRISE RISK MANAGEMENT
9. IMPLEMENTATION OF NEW CAPITAL RATIOS
10. END-TO-END CREDIT MANAGEMENT
11. THE INSURANCE BUSINESS AS A STRENGTHENING OF THE BANK'S PROFITABILITY
12. BUSINESS PROCESS MANAGEMENT (BPM)

1. Reinforcement of the collateral management process and impact in determining impairment in accordance with IFRS

The change from CONTIF to IFRS will have a relevant set of impacts in Angolan banking institutions, being one of the most important the way how loan portfolio's provisioning will be made.

More than the quantitative question, the process will be significantly different from the existing one and will depend on a set of variables and information that was not at the top of the institutions' agenda.

In this field, the topic of treatment of collaterals and the quality of information available in terms of completeness and accuracy is of particular relevance.

In practical terms, the lack of reliability of this information implies the inability to use it to mitigate risks and, on this basis, an additional impairment effort with an impact on the operating account of the institutions.

On this basis, there is an urgent need for a gap analysis of the type and quality of the information and an effort to ensure the reliability of the databases currently used, based on the available information, and also define action plans to reduce the identified gaps.

This reliability should cover the characteristics of collaterals, such as typology, valuation, maturity, etc. On the other hand, it should consider the relationship between the collateral and the credit to which it is associated, namely if it is a specific guarantee, a generic one, what amount is counter-guaranteed, among others.

With regard to mortgage collateral, institutions should ensure that they have updated and determined assessments with reasonable assumptions, particularly where the assets correspond to projects still under development/construction. The selection process of evaluators has to be robust and the development of internal competences of critical analysis and updating of the referred evaluations must be guaranteed.

Additionally, it will be very important to create management governance models of this process in a prospective perspective, as a way to ensure that new operations are already properly framed and the information has quality for being used, as the recovery/existence of this information will allow banks to mitigate risk in a more robust way and potentially reduce the level of impairment with the use of this mitigator.

2. Increased need for information on borrowers for credit risk management

The Angolan non-financial corporate sector has presented significant levels of development in recent years, both in terms of the growth rate of its operations and in diversification and expansion into new sectors of activity, in order to strengthen the country's economic self-sufficiency capacity and consequently reduce the volume of imports from abroad.

It should also be noted that the economic development of the non-financial business sector in Angola has benefited from strong support from the State, with projects aimed at encouraging private investment in sectors critical to national economic sustainability.

In fact, the environment for the creation of new businesses based mostly on national private investment has boosted the credit activity of the banks through the use of bank funding from several investors. This is evident on the financial statements of banks showing a greater diversity of sectors of activity to which bank credit has been granted, as well as the actual distribution of the weight between sectors that has been reallocated due to the strategic changes mentioned above.

In recent years, this macroeconomic environment has boosted the emergence of a significant number of small and medium-sized enterprises in Angola, which have used bank financing to develop their operational activities but are still at an embryonic stage in terms of management and in the capacity for the regular and timely preparation of financial information with quality and duly certified. This is reinforced by the fact that these are sectors that are not very exposed to regulation and supervision, and are therefore not pressured for a fast, complete, rigorous and organized account reporting that is essential to assess their economic capacity and health.

Considering this scenario and the increasing credit exposure that banks have assumed with this type of companies and businesses, it becomes a relevant challenge for the banks operating in the market the need to reinforce the levels of demand and rigor with respect to the regularity and quality of the financial information provided by its debtors, including their certification by external entities, as well as the strengthening of analytical skills by the institutions, not only at the time of the initial concession, but also in the subsequent follow-up.

In order to reinforce the challenge set out above, there is also a demand that BNA has shown in recent years for banks to increase the quality of the credit risk assessment granted to these companies through the use of financial statements certified by external auditors and updated in at least one Basis. This BNA concern has been reflected not only in the banking inspections it has carried out in recent years, where the assessment on the Bank's asset quality (AQA) in Angola is highlighted, as well as in the regulations that have come into force either for the purposes of Credit risk, either for accounting purposes with the transition to IAS/IFRS.

As a result of the change in accounting principles for the banking sector in 2016, which will be based on IAS/IFRS, the process of credit risk assessment and the recognition of impairment losses will have significant changes and will be based on economic models that analyse the economic capacity of their debtors and that will penalize the banks' financial statements if the financial information presents reduced quality, high seniority or if they are not subject to certification by external auditors.

In summary, considering the described framework, it is essential that the bank, through its credit risk management activity, reinforces the requirements from its debtors in the process of organizing the accounting and providing accurate and high quality financial information. Furthermore, it is a challenge that should be assumed by the entire banking sector and, as such, the measures to mitigate it should be implemented in a concerted manner by all financial players operating in the country, since only by doing so, they will have a strong impact on the change in the culture of the need for annual reporting from part of this sector with very positive impacts for the Angolan economy and for the international stakeholders.

3. Improvement of the preparation process of financial and prudential information

The continuing scrutiny of regulators, investors, correspondents and other stakeholders as well as the relevance of the quality of the information and reporting excellence, pose enormous challenges to financial institutions worldwide.

Angola is no exception, and a path has already been taken in this direction, but it will face a major challenge on 31 December 2016 with the full implementation of IFRS. Changes in the level of detail of disclosures and their complexity, changes in the consolidation perimeter that require greater coordination of closing timings and the harmonization of processes and policies pose very relevant challenges for institutions.

On this basis it is vital to revisit the governance model, processes and systems for the preparation of financial and prudential information in order to guarantee the quality of the information and compliance with legal deadlines for reporting information. But the challenge must be even greater to ensure the implementation of a process that allows first internally (for executive and non-executive bodies) and then for stakeholders, a quality reporting and timings that enable users to make structured decisions based on this information within reasonable time limits.

In view of the tax and prudential requirements, institutions will need to continue to prepare some financial information in accordance with the accounting standard CONTIF, increasing the operational load and the necessity of control of the involved areas.

4. Management of the liquidity risk at the currencies level

The restrictions on the level of available currencies have impacted all economic agents in the country, and the banking sector, as a pillar of the financial system, is particularly exposed to the negative effects caused by the decrease in the price of the oil barrel in the international market.

In fact, as the financial intermediary between the various economic agents, the banking sector plays a key role in managing the balance of demand and supply of foreign exchange.

If, on the one hand, banks attract currencies from their customers only through attractive financial products and the full confidence of economic agents, no less important is the application of currencies obtained by financial institutions.

In the recent past, in addition to foreign exchange operations, the financial sector also allocated a portion of the foreign currency obtained to the granting of foreign currency financing to the various economic agents.

Regarding the financing granted, there has been an increase in the credit risk associated with these operations in the sector, which is due to the difficulties imposed by the economic situation and restrictions on the level of imports and their impact on the production capacity of the economic agents, together with the evolution of the exchange rate and difficult access to currencies, which implies for clients difficulties in complying with the payment plans.

This situation represents a significant risk for the banking sector, which, in an attempt to control and minimize the credit risk underlying these operations and to facilitate repayment of debt by borrowers, has sought to carry out several conversions of operations denominated in foreign currency into national currency.

However, the conversion referred brings other difficulties for the sector, since the foreign exchange exposure is limited and controlled by the banks themselves and by the Central Bank, and therefore the conversion of credit denominated in foreign currency is only possible when the banks are able to offset their foreign exchange position. This compensation only happens

if banks are able to raise more currencies, either through the auctions promoted by the National Bank of Angola or through deposits from clients or applications from other financial institutions.

Access to foreign exchange auctions is now restricted to entities that comply with the requirements imposed by the National Bank of Angola at the level of the foreign exchange exposure. On the other hand, the growing pressure on clients' use of foreign currency deposits and the significant decrease in money market operations between local financial institutions bring further difficulties to the sector.

The scope of the sector's impact on the management of foreign exchange is thus not limited to the credit and liquidity risks of the banks themselves, also affecting the mutual trust between economic agents.

This last factor is crucial for the consolidation of the financial sector in Angola, with the National Bank of Angola progressively changing the regulations associated with the constitution of obligatory reserves in order to strengthen confidence in institutions and ensure the sustainability of the financial sector.

In addition, further to ensuring that regulatory requirements are met, the banking sector will have to be able to manage the complex relationship between the liquidity risk resulting from the shortage of foreign exchange and the credit risk underlying the financing granted, since the joint effect is decisive for the management of default risk by financial institutions, and for this purpose they must have the tools to enable them to follow up the process in a timely manner.

5. Tax impacts of IFRS adoption

As we have been able to refer to in the previous editions of the Angola Banking Survey, the process of full adoption of the International Accounting and Financial Reporting Standards (IAS/IFRS) in companies in the financial sector is currently in progress.

In this context, the National Bank of Angola published the Notice no. 6/16, of June 22, which established the general principles to be observed by banking financial institutions in the transition to the new accounting standard.

In addition to the harmonization of the accounting regime applicable to these entities, this process allows the introduction of a set of new processes and functions with a huge structural impact in these institutions, as well as comply with the requirements of the international financial institutions.

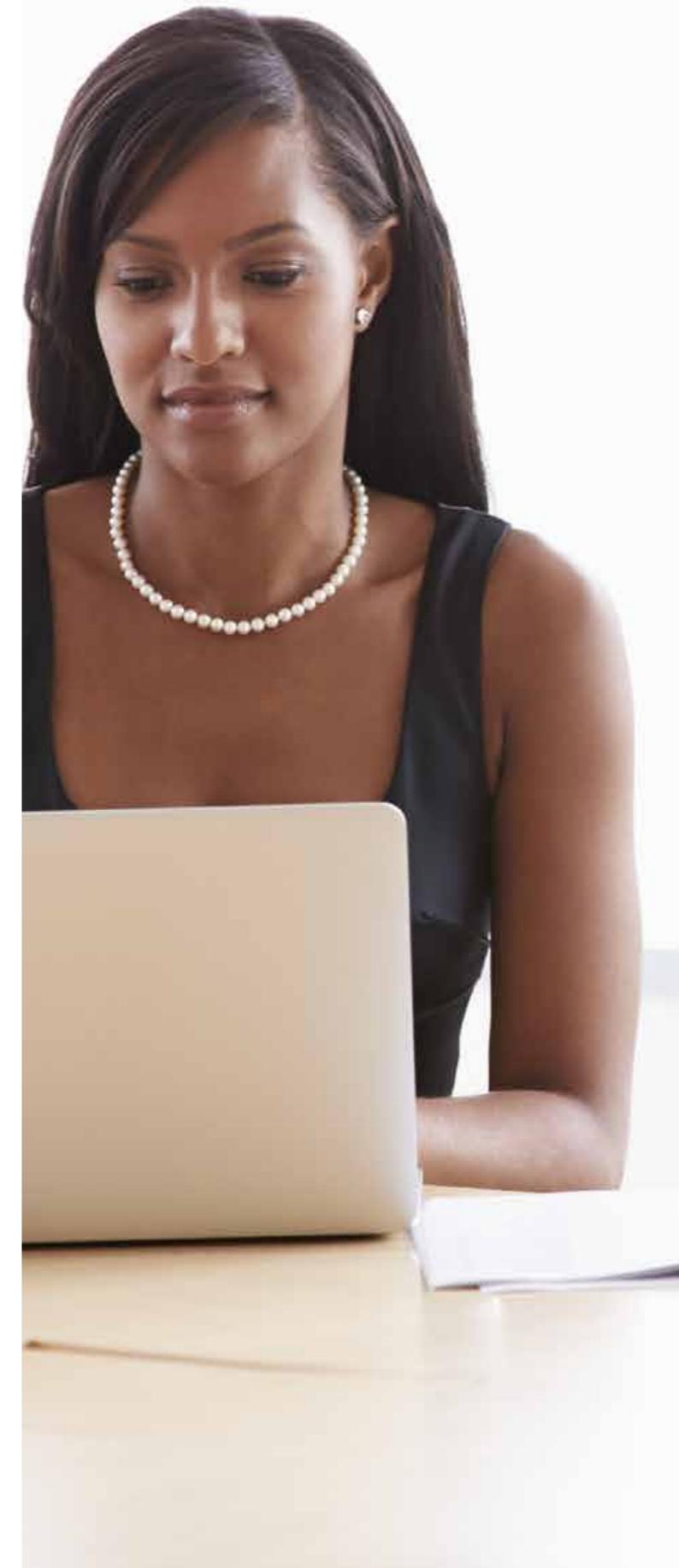
Also, the present process will enable higher levels of comparability and transparency of the financial performance of national financial institutions to be achieved on a global scale, aiming at a clear improvement in the quality of information provided to users regarding their financial statements.

Considering the objectives set by the national regulatory authorities, the transition to IAS/IFRS implies addressing a number of relevant challenges, the first of which in accounting terms, namely (i) the preparation of an opening balance sheet in accordance with IAS/IFRS and (ii) a reconciliation between equity in accordance with generally accepted accounting principles and equity in accordance with IAS/IFRS.

In this context, it is also important to safeguard the tax impacts on Industrial Tax arising from this transition, since they, in addition to having an impact on the cash flow of these Institutions, have significant accounting impacts on them, namely through the recognition of current taxes and/or deferred taxes.

In fact, the Industrial Tax has a relationship of dependence with accounting as a result, first of all, of the fact that the net profit of the period constitutes the basis and the starting point for the determination of the respective taxable profit and is then subject to positive and negative adjustments not recognised for accounting purposes.

In other words, the process of calculating taxable income takes place at two levels: (i) first, by accepting the accounting rules



for calculating net profit for the period and, subsequently, (ii) the corrections resulting from the adjustments provided for in tax legislation.

Considering this, the accounting impacts of the adoption of IAS/IFRS shall be analysed for tax purposes, at least at two levels:

- in the transition, which gives rise to the recognition of a variation in equity (variation in own funds) that should be included for tax purposes;
- in subsequent years, in which it is necessary to determine the relevance for tax purposes of costs/expenses or gains/income recognized under the new accounting regulations.

Since specific tax rules have not yet been published to address the impacts of the transition to IAS/IFRS, the determination of the tax treatment of the respective accounting changes under the current version of the Industrial Tax Code implies a relevant interpretative effort for the national financial institutions.

Thus, BNA will engage efforts with the General Tax Administration (AGT) to discuss the changes that should be introduced in the current tax legislation in the context of the full adoption of IAS/IFRS.

This is one of the themes of a tax nature that should get more attention by the financial institutions tax management.

6. Impacts of the introduction of VAT

Value Added Tax (VAT), including its Anglo-Saxon variant, the General Sales Tax (GST), has been preferably adopted by most countries as a general sales tax model.

The reasons for such choice are known and relate essentially to its (good) performance in revenue collection, the primary function of any tax, based on this case on a broad or broad based basis. It is also worth mentioning the neutrality of this tax and its ability to promote tax compliance through the invoice method, together with the deduction mechanism or the tax credit that it characterizes.

As a well-known success story, the first issue that arises is why in most jurisdictions financial services is a hard-to-tax item (an exception to VAT) which generally benefits from a non-taxation regime through exemptions.

No less relevant is a second question: whether, after all, since financial services are generally exempted, there is any impact on the financial sector regarding the introduction of a VAT system.

Beginning at the end, it can be stated without any doubt that the impact is significant.

In fact, even assuming the exemption, and hence the non-taxation of VAT on financial services (objective exemption) or the financial sector itself (subjective exemption), financial institutions will be able to pay VAT on purchases of goods and services which they carry out for the development of its activity. At this point, it is important to compare the tax (of consumption) that is currently supported with that which will represent the application of VAT, depending of course on the fee structure that comes to be defined. The first aspect to be highlighted is therefore the increase in the tax burden incurred in the acquisition of external supplies and services (with the exception of personnel expenses which are excluded from VAT tax) and of tangible fixed assets.

Another relevant aspect is the intra-group operations and the outsourcing of functions or processes by financial institutions (outsourcing) that are injured by the existence of a VAT system that provides for exemption in financial transactions.

With regard to intra-group transactions, the centralization of corporate or support functions in specialized entities - such as corporate centers or competence centers - is likely to be penalized by the respective VAT tax unless, as is the case in most Countries of the European Union, a system of "VAT groups" inspired by the German *organ-schaft* which establishes the non-levying of VAT on internal operations carried out within the group's perimeter. Otherwise, VAT will not comply with the paradigm of neutrality that governs it and will foster the vertical integration of organizations with markedly distorting effects.

The externalization of specific functions is another of the critical points in the VAT exemption regime, which is often in the financial sector. In this context, the (understandable) appeal to external providers in certain areas implies a charge for VAT (as is already the case today in terms of Consumption Tax), because if the same tasks are carried out by own employees the incidence of the tax is not verified. This is, in fact, one of the main issues facing the financial sector in relation to VAT.

Lastly, but without exhausting the concerns that should be addressed, it is important to highlight the implications of VAT on corporate reorganization or restructuring operations and the framework to be given to cross-border operations, with particular emphasis on the "exportation" of financial services, whose trigger can pass through the introduction of a system which gives entitlement to deduction in this type of service.

It is clear that most of these problems relate primarily to the VAT exemption scheme applicable to financial services or to the financial sector overall, depending on the extent and nature of the exemption. However, while the argument that exemptions affect the integrity of VAT is unacceptable, since they raise hidden and cascaded taxes, there are many difficulties in establishing a technically valid system for taxing financial transactions.

The complex quantification of the tax base of some typically financial transactions (which make it difficult to calculate the VAT on such transactions) and sometimes also the determination of the relevant moment for tax purposes, the tax point (although this aspect is omitted in most studies on this subject) recommend prudence in approaching a solution that would result in the taxation of active transactions, in other words, in the taxation of financial services provided by banks and other financial institutions. We are, in fact, in a hard-to-tax sector.

However, while supporting VAT exemption in financial services, the key issues identified can be minimized by strictly defining the typology of exempted transactions and/or sectors and by taking measures to counteract the distortions caused, as is the case with VAT groups, balanced by appropriate anti-abuse rules.

Finally, a reference should be made from a procedure point of view, highlighting the fact that VAT is a demanding tax and poses compliance challenges to the entities that are subject to it. This peculiarity is at the origin of the unique development that has been observed in the last decade of technological solutions that can constitute an important pillar in the implementation of this tax.

On this basis, if this is the course defined in terms of tax changes in Angola, it is relevant that credit institutions become aware on the potential impacts of these changes and prepare the process in advance.

7. Innovation in banking products and services

Banking business has evolved over the last few years from a product-oriented business model where "product factories" defined the banks' business designs, to a model where the customer is at the heart of the institutions.

While it is widely accepted that most banks are doing this trajectory, it is equally true that most still have a long way to go. Large and small financial institutions have been working to deepen the knowledge of their clients, storing and analyzing data and information about their needs, preferences and behaviours and materializing all this knowledge in specific value propositions by segment, sub-segments and clusters of customers. However, the same speed that banks have printed on customer knowledge has not been parallel in an equally critical dimension, that of Products and Services (hereinafter "P&S").

Not being currently the "end" as it has been in the past, the product is currently a critical "means" for achieving an appropriate service and sales experience with customer expectations and consequently achieving customer attraction and retention objectives.

Thus, the current competitive environment coupled with a constant evolution from the clients, should in the short term

encourage a deeper reflection on the P&S considering the following challenges:

- P&S supply observatory: benchmarking of the existing offer allowing the identification of market positioning opportunities, promoting innovation of new supply and rationalization of existing supply;
- Customer lifecycle: adequacy of the offer to the financial needs that clients present throughout their life cycle, guaranteeing superior levels of commercial efficiency and customer experience;
- Efficiency of collection: reinforcement of the process of supply pricing management aiming at minimizing the existence of commissioning leakage and thus reinforcing the banking product.

P&S Supply Observatory: Catalyst for innovation

Although information on the characterization of the P&S supply is publicly accessible, the difficulty of collecting, processing and structuring in a business perspective induces most financial institutions to perform this work reactively when deciding to launch a new product.

In favour of proactive and more effective product development commercially and operationally efficient, the use of a P&S observatory is a critical factor for success and differentiation of institutions in the markets. Thus, the use of a service that provides a holistic (commercial and technical) view of the existing products in the market, both in terms of analysis and exploration (e.g. database with structured and standardized product information) and knowledge generation (e.g. positioning reports) is presented as a strategic asset for the product areas of the institutions. This approach is a catalyst not only for the innovation of new offers but also a rationalization of the existing offer both in a comparative perspective with the different players in the market but also in a critical analysis of the current offer of the banks against the criteria of simplicity, transparency and value for Money currently required by customers.

Customers lifecycle: Customization of the P&S offer

In addition to knowledge of customers' needs, preferences and behaviours, it is fundamental to evolve customer knowledge into a perspective on the life cycle of customers as individuals and consumers. Through the knowledge of the "moments of truth" (e.g. college entrance, marriage) of individuals' lives, institutions should translate this knowledge into clients' financial needs (e.g. investment, savings), thus allowing for more individualized approaches, anticipating needs and consequently commercial assertiveness but also in a better allocation of resources in the sales process.

Effectiveness of recovery: Minimization of commissioning leakages

The high diversity and complexity of the offer has gradually created vulnerabilities in the pricing process of commissioning. The existence of differences between the physical and system pricing, between this and the amount actually settled and adoption of manual and automatic commissions are some of the challenges that banks face today in the context of the management of banking commissioning. An integrated action of price alignment, optimization of pricing and optimization management process and continuous monitoring of commission leakage will allow a significant reinforcement in banks' banking income.

8. Enterprise Risk Management

The cycle of risk management, namely its adoption and use by banking institutions, has undergone a very significant evolution in recent years. Risk management is increasingly linked to the business strategy and risk appetite of the institutions, as well as to the incentive models themselves, and the processes of credit cycle management have been embedded in the daily activity of the institutions. Thus, with the objective of bringing practices in Angola closer to international standards in risk management matters, not only to promote a better and more efficient risk culture, but also to ensure greater credibility of the Angolan financial system in the panorama, the National Bank of Angola (BNA), has been continuously strengthening its regulatory framework.

In this context, the Angolan banking market presents a set of regulatory challenges quite demanding and that will require a profound change in the internal government of Angolan financial institutions, namely at the level of internal processes, information systems and internal organization.

In order to mitigate these new regulatory and market requirements as well as to consolidate risk management, Enterprise Risk Management (ERM) as a risk management model, has gained particular relevance as an integrated, global and transversal set of policies and processes that aim to ensure a holistic view of Risk Management.

ERM is a risk management model that aggregates business and risk strategies in business planning, identifying emerging and future risks, disseminating a culture of risk by the institution, and integrating risk into decision-making processes.

In the development of ERM, institutions should take into account the following dimensions:

KEY DIMENSIONS OF ERM

In designing the strategy and risk profile, institutions shall clarify what their strategic business drivers and target objectives are, as well as the amount of risk they are willing to accept to achieve the defined objectives. In order to monitor the defined risk strategy, institutions shall formalize internal risk governance by identifying the person responsible for the risk function, in the operationalization of the internal risk management processes, clearly identifying the responsibilities of each stakeholder in the process, information to be reported, reporting lines and their periodicity.

In line with the business and risk strategy, institutions must identify and monitor all material risks inherent in the development of their current and future business. In identifying and quantifying risks institutions should document their methodologies and processes for identification, quantification and monitoring as well as risk mitigation techniques. It should be noted that in the current maturity stage of the Angolan banking market, most financial institutions use as reference for risk monitoring the regulatory methodologies.

In order to monitor the evolution of organizations' risks, it is necessary that the information provided internally by the institutions is of a high quality, requiring a transformation in the processes, data and IT systems that support the institutions' risk quantification models. In this dimension the challenges of the Angolan financial institutions are quite significant and will require large investments in the IT infrastructures of organizations in the coming years.

Financial institutions that best adapt their organization and internal processes to the new regulatory and market framework, namely the flexibility and consistency of the information reported internally and externally and the use of risk management tools in the decision-making process will be more prepared to create economic value to its stakeholders in the future and consolidate the resilience of its business into adverse scenarios.

9. Implementation of new capital ratios

In the current global economic environment, the management and quality of regulatory capital has been one of the main concerns of stakeholders in the banking sector.

Thus, BNA, aiming at approximating and adopting best practices in Angola regarding the solvency management of the banking sector, has been implementing a set of regulatory changes for the full implementation of the Basel II agreement. Following this, Notice No. 2/2016 was published, which defines the new rules for the calculation of the Regulatory Solvency Ratio (RSR), and redefines the characteristics of the financial instruments considered in the determination of the FPR (Regulatory Own Funds).

With the introduction of this new regulatory framework, Angolan financial institutions will have to report solvency ratios with significant changes in methodologies for quantifying requirements and defining elements eligible for own funds, given the current framework. Considering this, institutions face challenges in the handling of information to support the calculation of solvency ratios both in terms of the quantification requirements and in the identification of the elements eligible for regulatory own funds, due to the requirement of greater granularity of information and a greater plurality and complexity of quantification.

In order to respond efficiently to these challenges, institutions should create internal processes for quantifying and reporting solvency ratios, resulting from coordination and interaction between different departments, such as (i) financial and accounting department; (ii) risk department; (iii) audit department and (iv) compliance, among others. With the new information requirements for different areas/departments of the institutions, it will be necessary not only to strengthen the IT infrastructures as well as the entire architecture of IT systems.

In this phase, Angolan financial institutions are analyzing the impacts on the organization and internal processes of the implementation of the reporting process of these ratios. A number of solutions will address these challenges, a more structured/strategic one that will involve investment in infrastructures and systems, and fewer less structures/tactics that will help institutions address challenges in a less structured but faster way.

Institutions that are more likely to opt for more structured strategies will be able to achieve competitive advantages over their competitors because of the ease with which the information can circulate internally in both the regulatory reporting and decision making.

In line with the challenges related to the quality and speed of availability of information, the capital requirements resulting from the current regulatory changes also pose new challenges to the management of the institutions's equity, namely:

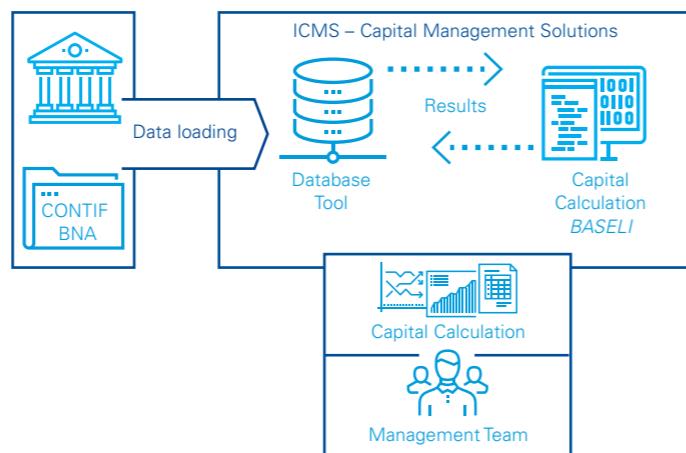
- i. The level of capital consumption of financial operations and potential requirements for additional capital inflows;
- ii. In the definition of capital optimization strategies, which allow institutions to save capital (for example through better management of the collateral associated with the credit portfolio); and
- iii. In the introduction of these metrics in decision making, for example in determining the pricing of each credit operation, with the introduction of a component in the calculation referring to the capital consumption of the operation.

Given that the Angolan banking sector is undergoing a period of slower expansion due to the global financial crisis, as well as the country's impact as a consequence of the decrease in the price of oil in international markets, the raising of new capital elements through Increases in capital or issuance of other eligible instruments should present difficulties and increased challenges. Regarding this, the management and optimization of capital consumption will be a critical success factor for institutions to create value and profitability to their shareholders.

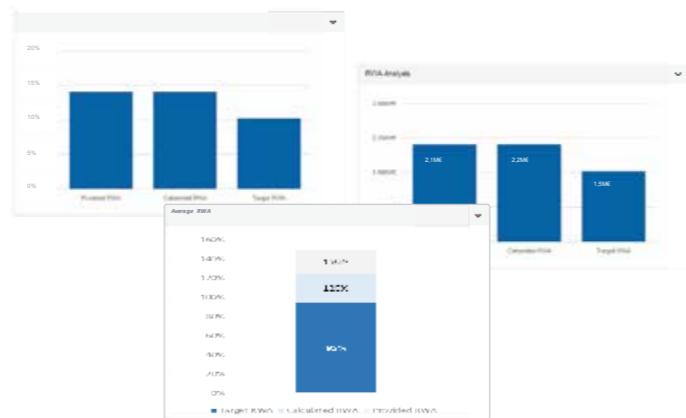
One of the main objectives of an efficient capital management is to ensure that institutions have implemented the most appropriate processes in order to properly allocate capital requirements by type and risk profile of each asset. Therefore, a structured solution for quantifying and optimizing of capital consumption, based on tools and processes allows an efficient capital management. With these tools institutions can more easily compare the capital consumption of alternative investments as well as implement measures that can lead to capital savings, such as changes in the policy of allocating collateral.

The structured solutions for the quantification of regulatory solvency ratios should also be included in the internal decision-making processes, namely with input information to define the pricing of each credit operation.

EXEMPLE OF A CAPITAL MANAGEMENT SOLUTION



EXEMPLE OF INFORMATION DASHBOARDS



10. End-to-end credit management

Credit management is one of the main processes of banking institutions, not only because of its relevance as a fundamental tool for boosting the economy and investment, as well as a source of financial margin generation for banks, representing a substantial component of their results.

Additionally, covering a wide range of areas within a banking institution, involves a set of procedures to ensure the correct structuring of credit operations, their analysis and evaluation, decision-making, monitoring and control, and finally, in cases of non-compliance, recovery activities. In this sense, it is also a highly complex process, as a result of a wide range of activities, procedures and stakeholders, so it is essential to properly structure and optimize.

Recently, as a result of some of the difficulties that the Angolan economy is experiencing, with a natural impact on the main economic agents (individuals and companies), the level of nonperforming loans has reached very high levels, indicating the pertinence of a review, optimization and Strengthening of end-to-end credit management processes in banking institutions.

MAIN STAGES AND CRITICAL ACTIVITIES OF CREDIT PROCESS (END-TO-END)

Origination	Analysis and Decision	Management and Monitoring	Recovery and litigation
<ul style="list-style-type: none"> - Gathering and management of information about clients, operations and collaterals; - Requirements, processes and validation of the information; - Information systems and support tools for this activity. 	<ul style="list-style-type: none"> - Impact in the quality of the credit portfolio in provisioning levels; - Methodologies and support tools for the decision-making; - Use of risk models - scoring and rating; - Suitability of the pricing to the risk level of the client and operation; - Management of prudential limits and internal concentration limits. 	<ul style="list-style-type: none"> - Prevent the deterioration of the portfolio quality and anticipate possible non-compliances; - Robust processes for an automatic and dynamic alert; - Anticipate the recovery strategies; - Increase of the speed and efficiency of these processes; - Registration and management of the information on credit recovery. 	<ul style="list-style-type: none"> - Formalization of the different phases of credit recovery and parties involved;

In addition to this, the National Bank of Angola has been continuously and gradually revising and introducing of a set of regulations applicable to the financial system (Notices and

Instructions), covering a set of themes with structural impact in the management of credit processes, of which the following are highlighted:

- Management of collaterals (Notice No. 10/2014);
- Specific requirement for credit operations (Notice No. 11/2014);
- The constitution of regulatory provisions (Notice No.12/2014);
- The new requirements for own funds (Notice No.3/2016);
- The full adoption of IAS/IFRS (Notice No. 6/2016).

In this context, financial institutions face a number of challenges in the area of credit management, and it is necessary to adapt internal practices and procedures to ensure compliance, not only new regulatory requirements, while simultaneously responding effectively to the country's challenging macroeconomic context.

Main challenges and future evolution of credit management

In order to meet the growing regulatory requirements set out above, as well as the challenges of scrutiny and demand in the analysis and decision-making of credit operations, it is essential that banking institutions strengthen their internal governance structure, ensuring effective segregation of risk management functions in order to ensure the necessary specialization and independence of the different areas involved in the credit process.

Of course, a complex process, involving several activities and functional areas and which is intended to be robust, with high levels of control and efficiency, shall be supported by systems that allow automation of some operational tasks. In this context, credit workflow systems have been implemented and strengthened, enabling a broad set of advantages, such as the standardization of processes and criteria for analysis, improvement of service levels in the lending process, prevention of fraud risk and improvement in the quality of credit portfolio information.



Additionally and towards the evident deterioration in credit portfolios, in particular with regard to overdue credit, together with the implementation of new methodologies for quantification of impairment in the Angolan market (more demanding from the point of view of credit quality and level of coverage of operations), it is essential that the Institutions rethink their actions at the level of credit granting, monitoring/ follow-up and recovery, as a way to enable a preventive and timely action and thus mitigate the increase in Amounts of default and consequent provisions for Impairment, which have a direct impact on the results.

11. The insurance business as a strengthening of the bank's profitability

The banking sector has seen an increase in the complementary margin, with a progressive increase of its weight in the banking product, being a determinant factor in the profitability of the sector. This increase is mainly due to the growing weight of commissions related to foreign exchange transactions, with commissions resulting from the sale of insurance, a total

weight below its potential. In this context, the adoption of an adequate supply and an operative model that facilitates the marketing of insurance may contribute significantly to the increase of the importance of the insurance business in the profitability of the banking.

Despite the strong growth in banking income in 2015, and in particular in the complementary margin, the insurance business still has a weight in the banking income structure below its potential. In our understanding, there are several factors that may contribute to the increase of the relative importance of the commissions resulting from the insurance business in the banking income structure, covering both the available supply component and the supporting operating model.

A. Increase in insurance products offer through the banking channel and adequacy of the value proposal for the several customer segments

Credit growth, coupled with the offer of life risk products, as well as the development of a complementary offer of

financial to capture long-term savings, will be decisive factors in reinforcing the weight of insurance in bank profitability. It is also to be expected that the progressive development of the capital market, a tax policy that benefits this type of products, combined with the progressive strengthening of literacy and an increase in the average life expectancy, may also be an important factor in the development of this offer.

In addition to the offer made available, the value proposition should be clear for the different customer segments, favouring a simple and complementary product to banking services, appropriate to the characteristics of each segment, and with different price conditions and adjusted to the characteristics and level of involvement of each client or segment of clients.

B. Adequacy of the supporting operational model

Considering the complexity of insurance products and competition with other banking products, the adequacy of the operating model of support is another critical factor in the growth of insurance sales through the banking sector. It is necessary to define a flexible and scalable operating model that fits the specific characteristics of the sector, at the level of government model, processes, information systems and people. Some of the critical factors for the success of this model include:

1. Governance model: Define a governance model with responsibilities between the bank and the insurer and covering the necessary structures for the management, monitoring and support of the entire operation.

2. Processes and Systems: Ensure the simplicity of processes and the integration of information systems, guaranteeing the existence of quality information to support all phases of the process of sale and insurance management and operation monitoring.

3. People and culture: Encourage the training and qualification of people, ensuring the availability of support both in the sales phase and after-sales support. To adapt the model of objectives and incentives, in order to promote and encourage the development of this operation.

In the following years, there will continue to be a progressive reinforcement of the importance of the insurance business in the complementary margin of the banking sector in Angola, constituting an important factor of diversification of sources of revenue and improvement of customer service.

12. Business Process Management (BPM)

In the Angola Banking Survey of 2013, KPMG launched the challenge for financial institutions to adopt a business process

management (BPM) approach, where a cross-sectional view of processes would be promoted by the various functional and operational areas involved in the execution of the various processes' activities. In the last three years, several Angolan banks have invested in a BPM approach to their most critical business processes, such as foreign exchange operations, account opening or credit granting. Those who started this journey longer now take advantage of greater end-to-end control and standardization, have significant gains in operational efficiency, and enable a better experience and greater satisfaction for their customers. The challenge for the future will be to make the investments already made in BPM and in process excellence centers even more profitable, by means of a greater dissemination of the processes digitization, as well as the optimization and reengineering of processes already in production, considering the various performance indicators accompanying the evolution of the business itself.

Formally, BPM is a process management discipline combined with process automation technology that enables institutions to analyze, model, redesign, and optimize their business processes. The main reasons given for justifying the implementation of the respective GMP programs are, in order of importance, the following:

1. Improve the quality of services;
2. Increase customer focus;
3. Increase productivity;
4. Manage operational risk;
5. Reduce costs; and
6. Improve organisation processes.

Since the adoption of BPM is transversal to the organizations, its implementation requires the sponsorship at the level of the Management Bodies and a structure with capacity to align the strategy of the institution with the business processes and to guarantee the involvement and responsibility of all the directions from the bank. Like any transformation program, BPM adoption requires dedicated resources to monitor its implementation that creates an internal competence center to

promote standards, methods, tools, operational management and organizational change management.

More than just implementing a new technology system, a BPM approach allows organizations to ensure continuous improvement through a segmented virtuous cycle in the following phases:

1. **Processes design** – Initially, it will be necessary to document the current business processes (as-is) or those expected to be in the future (to-be). In most organizations there is this documentation, either in normative descriptive in text or, in a more evolved way, in workflows or notation of business processes (BPMN – *Business Process Modeling Notation*);
2. **Modulation** – Through technological systems of BPM it is possible to simulate in the process drawn from the various real scenarios of use, analyzing the various actors of the process, as well as the information that will be necessary in each activity of the same. In modulation it is still possible to gauge the workloads required for the various tasks of the process (e.g. If we make a billboard advertising campaign what impact on our area of operations?);
3. **Implementation and Execution** – Once modulated, it is possible to place the processes in a BPM system (BPMS) to execute the various instances of the implemented processes. At an early stage, process implementation can only guide stakeholders through previously designed and modulated business flows and rules, but for more robust systems, automatic integration with all business systems involved in the process (e.g. core banking system);
4. **Monitoring** – Once the processes are implemented and many instances are executed, the BPMS tools will allow to measure performance indicators and levels of service by user, task, department, among others; This information is vital to support decision making as it gives visibility to end-to-end process performance (end-to-end);
5. **Optimization and reengineering** – With the information collected in the monitoring, management can make decisions of flow changes, reinforcement of teams, greater automation of decisions, etc., in order to optimize processes and make them more robust.

In the last three years we have seen several players in the Angolan financial sector applying a BPM approach to their business processes, in particular the processes that have the greatest impact on their top-line revenue, such as:

- Foreign exchange transactions;
- Account opening; or
- Bank credit.

The implementation of these processes implies major challenges for organizations, once the goals of the Administrations are always very ambitious:

- **Customer satisfaction** – It is necessary to ensure that the customer when going over the counter or through digital channels (web or mobile phone) has a good experience of use. In particular it is very important to ensure that the client is asked for all the information necessary to carry out the process on his first contact and that at any time it will be possible to perceive at what stage of the process his request is;
- **Regulatory compliance** – National and international authorities are increasingly demanding and require strict and complex rules for KYC (Knowledge of Customer), money laundering (AML) or capital repatriation (FOREX - Foreign Exchange). The scrupulous fulfillment of these rules is safe-conduct for the good functioning not only of the bank, as well as the entire Angolan financial system.
- **Efficiency and operational risk** – There is still a very large manual effort within organizations to validate information, verify documentation, ensure compliance with rules (e.g. credit scoring) and data loading across systems - the probability of error - is high which increases the risk of these processes. The introduction of automatisms and the integration of information between applications and systems not only increase the efficiency of the whole process but also minimize operational risks.
- **Business opportunities** – The point of contact with the customer is always a great opportunity to do more business, either by selling other products and services (Cross-selling),

or through excellence in service delivery. As an example, in the account opening process it is possible to deliver to the customer, at the first contact, a Multicaixa or credit card, even if some phases of the customer validation process are executed afterwards.

The challenge for organizations that, because of their size or growth phase, have not yet started their BPM program, may choose to have a process design and modulation approach and not invest in their implementation in technology systems. Only the systematization and documentation of the processes will help banks in the short term to better capture all their strategy and market positioning. In the medium term the investment made in modulating processes will be very profitable in a future phase of implementation.

For organizations that are already at a high BPM maturity level, the challenge will be the dissemination of the digitization of all business processes, including the entire menu of services provided to their clients (front-office) such as requisition of cards, requisition checks, account changes, personal credit, deposits and savings products, claims, etc., as well as all internal back-office processes such as recruitment, performance evaluation, helpdesk support, purchasing, cost management, expense approval, invoice validation, etc. Some of these processes may not justify, at an early stage, the investment in their design, modulation and implementation. For these simple processes a more general (ad-hoc) strategy should be taken where each user intervening in a process is responsible for collecting the necessary information and forwarding the instances of the process to the next intervener. This approach allows to simulate within the BPM the operating paradigm of electronic mail in which any user can trigger the process and each user who receives the message enriches the request and forwards to the next until all phases of the process are complete; with the added value of all performance metrics referred to above.

For more complex processes, with high regulatory requirements or with high operational risk, it is imperative that investments are made in its design, modulation and robust implementation. An excellent example is the credit management process, which given its complexity is itself one of the challenges highlighted in this study.



05 Main Conclusions

**2015 and the first half of 2016
have been marked by a
continuously adverse economic
environment for Angola.**

The evolution of Angola's economic framework is mainly due to the fall in oil prices in the international markets, which resulted in the lack of foreign currency to finance imports, from which the economy remains highly dependent.

However, during this period a reinforcement in the domestic oil production was registered, which in turn allowed to mitigate the sharp deceleration observed in other sectors that suffered with the restrictions on imports. This trend is expected to continue throughout 2016 and 2017.

Align with the evolution of the economy, Angolan banks saw, in 2015, a slowdown in the growth level of the key banking performance indicators. However, the banking sector remains an extremely important sector for the structural development of the Angolan economy and for the strengthening of the financial literacy of the population in general.

Promoting banking services amongst the population continues to be one of the main objectives of the Angolan financial institutions. The increase in the branch network of the Angolan banking sector reflects this priority, for an increasing capillarity of the banking network and for an increasing use of the different means of payment and electronic channels to perform the main bank activities.

Even with the adverse economic environment, the banking sector maintained its crucial role in the structural development of the Angolan economy by raising funds and granting loans to individuals, companies and to the state. The growth rates in deposits and credit granted reflect this fact, although the rates were lower than those registered in 2014.

However, the favorable increase in the volume of credit was accompanied by the increase in non-performing loans, which demanded, during the period under review, a reinforcement of the internal capacity regarding credit models management, internal control, risk management, performance management, fraud, among others.

Although maintaining a decreasing tendency since 2010, the profitability of the Angolan banking sector registered levels similar to those presented last year. The strong competitive environment and the levels of non-performing loans are the main causes for this tendency. This effect was not so pronounced compared with exchange rate performance that compensates the relevant provisioning effort.

Aware of the sector's challenges, BNA continued to play a key role of oversight and intervention, in line with best practices, seeking to strengthen its reputation with the international banking community. Reflecting this effort are the initiatives concerning BNA's prudential and behavioral supervision, the publication of a set of directives, notices and instructions regarding the monetary and exchange rate policy, banking activities, anti-money laundering, full adoption of accounting reporting standards (IAS/IFRS), as well as the strengthening of the new tax regulation on foreign operations.

Financial institutions, in close coordination with BNA, have been adopting a set of management practices over the last few years that have allowed an approximation of the Angolan banking system to the best international practices. Notwithstanding the effort made, the current market context combined with the increasing regulatory requirements and the constant innovation of financial services, catalyzes a set of additional challenges that banks must address.

It is expected that the change in the accounting framework for IFRS will have significant impacts on Angolan financial

institutions. Full implementation will require particular action by banks on the extent to which provisioning of the credit portfolio will be made and the requirement in the preparation and provision of financial information by the nonfinancial business sector in the context of banks' credit risk management. In addition, changes in the level of detail of disclosures and changes in the scope of consolidation will require greater coordination of closing timings and harmonization of processes and policies. In this context, it is also important to safeguard the tax impacts on Industrial tax arising from this transition, since these, in addition to having an impact on the cash flow of these Institutions, also include significant accounting impacts, namely through the recognition of current taxes and/or deferred taxes.

In close articulation with the need to adopt new regulatory frameworks (e.g. IFRS, Implementation of new capital ratios), the banking sector will inevitably have to adopt Enterprise Risk Management (ERM) practices to mitigate new regulatory and market requirements and to continue to adopt measures in favor of a more efficient, controlled but equally innovative sector. In this context, institutions should continue to adopt best practices in terms of process management (BPM), both with the aim of optimize the customer experience, and also to ensure the implementation of credit management processes in order to ensure compliance, not only with the new regulatory requirements, but also to respond in an effective way to the country's challenging macroeconomic context. On the other hand, the evolution of needs, preferences and attitudes from Angolan banking clients demand that the banks act in the optimization of the offer of financial solutions in the development and reinforcement of value propositions (e.g. reinforcement of the bancassurance model) as well internal training through the creation of "product laboratories" that allows the analysis of the universe of data and information currently available and the consequent availability of actionable business knowledge, allowing to enhance the customer experience and commercial efficiency.

In this context, KPMG intends to continue making an active contribution to the achievement of these goals by supporting and collaborating with financial institutions in Angola, developing their ambitions and business strategies and as well as a structured, proactive approach to the different challenges of the sector.



06 Financial data

SIZE INDICATORS

FINANCIAL INSTITUTION	PERIOD	Reference year:2015									
		TOTAL ASSETS	NET CREDIT	SECURITIES AND BONDS	DEPOSITS	NET EQUITY	NET FIXED ASSETS	FINANCIAL INVESTMENTS	AVERAGE No. OF EMPLOYEES	No. OF BRANCHES	No. OF ATM'S
(MILLIONS AKZ)											
BANCO DE POUPANÇA E CRÉDITO	2015	1.339.620	927.390	79.400	911.365	135.442	100.084	1.150	5.354	257	513
BANCO DE POUPANÇA E CRÉDITO	2014	1.205.243	885.054	46.136	871.899	101.144	78.397	1.561	5.217	251	487
BANCO DE COMÉRCIO E INDÚSTRIA	2015	127.359	45.592	12.687	96.421	7.135	6.652	788	1.109	89	160
BANCO DE COMÉRCIO E INDÚSTRIA	2014	106.812	46.896	4.864	77.011	6.782	6.359	768	1.073	86	160
BANCO MILLENNIUM ANGOLA	2015	342.914	133.519	85.398	249.111	44.997	24.157	2.960	1.225	110	120
BANCO MILLENNIUM ANGOLA	2014	244.669	117.748	45.827	180.900	38.092	23.813	2.962	1.143	107	119
BANCO CAIXA GERAL TOTTA DE ANGOLA	2015	317.385	83.881	127.510	236.953	44.304	8.409	110	541	35	79
BANCO CAIXA GERAL TOTTA DE ANGOLA	2014	230.247	61.293	94.264	179.764	39.186	7.940	84	471	-	64
BANCO DE FOMENTO ANGOLA	2015	1.229.579	220.796	486.388	1.017.160	126.455	19.589	467	2.610	191	375
BANCO DE FOMENTO ANGOLA	2014	1.073.056	229.479	359.804	933.049	104.487	18.059	382	2.526	186	371
BANCO ANGOLANO DE INVESTIMENTOS	2015	1.097.612	353.686	415.075	938.494	125.158	50.229	18.144	2.004	144	334
BANCO ANGOLANO DE INVESTIMENTOS	2014	1.101.072	365.461	232.153	950.917	113.654	46.463	19.755	2.000	138	321
BANCO COMERCIAL ANGOLANO	2015	46.845	8.922	13.746	36.758	7.343	5.255	71	252	31	45
BANCO COMERCIAL ANGOLANO	2014	30.925	6.462	11.352	22.587	5.856	3.811	71	248	30	45
BANCO SOL	2015	327.719	100.613	127.749	277.052	23.709	23.693	0	1.476	184	281
BANCO SOL	2014	270.943	86.273	65.138	236.280	17.556	17.745	23	1.379	166	234
BANCO REGIONAL DO KEVE	2015	130.777	58.601	30.583	96.997	12.148	5.501	118	466	56	85
BANCO REGIONAL DO KEVE	2014	117.359	46.783	11.073	99.052	11.683	5.563	118	422	52	80
STANDARD CHARTERED BANK ANGOLA	2015	23.863	-	2.730	20.361	2.792	348	-	-	-	-530
STANDARD CHARTERED BANK ANGOLA	2014	10.722	-	3.808	5.509	3.308	485	-	-	-	-1.485
BANCO BIC	2015	977.609	290.755	425.641	741.627	102.721	11.612	352	2.089	223	252
BANCO BIC	2014	835.923	246.774	369.980	685.388	91.055	11.090	365	2.097	219	246
BANCO PRIVADO ATLÂNTICO	2015	514.339	245.910	124.405	385.898	55.106	40.620	8.060	943	51	-
BANCO PRIVADO ATLÂNTICO	2014	375.306	195.624	43.847	291.779	48.528	33.479	8.425	760	45	-
BANCO DE NEGÓCIOS INTERNACIONAL	2015	234.296	92.399	28.500	154.219	23.032	16.095	4.501	741	91	249
BANCO DE NEGÓCIOS INTERNACIONAL	2014	202.093	88.445	23.612	155.344	19.941	24.669	4.027	779	85	184
BANCO DE DESENVOLVIMENTO DE ANGOLA	2015	301.826	60.981	72.878	-	40.593	9.912	-	106	-	-
BANCO DE DESENVOLVIMENTO DE ANGOLA	2014	285.641	97.631	40.077	-	32.993	9.902	-	-	-	249
BANCO VTB ÁFRICA	2015	23.203	3.138	1.421	16.064	4.765	139	-	-	-	2.103
BANCO VTB ÁFRICA	2014	11.549	3.241	-	5.668	2.662	232	-	-	-	-383
BANCO ANGOLANO DE NEGÓCIOS E COMÉRCIO	2015	39.105	13.254	1.252	19.165	5.785	12.185	76	196	20	29
BANCO ANGOLANO DE NEGÓCIOS E COMÉRCIO	2014	28.807	11.982	1.513	14.385	5.561	7.488	65	193	20	-
FINIBANCO ANGOLA	2015	83.285	39.562	20.010	61.005	10.311	6.230	24	203	21	42
FINIBANCO ANGOLA	2014	76.144	36.396	12.970	59.003	9.548	5.757	24	193	18	35
BANCO KWANZA DE INVESTIMENTO	2015	23.229	-	5.450	15.116	2.480	86	2	53	-	-
BANCO KWANZA DE INVESTIMENTO	2014	10.331	-	3.026	3.882	375	119	2	63	-	-604
STANDARD BANK ANGOLA	2015	298.412	51.263	93.664	275.781	13.540	2.601	44	576	22	27
STANDARD BANK ANGOLA	2014	203.368	42.796	64.072	187.807	8.110	2.990	44	508	25	30
BANCO VALOR	2015	ua	ua	ua	ua	ua	ua	ua	ua	ua	ua
BANCO VALOR	2014	12.044	3.402	1.162	8.060	2.917	3.953	50	85	4	-
BANCO COMERCIAL DO HUAMBO	2015	12.477	430	2.415	6.883	4.588	278	44	40	4	-
BANCO COMERCIAL DO HUAMBO	2014	6.126	774	1.168	3.330	2.377	308	44	34	4	7
BAI MICRO-FINANÇAS	2015	ua	ua	ua	ua	ua	ua	ua	ua	ua	ua
BAI MICRO-FINANÇAS	2014	8.970	4.765	-	6.416	380	899	1	243	28	-
BANCO PUNGO ANDONGO	2015	2.396	-	-	6	1.845	819	-	-	-	-717
BANCO PUNGO ANDONGO	2014	2.077	-	-	-	1.962	34	-	-	-	-38
BANCO PRESTÍGIO	2015	9.666	9	734	6.113	1.985	266	-	28	-	-
BANCO PRESTÍGIO	2014	ua	ua	ua	ua	ua	ua	ua	ua	ua	ua
BANCO YETU	2015	4.824	-	732	1.306	2.725	1.700	67	34	-	-
BANCO YETU	2014	ua	ua	ua	ua	ua	ua	ua	ua	ua	ua
BANCO DE CRÉDITO DO SUL	2015	3.213	-	601	1.074	1.953	384	-	-	-	-547
BANCO DE CRÉDITO DO SUL	2014	ua	ua	ua	ua	ua	ua	ua	ua	ua	ua
AGGREGATE	2015	7.511.550	2.730.699	2.158.969	5.564.930	800.915	346.842	36.978	20.046	1.529	2.591
AGGREGATE	2014	6.449.427	2.577.277	1.435.845	4.978.029	668.159	309.557	38.769	19.434	1.464	2.383

Fonte: BNA, KPMG, Annual Reports.

Legenda: "ua" – unavailable, "na" – not applicable

The aggregate values in these tables correspond to the sum of the individual values of the institutions covered in the study.

SOLVENCY INDICATORS

FINANCIAL INSTITUTION	PERIOD	Reference year:2015									
EQUITY/ TOTAL ASSETS (%)	EQUITY/ TOTAL LIABILITIES (%)	NET CREDIT/ DEPOSITS (%)	DEMAND DEPOSITS/ TOTAL DEPOSITS (%)	ME DEPOSITS/ TOTAL DEPOSITS (%)	TOTAL DEBT/ TOTAL LIABILITIES (%)	TOTAL CREDIT/ TOTAL ASSETS (%)	TOTAL PROVISIONS/ CREDIT (%)	OVERDUE LOANS/ CREDIT (%)	SPECIFIC PROVISIONS/ OVERDUE LOANS (%)		

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OPERATING INDICATORS

FINANCIAL INSTITUTION	PERIOD	Reference year:2015						
		RETURN ON EQUITY (ROE) (%)	RETURN ON EQUITY BEFORE TAXES (ROEBT) (%)	RETURN ON AVERAGE ASSETS (ROAA) (%)	FINANCIAL AVERAGE ASSETS (%)	COMPLEMENTARY BANKING PRODUCT (%)	COST-TO-INCOME (%)	SOLVENCY RATIO (%)
BANCO DE POUPANÇA E CRÉDITO	2015	6,12	6,30	0,65	4,94	36,98	49,10	11,30
BANCO DE POUPANÇA E CRÉDITO	2014	8,81	11,87	0,81	4,87	30,53	58,20	10,10
BANCO DE COMÉRCIO E INDÚSTRIA	2015	-32,35	-32,35	-1,97	4,58	45,86	110,70	5,50
BANCO DE COMÉRCIO E INDÚSTRIA	2014	-76,93	-76,93	-5,07	4,15	47,77	111,02	5,10
BANCO MILLENIUM ANGOLA	2015	15,02	17,50	2,30	4,92	45,68	45,80	13,70
BANCO MILLENIUM ANGOLA	2014	15,07	17,74	2,45	4,84	40,07	50,90	13,80
BANCO CAIXA GERAL TOTTA DE ANGOLA	2015	21,63	22,62	3,50	6,18	12,33	39,80	25,90
BANCO CAIXA GERAL TOTTA DE ANGOLA	2014	23,38	27,98	4,43	3,87	54,58	34,90	24,80
BANCO DE FOMENTO ANGOLA	2015	29,94	32,84	3,29	3,56	40,75	35,90	24,00
BANCO DE FOMENTO ANGOLA	2014	30,43	30,27	3,28	3,17	43,01	36,30	24,00
BANCO ANGOLANO DE INVESTIMENTOS	2015	12,27	12,63	1,40	3,93	38,62	37,90	19,77
BANCO ANGOLANO DE INVESTIMENTOS	2014	11,31	10,60	1,20	3,46	35,58	43,77	17,40
BANCO COMERCIAL ANGOLANO	2015	20,21	25,34	3,82	6,54	47,51	55,50	47,80
BANCO COMERCIAL ANGOLANO	2014	13,80	16,19	2,62	4,85	54,68	67,00	44,10
BANCO SOL	2015	31,62	34,13	2,50	8,16	16,29	62,70	17,40
BANCO SOL	2014	23,91	29,47	1,76	3,47	66,87	55,10	12,20
BANCO REGIONAL DO KEVE	2015	6,76	9,79	0,66	5,25	48,49	64,00	16,60
BANCO REGIONAL DO KEVE	2014	14,79	18,44	1,60	4,91	43,82	63,00	15,60
STANDARD CHARTERED BANK ANGOLA	2015	-18,99	-18,97	-3,07	1,27	74,93	134,45	ua
STANDARD CHARTERED BANK ANGOLA	2014	-44,88	-44,88	-	-	51,98	719,22	ua
BANCO BIC	2015	26,92	28,34	3,05	3,76	50,06	49,00	16,00
BANCO BIC	2014	22,55	23,74	2,59	4,03	33,78	48,00	21,00
BANCO PRIVADO ATLÂNTICO	2015	20,01	25,96	2,48	4,35	54,61	ua	ua
BANCO PRIVADO ATLÂNTICO	2014	13,14	16,80	1,74	4,67	36,31	56,51	10,70
BANCO DE NEGÓCIOS INTERNACIONAL	2015	5,41	7,82	0,57	4,51	29,22	59,96	12,00
BANCO DE NEGÓCIOS INTERNACIONAL	2014	6,50	6,97	0,67	3,39	53,78	53,45	11,00
BANCO DE DESENVOLVIMENTO DE ANGOLA	2015	-48,35	-48,35	-6,68	3,08	83,07	20,00	15,74
BANCO DE DESENVOLVIMENTO DE ANGOLA	2014	0,75	0,75	0,10	1,98	65,53	35,00	13,81
BANCO VTB ÁFRICA	2015	44,14	59,76	12,11	5,22	80,34	34,00	49,00
BANCO VTB ÁFRICA	2014	-14,40	-14,40	-2,96	3,03	81,45	57,00	33,00
BANCO ANGOLANO DE NEGÓCIOS E COMÉRCIO	2015	3,80	5,43	0,65	0,09	99,20	90,00	11,64
BANCO ANGOLANO DE NEGÓCIOS E COMÉRCIO	2014	15,70	22,42	3,87	3,36	76,47	64,00	19,00
FINIBANCO ANGOLA	2015	12,10	14,04	1,57	4,48	44,61	38,18	16,51
FINIBANCO ANGOLA	2014	16,94	19,37	2,47	4,71	50,20	32,80	18,04
BANCO KWANZA DE INVESTIMENTO	2015	84,89	112,65	12,54	2,01	91,16	23,07	ua
BANCO KWANZA DE INVESTIMENTO	2014	-161,17	-161,17	-6,21	1,82	57,27	15,17	ua
STANDARD BANK ANGOLA	2015	38,68	44,34	2,09	3,92	44,95	60,50	20,10
STANDARD BANK ANGOLA	2014	27,65	29,18	1,27	3,99	47,40	71,20	18,14
BANCO VALOR	2015	ua	ua	ua	ua	ua	ua	ua
BANCO VALOR	2014	-94,44	-113,61	-20,28	2,16	62,21	303,88	24,00
BANCO COMERCIAL DO HUAMBO	2015	48,19	67,95	23,77	5,77	86,45	21,84	133,97
BANCO COMERCIAL DO HUAMBO	2014	12,75	18,43	5,95	3,34	82,80	57,74	120,69
BAI MICRO-FINANÇAS	2015	ua	ua	ua	ua	ua	ua	ua
BAI MICRO-FINANÇAS	2014	-789,53	-789,53	-30,67	6,83	47,74	86,00	4,60
BANCO PUNGO ANDONGO	2015	-38,84	-38,84	-32,05	0,07	114,43	ua	ua
BANCO PUNGO ANDONGO	2014	-1,93	-1,93	-3,64	-	100,00	ua	ua
BANCO PRESTÍGIO	2015	-25,95	-25,95	-10,66	4,12	39,22	253,00	159,00
BANCO PRESTÍGIO	2014	ua	ua	ua	ua	ua	ua	ua
BANCO YETU	2015	-10,07	-10,07	-11,38	4,03	-55,80	ua	ua
BANCO YETU	2014	ua	ua	ua	ua	ua	ua	ua
BANCO DE CRÉDITO DO SUL	2015	-27,98	-27,98	-34,02	0,66	70,08	1.648,00	ua
BANCO DE CRÉDITO DO SUL	2014	ua	ua	ua	ua	ua	ua	ua
AGGREGATE	2015	14,51	16,50	1,66	4,38	45,65	41,91	34,22
AGGREGATE	2014	14,25	15,71	1,46	3,57	42,16	51,60	23,05

Fonte: BNA, KPMG, Annual Reports.

Legenda: "ua" – unavailable, "na" – not applicable

The aggregate values in these tables correspond to the sum of the individual values of the institutions covered in the study.

GROWTH INDICATORS*

FINANCIAL INSTITUTION	PERIOD	Reference year:2015				
		CHANGES IN ASSETS (%)	CHANGES IN NET CREDIT (%)	CHANGES IN DEPOSITS (%)	CHANGES IN INCOME BEFORE TAXES (%)	CHANGES IN NET PROFIT (%)
BANCO DE POUPANÇA E CRÉDITO	2015	11,15	4,78	4,53	-28,96	-6,94
BANCO DE POUPANÇA E CRÉDITO	2014	21,97	42,87	19,12	26,19	23,39
BANCO DE COMÉRCIO E INDÚSTRIA	2015	19,24	-2,78	25,20	-55,75	-55,75
BANCO DE COMÉRCIO E INDÚSTRIA	2014	8,00	-5,60	14,74	73,95	9,07
BANCO MILLENIUM ANGOLA	2015	40,15	13,39	37,71	16,51	17,74
BANCO MILLENIUM ANGOLA	2014	9,48	44,56	11,17	7,32	11,79
BANCO CAIXA GERAL TOTTA DE ANGOLA	2015	37,85	36,85	31,81	-8,58	4,57
BANCO CAIXA GERAL TOTTA DE ANGOLA	2014	25,81	39,12	35,78	18,72	37,22
BANCO DE FOMENTO ANGOLA	2015	14,59	-3,78	9,01	31,31	19,09
BANCO DE FOMENTO ANGOLA	2014	23,62	59,35	22,28	26,03	33,05
BANCO ANGOLANO DE INVESTIMENTOS	2015	-0,31	-3,22	-1,31	31,22	19,53
BANCO ANGOLANO DE INVESTIMENTOS	2014	5,90	48,74	5,31	14,70	6,35
BANCO COMERCIAL ANGOLANO	2015	51,48	38,08	62,74	96,24	83,65
BANCO COMERCIAL ANGOLANO	2014	0,23	10,34	-5,05	-5,89	20,64
BANCO SOL	2015	20,95	16,62	17,26	56,37	78,57
BANCO SOL	2014	31,63	13,66	29,49	-3,58	21,14
BANCO REGIONAL DO KEVE	2015	11,43	25,26	-2,07	-44,80	-52,47
BANCO REGIONAL DO KEVE	2014	19,51	19,56	19,27	27,70	32,58
STANDARD CHARTERED BANK ANGOLA	2015	ua	ua	ua	ua	ua
STANDARD CHARTERED BANK ANGOLA	2014	ua				

TOTAL ASSETS Millions AKZ

#	FINANCIAL INSTITUTION	2015	2014	2013
1	BPC Banco de Poupança e Crédito	1.339.620	1.205.243	988.181
2	BFA Banco de Fomento Angola	1.229.579	1.073.056	868.032
3	BAI Banco Angolano de Investimentos	1.097.612	1.101.072	1.039.693
4	BIC Banco BIC	977.609	835.923	751.324
5	BPA Banco Privado Atlântico	514.339	375.306	357.006
6	BMA Banco Millennium Angola	342.914	244.669	223.483
7	BSOL Banco Sol	327.719	270.943	205.840
8	BCGTA Banco Caixa Geral Totta de Angola	317.385	230.247	183.016
9	BDA Banco de Desenvolvimento de Angola	301.826	285.641	221.048
10	SBA Standard Bank Angola	298.412	203.368	148.492
11	BNI Banco de Negócios Internacional	234.296	202.093	184.176
12	KEVE Banco Regional do Keve	130.777	117.359	98.200
13	BCI Banco de Comércio e Indústria	127.359	106.812	98.897
14	FNB Finibanco Angola	83.285	76.144	54.603
15	BCA Banco Comercial Angolano	46.845	30.925	30.854
16	BANC Banco Angolano de Negócios e Comércio	39.105	28.807	16.362
17	SCBA Standard Chartered Bank Angola	23.863	10.722	4.827
18	BKI Banco Kwanza de Investimento	23.229	10.331	9.121
19	VTB Banco VTB África	23.203	11.549	14.358
20	BCH Banco Comercial do Huambo	12.477	6.126	4.058
21	BPG Banco Prestígio	9.666	ua	ua
22	YETU Banco Yetu	4.824	ua	ua
23	BCS Banco de Crédito do Sul	3.213	ua	ua
24	BPAN Banco Pungo Andongo	2.396	2.077	ua
25	BMF Banco BAI Micro-Finâncias	ua	8.970	10.619
26	BVB Banco Valor	ua	12.044	15.120

TOTAL CREDIT Millions AKZ

#	FINANCIAL INSTITUTION	2015	2014	2013
1	BPC Banco de Poupança e Crédito	987.709	917.533	673.693
2	BAI Banco Angolano de Investimentos	403.516	406.440	284.668
3	BIC Banco BIC	335.259	278.800	223.214
4	BPA Banco Privado Atlântico	263.273	204.794	188.727
5	BFA Banco de Fomento Angola	235.382	239.227	153.354
6	BMA Banco Millennium Angola	146.936	125.542	86.653
7	BDA Banco de Desenvolvimento de Angola	116.877	121.912	105.189
8	BSOL Banco Sol	110.886	94.868	78.851
9	BNI Banco de Negócios Internacional	101.803	94.935	87.674
10	BCGTA Banco Caixa Geral Totta de Angola	86.623	63.035	45.573
11	KEVE Banco Regional do Keve	60.497	48.019	40.708
12	SBA Standard Bank Angola	53.056	44.276	34.677
13	BCI Banco de Comércio e Indústria	48.822	50.450	54.477
14	FNB Finibanco Angola	43.113	38.597	23.104
15	BANC Banco Angolano de Negócios e Comércio	14.010	12.188	4.698
16	BCA Banco Comercial Angolano	9.349	6.700	6.102
17	VTB Banco VTB África	3.138	3.241	7.208
18	BCH Banco Comercial do Huambo	695	793	893
19	BPG Banco Prestígio	9	ua	ua
20	BKI Banco Kwanza de Investimento	3	2	2
21	SCBA Standard Chartered Bank Angola	0	0	0
22	YETU Banco Yetu	0	ua	ua
23	BCS Banco de Crédito do Sul	0	ua	ua
24	BMF Banco BAI Micro-Finâncias	ua	7.692	6.948
25	BVB Banco Valor	ua	4.729	4.286
26	BPAN Banco Pungo Andongo	ua	ua	ua

Fonte: BNA, KPMG, Annual Reports.

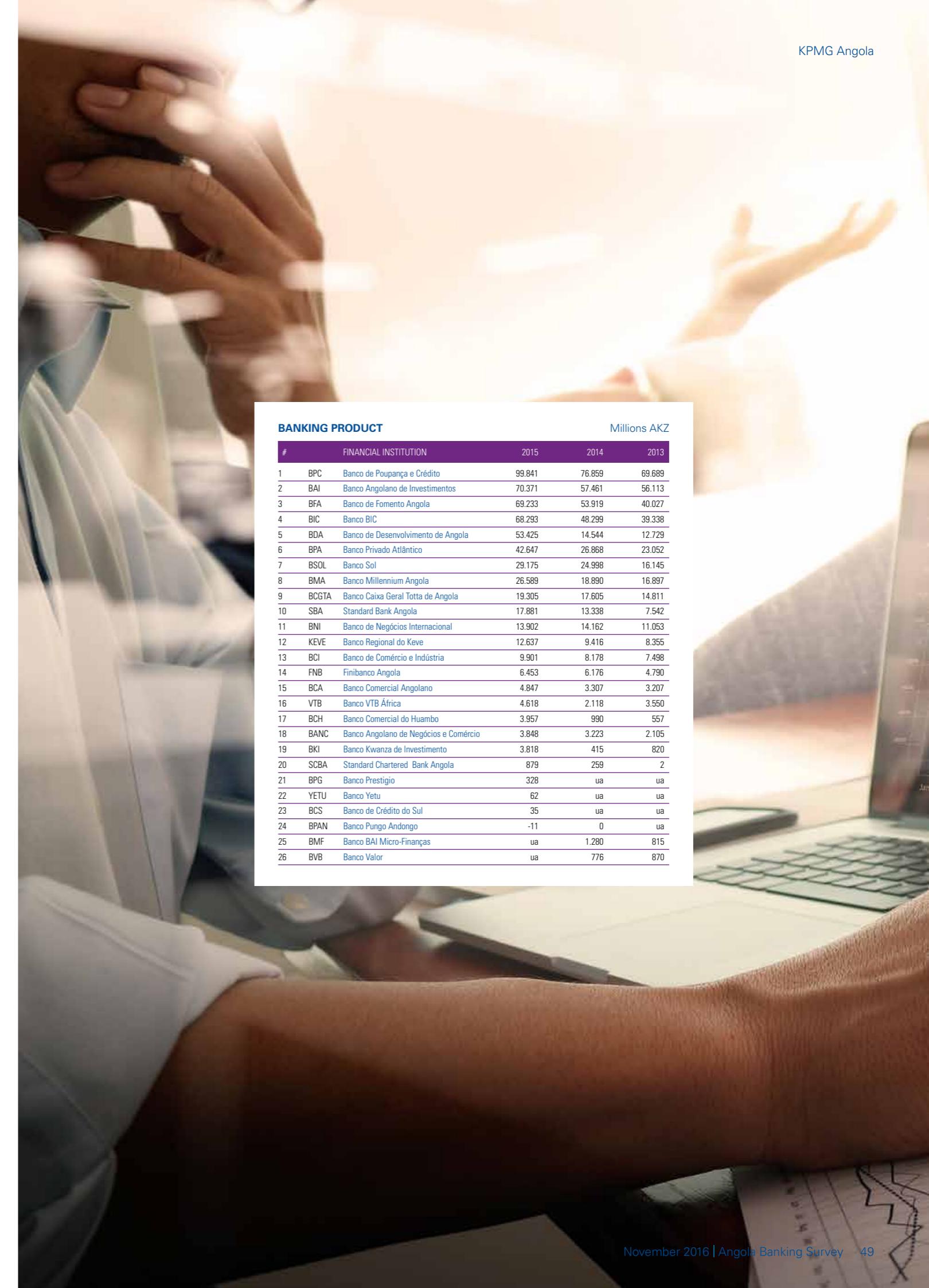
Legenda: "ua" – unavailable, "na" – not applicable

TOTAL DEPOSITS

#	FINANCIAL INSTITUTION	2015	2014	2013
1	BFA Banco de Fomento Angola	1.017.160	933.049	763.025
2	BAI Banco Angolano de Investimentos	938.494	950.917	902.936
3	BPC Banco de Poupança e Crédito	911.365	871.899	731.953
4	BIC Banco BIC	741.627	685.388	615.478
5	BPA Banco Privado Atlântico	385.898	291.779	276.290
6	BSOL Banco Sol	277.052	236.280	182.475
7	SBA Standard Bank Angola	275.781	187.807	134.737
8	BMA Banco Millennium Angola	249.111	180.900	162.727
9	BCGTA Banco Caixa Geral Totta de Angola	236.953	179.764	132.395
10	BNI Banco de Negócios Internacional	154.219	155.344	133.500
11	KEVE Banco Regional do Keve	96.997	99.052	83.049
12	BCI Banco de Comércio e Indústria	96.421	77.011	67.119
13	FNB Finibanco Angola	61.005	59.003	42.497
14	BCA Banco Comercial Angolano	36.758	22.587	23.789
15	SCBA Standard Chartered Bank Angola	20.361	5.509	0
16	BANC Banco Angolano de Negócios e Comércio	19.165	14.385	10.739
17	VTB Banco VTB África	16.064	5.668	7.005
18	BKI Banco Kwanza de Investimento	15.116	3.882	1.015
19	BCH Banco Comercial do Huambo	6.883	3.330	2.507
20	BPG Banco Prestígio	6.113	ua	ua
21	YETU Banco Yetu	1.306	ua	ua
22	BCS Banco de Crédito do Sul	1.074	ua	ua
23	BPAN Banco Pungo Andongo	6	0	ua
24	BMF Banco BAI Micro-Finâncias	ua	6.416	5.157
25	BVB Banco Valor	ua	8.060	9.992
26	BDA Banco de Desenvolvimento de Angola	ua	ua	ua

TOTAL EQUITY Millions AKZ

#	FINANCIAL INSTITUTION	2015	2014	2013
1	BPC Banco de Poupança e Crédito	135.442	101.144	93.144
2	BFA Banco de Fomento Angola	126.455	104.487	84.640
3	BAI Banco Angolano de Investimentos	125.158	113.654	104.430
4	BIC Banco BIC	102.721	91.055	86.763
5	BPA Banco Privado Atlântico	55.106	48.528	44.842
6	BMA Banco Millennium Angola	44.997	38.092	32.994
7	BCGTA Banco Caixa Geral Totta de Angola	44.304	39.186	33.291
8	BDA Banco de Desenvolvimento de Angola	40.593	32.993	5.291
9	BSOL Banco Sol	23.709	17.556	14.536
10	BNI Banco de Negócios Internacional	23.032	19.941	21.119
11	SBA Standard Bank Angola	13.540	8.110	6.424
12	KEVE Banco Regional do Keve	12.148	11.683	9.955
13	FNB Finibanco Angola	10.311	9.548	8.340
14	BCA Banco Comercial Angolano	7.343	5.856	5.286
15	BCI Banco de Comércio e Indústria	7.135	6.782	8.176
16	BANC Banco Angolano de Negócios e Comércio	5.785	5.561	4.656
17	VTB Banco VTB África	4.765	2.662	3.318
18	BCH Banco Comercial do Huambo	4.588	2.377	1.309
19	SCBA Standard Chartered Bank Angola	2.792	3.308	4.825
20	YETU Banco Yetu	2.725	ua	ua
21	BKI Banco Kwanza de Investimento	2.480	375	979
22	BPG Banco Prestígio	1.985	ua	ua
23	BCS Banco de Crédito do Sul	1.953	ua	ua
24	BPAN Banco Pungo Andongo	1.845	1.962	ua
25	BMF Banco BAI Micro-Finâncias	ua	380	340
26	BVB Banco Valor	ua	2.917	3.852



NET PROFIT		Millions AKZ			
#	FINANCIAL INSTITUTION	2015	2014	2013	
1	BFA	Banco de Fomento Angola	37.866	31.796	23.899
2	BIC	Banco BIC	27.656	20.537	19.646
3	BAI	Banco Angolano de Investimentos	15.358	12.849	12.082
4	BPA	Banco Privado Atlântico	11.028	6.375	6.154
5	BCGTA	Banco Caixa Geral Totta de Angola	9.581	9.163	6.677
6	BPC	Banco de Poupança e Crédito	8.289	8.907	7.219
7	BSOL	Banco Sol	7.496	4.198	3.465
8	BMA	Banco Millennium Angola	6.760	5.741	4.872
9	SBA	Standard Bank Angola	5.238	2.242	-1.039
10	BCH	Banco Comercial do Huambo	2.211	303	84
11	BKI	Banco Kwanza de Investimento	2.105	-604	283
12	VTB	Banco VTB África	2.103	-383	1.333
13	BCA	Banco Comercial Angolano	1.484	808	670
14	FNB	Finibanco Angola	1.248	1.618	1.465
15	BNI	Banco de Negócios Internacionais	1.247	1.296	2.759
16	KEVE	Banco Regional do Keve	821	1.729	1.304
17	BANC	Banco Angolano de Negócios e Comércio	220	873	207
18	YETU	Banco Yetu	-275	ua	ua
19	BPG	Banco Prestígio	-515	ua	ua
20	SCBA	Standard Chartered Bank Angola	-530	-1.485	-0
21	BCS	Banco de Crédito do Sul	-547	ua	ua
22	BPAN	Banco Pungo Andongo	-717	-38	ua
23	BCI	Banco de Comércio e Indústria	-2.308	-5.217	-2.999
24	BDA	Banco de Desenvolvimento de Angola	-19.625	249	2.833
25	BMF	Banco BAI Micro-Finâncias	ua	-3.004	-799
26	BVB	Banco Valor	ua	-2.755	-1.580

COST-TO-INCOME		Millions AKZ			
#	FINANCIAL INSTITUTION	2015 ¹	2014 ¹	2013 ¹	
1	BDA	Banco de Desenvolvimento de Angola	20,00%	35,00%	ua
2	BCH	Banco Comercial do Huambo	21,84%	57,74%	ua
3	BKI	Banco Kwanza de Investimento	23,07%	15,17%	ua
4	VTB	Banco VTB África	34,00%	57,00%	ua
5	BFA	Banco de Fomento Angola	35,90%	36,30%	39,80%
6	BAI	Banco Angolano de Investimentos	37,90%	43,77%	38,70%
7	FNB	Finibanco Angola	38,18%	32,80%	31,03%
8	BCGTA	Banco Caixa Geral Totta de Angola	39,80%	34,90%	36,80%
9	BMA	Banco Millennium Angola	45,80%	50,90%	52,40%
10	BIC	Banco BIC	49,00%	48,00%	47,00%
11	BPC	Banco de Poupança e Crédito	49,10%	58,20%	58,40%
12	BCA	Banco Comercial Angolano	55,50%	67,00%	69,00%
13	BNI	Banco de Negócios Internacionais	59,96%	53,45%	70,17%
14	SBA	Standard Bank Angola	60,50%	71,20%	ua
15	BSOL	Banco Sol	62,70%	55,10%	67,00%
16	KEVE	Banco Regional do Keve	64,00%	63,00%	54,00%
17	BANC	Banco Angolano de Negócios e Comércio	90,00%	64,00%	65,00%
18	BCI	Banco de Comércio e Indústria	110,70%	111,02%	101,90%
19	SCBA	Standard Chartered Bank Angola	134,45%	719,22%	ua
20	BPG	Banco Prestígio	253,00%	ua	ua
21	BCS	Banco de Crédito do Sul	1648,00%	ua	ua
22	BMF	Banco BAI Micro-Finâncias	ua	86,00%	122,97%
23	BPA	Banco Privado Atlântico	ua	56,51%	55,19%
24	BVB	Banco Valor	ua	303,88%	ua
25	YETU	Banco Yetu	ua	ua	ua
26	BPAN	Banco Pungo Andongo	ua	ua	ua

(1) Calculated considering the Banking Product and Administrative and Marketing Costs

RETURN ON EQUITY (ROE)		Millions AKZ			
#	FINANCIAL INSTITUTION	2015	2014	2013	
1	BKI	Banco Kwanza de Investimento	84,89%	-161,17%	28,94%
2	BCH	Banco Comercial do Huambo	48,19%	12,75%	6,43%
3	VTB	Banco VTB África	44,14%	-14,40%	40,17%
4	SBA	Standard Bank Angola	38,68%	27,65%	-16,18%
5	BSOL	Banco Sol	31,62%	23,91%	23,84%
6	BFA	Banco de Fomento Angola	29,94%	30,43%	28,24%
7	BIC	Banco BIC	26,92%	22,55%	22,64%
8	BCGTA	Banco Caixa Geral Totta de Angola	21,63%	23,38%	20,06%
9	BCA	Banco Comercial Angolano	20,21%	13,80%	12,67%
10	BPA	Banco Privado Atlântico	20,01%	13,14%	13,72%
11	BMA	Banco Millennium Angola	15,02%	15,07%	14,77%
12	BAI	Banco Angolano de Investimentos	12,27%	11,31%	11,57%
13	FNB	Finibanco Angola	12,10%	16,94%	17,56%
14	KEVE	Banco Regional do Keve	6,76%	14,79%	13,10%
15	BPC	Banco de Poupança e Crédito	6,12%	8,81%	7,75%
16	BNI	Banco de Negócios Internacionais	5,41%	6,50%	13,07%
17	BANC	Banco Angolano de Negócios e Comércio	3,80%	15,70%	4,44%
18	YETU	Banco Yetu	-10,07%	ua	ua
19	SCBA	Standard Chartered Bank Angola	-18,99%	-44,88%	-0,01%
20	BPG	Banco Prestígio	-25,95%	ua	ua
21	BCS	Banco de Crédito do Sul	-27,98%	ua	ua
22	BCI	Banco de Comércio e Indústria	-32,35%	-76,93%	-36,68%
23	BPAN	Banco Pungo Andongo	-38,84%	-1,93%	ua
24	BDA	Banco de Desenvolvimento de Angola	-48,35%	0,75%	53,55%
25	BVB	Banco Valor	ua	-94,44%	-41,01%
26	BMF	Banco BAI Micro-Finâncias	ua	-789,53%	-234,58%

RETURN ON AVERAGE ASSETS (ROAA)		Millions AKZ			
#	FINANCIAL INSTITUTION	2015	2014	2013	
1	BKI	Banco Kwanza de Investimento	84,89%	-161,17%	28,94%
2	BCH	Banco Comercial do Huambo	48,19%	12,75%	6,43%
3	VTB	Banco VTB África	44,14%	-14,40%	40,17%
4	SBA	Standard Bank Angola	38,68%	27,65%	-16,18%
5	BSOL	Banco Sol	31,62%	23,91%	23,84%
6	BFA	Banco de Fomento Angola	29,94%	30,43%	28,24%
7	BIC	Banco BIC	26,92%	22,55%	22,64%
8	BCGTA	Banco Caixa Geral Totta de Angola	21,63%	23,38%	20,06%
9	BCA	Banco Comercial Angolano	20,21%	13,80%	12,67%
10	BPA	Banco Privado Atlântico	20,01%	13,14%	13,72%
11	BMA	Banco Millennium Angola	15,02%	15,07%	14,77%
12	BAI	Banco Angolano de Investimentos	12,27%	11,31%	11,57%
13	FNB	Finibanco Angola	12,10%	16,94%	17,56%
14	KEVE	Banco Regional do Keve	6,76%	14,79%	13,10%
15	BPC	Banco de Poupança e Crédito	6,12%	8,81%	7,75%
16	BNI	Banco de Negócios Internacionais	5,41%	6,50%	13,07%
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