

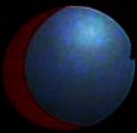


BNI

Banco de Negócios Internacional

Report & Accounts

2007



BNI - Banco de Negócios Internacional



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DIRECTORY

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Message from the Chairman of the Board of Directors

The year of 2007 will be kept in our memory as a Year of good remembrances and the feeling that the Angolan Banking Sector has changed with the emergence of Banco de Negócios Internacional, S.A.

This Financial Year, which we have the pleasure to hereby present, was the first full year of activity following the Bank's start-up in November 2006. Our concerns basically focused on the internal consolidation so we could face the market in which we place ourselves. Looking at the figures presented in this report we couldn't be more proud of what we have achieved.

In practical terms, we tried to accomplish two key objectives this year, the first being the formalization and stabilization of our Administration and Management structures in what concerns their current functions and activities and, on the other hand, guaranteeing the consolidation of our corporative model.

Thus, we have developed a market penetration strategy based on the principles that guide the relational-type business mode we have defined as our target, i.e. Private and Corporate Banking, in addition to the build-up and participation in structured financing operations in the Investment Banking area.

Simultaneously, we made a significant investment to improve the human and technical means of the organization in order for our structure to be able to act in response to the increasing participation of the Bank in the market.

One of the other main concerns of the Board of Directors was the clear definition and implementation of BNI's business model in view of future developments of our economy, thus guaranteeing the Bank's future. It then became clear, with the opening of the first pilot Branch of the "Rede Expresso 24", the steps we were going to take, by operating in the market with two distinct brands that meet clear segmentation and differentiation criteria, in which our customers can trust.

The launching of the business segment "Rede Expresso 24" consolidates our business strategy and allows us to grasp the opportunities with the growing "banking-zation" of national economy, sustained by a strong component of Electronic Banking, and allowing us to sponsor massive use of this payment system in Angola.

We wouldn't have been able to achieve these aims without our partners, and in this regard, our thoughts go to MASTERCARD, which identified in BNI all requirements to become its partner in entering the Angolan market. This fact contributed to the maximization of our strategy for "Rede Expresso 24", with 48 new branches currently being built and prepared to open during 2008 beginning of 2009.



Other international reference partners such as FORTIS BANK, DEUTSCHE BANK and BDA – Banco de Desenvolvimento Angolano also joined Banco de Negócios Internacional for the development of other expertise business areas, namely Trade Finance, Project Finance, Corporate Finance and Export Credit Finance.

We therefore assured two important aspects for the development of any business strategy of a Financial Institution: full integration in its target market and the accomplishment of partnerships with strong national and international partners in order to create an environment that is favourable for strategy development.

We can also say that we were able to entry the market and take full advantage of the positive effects of the economic growth that currently sweeps the Country, thus aiming at adding value and directly contribute to its growth as a financial institution with the kind of credibility, values and governing system that are required in an economy that is more and more part of the global economy.

Presently, we are building on the achievements we already attained with hard work and dedication while pursuing to introduce new products and services to ensure sustainability of the Bank's operations. For this reason, in 2008 we will introduce other themes to our institution's agenda, namely International Expansion and setting up of a Financial Group, the latter clearly anticipating the benefits that will arise when the new Angolan Stock Market and Stock Exchange comes into place.

Finally, I would like to take this opportunity to thank our Shareholders for believing the project and for their constant support and interest in following our activities, thus allowing us to grow stronger and anticipate a better future. To my colleagues at the Board of Directors and all employees, I equally address my appreciation for their dedication and hard work when facing this challenge.

Luanda, 15th April 2008

Mário A. Palhares

Chairman of the Board of Directors



Governing Bodies

- Board of the General Meeting
 - Chairman: Rui Cruz
 - Deputy – Chairman: Bornito de Sousa

- Supervisory Board
 - Chairman: Luís Manuel Neves

- Board of Directors
 - Chairman: Mário Palhares
 - Deputy – Chairman: José Boyol
 - Deputy – Chairman: Ricardo Abreu
 - Director: Luís Piseiro
 - Director: Carlos Rodrigues
 - Non-Executive Director: Arnaldo Calado
 - Non-Executive Director: Welwitschia dos Santos

- Independent Auditors
 - Ernst & Young Angola



Financial Highlights

Main Indicators of the Bank's Management:

	<u>2007</u> <u>AKZ'000</u>	<u>2007</u> <u>USD'000</u>	<u>2007</u> <u>Quantity</u>
Total Assets	33 198 635	442 513	-
Customer Loans	13 154 021	175 333	-
Total Customer Funds (1)	27 961 287	372 702	-
Equity	2 791 293	37 206	-
Own Funds(2)	2 839 481	37 848	-
Banking Income	2 085 968	27 805	-
Operating Costs	673 646	8 979	-
Cash Flow	1 525 617	20 335	-
Net Income	1 174 760	15 659	-
Cost To Income	-	-	32.29%
Return on Assets (ROA)	-	-	3.54%
Return on Equity (ROE)	-	-	72.67%
Debt-to-Equity Ratio	-	-	16.71%
Overdue Credit / Total Credit	-	-	0.22%
Number of Customers	-	-	1 293
Number of Collaborators	-	-	86
Number of Business Centres	-	-	1
Number of Branches	-	-	2

(1) Item composed by Customers' Resources and Securities Liability

(2) Shareholders' Funds calculated according to BNA's Instructions



External Environment

- International Market Analysis

[The outstanding facts of the world's economy behaviour in 2007 are four essentially: the continuous growth of China - which for the 30th consecutive year had an average growing rate of approximately 10% - the fear of stagnation in the even greater world economy (USA), the American subprime crisis and the continuous increase in price of the oil barrel (almost 100 dollars at the end of 2007).

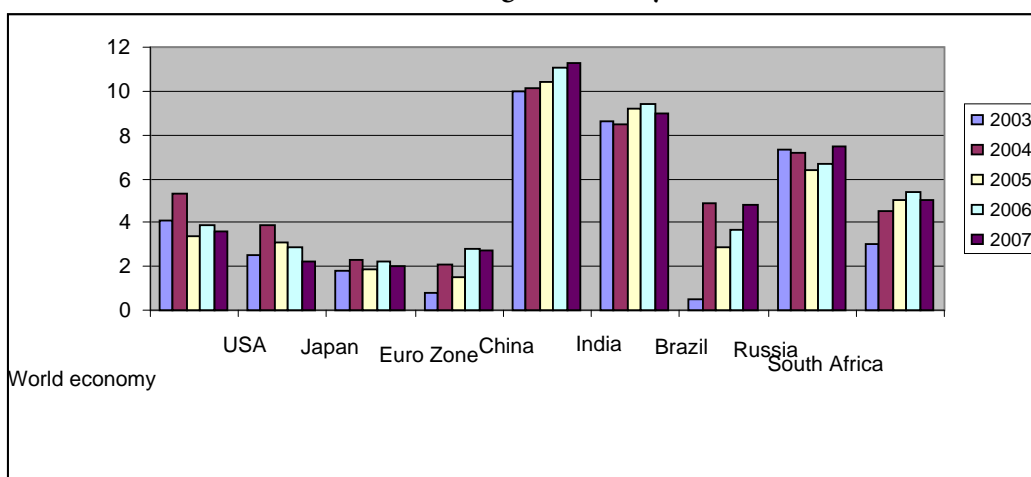
The American financial crisis - which may spread through the main economies during 2008 - was not reverted by the combined interventions of the Central Banks of the European Union, United States, United Kingdom, Swiss and Canada, with powerful liquidity injections during November 2007 and more recently March 2008. Despite that, credit continued to present behaviour of down trade and uncertainty and interest rates again started to be a concern. Specialists discuss that it's to do with emergency operations unable to solve the bottom line problem which is lack of reliability. Banks did not lend money in the amounts they used to and necessary for economy recapture due to lack of reliability and interest rates increased. Other than that, two key elements are determined for its characterization. This is an insolvency crisis - one in every five borrower's state, at the end of February, their inability to comply with the contracted refund terms - and a liquidity crisis, which affects the entire America economy and yet starts to extend to more developed OECD economies.

The worst of this American subprime crisis may, therefore, occur in 2008, with the extension of payment defaults regarding commercial real estate and automobile credit, as well as their derivatives which may involve the astronomic amount of 600 billion dollars. The result may be a down correction of approximately 18% in the American stock exchange.

The weak American dynamic economy in 2007 not only impacted the world GDP growth because the response of the main emergent economies was amply positive, with the Popular Republic of China leading this new set of countries where, in 2050, the business and economy gravity centre will be displaced to, agreeing with who characterizes this as the most likely change activity of "deoccidentalization" of economic growth.



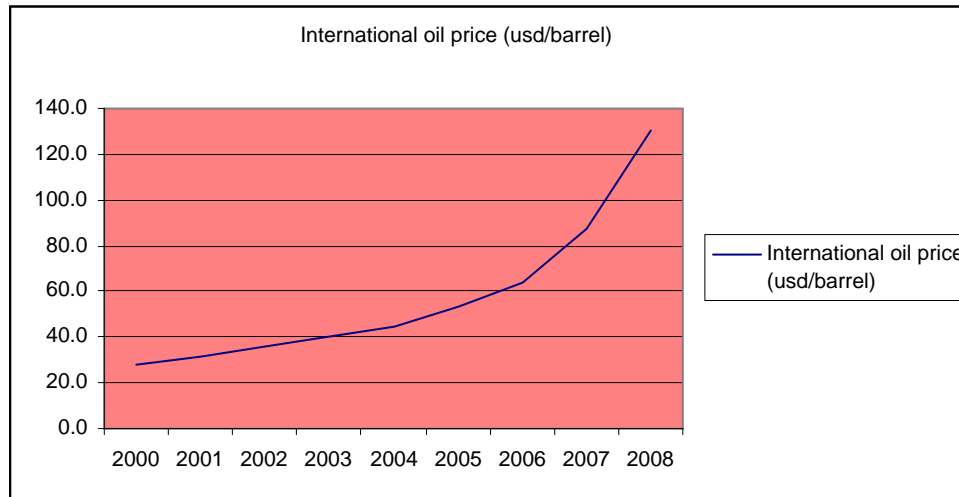
GDP Progress History



Source: World Bank – World Economic Prospects

South Africa - the only subsarian country part of the emergent countries, according to IMF/World Bank's classification – has been economically growing in an interesting manner, although internal social cleavages persist and have worsened, in which unemployment (approximately 35% to the respective rate), HIV-AIDS incidence and the high poverty rate are the most evident symptoms. The 5% average rate of GDP's growth between 2003 and 2007 has not been sufficient to generate net employment and ensure greater and better access to national income.

However and in addition to the American financial crisis – which risks to be worldwide in 2008, in case therefore interventions from the Central Banks of the largest, more incisive and efficient, economies are not registered in favour of economic growth and replacement of balances within credit market –another risk factor regarding economic growth is due to oil price behaviour, admitting that it may reach 150 dollars at the end of 2008. Confirming this speculative behaviour and admitting that the absorption capacity of more developed economies to these permanent offer shocks is to reach its limits - even in the presence of options for assumed alternative energies in the European Union and even for the United States, traditionally resistant to these options for the lobbies weight of the powerful Yankee petroliferous industry - all expectations on the worldwide prices stability (inflation rate foreseen for 2008 points out to 1.9%) and on the economic growth, even with those emergent, will be completely crushed.



Source: World Bank – World Economic Prospects

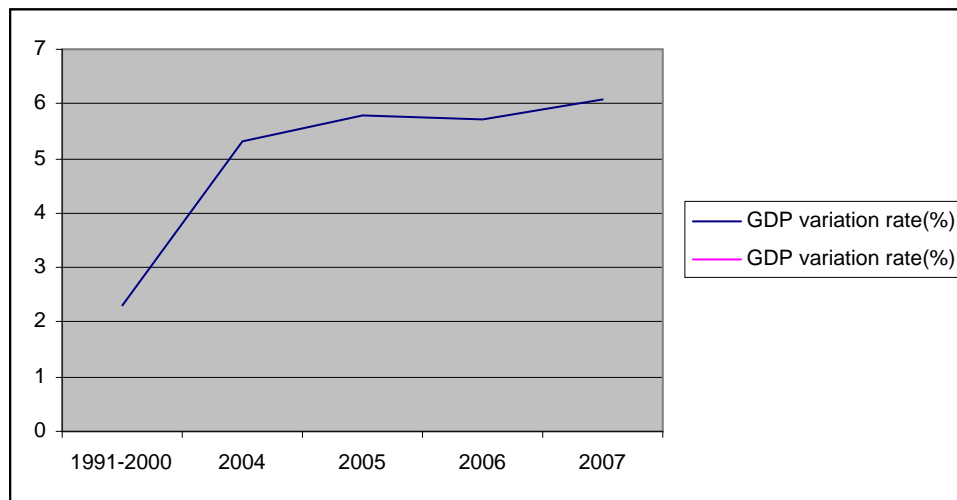
In 2008 the world's oil production may be reinforced in a quantitative ranging between 1 and 2 million barrels per day, as a result of the activation of new petroliferous fields to compensate the decline of the others, when their reserves are out. This increment may help, hopefully, to moderate the increase of international prices, even if, in short-term, the subsistent deficit between a continuous increase demand and an almost stagnant offer is not solved. The petroliferous global deficit will continue to be structural, due to average rate of decline expected in the world's main petroliferous regions of approximately 4.5% per year. In this scenario, almost 4 million additional barrels a day will be needed in order to maintain the world's production at the same level as 2007.

In Africa, 2007 may have been the year of a change for an intense and faster economic growth, derived from some significant advances - that are expected to be lasting, consistent and sustainable - in regional economic integration, better administration, more systematic and competent control of macroeconomic balances, management of public accounts and transparency in the use of financial resources, for what it will surely have contributed to greater opening of economic boundaries.

With an annual GDP average growth of 2.3% between 1991 and 2000, the subsarian Africa jumped from 5.7%, to a value of approximately 6.1% in 2007.



African GDP Progress History



Source: IMF- World Economic Outlook

Angola was the country which between 2004 and 2007 grew the most in the subsarian African region, with an annual average rate of 16.7%.

- Prospects

The following table shows projections made by the International Monetary Fund for different economies:

	2007	2008
<i>World Economy</i>	4.9%	4.1%
<i>Advanced Economies</i>	2.6%	1.8%
<i>USA</i>	2.2%	1.5%
<i>Euro Zone</i>	2.6%	1.6%
<i>Japan</i>	1.9%	1.5%
<i>Other Economies</i>	3.8%	2.8%
<i>Emerging Economies</i>	7.8%	6.9%
<i>Africa</i>	6.0%	7.0%
<i>Central Europe</i>	5.5%	4.6%
<i>Asia</i>	9.6%	8.6%

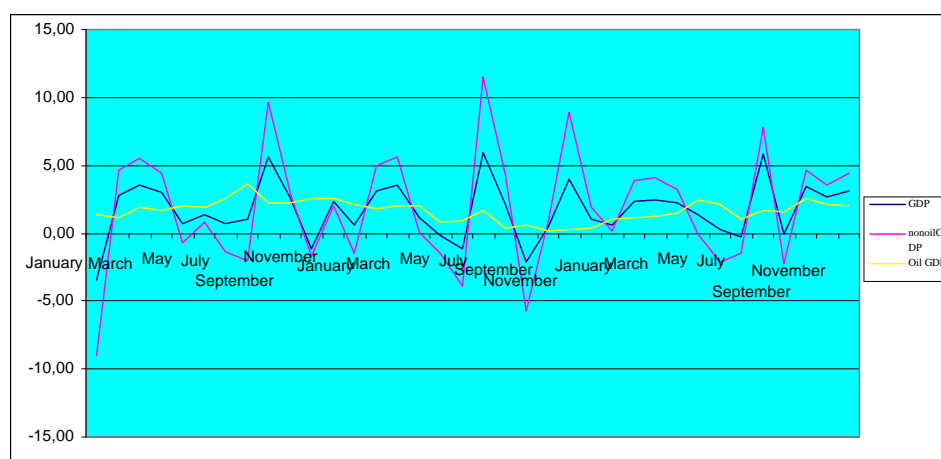


Domestic Environment

- Angolan domestic market

Angola's economic growth continued to observe 2 digit rates in almost all activity sectors. During 2007, and also according to preliminary estimates of the Ministry of Planning, the GDP increased, in real terms 20.86%, that will have corresponded to a value of 59,449 million dollars current to factors' cost. This amount is equivalent to an average income per inhabitant of approximately 3419.5 dollars, a 31.1% increment relatively to 2006.

It's important to highlight that the economic growth of the country starts to disjoin from the behaviour of the petroliferous and event the mineral activity, for other activity sectors, more structured in terms of domestic added value and employment generation.



Source: IMF- World Economic Outlook

It seems, therefore, that evident structural alterations are occurring, particularly from the end of 2004, as a direct result of the rehabilitation of infrastructures, greater circulation of goods and people, attraction of private investment and development of the service sector, with emphasis on those of financial nature.



DYNAMICS OF ECONOMIC GROWTH
(Actual growth rates)

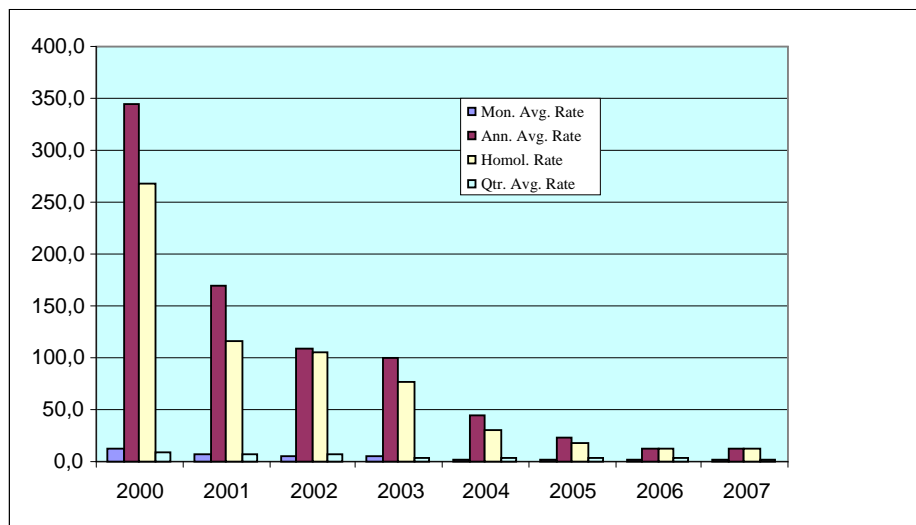
	GDP	petroliferous GDP	non petroliferous GDP	non mineral GDP
First Quarter	5.09	3.3	7.45	8.05
Second Quarter	2.17	6.0	-2.84	-3.02
Third Quarter	4.33	4.4	4.2	4.44
Fourth Quarter	9.27	6.7	12.69	12.95
Total	20.86	20.4	21.49	22.42

SOURCE: Ministry of Planning, Data on Angola's Economic Conjuncture

The reinfrastucture control of the country has been of greatest visibility of economic activity of the State, having been invested in 2007 5,378 million dollars in the recovery/construction of the most varied infrastructures, of economic and social incidence. However, the actual tax of execution of public investments continued to provide the traditional difficulties in the implementation capacity, having the respective rate of compliance represented of approximately 60% of the scheduled in the Public Investment Program.

In the control of basic macroeconomic balances, the governmental policy still obtained even better results than in 2006, thanks, on one hand, to the excellent behaviour of the oil price in the international market - despite a decrease of the internal petroliferous production - and, on the other hand, to the strategy of ex-ante sterilization of economy liquidity excess through the sales of exchange rates obtained due to petroliferous and diamantiferous rates. The provisory budgetary execution is responsible for a tax excess in 2007, estimated in 1.8% of the GDP, what in absolute terms is equivalent to a saving of the State of approximately 890 million dollars. The main reasons of this surplus are the execution rate of public investments (40% below of the foreseen in the OGE of 2007), the best current management of the operating costs of Public Administration and the differential of the oil price (between foreseen and cash the difference was of approximately 16 dollars per barrel).

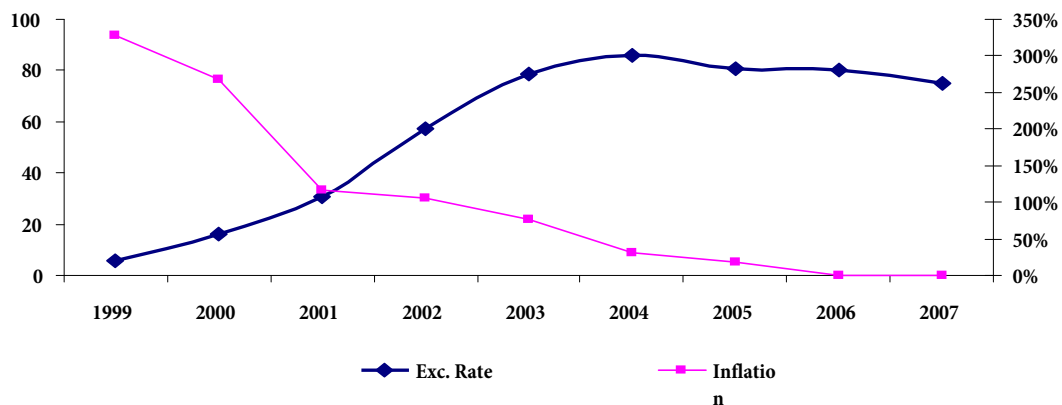
The inflation is of monetary aggregates where the success of the macroeconomic stabilization policy can be felt the most. The fact of not having been able to lower the accumulated annual inflation rate to a digit is also due to the intense increase of the GDP – that has generated a certain pressure of the private demand (consumption and investments) on a still rigid offer in its reaction to growth stimulations - and to the prevalence of some expectations of price increase that the economic agents have still not managed to accommodate and absorb, entirely, in their microeconomic strategies of production expansion. However, it is still worrying the fixedness of inflation rate in two digits (12.2% in 2006 and 11.79% in 2007), despite the appreciation of the exchange value of the Kwanza in relation to the dollar, which should make importation of transactionable consume goods cheap.



Source: IMF- World Economic Outlook

In general, the macroeconomic stabilization has maintained levels comparable to 2006, highlighting the effort of the Stabilization Fund to where the Government canalize part of its gains with oil price differentials. This strategy allows the Government to build a non-inflationary financing source of budgetary future deficits, in case social and economic infrastructure modernization policy is maintained longer.

Exchange Rate vs. Inflation



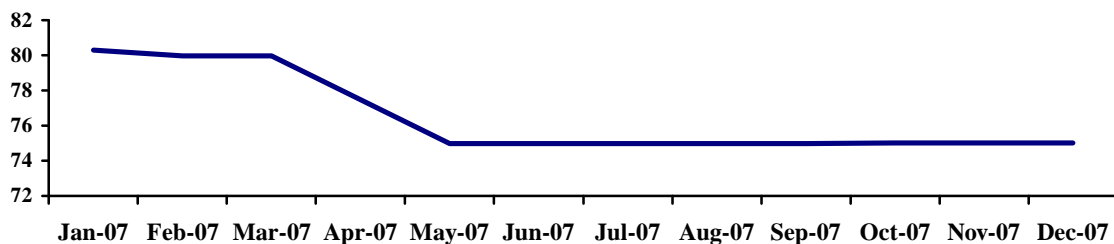
Source: Banco Nacional de Angola



- Angolan Financial System

2007 was a year of certain stability in the Angolan Financial System, the Kwanza during the year suffered slight appreciation in comparison to the American Dollar, this appreciation is due to exchange and monetary control policies implemented by the Banco Nacional de Angola. The average exchange rate at the end of the year was approximately 75.023.

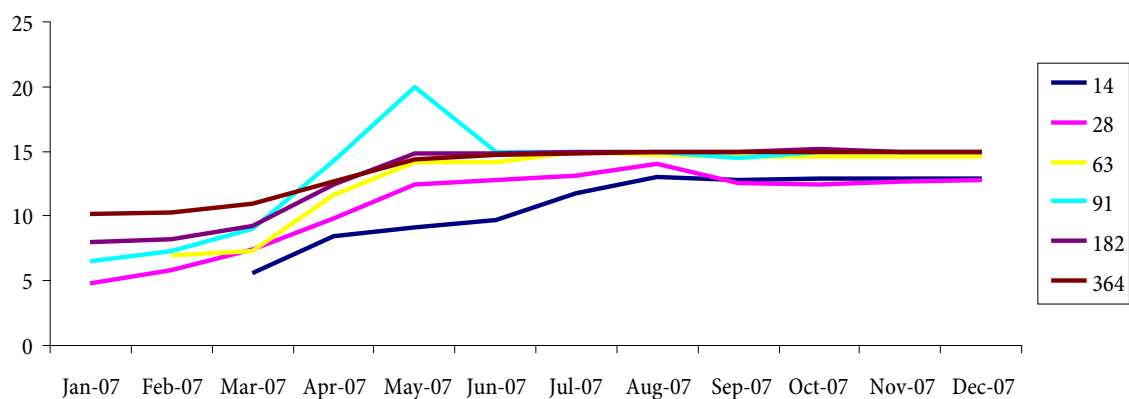
Exchange Rate Progress



Source: Banco Nacional de Angola

Relatively the issuance of Central Bank Securities reached the total amount of AKZ 443,954 thousand, these values are possible due to the stability of the Kwanza and also the lack of investment alternatives in the national market.

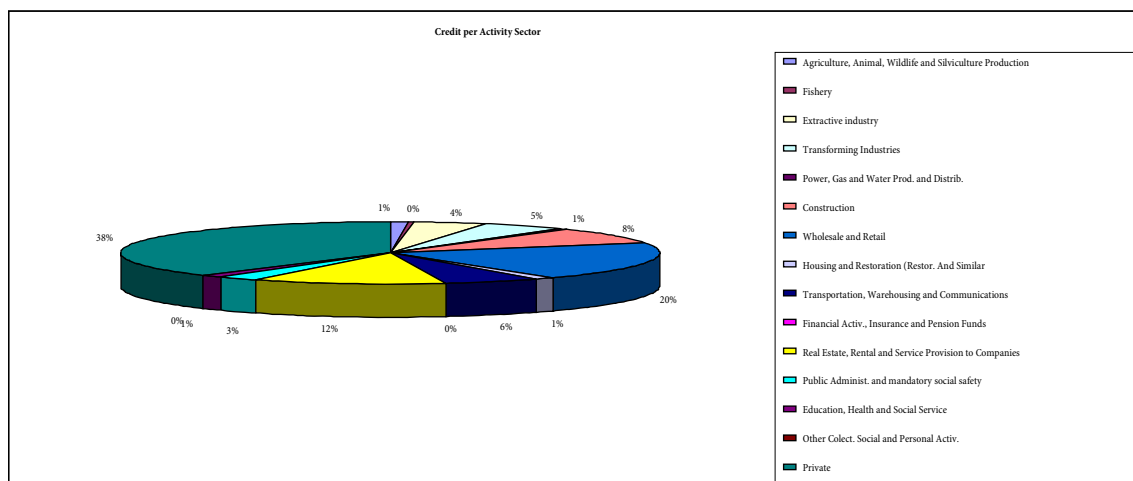
TBC's Progress



Source: Banco Nacional de Angola

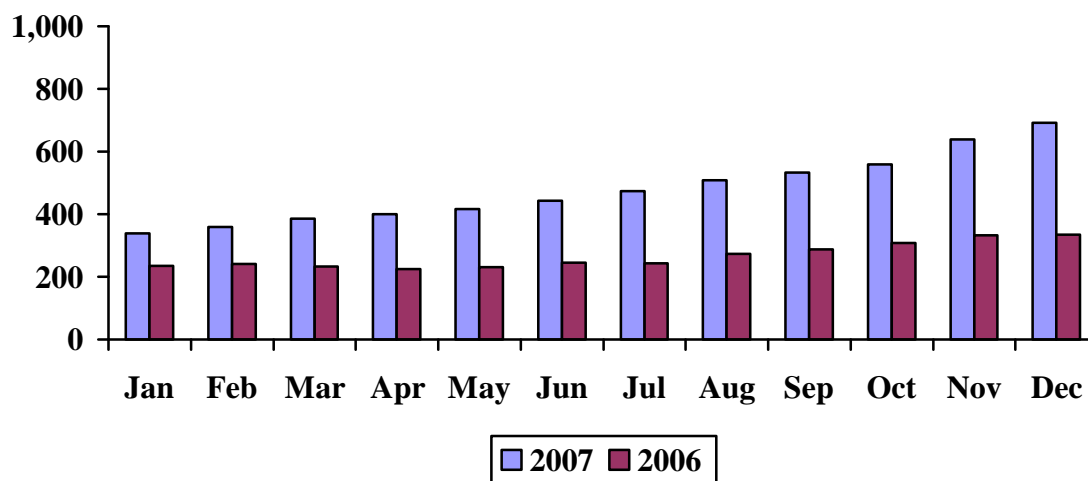


The total Credit consolidated during 2007 has reached the approximate value of AKZ **692.398 thousand** which represents a growth higher than last year's in approximately 50%, the activity sectors with higher index was the private sector with 38% of the total share of granted credit.



Source: Banco Nacional de Angola

Credit Progress in Kwanzas



Source: Banco Nacional de Angola

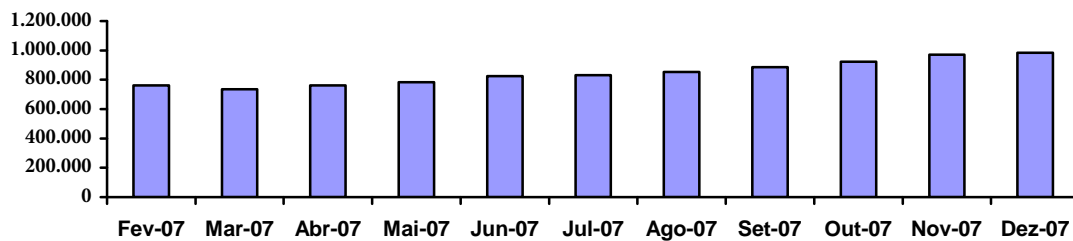


During 2007 there was a clear growth of total Deposits above 55% in comparison to last year, the deposits in national currency exceeded the deposits in foreign currency this year, thus being segmented at the end of the year:

National Currency Deposits – 50.74%

Foreign Currency Deposits – 49.26%

Evolução Depósitos 2007



Source: Banco Nacional de Angola

Legal Framework

In 2007, Banco Nacional de Angola as Angolan financial system regulatory and supervisor entity reinforced the prudential regulation, the set of prudential standards published that approximate our financial institutions of the Basileia's Principles and will allow us to control the risks inherent to the activity of the Banks, as well as make the credit analysis and concession more rigorous.



- Banco de Negócios Internacional

BNI - Banco de Negócios Internacional is a Bank intended for the corporate world, for residents in Angola, for other mixed purpose entities and foreigners, including public and institutional national entities.

Different for its high level of professionalism, it selects the best professionals, has a set of financial advantages and a cohesive and diverse set of solutions created specifically for the development of national and international business of the segments to which it is intended for.

Being a Universal Bank, focused on Investment Business Bank and considering the market framework where it is placed, introduces a relational component through its units of Corporate and Private Banking, providing the market with Values such as: Transparency; Assertiveness; Creation of value for its partners (shareholders, customers, suppliers and collaborators); Institutional and organizational solidarity; and Distinction in the form which it intervenes in the economic cycle where it is placed.

- Organization and Human Resources

The macro strategy defined at organization level for 2007 was the update, adaptation and consolidation of the organic and functional structure of several organizational units of the Bank. During the year rules and standards were defined to regulate all internal processes of the Bank, and opportunities of rationalization and simplification of internal processes were identified.

Result from the strong growth and organizational strategy of BNI during the year-end the need for definition of recruiting criteria and Personnel selection appeared, allowing leveraging future collaborators.

- Information Technologies and Information Systems

The alignment of the Information System strategy with the Bank's business strategy, was the main concern during the past year's last quarter, highlighting among several, the VoIP Project, Information Systems' Security and Monitoring project and assets, in consolidation phase, FINANCA project (Trading Room) concluded and the start-up of the Web Banking project, with the development of the institutional site and Internet Banking service.

At the same time, the launching of the business segment REDE EXPRESSO 24, required great involvement, in the parameterization of information for this business segment.



The Banco de Negócios Internacional is considering an agreement with an Angolan university, to receive trainees at the end of their course in the computer area with the purpose of, on one hand, contributing for the trainees' development and, on the other hand, further contracting the most capable.

- Distribution Network

The distribution network' strategy focused on the customer, that is, worked in order to meet the customer's needs and achieve new market segments.

The Bank's Business centre allowed during the year a proactive interaction in the capturing and loyalty of customers of Corporate and Private units, as well as products' development.

With the purpose of responding to a variety of questions identified in the national bank sector in need of a more appropriate, necessary and professional intervention, Banco de Negócios Internacional launched in June 2007 its network for the retail segment, relying on a organic structure and self acting philosophy, seeing that its products and services aim at other group of customers, that is, private and small and medium enterprises.

With a national approach plan, Rede Expresso 24 has opened two branches last year, the first in Dondo, province of North Kwanza and the other in the country's capital. Such plan already in place foresees that until the end of 2008 approximately 45 branches are distributed through the 18 country's provinces.

- Products, Services and Communications

In addition to BNI's customized products, Rede Expresso 24 brings to the market a set of traditional products and services of the branch incremented with innovations adjusted to the different realities that the retail branch may provide, namely, in assets and liabilities products. Associated to this base, there is a strong technological component in the monetary area, the plastic Currency. Their own ATM's network project with diverse services associated to out debit and credit cards provide customers with different types of banking services. Under Visa and MasterCard flags this project gains global dimension, giving our services an international look.

- Partnerships, Agreements and Participations

Through its short activity Banco de Negócios Internacional has signed various strategic agreements with some of the most important worldwide and national financial entities:

- **Fortis Bank Agreement**



The Bank has solemnized with Fortis Bank a partnership agreement for the development of new financial products

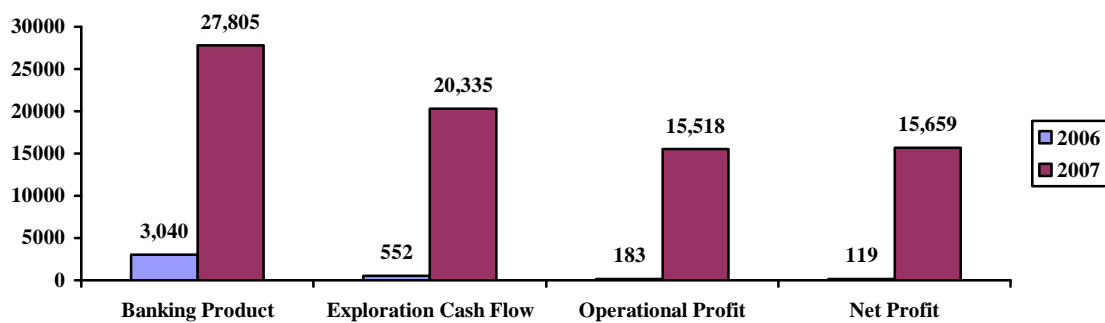
- **Deustch Bank**
The credit line intended for financing infrastructure projects
- **Banco de Desenvolvimento de Angola**
With this agreement, BNI starts to sell, through its network of branches, services and products of Banco de Desenvolvimento de Angola
- **MasterCard**
Banco de Negócios Internacional has signed an exclusivity agreement for Angola with MasterCard, BNI will perform the issuance and acquiring of MasterCard credit cards

On the other hand, it has financed several investment projects of which are highlighted:

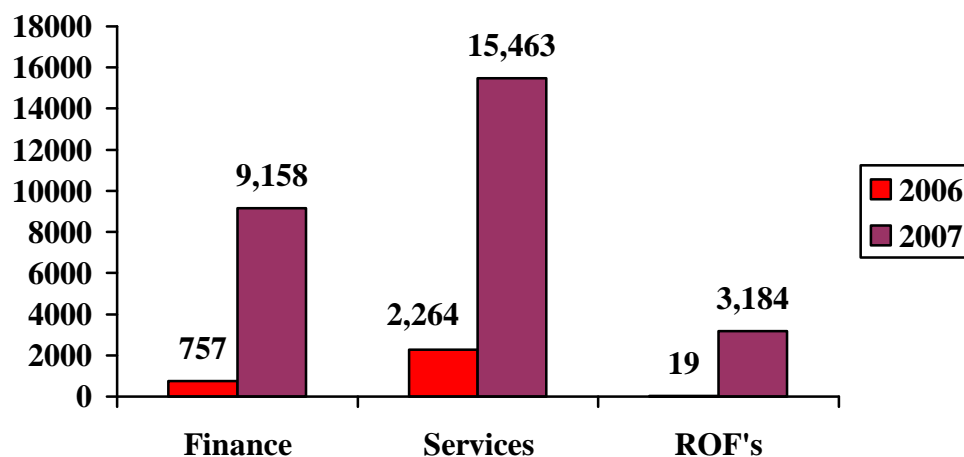
- **SII** – Financing of real estate project of USD 18,000 thousand
- **Lunha** – Financing of Morro Bento real estate project of USD 23,000 thousand
- **Angola Telecom** – Financing of project in the fibre optical area of EUR 136,000 thousand



Financial Analysis



Net **Banking Income** in 2007 was USD 27,805 thousand; this growth is mainly due to the Net Interest Income increase, increase of Commissions and the Financial Operations Profit. The chart below summarizes the distribution of Banking income:



Net Interest Income benefited from the credit volume growth and increase of trading securities' portfolio. The Bank closed the year with a Net Interest Income of USD 9,158 thousand.

Regarding the **Service Margin**, we can observe that during 2007 it reached USD 15,463 thousand. Quality in services provision as well as increase of customers' transactions was the reasons for this growth.

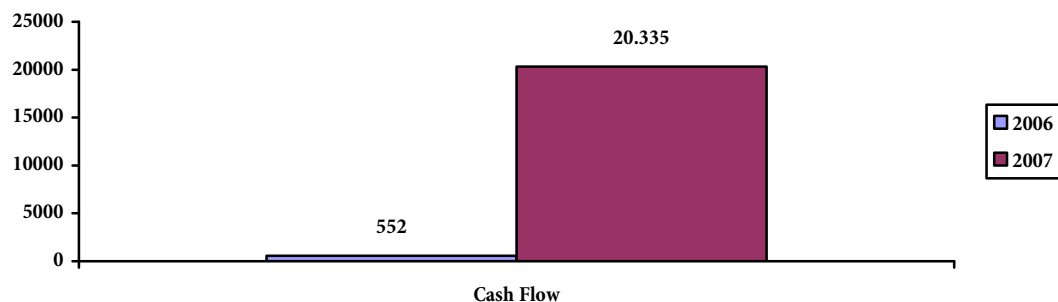


Regarding the **Financial Operations Profit**, Banco de Negócios Internacional closed the year with USD 3,184 thousand. The purchase and sale of foreign currency has been decisive for that growth.

As for the **Operating Costs** amounting to USD 8,979 thousand, we can highlight that in 2007 **Personnel Costs** totalized USD 3,176 thousand. This amount results from the strong growth of the Bank as well as the need of preparing it for challenges that it has committed to achieve within the next years. Banco de Negócios Internacional has closed the year with 86 collaborators in total. Intrinsic to the strong growth of the Bank is the **Provision of Third Party Services** which in 2007 were USD 3,919 thousand.

Considering the **Operating Costs** due to the **Banking Income**, we can obtain an efficiency ratio – **Cost to Income** – of 32.29%.

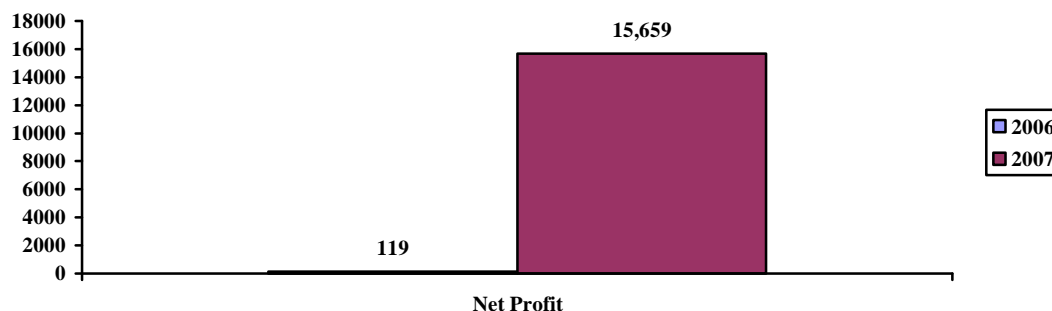
Cash Flow in 2007 was USD 20,335 thousand; the progress is explained by the increase of the Net Interest Income and Service Margin. The chart below shows the Cash Flow progress:





Net Provisions of the Year summed up USD 3,300 thousand. This increase is consistent to the growth observed in the Credit portfolio.

Net Profit of the year reached USD 15,659 thousand, against USD 119 of the past year. The following chart shows the Net profit progress in comparison to the previous year:



The Bank closed 2007 with USD **37,848** thousand of Return on Equity. **Return on Equity** was calculated according to the instruction of Banco Nacional de Angola.

The return on Assets (**ROA**) and Return on Equity (**ROE**), evolved in a very favourable way, reaching 3.54% and 72.67% in 2007, respectively.

The Bank's Total Asset reached USD 442,513 thousand. Credit on Customers contributed for the Asset growth, with **USD 175,333 thousand and Liabilities and other securities** with USD 175.706 thousand.

From the Liabilities side, are highlighted **Customers' Resources** that reached USD 111,259 thousand and **Liabilities per securities** with 261,443 thousand.

The Bank's Debt-to-Equity Ratio calculated according to the standards of Banco Nacional de Angola was 16.71%.



Proposed Distribution of Net Income

The Board of Directors proposes that the net income of the year amounting to AKZ 1,174,760 thousand, equivalent to USD 15,659 thousand, be distributed as follows:

- Legal Reserve	10%	USD 1,566 thousand	AKZ 117,476 thousand
- Other Reserves	89%	USD 13,993 thousand	AKZ 1,049,782 thousand
- Employees' Bonus	1%	USD 100 thousand	AKZ 7,502 thousand

Luanda, 24th March 2008

On behalf of the Board

Mário A. Palhares
Chairman of the Board of Directors



Financial Statements

Balance Sheets

As at 31st December 2007

	Notes	<u>2007</u> AKZ'000	<u>2007</u> USD'000	<u>2006</u> AKZ'000	<u>2006</u> USD'000
ASSETS:					
Cash and balances at Central Bank	5	1 661 011	22 140	204 460	2 547
Items in the course of collection from other banks	6	3 242 932	43 226	2 847 256	35 474
Other loans and advances to banks	7	932 612	12 431	-	-
Loan and advances to customers	8	13 154 021	175 333	75 154	936
Bonds and other securities	9	13 181 975	175 706	1 308 000	16 296
Financial assets	10	17 848	238	-	-
Intangible assets	Annex	166 789	2 223	148 154	1 846
Tangible and in progress assets	Annex	581 281	7 748	74 457	928
Other assets	11	150 922	2 012	179 733	2 239
Accruals and deferrals	12	109 244	1 456	68 581	854
Total assets		33 198 635	442 513	4 905 795	61 120
LIABILITIES AND SHAREHOLDERS' EQUITY					
Amounts owed to banks	13	1 163 674	15 511	-	-
Amounts owed to customers	14	8 347 024	111 259	3 110 492	38 753
Amounts owed to other entities		5 559	74	-	-
Liabilities per securities	15	19 614 263	261 443	-	-
Other liabilities	16	23 756	317	146 091	1 820
Accruals and deferrals	17	1 005 444	13 402	31 181	388
Provisions for risks and contingencies	18	247 622	3 301	1 499	19
Total liabilities		30 407 342	405 307	3 289 263	40 980
Share Capital	19	1 606 960	21 419	1 606 960	20 021
Reserves	19	9 572	128	-	-
Profit for the Year		1 174 760	15 659	9 572	119
Total Shareholders' Equity		2 791 293	37 206	1 616 532	20 140
Total Liabilities and Shareholders' Equity		33 198 635	442 513	4 905 795	61 120
Off-balance sheet items	27	43 363 447	578 002	1 308 000	16 296



Income Statement

For the year ended 31st December 2007

	Notes	2007 AKZ'000	2007 USD'000	2006 AKZ'000	2006 USD'000
Interest and similar income	20	1 304 914	17 394	62 275	775
Interest and similar expense	21	(617 858)	(8 236)	(1 477)	(18)
Net interest income		<u>687 056</u>	<u>9 158</u>	<u>60 798</u>	<u>757</u>
Fee and commission income	22	460 010	6 132	1 097	14
Income on financial transactions	23	238 862	3 184	1 525	19
Other income	24	713 236	9 507	180 579	2 250
Fee and commission expense		(13 196)	(176)	-	-
Net banking income		<u>2 085 968</u>	<u>27 805</u>	<u>243 999</u>	<u>3 040</u>
Staff costs	25	(238 305)	(3 176)	(59 576)	(742)
Administration expense	26	(293 999)	(3 919)	(139 347)	(1 736)
Taxes and fees		(584)	(8)	(10)	-
Other costs and losses		(38 046)	(507)	(776)	(10)
Depreciation charges for the year	Annex	(103 296)	(1 377)	(28 078)	(350)
Provisions for the year	18	(247 562)	(3 300)	(1 499)	(19)
Operating Income		<u>1 164 176</u>	<u>15 518</u>	<u>14 713</u>	<u>183</u>
Extraordinary results		<u>10 584</u>	<u>141</u>	<u>-</u>	<u>-</u>
Profit before tax		<u>1 174 760</u>	<u>15 659</u>	<u>14 713</u>	<u>183</u>
Provision for industrial tax	19	-	-	(5 141)	(64)
Profit after tax		<u>1 174 760</u>	<u>15 659</u>	<u>9 572</u>	<u>119</u>

**BNI**

Banco de Negócios Internacional

Notes to the financial statements

For the year closed in December 2007

1. Structure and activity

Banco de Negócios Internacional, S.A.R.L., with its head office in Luanda, is a private owned Bank, being its share capital fully owned by resident entities for foreign exchange purposes. The Bank was set up in February 2, 2006. Its commercial activity began in November 13, 2006.

The Bank's purpose is the provision of banking services, in the terms and within the Law limits.

2. Presentation Basis

The financial statements were prepared in Kwanzas (AKZ) observing the convention of historic cost and according to the accounting principles and standards of the Banking Accounting Plan as established by Banco Nacional de Angola.

The financial statements of 2007 are not comparable to the previous year due to the fact that in 2006 the Bank only operated for 47 days.

3. Presentation Currency

Since the beginning of its activity the Bank uses the accounting principles and taxes presentation according to the regulation in force in Angola for financial institutions, which require the preparation of account in local currency (AKZ), within the principals of the multicurrency system.

However, the Board of Directors use USD as the Bank's operating currency, as it is the most representative currency of its international operations. As a result, the financial information is presented in both currencies. The exchange rate AKZ/USD used in the preparation of financial information in USD was as follows:

Year ended	Closing rate
31.12.06	80.26442
31.12.07	75.02300

**BNI**

Banco de Negócios Internacional

Notes to the Financial Statements

For the year ended December 2007

The financial statements expressed in AKZ were translated into USD on the basis of the exchange rate in force at the end of the year for the total of assets, liabilities and profit statements.

4. Accounting Policies

The main accounting policies used in the preparation of financial statements, which have been consistently appropriated, are described below:

a) *Acknowledgement of costs and income*

Costs and income are registered in the year to which they belong, regardless their payment or receipt dates, according to the specialization principle of the year.

b) *Provision for general credit risk*

The provision for general credit risks is constituted according to the provision in Instruction No. 9/98 of November 16 of Banco Nacional de Angola, and is intended for covering potential risks existing in the credit's portfolio, however, that were not identified as a specific risk. The Bank has effected the calculation of the provisions for general credit risk based on the minimum rate of 2%, according provided in the aforementioned Instruction, being registered in the liabilities (note 18).

The provision for overdue credits and interests is intended for covering risks of realization of granted credits which present overdue and not paid capital and interest's instalments. The percentage of overdue credit and interests' provision are due to increase in time after the respective due date and the fact that they are or not covered with guarantees, according to the provision in Communication No. 9/07 of September 12 of Banco Nacional de Angola (note 18).

The provision for advance payment to depositories is constituted according to the provision in Directive No. 17/08 of November 16, 1998 of Banco Nacional de Angola, being the operations older than 30 days in their totality.

c) *Transactions in foreign currency*



Notes to the Financial Statements

For the year ended December 2007

The profit expressed in foreign currency is registered according to the principles of the multicurrency system, which provides that each operation is registered exclusively due to intervenient currencies. According to this method, the accounting balances expressed in foreign currency are converted into AKZ, at the end of each financial year, through the appropriation of purchase and sale exchange rate average published by Banco Nacional de Angola.

The exchange rate used at the end of the year for conversion into AKZ from the main foreign currency, namely USD, was mentioned in item 3.

Position in Cash

The position in cash is constituted by the net balance of assets and liabilities of the same currency, as well as the operation in cash awaiting liquidation and long term operations with due date two subsequent calendar days.

The position in cash is revaluated monthly to the average exchange rate by Banco Nacional de Angola. The observed exchange rate differences are registered as expenses or income of the year.

Bills and foreign currencies

Bills and foreign currencies are revaluated monthly based on the average exchange rate published by Banco Nacional de Angola. The exchange rate differences are registered as expenses or income of the year.

Conversion into AKZ of profit in foreign currency

Regarding the end of each month, all profit expressed in foreign currency are converted into AKZ based on the purchase and sale average rate. This procedure results in the alteration of the exchange rate position in cash in each foreign currency involved in the conversion to the national currency.

Income/costs in each foreign currency are debited/credited (cancelled) through counterpart of the respective exchange rate position in cash.

Long Term Exchange Rate Position



Notes to the Financial Statements

For the year ended December 2007

The long term exchange rate position in each currency is given by the net balance of assets and liabilities of the operations in long term awaiting liquidation and that are not covering the exchange rate position in cash. All contracts related to these operations are revaluated monthly based on the reference average rate of Banco Nacional de Angola. The differences for the exchange values in AKZ, to the contracted rates, represent the income or expense of revaluation of the long term position, being registered in a revaluation account of the exchange rate position against the costs or income of the year.

d) Securities Operations

Trading Securities

Trading securities are those acquired with the purpose of sale in a period which may exceed six months.

The securities issued at value except Central Bank Securities (TBC's) are registered by their reimbursement value (nominal value). The difference between the nominal value and the acquisition value is considered as revenue with differed income. Monthly, interests are put into their respective income subaccounts.

Investment Securities

Investment securities are those acquired with the purpose of retention for periods over six months.

Treasury Obligations in foreign currency (USD) are registered to the reimbursement value (nominal value). The difference between the nominal value and the acquisition value is considered as revenue with differed income. Interests' specialization is made on a monthly basis, having as a base the nominal value and the interest rate applicable to the period, being placed into the respective income account.

e) Participations

Financial participations are valued to the acquisition cost in AKZ.

f) Intangible and tangible Assets

Intangible assets are constituted by establishment and software expenses, according to the accounting policies applicable in Angola.

**BNI**

Banco de Negócios Internacional

Notes to the Financial Statements

For the year ended December 2007

Tangible assets are registered to the respective acquisition cost, being denominated in AKZ, which have not been revaluated.

Within the scope of assets detention strategy for their own service and rationalization of means and resources in leasing contracts and remodelling works in building lease for the implantation of commercial network for the support of the Bank's activity, a services provision contract was signed with a real estate entity, whose purpose if to put in place the strategy defined by the Bank.

Amortizations are calculated by the one-twelfth share method, applying maximum annual rates allowed for tax purposes, according to the following periods, which do not differ substantially from the expected useful life. Amortization rates for the main elements of the assets are as follows:

Number of Years

Intangible fixed assets	3
Works in building leases	10
Computer equipment	4
Machines and tools	7
Transportation equipment	3
Other assets	10

g) Provisions for General Bank Risks

The provisions are constituted based in the existence of current situations (legal or constructive), resulting from past events, for which it's likely the expense of resources and the amount is determined with reliability. The provisions reflected in the financial statements correspond to a better estimate of the Bank related to eventual amounts which could be necessary to disburse in order to pay off the liability existing at balance sheet date.

For cases in which is not likely further expense of resources, the liability is classified as a contingent liability and, in case of a possible concretization is not remote, object only of disclose in annex to the accounts.

h) Industrial Tax

The Bank is subject to taxation of Industrial Tax, at 35%, being considered a Group A taxpayer. The tax on revenue of the year is determined based on the operational profit of

**Notes to the Financial Statements**

For the year ended December 2007

the Bank deducting exempt income and increased of costs not accepted by taxes.

Tax statements are subject to review and correction by tax authorities during a 5 years period.

The Bank has obtained with the Ministry of Finance an exemption of industrial tax for 3 years, reason for which there was no industrial tax calculation.

5. Cash and balances at Central Bank

	2007 AKZ'000	2007 USD'000	2006 AKZ'000	2006 USD'000
Cash	355 986	4 745	58 838	733
Deposits at the Central Bank	1 305 025	17 395	145 622	1 814
	<u>1 661 011</u>	<u>22 140</u>	<u>204 460</u>	<u>2 547</u>

The balance of Deposits in the Central Bank, in December 31, 2007, included the amount of AKZ 1,138,722 thousand, equivalent to USD 15,178 thousand, which aim at meeting the requirements of cash minimum reserves.

The coefficient of mandatory reserves in national currency is 15% on Payment Means established in the Global Monetary Program, according to provision in Instruction No. 04/2007 of August 30, 2007. The enforceability of the reserves is calculated every two weeks, on an arithmetic average of balances of the weekdays of each period.

6. Items in the course of collection from other banks

	2007 AKZ'000	2007 USD'000	2006 AKZ'000	2006 USD'000
From banks in Angola	70 610	941	-	-
From banks abroad	3 172 322	42 285	2 847 256	35 474
	<u>3 242 932</u>	<u>43 226</u>	<u>2 847 256</u>	<u>35 474</u>

The balance in credit institutions in the country refers to amounts awaiting collection.

**Notes to the Financial Statements**

For the year ended December 2007

The account of foreign availabilities in ME includes the balances of the accounts in corresponding banks, inserting these amounts in the management of the current activity of the bank.

The balances with related entities total AKZ 371,596 thousand, i.e. an equivalent to USD 4,953 thousand.

7. Other loans and advances to banks

	2007 AKZ'000	2007 USD'000	2006 AKZ'000	2006 USD'000
Appropriation in banks abroad	932 612	12 431	-	-
	932 612	12 431	-	-

The applications account in foreign credit institutions include collateral to letters of credit in the amount of AKZ 174,880 thousand equivalent to USD 2,331 thousand. The balances with related entities sum AKZ 750,230 thousand, equivalent to USD 10,000 thousand.

The term deposits abroad (in USD) became due on December 31, interest at a rate of 5.3% and showed a residual term of 3 to 6 months.

8. Loan and advances to customers

	2007 AKZ'000	2007 USD'000	2006 AKZ'000	2006 USD'000
Domestic Loans and advances	13 126 698	174 969	75 154	936
Overdue Loans and interest	28 761	383	0	0
	13 155 459	175 352	75 154	936
Provision for Overdue Loans and Interest	(1 438)	(19)	0	0
	13 154 021	175 333	75 154	936

The definition of internal and external credit is in accordance with the classification of the exchange resident (internal credit) and exchange non-resident (credit abroad). The bank may not, according to the law, grant loans and advances to non-resident entities.

**Notes to the Financial Statements**

For the year ended December 2007

Following the credit increase in the previous year, the increase of the credit portfolio basically continues to be the result of the increased financing of investment projects, as well as financing of medium and large companies, maintaining signs of more dynamism in the Angolan market.

With regard to the human resources policy, credit was granted to bank employees in the amount of AKZ 83.679 thousand equivalent to USD 1,115 thousand.

On December 31, 2007, the Loans to Customers Maturity, by residual terms for its due date, is as follows:

	Per currency		Total	
	In national currency AKZ'000	In foreign currency AKZ'000	AKZ'000	USD'000
Up to 3 months	-	371 828	371 828	4 956
From 3 months to 1 year	5 017	5 774 088	5 779 105	77 031
From 1 to 3 years	8 056	835 704	843 761	11 247
From 3 to 5 years	315 648	1 758 799	2 074 447	27 651
Over 5 years	0	2 196 223	2 196 223	29 274
Total	328 722	10 936 642	11 265 364	150 159
Advance payment to depositors	6 491	1 883 604	1 890 095	25 194
	<u>335 213</u>	<u>12 820 246</u>	<u>13 155 459</u>	<u>175 352</u>

9. Bonds and other securities

	2007	2007	2006	2006
	AKZ'000	USD'000	AKZ'000	USD'000
Trading Securities - MN	11 957 600	159 386	1 308 000	16 296
Investment Securities - ME	1 224 375	16 320	-	-
	<u>13 181 975</u>	<u>175 706</u>	<u>1 308 000</u>	<u>16 296</u>

The Trading Securities balance is entirely composed of securities of the Central Bank acquired by our bank during the year of 2007 and due in 2008.

The Investment Securities balance is entirely composed of Treasury Bonds in foreign currency issued in 2007 and with 5, 8 and 9 years maturity spans.

10. Financial Assets

**Notes to the Financial Statements**

For the year ended December 2007

The amount registered in this item refers to the acquisition during the year, in the investment strategy scope of the bank, of a participation in the EMIS company, corresponding to 3.06% of the capital of this company.

EMIS – Empresa Interbancária de Serviços, SARL, is a company dedicated to the management of electronic means of payment and complementary services with headquarters in Luanda.

11. Other assets

	2007 AKZ'000	2007 USD'000	2006 AKZ'000	2006 USD'000
National debtors	49 400	659	156	2
Foreign debtors	101 522	1 353	179 577	2 237
	<u>150 922</u>	<u>2 012</u>	<u>179 733</u>	<u>2 239</u>

The foreign debtors accounts basically refers to the amount invoiced by the bank (AKZ 101,281 thousand), in the year of 2007, to its related entity Banco Privado Internacional, related to a management and provision of logistic services agreement. The commissions charged by the management and provision of logistic services agreement are registered in the item of other gains (note 24).

As regards the account of national debtors, the balance especially reflects advances made to the SII – Sociedade Imobiliária, S.A. entity, in the amount of AKZ 36,039 thousand, an entity with which the bank executed the agreement of provision of services mentioned in paragraph F) of note 4.

12. Accruals and deferrals

	2007 AKZ'00	2007 USD'00	2006 AKZ'000	2006 USD'000
	0	0		
Income receivable	84 239	1 123	461	6
Deferred costs	19 663	262	68 120	848
Other	5 342	71	-	-
	<u>109 244</u>	<u>1 456</u>	<u>68 581</u>	<u>854</u>

**Notes to the Financial Statements**

For the year ended December 2007

The Income receivable account refers to future financial flow and corresponds to the remuneration of the credit granted, of applications in other credit institutions abroad and of investment securities.

Expenses with deferred costs include amounts related to specializations in insurance, revenue and rents and subsidies in general.

13. Amounts owed to banks

The amount indicated on this item, AKZ 1,163,674 equivalent to USD 15,511, corresponds to the use of part of the credit line negotiated with the Fortis Bank, as per note 27.

14. Amounts owed to other entities

	2007	2007	2006	2006
	AKZ'000	USD'000	AKZ'000	USD'000
Cash deposits				
In national currency	592 464	7 897	105 839	1 319
In foreign currency	5 520 533	73 585	2 385 933	29 726
	<u>6 112 997</u>	<u>81 482</u>	<u>2 491 772</u>	<u>31 045</u>
Long term deposits				
In national currency	105 667	1 408	-	-
In foreign currency	2 128 360	28 369	618 720	7 708
	<u>2 234 027</u>	<u>29 777</u>	<u>618 720</u>	<u>7 708</u>
	<u>8 347 024</u>	<u>111 259</u>	<u>3 110 492</u>	<u>38 753</u>

The balances of the entities rise to AKZ 433,178 thousand, i.e., equivalent to USD 5,774 thousand.

The analysis of long term deposits as to their residual duration and by currency is the following:

	2007	2007	2006	2006
	AKZ'000	USD'000	AKZ'000	USD'000
In national currency				
Up to 3 months	97 564	1 300	-	-
From 3 to 6 months	-	-	-	-
From 6 months to 1 year	8 103	108	-	-
	<u>105 667</u>	<u>1 408</u>	<u>-</u>	<u>-</u>

In foreign currency

**Notes to the Financial Statements**

For the year ended December 2007

Up to 3 months	1 073 135	26 300	595 443	7 418
From 3 to 6 months	139 935	1 865	5 217	65
From 6 months to 1 year	15 290	204	18 060	225
	<u>2 128 360</u>	<u>28 369</u>	<u>618 720</u>	<u>7 708</u>
	<u>2 234 027</u>	<u>29 777</u>	<u>618 720</u>	<u>7 708</u>

15. Liabilities per securities

	2007	2007	2006	2006
	AKZ'000	USD'000	AKZ'000	USD'000
Depository Receipts	16 238 228	216 443	-	-
Shareholder's Acceptance	3 376 035	45 000	-	-
	<u>19 614 263</u>	<u>261 443</u>	<u>-</u>	<u>-</u>

The balance of Deposit Certificates respects the applications of titled customers shown in local and foreign currency. The remuneration of these titles is indexed to the interest rate of the titles negotiated on the local market when in local currency and international titles when in foreign currency. The registered operations have a maturity of one year.

The balances of the entities listed rise to AKZ 1,030,291 thousand, i.e., equivalent to USD 13,733 thousand.

During the year of 2007, the bank issued two Promissory Notes with maturities of less than one year for the total amount of USD 45,000 thousand equivalent to AKZ 3,376,035 thousand. These Promissory Notes were acquired by an international financial entity.

The liquidated interest, referring to the Deposit Certificates and Promissory Notes, is shown in Interest and Similar Cost (note 21)

16. Other liabilities

	2007	2007	2006	2006
	AKZ'000	USD'000	AKZ	USD
Suppliers	15 707	209	107 440	1 338
Other creditors	-	-	24 210	302
Taxes w/out bank operations	3 416	46	645	8
Taxes w/out remunerations	3 426	46	4 973	62
Other requirements	1 207	16	<u>8 823</u>	<u>110</u>

**Notes to the Financial Statements**

For the year ended December 2007

<u>23 756</u>	<u>317</u>	<u>146 091</u>	<u>1 820</u>
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The item of suppliers essentially includes amounts to be paid to suppliers of fixed assets, suppliers of computer equipment and publicity.

17. Accruals and Referrals

	2007 AKZ'000	2007 USD'000	2006 AKZ'000	2006 USD'000
Payable costs	420 315	5 603	8 786	110
Deferred income	585 111	7 799	22 395	278
Other	18	-	-	-
	<u>1 005 444</u>	<u>13 402</u>	<u>31 181</u>	<u>388</u>

The payable costs account mainly refers to the specialization of Long Term Deposits and Deposit Certificates and Promissory Notes issue by the bank, whose cost is incorporated in Interest and Similar Cost (note 21).

The Revenue account with deferred income refers to the specialization of deductions in the acquisition of bonds of the Central Bank and Treasury Obligations in ME.

18. Provisions for risks and contingencies

Analysis of the provision's operation:

AKZ'000	Overdue credit	Credit General Risks	General Bank Risks	Total
Initial balance	0	1 499	0	1 499
Appropriations	4 096	349 756	14 798	368 650
Restitutions	(2 658)	(118 430)	0	(121 088)
Balance in 31/12/07	<u>1 438</u>	<u>232 825</u>	<u>14 798</u>	<u>249 061</u>

The provisions for General Credit Risks and Various Risks were composed as per paragraphs b) and g) of note 4.

**Notes to the Financial Statements**

For the year ended December 2007

19. Share Capital

The capital of the bank is of AKZ 1,606,960,400 (equivalent to USD 20,000,000), represented by 2,000,000 shares at a nominal value equivalent to USD 10 each and is fully paid up. For this purpose, the official exchange rate of the constitution date was used: USD 1: AKZ 80.34802.

The participation of the largest shareholders is as follows:

Shareholder	Number of Shares	Amount USD'000	Amount AKZ'000	% Particip.
Mário Abílio Pinheiro Moreira Palhares	900 000	9 000	723 132	45,00%
Welwitschea José dos Santos	266 600	2 668	214 369	13,33%
João Baptista Matos	140 000	1 400	112 487	7,00%
José Eduardo Paulino dos Santos	133 400	1 332	107 024	6,64%
Arnaldo Sousa Calado	120 000	1 200	96 418	6,00%
José Teodoro Garcia Boyol	100 000	1 000	80 348	5,00%
Ricardo Daniel S. Queirós Viegas de Abreu	100 000	1 000	80 348	5,00%
Other	240 000	2 400	192 835	12,00%
	2 000 000	20 000	1 606 960 400	100,0%

In compliance with No. 3 of article 446 of Law No. 1/04 of February 13, which refers to the Code of Commercial Corporations, the holding of capital by the administration and inspection entities is as follows:

Shareholder	Job Title	Procurement	Number of Shares	% Participation
Mário Palhares	Chairman	Face Value	900 000	45,00%
Welwitschea José dos Santos	Non-Executive Director	Face Value	266 800	13,34%
Arnaldo Sousa Calado	Non-Executive Director	Face Value	120 000	6,00%
José Teodoro Garcia Boyol	Deputy - Chairman	Face Value	100 000	5,00%
Ricardo Daniel Queirós Viegas D'Abreu	Deputy - Chairman	Face Value	100 000	5,00%
Luis Filipe Marques Pisoeiro	Non-Executive Director	Face Value	80 000	4,00%
Carlos Manuel Carvalho Rodrigues	Non-Executive Director	Face Value	80 000	4,00%

According to the decision of the General Meeting, the bank capitalized all its net result of the year of 2006, placing 10% in legal reserve, in compliance with No. 1 of art. 76, of the Law of Banking Institutions, and the remaining 90% in free reserves.

**Notes to the Financial Statements**

For the year ended December 2007

20. Interest and similar income

	2007 AKZ'000	2007 USD'000	2006 AKZ'000	2006 USD'000
Availability in credit institutions abroad	30 470	406	407	5
Appropriation in credit institutions abroad	134 925	1 799	-	-
Credit	397 328	5 296	714	9
Securities	741 497	9 884	61 154	761
Overdue credit and securities	694	9	-	-
	<u>1 304 914</u>	<u>17 394</u>	<u>62 275</u>	<u>775</u>

The items of Interest on applications and availabilities in foreign credit institutions show the gains of the bank as regards deposits related to long term deposits and very short-term applications with the corresponding banks.

In the item of interest on credit gains related to granted credits and due credits are shown.

The interest related to Bonds refers to the gains resulting from Bonds of the Central Bank and of Treasury Obligations.

21. Interest and similar expense

	2007 AKZ'000	2007 USD'000	2006 AKZ'000	2006 USD'000
Resources of Credit Instit.	1 764	24	702	9
Customers' Resources	121 509	1 620	775	9
Depository Receipts	334 262	4 455	-	-
Shareholder's acceptance	160 323	2 137	-	-
	<u>617 858</u>	<u>8 236</u>	<u>1 477</u>	<u>18</u>

22. Fee and commission income

	2007 AKZ'000	2007 USD'000	2006 AKZ'000	2006 USD'000
Operations on securities	53	1	-	-

**Notes to the Financial Statements**

For the year ended December 2007

Exchange operations	25 782	343	99	1
Other bank operations	228 829	3 050	-	-
Provided guarantees	44 385	592	-	-
Commitments to third parties	152 410	2 032	998	13
Bank Services	8 551	114	-	-
	<u>460 010</u>	<u>6 132</u>	<u>1 097</u>	<u>14</u>

The item Other banking operations is composed of commissions received for the assembly and management operation of the Deutsche Bank credit line in the amount of USD 3,050 thousand, as shown in note 27.

The item Commitments to third parties essentially incorporates the assembly, opening, and immobilization related to credit operations, where commissions in the amount of USD 387 thousand referring to the credit granted under the Credit Line with Fortis are included (note 13).

23. Income on financial transactions

The net profit on financial operations may be shown as follows:

	2007	2007	2006	2006
	AKZ'000	USD'000	AKZ'000	USD'000
Revaluation of exchange position				
Profit	270 513	3 606	10 590	132
Loss	(34 083)	(454)	(5 345)	(67)
Net	<u>236 430</u>	<u>3 152</u>	<u>5 245</u>	<u>65</u>
Other profit and loss	2 431	32	(3 720)	(46)
	<u>238 862</u>	<u>3 184</u>	<u>1 525</u>	<u>19</u>

24. Other income

The amounts shown in this item of AKZ 713,236 thousand, equivalent to USD 9,507 thousand, essentially refer to the provision of services to 2 entities in the investment area related to privatizations of public companies(USD 7,000 thousand), and income in the amount of AKZ 101,281 thousand (USD 1,350 thousand) referring to the management and provision of logistic services agreement executed with a related entity, as stated in note 11.

**Notes to the Financial Statements**

For the year ended December 2007

25. Staff costs

	2007 AKZ'000	2007 USD'000	2006 AKZ'000	2006 USD'000
Management remuneration	83 561	1 114	27 863	347
Employees' remuneration	136 835	1 824	27 550	343
Mandatory social charges	17 492	233	4 163	52
Other staff costs	417	5	-	-
	<u>238 305</u>	<u>3 176</u>	<u>59 576</u>	<u>742</u>

The total employees headcount at the end of 2007 was 86 (37 in 2006), divided by the following categories:

	Units
Director	7
Advisor	3
Manager	3
Head of department	10
Senior Technician	2
Junior Technician	47
Administrative personnel	14
	<u>86</u>

26. Administration expense

	2007 AKZ'000	2007 USD'000	2006 AKZ'000	2006 USD'000
Third parties' supplies	36 701	489	8 036	100
Rental	28 135	375	19 447	242
Communications	10 982	146	2 487	31
Transportation and accommodation	47 634	635	10 618	132
Advertising	37 186	496	10 888	136

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Notes to the Financial Statements

For the year ended December 2007

Independent work costs	1 748	24	401	5
Preservation and repairing	5 272	70	1 376	17
Insurance	7 516	100	1 259	16
Other third party services	118 825	1 584	84 835	1 057
	<u>293 999</u>	<u>3 919</u>	<u>139 347</u>	<u>1 736</u>

The item of other services to third parties is mainly composed of costs of security and surveillance of the facilities in the amount of AKZ 25,480 thousand (USD 340 thousand) and of the provision of various services such as information technology consultancy services in the amount of AKZ 31,309 thousand (USD 417 thousand), general consultancy services and financial charges in the amount of AKZ 49,967 thousand (USD 666 thousand).

The policy of renting facilities for its own use was altered in the year of 2007, as stated in paragraph f) of note 4.

27. Off-balance sheet items

	2007	2007	2006	2006
	AKZ'000	USD'000	AKZ'000	USD'000
Rights				
Guarantees Received			-	-
Actual	3 848 958	51 304	-	-
Non-actual	9 759 182	130 082	-	-
Irrevocable Credit Lines	40 098 977	534 489	-	-
Services provided by third parties	13 181 975	175 706	1 308 000	16 296
	<u>66 889 092</u>	<u>891 581</u>	<u>1 308 000</u>	<u>16 296</u>

	2007	2007	2006	2006
	AKZ'000	USD'000	AKZ'000	USD'000
Liabilities				
Guarantees Provided	31 510	420	-	-
Documentary credits	830 533	11 070	-	-
Irrevocable Credit Lines	1 758 881	23 445	-	-
Assets given as guarantee	182 382	2 431	-	-
Resp. for service provision	20 722 309	276 213	-	-
	<u>23 525 615</u>	<u>313 579</u>	<u>-</u>	<u>-</u>
	<u>43 363 477</u>	<u>578 002</u>	<u>1 308 000</u>	<u>16 296</u>

**Notes to the Financial Statements**

For the year ended December 2007

The items related to Rights refer to the guarantees received with regard to credit operations, services rendered by the National Bank of Angola for custody of the securities of the investment portfolio of the bank (note 9) and to the amounts not yet used in credit lines made available by foreign financial institutions, such as:

- Deutsche Bank, in the amount of USD 500,000 thousand for infrastructure projects at medium and long term;
- Fortis Bank, in the amount of USD 50,000 thousand for opening letter of credit for the importation of equipment. The operations related to this line have a maximum maturity of 7 years. There is a use of this line in the amount of AKZ 1,163,674 thousand equivalent to USD 15,511 thousand, as stated in note 13.

The item of Liabilities shows the commitments of the bank with credit operations (bank guarantees and documentary credits) by means of credit lines granted to customers and not used yet; with assets given as guarantee for collateral on operations associated with documentary credits and others; and for custody of securities on behalf of customers (OT's, TBC's, CD's and PN's).

28. Pension Funds

The bank decided to initiate contacts with a national insurance company in order to formalize a pension fund. In addition, the pension fund will be effective only in the future and the bank will not take any responsibility for past services.

29. Assets and Liabilities in Foreign Currency

In December 31, 2007 the representation in thousands of foreign currency was as follows:

	Asset	Liability	Net Representatio n
USD	237 309	226 886	10 422
EUR	1 685	4 372	(2 868)
GBP	38	46	(8)
ZAR	9	8	1
Exchange value in AKZ'000	<u>17 995 090</u>	<u>17 510 496</u>	<u>484 594</u>



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Independent Auditor's Report



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Report and Opinion of the Supervisory Board

**Asset annual activity map – in AKZ'000**

AKZ'000	Gross Fixed Assets					Accumulated Amortizations					01/01/06	31/12/06
	Balance in 01/01/07	Acquisitions	Reductions/Regulariz.	Revalua.	Balance in 31/12/07	Balance in 01/01/07	Amortiza. Year	Reductions/Regulariz.	Revalua.	Balance in 31/12/07		
Structure expenses	76,594	10,460	0	0	87,054	7,413	27,594	0	0	35,007	69,182	52,047
Pluriannual Costs	27,458	8,915	0	0	36,373	1,525	10,641	0	0	12,166	25,933	24,207
Software	57,979	72,839	0	0	130,817	4,939	35,343	0	0	40,283	53,039	90,534
Other intangible assets												
Total Intangible assets	162,031	92,214	0	0	254,245	13,877	73,578	0	0	87,456	148,154	166,789
Works in buildings lease	25,428	35,446	35	0	60,839	994	4,854	3	0	5,845	24,434	54,994
Equipment	62,471	139,696	10,721	0	191,446	13,207	15,174	1,113	0	27,268	49,264	164,178
Artistic equity	480	2,996	640	0	2,836	0	0	0	0	0	480	2,836
Other assets												
Total tangible assets	88,379	178,138	11,396		255,121	14,201	20,028	1,116	0	33,113	74,178	222,008
Fixed assets in progress	279	472,206	113,212	0	359,273	0	0	0	0	0	279	359,273
Total tang. asset/progress	279	472,206	113,212	0	359,273	0	0	0	0	0	279	359,273
Total	250,689	742,558	124,608	0	868,638	28,078	93,606	1,116	0	120,569	222,611	748,069



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Asset annual activity map – in USD'000

USD'000	Gross Fixed Assets					Accumulated Amortizations					01/01/06	31/12/06
	Balance in 01/01/07	Acquisitions	Reductions/Regulariz.	Revalua.	Balance in 31.12.07	Balance in 01/01/07	Amortiza. Year	Reductions/Regulariz.	Revalua.	Balance in 31.12.07		
Structure expenses	1,021	136	0	0	1,160	99	368	0	0	467	922	694
Pluriannual costs	366	119	0	0	485	20	142	0	0	162	346	323
Software	773	971	0	0	1,744	66	471	0	0	537	707	1,207
Other intangible assets												
Total Intangible assets	2,160	1,226	0	0	3,389	185	981			1,166	1,975	2,223
Works in buildings lease	339	472	0	0	811	13	65	0	0	78	326	733
Equipment	833	1,862	143	0	2,552	176	202	15	0	363	657	2,188
Artistic equity	6	40	9	0	38	0	0	0	0	0	6	38
Other assets												
Total tangible assets	1,178	2,374	152		3,401	189	267	15	0	441	989	2,959
Fixed assets in progress	4	6,294	1,509	0	4,789	0	0	0	0	0	4	4,789
Total tang. asset/ progress	0	6,294	1,509	0	4,789	0	0	0	0	0	4	4,789
Total	3,341	9,898	1,661	0	11,578	374	1,248	15	0	1,607	2,967	9,971