REPORT AND ACCOUNTS 2012

PASSION
FOR PEOPLE

BancoBNI
Paixão pelo futuro

BNI.
PASSION
FOR PEOPLE.

People make the difference at BNI. Our Bank is also a reflection of you. Each customer, each employee, each partner, makes their own unique contribution to BNI's results. It is the passion we have for peoples' success that fosters Banco BNI's future growth.

Contents

The importance of relationships

The value of proximity

The rigour of gestures

Transparency in procedures

THE IMPORTANCE OF RELATIONSHIPS

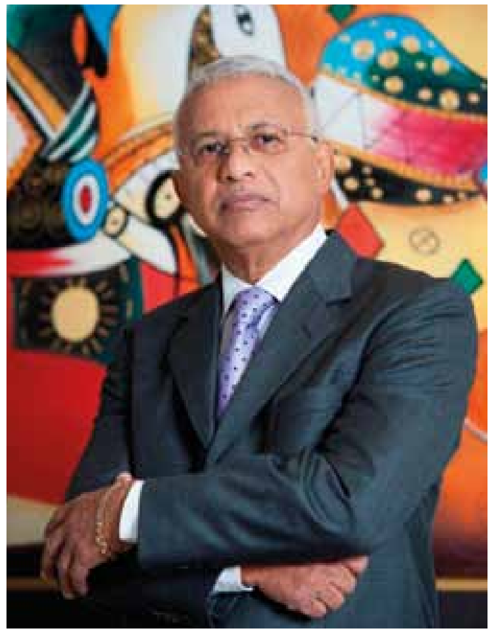
01. Chairman's Message

Economic Background

In 2012 Angola was considered to be sub-Saharan Africa's third largest economy with an estimated GDP of USD 114 billion, being the region's second biggest oil producer after Nigeria with production situated at 1.8 million barrels per day. The tax reforms, the monetary policy in progress since 2009 and the high oil prices have underpinned macroeconomic growth. Progress was made in the country's reconstruction, while the government continues to give priority to the investments in infrastructures in order to keep pace with that challenge.

We also witnessed the growth in the non-oil and gas sector, leveraged by the strong intensification of the public investment programme directed at the conclusion of construction projects and the improvement in basic infrastructures. The Angolan Sovereign Fund was also created, with the objective of promoting the country's socio-economic development with a figure of USD 5 billion in assets under management earmarked for investments in Angola and abroad.

Transversally, the government has made progress in the introduction of legislation, namely, that directed at encouraging the private sector's enlargement, simultaneously with macroeconomic reforms, amongst which the Programa Angola Investe, whose main objective is to create and strengthen micro, small and medium-sized companies, making them capable of generating employment and thus contribute to the country's development.



Mário Palhares, Chairman of the Board of Directors

Monetary Policy

There was a stabilisation in foreign exchange rates and the downward movement in interest rates, which have been falling gradually, with 3-month Treasury Bonds dropping from 24% in February 2010 to 5.2% in February 2013. The LUIBOR - introduced in October 2011 at a rate of 10.5% - was situated at 10.25% in January 2012, easing to 10.00% in January 2013.

At the end of 2012 the inflation rate, benefiting from the national currency's stability and a more rigid fiscal policy, attained a historic single-digit level – 9.8%.

There was also an increase in net foreign currency reserves, situated at USD 32.020 million and corresponding to 7.3 months' imports, while for 2013 those reserves is estimated to rise to USD 40.300 million.

Banking Sector

Today the banking sector plays a more significant role in Angola's economy, boasting a banking network composed of 1,155 branches distributed amongst 22 banks, while loans in local currency (AOA) attaining 53.4% of the portfolio.

The new foreign currency regime for the oil sector (Law 02/2012) could develop the financial sector and permit an increase in the local currency's circulation and a greater integration of the oil sector in the economy, thereby contributing to banks' sound finances and to their consolidation.

Banco BNI

The Bank closed the 2012 financial year with total assets of USD 1,692,075 thousand, which relative to 2011, represents 40.1% growth.

Total Customer resources were situated at USD 1,306,516 thousand, with regulatory own funds having expanded 32.5% when compared with 2011 to be situated now at USD 220,730 thousand, with the solvency ratio standing at 14.7%.

2012 net income was USD 35,404 thousand, an improvement of 4.9% on the preceding year.

The 6th year of the Bank's activity was marked by its Rebranding, aimed at a new strategic positioning in terms of Image with the inauguration of the new headquarters housing all the central services and permitting our employees to enjoy new operating and attendance conditions for our customers.

In 2012 we continued to provide internal training courses with the aim of better preparing our staff, at the same time as the headcount grew by 22.6%.

Our present penetration in 13 of the country's provinces reached a total of 62 branches, while we anticipate extending our coverage to the three remaining provinces where we are not yet present which, pursuing our policy of implantation next to our Customers, means surpassing 70 branches.

The year 2013 poses certain challenges, of which we highlight the ongoing training of our staff, bolstered by the launch of an e-learning platform, and the development and segmentation of credit and debit cards with the commitment to co-branded cards. This will permit us to create synergies with several companies, thereby boosting cross-selling possibilities. The new technologies will also be the object of our attention, with priority given to sms banking and the development of the options of our internet banking platform, creating conditions for fostering the adherence of new customers.

We shall continue to pay our best attention to the entry of new partners into the Angolan financial market and to evaluate the various alternatives, in terms of future partnerships being directed our way, with a view to our sustained growth.

We shall also remain committed to corporate social responsibility, with support for the younger generation (infants) through the sponsorships to schools and the more destitute senior citizens by means of the aid given to Old Age Homes.

Finally, I express my gratitude to our customers who continue to believe in us, to our shareholders for their support in this journey and to my colleagues on the Board of Directors and to all the bank's employees, for the dedication with which they are committed to this project undergoing continuous growth.

Mário A. Palhares
Chairman of the Board of Directors

BancoBNI

02.
Financial highlights

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Net total assets	162 144 578	1 692 075	115 716 592	1 214 463
Weighted net total assets	124 373 377	1 297 910	102 263 400	1 073 270
Own funds	19 209 899	200 466	16 537 582	173 565
Regulatory own funds (1)	21 151 671	220 730	15 959 219	167 494
Total loans	75 825 141	791 280	62 014 565	650 852
Total resources (2)	130 376 721	1 360 559	96 590 261	1 013 729
Net interest income	5 684 889	59 572	5 425 326	57 781
Trading margin	2 152 678	22 558	2 138 575	22 776
Margin on services	2 317 226	24 282	2 086 802	22 225
Net operating revenue	10 154 793	106 412	9 650 703	102 782
Operating costs	6 029 255	63 181	4 447 747	47 369
Cash flow	4 369 351	45 786	5 575 756	59 383
Net income for the year	3 378 526	35 404	3 220 695	34 301

	2012	2011
Return on total assets (ROA)	2,08%	2,78%
Return on shareholders' equity (ROE)	15,97%	20,18%
Cost-To-Income	58,32%	44,28%
Capital adequacy ratio	14,73%	14,79%
Overdue loans / Total loans	2,64%	4,82%
Provisioning cover for overdue loans	102,55%	72,78%
Risk cost	2,70%	3,51%
Transformation ratio (3)	59,96%	68,95%
No. of employees	569	464
No. of business centres	6	6
No. of branches	56	44
No. of customers	95 896	60 669

(1) Own Funds calculated according to the relevant BNA instruction;
(2) Caption comprising Customer resources, Institutions, Debt securities and Resources of other entities;
(3) Transformation ratio includes Customer deposits and other resources taken.

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03.
Banco de Negócios Internacional

Governing bodies

General Meeting committee

Chairman
João de Matos

Vice-Chairman
Mário Dias

Supervisory Board

Chairman
Luís Manuel Neves

Member
Licínio de Assis

Member
Dina Maria Leote de Oliveira

Board of Directors

Chairman
Mário A. Palhares

Vice-Chairman
José Boyol

Director
Joaquim Nunes

Director
Carlos Rodrigues

Director
Sandro Africano

Auditors

KPMG – Auditores e Consultores, SARL

Mission, strategy, Values and Social Responsibility

Vision

BNI positions itself as a modern and agile Bank that is close to its customers, committed to the professionalism of the service it offers to both the business community and the general public, creating solutions which contribute to the success of its customers' initiatives within the context of a rigorous approach to capital and cost management.

Mission

Creating value for its customers through products and services which permit increasing returns, enabling a return on shareholders' investment by way of the Bank's expansion and financial stability. These in turn will provide better conditions for employees, based on the principles of transparency and coherence in corporate identity while maintaining stable and stringent standards of conduct.

Values

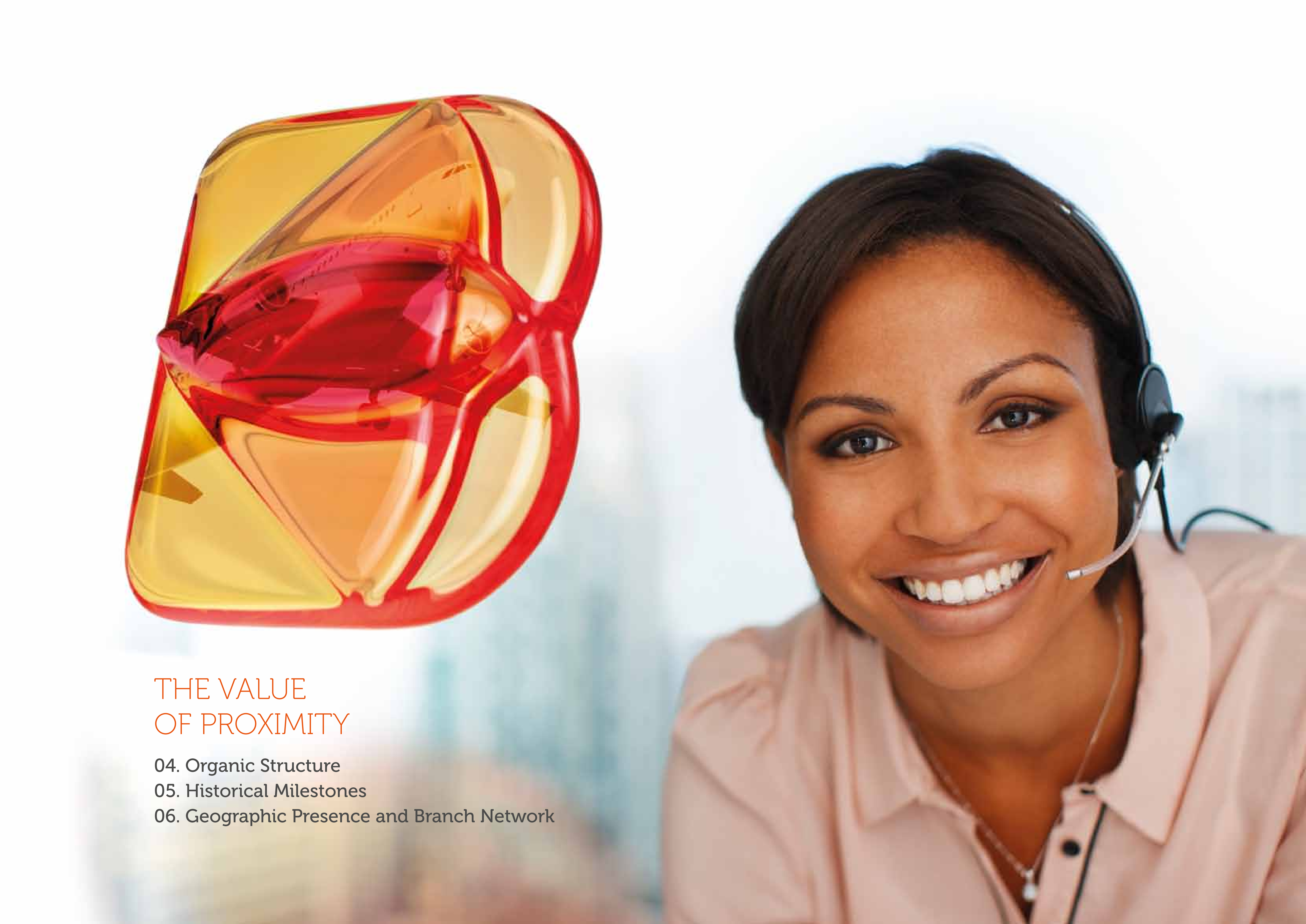
Focus on the customer – we seek to create products centred on our customers' needs and which respond to their expectations of success.

Trust – We develop relationships for the future, anchored to our customers' trust, the most important assets we have to manage, and to the transparency and rigour of our acts.

Ethics and Accountability – We act with a sense of responsibility and conscience. All our actions are directed at ensuring business sustainability and improving our customers' living standards, building a better future for all.

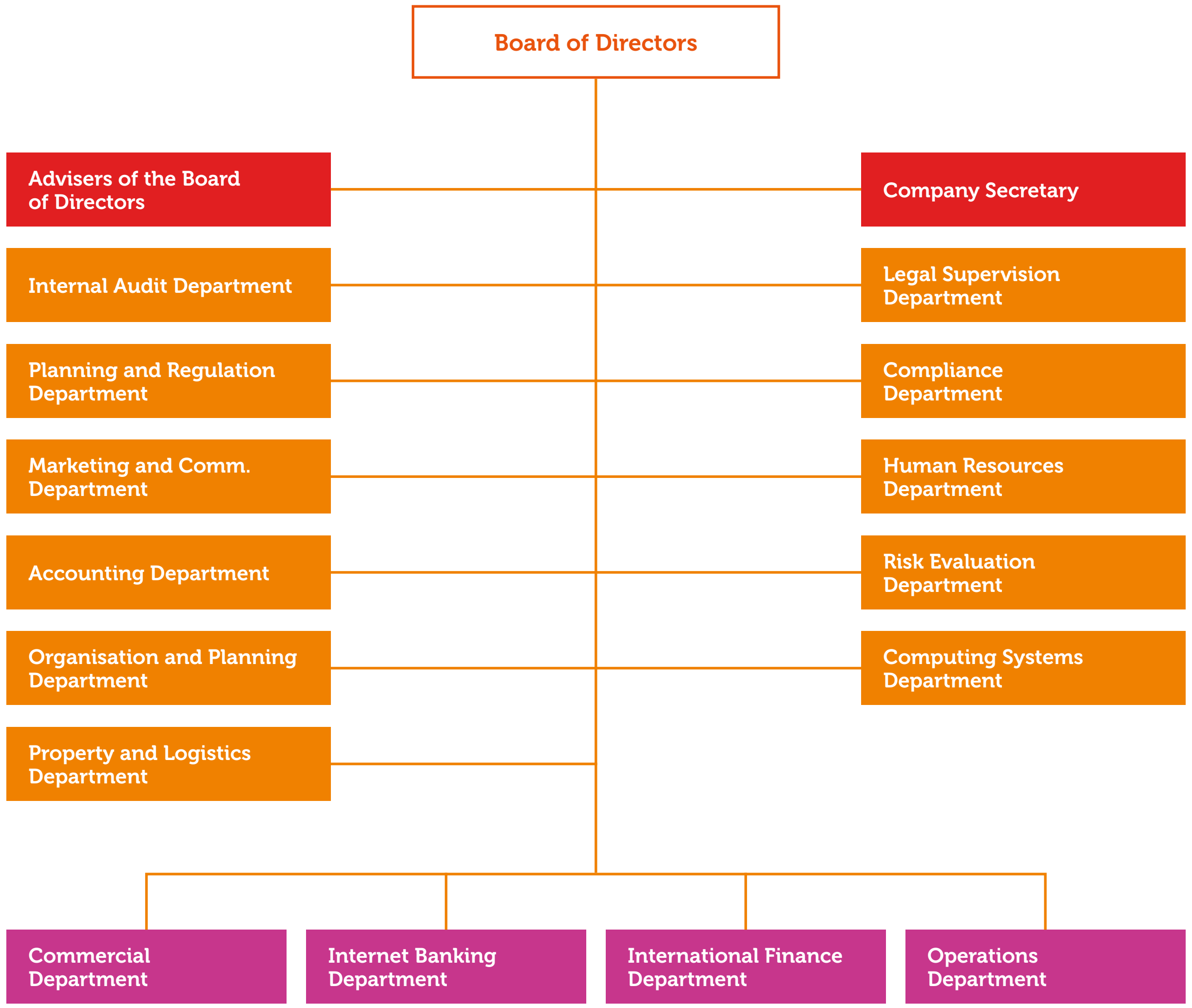
Excellence – We differentiate ourselves in the manner in which we participate in the economic cycle where we find ourselves, being geared towards innovation although persisting with the maintenance of the products and services traditionally more suited to our Customer portfolio.

Respect and Solidarity – We respect persons and institutions and play a responsible role in the universe around us, creating conditions in order to contribute to the common good, participating in the construction of a more just and united world.



THE VALUE OF PROXIMITY

04. Organic Structure



05. Historical milestones

New BNI Headquarters

2006

Creation of Banco de Negócios Internacional.

2007

Opening of the first Business Centre

Creation of the Network Expresso 24 brand, catering for the retail segment

The Bank entered into a partnership agreement with Fortis Bank for the development of new financial products.

Credit line with Deustche Bank (USD 500,000 thousand), destined to finance infrastructural projects

Credit line with Fortis Bank (USD 50,000 thousand)

Conclusion of an agreement with the BDA for the commercialisation, via our branch network, of BDA's services and products

Banco de Negócios Internacional signed an exclusivity agreement for Angola with Master Card, in which the BNI did the issue and acquiring of Master Card credit cards

2008

Banco de Negócios Internacional is approved as Member of VISA and Acquiring POS

The Bank makes the issue of the first VISA electron debit card in kwanzas in the country

Accord signed between BNI and GA Seguros – cross-selling partnership for selling insurance.

Approval of the Bank's capital increase (USD 20,000 thousand)

Opening of branches in the following provinces: Benguela, Huila, Cunene, Zaire

2009

Issue of the prepaid VISA Kwanza debit card, the first prepaid card in local currency in the country.

Opening of branches in the following provinces: Cabinda, Kwanza Sul

2010

New share capital increase (USD 20,000 thousand)

Issue of subordinated bonds (USD 50,000 thousand)

Continuation of the branch expansion network

2011

Participation in the Banking Syndicate financing TAAG, for the acquisition of new jetliners

Licence to operate in Portugal

Attained the milestone of 50 branches

Adherence to the "Bankita" programme and fostering home ownership

2012

Rebranding, the Bank adopts a new image, a new identity and a new logo.

Inauguration of the Bank's new head office building;

Creation of a protocol with Hertz, covering all the VISA and MasterCard gold cards, offering discounts and advantages to customers in car hire around the world;

Creation of a MasterCard co-branded debit card - TAAG-BNI -, the first co-branded card in Angola;

Signing of a partnership with the Angolan government under the programme entitled Angola Investe, the object of which is the financing of Micro, Small and Medium-sized Enterprises in priority sectors of the national economy.

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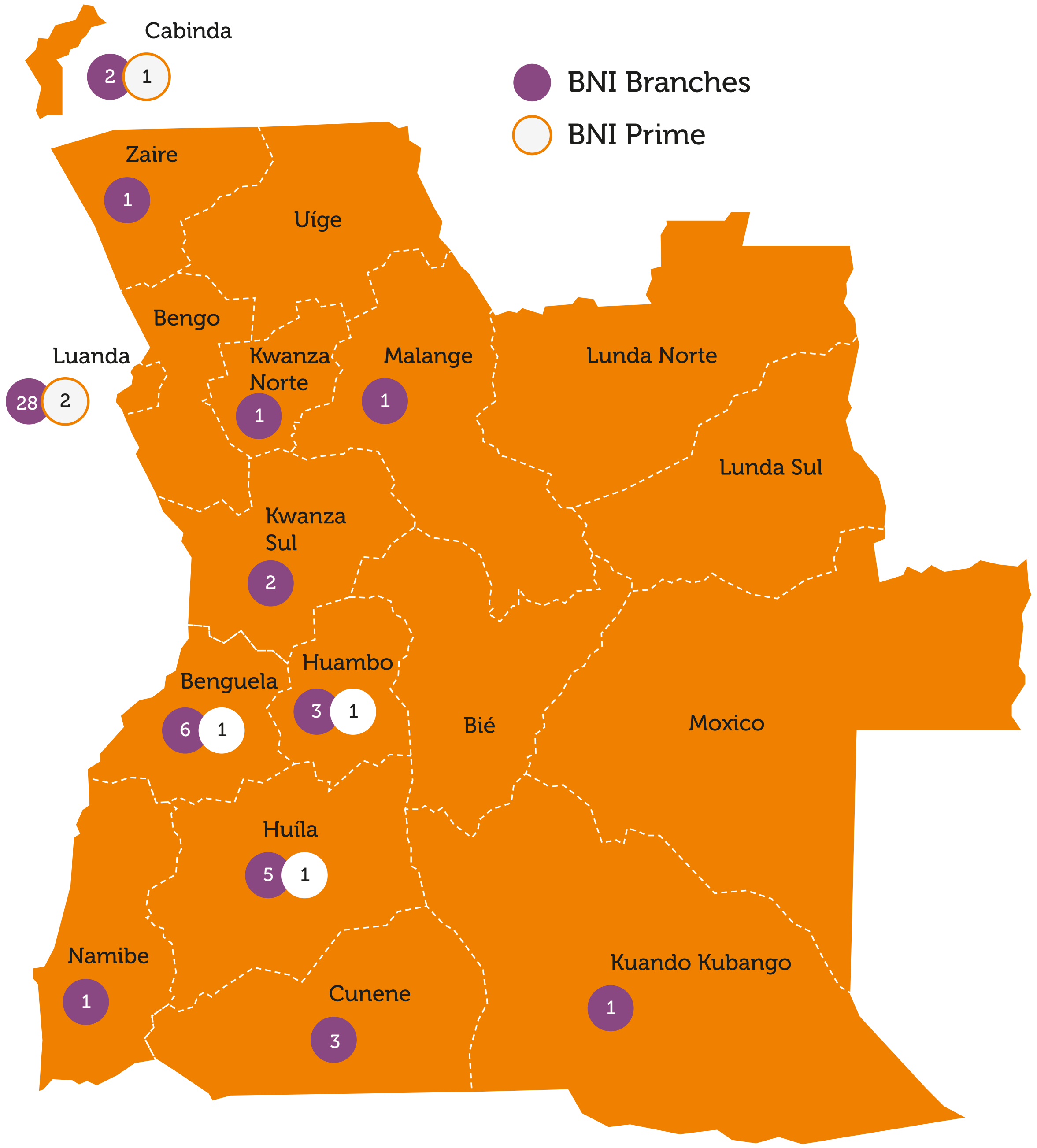
06.
Geographical Presence and Branch Network

BNI is a young Bank, and has opted for a policy of sustained growth. At the end of 2012 it boasted a total of 62 branches (12 more than in 2011), of which 6 are Business Centres functioning in 13 Provinces.

In Luanda, the Bank operates 2 Business Centres and 28 branches.



THE RIGOUR OF GESTURES

07. Business areas

Banco de Negócios Internacional operates in the market through strategic business units, backed by clear criteria and segmentation and differentiation objectives. It is dedicated to taking targeted customer resources in the form of deposits or others, promoting their application in loan operations, financing and other lending operations on the interbank and secondary market.

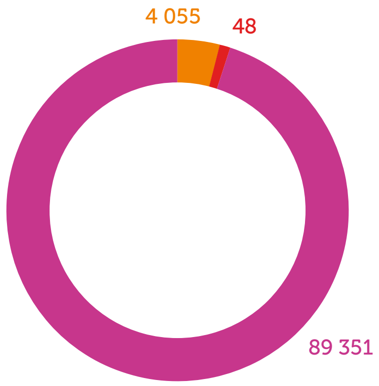
Business units

BNI Prime - dedicates itself to the large companies and high-income individuals segment. At the end of 2012, it recorded a total of 4,055 customers (4.23% of the network), USD 697,594 thousand in customer resources (61.23% of the network) and USD 628,417 thousand in loans advanced (79.15% of the network);

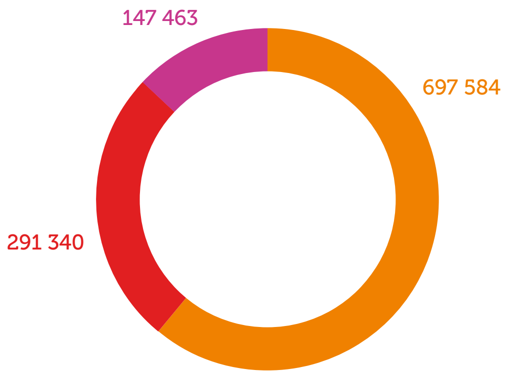
BNI Prime Corporate - dedicated to a selective group of companies with special treatment, given the specific nature of the businesses and the volume of resources transacted by them. At the end of 2012, the Prime Corporate business unit had 48 customers (0.05% of the network), attained USD 291,340 thousand in customer resources (25.57% of the network) and USD 122,733 thousand in loans advanced (15.46% of the network);

BNI – dedicated to the retail segment, with 89,351 customers (93.17% of the network), USD 147,465 thousand in customer resources (12.94% of the network) and USD 32,444 thousand in loans advanced (4.09% of the network).

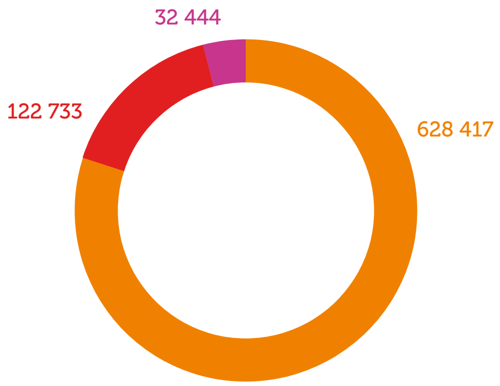
Customers



Customer resources



Loans advanced



BNI Prime | BNI Prime Corporate | BNI

At the end of the year, the Bank boasted 95,896 Customers, 35,227 more than in 2011.

At 31 December 2012, BNI's portfolio of customers registered 58.06% growth, that is an increase of 35,227 customers relative to 2011. The branch network throughout the country increased from 50 units to 62 units in the same period.

Customer resources posted 27.20% growth in 2012, rising to USD 1,144,515 thousand. Customer resources in local and foreign currency represented 63% and 37%, respectively of the total portfolio.

During 2012 the Bank continued to commercialise Bankita products, taking into account the partnership with Banco Nacional Angola aimed at the proliferation of banking services around the country by stepping up the level of the population's recourse to banking services.

The Bank closed the year with 5,907 "Bankita" accounts opened, 4,909 more than in the same period last year, corresponding to 491.88% growth.

"Bankita" customer resources posted 579.77% growth in 2012, roughly USD 349 thousand, to total USD 411 thousand, against USD 60 thousand in 2011.

In 2012, sight and term deposits represented 96% and 4%, respectively, of total "Bankita" customer resources.

The loan book registered growth of 20.38%, to stand at USD 791,280 thousand. Loans advanced to customers in local currency reflected 74% of the portfolio total in 2012.

BNI had a 2.60% market share in December 2012 for customer resources and 2.68% for loans.

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08.
Distribution Channels

BNI remains strongly committed to the development of solutions for the purpose of providing greater satisfaction with our services offered to the customer through the creation of attractive and convenient products and channels for all the segments.

BNI's distribution network is composed of:

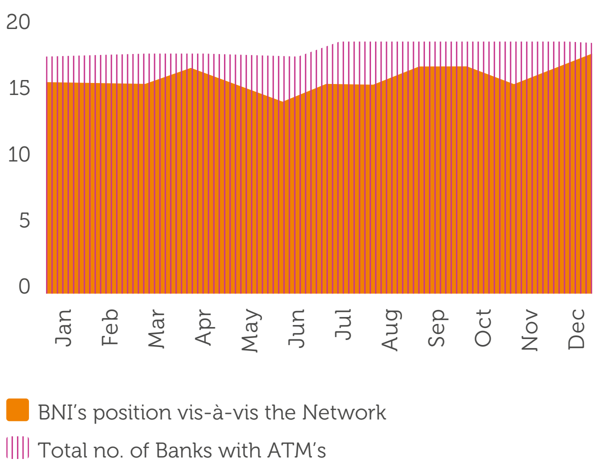
Branches

At the end of 2012, the bank registered a total of 62 branches (12 more than in 2011), of which 6 are Business Centres functioning in 13 of the country's provinces. In Luanda, the Bank operates with 2 Business Centres and 28 branches.

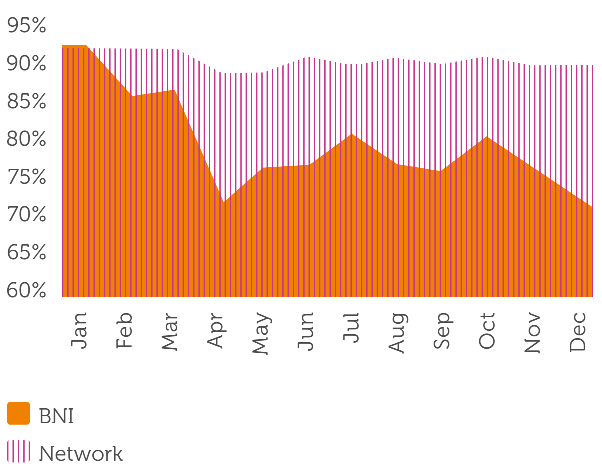
Cash dispensing machines (ATM'S)

At 31 December the Bank had 102 ATM's, of which 56 correspond to the Visa/MasterCard network and 46 to the Multicaixa network, spread over 20 municipalities (the total national network is composed of 2,014 ATM's).

Productivity
BNI position vis-à-vis the Network
2012



Operationality
rate (%)
2012



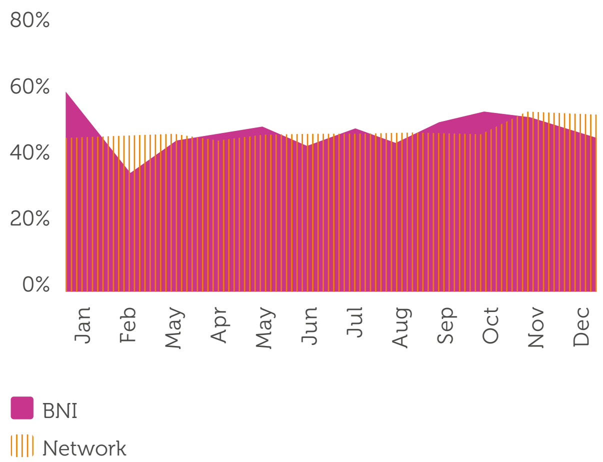
Automatic Payment Terminals (APT's)

The APT's network comprises 329 terminals, of which 165 correspond to the Visa/MasterCard network and 164 to the Multicaixa network.
The total national network is composed of 23,545 APT's installed primarily in the Luanda province with 66% of the total network, followed by Benguela and Huíla provinces with 10% and 6%, respectively.

In 2012, 71% of the payment terminals installed by the Bank were contracted by the BNI Prime branches. Of the total terminals contracted of the Visa/MasterCard network, they attained an operationality rate of around 95%.
The terminals contracted by the Multicaixa network achieved an operationality rate of 76%.

In terms of purchases, the Visa/MasterCard network recorded in 2012 a total of 28,949 valid purchases, with a transaction value totalling USD 17,964 thousand, reaching a monthly average of USD 1,497 thousand.
The Multicaixa network registered a trading volume of USD 1,440 thousand.

APT activity index
(% of active APT's vs. those registered)
2012



Internet Banking (BNI Online)

At the end of 2012, the Bank had recorded 204,541 operations via BNI online, of which 17.58% corresponded to transactions, personal data consultations with 12.60% and current account validations with 11.04%.

Credit cards

At the end of 2012, the Bank had recorded 22,832 credit cards of the Visa/MasterCard network of which 19,768 correspond to the BNI network and 3,064 to the BNI Prime network.

At the BNI network, 19,723 cards are in normal functioning and 3,054 await to be activated.

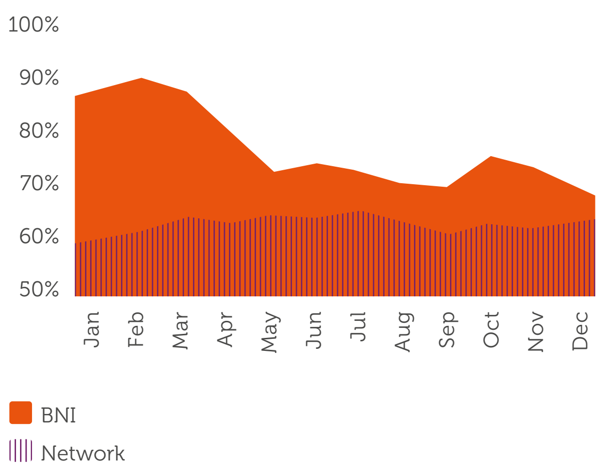
At the BNI Prime network, 45 cards are functioning normally and 10 await to be activated.

Debit cards (Multicaixa and Visa Electron)

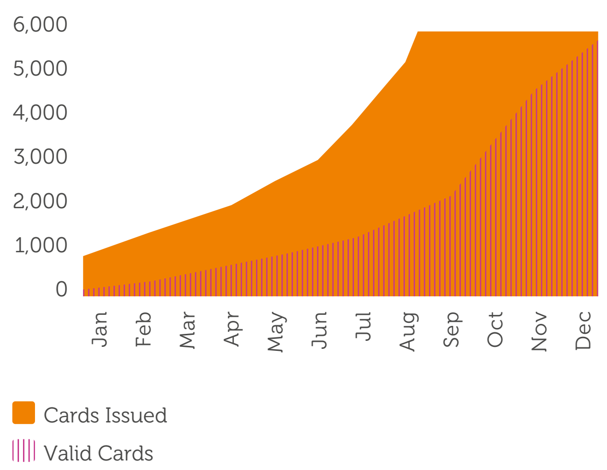
In 2012, valid Multicaixa network BNI debit cards totalled 11,714, 11,572 more than at the end of 2011.

Visa Electron network debit cards numbered 11,719 valid cards, 5,802 more than in the same period last year.

Active Cards/Cards in circulation (%) * 2012



Monthly stocks Cards issued vs. valid * 2012



(*) Analysis of Multicaixa network cards.

09. Business Support Areas

Human resources

The Human Resources Office comprises the Training, Personnel Management and Operational Departments, in respect of which we highlight the activities as follows:

Training Department

The 5-star training programme began in March 2012 in Luanda and in Huambo directed at Managers, Sub-Managers and Heads of branches at national level, with the object of preparing those present to offer a service that meets the customer's requirements and that of the market in general. The programme comprised five modules:

1.Customer;
2. Attitude;
3. Technique;
4. Products;
5. Services.

An in-house Trainer responsible for the respective periodic training courses was hired during 2012 for the purpose of running the above programme.

A course was also ministered covering Leadership and Team Management for intermediate section heads from all the Bank's Offices/Divisions and Departments.

Personnel Management Department

The BNI Social Fund was created, approved and implemented in July 2012 with the goal of supporting employees' situations of a social nature and unexpected personal emergencies.

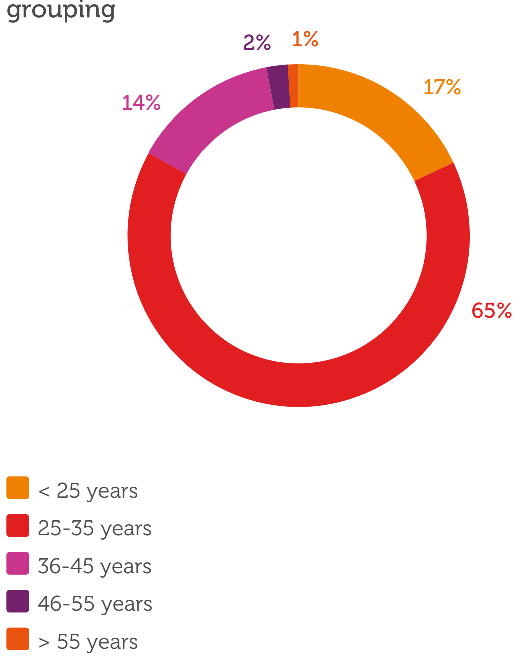
16 August 2012 saw the start-up of the first phase of the Portal FIT project, which encompasses components relating to assiduity, personal data and individual salary details, performance evaluation, training and document management.

With this system, we now have besides control of effectivity, absenteeism indicators and assiduity at various levels, control of the vacation roster and the training of all employees, amongst other information.

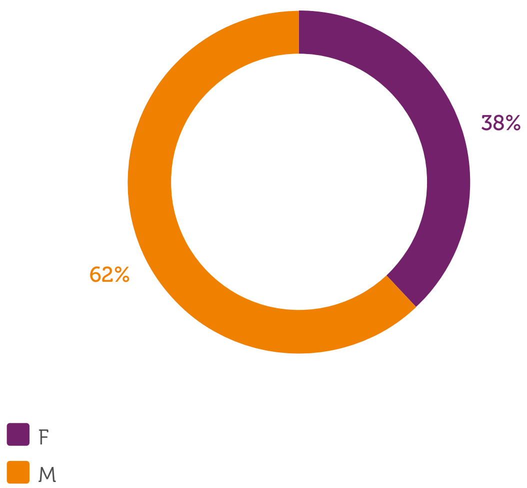
Still in August 2012, employees' workplace access cards were re-issued with a new state-of-the-art technology, which permits limiting employee access to only those areas where they work and restricting the circulation of non-Bank persons in restricted zones. More than 300 workplace access cards were issued in 2012 to employees at national level.

At 31 December 2012 BNI's staff headcount comprised 569 workers, 105 more than on the same date in 2011.

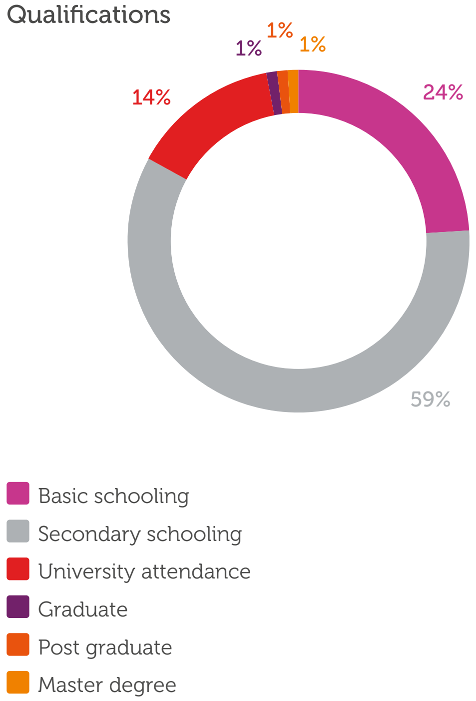
Age grouping



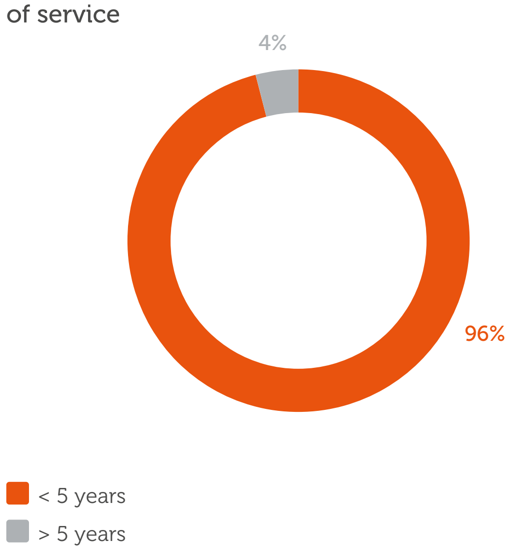
Gender



Academic Qualifications



Length of service



Information systems and technology

The following are the principal highlights of the work performed by the Information Systems and Technology Office in 2012:

- Installation and migration of the infrastructure to the new head office building and installation of the Data Centre;
- Reinforcement of the DMA Support and Service Desk Teams;
- Creation of the resident Service Desk team at the new headquarters;
- Mounting of 12 branches;
- Upgrading the Call Manager and restructuring of the entire infrastructure (project still in progress);
- Acquisition of Hardware and Software for the Core system (New Business Contracting and Disaster Recovery);
- Migration of the Core Banking application to the new iSeries systems;
- Creation of the Disaster Recovery and Quality environments;
- Acquisition of Hardware and Software for distributed systems (Net Business Contracting and Disaster Recovery);
- Installation of equipment (Ironports) for e-mail hygiene (anti-virus protection) and control of Internet access;
- Restructuring of Mail and Internet infrastructure;
- Consolidation of the information of the Bank's Planning tool;
- Continued support for Report Generation for the Banco Nacional de Angola (SSIF);
- Making available Bank products within the ambit of the Angola Investe Programme;
- Ongoing support and training to users in the Core Banking tools;
- Microsoft training sessions;
- CISCO training sessions;
- Creation and monitoring of the New Business Contracting Data Centre.

Internal audit

The main developments recorded at the Internal Audit Office during 2012 were numerous, amongst which the following:

- Review of the Office's organic structure as regards functional competencies and the inclusion of a third unit, called the Administrative Control Department;

- Integration of 4 new employees which enabled the Bank to step up work at its units in this domain;

- The holding of a training course addressing the concepts and principles of auditing, which was attended enthusiastically by 3 of the Office staff;

- The audit action plan model was defined and approved by the Board of Directors, in which we set out the modes, contents and timetables to be take into consideration in the work carried out at the bank's various divisions and departments;

- We recorded advances in our knowledge, which enabled us to gradually enhance the quality of the information produced, and consequently to improve the decision-making process more attuned to the situations concerned.

Compliance

Amongst the work undertaken by the Compliance Office in 2012, the following merit special mention:

- Intensification of the work to conform with legal and regulatory requirements governing our activity (directives, notices of the Banco Nacional de Angola);

- Implementation of the system for filtering entities and transactions (Compliance Link), which in our opinion represents an application of paramount importance, both internally for the desired knowledge and control of our transactions and customers, and in the external relations (correspondent banks or similar entities), given that currently the theme "KYC- know your customer", money laundering and terrorism financing, have warranted greater focus in the realm of relationships between banks, as well as in the evaluation that the regulatory/supervisory authority attributes to the Bank as concerns the manner in which it views and deals with the above-mentioned issues.

Accounting

The following were the main events at the Accounting Office in 2012:

- Renovation of the team with the departure of 3 staff members and the recruitment of 4;

- Re-engineering project, concluded with the definition of manuals for work processes and flows;

- Implementation of mechanisms for the automation of certain of the area's processes;

- Construction and implementation of tools which permitted keeping statistics and the definition of quantitative criteria for the realisation of performance evaluations;

- Definition and consolidation of the Office's new structure, as well as the allocation and division of tasks;

- Implementation of a work system with the resolution of all situations on the same day.

As concerns Training Initiatives, technical staff benefited from the following modules during 2012:

- Angolan tax system;
- Taxation of financial products and services;
- Excel for accountants;
- Excel for financial analysis and management control;
- Bank accounting;
- Furthering technical knowledge concerning the CTB 400 Banking Application.

International finance

The International Finance Division (DFI) develops and undertakes the implementation of the Bank's financial programme. It also develops and maintains relationships with Banks outside and inside the country, with a view to the goals laid down for the business, being charged with treasury management and supporting the management of assets and liabilities, namely, as regards liquidity, interest rate and currency risks.

In 2012, the following pints were the main highlights of the International Finance Division:

- Reorganisation of the organic structure, which comprises 3 departments: Markets Room, Back Office, Treasury;

- On-the-job training to endow the team with the knowledge necessary to overcome the challenges;

- Increase in the volume of foreign currency purchases via participation in foreign currency auctions, which made possible the execution of a great number of operations;

- Strengthening the control of foreign currency exposure;

- Negotiation and installation of the Bloomberg portal;

- Acquisition of new equipment for Treasury.

Operations

We can characterise the period from January to December 2012 as being marked by the remodelling in the Division's functioning, which now comprises 2 departments against 5 in 2011. The 5 former departments gave origin to the new departments named: Foreign Operations and National Operations.

In terms of Human Resources, the departure of three employees has to a certain extent compromised the normal functioning of the work teams, redressed in the meantime with the entry of 3 new professional staff.

Interbank transfers in 2012 were carried out as follows:

Interbank Transfers	AOA'000			Quantities		
	2012	2011	Ch.%	2012	2011	Ch.%
Foreign currency						
OPE - Issued	103 372 917	103 869 856	0%	9 947	10 039	-1%
OPR - Received	29 346 115	38 674 920	-24%	6 916	4 342	59%
Local currency						
SPTR						
Issued	52 537 865	47 581 808	10%	2 159	5 326	-59%
Received	45 010 705	38 702 478	16%	4 834	5 814	-17%
STC						
Issued	3 957 344	-		4 823	-	
Received	3 179 447	-		4 632	-	
Total	**237 404 393**	**228 829 061**	**4%**	**33 311**	**25 521**	**31%**

Legal

The Legal Office (GJU) performed the following work during 2012:

- Organising (processing) the formalisation of 240 loan processes;

- Revision of the Bank's forms as regards the general conditions for the various products;

- Drafting of 21 miscellaneous contracts, 153 loan contracts and 25 diverse declarations (financial capacity, integrity, simple);

- Compilation of various opinions on guarantees for compliance with obligations and 6 criminal complaints related to the unlawful withdrawal from customers' accounts and the grave violation of procedures;

- Issue of 27 sundry bank guarantees and the drawing up of 32 employee disciplinary processes relating to the infringement of specific duties.

In relation to the area's structure, the following were the most salient events:

- The Legal Office changed its organic structure in September 2012, with its organisation structure now composed of just three service units: the Contracting unit, Processing Agenciamento and Legal Proceedings, while the pre-litigation unit which previously formed part of the office's structure was transferred to the loan recovery Department, reporting (allocated) to the Credit Analysis and Risk Office;

- As concerns work tools, a work tool indispensable for the area's activities was acquired in 2012 known as "Legis Palop", which is a legal data base for Portuguese-speaking African countries, where professional staff can consult all up-to-date legislation, jurisprudence and existing legal doctrine pertaining to all the Palop countries.

Electronic banking

In 2012, the means of payment evolved in the sense that they became increasingly more efficient due fundamentally to the possibility of making payments electronically.

The management of the means of payments is carried out at the Electronic Banking Division, which encompasses the Automatic Payment Terminals (APT) or Automated Teller Machines (ATM), ranging from the implementation phase, transactional management and disputes through to the occurrence of anomalies, thereby guaranteeing the internal network's proper functioning.

The Acceptance/ Acquiring department is composed of the following areas:

Process Management

- Reception and validation of applications for usage;
- Entering of contracts details into the APT data base;
- Routine installation (premises) control;
- Creation of the OTP for the monthly collection of the APT's/ATM's after their installation;
- Maintenance of physical archive.

Dispute Management

- Analysis of complaints and/or request for clarification;

- Request of documentation substantiating the complaint if necessary;

- Routing of the complaint to the processor regardless of whether national or international;

- Routine monitoring of the dispute's resolution.

Transaction Management

- Monthly control of the number and amounts of the transactions effected on the APT/ATM for statistical use and validation of complaints.

Customer Support

- Reception and analysis of complaints and/or request for clarification on the part of customers by the support telephone – 943620093 and commercial network via internal channels.

Call Back

- After the analysis is done, the customer is contacted by phone or the branch to inform about the outcome of the complaints and/or request for clarification.

Quality Control

- Transmission of information to the commercial network of APT's which do not close their accounts for more than a month;
- Management of request for technical assistance;
- Control of the refusal of monthly collections.

Payment Systems

- ATM's/POS's technical assistance;

- Chip Cards – A start was made to the process of migrating the existing cards which the Bank makes available to customers to chip technology (making the cards the most secure and in accordance with the current Visa and MasterCard security standards);

- DataCard – A new machine was acquired for the production of Chip cards, thereby giving us a greater capability to respond to the production of cards;

- Fraud Issuing – Updating the Fraud Issuing model in order to enable the control of withdrawals by country and type of card;

- Network POS – We gave continuity to the expansion of our POS network, thereby allowing our customers (and the customers of other banks) to make payments with Visa/MasterCard/Multicaixa cards at various establishments;

- TAAG cards – We launched the prepaid card in dollars for the TAAG cabin crews, which will permit the airline's crew to receive their subsistence allowances on their cards;

- Call Centre – An application was made available to the Call Centre, which allows the consultation by the Bank's customers of the principal operations/ utilisation limits;

- Visa Money Transfer – A new VISA standard was implemented which makes it possible that our debit cards can receive funds from other cards.

Planning and Control

During 2012 the following were the Planning and Control Office's main activities:

- Revision of the area's organic structure, which now comprises 3 Departments: Financial Review and Reporting, Planning and Management Information;

- Allocation of tasks in accordance with the new organic structure;

- Implementation of new internal procedures, new reports and analysis processes in harmony with the current business dynamics;

- Implementation of mechanisms for automation of the area's internal processes;

- As regards the area's human resources, 2 new professional staff were admitted, counterbalancing the departure of 1 member;

- As concerns management tools, continuity was given to the streamlining of the budget management application (Planning);

- Of the work performed by the office during 2012, special reference is made to the 2011 Annual report, the 2013 General Budget, Reporting to the Banco Nacional de Angola, the monitoring of the Bank's strategic goals, amongst other periodic supporting reports to the Board of Directors and the Bank's other areas.

Insofar as the Training process is concerned, the area's professional staff benefited in 2012 from the following modules:

- CTB400 and Listings Schedules Generator;
- The Angolan tax system;
- Taxation of financial products and services;
- Excel for financial analysis and management control.

Credit Risk and Analysis

Set up in 2011, the Credit Risk and Analysis Division (DARC) pursued its mission of supporting the Bank's activity.

During 2012, it was involved in the following initiatives:

- Creation of the Loans Secretariat, unit transversal to the Division, responsible for the operational support to the activity of this Division's professional staff;

- Reinforcement of the teams deployed in the units dedicated to credit analysis, monitoring and loan recovery;

- Launch of the project covering the definition and implementation of BNI's scoring model for the retail area;

- Ongoing monitoring of the CIRC project, opportunely launched by the supervisory authority (BNA), with special emphasis on the retrieval and sharing of information from it with the Bank's commercial structures;

- Direct intervention in the implementation of the "Angola Investe" programme at BNI, with direct responsibilities in the analysis and reporting to the relevant body of the government initiative (Ministry of the Economy);

- Public Debt Monitoring Programme: continuous monitoring with reporting to the Ministry of Finance of loan exposures and public entities' direct (or indirect) liabilities;

- Regulatory Impairment and Provisions Model: in the alignment with the best international practices, BNI contracted a renowned international consulting firm to develop this structuring tool for the Bank's business. The CRAD was called upon to participate in the definition of the functional requirements and procedures that will be the new model for calculating the bank's regulatory impairments and provisions;

- The CRAD acted as internal adviser for the solution implemented by BNI under the supervision of the Compliance area;

- Process re-engineering: conscious of the fact that the maintenance of a leading position in the Angolan financial market implies one must take a major qualitative leap forward so as to boost performance and simultaneously maintain an adequate level of control over operations.

A project aimed at organisational transformation is currently underway, in which the CRAD is involved as a key interlocutor.

10. Risk Management

Financial institutions face a variety of risks in the routine management of their businesses. In particular, we highlight Market Risk (interest rates and foreign exchange rates) stemming from adverse movements in prices, operational risk, a reflection of maladjusted processes and systems, unfavourable developments on the regulatory front and frauds.

At BNI risk management not only seeks to avert unfavourable events, but also to contribute to ensuring value and/or profit, to maintain business continuity, to avoid insolvency, to manage the effects arising from changes in the Bank's external context and consequently facilitating the fulfilment of the goals laid down in the strategy.

Operational risk

Pursuing the Bank's strategy with respect to the management of the risks attaching to its business and given the emphasis that is currently given to the theme of operational risk, during the course of 2012 BNI issued a series of directives and adopted initiatives aimed at adapting systems, processes and human resources, with the overriding goal of instilling greater security and control, gradually permitting a diminution in operational risk.

Although initially more attention was paid to the approach to credit risk, currency risk and liquidity risk, this idea has changed with the Bank now equally concerned about the various risks falling within the operational risk sphere, that is, the risk of loss originated from external events, failures or shortcomings involving internal processes, systems and persons.

In this regard, the Bank centred its attention on three pillars on which it sought to implement measures for their creation, reinforcement and functionality. The topics which merited major involvement were:

- Organic and functional structure;
- Internal control system;
- Filtering and monitoring of entities and transactions.

As concerns the organic structure, the Bank endeavoured to endow itself with coordinated units which best adapt to its strategy and could approach the market in an organised manner according to the nature of the business and, internally, to ensure the fair allocation of positions and the proper segregation of functions.

In this domain, the Compliance Office played a leading role, monitoring the entire process and guaranteeing that the measures introduced were in harmony with the series of legal and regulatory enactments in force.

Turning to the Internal Control System, the main concern of which revolved around the risk of internal fraud, the Internal Audit and Inspection Office performed a review of the profiles attributed to the users of the IT applications earmarked for the launch of the universe of the operations realised by the Bank where, according to the irregularities identified, corrections emerged which were implemented.

Technologically, we introduced a new Operational Control tool that allows the Audit Office and the Bank's other control areas to monitor at any moment any transaction previously parameterised, generating alerts which prompt reviews of an investigative nature.

Also with the object of mitigating operational risk, continuity was given to the systematic review of certain internal regulations so as to adapt them to current requirements.

In this domain, work began in 2012 on updating of the work flow of processes and tasks of the Bank's distinct operating areas, that will permit better precision and standardisation of procedures in the execution of the Bank's activity.

Special attention was also paid to the matter of money laundering and the combat against terrorism financing. In this regard, BNI purchased an IT application that allows the filtering of entities based on various international sanction lists and to simultaneously carry out the monitoring of domestic and overseas transactions.

Finally, it is worth noting that the bank maintains a regular process involving the production of internal and external reports compiled for the supervisory authority and similar entities when required. Through the Customer Relations Office, the Bank has responded to the concerns and complaints lodged at the portal set up for this purpose, thereby demonstrating its great preoccupation with its image and reputation.

Credit risk

Credit risk can be defined as the probability that the Bank will incur losses generated by the occurrence of default by the borrower or by the deterioration in the quality of the loan portfolio.

There are several situations that can characterise a default event, such as the delay in the payment of an obligation, breach of a restrictive contractual clause, the start of a legal proceeding, insolvency or also the default of an economic nature which occurs when the economic value of a company's assets falls below that of its debts, indicating that that the expected cash flows will not be sufficient to settle assumed obligations.

The credit risk management and mitigation process at BNI arises before the start of the commercial relationship with customers at the time of the gathering, treatment and analysis of the information relating to them and the circumstances surrounding them.

After the beginning of the commercial relationship via the loan, the credit monitoring and recovery department gives continuity to the control of customers' credit risk, with this process only being concluded when the underlying debt is fully repaid. Currently, this area's activity forms part of the business chain, with its functions extending to the whole life cycle of the customer relationship.

Those functions actually commence prior to any action of an operational nature with the definition of the credit policy.

In 2012 the loan monitoring and recovery department revised the guiding and operating procedures relating to overdue loans which are transversal to all loan-decision levels. Fruit of these actions, the Bank closed 2012 with a portfolio of overdue loans of USD 21,450 thousand (representing 2.70% of the portfolio) against USD 32.523 thousand (4.82% of the portfolio) in the same period of 2011.

	2012	2012		2011	2011		Δ
	AOA'000	USD'000	(%)	AOA'000	USD'000	(%)	%
Net loans	**75 825 141**	**791 280**	-	**62 014 565**	**650 852**	-	**22%**
Provisions for loans	**(2 107 864)**	**(21 997)**	3%	**(2 255 383)**	**(23 671)**	4%	**-7%**
Gross loans	**77 933 005**	**813 277**	-	**64 269 948**	**674 523**	-	**21%**
Loans falling due	75 877 565	791 827	97%	61 171 062	642 000	95%	24%
Loans in arrears	2 055 440	21 450	3%	3 098 886	32 523	5%	-34%
No. of days in arrears							
15-30	348 237	3 634	17%	218 923	2 298	7%	59%
30-60	263 455	2 749	13%	178 777	1 876	6%	47%
60-90	112 809	1 178	5%	114 276	1 199	4%	-1%
90-150	330 886	3 453	16%	155 576	1 633	5%	113%
150-180	161 856	1 689	8%	287 336	3 015	9%	-44%
>180	838 197	8 747	41%	2 143 998	22 502	69%	-61%

(*) The weight presented reflects the total loan portfolio net of provisions.

Additionally and with a view to mitigating the portfolio's risk, new credit limit rules were instituted in 2012 amongst the structures which are extremely conservative, defined by approval thresholds, with the exception of standardised products, namely motor vehicle finance and salary (payday) credit for the employees of companies with salaries domiciled at BNI.

The remaining loan applications are analysed individually at the Credit Risk and Analysis Division and submitted to the level 1 Credit Committee.

Together with the Bank's other policies, it is in this phase that the various factors and strategic decisions duly pondered which permit maintaining the credit management in line with the Bank's overall objectives.

Complementing the credit management process, comprising the evaluation, monitoring and control of credit and as guarantee of its success, it is imperative to undertake the ongoing monitoring of the results obtained so as to adjust the defined goals and strategies, as well as the disclosure of information and results relating to the areas which are directly or indirectly involved in the granting of loans.

The procurement of opinions concerning these with respect to the credit management process also forms an integral part of the process.

					2012	
					USD'000	
Risk	Level	Performing	Non-performing	Total	Provisions	Provisioning rates
Total		**791 827**	**21 450**	**813 277**	**21 997**	**-**
Nil	A	40 834	155	40 989	-	0%
Very reduced	B	704 778	3 096	707 874	7 264	1%
Reduced	C	36 548	4 997	41 545	1 184	3%
Moderate	D	24	3 097	3 121	296	10%
High	E	1 679	2 940	4 619	875	20%
Very high	F	377	3 733	4 110	1 946	50%
Loss	G	7 587	3 432	11 019	10 433	100%

					2011	
					USD'000	
Risk	Level	Performing	Non-performing	Total	Provisions	Provisioning rates
Total		**642 000**	**32 523**	**674 523**	**23 671**	**-**
Nil	A	136 328	-	136 328	-	0%
Very reduced	B	457 162	3 841	461 003	6 242	1%
Reduced	C	36 888	4 493	41 381	1 320	3%
Moderate	D	7 579	3 341	10 920	1 162	10%
High	E	1 527	5 149	6 677	1 420	20%
Very high	F	15	10 981	10 996	5 848	50%
Loss	G	2 501	4 717	7 219	7 678	100%

Currency risk

Currency risk arises from the possibility of fluctuations in market exchange rates originating the decrease in the countervalues of the assets and liabilities positions in the local currency balance sheet, as well as of the liabilities denominated in foreign currency.

The management of currency-risk structural positions or those resulting from business operations with the Bank's customers has been delegated to the International Finance Division – IFD, taking into account the limits prescribed by the BNA.

In this way, the Bank seeks to minimize currency risk in a proactive manner, ensuring for each currency that its asset and liability positions are balanced.

As concerns foreign currency, BNI essentially works with North American dollars while the exposure to the other currencies is of a residual nature.

This monitoring is done by way of an internal daily control of the foreign currency position, currency exposure, as well as for purposes of reporting to the BNA by means of reports covering currency exposure and foreign currency purchase operations.

Liquidity or funding risk

Liquidity or funding risk includes all the situations associated with the fact of an institution finding itself unable to comply with its obligations in time or only to do so by recourse to emergency loans, probably at a high cost.

Liquidity management is conducted on a daily basis by way of a system of synchronised management that permits the monitoring of the Bank's treasury assets, forecasting cash flows, controlling the main liquidity ratios thereby enabling an efficient treasury management capable of responding to the Bank's operations without placing at risk our customers' short and long-term needs.

TRANSPARENCY IN PROCEDURES

11. Regulatory Background

Principal limits and prudential ratios in force at 31 December 2012

Liquidity

• **Compulsory reserves** (Instruction no.2/11 of 28 April) – The compulsory reserves coefficient, with the exception of the central government accounts, is 20% in LC and 15% in FC, applied to the captions which comprise the basis of computation (includes all the resources taken from customers and own liabilities). The compulsory reserves coefficient relating to central government deposits (LC and FC) is 100%, and to the deposits of local government (LC and FC) is 50% and 0%, respectively. Compulsory reserves are not remunerated and are calculated weekly on the arithmetic average of the week's working days.

Loans

• **Maximum exposure** per customer (Notice no. 08/07 of 12 September) – Limit of 25% of Regulatory Own Funds (ROF). The surplus shall be deducted in the calculation of the ROF;

• **Maximum overall** exposure (Notice no. 08/07 of 12 September) – Limit of 300% of the ROF for the 20 biggest debtors;

• **Loans in foreign currency** (Notice no. 03/12 28 of March) – No loans in FC are permitted for any maturity period for the following purposes: financial assistance for liquidity, including amongst others collateralised current accounts, motor car finance, consumer loans, micro credit, advances to depositors or overdrafts and other forms of financial credit of a short-term nature (less than one year);

• **Loan provisions** (Notice no. 3/12 of 28 March) – Loans granted and guarantees given should be classified according to their ascending order of risk, taking into account the characteristics and risks of the operation and the borrower. The classification of loans according to risk levels should be reviewed annually, based on the quality of the customer and as regards the operation, and monthly as regards any delay noted in the payment of principal or interest.

Own funds

• **Minimum share capital** (Notice No. 4/07 of 12 September) – AOA 600.000.000 (equivalent to USD 8,000,000 on publication date). In 2013 the minimum required share capital for the formation of a bank will rise to USD 25,000,000;

• **Minimum amount of Own Funds** (art. 75 of Law No. 13/05 of 30 September and Notice No. 4/07 of 12 September) – Equal to the minimum required share capital;

• **Legal reserve** (art. 327 of Law 1/04 of 13 February and art. 76 of Law 15/05 of 30 September) – Reserve constituted by the appropriation of a minimum percentage of net income each year (20%) until the accumulated balance is equal to the total amount of share capital;

• **Definition of Regulatory Own Funds** (ROF) (Notice No. 5/07 of 12 September and Instruction No. 3/11 of 8 June – (see note 1);

Basis Own Funds (BOF)(Tier 1)

To add	Art.3.1.1
+Capital	
+Share capital monetary indexation reserve	a)
+Retained earnings / accumulated losses	b)
+Legal reserve, special reserve and other reserves	c)
+Net income for current year	d)
To substract	**Art.3.1.2**
-Treasury shares or quotas	a)
-Not applicable (Note 1)	b)
-Quasi-capital loans	c)
-Financial fixed assets	d)
-Tax credit arising from tax losses	e)
-Intangible fixed assets	f) e g)
-Other amounts to be determinated by the BNA	h)

Complementary Own Funds (Tier 2) < 100% BOF

To add	Art.3.2
Not applicable (Note 1)	a)
Not applicable (Note 1)	b)
+Fixed property for own use revaluation reserves ((1st) 25% of COF and (2nd) < 50% of their value)	c)
+Subordinated debts and hybrid equity instruments ((1st) 50% of BOF and (2nd) < 50% value div. 5 years before mat.)	d)
+Other funds	e)

Note 1: Alteration introduced by Instruction No. 3/11 of 8 June.

• **Regulatory Solvency Ratio** (RSR) (Notice No. 05/07 of 12 September, Instruction No. 3/11 of 8 June and Instruction No. 6/07 of 12 September) – The RSR calculation is done in the following manner: RSR=ROF/(Credit risk+(Currency risk and gold/10%)).

Currency risk

• **Currency exposure** (Notice No. 05/10 of 10 November and Directive n33/DSI/11 of 1 April) – The currency exposure calculation encompasses all asset and liability positions, including off-balance sheet items, up to the limit of 30%, which result in liabilities constituted or indexed to foreign currency and gold. The limit is 20% of ROF for asset positions (long) and for liability positions (short).

Fixed assets

• **Fixed assets ratio** (Notice No. 07/12 of 30 March) – The net investments in tangible and intangible fixed assets cannot exceed 100% of ROF.

Principal regulatory alterations 2012

Notice	Subject
Notice no. 01/2012 of 16 January	Prescribes the terms and conditions governing the inflow and outflow of local and foreign currency in the possession of currency resident or non-resident natural persons.
Notice no. 11/2012 of 2 April	Introduces the Banco Nacional de Angola Interest Rate - Taxa BNA
Notice no. 13/2012 of 2 April	Introduces the Luanda Interbak Offered Rate, abbreviated to LUIBOR and approves its regulations, as well as the rules and procedures for its compilation, calculation and disclosure.
Notice no. 18/2012 of 3 April	The present diploma regulates the process for the information and functioning of leasing companies.
Notice no. 20/2012 of 12 April	The present notice lays down the procedures and mechanisms to be adopted in foreign currency operations associeted with the prospecting, search, avluation, development and production of crude oil and natural gas, as provided for in Law 2/12 of 13 January, and sets a timetable for their gradual implementation.
Notice no. 21 and 22 of 25 April	Lays down the obligations and precautions, as well as the establishment of system for preventing money laundering and terrorism financing, including the creation of Complience Officer in the organisational structure of financial institution.
Notice no. 25 /2012 of 14 August	Sets out the specific rules applicable to banking financial institutions, which seek to extend their activities by means of the contracting of correspond banks accredited by banking financial institutions, under the BNA's supervision, with the object of forstering the covergare of banking services to the whole population and to protect consumers.

12. Economic and Financial Background

International background in 2012

The world economy continues to recover gradually from the global financial and economic crisis of 2008, which had its origin in the summer of 2007 in the USA and which spread to all corners of the globe.

Even in a climate of great uncertainty, there is a consensus amongst analysts that the world economy will record positive growth rates in 2012 in the order of 4% (Table 1).

Within the global economy, the place of honour goes to the emerging economies (6.1%), as has been the rule in the past few years, in which these continue to reveal greater dynamism than the advanced economies (1.9%).

In fact, the developing economies are those contributing the most to underpinning the world economy which, as we have already referred to and according to the International Monetary Fund (IMF), will manage to maintain the same growth rate as in 2011 (4%), after having grown 5.1% in 2010.

Insofar as the advanced economies are concerned, it is expected that growth in 2012 will be slightly higher than that posted in the preceding year (1.6%), but even this scenario is founded on several assumptions:

1. The European Union, which is estimated to grow 1.1%, will be capable of resolving the Euro crisis;

2. The United States of America, with a growth rate of 1,8%, will manage to control its economic and financial policies;

3. Prices on the global financial markets will remain relatively stable;

4. Economic and financial policies of the majority of countries will continue to be restrictive.

Despite the efforts of governments in the past two years directed at implementing reforms within the financial system, the risk factors still persist.

It should be noted as concerns global gross domestic product, the IMF has revised downwards in September 2011 its estimate to 4.0%, a little below (0.5%) that projected at the beginning of the year.

Otherwise, all the estimates for the world's various economic zones were revised downwards, with greater emphasis on the advanced economies, given that in the emerging economies the outlook was more favourable, with the figures initially forecast remaining unchanged in certain cases (such as Brazil).

World GDP

Growth Rate (%)	2010	2011	2012
World	5,1	4	4
Advanced economies	3,1	1,6	1,9
United States	3	1,5	1,8
Eurozone	1,8	1,6	1,1
Emerging and developing economies	7,3	6,4	6,1
Sub-Saharan Africa	5,4	5,2	5,8
Angola	3,4	1,3	12,8
Central and South America	6,1	4,5	4
Developing Asia	9,5	8,2	8
Commonwealth of Independent States	4,6	4,6	4,4
Central and Eastern Europe	4,5	4,3	2,7
Middle East and North Africa	4,4	4	3,6

SOURCE IMF, Wold Economic Outlook, September 2011 and Angola Ministry of Planning.

The sovereign debt problem of certain European countries proved to be more difficult to resolve than initially anticipated.

On the other hand, the political and social instability in North Africa and the Middle East, in tandem with a few natural disasters, had a negative impact on global gross domestic product.

The European financial markets' crisis, with the deterioration in the sovereign debt of certain European Union countries, led to the Euro's depreciation and which is expected to continue.

Indeed, the solution of the Euro crisis has still not yet been clearly defined, which raises the risk factors for any macroeconomic forecast.

For their part, the emerging and developing economies have displayed a positive behaviour.

Within these, we highlight Brazil, China and India, which presented growth rates of between 3.6% and 7.5%, with the respective financial sectors remaining stable and attracting foreign capital.

In 2011, the advanced economies grew by around 1.6% against the 6.4% of their emerging counterparts, which figures are below those of the previous year, which were 3.1% and 7.3%, respectively.

Amongst the advanced economies, the Eurozone grew by about 1.6% and 1.1% in 2011 and 2012.

It is estimated that these figures, for the same years and in the USA, are 1.5% and 1.8%, respectively.

As for sub-Saharan Africa, growth is forecast to be 5.2% in 2011 and 5.8% in 2012, much higher figures, with Angola expected to stand out in 2012 with 12.8% growth.

The principal constraints anticipated for 2012 revolve around the trend in unemployment.

In the emerging and developing economies, there is the problem of reducing production costs.

The backdrop to the world economy, despite being positive, presents more moderate economic growth in 2012 than in 2010. This was essentially due to the European debt crisis and the American economy's poorer performance, which raises some concerns and uncertainties to which one must be attentive.

It should be noted that world GDP growth in 2012 and 2011 was largely due to the buoyant world trade which has risen by 25% since 2009. The major impulse came from the Asiatic economies where low manufacturing costs, namely salaries and wages, in tandem with major investments in manufacturing industries, served as the basis for this growth.

However the volume of trade declined in 2011 relative to 2010, with exports rising 6.1% in the advanced economies and 4.2% in the emerging economies, while imports should expand by 5.8% and 2.8%, respectively.

For 2012, this trend is expected to continue, albeit to a lesser extent.

As regards the oil price, an essential factor for the Angolan economy's performance, the average remained within the USD 90-105 band in 2011 (ninety to one hundred and five dollars per barrel), although there were peaks above the USD 120 mark (one hundred and twenty dollars/barrel).

Geopolitical factors are always important in determining the supply of oil, which coupled with the market's inflexibility, the world economy's inflation rate and the search for alternative energy sources, mean that one should pay attention to the oil price.

It is estimated that the global demand for crude oil will remain high, or that it will climb moderately, bearing in mind that it is also always dependent on the behaviour of global productive activity.

In summary, it is projected that prices will remain high and with modest oscillations which is a good panorama for the Angolan economy and for microcredit.

Turning to the inflation rate, it is expected to descend from 2.6% in 2011 to 1.4% in 2012 in the advanced economies.

And it is one of the best controlled indicators.

As concerns the emerging economies, inflation should abate from 7.5% in 2011 to 5.9% in 2012.

These rates are higher than in the other countries, which is not surprising, given that these are dynamic economies. What does give rise to concern are the situations of stagflation, in which high inflation rates coexist with economic recession.

The factors that most influence this indicator continued to be energy prices, namely oil, the retraction in GDP, with repercussions for the labour market in visible depression and the monetary and financial policies of the countries concerned and their central banks.

The trend in restrictive monetary policies continues.

In the greater part of the world's economies, there is upward pressure on interest rates which nevertheless remain at relatively low levels, above all in the emerging markets, where lending to the economy continues on the rise.

Angolan economy

Angola continues to be one of Africa's most dynamic economies. In 2011 the Angolan economy presented a moderate growth rate, after two years in which the total GDP had positive rates despite the international economic and financial crisis.

As for 2012, the expected growth rate is now forecast to be in the order of 13%, with a strong non–oil component to this scenario.
For 2013 and according to the latest SGB data approved in January this year, gross domestic product (GDP) is expected to expand 7.1%, propelled by the non-oil sector, which will grow 7.3% while the oil and gas sector will not surpass 6.6%.

Moreover, the financial system continued to reveal an enormous capacity for expansion, having posted even more positive indicators than in the preceding year, which showcases its rising role in the Angolan economy and growth facilitator, primarily of the non-oil sector.
According to the reports of the major international accounting firms, the banking sector continued to present excellent results in Angola.
The financial sector's solid growth is also a determining factor behind Angola's access to the international financial markets, where this investment company which is going to be formed could play an important role in attracting external financial resources which could be invested in the medium and long term, thereby permitting structural investment in gross fixed capital formation.

The International Monetary Fund (IMF) in its most recent survey about the Angolan economy underlines that the short-term prospects are positive to the extent that new oil wells are being discovered and that the non-oil sector continues to expand, with special mention of the banking sector.
In fact, an assessment is under way of the extent of the implementation of the Stand-By agreement, in terms of which Angola benefited from a credit line of 1.4 billion USD.

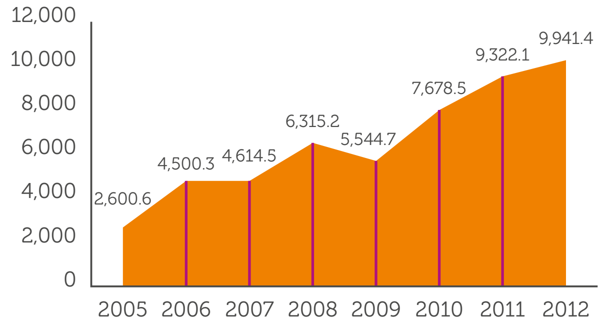
This programme was essentially implemented for funding a programme to bring the Balance of Payments into equilibrium after the drastic decline in net foreign exchange reserves during the 2008 international economic and financial crisis.
Up until now, the assessments have been positive. The Stand-by Agreement repayment period is 10 years.

The IMF is also attentive to the implementation of the Foreign Exchange Law applicable to the oil sector, which obliges companies operating in the sector in Angola to work with Kwanzas and with banks domiciled in Angola, which promises to be positive for the Angolan economy and for banks in Angola, all under the attentive eye of the B.N.A., which has been stepping up its supervisory role.
This, coupled with the Angolan economy's improved international credit rating, reveals a very positive backdrop for the launching of projects in the financial area, namely in microcredit and other para-banking business.

The microcredit companies in their functional context are similar to banks, although with a considerably lower share capital and are barred from making cash operations.
However, the granting of loans and their control dictate a different and important role from credit agents in the field.
Numerous studies project an extremely strong trend for the Angolan financial and banking sector in the next few years, which create extremely optimistic prospects for the launching of this microcredit project, which will cover a target public which falls outside the normal lending regime and which represents almost 77% of the population still not resorting to banking services.

As regards the behaviour of GDP and according to the latest official data, this has been positive since 2005 up till 2012.

Trend in nominal GDP growth in Angola (2005-2012)



Unit: billion Kwanzas.
Source: State General Budget for 2012. Estimated figures for 2011 and 2012.

The real GDP growth rate in 2012 will be 12.8%, remaining high in the following years after having overcome the international financial crisis, and in spite of everything, maintaining positive rates of 2.4%, 3.4% and 1.7% in 2009, 2010 and 2011 respectively.

Behaviour of national GDP (2009-2012)

				Projections
	2009	2010	2011	2012
1. Growth rate (%)				
GDP	2.4	3.4	1.7	12.8
Oil - based GDP	-5.1	-3	-8.8	13.4
Non-oil GDP	8.3	7.8	8.1	12.5
Diamonds	4.6	-10.3	-1.7	10.1
Constrution	23.8	16.1	6.1	7.5
2. Oil Average Production (1000 barrels/day)	1 809.0	1 755.0	1 601.1	1 842.5
3. Yearly Diamonds production (1000 carat)	9 320.0	8 360.0	8 301.0	11 364.0
4. Oil Price (USD/barrel)	60.9	77.9	104	77
5. Diamond Price (carat)	79.6	-	-	-
6. GDP in current prices (1 billion KZ)	5 988.7	7 579.5	9 307.2	9 844.5

Source: Angola Ministry of Planning

As can be seen from the above table, the Angolan economy's dependence on oil has been decreasing.

Oil-based GDP has presented negative rates in the abovementioned years of -5.1%, -3.0% and -8.8%, only recovering in 2012 with 13.4%.

In the same years, non-oil GDP posted positive growth rates and made a meaningful contribution to the economy's development, which was only positive in 2009, 2010 and 2011, due to the rates of 8.3%, 7.8% and 8.1% for the economy's non-oil sector.

Within this sector, special mention is made of "Construction", "Energy" and "Manufacturing Industry".

"Diamonds" fell in 2010 (-10.3%) and 2011 (-1.7%), but has since recovered in 2012 (10.1%).

For 2012, official data present a notable growth rate for both oil and non-oil GDP and within the last-mentioned, we highlight "Merchandise Services" and "Agriculture, Livestock and Fishing".

Gross Domestic Product (2009-2012)

(Real growth rates, Percentage)

				Estimates
	2009	2010	2011	2012
GDP in market current prices (1 billion KZ)	5 988.7	7 579.5	9 307,1	9 844.5
Real growth rate (previous year prices) (%)	2.4	3.4	1,7	12.8
Oil sector	-5.1	-3	-8,8	13.4
Non-Oil sector	8.3	7.8	8,1	12.5
Composition (%)	100	100	100	100
Agriculture, Livestock and Fishing	10.4	10.1	10,2	12.2
Extractive Industry	46.5	46.9	47,4	39.7
Crude Oil and Gas	45.6	45.9	46,6	38.8
Diamonds and others extractions	0.9	1	0,8	0.9
Manufacturing Industry	6.2	6.3	6,5	7.3
Electric Energy	0.1	0.1	0,1	0.2
Construction	7.7	8.1	7,9	8.9
Merchandise Services	21.2	21	20,4	23.3
Other	7.8	7.4	7,4	8.1

Source: Ministry of Planning, INEand Ministry of Finance.

According to the contribution to the GDP, the oil sector should rise from 45.6% to 45.9% and 46.6% in 2009, 2010 and 2011, declining again in 2011 (38.8%).

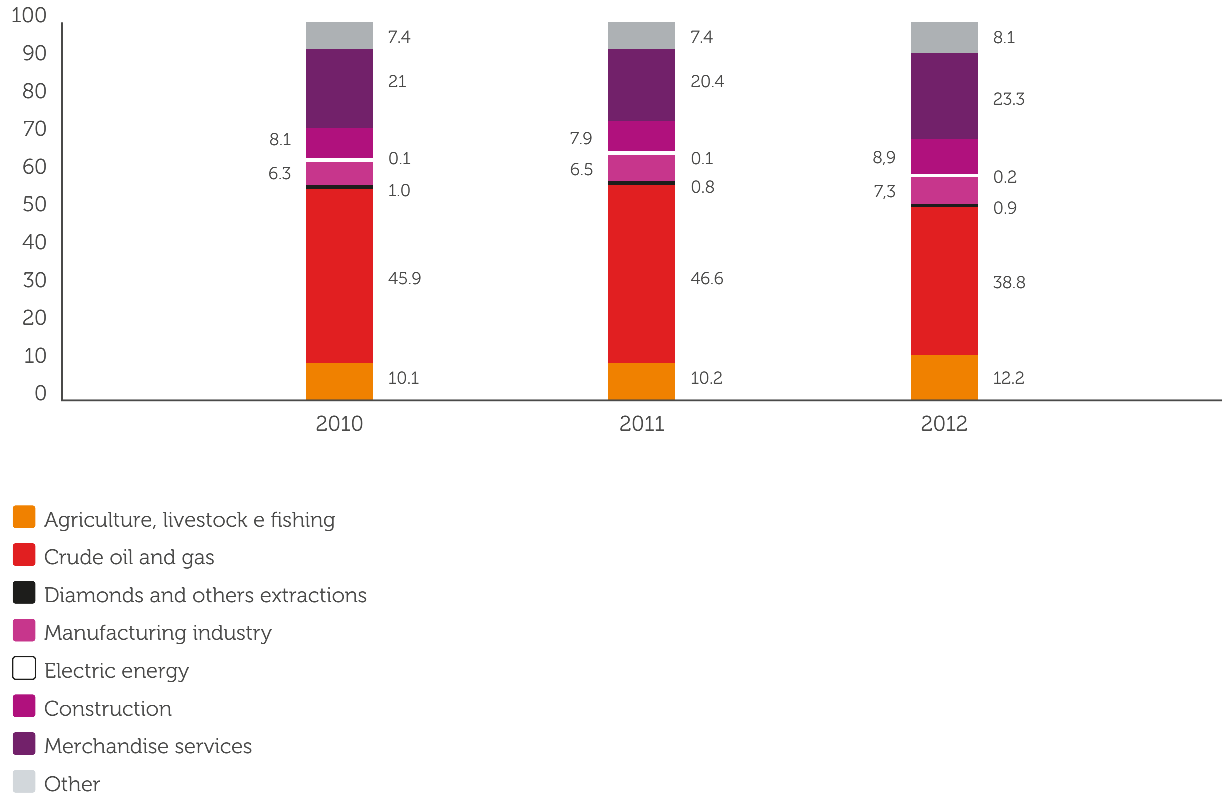
This reveals that despite the importance this sector has in the Angolan economy, the government has had some success in its policy of economic diversification, which is hoped will continue.

For 2013 and according to the respective SGB, more than 70% of budget revenues excluding financial assets, will come from the sale of oil, with output forecast to be 673 million barrels, or a daily average of 1.84 million barrels, slightly below initial projections of a daily average of 2 million barrels.

In the government's objectives and priorities for 2013, during the execution of the SGB it was underlined that it "give priority to human development, oriented towards the combat against hunger, reducing poverty and social inequalities".

It is in this field that microcredit could play a very important role.

Segmentation GDP Angola (2010-2012) (%)

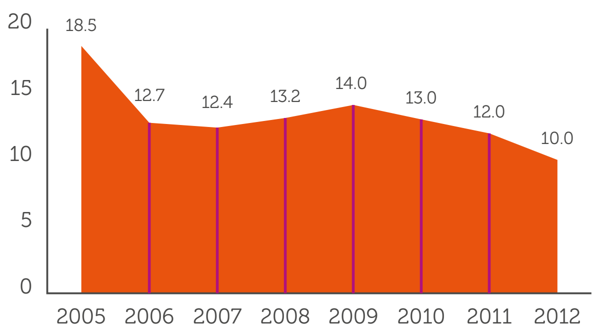


Source: State General Budget 2012

As regards inflation, as can be seen from chart 3, it has been declining since 2005 to 2012, and constitutes one of the economic policy goals where the government has been most successful.

This objective's pursuance is also fundamental for ensuring the Angolan economy's healthy growth and for the defence of the more under-privileged classes, who are the microcredit business's target public.

Angola's year-on-year inflation rate 2005-2012 (%)



Source: Ministry of Finance

For 2012, the inflation rate is expected to reach 9.87% by the end of the year, easing to a single digit in the following years after having hovered around 12%, 15% and 13.9% in 2011, 2010 and 2009, respectively.

Chart 4 shows inflation's trajectory in 2012 and how the cost of living has been decelerating.

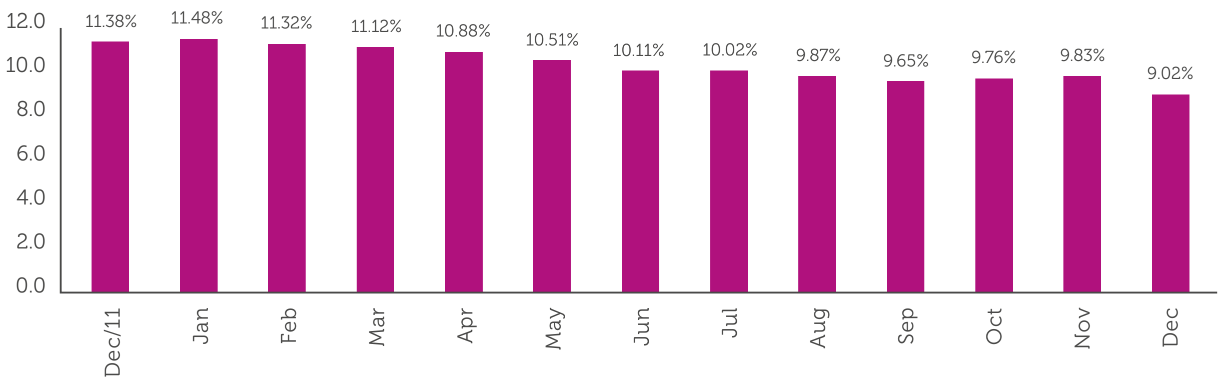
In monthly terms, the CPI rose from 0.93% in November to 0.99% in December.

The category "Food and non-alcoholic beverages" was that which posted the biggest increase in prices, climbing 1.19%.

Also noteworthy were the price increase in "Miscellaneous goods and services" with 1.08% "Clothing and footwear" with 1.05% and "Furniture, Household Appliances and Maintenance" with 1.02%.

Smaller price changes were noted in Transport (0.52%), Health (0.73%) and Leisure (0.75%), between November and December 2012.

Inflation's downward path in 2012



Source: INE

This is the first time in almost 20 years of recording price changes in the Luanda province that inflation is recorded as a single-digit figure.

The cost of living in the Luanda province rose by around 9.0% in 2012.

This equates to a fall of 2.3 percentage points relative to 2011 when it stood at 11.3 and settling below the government's own projections.

Indeed, the Angolan government has laid down as the target for 2012 inflation at 10% in December while over three consecutive months the year-on-year change was been situated below this goal, settling at 9.87%.

The first time that annual inflation in Luanda province has stood at just a single figure was in August, which leads us to believe that there are positive prospects for this indicator in the near future.

Inflation rate (%)

Years	2007	2008	2009	2010	2011	2012
Tx	11.8	13.8	13.8	15.3	12.0	9.9

Source: INE/OGE

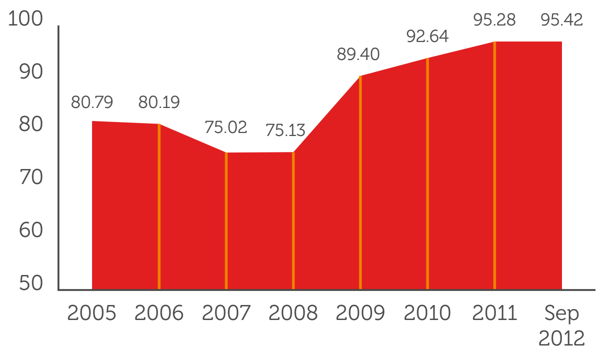
Therefore, after some acceleration in 2009 (13.8%) and 2010 (15.3%), inflation changed direction from its high point. The previous peak was attributable to the international financial crisis and the deterioration in the prices of the principal commodities and foodstuffs on the international markets.

In order to be able to reduce the inflation rate to below 10%, with the economy growing at 13%, an enormous effort had to be made, aided by the contribution from monetary policy and the downward movement in rates that risk-free assets are remunerated.

The execution of monetary policy was pursued founded on adjusting money supply to the objectives of price stability and foreign currency market and Angola's external accounts' equilibrium.

Work continues aimed at the economy's "de-dollarisation" and the control of the average exchange rate between the American dollar and the kwanza.

Average exchange rate USD-AOA 2005-2012 (%)



Source: BNA Statistics

During the course of 2011, the kwanza's exchange rate against the dollar posted a moderate rise and lower than that in previous years.

This trend continued during 2012 with the exchange rate being fixed at 95.4 kwanzas per dollar in September (Chart 5).

The Balance of Payments also turned in a positive performance, which constitutes a positive factor that Angola presents, in contrast to several other countries which are highly indebted.

And this trend will tend to continue bearing in mind that Angola is implementing an intensive programme for import substitution so as be increasingly less dependent on imported products and to produce them internally, making the country ever more self-sufficient, as was the case in the past and now it has everything to achieve this.

The interest in private investment in Angola, one of Africa's most dynamic economies, is clearly visible in the table which reflects the number of projects approved by the ANIP, which remains high.

This, notwithstanding having decreased last year for which there are statistics, in 2011, due to the entry in force of a new law which requires a minimum amount of one million dollars to have access to the incentives and tax exemptions granted by the government.

It should be noted that, with the exception of the present investment regime, we have the case of private-law corporate entities with 50% or more of their equity capital held by the State or by State-controlled companies.

Investments approved by ANIP

Years	No. of projects
2007	628
2008	601
2009	615
2010	574
2011	180

Source: ANIP

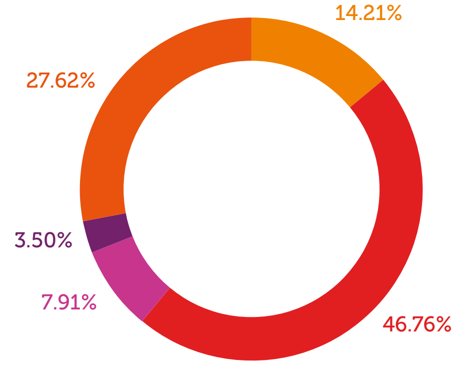
13. Financial Review

The year 2012 proved to be extremely positive for the Angolan financial sector in which, despite the set of measures imposed by the Banco Nacional de Angola in order to better regulate banking activity according to the international standards and best practices, the system maintained the growth level of previous years.

For Banco de Negócios Internacional, 2012 was marked by the strong commitment to the brand's rebranding, presenting to the market a revamped image, a new identity and a new logo. Established in 13 provinces with a total workforce of 569 people and 62 branches, BNI served a total of 95 896 customers in 2012. These indicators associated with a bold management, committed to good governance practices and the satisfaction of our customers, permitted to attain meaningful results, such as USD 1 000 000 thousand in customer resources, to reach net total assets of USD 1 692 075 thousand, own funds of USD 220 730 thousand and a solvency ratio of 14.73% (14.79% in 2011).

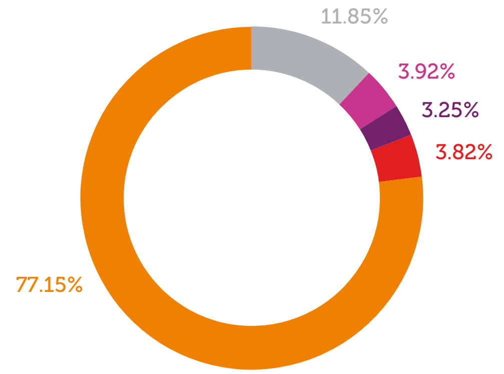
Balance sheet composition 2012

Assets



- Other assets
- Total loans customers
- Stocks and securities
- Amounts owed by FI's
- Cash and deposits

Liabilities and own funds



- Own funds
- Other liabilities
- Other amounts owed to FI's
- Amounts owed by FI's
- Customer deposits

Assets

In December 2012 the bank's net total assets amounted to AOA 162 144 578 thousand (USD 1 692 075 thousand) against AOA 115 716 592 thousand (USD 1 214 463 thousand) in 2011, representing growth of 40.12%, that is, AOA 46 427 985 thousand (USD 477 612 thousand), stimulated essentially by loans granted to customers of AOA 75 825 141 thousand (USD 791 280 thousand), representing 46.76% (2011: 53.59%) of the Bank's net total assets.

The Bank's assets are primarily funded by customer deposits, with a weight of 77%.

	2012	2012	Peso	2011	2011	Peso	Δ
	AOA'000	USD'000	(%)	AOA'000	USD'000	(%)	%
Total assets	**162 144 578**	**1 692 075**	**-**	**115 716 592**	**1 214 463**	**-**	**40%**
Cash and deposits	44 785 881	467 367	28%	23 609 027	247 780	20%	90%
Amounts owed by financial institutions	5 676 096	59 233	4%	5 166 523	54 223	4%	10%
Stocks and securities (held to maturity)	12 818 929	133 773	8%	12 649 622	132 760	11%	1%
Loans in the payments system	10 405	109	0%	-	-	-	-
Foreign currency operations	774 166	8 079	0%	-	-	-	-
Total loans	75 825 141	791 280	47%	62 014 565	650 852	54%	22%
Other assets	6 792 528	70 884	4%	1 272 302	13 352	1%	434%
Fixed assets	15 461 432	161 349	10%	11 004 553	115 494	10%	41%

Cash and deposits

Cash and deposits totalled AOA 44 785 881 thousand (USD 467 367 thousand) registering growth of 89.70% equivalent to AOA 21 176 854 thousand (USD 219 587 thousand), representing 27.62% (2011: 20.40%) of net total assets.

Behind this growth were Amounts owed by financial institutions, with a total of AOA 20 327 342 thousand (USD 212 128 thousand) and corresponding to 12.54% (2011: 3.92%) of net total assets.

	2012	2012	Peso	2011	2011	Peso	Δ
	AOA'000	USD'000	(%)	AOA'000	USD'000	(%)	%
Cash and deposits	**44 785 881**	**467 367**	**-**	**23 609 027**	**247 780**	**-**	**90%**
Cash	5 330 194	55 624	12%	3 976 184	41 731	17%	34%
Deposits at Central Bank	19 128 345	199 616	43%	15 096 762	158 443	64%	27%
Deposits at financial institutions	20 327 342	212 128	45%	4 536 081	47 607	19%	348%

Amounts owed by financial institutions

Amounts owed by financial institutions amounted to AOA 5 676 096 thousand (USD 59 233 thousand) benefiting from 9.86% growth, AOA 509 573 thousand (USD 5 010 thousand) so as to invest the surplus liquidity in FC as well as to comply with the new foreign currency limits imposed by the Banco Nacional de Angola. Amounts owed by financial institutions represent 3.50% of the Bank's total assets.

Accordingly, AOA 4 942 184 thousand (USD 51 575 thousand) represent the amounts placed with institutions abroad in North American dollars and AOA 733 912 (USD 7 659 thousand) in euro.

Securities

The securities portfolio is composed of Angolan public debt securities held to maturity amounting to AOA 12 818 929 thousand (USD 133 773 thousand) against AOA 12 649 622 thousand (USD 132 760 thousand) posting a positive change of 1.34%, around AOA 169 307 thousand (USD 1 013 thousand), representing 7.91% (10.93% in 2011) of net total assets.

Short-term securities (Treasury Bills and Central Bank Bonds) represent 51-99% of the Bank's security portfolio, with the remaining 48.01% referring to medium-term securities (Treasury Bonds).

As concerns the currency, the securities in LC (CBBonds, Tbills and Tbonds indexed to the CPI) represent 94.21% (86.64% in 2011) of the portfolio, whereas securities denominated in FC (Treasury Bonds) represent the remaining 5.79% (13.36% in 2011).

The Bank classifies securities in the held-to-maturity category given that it has the intention and financial capability to hold them until the respective maturity.

Loans

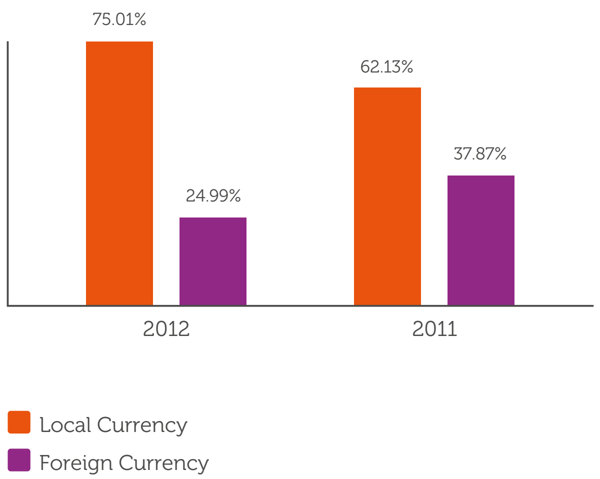
In December 2012, total loans were AOA 75 825 141 thousand (USD 791 280 thousand) posting a growth rate of 22.27%, that is, AOA 13 810 576 thousand (USD 140 428 thousand), relative to the same period of 2011, and now representing 46.76% of the bank's net total assets.

Gross loans in 2012 totalled AOA 77 933 005 thousand (USD 813 277 thousand), reflecting 21.26% growth, that is AOA 13 663 057 thousand (USD 138 754 thousand) relative to the same period a year earlier.

	2012	2012		2011	2011		Δ
	AOA'000	USD'000	(%)	AOA'000	USD'000	(%)	%
Total loans	75 825 141	791 280	-	62 041 565	650 852	-	22%
Perf. and non-perform. loans	77 933 005	813 277	-	64 269 948	674 523	-	21%
In local currency	56 778 073	592 513	75%	39 249 616	411 931	63%	45%
Companies	50 969 526	531 897	67%	34 139 516	358 299	55%	49%
Individuals	5 808 547	60 616	8%	5 110 100	53 631	8%	14%
In foreign currency	19 228 149	200 657	25%	24 168 847	253 655	39%	-20%
Companies	17 903 138	186 830	23%	21 898 158	229 824	35%	-18%
Individuals	1 325 011	13 827	2%	2 270 689	23 831	4%	-42%
Interest receivable	1 926 783	20 107	3%	851 485	8 937	1%	126%
Provision for doubtful debts (Note 24)	(2 107 864)	(21 997)	-3%	(2 255 383)	(23 671)	-4%	-7%

At 31 December 2012, loans in LC amounted to AOA 56 778 073 thousand (USD 592 073 thousand), and loans in FC AOA 19 228 149 thousand (USD 200 657 thousand), with shares of 74.88% (2011: 63,26%) and 25.36% (2011: 38,96%) of total loans, respectively, reflecting the bank's drive aimed at reducing the exposure of loans in FC.

Composition of loans by currency



At 31 December 2012, overdue loans amounted to AOA 1 640 089 thousand (USD 17 115 thousand) against AOA 3 098 886 thousand (USD 32 523 thousand) in 2011, reflecting a 47.07% slowdown, around AOA 1 458 798 thousand (USD 15 408 thousand) reaching an overdue loans ratio of 2.64% (4.82% in 2011).

The work done on recovering non-performing loans during 2012 also benefited the ratio of loans covered by provisions for doubtful debts, which was situated at 102.55% compared with 72.78% in the period a year earlier.

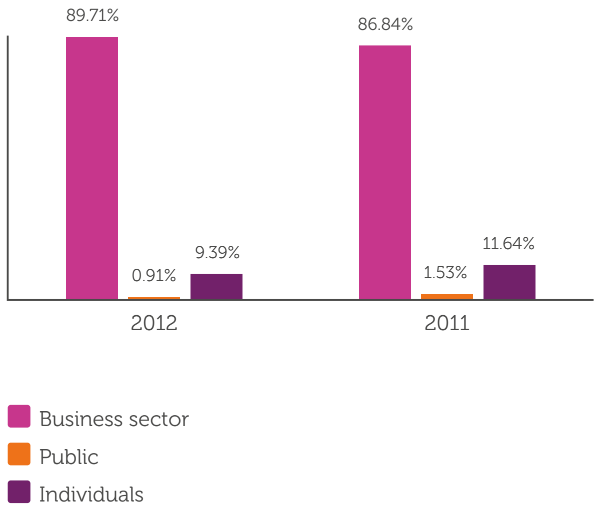
Quality of loan book

	2012	2012		2011	2011		Δ
	AOA'000	USD'000	(%)	AOA'000	USD'000	(%)	%
Net loans	75 825 141	791 280	-	62 014 565	650 852	-	22%
Provisions for loans	(2 107 864)	(21 997)	3%	(2 255 383)	(23 671)	4%	-7%
Gross loans	77 933 005	813 277	-	64 269 948	674 523	-	21%
Loans falling due	75 877 565	791 827	97%	61 171 062	642 000	95%	24%
Loans in arrears	2 055 440	21 450	3%	3 098 886	32 523	5%	-34%
No. of days in arrears							
15-30	348 237	3 634	17%	218 923	2 298	7%	59%
30-60	263 455	2 749	13%	178 777	1 876	6%	47%
60-90	112 809	1 178	5%	114 276	1 199	4%	-1%
90-150	330 886	3 453	16%	155 576	1 633	5%	113%
150-180	161 856	1 689	8%	287 336	3 015	9%	-44%
>180	838 197	8 747	41%	2 143 998	22 502	69%	-61%

(*) The weight presented reflects the total loan portfolio net of provisions.

Specific provisions in 2012 were situated at AOA 2 107 864 thousand (USD 21 997 thousand), representing a credit risk cost of 1.75% (3.10% in 2011) and covering 102.55% of overdue loans (72.78% in 2011).

Composition of loans by sector



Liabilities

The Bank closed 2012 with liabilities of AOA 142 934 679 thousand (USD 1 491 609 thousand) benefiting from 44.12% growth, up AOA 43 755 668 thousand (USD 450 710 thousand) on the same period last year.

Leveraging liabilities were customer deposits of AOA 125 102 191 thousand (USD 1 305 516 thousand), with a share of 87.52% (86.94% in 2011), followed by Amounts owed to financial institutions amounting to AOA 6 201 050 thousand (USD 64 712 thousand), with a 4.34% share of the Bank's total liabilities.

	2012	2012		2011	2011		Δ
	AOA'000	USD'000	(%)	AOA'000	USD'000	(%)	%
Total liabilities	**142 934 679**	**1 491 609**	**-**	**99 179 010**	**1 040 898**	**-**	**44%**
Deposits	125 102 191	1 305 516	88%	86 224 047	904 934	87%	45%
Amounts owed to financial institutions	6 201 050	64 712	4%	-	-	-	-
Liabilities in the payments system	2 241 542	23 392	2%	855 327	8 977	1%	162%
Foreign currency operations	776 155	8 100	1%	3 802	40	0%	-
Other amounts owed to financial institutions	5 274 529	55 043	4%	10 366 214	108 795	10%	-49%
Other liabilities	2 961 851	30 908	2%	1 674 048	17 569	2%	77%
Provisions for contingent liabilities	377 361	3 938	0%	55 572	583	0%	579%

Customer resources

Customer deposits in 2012 totalled AOA 125 102 191 thousand (USD 1 305 516 thousand), thanks to growth of 45.09%, that is, AOA 38 878 144 thousand (USD 400 582 thousand) representing 87.52% of the Bank's total liabilities.

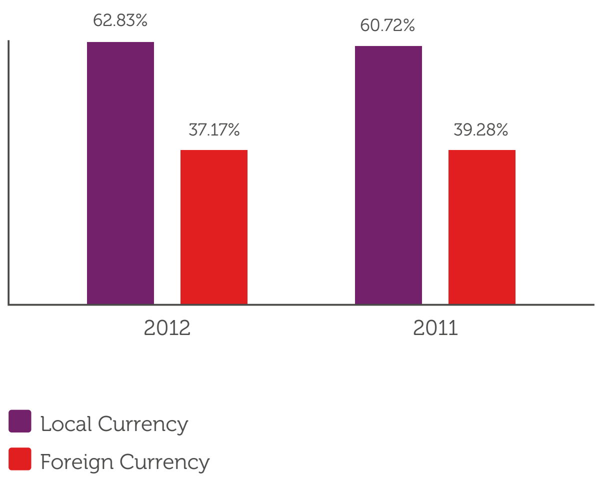
The deposits' portfolios is composed of sight, term and other deposits, with shares of 40.40%, 47.26% and 12.33%, respectively.

Sight deposits stood at AOA 50 545 499 thousand (USD 527 472 thousand), posting 45.94% growth when compared with the same period last year. Term deposits totalled AOA 59 127 524 thousand (USD 617 031 thousand), recording growth in the order of 14.64% relative to the same period a year earlier.

Other deposits were situated at AOA 15 429 168 thousand (USD 161 013 thousand), achieving growth of more than 1000% vis-à-vis a year earlier.

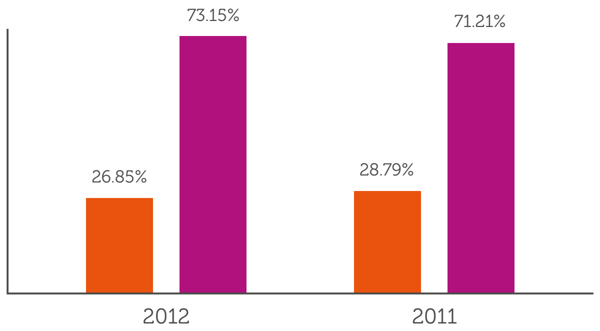
	2012	2012		2011	2011		Δ
	AOA'000	USD'000	(%)	AOA'000	USD'000	(%)	%
Customer deposits	**125 102 191**	**1 305 516**	**-**	**86 224 047**	**904 934**	**-**	**45%**
Sight deposits	50 545 499	527 472	40%	34 633 553	363 484	40%	46%
Term deposits	59 127 524	617 031	47%	51 574 962	541 287	60%	15%
Other deposits	15 429 168	161 013	12%	15 532	163	0%	99235%

Composition of customer deposits by currency



Resources in FC represent 37.17% (39.28% in 2011) of total deposits, while the remaining 62.83% (60.72% in 2011) relate to resources in LC, reflecting a decrease in deposits in FC when compared with the Angolan currency. The ratio of customers deposits was fixed at 62.30%, against 74.54% in 2011.

Composition of Customer deposits by sector



Private sector
Business sector

As a result of the agreement entered into in 2011 between Banco de Negócios Internacional and Banco Nacional de Angola, with the object of boosting the index of the population resorting to banking services in the country, in December 2012 the number of Bankita current accounts amounted to 5 844 (2011: 981) and 63 (2011: 17) Bankita term deposits growing, making a total placed of AOA 39 118 thousand (USD 411 thousand).

Net interest income

Net interest income totalled in 2012 AOA 5 684 889 thousand (USD 59 572 thousand) against AOA 5 425 326 thousand (USD 57 781 thousand), achieving 4.78% growth, that is, AOA 259 563 thousand (USD 1 791 thousand).

Contributing to this was the slowdown in the costs of financial instrument liabilities, which declined by -6.74%, around AOA 251 235 thousand (USD 3 271 thousand) and offsetting the income from financial instrument assets, which grew by about 0.09%, approximately AOA 8 328 thousand (USD 1 480 thousand) relative to 2011.

	2012	2012		2011	2011		Δ
	AOA'000	USD'000	(%)	AOA'000	USD'000	(%)	%
Net interest income	**5 684 889**	**59 572**	**-**	**5 425 326**	**57 781**	**-**	**5%**
Income from financial instrument assets	9 162 645	96 015	-	9 154 317	97 495	-	0%
Income from amounts owed by Financial Institutions	21 798	228	0%	32 231	343	0%	-32%
Income from stocks and securities	836 368	8 764	9%	1 518 459	16 172	17%	-45%
Income from loans	8 304 479	87 023	91%	7 603 627	80 980	83%	9%
(-) Cost of financial instrument liabilities	(3 477 756)	(36 443)	-	(3 728 991)	(39 714)	-	-7%
Costs of deposits	(2 787 543)	(29 210)	80%	(2 958 871)	(31 513)	79%	-6%
Cost of amounts owed due to financial Institutions	(402 332)	(4 216)	12%	(397 325)	(4 232)	11%	1%
Costs of stocks and securities taken	-	-	-	(75 631)	(805)	2%	-
Costs of other resources taken	(287 881)	(3 017)	8%	(297 164)	(3 165)	8%	-3%

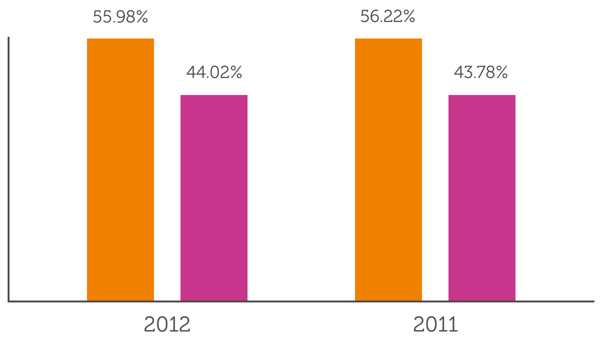
Complementary margin

The complementary margin totalled 4 469 905 thousand (USD 46 840 thousand) against AOA 4 225 377 thousand (USD 45 001 thousand) in 2011, achieving growth of 5.79%, that is, AOA 244 528 thousand (USD 1 839 thousand) relative to the same period in the preceding year.

	2012	2012		2011	2011		Δ
	AOA'000	USD'000	(%)	AOA'000	USD'000	(%)	%
Complementary margin	**4 469 904**	**46 840**	**-**	**4 225 377**	**45 001**	**-**	**6%**
Net gains from trading and fair value adjustments	26 132	274	1%	51 266	546	1%	-49%
Net gains/losses from foreign currency operations	2 126 546	22 284	48%	2 087 309	22 230	49%	2%
Net income/loss from provision of financial services	2 317 226	24 282	52%	2 086 802	22 225	49%	11%

Result of financial intermediation

Compared with the corresponding period last year, the profit from financial intermediation benefited from a 27.08% increase, that is, AOA 2 073 793 thousand (USD 20 420 thousand).



Financial margin
Intermediation margin

Operating costs

Operating costs comprise personnel costs, outside supplies, depreciation and amortisation and other costs, making a total of AOA 6 029 255 thousand (USD 63 181 thousand) against AOA 4 447 747 thousand (USD 47 369 thousand) in 2011, recording 35.56% growth, that is, AOA 1 581 508 thousand (USD 15 812 thousand).

The rise in costs is essentially explained by the expansion of the commercial structure, the increase in the workforce and the wear-and-tear of the Bank's fixed assets.

The costs-to-income ratio stood at 58.2% against 44.28% in 2011.

	2012	2012		2011	2011		Δ
	AOA'000	USD'000	(%)	AOA'000	USD'000	(%)	%
Operating costs	**6 029 255**	**63 181**	**-**	**4 447 747**	**47 369**	**-**	**36%**
Personnel costs	1 893 030	19 837	31%	1 579 277	16 820	36%	20%
Third party supplies	2 518 753	26 394	42%	1 989 161	21 185	45%	27%
Taxes and levies	13 110	137	0%	20 953	223	0%	-37%
Penalties	5 324	56	0%	234	2	0%	2180%
Depreciation and amortisation	1 599 037	16 756	27%	858 123	9 139	19%	86%

Earnings

The bank closed 2012 with net income of AOA 3 378 526 thousand (USD 35 404 thousand) against AOA 3 220 695 thousand (USD 34 301 thousand) earned in 2011, corresponding to 4.90% growth, up AOA 157 832 thousand (USD 1 102 thousand) on the same period last year.

For 2012, corporate income tax is estimated at AOA 750 151 thousand (USD 7 861 thousand).

	2012	2012	2011	2011	Δ
	AOA'000	USD'000	AOA'000	USD'000	%
Results					
Net interest income	5 684 889	59 572	5 425 326	57 781	5%
Complementary margin	4 469 904	46 840	4 225 377	45 001	6%
Net operating revenue	**10 154 793**	**106 412**	**9 650 703**	**102 782**	**5%**
(-) Provisions	(424 242)	(4 446)	(1 993 945)	(21 236)	-79%
Net income from financial intermediation	**9 730 551**	**101 966**	**7 656 758**	**81 546**	**27%**
(-) Operating costs	(6 029 255)	(63 181)	(4 447 747)	(47 369)	36%
(-) Provisions for other assets	(198 132)	(2 076)	56 933	(606)	248%
(-) Recovery costs	57 044	598	18 478	197	209%
(-) Other operating income and costs	384 901	4 033	411 255	4 380	-6%
Net operating income	**3 945 110**	**41 341**	**3 695 676**	**39 360**	**7%**
Non operating items	183 567	1 924	394 137	4 198	-53%
(-) Provisions for corporate income tax	(750 151)	(7 861)	(869 118)	(9 256)	-14%
Net income	**3 378 526**	**35 404**	**3 220 695**	**34 301**	**5%**

The Bank noted a decline in the return on shareholders' equity (ROE), which was situated at 15.97% versus 20.18% in 2011. The return on assets (ROA) was 2.08%, down 0.70 p.p relative to a year ago, boosted by the increase seen in the Bank's assets during 2012.

	2012 %	2011 %	Δ p.p
Earnings			
ROA	2.08%	2.78%	-0.70%
ROE	15.97%	20.18%	-4.21%
RAI/Shareholders' equity	26.08%	30.71%	-4.63%

Regulatory own funds and solvency

The Bank's regulatory own funds calculated according to instruction no. 3 / 2011 of Banco Nacional de Angola, amounted to AOA 21 151 671 thousand (USD 220 730 thousand) in 2012 against AOA 15 959 219 thousand (USD 167 494 thousand) in 2011, posting growth of 32.54% fuelled by the appropriation of 2011 net income to legal reserve (20%) and to retained earnings (57.50%), as well as by 2012 net income.

Risk-weighted assets totalled AOA 124 373 377 thousand (USD 1 297 910 thousand) according to the new calculation model, based on instruction no. 3 / 2011 of 08 June.

Trend in regulatory own funds and risk-weighted assets

	2012	2012	2011	2011	Δ
	AOA'000	USD'000	AOA'000	USD'000	%
Regulatory capital adequacy ratio	**14,73%**	**-**	**14,79%**	**-**	**0%**
Regulatory own funds	21 151 671	220 730	15 959 219	167 494	33%
Weighted net assets	124 373 377	1 297 910	102 263 400	1 073 270	22%
Currency-risk capital requirement	1 922 783	20 065	563 599	5 915	241%

The solvency ratio, calculated based on the same Banco Nacional de Angola instruction, was situated at 14.73 % against 14.79% in 2011.

14. Financial Statements

Balance sheet

At 31 December 2012 and 2011

	Notes	2012 AOA'000	2012 USD'000	2011 AOA'000	2011 USD'000
Assets					
Cash and deposits	3	44 785 881	467 367	23 609 027	247 780
Amounts owed by financial institutions		5 676 096	59 233	5 166 523	54 223
Inter-financial money market operations	4	5 676 096	59 233	5 166 523	54 223
Stocks and securities		12 818 929	133 773	12 649 622	132 760
Held to maturity	5	12 818 929	133 773	12 649 622	132 760
Loans in the payment system	6	10 405	109	-	-
Foreign currency operations	7	774 166	8 079	-	-
Total loans		75 825 141	791 280	62 014 565	650 852
Performing and non-performing loans	8	77 933 005	813 277	64 269 948	674 523
Provision for doubtful debts	8	(2 107 864)	(21 997)	(2 255 383)	(23 671)
Other assets	9	6 792 528	70 884	1 272 302	13 352
Financial fixed assets	10	1 637 265	17 086	381 058	3 999
Tangible and in progress fixed assets	11	13 326 005	139 065	10 426 190	109 424
Intangible assets	11	498 162	5 199	197 305	2 071
Total assets		**162 144 578**	**1 692 075**	**115 716 592**	**1 214 463**
Liabilities					
Deposits		125 102 191	1 305 516	86 224 047	904 934
Sight deposits	12	50 545 499	527 472	34 633 553	363 484
Term deposits	12	59 127 524	617 031	51 574 962	541 287
Other deposits	12	15 429 168	161 013	15 532	163
Amounts owed to financial institutions		6 201 050	64 712	-	-
Inter-financial money market operations	13	6 201 050	64 712	-	-
Liabilities in the payments system	14	2 241 542	23 392	855 327	8 977
Foreign currency operations	7	776 155	8 100	3 802	40
Other amounts owed to financial institutions		5 274 529	55 043	10 366 214	108 795
Subordinated debt	15	4 867 157	50 792	4 837 949	50 775
Other resources contracted	15	407 372	4 251	5 528 265	58 020
Other liabilities	16	2 961 851	30 908	1 674 048	17 569
Provisions for contingent liabilities	17	377 361	3 938	55 572	583
Total liabilities		**142 934 679**	**1 491 609**	**99 179 010**	**1 040 898**
Share capital	18	6 039 104	63 022	6 039 104	63 381
Reserves and funds	19	3 865 657	40 340	3 203 072	33 617
Conversion reserve	2	-	(148)	-	(499)
Retained earnings	19	5 926 612	61 848	4 074 711	42 765
Net income for the year		3 378 526	35 404	3 220 695	34 301
Total own funds		**19 209 899**	**200 466**	**16 537 582**	**173 565**
Total liabilities and shareholders' equity		**162 144 578**	**1 692 075**	**115 716 592**	**1 214 463**

The accompanying notes form an integral part of the financial statements.

Income statement

For the years ended 31 December 2012 and 2011

	Notes	2012 AOA'000	2012 USD'000	2011 AOA'000	2011 USD'000
Income from financial instrument assets		**9 162 645**	**96 015**	**9 154 317**	**97 495**
Income from amounted owed by financial institutions	20	21 798	228	32 231	343
Income from stocks and securities	20	836 368	8 764	1 518 459	16 172
Income from loans	20	8 304 479	87 023	7 603 627	80 980
(-) Costs of financial instrument liabilities		**(3 477 756)**	**(36 443)**	**(3 728 991)**	**(39 714)**
Costs of deposits	21	(2 787 543)	(29 210)	(2 958 871)	(31 513)
Costs of amounts owed to financial institutions	21	(402 332)	(4 216)	(397 325)	(4 232)
Cost of stocks and securities issued	21	(0)	(0)	(75 631)	(805)
Cost of other amounts owed to financial institutions	21	(287 881)	(3 017)	(297 164)	(3 165)
Net interest income		**5 684 889**	**59 572**	**5 425 326**	**57 781**
Net trading gains and fair value adjustments		26 132	274	51 266	546
Net income from currency operations	22	2 126 546	22 284	2 087 309	22 230
Net income from financial services	23	2 317 226	24 282	2 086 802	22 225
(-) Provisions for doubtful debts and guarantees given	24	(424 242)	(4 446)	(1 993 945)	(21 236)
Net operating revenue		**9 730 551**	**101 966**	**7 656 758**	**81 546**
(-) Personnel costs	25	(1 893 030)	(19 837)	(1 579 277)	(16 820)
(-) Outside supplies	26	(2 518 753)	(26 394)	(1 989 161)	(21 185)
(-) Non-profit related taxes and levies		(13 110)	(137)	(20 953)	(223)
(-) Penalties applied by regulatory authorities		(5 324)	(56)	(234)	(2)
(-) Depreciation and amortisation	27	(1 599 037)	(16 756)	(858 123)	(9 139)
(-) Provisions for contingent liabilities	28	(198 132)	(2 076)	56 933	606
Costs recouped		57 044	598	18 478	197
Other operating income and costs	29	384 901	4 033	411 255	4 380
Operating profit		**3 945 110**	**41 341**	**3 695 676**	**39 360**
Non-operating profit	30	**183 567**	**1 924**	**394 137**	**4 198**
Income before taxation and other charges		4 128 677	43 264	4 089 813	43 557
(-) Charges on net operating income	31	(750 151)	(7 861)	(869 118)	(9 256)
Net income for the year		**3 378 526**	**35 404**	**3 220 695**	**34 301**

The accompanying notes form an integral part of the financial statements.

Statement of changes in own funds

For the years ended 31 December 2012 and 2011

AOA'000	Share capital	Reserves	Social Fund	Retained earnings	Total reserves and funds	Net income for the year	Total own funds
Balances at 31 December 2010	6 039 104	2 581 943	-	2 379 640	11 000 687	2 947 948	13 948 635
Proceeds from capital increase							
Distribution of dividends	-	-	-	-	-	(631 749)	(631 749)
Constitution of the social fund	-	-	31 540	-	31 540	(31 540)	-
Constitution of reserves	-	589 589	-	-	589 589	(589 589)	-
Transfer of 2010 net income	-	-	-	1 695 071	1 695 070	(1 695 070)	-
2011 net income	-	-	-	-	-	3 220 695	3 220 695
Balances at 31 December 2011	6 039 104	3 171 532	31 540	4 074 711	13 316 887	3 220 695	16 537 582
Distribution of dividends	-	-	-	-	-	(698 509)	(698 509)
Constitution of the social fund	-	-	26 146	-	26 146	(26 146)	-
Utilisation of the social fund	-	-	(7 700)	-	(7 700)	-	(7 700)
Constitution of reserves	-	644 139	-	-	644 139	(644 139)	-
Transfer of 2011 net income	-	-	-	1 851 901	1 851 901	(1 851 901)	-
2012 net income	-	-	-	-	-	3 378 526	3 378 526
Balances at 31 December	6 039 104	3 815 671	49 986	5 926 612	15 831 373	3 378 526	(19 209 899)

USD'000	Share capital	Reserves	Social Fund	Retained earnings	Total reserves and funds	Net income for the year	Conversion reserve	Total own funds
Balances at 31 December 2010	65 187	27 870	-	25 686	118 743	32 051	(230)	150 564
Distribution of dividends	-	-	-	-	-	(6 868)	-	(6 868)
Constitution of the social fund	-	-	343	-	343	(343)	-	-
Constitution of reserves	-	6 410	-	-	6 410	(6 410)	-	-
Transfer of 2010 net income	-	-	-	18 429	18 429	(18 429)	-	-
Currency devaluation	(1 806)	(994)	(12)	(1 350)	(4 162)	-	(269)	(4 431)
2011 net income	-	-	-	-	-	34 301	-	34 301
Balances at 31 December 2011	63 381	33 286	331	42 765	139 763	34 301	(499)	173 565
Distribution of dividends	-	-	-	-	-	(7 441)	-	(7 441)
Constitution of the social fund	-	-	278	-	278	(278)	-	-
Utilisation of the social fund	-	-	(80)	-	(80)	-	-	(80)
Constitution of reserves	-	6 860	-	-	6 860	(6 860)	-	-
Transfer of 2011 net income	-	-	-	19 722	19 723	(19 722)	-	-
Currency devaluation	(359)	(327)	(7)	(640)	(1 333)	-	352	(982)
2012 net income	-	-	-	-	-	35 404	-	35 404
Balances at 31 December 2012	63 022	39 818	522	61 848	165 209	35 404	(148)	(200 466)

The accompanying notes form an integral part of the financial statements.

Cash flow statements

For the years ended 31 December 2012 and 2011

	2012	2011	2012	2011
	AOA '000	AOA '000	USD '000	USD '000
I Cash flow from net interest income (I+II)	4 514 190	5 425 326	47 108	57 781
II Receipts from income from financial instrument assets (1+2+3+4)	8 109 513	9 154 317	84 628	97 495
1 Receipts from income form amounts owed by financial institutions	19 237	32 231	201	343
2 Receipts from stocks and securities	861 096	1 518 459	8 986	16 172
4 Receipts from income from, loans	7 229 180	7 603 627	75 441	80 980
III Payments of costs of financial instrument liabilities (5+6+7+8+9)	(3 595 323)	(3 728 991)	(37 519)	(39 714)
5 Payments of costs of deposits	(2 934 318)	(2 958 871)	-(30 621)	(31 513)
6 Payments of costs of amounts owed to financial institutions	(402 332)	(397 325)	(4 199)	(4 232)
7 Payments of costs of stocks and securities issued	-	(75 631)	-	(805)
8 Payments of costs of derivative financial instruments	-	-	-	-
9 Payments of costs of other amounts owed to financial institutions	(258 673)	(297 164)	(2 699)	(3 165)
IV Cash flow from net trading gains and fair value adjustments	26 132	51 266	273	546
V Cash flow from net income from foreign currency operations	2 126 546	2 087 309	22 192	22 230
VI Cash flow from net income from financial services provided	2 317 226	2 086 802	24 182	22 225
VII Cash flow from net income from insurance, capitalisation and supplementary health plans	-	-	-	-
VIII Operating Cash Flow From Net Operating Revenue (I+IV+V+VI+VII)	8 984 094	9 650 703	93 754	102 782
IX Cash Flow From Net Income from Commodities, Products and Other Services	-	-	-	-
10 Payments of administrative and selling costs	(3 846 721)	(3 177 007)	(40 143)	(33 836)
11 Payments of other charges on income	(750 151)	-	(7 828)	-
12 Cash flow from settlement of operations in the payments system	1 375 810	-	14 357	-
13 Cash flow from other assets and liabilities	(4 232 424)	(127 634)	(44 168)	(1 359)
14 Receipt of income from financial fixed assets	-	-	-	-
15 Cash flow from other operating costs and income	384 902	411 255	4 017	4 380
X Receipts and Payments Relating to Other Operating Income and Costs (10+11+12+13+14+15)	(7 068 584)	(2 893 386)	(73 765)	(30 815)
XI Cash Flow from Operations (VIII+IX+X)	1 915 510	6 757 317	19 989	71 967
16 Cash flow from investments in amounts owed by financial institutions	(507 012)	(2 011 457)	(5 291)	(21 422)
17 Cash flow from investments in stocks and securities	(194 035)	6 915 051	(2 025)	73 647
18 Cash flow from investments in derivative financial instruments		-	-	-
19 Cash flow from investments in foreign currency operations	(774 166)	-	(8 079)	-
20 Cash flow from investments in loans	(13 035 863)	(8 005 016)	(136 037)	(85 255)
XII Cash Flow from Investments in Net Operating Revenue (16+17+18+19+20)	(14 511 076)	(3 101 422)	(151 432)	(33 031)
XII Cash Flow from Investments in Other Assets	-	-	-	-
21 Cash flow relating to investments in fixed assets	(6 590 067)	(3 121 955)	(68 771)	(33 249)
22 Cash flow from disposal of fixed assets	-	(31 782)	-	(338)
23 Cash flow from other non-operating gains and losses	183 567	(342 000)	1 916	(3 642)
XIV Cash Flow Relating to Fixed Assets (21+22+23)	(6 406 500)	(3 495 737)	(66 856)	(37 230)
XV Cash Flow Relating to Investing Activities (XII+XIII+XIV)	(20 917 576)	(6 597 159)	(218 287)	(70 261)
24 Cash flow from funding with deposits	39 024 919	12 084 256	407 248	128 700
25 Cash floe from funding with amounts owed to financial institutions	6 201 050	-	64 712	-
26 Cash flow from funding with stocks and securities issued	-	(1 444 080)	-	(15 380)
27 Cash flow from funding with derivative financial instruments	-	-	-	-
28 Cash flow from funding with foreign currency operations	772 353	3 802	8 060	40
29 Cash flow from funding with other amounts owed to financial institutions	(5 120 893)	(10 957 843)	(53 440)	(116 703)
XVI Cash Flow from Funding of Net Operating Revenue (24+25+26+27+28+29)	40 877 429	(313 865)	(426 580)	(3 343)
XVII Cash Flow from Funding with Minorities	-	-	-	-
30 Proceeds fro capital increases	-	-	-	-
31 Payments arising from capital decreases	-	-	-	-
32 Dividend payments	(698 509)	(631 748)	(7 289)	(6 728)
33 Proceeds from disposal of treasury stock	-	-	-	-
34 Payments relating to acquisition of treasury stock	-	-	-	-
XVIII Cash Flow from Funding with Own Funds (30+31+32+33+34)	(698 509)	(631 748)	(7 289)	(6 728)
XIX Cash Flow from Funding with Other Liabilities	-	-	-	-
XX Cash Flow Relating to Financing Activities (VI+XVII+XVIII+XIX)	40 178 920	(945 613)	419 291	(10 071)
Balance of Cash and Cash Equivalents at beginning of the period	23 609 027	24 394 482	246 374	259 806
Balance of Cash and Cash Equivalents at end of the period (Note 3)	44 785 881	23 609 027	467 367	251 441
Changes in Cash and Cash Equivalents (XI+XV+XX)	21 176 854	(785 455)	220 993	(8 365)

The accompanying notes form an integral part of the financial statements.

Notes to the financial statements

For the years ended 31 December 2012 and 2011

1. Incorporation and business

Banco de Negócios Internacional, S.A., hereinafter referred to as the Bank, with head office in Luanda, is a privately-owned bank incorporated on 02 February 2006, whose business object is the conduct of banking activity, in terms and within the limits of Angolan law. Commercial operations commenced on 13 November 2006.

2. Principal accounting policies

2.1 Basis of presentation

The accompanying financial statements were prepared on the going concern basis from the books and records kept by the Bank, in accordance with the accounting principles prescribed in the Chart of Accounts for Financial Institutions (Portuguese acronym CONTIF), as defined in Instruction no. 09/07 of 19 September of the Banco Nacional de Angola (hereinafter referred to as BNA) which came into effect as from 1 January 2010 and subsequent amendments, namely Directive no. 04/DSI/2011, which prescribes the obligation to adopt the International Financial Reporting Standards (IFRS) in all matters relating to the accounting procedures and criteria which are not covered by the CONTIF. These principles could differ from those generally accepted in other countries.

CONTIF aims to standardise accounting records and financial disclosures and bring them into line with international practices through the converge of accounting principles to the International Financial Reporting Standards (IFRS)

The financial statements now being presented reflect the results of the Bank's operation for the years ended 31 December 2012 and 2011and were prepared in accordance with the assumption of the going concern and accrual basis, whereby items are recognised as assets, liabilities, own funds, income and costs when they meet the definitions and recognition criteria for these items contained in the conceptual framework, in conformity with the qualitative characteristics of understandability, relevance, materiality, faithful representation, true and fair view, substance over form, neutrality, prudence, completeness and comparability.

BNI's financial statements for the year ended 31 December 2012 were approved by the Board of Directors on 11 April 2013.

The accounting policies presented in this note were applied consistently in all the periods of the financial statements now presented.

The Bank's financial statements at 31 December 2012 and 2011 are expressed in thousands of Kwanzas, in conformity with BNA Notice no. 15/2007, Art. 5, while assets and liabilities denominated in foreign currency were converted using the indicative average exchange rate published by the Banco Nacional de Angola on those dates.

The financial statements were prepared in thousands of Kwanzas (AOA'000) in conformity with the historical cost convention and in accordance with the accounting principles and standards of the Chart of Accounts for the Banking System as prescribed by the Banco Nacional de Angola.

In order to present the disclosure of the financial statements on the basis of a universal comparison, the financial statements are also presented in thousands of American dollars (USD'000), in accordance with the following conversion policy.

The following were the AOA/USD exchange rates utilised in the preparation of the financial information in USD:

Year ended	Average rate	Year-end rate
31.12.11	93,895	95,282
31.12.12	95,429	95,826

The financial statements expressed in AOA were converted into USD using the following exchange rates:

- Year-end rate – for all assets, liabilities and shareholders' equity;
- Average rate – for the financial statements.

The currency differences arising from the conversion into USD were included in the caption Shareholders' equity "Conversion reserve".

2.2 Accounting policies

The principal accounting policies utilised in the preparation of the financial statements are described as follows:

a) Accrual accounting

Income and costs are recorded in the period to which the operations refer, irrespective of the moment of their receipt or payment, in accordance with the accrual accounting principle.

Income is deemed to be realised when: a) in transactions with third parties, the payment is made or a firm commitment assumed to make it; b) in the extinguishment, partial or total, of a liability, whatever the motive, without the simultaneous disappearance of an equal or greater amount; c) in the natural generation of new assets, irrespective of the involvement of third parties; or d) in the actual receipt of donations and subventions.

Costs for their part, are deemed to be incurred when: a) the corresponding asset value ceases to exist by transferring ownership thereof to a third party; b) by the diminution or extinguishment of the economic value of an asset; or c) by the emergence of a liability without the corresponding asset.

b) Transactions in foreign currency

Transactions expressed in foreign currency are recorded in accordance with the multi-currency system, in terms of which each operation is recorded on the basis of the currencies involved. Transactions in foreign currency are converted based on the exchange rate ruling on the date of the operation. The income and costs arising from assets and liability operations indexed to the currency variation (not realised in foreign currency) are recorded in the accounts representing the income or cost of the placement or deposit-taking made.

Non-monetary assets and liabilities, except of financial investments, are recorded at historical cost.

Non-monetary assets and liabilities recorded at historical cost, acquired in foreign currency, are converted into Kwanzas at the exchange rate published by the BNA on the transaction date.

On their contracting date, purchases and sales of spot and forward foreign currency are immediately recorded in the spot or forward currency position, the contents and valuation criteria of which are as follows:

Spot currency position

The spot currency position in each currency corresponds to the net balance of the assets and liabilities expressed in that currency, as well as the spot operations pending settlement and the forward operations maturing in the following two business days. The spot currency position is valued daily based on the average exchange rate published by the BNA on that date, giving rise to an entry in the currency position account (local currency), with a corresponding entry in the income statement.

Forward currency position

The forward currency position in each currency corresponds to the net balance of the forward operations pending settlement, with the exclusion of those maturing in the following two business days. All the contracts relating to these operations (currency forwards) are revalued at market forward exchange rates or, in their absence, by means of their calculation based on the interest rates applicable to the residual maturity of each operation. The difference between the counter values in Kwanzas at the forward revaluation rates applied, and the countervalues at the contracted rates, which represent the cost or income of the forward currency position revaluation, is recorded under the asset or liability captions "Foreign currency operations", with a corresponding entry in the income statement.

c) Loans

Classification of loans

Loans advanced to customers are financial assets recorded at the contracted values when originated by the Bank or by the amounts paid when acquired from other entities.

The interest component is the object of separate accounting disclosure in the respective balance sheet accounts, with the respective income accrued/deferred over the life of the loan operations irrespective of the moment it is received or paid.

Loans are recorded at their initial value, net of repayments and impairment losses.

The liabilities relating to bank guarantees are recorded in off-balance sheet accounts at the amount at risk, while the flows of interest, commissions or other income are recorded in income statement captions over the life of the operations.

Since the entry into force of Notice no. 4/2011, of 8 June, revoked by Notice no. 3/2012 of 28 March, lending operations by way of cash outflow (por desembolso), are granted in local currency for all entities, with exception of the State and companies with proven revenues and receipts in foreign currency, for the following purposes:

- Financial assistance for liquidity, including, amongst others, the collateralised current accounts;
- Motor car finance;
- Consumer loans;
- Micro credit;
- Advances to depositors or overdrafts;
- Other financial credit modes of a short-term nature (less than one year).

Customer loan operations, including bank guarantees, are classified according to their risk and subjected to the setting aside of provisions in accordance with BNA Notice no. 3/2012 of 28 March which revoked BNA Notice no. 4/2011 of 8 June, dealing with the methodology and classification of loans advanced to customers and the calculation of the respective provisions.

In terms of Notice no. 3/2012, the Bank classifies loans and bank guarantee operations by ascending order of risk, according to the following levels:

Level	Risk
A	Nil
B	Very reduced
C	Reduced
D	Moderate
E	High
F	Very High
G	Loss

Loan operations with record default are classified according to the risk levels associated with the loan falling due and overdue of each operation on the financial reporting date, considering for this purpose the classification attributed in the loan granting phase and the age of the default, respectively.

The classification of loan operations to the same customer or economic group, for purposes of the setting aside of provisions, is effected in the class which presents the greatest risk.

The review and reclassification of an operation's risk level stem from the evaluation made at the Bank, taking into consideration the risk perception associated with the loan operation and the existence of any guarantees which serve as collateral for the loan at the Bank.

Without prejudice to the review described above, the classification of loan operations is reviewed monthly according to the time elapsed since the date of entry into default operation.

The reclassification of loans to a lower risk category according to the decrease in the delay, is limited to the level established in the initial classification or stemming from the monthly evaluation.

For loans granted to customers for periods of more than two years, the time elapsed since the entry into default is considered to be double that relative to the time period referred to above.

Provision for doubtful debts and the provision of guarantees

Provisions for doubtful debts are designed to cover the potential risks existing in the loan book, including bank guarantees, and are adjusted monthly, resulting from the product stemming from the application of provisioning percentages to the book value of each loan, thereby considering the amount receivable from the borrower, plus the income and charges of whatever nature not received, including those stemming from currency variation, if applicable.

The minimum provisioning levels to be applied to each loan operation, according to the relevant risk level in which it is classified, are the following:

Risk Levels	A	B	C	D	E	F	G
Minimum provisioning %	0%	1%	3%	10%	20%	50%	100%
Time elapsed from the date of delay	up to 15 days	15 to 30 days	1 to 2 months	2 to 3 months	3 to 5 months	5 to 6 months	more than 6 months

Provisions for doubtful debts calculated in this manner ensure compliance with the requirements laid down by the BNA via Notice no. 3/2012 of 28 March.

The provisions for loans advanced are classified under assets, in the caption "Provision for doubtful debts" (Note 8), while the provisions for guarantees given, sureties given and import documentary credits not guaranteed at balance sheet date and irrevocable credit limits are presented on the liabilities side, under the caption "Provisions for contingent liabilities on guarantees given " (Note 17).

Loans written off

Six months after the classification of an operation under Class G, provided that it is in arrears for more than 180 days, the Bank writes this loan off from assets and utilises the respective provision (transfer of loan to the income statement). Additionally, these loans remain recorded in an off-balance sheet caption for a minimum period of ten years.

Renegotiation of loans written off

The operations which are the object of renegotiation are kept at least at the same risk level at which they were classified in the month immediately prior to the renegotiation. The reclassification to the lower risk class only occurs if there is a regular and substantial repayment of the liabilities. The gains or losses resulting from the renegotiation are only recorded when they are actually realised.

Recovery of loans

In the situations in which there are recoveries of loans previously written off assets by utilisation of the provision, the amounts received are recorded under the caption "Non operating net income".

Appropriation of income

The Bank cancels interest in arrears for more than 60 days, as well as not recognising interest with effect from that date, for defaulting (non-performing) loans until such time as the customer remedies the situation.

d) Stocks and securities

Classification of stocks and securities

Stocks and securities acquired by the Bank are recorded at the amount actually paid, including brokerage and fees. The Board of Directors decides the classification of its investments on initial recognition, considering the characteristics of the securities and its intention when they were acquired:

i. Trading securities;
ii.Available-for-sale securities:
iii. Securities held to maturity.

The income generated by the stocks and securities relating to interest earned over the period till maturity must be recognised directly in the income statement for the period, regardless of the category they were classified as, while that relating to equities acquired less than six months ago must be recognised as a credit in the appropriate account where the corresponding acquisition cost is recorded.

Similarly, the Bank classifies stocks and securities in ascending order of risk, in the following levels:

Level	Risk
A	Nil
B	Very reduced
C	Reduced
D	Moderate
E	High
F	Very High
G	Loss

The Bank classifies Angolan State and Banco Nacional de Angola debt securities as falling under Level A.

Trading securities

Trading securities are those which are acquired with the object of being actively and frequently traded.

Securities held for trading are initially recognised at acquisition cost, including costs directly attributable to the asset's acquisition. Subsequently, they are stated at fair value, while the respective income or loss arising from the revaluation is recognised in the income statement for the period.

Available-for-sale securities

Available-for-sale securities are those securities which are capable of eventually being sold and which do not fall under any other category.

They are initially recorded at acquisition cost, and then subsequently stated at fair value. The changes in fair value are recorded under shareholders' equity, while gains and losses are recognised in the income statement of the period in which the definitive sale of the asset occurs.

Securities held to maturity

Securities held to maturity are those which are acquired for the purpose of holding them in portfolio until their maturity, provided that the Bank has the financial means to do so.

Securities held to maturity are recorded at their acquisition cost plus income earned during their maturity term (including the accrual of interest and the premium/discount recognised in the income statement), with the Bank recognising any future profits or losses calculated on the maturity date corresponding to the difference between the realised price and the respective book value.

In the case of the eventual sale of stocks and securities classified in the held-to-maturity category before redemption, any profits or losses arrived at on the date of sale representing the difference between the sale price and their book value must be recorded.

The Bank cannot classify any securities and stocks in the held-to-maturity category if, during the current financial year or in any other of the preceding financial years, it sold or reclassified a substantial part of them before their maturity, except the cases where the acquisition costs of the securities plus the income earned do not represent a significant difference relative to the market value.

Central Bank Bonds and Treasury Bills are issued at the discounted value and recorded at their acquisition cost. The difference between this and nominal value - which constitutes the Bank's remuneration - is recognised in the accounts as income over the period between the purchase date and the securities' maturity date, in a separate account entitled "Income receivable".

Treasury Bonds issued in local currency indexed to the United States dollar exchange rate are subjected to currency revaluation. The result of the currency revaluation of the security's nominal amount, the discount and the accrued interest, is reflected in the income statement of the period in which it occurs under the caption "Income from stocks and securities".

Treasury Bonds issued in local currency indexed to the consumer price index (CPI) are subject to the revaluation of the security's nominal value according to that index's variation. In this manner, the result of the aforesaid revaluation of the security's nominal value and the accrued interest are reflected in the income statement of the year in which it occurs, under the caption "Income from securities and stocks".

Market value

The methodology used by the Bank for arriving at the securities' market value (fair value) is as follows:

i) Average trading price on the calculation day or, when not available, the average trading price of the previous business day;

ii) Probable net realisable value taking into consideration at the very least the payment and maturity periods, the credit risk and the currency or benchmark

a. Price of a similar financial instrument, taking into consideration, at the very least, the payment and maturity periods, the credit risk and the currency or benchmark; and

iii) Price laid down by the Banco Nacional de Angola.

In the case of securities with a maturity of less than one year for which there is no price in an active market with regular transactions, and which have minimal maturities, these are valued on the basis of the acquisition cost because this is deemed to be the best approximation to their market value.

Transfer of securities between categories

Transfers from one category to another can only occur for an exceptional reason, not usual, non-recurring and could not be reasonably anticipated, occurring after the classification date, with the documentation which served as the basis for the reclassification being kept available for the BNA duly accompanied by the motives of the Bank's Board of Directors.

The eventual transfer to another category must take into account the Bank's intention and financial means and must be effected at the security's or stock's market value, while also observing the following procedures:

1) in the event of the transfer of a trading security to another category, it is not possible to cancel the amounts already recorded in the income statement derived from unrealised gains or losses;

2) in the event of the transfer of available-for-sale securities, unrealised gains and losses recorded as a separate component of shareholders' equity, must be recognised in the income statement for the period:

   i. immediately, when transferred to the trading securities category;

   ii. according to the remaining period to maturity, when transferred to the category held-to-maturity securities;

3) in the event of the transfer from the held-to-maturity securities category to other categories, the unrealised gains and losses must be recognised:

   i. immediately in the income statement for the period, when transferred to the trading securities category;

   ii. as a separate component in shareholders' equity, when transferred to the category of available-for-sale securities.

Impairment

Losses of a permanent nature in stocks and securities must be recognised immediately in the income statement of the period, ensuring that the adjusted amount stemming from the recognition of the aforesaid losses begins to constitute the new base value for the purposes of the appropriation of income.

e) Financial fixed assets

Investments in associated and similar companies

Investments in associated and similar companies are deemed to be those investments in companies in which the Bank holds, directly or indirectly, an interest of 10% or more of the respective voting capital, but without controlling it.

The Bank applies the equity method for valuing its investments in associated and similar companies in the following situations:

a) When the equity investments have a group relationship; or

b) when the equity investments are important and the Bank has influence in their management, or when the percentage of the investment, direct or indirect, represents 20% (twenty per cent) or more of the investee company's voting capital.

An investment in a company is deemed to be in a group relationship when control is exercised over the company, reflected by way of an operational control, in cases where they have a common administration or management, or by a corporate control, when control is obtained through the sum of the percentage held directly by the Bank, by its directors, controllers and affiliated companies.

A participating interest is deemed to be important when:

a) Its book value is 10% or more of the Bank's own funds; or

b) The book value of the various associated companies, when considered jointly, is 15% or more than the Bank's own funds.

According to the equity method, the financial investments are initially recorded at acquisition cost and subsequently adjusted according to the changes observed after the acquisition in the Bank's proportional share in the net assets of the investee companies concerned. The Bank's results include its share in the net income/loss of those companies.

In addition, the Bank must set aside a provision for losses when there is a negative shareholders' equity situation and it is the bank's intention to maintain its financial support for the company.

The equity method ceases to be applied to the participating interest in associated and similar companies where there is actual and clear evidence that they are no longer going concerns or in cases where these are operating under severe long-term restrictions which significantly jeopardise their ability to transfer resources to the investor.

In situations in which valuation by the equity method is not applicable, financial fixed assets are recorded at acquisition cost, net of provisions for losses.

When this is denominated in foreign currency, it is the object of revaluation, with the result of this currency revaluation being reflected under the caption "Net income from foreign currency operations".

Investments in other companies

Investments in other companies are deemed to be investments in companies in which the Bank holds, directly or indirectly, less than 10% of the respective voting capital.

Investments in other companies are valued at acquisition costs, net of a provision for losses.

The income derived from these investments relating to dividends declared, must be included directly in the income statement for the period. Investments acquired with proposed dividends and not yet paid (ex-dividend) must have these dividends recognised as acquisition cost, with a corresponding entry in the respective income statement account for the period.

When this is denominated in foreign currency, it is the object of revaluation, with the result of this currency revaluation being reflected under the caption "Net income from foreign currency operations".

Other investments

This caption includes rights of whatever nature not classified in the other asset captions, or in tangible or intangible fixed assets, such as the art collection.

f) Intangible and tangible fixed assets

Intangible assets

Intangible assets correspond essentially to expenditure on key money, organisation and expansion, improvements to leasehold properties and software, whenever the Bank can demonstrate that these will generate future economic benefits. These expenses are recorded at acquisition cost and amortised on a straight-line basis every month over a period of three years, with the exception of leasehold improvements which are amortised over the expected term of the rental contract or over their useful lives if less.

Tangible fixed assets

Tangible fixed assets are recorded at acquisition cost, with their revaluation pursuant to applicable legal provisions being permitted.

Depreciation is calculated using the straight-line basis at the maximum rates accepted for tax purposes, in accordance with the Industrial Tax Code, which correspond to the following estimated useful lives:

	Years of useful life
Properties for own use (Buildings)	50
Equipment:	
Furniture and fittings	10
Machines and tools	6 and 10
Computer equipment	6
Interior fixtures	10
Transport equipment, vehicles	3
Security equipment	10

Fixed assets in progress, which essentially correspond to buildings and branches/attendance centres under construction and the respective furnishings, are recorded at acquisition costs, with their depreciation commencing when the respective buildings and branches/attendance centres enter into service.

g) Decrease in the recoverable amount of other assets (Impairment)

The Bank periodically evaluates its assets, especially on the occasion of the preparation of the financial assets, with a view to identifying assets which present a recoverable value below that of their book value. The recognition of the decrease in the book value (impairment) of an asset occurs whenever its book value exceeds its recoverable amount, with a corresponding charge in the income statement.

In evaluating the degree of impairment, the institution must consider at the very least the following indications:

1) significant decline in the value of an asset, more than expected from its normal use;

2) significant changes in the technological, economic or legal environment, with adverse effects for the Bank;

3) increase in interest rates or other market rates, with effects on discount rates and consequent decrease in the present value or on the recoverable amount of assets;

4) book value of net (liquid) assets greater than the market value;

5) evidence available of obsolescence or loss of an asset's physical capacity;

6) significant alterations in the manner the asset is used, with discontinuity or restructuring, with adverse effects for the Bank;

7) Indication that the asset's economic performance is worse than expected.

h) Reserve for monetary indexation of fixed assets and own funds

In terms of Banco Nacional de Angola Notice no. 2/2009 of 8 May relating to inflation indexation, which revokes Notice no. 19/2007 of 26 September, financial institutions must, in the case where inflation exists, take into account every month the effects of changes in the purchasing power of the local currency, based on the application of the consumer price index, on fixed assets and on the balances of capital, reserves and retained earnings.

The financial statements of an entity whose functional currency is the currency of a hyperinflationary economy must be expressed in terms of the current measurement unit at balance sheet date. Hyperinflation is indicated by the characteristics of the economic environment of a country which includes, but without limiting, the following situations:

i. The population in general prefers to keep its wealth in non-monetary assets or in relatively stable foreign currency. The amounts of the local currency held are immediately invested in order to maintain purchasing power;

ii. The population in general sees monetary quantities in terms of stable foreign currency. Prices must be quoted in that currency;

iii. Credit sales and purchases take place at prices which compensate for the expected loss in purchasing power during the credit period, even where the period is short;

iv. Interest rates, salaries and prices are linked to a price index; and

v. The accumulated inflation rate during the last 3 years is close to or exceeds 100%.

The amount resulting from the inflation indexation of fixed assets must be reflected monthly to the credit of the account "Result of monetary indexation", with a corresponding entry to the gross values and accumulated depreciation of the relevant fixed assets.

The value resulting from the monetary indexation must be reflected monthly to the debit of the income statement account "Result of monetary indexation", with a corresponding entry increasing the own funds balances, with the exception of the caption "Share capital", which must be classified in a specific caption ("Reserve for monetary indexation of share capital") and which can only be utilised for a subsequent capital increase.

In 2012 and 2011, the Bank did not carry out the monetary indexation of its financial fixed assets and its own funds on the grounds that the current inflation rate, as well as the behaviour of the currency which occurred throughout the period, did not indicate that Angola could be considered as being a hyperinflationary economy in terms of prevailing legislation.

i) Employee benefits

Retirement pension liabilities

Law no. 07/04 of 15 October, which revokes Law no. 18/90 of 27 October, which regulates Angola's social security system, envisages the granting of retirement pensions to all Angolan workers enrolled with the Social Security. The amount of the pensions is calculated based on a table proportional to the numbers of years worked, applied to the average of the monthly net salaries earned in the periods immediately prior to the date on which the worker ceased to work. Pursuant to Decree no. 7/99 of 28 May, the contribution rates to this system are 8% for the employer and 3% for the employee.

In addition, according to Law 2/2000 and with articles 218 and 262 of the General Labour Law, the compensation payable by the Bank in the event of the expiry of the employment contract due to the employee's retirement is calculated by multiplying 25% of the basic monthly salary earned on the date on which the worker reaches the legal retirement age by the number of years' service.

Variable remuneration paid to employees

The Bank pays variable remuneration to its employees based on their performance (performance bonuses). The Board of Directors is responsible for setting the respective allocation criteria for each employee whenever this is awarded. The variable remuneration awarded to employees is recorded in the income statement of the period to which they refer notwithstanding being payable in the following year.

Provision for holiday pay and subsidy

The General Labour Law, in force on 31 December 2012, provides that the amount of the holiday subsidy payable to employees in a particular year is a right acquired by them in the immediately preceding year. Consequently, the Bank records in the accounts of the year the amounts relating to holiday pay and related subsidy payable in the following year (Note 16).

j) Income tax

The Bank is subject to Industrial (Corporate) Tax, and is considered to be a Group A taxpayer. The taxation of its income is effected in terms of article 72(1) and (2) of Law no. 18/92 of 3 July. The tax rate applicable is currently 35% following the changes introduced by Law no. 5/99 of 6 August (Note 31).

The tax losses computed in a particular year can, in terms of the provisions of article 46 of the Industrial Tax code, be deducted from the taxable profits of the subsequent three years.

Tax returns are subject to review and correction by the tax authorities during a period of 5 years, and due to different interpretations of tax legislation, could result in corrections to the taxable profits relating to the 2008 to 2012 financial years. However, no correction relating to those years is expected to be made and, if they do occur, the expected impacts on the financial statements are not expected to be material.

Current taxation

Current taxation is calculated based on the taxable income for the year, which differs from the accounting profit due to adjustments resulting from costs or income which are not considered for tax purposes or which are only considered in other accounting periods.

Deferred taxation

The total income taxes recorded in the income statement include current and deferred taxation.

Deferred taxation corresponds to the impact on taxation recoverable/payable in future periods resulting from temporary differences deductible or taxable between the balance sheet value of assets and liabilities and their tax base, utilised in the computation of taxable income. Deferred tax assets and liabilities are calculated based on the tax rates in force for the period in which the respective asset or liability is expected to be realised. Tax loss carry-forwards also give rise to deferred tax assets.

Deferred tax liabilities are normally recorded for all taxable timing differences, while deferred tax assets are only recognised providing that it is probable that there will be sufficient future taxable profit against which the corresponding tax loss or credit carryforwards can be utilised. In addition, deferred tax assets are not recognised in cases in which their recoverability is questionable due to other situations, including issues relating to the interpretation of prevailing tax legislation.

Nevertheless, deferred tax assets or liabilities relating to timing differences originating from the initial recognition of assets and liabilities in transaction which do not affect the accounting net income/loss or taxable income are not recorded.

Tax reform

A new legislative package was published on 30 December 2011 which alters the main Angolan tax codes, introducing significant changes as regards the various taxes which make up the Angolan tax statute books.

In the meantime, the majority of the tax codes have not yet been distributed to the Imprensa Nacional (State Printer), with the exception of the Stamp Duty, Taxation of Capital Investments and Consumption Tax codes.

In this respect, the chief alterations which are expected to be introduced by the tax reform can be summarised as follows:

- Decrease in the industrial (corporate) tax rate from 35% to 30%;

- Taxation of income from securities and interest on financial placements with other credit institutions under the Tax on Capital Investments (Imposto de Aplicação de Capitais - IAC) at the rate of 10%/15%, while these are excluded from taxation under the industrial tax code. The income from public debt securities continues to enjoy tax exemption;

- Taxation of positive balance sheet variations, with the exception of those derived from capital injections or contributions to cover losses made by shareholders;

- Limitation of deductible costs or losses and the definition of non-deductible costs and losses, subject to separate taxation, including documents not duly documented;

- Revocation of the table of annual depreciation and amortisation rates, approved by Ministerial Order no. 755/72 of 26 October, while a new table regulating fixed asset depreciation and amortisation is approved by government decree;

- Provisional self-assessment of Industrial Tax corresponding to 15% of the net income derived from financial intermediation operations, calculated in the first six months of the preceding year.

k) Provisions and contingencies

Provisions

Provisions represent probable liabilities with estimated time periods and amounts. Provisions are recognised when (i) the Bank has a present, legal or constructive obligation, (ii) it is probable its payment will be demanded and (iii) when a reliable estimate can be made of the amount of this obligation. The amount of the provision corresponds to the best estimate of the amount to be disbursed in order to settle the liability at the balance sheet date.

Contingent liabilities

Should the Bank have an obligation in which it is unlikely that there will be a future outflow of resources, then there is a contingent liability. Contingent liabilities are only the object of disclosure, unless the possibility of its materialisation is remote.

Contingent liabilities are recognised in off-balance sheet accounts when (i) the Bank has a possible present obligation the existence of which will be confirmed only by the occurrence or not of one or more future events which are not under the bank's control; (ii) a present obligation arising from past events, but which is not recognised because it is not probable that the Bank will have to settle it or the amount of the obligation cannot be measured with adequate assurance.

Contingent liabilities are revalued periodically to determine if the previous valuation continues to be valid. If it is probable that an outflow of resources will be required for an item previously treated as a contingent liability, a provision is recognised in the financial statements of the period in which the change in the estimate of the probability occurs.

Contingent assets

A contingent asset is a possible present asset arising from past events, the existence of which is confirmed by the occurrence or not of one or more events which are not totally under the institution's control. Contingent assets are only the object of disclosure and recognition in off-balance sheet accounts, unless the possibility of their materialisation is remote.

Contingent assets must be revalued periodically for determining whether the initial evaluation remains valid. If it is practically certain that an inflow of resources will occur on account of an asset, which inflow was previously classified as probable, the asset and the corresponding gain must be recognised in the financial statements of the period in which the change in the estimate occurs.

l) Recognition of income resulting from services and commissions

Commissions for services rendered are normally recognised as income over the period the service is rendered or once only, if they result from the execution of single acts.

m) Earnings per share

Earnings per share are calculated by dividing the net income attributable to the bank's shareholders by the weighted average number of ordinary shares in circulation in the year, excluding the average number of ordinary shares bought by the Bank and held as treasury stock.

If the earnings per share calculation were to be altered as the result of an issue at a premium or a discount or other events which alters the potential number of ordinary shares or changes in accounting policies, the calculation of the earnings per share for all the periods presented is adjusted retrospectively.

n) Principal estimates and uncertainties associated with the application of accounting policies

The Bank's accounts integrate estimates made under conditions of uncertainty, thereby requiring the Board of Directors to use judgment in order to arrive at the appropriate estimate.

Accordingly, in certain situations the estimates made by the Bank's Board of Directors could be different if a different judgment were made. The Board of Directors is of the opinion that the criteria adopted are appropriate and that the financial statements present a true and fair view of the bank's financial position and that of its operations in all material aspects.

Estimates and assumptions were utilised, namely in the significant areas of provisions for doubtful debts, provisions for contingent liabilities and for taxation.

o) Cash flow

For purposes of the preparation of the cash flow statement, the Bank regards as being cash and deposits the total of the balances on cash items, cash and balances at the Central bank and amounts owed by financial institutions.

p) Set-off of balances

The items of assets and liabilities must be valued separately, with the set-off of balances between debit and credit balances, including income statement accounts, not being permitted, with the exception of set-offs relating to inter-departmental or inter-branch operations or others prescribed by the Banco Nacional de Angola.

3. Cash and deposits

The caption Cash and deposits comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Cash and deposits	44 785 881	467 367	23 609 027	247 780
Cash and deposits at Central Bank	24 458 539	255 239	19 072 946	200 173
Cash	5 330 194	55 623	3 976 184	41 731
Local notes and coins	4 092 444	42 706	2 514 351	26 389
Foreign notes and coins				
In United States dollars	792 049	8 266	1 178 155	12 365
In Euro	431 899	4 507	269 595	2 829
In Rand	10 773	112	11 692	123
In Pounds	3 029	32	2 391	25
Deposits at Central Bank	19 128 345	199 616	15 096 762	158 443
Local currency	13 231 523	138 079	10 074 525	105 734
Foreign currency				
In United States dollars	5 896 822	61 537	5 022 237	52 709
Deposits at financial Institutions	20 327 342	212 128	4 536 081	47 607
At credit institutions in Angola	314 409	3 281	166 740	1 750
Cheques for collection	314 409	3 281	166 740	1 750
At credit institutions abroad	20 012 933	208 847	4 369 341	45 857
Sight deposits				
In United States dollars	19 638 082	204 936	3 466 506	36 381
In Euro	355 426	3 709	877 554	9 210
In Rand	1 863	19	339	4
In Pounds	17 562	183	24 942	262

The caption Deposits at the Central Bank includes the balance at the Banco Nacional de Angola for the purpose of complying with the minimum cash reserve requirements in local and foreign currency.

The mandatory reserves are calculated in accordance with Instruction no. 02/2011 of 28 April, and are made up of local and foreign currency, according to the respective denomination of the liabilities which constitute their basis for computation.

The coefficient applied to the daily balances of the captions which comprise the customer deposits base is 20% for local currency and 15% for foreign currencies, except for central and local government deposits for which coefficients of 100% and 50% are applied to local currency and 100% and 0% to foreign currency.

Sight deposits at the Banco Nacional de Angola, as well as those domiciled at other credit institutions abroad, are not remunerated.

The caption Cash and deposits at other credit institutions abroad encompass the balances of accounts at correspondent banks, as these amounts form part of the Bank's day-to-day management.

The balances at related entities amount to AOA 18 153 472 thousand, equivalent to USD 189 442 thousand (Note 33).

4. Amounts owed by financial institutions

A caption Amounts owed by financial institutions comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Amounts owed by financial institutions	5 676 096	59 233	5 166 523	54 223
Amounts owed by credit institutions in Angola	-	-	500 050	5 248
In Kwanzas	-	-	500 000	5 247
Income receivable	-	-	50	1
Amounts owed by credit institutions abroad	5 676 096	59 233	4 666 473	48 975
In United States dollars	4 937 430	51 525	2 813 204	29 525
In Euro	732 710	7 646	1 849 924	19 415
Income receivable	5 956	62	3 345	35

At 31 December 2011 the caption Amounts owed by credit institutions in Angola in Kwanzas refers to placements at the Banco Nacional de Angola.

The caption Amounts owed by credit institutions abroad includes collateral for the VISA and MASTERCARD credit cards totalling AOA 1 056 481 thousand (2011: AOA 1 050 485 thousand), equivalent to USD 11 025 thousand (2011: USD 11 025 thousand).

	2012	2012	2011	2011
	Average rate	Amount currency	Average rate	Amount currency
Amounts owed by credit institutions abroad				
In United States dollars	0,40%	36 500	0,49%	18 500
In Euro	0,49%	5 798	1,12%	8 000

At 31 December 2012, term deposits abroad earned interest at rates which varied between 0.20% and 1.25% for 10 operations in American dollars, and between 0.10% and 0.50% for 4 operations in euro. At 31 December 2011 term deposits abroad earned interest at rates of 0.42% and 0.80% for 3 operations in American dollars and between 0.80% and 1.17% for 3 operations in euro.

The residual maturity period of operations at 31 December 2012 and 2011 is presented as follows:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Amounts owed by credit institutions abroad	**5 676 096**	**59 233**	**5 166 523**	**54 223**
Up to 3 months	2 655 513	27 712	3 780 623	39 679
From 3 to 6 months	622 331	6 494	335 415	3 520
From 6 months to 1 year	958 467	10 002	-	-
Unspecified period	1 439 785	15 025	1 050 485	11 024

5. Stocks and securities

The caption Stocks and securities comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Securities held to maturity	**12 818 929**	**133 773**	**12 649 622**	**132 760**
Central Bank Bonds in local currency	1 569 936	16 383	592 800	6 221
Interest receivable	21 982	230	4 342	46
Treasury Bills in local currency	4 965 840	51 822	7 801 540	81 878
Interest receivable	106 495	1 111	193 666	2 033
Indexed Treasury Bonds in local currency	5 342 997	55 757	2 341 720	24 577
Interest receivable	69 890	729	25 937	272
Treasury Bonds in foreign currency	730 213	7 620	1 678 890	17 620
Interest receivable	11 576	121	10 726	113

At 31 December 2012, the bank's securities portfolio was composed exclusively of securities held to maturity namely Central Bank Bonds, Treasury Bills, Treasury Bonds in local currency indexed to the United States dollar, and Treasury Bonds in foreign currency issued in 2007 and 2008 with maturities of between 3 to 11 years.

The average remuneration rates on held-to-maturity securities in 2012 and 2011 are presented as follows:

	2012 %	2011 %
Securities held to maturity		
Central Bank Bonds local currency	3.88%	7.24%
Treasury Bills local currency	3.83%	6.16%
Indexed Treasury Bonds local currency	8.95%	3.81%
Treasury Bonds foreign currency	3.90%	7.04%

The information relating to the quantity, nominal value, acquisition amount, average acquisition cost, market price and balance sheet value, is detailed as follows:

Nature and type of securities	Issuer	Risk level	Quantity	Nominal value	Average acquisition Cost	Market price	Balance sheet value	Average interest rate
13030. Investment securities – held to maturity			**6 791 908**	**-**	**12 184 939**	**-**	**12 818 929**	**-**
Treasury Bills	BNA	A	5 145 410	1 000	4 965 840	1 000	5 072 335	3.83%
Central Bank Bonds	BNA	A	1 600 000	1 600 000	1 569 935	1 000	1 591 918	3.88%
Treasury Bonds in LC	MINF	A	45 734	5 498 939	5 397 044	5 498 939	5 412 887	8.95%
Treasury Bonds in FC	MINF	A	764	252 980	252 120	252 980	741 789	3.90%

At 31 December 2012 and 2011, the breakdown of the securities portfolio by maturities is presented as follows:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Securities	12 818 929	133 773	12 649 622	132 760
< 3 months	-	-	2 497 015	26 206
3 - 6 months	3 503 662	36 563	4 032 128	42 318
6 - 12 months	3 160 591	32 982	2 063 206	21 654
1 -5 years	5 412 887	56 487	2 367 657	24 849
> 5 years	741 789	7 741	1 689 616	17 733

6. Loans in the payments system

A caption Loans in the payments system comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Loans in payments system	10 405	109	-	-
Relations with correspondents				
Settlement of amounts - cards	6 245	65	-	-
Settlement of amounts - other	4 160	44	-	-

7. Foreign currency operations

The caption Foreign currency operations comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Foreign currency operations - Assets	774 166	8 079	-	-
Purchase of foreign currency - USD	774 166	8 079	-	-
Foreign currency operations - Liabilities	776 155	8 100	3 802	40
Sale of local currency	776 155	8 100	3 802	40

The Bank's portfolio of foreign currency operations is composed of operations with maturity in the subsequent two business days.

8. Total loans

The caption Total loans comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Total loans	75 825 141	791 280	62 041 565	650 852
Performing and non-perform. Loans	77 933 005	813 277	64 269 948	674 523
In local currency	56 778 073	592 513	39 249 616	411 931
Companies	50 969 526	531 897	34 139 516	358 299
Individuals	5 808 547	60 616	5 110 100	53 631
In foreign currency	19 228 149	200 657	24 168 847	253 655
Companies	17 903 138	186 830	21 898 158	229 824
Individuals	1 325 011	13 827	2 270 689	23 831
Interest receivable	1 926 783	20 107	851 485	8 937
Provision for doubtful debts (Note 25)	(2 107 864)	(21 997)	(2 255 383)	(23 671)

Total loans include performing and non-performing loans, interest receivable net of provisions and exclude guarantees given and irrevocable commitments.

Total loans classified as performing and non-performing loans comprise:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Performing and non-perform loans	77 933 005	813 277	64 269 948	674 523
Performing loans	75 877 565	791 827	61 171 062	642 000
Local currency	55 209 527	576 144	37 429 910	392 832
Foreign currency	18 821 331	196 412	23 088 987	242 323
Interest receivable	1 846 707	19 271	652 165	6 845
Non-performing loans	2 055 440	21 450	3 098 886	32 523
Up to 60 days	573 024	5 980	366 685	3 848
More than 60 days	1 402 340	14 634	2 532 882	26 583
Interest receivable	80 076	836	199 319	2 092

As part of the Bank's human resources policy in 2012, the balance on loans advanced to the Bank's employees was AOA 992 611 thousand (USD 10 359 thousand). In 2011, loans to employees amounted to AOA 839 150 thousand (USD 8 807 thousand).

Performing and non-performing loans by type of financing are analysed as follows:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Performing and non-performing loans	**77 933 005**	**813 277**	**64 269 948**	**674 523**
Loan instalments	**13 751 953**	**143 509**	**15 889 830**	**166 766**
Business sector	8 813 168	91 970	10 348 477	108 609
Individuals	4 938 785	51 539	5 541 353	58 157
Financing	**29 430 517**	**307 125**	**20 808 256**	**218 386**
Public sector	690 582	7 207	967 988	10 159
Business sector	26 971 994	281 469	18 645 119	195 683
Individuals	1 767 941	18 450	1 195 149	12 543
Guaranteed current accounts	**28 219 476**	**294 487**	**23 324 773**	**244 797**
Business sector	28 219 476	294 487	23 324 773	244 797
Cards	**259 929**	**2 713**	**197 893**	**2 077**
Business sector	32 650	341	31 088	326
Individuals	227 279	2 372	166 805	1 751
Overdrafts	**4 344 347**	**45 336**	**3 197 711**	**33 560**
Public sector	-	-	9	0
Business sector	4 144 794	43 253	2 720 220	28 549
Individuals	199 553	2 082	477 482	5 011
Interest receivable	**1 926 783**	**20 107**	**851 485**	**8 936**

At 31 December 2012 performing and non-performing loans by sector of activity were as follows:

		2012
		AOA'000
	Perf. and non-perf. Loans	%
Total	**77 933 005**	**100%**
Provision of services	26 395 762	33.87%
Individuals	7 133 920	9.15%
Wholesale and retail trade	6 823 986	8.76%
Transport, storage and communication	6 021 867	7.73%
Banking institutions and monetary intermediation	1 322 468	1.70%
General construction	8 381 263	10.75%
Mining extraction and preparation	4 283 230	5.50%
Manufacturing industries	5 918 821	7.59%
Agriculture and farming	8 655 104	11.11%
Public bodies	785 790	1.01%
Accommodation and restaurants	109 839	0.14%
Other sectors	174 173	0.22%
Interest receivable	**1 926 783**	**2.47%**

		2012
		USD'000
	Perf. and non-perf. Loans	%
Total	**813 277**	**100%**
Provision of services	275 455	33.87%
Individuals	74 447	9.15%
Wholesale and retail trade	71 212	8.76%
Transport, storage and communication	62 842	7.73%
Banking institutions and monetary intermediation	13 801	1.70%
General construction	87 463	10.75%
Mining extraction and preparation	44 698	5.50%
Manufacturing industries	61 766	7.59%
Agriculture and farming	90 321	11.11%
Public bodies	8 200	1.01%
Accommodation and restaurants	1 146	0.14%
Other sectors	1 818	0.22%
Interest receivable	**20 107**	**2.47%**

At 31 December 2011 performing and non-performing loans by sector of activity were as follows:

	2011	
		AOA'000
	Perf. and non-perf. Loans	%
Total	**64 269 948**	**100%**
Provision of services	19 464 873	30.29%
Individuals	7 611 820	11.84%
Wholesale and retail trade	6 923 487	10.77%
Transport, storage and communication	9 175 693	14.28%
Banking institutions and monetary intermediation	3 159 521	4.92%
General construction	7 214 976	11.23%
Mining extraction and preparation	3 450 492	5.37%
Manufacturing industries	3 442 948	5.36%
Agriculture and farming	1 448 804	2.25%
Public bodies	605 529	0.94%
Accommodation and restaurants	101 336	0.16%
Other sectors	818 985	1.27%
Interest receivable	**851 484**	**1.32%**

	2011	
		USD'000
	Perf. and non-perf. Loans	%
Total	**674 523**	**100%**
Provision of services	204 287	30.29%
Individuals	79 887	11.84%
Wholesale and retail trade	72 663	10.77%
Transport, storage and communication	96 300	14.28%
Banking institutions and monetary intermediation	33 160	4.92%
General construction	75 722	11.23%
Mining extraction and preparation	36 213	5.37%
Manufacturing industries	36 134	5.36%
Agriculture and farming	15 205	2.25%
Public bodies	6 355	0.94%
Accommodation and restaurants	1 064	0.16%
Other sectors	8 595	1.27%
Interest receivable	**8 936**	**1,32%**

In 2012, performing and non-performing loans by residual maturity periods and by currency were as follows:

	In local currency	In foreign currency	2012 Total	2012 Total
	AOA'000	AOA'000	AOA'000	USD'000
Performing and non-performing loans	**56 778 073**	**19 228 149**	**77 933 005**	**813 277**
Up to 3 months	17 271 395	6 495 199	23 766 594	248 018
3 months to 1 year	12 079 449	9 038 376	21 117 825	220 377
1 to 3 years	6 580 152	472 291	7 052 443	73 596
3 to 5 years	4 246 199	685 617	4 931 816	51 466
More than 5 years	15 032 332	2 129 848	17 162 180	179 098
Unspecified period	1 568 546	406 818	1 975 364	20 615
Interest receivable			**1 926 783**	**20 107**

In 2011, performing and non-performing loans by residual maturity periods and by currency were as follows:

	In local currency	In foreign currency	2011 Total	2011 Total
	AOA'000	AOA'000	AOA'000	USD'000
Performing and non-performing loans	**39 249 616**	**24 170 847**	**64 269 948**	**674 522**
Up to 3 months	5 474 681	6 428 182	11 902 863	124 922
3 months to 1 year	9 451 567	8 149 570	17 601 137	184 727
1 to 3 years	8 588 039	7 368 071	15 956 110	167 462
3 to 5 years	6 315 568	202 757	6 516 325	68 390
More than 5 years	9 381 939	2 018 906	11 400 845	119 654
Unspecified period	37 822	3 362	41 184	431
Interest receivable			**851 484**	**8 936**

The loan portfolio's performing and non-performing loans by currency and by weighted average interest rates were as follows:

	2012	2012	2012	2011	2011	2011
	Average interest rate	In local currency	In foreign currency	Average interest rate	In local currency	In foreign currency
		AOA'000	USD'000		AOA'000	USD'000
Performing and non-performing loans		**77 933 005**	**813 277**		**64 269 948**	**674 523**
Kwanzas	13.27%	58 457 144	610 035	15,33%	39 927 773	419 049
Euro (*)	0.00%	2 439 794	25 461	1,28%	5 666 587	59 472
American dollars	8.48%	17 035 855	177 779	9,18%	18 675 157	195 997
Rand	20.00%	212	2	40,00%	431	5

(*) Refers to the net effect resulting from a liability operation.

At 31 December 2012 and 2011, the breakdown of the loan portfolio between residents and non-residents was as follows:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Performing and non-performing loans	**77 933 005**	**813 277**	**64 269 948**	**674 523**
In local currency	**56 778 073**	**592 513**	**39 249 616**	**411 932**
Residents	56 773 380	592 464	38 963 038	408 924
Non Residents	4 693	49	286 578	3 008
In foreign currency	**19 228 149**	**200 657**	**24 168 848**	**253 655**
Residents	19 228 147	200 657	24 168 840	253 655
Non Residents	2	0	8	0
Interest receivable	**1 926 783**	**20 107**	**851 484**	**8 936**

At 31 December 2012 and 2011, the Bank's 10 biggest customers together represented 41.34% and 38.50% of the performing and non-performing loan portfolio, respectively.

The distribution of performing and non-performing loans by risk class and the respective provision was as follows:

					2012	
					AOA'000	
Risk	Level	Performing	Non-performing	Total	Provisions	Provisioning rates
Total		**75 877 565**	**2 055 440**	**77 933 005**	**2 107 864**	**-**
Nil	A	3 912 953	14 838	3 927 791	-	0%
Very reduced	B	67 535 990	296 675	67 832 665	696 093	1%
Reduced	C	3 502 276	478 804	3 981 080	113 456	3%
Moderate	D	2 329	296 760	299 089	28 318	10%
High	E	160 853	281 793	442 646	83 821	20%
Very high	F	36 167	357 707	393 874	186 464	50%
Loss	G	726 997	328 863	1 055 860	999 712	100%

					2012	
					USD'000	
Risk	Level	Performing	Non-performing	Total	Provisions	Provisioning rates
Total		**791 827**	**21 450**	**813 277**	**21 997**	**-**
Nil	A	40 834	155	40 989	-	0%
Very reduced	B	704 778	3 096	707 874	7 264	1%
Reduced	C	36 548	4 997	41 545	1 184	3%
Moderate	D	24	3 097	3 121	296	10%
High	E	1 679	2 940	4 619	875	20%
Very high	F	377	3 733	4 110	1 946	50%
Loss	G	7 587	3 432	11 019	10 433	100%

					2011	
					AOA'000	
Risk	Level	Performing	Non-performing	Total	Provisions	Provisioning rates
Total		**61 171 061**	**3 098 886**	**64 269 948**	**2 255 383**	**-**
Nil	A	12 989 573	-	12 989 573	-	0%
Very reduced	B	43 559 269	366 018	43 925 288	594 727	1%
Reduced	C	3 514 731	428 116	3 942 848	125 817	3%
Moderate	D	722 178	318 342	1 040 520	110 677	10%
High	E	145 543	490 644	636 187	135 338	20%
Very high	F	1 439	1 046 275	1 047 714	557 211	50%
Loss	G	238 328	449 491	687 819	731 612	100%

Risk	Level	Performing	Non-performing	Total	Provisions	Provisioning rates
					2011	
					USD'000	
Total		**642 000**	**32 523**	**674 523**	**23 671**	**-**
Nil	A	136 328	-	136 328	-	0%
Very reduced	B	457 162	3 841	461 003	6 242	1%
Reduced	C	36 888	4 493	41 381	1 320	3%
Moderate	D	7 579	3 341	10 920	1 162	10%
High	E	1 527	5 149	6 677	1 420	20%
Very high	F	15	10 981	10 996	5 848	50%
Loss	G	2 501	4 717	7 219	7 678	100%

Loan recoveries written off amounted to AOA 1 556 820 thousand (USD 16 314 thousand) in 2012 and AOA 825 951 thousand (USD 8 797 thousand) in 2011.

The following movements took place on the provisions for doubtful debts:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Balance at 1 January	**2 255 383**	**23 671**	**1 381 491**	**14 912**
Increases net of reversals	300 585	3 150	1 938 373	20 644
Utilizações e reposições	(448 104)	(4 676)	(1 064 481)	(11 172)
Currency difference	-	(148)	-	(713)
Balance at 31 December	**2 107 864**	**21 997**	**2 255 383**	**23 671**

9. Other assets

The caption Other assets comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Other assets	**6 792 528**	**70 884**	**1 272 302**	**13 352**
Sundry debtors	6 185 260	64 547	668 788	7 019
Prepaid expenses	85 799	895	88 473	928
Office materials, stationery	30 982	323	30 982	325
Goods not for own use	484 059	5 051	484 059	5 080
Other advances	6 428	68	-	-

10. Financial fixed assets

The caption Financial fixed assets comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Financial fixed assets	**1 637 265**	**17 086**	**381 058**	**3 999**
Investments in other companies	**183 473**	**1 915**	**39 058**	**410**
Emis - Empresa Interbancária de Serviços, SARL	36 848	385	39 058	410
Facilcred - Sociedade de Microcrédito, S.A.	146 625	1 530	-	-
BNI Consultoria de Bancos e Seguros, S.A.	**1 453 792**	**15 171**	**342 000**	**3 589**

On 27 April 2012, BNI raised its interest in the capital of BNI Consultoria de Bancos e Seguros, S.A. by EUR 9 150 thousand (AOA 1 156 332 thousand). At 31 December 2012, the Bank's shareholding in BNI Consultoria de Bancos e Seguros, S.A. amounted to AOA 1 453 792 thousand (USD 15 171 thousand) which, following approval from the regulatory entity, will be transformed into BNI Europa, S.A.

On 6 August 2012, the Bank took part in the capital increase realised by Facilcred – Sociedade de Microcrédito, S.A., subscribing for 1 275 shares with an overall value of AOA 146 625 thousand (USD 1 530 thousand).

The following are details of participating interests:

Company	Currency	Share capital (in thousands)	Type	% holding	No. of shares held
Emis - Empresa Interbancária de Serviços, SARL	AOA	1 518	Shares	3%	1 000
BNI Consultoria de Bancos e Seguros, S.A.	EUR	25 000	Shares	51%	-
Facilcred - Sociedade de Microcrédito, S.A.	AOA	287 500	Shares	51%	1 275

11. Tangible and intangible fixed assets and fixed assets in progress

The following movements took place in the caption Tangible and intangible fixed assets and fixed assets in progress during 2012:

AOA'000

Gross fixed assets	Balance at 31-Dec-11	Additions	Disposals	Adjustments / Transfers	Balance at 31-Dec-12
Furniture, tools, fixtures and equipment	7 100 425	3 557 298	-	3 914 054	14 571 777
Other tangible fixed assets	5 523	-	-	-	5 523
Fixed assets in progress	4 695 322	1 243 572	(308 066)	(4 100 708)	1 530 120
Tangible fixed assets	**11 801 270**	**4 800 870**	**(308 066)**	**(186 654)**	**16 107 420**
Intangible assets	**983 447**	**532 990**	**(25 165)**	**(66 281)**	**1 424 991**
Accumulated depreciation					
Furniture, tools, fixtures and equipment	(1 375 081)	(1 404 687)	-	(1 647)	(2 781 415)
Other tangible fixed assets	-	-	-	-	-
Tangible fixed assets	**(1 375 081)**	**(1 404 687)**	**-**	**(1 647)**	**(2 781 415)**
Intangible assets	**(786 142)**	**(194 350)**	**1 645**	**52 018**	**(929 829)**
Tangible and in progress fixed assets - net	**10 426 190**	**3 396 183**	**(308 066)**	**(188 301)**	**13 326 005**
Net intangible assets	**197 305**	**338 640**	**(23 520)**	**(14 263)**	**498 162**

USD'000

Gross fixed assets	Balance at 31-Dec-11	Additions	Disposals	Adjustments / Transfers	Currency conversion differences	Balance at 31-Dec-12
Furniture, tools, fixtures and equipment	74 520	37 123	-	40 845	(423)	152 065
Other tangible fixed assets	58	-	-	-	-	58
Fixed assets in progress	49 278	12 977	(3 215)	(42 793)	(280)	15 968
Tangible fixed assets	**123 856**	**50 100**	**(3 215)**	**(1 948)**	**(703)**	**168 090**
Intangible assets	**10 321**	**5 562**	**(263)**	**(692)**	**(59)**	**14 871**
Accumulated depreciation						
Furniture, tools, fixtures and equipment	(14 432)	(14 720)	-	(17)	143	(29 026)
Other tangible fixed assets	-	-	-	-	-	-
Tangible fixed assets	**(14 432)**	**(14 720)**	**-**	**(17)**	**143**	**(29 026)**
Intangible assets	**(8 251)**	**(2 036)**	**17**	**543**	**(55)**	**(9 672)**
Tangible and in progress fixed assets - net	**109 424**	**35 380**	**(3 215)**	**(1 965)**	**(560)**	**139 065**
Net intangible assets	**2 071**	**3 525**	**(245)**	**(149)**	**(4)**	**5 199**

The following movements took place in the caption Tangible and intangible fixed assets and fixed assets in progress during 2011:

AOA'000

Gross fixed assets	Balance at 31-Dec-10	Additions	Disposals	Adjustments / Transfers	Balance at 31-Dec-11
Furniture, tools, fixtures and equipment	4 444 225	2 656 200	-	-	7 100 425
Other tangible fixed assets	10 658	-	-	(5 135)	5 523
Fixed assets in progress	4 440 109	255 213	-	-	4 695 322
Tangible fixed assets	**8 894 992**	**2 911 413**	**-**	**(5 135)**	**11 801 270**
Intangible assets	**772 905**	**210 542**	**-**	**-**	**983 447**
Accumulated depreciation					
Furniture, tools, fixtures and equipment	(751 618)	(660 377)	-	36 914	(1 375 081)
Other tangible fixed assets	-	-	-	-	-
Tangible fixed assets	**(751 618)**	**(660 377)**	**-**	**36 914**	**(1 375 081)**
Intangible assets	**(588 396)**	**(197 746)**	**-**	**-**	**(786 142)**
Tangible and in progress fixed assets - net	**8 143 374**	**2 251 036**	**-**	**31 779**	**10 426 190**
Net intangible assets	**184 509**	**12 796**	**-**	**-**	**197 305**

USD'000

Gross fixed assets	Balance at 31-Dec-10	Additions	Disposals	Adjustments / Transfers	Currency conversion differences	Balance at 31-Dec-11
Furniture, tools, fixtures and equipment	47 972	27 877	-	-	(1 329)	74 520
Other tangible fixed assets	115	-	-	(54)	(3)	58
Fixed assets in progress	47 927	2 678	-	-	(1 327)	49 278
Tangible fixed assets	**96 014**	**30 556**	**-**	**(54)**	**(2 659)**	**123 856**
Intangible assets	**8 343**	**2 210**	**-**	**-**	**(231)**	**10 321**
Accumulated depreciation						
Furniture, tools, fixtures and equipment	(8 113)	(7 033)	-	387	327	(14 432)
Other tangible fixed assets	-	-	-	-	-	-
Tangible fixed assets	**(8 113)**	**(7 033)**	**-**	**387**	**327**	**(14 432)**
Intangible assets	**(6 351)**	**(2 106)**	**-**	**-**	**206**	**(8 251)**
Tangible and in progress fixed assets - net	**87 901**	**23 523**	**-**	**334**	**(2 332)**	**109 424**
Net intangible assets	**1 992**	**104**	**-**	**-**	**(24)**	**2 071**

At 31 December 2012 and 2011 the caption Intangible fixed assets included pluri-annual costs, software and units in expansion.

The caption fixed assets in progress essentially refers to branches under construction.

12. Deposits

The caption Customer deposits at 31 December 2012 and 2011 comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Deposits	**125 102 191**	**1 305 516**	**86 224 047**	**904 934**
Sight deposits	**50 545 499**	**527 472**	**34 633 553**	**363 484**
In local currency	34 402 776	359 013	24 425 392	256 348
In foreign currency	16 142 723	168 459	10 208 161	107 136
Term deposits	**59 127 524**	**617 031**	**51 574 962**	**541 287**
In local currency	34 251 514	357 435	27 499 302	288 609
In foreign currency	24 385 181	254 474	23 438 056	245 986
Interest payable	490 829	5 122	637 604	6 692
Other deposits	**15 429 168**	**161 013**	**15 532**	**163**

At 31 December 2012 related entity balances amounted to AOA 1 943 420 thousand (USD 20 281 thousand) and at 31 December 2011 they amounted to AOA 4 368 545 thousand (USD 45 849 thousand), as shown in note 33.

The following is the breakdown of time deposits according to their residual duration and by currency:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Term deposits	**59 127 524**	**617 031**	**51 574 962**	**541 287**
In local currency	**34 251 514**	**357 435**	**27 499 302**	**288 609**
Up to 3 months	23 959 663	250 033	21 288 581	223 427
3 to 6 months	7 028 208	73 344	2 560 062	26 868
6 months to 1 year	3 263 535	32 874	3 649 156	38 298
More than 1 year	108	1 184	1 503	16
In foreign currency	**24 385 181**	**254 474**	**23 438 056**	**245 986**
Up to 3 months	14 655 278	152 937	15 858 083	166 433
3 to 6 months	2 256 723	23 550	3 957 297	41 532
6 months to 1 year	7 438 399	77 624	3 601 850	37 802
More than 1 year	34 781	363	20 826	219
Interest payable	**490 829**	**5 122**	**637 604**	**6 692**

At 31 December 2012 time deposits in local currency earned interest of 5.99%. Time deposits in North American dollars and in euro earned interest at rates of 4.70% and 5.45%, respectively.

At 31 December de 2011 time deposits in local currency earned interest of 8.78%. Time deposits in North American dollars and in euro earned interest at rates of 4.14% and 4.42%, respectively.

13. Other amounts owed to credit institutions

The caption Other amounts owed to credit institutions comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Amounts owed to financial institutions	**6 201 050**	**64 712**	**-**	**-**
Short-term position in local currency	6 201 050	64 712	-	-

At 31 December 2012, the caption Other amounts owed to credit institutions comprised very short-term positions with national banks in local currency and in North American dollars, with average rates of 6.20% and 3.25%, respectively.

14. Liabilities in the payments system

The caption Liabilities in the payments system comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Liabilities in the payments system	**2 241 542**	**23 392**	**855 327**	**8 977**
Relations between branches	**-**	**-**	**5 141**	**54**
Third party resources in transit	-	-	5 141	54
Resources of other entities	**2 241 542**	**23 392**	**850 186**	**8 923**
Clearance of cheques and other papers	304 215	3 175	128 068	1 344
Others pending settlement	1 626 516	16 973	39 066	410
Relations with correspondents	310 811	3 244	683 052	7 169

The caption Liabilities in the payments system is essentially composed of amounts pending settlement with Visa, MasterCard and Emis.

15. Other amounts owed to financial institutions

A caption Other amounts owed to financial institutions:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Other amounts owing to financial institutions	**5 274 529**	**55 043**	**10 366 214**	**108 795**
Subordinated debt	**4 867 157**	**50 792**	**4 837 949**	**50 775**
Nominal value	4 791 295	50 000	4 764 105	50 000
Interest payable	75 862	792	73 844	775
Other resources taken	**407 372**	**4 251**	**5 528 265**	**58 020**
Deposits at credit institutions abroad	-	-	4 939 810	51 844
Prepaid resources	407 372	4 251	588 455	6 176

Between 11 June and 1 July 2010 the Bank issued 5 000 subordinated bonds with a nominal value of USD 10 each, with projected maturity as from the 7th year after the beginning of subscription.

Interest is payable at a fixed rate of 6% per annum and is paid quarterly in arrears.

16. Other liabilities

The caption Other liabilities comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Other liabilities	**2 961 851**	**30 908**	**1 674 048**	**17 569**
Dividends payable	11 766	123	11 556	121
Of tax nature	837 454	8 739	904 831	9 496
Of civil nature	1 928 618	20 125	572 825	6 012
Personnel, salaries and remuneration	181 669	1 896	153 647	1 613
Other administrative costs	2 344	25	31 189	327

The caption Other liabilities of a tax nature include AOA 750 151 thousand (2011: AOA 869 918 thousand) referring to industrial tax payable, as mentioned in note 31.

At 31 December 2012 the caption Other liabilities of a civil nature includes AOA 1 283 076 thousand referring to guarantees pledged by customers.

17. Provisions for contingent liabilities

The caption Provisions for contingent liabilities refers to provisions for tax contingencies and liabilities of an administrative nature.

The following movements took place in the account during 2012 and 2011:

AOA'000	11/12/31	Increases	Reversals	Utilised	12/12/31
Provisions for contingent liabilities	**55 572**	**332 332**	**(10 544)**	**-**	**377 361**
Provisions for contingent tax liabilities	-	78 983	-	-	78 983
Provisions for contingent civil liabilities	-	60 000	-	-	60 000
Provisions for contingent administrative liabilities	-	59 149	-	-	59 149
Provisions for cont. Liabilities for guarantees given and doc. Credits	55 572	134 201	(10 544)	-	179 229

AOA'000	10/12/31	Increases	Reversals	Utilised	11/12/31
Provisions for contingent liabilities	**87 719**	**55 572**	**(56 933)**	**(30 787)**	**55 572**
Provisions for contingent tax liabilities	42 135	-	(42 135)	-	-
Provisions for contingent administrative liabilities	14 798	-	(14 798)	-	-
Provisions for cont. Liabilities for guarantees given and doc. Credits	30 787	55 572	-	(30 787)	55 572

USD'000	11/12/31	Increases	Reversals	Utilised	Currency conversion differences	12/12/31
Provisions for contingent liabilities	**583**	**3 372**	**-**	**-**	**(17)**	**3 938**
Provisions for contingent tax liabilities	-	828	-	-	(4)	824
Provisions for contingent civil liabilities	-	628	-	-	(2)	626
Provisions for contingent administrative liabilities	-	620	-	-	(3)	617
Provisions for cont. Liabilities for guarantees given and doc. Credits	583	1 296	-	-	(8)	1 871

USD'000	10/12/31	Increases	Reversals	Utilised	Currency conversion differences	11/12/31
Provisions for contingent liabilities	**938**	**592**	**(607)**	**(323)**	**(17)**	**583**
Provisions for contingent tax liabilities	455	-	(449)	-	(6)	-
Provisions for contingent administrative liabilities	160	-	(158)	-	(2)	-
Provisions for cont. Liabilities for guarantees given and doc. Credits	323	592	-	(323)	(9)	583

18. Share capital

Banco de Negócios Internacional was incorporated with a share capital of AOA 1 606 960 thousand (USD 20 000 thousand at the exchange rate of AOA 80.35 on 2 February 2006), represented by 2 000 000 shares with a nominal value of USD 10 each.

During the 2008 and 2010 financial years, the Bank increased the capital by AOA 2 559 033 thousand and AOA 1 873 111 thousand, respectively. Accordingly, at 31 December 2012, the Bank's share capital was AOA 6 039 104 thousand (USD 63 022 thousand), fully subscribed and paid-up, divided into and represented by 2 000 000 shares with a nominal value of AOA 3 thousand (USD 32) each.

The shareholders' holdings are as follows:

Shareholders	No. Shares	Amount AOA'000	Holding
Mário Abílio Pinheiro Moreira Palhares	565 600	1 707 858	28.28%
João Baptista de Matos	232 600	702 348	11.63%
Valdomiro Minoru Dondo	135 200	408 243	6.76%
Luis Manuel Neves	108 200	326 716	5.41%
José Teodoro Garcia Boyol	108 200	326 716	5.41%
Ivan Leite de Morais	105 800	319 469	5.29%
Óscar Tito Cardoso Fernandes	100 400	303 163	5.02%
Luis Filipe Lopes da Silva Duarte	100 000	301 955	5.00%
Rute Marisa Proença Brito	100 000	301 955	5.00%
Arnaldo Leiro Octávio	86 400	260 889	4.32%
Joaquim Manuel Nunes	74 000	223 447	3.70%
Leonel da Rocha Pinto	64 200	193 855	3.21%
Kanda Nimi Kassoma	63 000	190 232	3.15%
Rui da Cruz	42 200	127 425	2.11%
Mário de Almeida Dias	42 200	127 425	2.11%
Manuel Arnaldo Calado	22 000	66 430	1.10%
Carlos Manuel de Carvalho Rodrigues	20 000	60 391	1.00%
Conselho Nacional de Carregadores	20 000	60 391	1.00%
António de Sousa Marques de Oliveira	10 000	30 196	0.50%
	2 000 000	**6 039 104**	**100%**

Pursuant to article 446(3) of Law no. 1/04 of 13 February, the shareholdings of members of the management and supervisory bodies are as follows:

Shareholders	Position	Acquisition	No. Shares	% Holding
Mário Palhares	Chairman	Nominal value	565 600	28.28%
José Teodoro Garcia Boyol	Vice-Chairman	Nominal value	108 200	5.41%
Luis Manuel Neves	Chair. Supervisory Board	Nominal value	108 200	5.41%
Joaquim Manuel Nunes	Director	Nominal value	74 000	3.70%
Carlos M. de Carvalho Rodrigues	Director	Nominal value	20 000	1.00%

At 20 March 2013, the Board of Directors deliberated to propose to the General Meeting the following appropriation of net income:

Legal reserve - AOA 675 705 thousand (20,00 % of net invcome);
Retained earnings - AOA 1 942 653 thousand (57,50 % of net income);
Dividends - AOA 760 168 thousand (22,50 % of net income).

Net income for the year, in the amount of AOA 3 378 526 thousand, corresponds to earnings per share of AOA 1 689 thousand (2011 - AOA 1 610 thousand).

19. Reserves, funds and retained earnings

The caption Reserves, funds and retained earnings at 31 December 2012 and 2011 comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Reserves and funds	**3 865 657**	**40 340**	**3 203 072**	**33 617**
Legal reserve	2 330 576	24 321	1 686 437	17 699
Social fund	49 986	522	31 540	331
Other reserves	1 485 095	15 497	1 485 095	15 586
Retained earnings	**5 926 612**	**61 848**	**4 074 711**	**42 765**

In terms of prevailing legislation, the Bank must constitute a legal reserve fund equal to the amount of the share capital. To this end, the Bank has transferred annually to this reserve 20% of the preceding year's net income. This reserve can only be utilised to absorb accumulated losses once all the other reserves have been exhausted.

20. Income from financial instrument assets

The caption Income from financial instrument assets comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Income from financial instrument assets	**9 162 645**	**96 015**	**9 154 317**	**97 495**
From amounts owed by financial institutions	**21 798**	**228**	**32 231**	**343**
From stocks and securities	**836 368**	**8 764**	**1 518 459**	**16 172**
Held to maturity	836 368	8 764	1 518 459	16 172
From loans	**8 304 479**	**87 023**	**7 603 627**	**80 980**

The caption Income from liquidity placements reflects the income received by the Bank relating to term deposits at financial institutions abroad, as well as from inter-financial money market operations.

Income from securities and stocks refers to interest from public debt securities, namely Central Bank Bonds, Treasury Bills and Treasury Bonds.

In the caption Loan interest is reflected in income from loans advanced to customers.

21. Costs of financial instrument liabilities

The caption Costs of financial instrument liabilities comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Costs of financial instrument assets	**3 477 756**	**36 443**	**3 728 991**	**39 714**
Deposits	**2 787 543**	**29 210**	**2 958 871**	**31 513**
Sight deposits	18 054	189	10 594	113
Term deposits	2 769 489	29 021	2 948 276	31 400
Of amounts owed to financial institutions	**402 332**	**4 216**	**397 325**	**4 232**
Of certificates of deposit	**-**	**-**	**75 631**	**805**
Of other amounts owed to financial institutions	**287 881**	**3 017**	**297 164**	**3 165**
Of subordinated debt issued	287 881	3 017	283 017	3 014
Of other contracted resources	-	-	14 147	151

The caption Costs of liquidity resources incorporates the interest paid for the utilisation of credit lines granted by foreign credit institutions, as well as the interest paid from the taking of short-term liquidity on the inter-financial money market.

At 31 December 2011, the caption Certificates of deposits referred to the interest paid to customers who invested their savings in certificates of deposit. It should be noted that this product was discontinued by the Bank in 2011.

22. Net gains from foreign currency operations

The caption Net gains from foreign currency operations comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Net income from foreign currency operations	**2 152 678**	**22 558**	**2 140 473**	**22 796**
Revaluation of foreign currency position				
Profits	2 126 546	22 284	2 087 309	22 230
Losses	26 132	274	51 266	546
Net	**2 152 678**	**22 558**	**2 138 575**	**22 776**
Other gains and losses	-	-	1 898	20

The net gains from foreign currency operations are derived from the revaluation of the Bank's foreign currency position, as well as from foreign currency operations realised.

23. Net income from financial services provided

The caption Net income from financial services provided comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Net income from provision of financial services	**2 317 226**	**24 282**	**2 086 802**	**22 225**
Commissions received	**3 352 774**	**35 133**	**2 581 236**	**27 491**
Visa and MasterCard cards	1 433 032	15 017	894 550	9 527
Transfers	553 277	5 798	440 986	4 697
Opening of credit lines	522 118	5 471	519 459	5 532
Documentary credit	222 825	2 335	137 917	1 469
Other banking operations	204 913	2 147	230 069	2 450
Other banking services	392 402	4 112	292 522	3 115
Other commitments	24 207	253	65 358	696
Securities	-	-	369	4
Commissions paid	**(1 035 548)**	**(10 851)**	**(494 434)**	**(5 266)**
Visa and MasterCard cards	(965 578)	(10 118)	(435 845)	(4 642)
Irrevocable credit lines	(63 328)	(663)	(53 519)	(570)
Other commissions	(6 642)	(70)	(5 069)	(54)

Other banking operations refer to commission income from the management of the loan portfolio.

The caption Other services and banking operations includes commission income resulting from the protocol entered into with the Ministry of Finance for the collection of revenues amounting to AOA 219 790 thousand (2011: AOA 206 454 thousand).

The caption Other commitments include income from premiums for guarantees given in the amount of AOA 22 792 thousand (2011: AOA 62 523 thousand).

24. Provisions for doubtful debts

The caption Provisions for doubtful debts records the amounts set aside net of reversals and comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Total	**424 242**	**4 446**	**1 993 945**	**21 236**
Domestic loans	300 585	3 150	1 938 373	20 644
Contingent liabilities	123 657	1 296	55 572	592

25. Personnel costs

The caption Personnel costs comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Personnel costs	**1 893 030**	**19 837**	**1 579 277**	**16 820**
Management and supervisory bodies	**302 377**	**3 169**	**248 946**	**2 652**
Basic salary	259 809	2 723	222 496	2 370
Subsidies	42 568	446	26 450	282
Employees	**1 463 602**	**15 337**	**1 224 388**	**13 040**
Basic salary	1 155 179	12 105	983 791	10 478
Subsidies	308 423	3 232	240 597	2 562
Employer's contributions	**127 051**	**1 331**	**105 943**	**1 128**
Compulsory	119 584	1 253	97 039	1 033
Optional	7 467	78	8 904	95

The number of employees working for the Bank at the end of 2012 stood at 569 (464 in 2011), divided into the following professional categories:

	2012	2011
Directors	5	5
Advisors	2	2
Senior Executives	13	13
Departmental heads	32	10
CN coordinators	6	6
Managers	52	41
Professional staff	459	387
	569	**464**

26. Outside supplies

The caption Outside supplies comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Outside supplies	**2 518 754**	**26 394**	**1 989 161**	**21 185**
Communications	94 561	991	85 438	910
Water and energy	16 251	170	10 489	112
Transport, travelling and accommodation	170 445	1 786	235 460	2 508
Publications, advertising and propaganda	261 627	2 742	160 962	1 714
Security, maintenance and repairs	120 922	1 267	69 039	735
Audit and consultancy fees	932 801	9 775	794 078	8 457
Insurances	99 200	1 040	81 299	866
Rentals	336 641	3 528	258 881	2 757
Sundry materials	299 062	3 134	124 449	1 325
Other outside supplies	187 243	1 961	169 066	1 801

The caption Audit and consultancy fees includes IT consultancy services in the amount of AOA 316 635 thousand (AOA 209 052 thousand in 2011) and specialised services totalling AOA 120 685 thousand (AOA 269 461 thousand in 2011).

27. Depreciation and amortisation

The caption Depreciation and amortisation comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Depreciation and amortisation	**1 599 037**	**16 756**	**858 123**	**9 139**
Tangible fixed assets	**1 406 457**	**14 738**	**660 380**	**7 033**
Properties for own use	735 082	7 703	358 500	3 818
Other tangible fixed assets	266 048	2 788	10 442	111
Equipment	405 327	4 247	291 438	3 104
Intangible assets	**192 580**	**2 018**	**197 743**	**2 106**

At 31 December 2012 and 2011 intangible assets included pluri-annual costs, software and units in expansion.

28. Provisions for other contingent liabilities

The caption Provisions for other contingent liabilities comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Provisions for contingent liabilities	**(198 132)**	**(2 076)**	**56 933**	**606**
Provisions for contingent tax liabilities	(78 983)	(828)	42 135	449
Provisions for contingent civil liabilities	(60 000)	(628)	-	-
Provisions for contingent administrative liabilities	(59 149)	(620)	14 798	158

29. Other operating income and costs

The caption Other operating income and costs comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Other operating income and costs	**384 901**	**4 033**	**411 255**	**4 380**
Other operating income	**1 115 736**	**11 692**	**582 022**	**6 197**
Annuities	153 660	1 610	107 531	1 145
Other services provided	262 234	2 748	279 747	2 980
Other income	699 842	7 334	194 744	2 072
Other operating costs	**(730 835)**	**(7 658)**	**(170 767)**	**(1 817)**
Regular	(20)	-	(4 985)	(53)
Thefts	(960)	(10)	(6 802)	(71)
Irregular	(3)	-	-	-
Miscellaneous costs and losses	(729 852)	(7 648)	(158 980)	(1 693)

At 31 December 2012, the caption Other income includes AOA 617 858 thousand, (USD 6 448 thousand) referring to the recovery of loans (capital and interest) previously written off.

30. Non-operating net income

The caption Non operating net income comprises:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Non-operating net income	**183 567**	**1 924**	**394 137**	**4 198**
Gains and losses on fixed assets	**-**	**-**	**(389)**	**(3)**
Financial fixed assets	-	-	(34)	-
tangible fixed assets	-	-	(76)	-
Intangible assets	-	-	(279)	(3)
Net gains on sale of fixed assets			**53 368**	**568**
Tangible fixed assets	-	-	53 368	568
Prior-year adjustments	183 567	1 924	339 901	3 620
Prior-year gains	677 416	7 099	768 846	8 188
Prior-year losses	(493 849)	(5 175)	(428 945)	(4 568)
Other non-operating net income	**-**	**-**	**1 256**	**13**
Irreconcilable differences	-	-	1 256	13

31. Charges on net operating income

The Bank is subject to taxation under the industrial tax code, and is considered to be a Group A taxpayer for tax purposes. At 31 December 2012, its income was taxed in accordance with article 72(1) and (2) of Law no. 18 / 92 of 3 July, with the tax rate applicable being 35% following the alterations introduced by Law no. 5 / 99 of 6 August (notes 2.2 j).

At 31 December 2012 and 2011, the cost of corporate income tax recognised in the income statement amounts to AOA 750 151 thousand and AOA 869 118 thousand, respectively.

32. Balance sheet by currency

Balance sheet structure by currency at 31 December 2012 was as follows:

AOA'000	Dollars	Euro	Rand	Pounds	Kwanzas	Total
Total Assets	**50 080 258**	**5 190 102**	**12 848**	**22 980**	**106 838 389**	**162 144 578**
Cash and deposits	26 326 953	787 325	12 636	20 591	17 638 376	44 785 881
Amounts owed by financial institutions	4 942 184	733 912	-	-	-	5 676 096
Stocks and securities	741 789	-	-	-	12 077 140	12 818 929
Loans in payments system	46	-	-	-	10 359	10 405
Foreign currency operations	774 166	-	-	-	-	774 166
Total loans	17 121 423	2 439 794	212	-	56 263 712	75 825 141
Other assets	173 697	1 229 071	-	2 389	5 387 371	6 792 528
Fixed assets	-	-	-	-	15 461 432	15 461 432
Total Liabilities	**(58 390 159)**	**(4 483 035)**	**(6 011)**	**(707)**	**(80 054 768)**	**(142 934 679)**
Deposits	(51 870 161)	(4 319 424)	(6 010)	(707)	(68 905 890)	(125 102 191)
Amounts owed to financial institutions	-	-	-	-	(6 201 050)	(6 201 050)
Liabilities in payments system	(1 524 113)	(136 883)	-	-	(580 546)	(2 241 542)
Foreign currency operations	-	-	-	-	(776 155)	(776 155)
Other resources	(4 870 522)	-	-	-	(404 007)	(5 274 529)
Other liabilities	(125 363)	(26 728)	(1)	-	(2 809 759)	(2 961 851)
Provisions for contingent liabilities	-	-	-	-	(377 361)	(377 361)
Total Own Funds	**8 309 901**	**(707 067)**	**(6 837)**	**(22 273)**	**(26 783 621)**	**(19 209 899)**

The balance sheet structure by currency at 31 December 2011 was as follows:

AOA'000	Dollars	Euro	Rand	Pounds	Kwanzas	Total
Total Assets	**34 376 210**	**8 676 028**	**73 017**	**31 870**	**61 554 914**	**115 716 592**
Cash and deposits	9 666 899	1 147 149	12 031	27 333	12 755 615	23 609 027
Amounts owed by financial institutions	2 815 165	1 851 308	-	-	500 050	5 166 523
Stocks and securities	1 689 616	-	-	-	10 960 006	12 649 622
Foreign currency operations	1 524 514	-	-	-	(1 524 514)	-
Loans	18 675 157	5 666 587	431	-	37 672 390	62 014 565
Other assets	4 859	10 984	60 555	4 537	1 191 367	1 272 302
Fixed assets	-	-	-	-	11 004 553	11 004 553
Total Liabilities	**(35 137 723)**	**(8 766 477)**	**(6 320)**	**(361)**	**(55 268 129)**	**(99 179 010)**
Deposits	(30 247 308)	(3 612 751)	(6 320)	(361)	(52 357 307)	(86 224 047)
Liabilities in payments system	(46 960)	(213 916)	-	-	(594 451)	(855 327)
Foreign currency operations	-	-	-	-	(3 802)	(3 802)
Other amounts owed by fin. Institutions	(4 839 490)	(4 939 810)	-	-	(586 914)	(10 366 214)
Other liabilities	(3 965)	-	-	-	(1 670 083)	(1 674 048)
Provisions for contingent liabilities	-	-	-	-	(55 572)	(55 572)
Total Own Funds	**(761 513)**	**(90 449)**	**(66 697)**	**31 509**	**(15 650 432)**	**(16 537 582)**

33. Related parties

Shareholders
Mário Abílio Pinheiro Moreira Palhares
João Baptista de Matos
Valdomiro Minoru Dondo
Luis Manuel Neves
José Teodoro Garcia Boyol
Ivan Leite de Morais
Óscar Tito Cardoso Fernandes
Luis Filipe Lopes da Silva Duarte
Rute Marisa Proença Brito
Arnaldo Leiro Octávio
Joaquim Manuel Nunes
Leonel da Rocha Pinto
Kanda Nimi Kassoma
Rui da Cruz
Mário de Almeida Dias
Manuel Arnaldo Calado
Carlos Manuel de Carvalho Rodrigues
Conselho Nacional de Carregadores
António de Sousa Marques de Oliveira

Other Related Entities	
Predigest – Empreendimentos, Lda.	Cliente
BPI – Banco Privado Internacional	Correspondente

Governing bodies	
Mário Palhares	Chairman of the Board of Directors
José Teodoro Garcia Boyol	Vice-Chairman of the Board of Directors
Carlos Rodrigues	Executive Director
Joaquim Manuel Nunes	Executive Director
Sandro Africano	Executive Director
João de Matos	Chairman of the General Meeting Committee
Bornito de Sousa	Vice-Chairman of the General Meeting Committee
Luís Manuel Neves	Supervisory Board Chairman
Licínio de Assis	Supervisory Board member
Dina Maria Leote de Oliveira	Supervisory Board member

Subsidiaries and associated companies
Emis - Empresa Interbancária de Serviços, SARL
BNI Consultoria de Bancos e Seguros, S.A.
Facilcred - Sociedade de Microcrédito, S.A.

At 31 December 2012, the overall amount of assets, liabilities and off-balance sheet liabilities relating to operations realised with related parties, according to the Banco Nacional de Angola's applicable legislation, comprised:

AOA'000

	Shareholders	Members of Governing Bodies	Bank's Subsidiaries and associated companies	Other related entities	Total
Assets	**693 752**	**8 092**	**307 097**	**18 153 472**	**19 162 413**
Cash and deposits	-	-	-	18 153 472	18 153 472
Total loans (Note 8)	693 752	8 092	-	-	701 844
Other assets (Note 9)	-	-	307 097	-	307 097
Liabilities	**1 921 543**	**21 877**	**-**		**1 943 420**
Deposits (Note 12)	1 921 543	21 877	-	-	1 943 420

USD'000

	Shareholders	Members of Governing Bodies	Bank's Subsidiaries and associated companies	Other related entities	Total
Assets	**7 240**	**84**	**3 205**	**189 442**	**199 971**
Cash and deposits (Note 3)	-	-	-	189 442	189 442
Total loans (Note 8)	7 240	84	-	-	7 324
Other assets (Note 9)	-	-	3 205	-	3 205
Liabilities	**20 052**	**228**	**-**		**20 281**
Deposits (Note 12)	20 052	228	-	-	20 281

At 31 December 2011, the overall amount of assets, liabilities and off-balance sheet liabilities relating to operations realised with related parties, according to the Banco Nacional de Angola's applicable legislation, comprised:

AOA'000

	Shareholders	Members of Governing Bodies	Bank's Subsidiaries and associated companies	Other related entities	Total
Assets	**8 187**	**4 437**	**40 624**	**-**	**53 248**
Cash and deposits	-	-	40 624	-	40 624
Total loans (Note 8)	8 187	4 437	-	-	12 624
Other assets (Note 9)	-	-	-	-	-
Liabilities	**4 106 652**	**112 269**	**149 624**		**4 368 545**
Deposits (Note 12)	4 106 652	112 269	149 624	-	4 368 545

USD'000

	Shareholders	Members of Governing Bodies	Bank's Subsidiaries and associated companies	Other related entities	Total
Assets	**86**	**47**	**426**	**-**	**559**
Cash and deposits	-	-	426	-	426
Total loans (Note 8)	86	47	-	-	132
Other assets (Note 9)	-	-	-	-	-
Liabilities	**43 100**	**1 178**	**1 570**		**45 849**
Deposits (Note 12)	43 100	1 178	1 570	-	45 849

At 31 December 2012, the overall amount of net income relating to operations entered into with related parties, according to the Banco Nacional de Angola's applicable legislation, comprised:

AOA'000

	Shareholders	Members of Governing Bodies	Bank's Subsidiaries and associated companies	Other related entities	Total
Income	**94 997**	**23 967**	**-**	**-**	**118 964**
Loans (Note 20)	94 997	23 967	-	-	118 964
Costs	**114 633**	**9 023**	**25 480**	**-**	**149 136**
Deposits (Note 21)	114 633	9 023	25 480	-	149 136

USD'000

	Shareholders	Members of Governing Bodies	Bank's Subsidiaries and associated companies	Other related entities	Total
Income	**995**	**251**	**-**	**-**	**1 247**
Loans (Note 20)	995	251	-	-	1 247
Costs	**1 201**	**95**	**267**	**-**	**1 563**
Deposits (Note 21)	1 201	95	267	-	1 563

At 31 December 2011, the overall amount of net income relating to operations entered into with related parties, according to the Banco Nacional de Angola's applicable legislation, comprised:

AOA'000

	Shareholders	Members of Governing Bodies	Bank's Subsidiaries and associated companies	Other related entities	Total
Income	**64 849**	**8 833**	**-**	**-**	**73 681**
Loans (Note 20)	64 849	8 833	-	-	73 681
Costs	**163 955**	**8 431**	**-**	**-**	**172 386**
Deposits (Note 21)	163 955	8 431	-	-	172 386

USD'000

	Shareholders	Members of Governing Bodies	Bank's Subsidiaries and associated companies	Other related entities	Total
Income	**691**	**94**	**-**	**-**	**785**
Loans (Note 20)	691	94	-	-	785
Costs	**1 746**	**90**	**-**	**-**	**1 836**
Deposits (Note 21)	1 746	90	-	-	1 836

34. Guarantees and other commitments

This caption comprises:

	2012 AOA'000	2012 USD'000	2011 AOA'000	2011 USD'000
Liabilities to third parties	**17 286 358**	**180 393**	**20 396 858**	**214 068**
Guarantees given	11 235 983	117 254	9 117 427	95 689
Commitments to third parties	6 050 375	63 139	11 279 431	118 379

The amounts of guarantees given are as follows:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Liabilities to third parties	**11 235 983**	**117 254**	**9 117 427**	**95 689**
Guarantees given	7 170 185	74 825	5 557 220	58 324
Commitments to third parties	4 065 798	42 429	3 560 207	37 365

The guarantees and sureties are banking operations which do not translate into the mobilisation of funds on the part of the Bank.

Documentary credits are irrevocable commitments on the part of the Bank and on behalf of its customers to pay/order to pay a specified amount to the supplier of a given commodity or service, within a stipulated period against the presentation of documents referring to the dispatching of the commodity or the provision for service. The irrevocable condition means that the commitment cannot be cancelled or altered without the express agreement of all the parties involved.

The amount of Liabilities for guarantees given is as follows:

	2012	2012	2011	2011
	AOA'000	USD'000	AOA'000	USD'000
Liabilities for services provided	**10 676 787**	**111 419**	**12 007 042**	**126 015**
Services provided to third parties	**12 610 021**	**131 593**	**12 534 590**	**131 552**
Deposit and custody of assets	12 610 021	131 593	12 534 590	131 552
Collection	-	-	-	-
Services provided by institutions	**1 933 234**	**20 174**	**527 548**	**5 537**
Deposit and custody of assets	-	-	190 564	2 000
Collection	1 933 234	20 174	336 984	3 537

The commitments assumed to third parties represent contractual agreements for the granting of loans with the Bank's customers (for example unutilised credit lines) which, as a general rule, are contracted for fixed periods or with other expiry requirements and, normally, require the payment of a commission.

35. Subsequent events

There have been no material transactions and/or events after the balance sheet date and before the financial statements were authorised to be issued that merit disclosure.

36. Important facts

BNI entered into a contract on 5 February 2013 for a credit line granted by Commerz Bank in the amount of EUR 40 000 thousand (AOA 3 833 036 thousand), for the purpose of financing the importation of German plant and equipment for a number of industrial development projects in Angola, thereby contributing to the country's economic development.

15.
Audit Report

KPMG

KPMG Angola – Audit, Tax, Advisory, S.A.
Rua do Assalto ao Quartel de Moncada, nº15 - 2º
Luanda - Angola

Telefone: +244 227 28 01 01
Fax: +244 227 28 01 19

Relatório do Auditor Independente

Aos Accionistas do
Banco de Negócios Internacional, S.A.

Auditámos as demonstrações financeiras anexas do **Banco de Negócios Internacional, S.A.**, que compreendem o balanço patrimonial em 31 de Dezembro de 2012 (que evidencia um total de 162.144.578 milhares de AKZ e um total de fundos próprios de 19.209.899 milhares de AKZ, incluindo um resultado líquido de 3.378.526 milhares de AKZ), a demonstração de resultados, a demonstração de mutações nos fundos próprios e a demonstração de fluxos de caixa relativas ao exercício findo naquela data, bem como um resumo das políticas contabilísticas significativas e outra informação explicativa.

Responsabilidade da Administração pelas Demonstrações Financeiras

A Administração é responsável pela preparação e apresentação apropriada destas demonstrações financeiras de acordo com as os princípios estabelecidos no Plano de Contas das Instituições Financeiras ("CONTIF") e outras disposições emitidas pelo Banco Nacional de Angola ("BNA"), e pelo controlo interno que determine ser necessário para possibilitar a preparação de demonstrações financeiras isentas de distorção material devido a fraude ou a erro.

Responsabilidade do Auditor

A nossa responsabilidade consiste em expressar uma opinião sobre estas demonstrações financeiras com base na nossa auditoria, que foi conduzida de acordo com as Normas Internacionais de Auditoria. Essas Normas exigem que cumpramos requisitos éticos e que planeemos e executemos a auditoria para obter garantia razoável sobre se as demonstrações financeiras estão isentas de distorção material.

Uma auditoria envolve executar procedimentos para obter prova de auditoria acerca das quantias e divulgações constantes das demonstrações financeiras. Os procedimentos seleccionados dependem do julgamento do auditor, incluindo a avaliação dos riscos de distorção material das demonstrações financeiras devido a fraude ou a erro. Ao fazer essas avaliações dos riscos, o auditor considera o controlo interno relevante para a preparação e apresentação apropriada das demonstrações financeiras pela entidade a fim de conceber procedimentos de auditoria que sejam apropriados nas circunstâncias, mas não com a finalidade de expressar uma opinião sobre a eficácia do controlo interno da entidade. Uma auditoria inclui também avaliar a apropriação das políticas contabilísticas usadas e a razoabilidade das estimativas contabilísticas feitas pela Administração, bem como avaliar a apresentação global das demonstrações financeiras.

Estamos convictos que a prova de auditoria que obtivemos é suficiente e apropriada para proporcionar uma base para a nossa opinião.

KPMG

Opinião

Em nossa opinião, as demonstrações financeiras apresentam de forma apropriada, em todos os aspectos materialmente relevantes, a posição financeira do Banco de Negócios Internacional, S.A., em 31 de Dezembro de 2012 e o seu desempenho financeiro e fluxos de caixa relativos ao exercício findo naquela data de acordo com os princípios estabelecidos no CONTIF e outras disposições emitidas pelo BNA.

Luanda, 10 de Abril de 2013

KPMG Angola – Audit, Tax, Advisory, S.A.

KPMG

16. Supervisory Board's Report

BANCO DE NEGOCIOS INTERNACIONAL, S.A

PARECER DO CONSELHO FISCAL

1 – Dando cumprimento ao mandato que Vªs Exªs. nos conferiram e em conformidade com as disposições legais em vigor no País, bem como os Estatutos do ***BNI - Banco de Negócios Internacional, S.A.,*** vimos submeter à apreciação de Vªs Exªs., o nosso parecer sobre o Relatório do Conselho de Administração e as Demonstrações Financeiras referentes ao exercício económico findo em 31 de Dezembro de 2012.

2 - O Conselho Fiscal acompanhou a actividade desenvolvida pelo Banco durante o exercício económico findo, procedeu ao exame das Demonstrações Financeiras, obteve todas as informações e esclarecimentos que julgadas pertinentes, tendo em função disso, concluído que as mesmas foram preparadas em obediência aos princípios contabilísticos geralmente aceites e normas estabelecidas para o sector.

3 – A actividade do Banco, no decorrer do exercício económico em análise, continuou a caracterizar-se por uma estratégia de consolidação da sua estrutura hierárquica e funcional e no desenvolvimento da sua actividade Comercial, baseada na execução do Plano de Actividade e Orçamento reportados ao exercício findo, tendo como pontos de relevante importância, a inauguração da sua sede, adopção da sua nova imagem institucional, sustentando as acções que visam os objectivos já almejados e previstos.

4 – Suportado na opinião e parecer dos auditores independentes que referem estarem as políticas contabilísticas e os critérios valorimétricos adoptados para os diversos elementos patrimoniais, em conformidade com os requisitos legais estabelecidos no Plano de Contas das Instituições Financeiras (CONTIF) e outras disposições emitidas pelo Banco Nacional de Angola, merecem a concordância do Conselho Fiscal, pelo que as Contas que são presentes aos Exmºs. Senhores Accionistas, reflectem os registos contabilísticos expressos nos respectivos balancetes e demais elementos que compõem as Demonstrações Financeiras.

5 – Face ao referido no ponto anterior, a situação económica e financeira pode ser resumida do seguinte modo:

a) - A Demonstração de Resultados apresenta um Lucro Líquido em milhares em AKZ no valor 3.378.526, decorrente de Proveitos Operacionais e não Operacionais no valor de milhares de AKZ 14.258.061 e de Custos Operacionais e Não Operacionais no valor de milhares AKZ 10.129.384, respectivamente;

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b) - O balanço apresenta um total do Activo em milhares de AKZ 162.144.578, um total do Passivo de milhares de AKZ 142.934.679, e o Capital e Fundos Próprios no valor de milhares de AKZ 19.209.899 que inclui os resultados líquidos transitados e do exercício.

7 – O Conselho Fiscal enaltece o Conselho de Administração e todo colectivo de trabalhadores pelos esforços consentidos no sentido de dinamizar e consolidar o processo de um Banco diferenciado, no segmento do mercado financeiro.

6 – Assim, com base no exposto, é nossa opinião que as Demonstrações Financeiras relativa ao exercício findo em 31 de Dezembro de 2012, traduzem, em todos os aspectos materialmente relevantes, a posição Financeira e Patrimonial do ***BNI - Banco de Negócios Internacional, S.A.,*** naquela data, estando em condições de serem submetidos à Assembleia Geral, visando a sua aprovação.

Luanda, 10 de Abril de 2013.

Luis Neves
(Presidente)

Licínio de Assis
(1 º Vogal).

Dina Leote
(2º Vogal)

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