

In compliance with Notice no. 15/07, of 12 September, of the National Bank of Angola, after analysis and approval by the General Meeting, the Banco de Negócios Internacional (BNI) publishes the Individual Accounts for the Year at 31 December 2017, as of 30 June 2018, in accordance with the International Financial Reporting Standards (IFRS) in force.

## BALANCE SHEET

	(AKZ 000)	
	31.12.2017	30.06.2018
CASH AND CASH ON HAND IN CENTRAL BANKS	26 690 292	14 229 314
CASH ON HAND IN OTHER CREDIT INSTITUTIONS	10 697 189	10 474 327
INVESTMENTS IN CENTRAL BANKS AND IN OTHER CREDIT INSTITUTIONS	18 649 236	31 227 432
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	6 452 087	-
FINANCIAL ASSETS AVAILABLE FOR SALE	123 449	23 599
INVESTMENTS AT AMORTIZED COST	73 180 417	107 149 956
LOANS TO CUSTOMERS	89 940 081	104 807 606
NON-CURRENT ASSETS HELD FOR SALE	4 344 428	6 769 048
OTHER TANGIBLE ASSETS	14 608 627	14 462 197
INTANGIBLE ASSETS	272 753	297 276
INVESTMENTS IN SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES	46 144	145 994
CURRENT TAX ASSETS	520 755	-
DEFERRED TAX ASSETS	3 068 274	4 024 786
OTHER ASSETS	18 201 218	22 117 015
<b>TOTAL ASSETS</b>	<b>266 794 950</b>	<b>315 788 550</b>
RESOURCES OF CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS	6 135 455	12 331 873
CUSTOMER RESOURCES AND OTHER LOANS	234 333 360	253 924 362
PROVISIONS	101 656	625 535
CURRENT TAX LIABILITIES	302 634	167 915
SUBORDINATED LIABILITIES	5 038 946	7 579 473
OTHER LIABILITIES	2 645 764	17 724 101
<b>TOTAL LIABILITIES</b>	<b>248 557 815</b>	<b>292 353 259</b>
SHARE CAPITAL	14 642 808	14 642 808
OWN SHARES	(1 071 854)	(339 713)
REVALUATION RESERVERS	(918 276)	(291 038)
OTHER RESERVES AND RETAINED EARNINGS	3 581 679	(1 004 383)
NET INCOME FOR THE YEAR	2 002 778	10 427 617
<b>TOTAL EQUITY</b>	<b>18 237 135</b>	<b>23 435 291</b>



**Mário Palhares**  
Chairman



**Sandro Africano**  
Chief Executive Officer

## INCOME STATEMENT

	30.06.2017	30.06.2018
		(AKZ 000)
INTEREST AND SIMILAR INCOME	8 849 417	11 706 997
INTEREST AND SIMILAR CHARGES	(3 503 540)	(4 392 574)
<b>FINANCIAL MARGIN</b>	<b>5 345 877</b>	<b>7 314 423</b>
INCOME FROM SERVICES AND COMMISSIONS	1 925 247	2 272 670
CHARGES WITH SERVICES AND COMMISSIONS	(500 406)	(786 690)
INCOME FROM FINANCIAL ASSETS AND LIABILITIES VALUED AT FAIR VALUE THROUGH PROFIT AND LOSS	133 826	17 504
FOREIGN EXCHANGES EARNINGS	2 318 254	14 175 089
INCOME FROM DISPOSAL OF OTHER ASSETS	2 139	-
OTHER OPERATING INCOME	(161 574)	(71 849)
<b>PRODUCT OF THE BANKING ACTIVITY</b>	<b>9 063 363</b>	<b>22 921 147</b>
STAFF EXPENSES	(2 468 180)	(3 056 982)
THIR-PARTY SUPPLIES AND SERVICES	(2 937 468)	(3 967 595)
DEPRECIATION AND AMORTISATIONS OF THE YEAR	(628 456)	(707 485)
PROVISIONS NET OF WRITE-OFFS	(876 237)	(1 402 759)
IMPAIRMENT FOR LOANS TO CUSTOMERS	(834 335)	(2 154 717)
IMPAIRMENT FOR OTHER ASSETS NET	(53 854)	-
<b>INCOME BEFORE TAXES</b>	<b>1 264 833</b>	<b>11 631 609</b>
CURRENT TAXES	-	(90 973)
DEFERRED TAXES	(521 583)	(1 113 019)
<b>NET INCOME</b>	<b>743 250</b>	<b>10 427 617</b>



**Mário Palhares**  
Chairman



**Sandro Africano**  
Chief Executive Officer



## ***Review Report on the Financial Statements***

**(Free translation from the original in Portuguese)**

To the Board of Directors of Banco de Negócios Internacional, S.A.

### ***Introduction***

1 We have reviewed the accompanying financial statements of Banco de Negócios Internacional, S.A. ("Bank"), which comprise the balance sheet as at 30 June 2018 with total assets of 315.788.550 thousands of Kwanzas and total shareholder's equity of 23.435.291 thousands of Kwanzas, including a net profit of the period of 10.427.617 thousands of Kwanzas, the statement of income and the accompanying explanatory notes. These financial statements were prepared in accordance with the financial reporting framework described in note 2 to the financial statements.

### ***Responsibilities of Board of Directors***

2 The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting framework described in note 2 to the financial statements and for such internal control, as the Board of Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

3 Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with the Technical Standards issued by the Institute of Statutory Auditors "Ordem dos Contabilistas e Peritos Contabilistas de Angola" on review engagements – Engagements to review historical financial statements. This standard require that we conduct the review in order to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared, in all material respects, in accordance with the applicable financial reporting framework. This standard also require that we comply with all relevant ethical requirements.

4 A review of financial statements in accordance with the Technical Standards is a limited assurance engagement. The procedures performed mainly consist of making inquiries to the Board of Directors and to others, as deemed appropriate, and applying analytical procedures, and evaluating the evidence obtained.

5 The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an opinion on these financial statements.

### ***Basis for qualified conclusion***

6 The Angolan Association of Banks ("ABANC") and the National Bank of Angola ("BNA") expressed an interpretation on 7 February 2018 that the criteria referred to in IAS 29 - Financial

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Reporting in Hyperinflationary Economies ("IAS 29") to consider the Angolan economy as an hyperinflationary economy as at 31 December 2017 were not met. Therefore, the Board of Directors decided not to apply the requirements of IAS 29 in preparing the financial statements as at 30 June 2018. On 30 June 2018 the accumulated inflation for the last three years exceeds 100%, regardless of the index applied. It is also expected to continue to cumulatively exceed 100% for the remainder of 2018, which is an objective quantitative condition that leads us to consider, in addition to the other conditions referred in IAS 29, that the functional currency of the Bank's financial statements on 30 June 2018 corresponds to the currency of a hyperinflationary economy. In these circumstances, the Bank should have presented its financial statements on 30 June 2018 in accordance with the requirements set in IAS 29. However, we have not obtained sufficient information to enable us to practicably quantify the financial effects of this situation on the Bank's financial statements as at 30 June 2018, which we consider would be material.

***Qualified conclusion***

7 Based on our review, except for the effects of the matter referred to in paragraph above, nothing has come to our attention that causes us to believe that the accompanying financial statements referred to in paragraph 1 above were not prepared, in all material respects, in accordance with the financial reporting framework described in note 2 to the financial statements.

***Emphasis of Matter - Basis of accounting and restriction on distribution and use***

8 We draw attention to note 2 to the financial statements, which describes the basis of accounting. The financial statements were prepared to support the Board of Directors of Banco de Negócios Internacional, S.A. and the Banco Nacional de Angola in the inclusion of the provisional net profit at 30 June 2018 in the core own funds, in accordance with Notice n. 02/2016 of Banco Nacional de Angola. As a result, these financial statements may not be suitable for another purpose. Our report is intended solely for the Board of Directors of Banco de Negócios Internacional, S.A. and the Banco Nacional de Angola and should not be distributed to other parties. These financial statements does not comprise a full set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) in force. Our conclusion is unchanged in this regard.

1 August 2018

PricewaterhouseCoopers (Angola), Lda  
Registered at Ordem dos Contabilistas e Peritos Contabilistas de Angola under the n° E20170010  
Represented by:

Ricardo Santos, Perito Contabilista No. 20120086

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