

BALANCE SHEETS AS OF DECEMBER 31, 2019 AND 2018

BALANCE SHEET AS OF 31 DECEMBER 2019 AND 2018

(Amounts expressed in thousands of Kwanzas)

ASSET	Notes	31/12/2019		31/12/2018	
		Gross Asset	Impairment and amortisation	Net Asset	Net Asset
Cash and deposits at central banks	3	170,149,668	-	170,149,668	135,930,360
Deposits with other credit institutions	4	35,837,966	(50,076)	35,787,890	30,067,763
Applications in central banks and other credit institutions	5	145,624,758	(80,690)	145,544,068	91,008,182
Investments at amortized cost	6	789,377,246	(12,046,521)	777,330,725	612,056,115
Loans to customers	7	771,591,634	(208,491,297)	563,100,337	396,255,189
Non-current assets held for sale	8	22,803,914	(2,132,622)	20,671,292	19,394,898
Other tangible assets	9	26,128,393	(10,968,706)	15,159,687	13,556,305
Intangible Assets	9	1,009,033	(762,185)	246,848	292,808
Investments in subsidiaries, associates, and joint ventures	10	748,831	-	748,831	411,209
Other Assets	11	12,191,992	-	12,191,992	8,732,672
Total Assets		1,975,463,435	(234,532,097)	1,740,931,338	1,307,705,501

LIABILITIES AND EQUITY	Notes	31/12/2019		31/12/2018	
Liabilities					
Resources of central banks and other credit institutions	12			109,439,319	108,602,112
Customer resources and other loans	13			1,202,785,346	920,696,233
Provisions	14			18,880,233	12,972,247
Current tax liabilities	26			6,635,175	-
Other liabilities	15			39,472,481	31,434,865
Total Liabilities				1,377,212,554	1,073,705,457
Equity					
Share Capital	16			20,000,000	20,000,000
Revaluation reserves	16			206,471,028	97,780,043
Other reserves and retained earnings	16			66,590,535	65,215,733
Net profit for the year	16			70,657,221	51,004,268
Total Equity				363,718,784	234,000,044
Total Liabilities and Equity				1,740,931,338	1,307,705,501

PORTFOLIO MANAGER

Jaime Pedro Galhoz Pereira

PRESIDENT C.A.

Fernando José Aleixo Duarte

STATEMENTS OF CHANGES IN OWN FUNDS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018 (Amounts expressed in thousands of Kwanzas)

	Share Capital	Revaluation reserves	Legal reserve	Other Reserves and Retained Earnings		Total	Net profit for the year	Total Equity
				Other Reserves				
Balances as of 31 December 2017	3,000,000	5,823,538	35,716,242	39,648,831		75,365,073	34,253,304	118,441,915
Appropriation of net profit for the year 2017:								
Share capital increase (Note 16)	17,000,000	-	-	(17,000,000)		(17,000,000)	-	(17,000,000)
Distribution of dividends	-	-	-	-		-	(27,402,644)	(27,402,644)
Transfer to legal reserve	-	-	6,850,660	-		6,850,660	(6,850,660)	-
Update of own funds (Note 16)	-	91,956,505	-	-		-	91,956,505	91,956,505
Net profit for the year 2018	-	-	-	-		-	51,004,268	51,004,268
Balances as of 31 December 2018	20,000,000	97,780,043	42,566,902	22,648,831		65,215,733	51,004,268	234,000,044
Appropriation of net profit for 2018:								
Distribution of dividends	-	-	-	-		-	(40,803,414)	(40,803,414)
Transfer to legal reserve	-	-	10,200,854	-		10,200,854	(10,200,854)	-
Update of own funds (Note 16)	-	108,690,985	-	-		-	108,690,985	108,690,985
Other	-	-	-	(8,826,052)		(8,826,052)	-	(8,826,052)
Net profit for the year	-	-	-	-		-	70,657,221	70,657,221
Balances as of 31 December 2019	20,000,000	206,471,028	52,767,756	13,822,779		66,590,535	70,657,221	363,718,784

PORTFOLIO MANAGER

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CASH FLOW STATEMENT FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
 (Amounts expressed in thousands of kwanzas)

	Notes	31/12/2019	31/12/2018
Interest and similar income	18	127,765,048	104,662,191
Interest and similar charges	18	(36,501,274)	(38,311,187)
Financial margin		91,263,774	66,351,004
Income from services and commissions	19	10,439,226	9,983,187
Charges for services and commissions	19	(2,186,436)	(1,661,605)
Investment income at amortised cost	20	14,249	1,010,246
Exchange rate earnings	21	175,218,017	117,117,183
Income from the sale of other assets	22	123,633	152,141
Other operating incomes	23	(2,144,155)	(1,912,176)
Banking activity		272,728,308	191,039,980
Staff costs	24	(34,233,638)	(24,114,193)
Third party supplies and services	25	(17,840,953)	(10,200,529)
Depreciation and amortization for the year	9	(1,343,143)	(1,151,300)
Net provisions for cancellations	14	3,252,332	(274,929)
Impairment for loans to customers net of reversals and recoveries	14	(34,626,830)	(9,071,239)
Impairment for other financial assets net of reversals and recoveries	14	(2,054,250)	(610,996)
Results of subsidiaries, associates and joint ventures (equity method)	10	101,555	28,414
Result in net monetary position	16	(108,690,985)	(91,956,505)
Profit before tax		77,292,396	53,688,703
Taxes on results	26	(6,635,175)	(2,684,435)
Currents	—	—	—
Profit after tax		70,657,221	51,004,268
Net profit for the year		70,657,221	51,004,268
Average number of ordinary shares issued		20,000,000	20,000,000
Basic earnings per share (in kwanzas)		3.53	2.55


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STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

(Amounts expressed in thousands of Kwanzas)

	31/12/2019	31/12/2018
Net profit for the year	70,657,221	51,004,268
Other comprehensive income		
Profit not included in the income statement	-	-
Full income for the year	70,657,221	51,004,268


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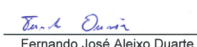
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CASH FLOW STATEMENT FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
 (Amounts expressed in thousands of kwanzas)

	31/12/2019	31/12/2018
Cash flows from operating activities		
Interest, commissions, and similar income received	122.576.436	115.625.968
Interest, commissions, and similar costs paid	(38.109.742)	(36.790.523)
Payments to employees and suppliers	(49.009.648)	(35.517.362)
Other results	12.375.866	32.421.763
Cash flows before changes in operating assets and liabilities	47.832.912	75.739.846
(Increases) / decreases in operating assets:		
Investments in central banks and other credit institutions	(9.429.851)	(54.791.354)
Investments at amortized cost	94.751.210	56.940.459
Loans to customers	(51.286.889)	(12.915.261)
Other Assets	(3.239.398)	(2.064.885)
Net flow from operating assets	28.319.857	90.824.803
Increases / (decreases) in operating liabilities:		
Resources from central banks and other credit institutions	(41.036.876)	(13.655.721)
Resources from customers and other loans	27.617.952	(103.750.234)
Other liabilities	(5.481.578)	(1.691.759)
Net cash provided by operating liabilities	(18.900.502)	(119.097.714)
Cash net of operating activities before income taxes	57.252.267	47.466.935
Income taxes paid	(189.780)	(238.989)
Net cash from operating activities	57.062.487	47.227.946
Cash flows from investment activities		
Acquisitions of other tangible assets, net of disposals	(641.139)	(1.578.537)
Acquisitions of intangible assets, net of disposals	(85.345)	(261.043)
Acquisitions of investments in subsidiaries, associates and joint ventures, net of disposals	(74.083)	-
Net cash from investment activities	(800.567)	(1.839.580)
Cash flows from financing activities		
Distribution of dividends	(40.803.414)	(27.402.643)
Net cash from financing activities	(40.803.414)	(27.402.643)
Variation of cash and cash equivalents	15.458.506	17.985.723
Cash and cash equivalents at the beginning of the year	166.026.148	138.433.039
Effects of exchange rate changes on cash and cash equivalents	24.357.738	9.607.386
Cash and cash equivalents at the end of the year	205.842.392	166.026.148


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INVENTORY OF SECURITIES AS OF DECEMBER 31, 2019

(Amounts expressed in thousands of kwanzas)

Nature and kind of securities	Quantity	Value	Average acquisition	Quotation Value	Balance sheet value
130- TITLES AND MOBILIARY VALUES					789.377.24
13030- INVESTMENTS AT AMORTISED COST					789.377.24
13030100- NATIONAL INVESTMENT TITLES					73.520.99
130301004 Non- readjust able government bonds	656	100	90	100	58.986.58
130301005 Income receivable					1.914.25
130301006 Deferred income					3.864.99
130301007 Rec.Treasury Bills Amortized Cost	9.000	1	0,86	1	7.731.43
130301008 Income receivable					1.023.73
13030101- INVESTMENT TITLES NATIONAL INDEXED CURRENCY					593.339.36
130301010 Treasury Bonds Index USD	980	100	206	596	583.575.79
130301011 Income receivable					8.045.74
130301012 Deferred income					1.717.81
130301013 Committed Treasury Bonds					
13030102- FOREIGN CURRENCY INVESTMENT TILES					122.516.88
130301020 Treasury Bonds Foreign Currency	23.927	4.651	4.651	4.651	111.293.16
130301021 Receipts with income receivable					767.876
130301022 Deferred income					
130301023 Rec. Other Titles Amortized cost	385	27.041	27.041	27.041	10.410.72
130301024 Receipts with income receivable					45.113
19010- INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES					748.831
19010200- SHARES IN OTHER RESIDENT COMPANIES					276.424
EMIS					252.200
Participation in the capital					245.132
Supplies					7.067
ABANC					24.224
Supplies					24.224
19010201- HOLDINGS IN OTHER NON-RESIDENT COMPANIES					472.407

PORTFOLIO MANAGER

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MOVEMENT IN FIXED ASSETS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018


(Amounts expressed in thousands of Kwanzas)

	Gross Assets										Balances as of 31/12/2019
	Balances as of 31/12/2017	Increases	Sales and Disposals	Transfers	Regula- rizations	Balances as of 31/12/2018	Increases	Sales and Disposals	Transfers	Regula- rizations	
Other tangible assets:											
Property for own use	9,716,785	208,645	-	573,020	127,696	10,626,146	367,497	-	610,064	279,411	11,883,118
Works on rented buildings	1,786,301	18,207	-	325,983	-	2,130,491	122,675	-	-	-	2,253,166
Equipment	8,263,690	362,879	(8,535)	102,952	352,284	9,073,270	866,545	(53,320)	94,253	1,110,204	11,090,952
Pieces of Art	4,217	-	-	-	-	4,217	-	-	-	-	4,217
	19,770,993	589,731	(8,535)	1,001,955	479,980	21,834,124	1,356,717	(53,320)	704,317	1,389,615	25,231,453
Intangible assets:											
Goodwill	149,815	-	-	-	-	149,815	-	-	-	-	149,815
Incorporation costs	4,383	-	-	-	-	4,383	-	-	-	-	4,383
Multi-annual costs	35,289	-	-	-	-	35,289	-	-	-	-	35,289
Automatic data processing system "Software"	472,479	261,043	-	-	-	733,522	85,344	-	-	-	818,866
Other intangible fixed assets	233,180	-	-	(232,500)	-	680	-	-	-	-	680
	895,146	261,043	-	(232,500)	-	923,689	85,344	-	-	-	1,009,033
Fixed assets in progress	1,597,374	1,045,629	-	(769,455)	(384,663)	1,488,885	112,372	-	(704,317)	-	896,940
	22,263,513	1,896,403	(8,535)	-	95,317	24,246,698	1,554,433	(53,320)	-	1,389,615	27,137,426
Accumulated depreciation											
	Balances as of 31/12/2017	Reinforce- ments	Sales and Disposals	Regula- rizations	Balances as of 31/12/2018	Balances as of 31/12/2018	Depreciation for financial year	Sales and Disposals	Transfers	Regula- rizations	Balances as of 31/12/2019
Other tangible assets:											
Property for own use	1,311,644	203,984	-	573,020	127,696	10,626,146	367,497	-	610,064	279,411	11,883,118
Works on rented buildings	1,624,589	123,140	-	325,983	-	2,130,491	122,675	-	-	-	2,253,166
Equipment	5,728,114	742,157	(5,673)	102,952	352,284	9,073,270	866,545	(53,320)	94,253	1,110,204	11,090,952
	8,664,347	1,069,281	(5,673)	1,001,955	479,980	21,834,124	1,356,717	(53,320)	704,317	1,389,615	25,231,453
Intangible assets:											
Goodwill	149,815	-	-	-	149,815	149,815	-	-	-	-	149,815
Incorporation costs	4,383	-	-	-	4,383	4,383	-	-	-	-	4,383
Multi-annual costs	35,289	-	-	-	35,289	35,289	-	-	-	-	35,289
Automatic data processing system "Software"	358,696	82,019	-	-	440,715	440,715	131,304	-	-	-	572,019
Other intangible fixed assets	39,428	-	-	(38,749)	679	679	-	-	-	-	679
	587,611	82,019	-	(38,749)	630,881	630,881	131,304	-	-	-	762,185
	9,251,968	1,151,300	(5,673)	-	10,397,585	10,397,585	1,343,143	(9,837)	-	1,389,615	11,730,891

PORTFOLIO MANAGER


 Jaime Pedro Galhoz Pereira

PRESIDENT C.A.


 Fernando José Aleixo Duarte

INDEPENDENT AUDITOR'S REPORT

Introduction

1. We have audited the accompanying financial statements of Banco BIC, S.A, which comprise the Balance Sheet as of 31 December 2019, showing a total of 1,740, 931, 338 thousand of Angola kwanzas and a total capital of 363,718,784 thousand Angolan kwanzas, including a net profit of 70,657,221 thousand Angolan kwanzas, the Income Statement, profits and other comprehensive income, changes in equity and cash flows for the year then ended and the corresponding Notes.

Responsibility of the Board of Directors for the Financial Statements

2. The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards issued by the IASB - International Accounting Standards Board, and for internal control that determines to be necessary to permit the preparation of financial statements that are free from material misstatement due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an independent opinion on these Financial Statements based on our audit, which was conducted in accordance with the Technical Standards of the Angolan Institute of Accountants and Chartered Accountants. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes assessing the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to form a basis for our audit qualified opinion.

Basis for Qualified Opinion

6. As described in Note 2.3, paragraph i), the Bank is partially applying the principles defined in IAS 29 - Financial Reporting in Hyperinflationary Economies ("IAS 29"), through the monetary revaluation of its own funds, which took place in 2008 and again from May 2016 onwards. However, at the end of 2018, the Angolan Banking Association ("ABANC") and the Banco Nacional de Angola – National Bank of Angola – ("BNA") expressed an interpretation that all the requirements of IAS 29 for the Angolan economy to be considered hyperinflationary were not met and consequently, with the exception of the partial application described above, the Bank's Board of Directors decided to continue not to apply

in full the provisions of that Standard in its financial statements as of 31 December 2018. At that date, the cumulative inflation rate over the last three years exceeds 100%, regardless of the index used, which is an objective quantitative condition that leads us to consider, in addition to the existence of other conditions foreseen in IAS 29, that the functional currency of the Bank's financial statements as of 31 December 2018 corresponds to the currency of a hyperinflationary economy. In these circumstances, for the purposes of presenting its financial statements at those dates, the Bank should have fully adopted the provisions of that Standard, including the updating of its non-financial assets, essentially the "Other tangible assets" and the revaluation of the various components comprising Own Funds. As of 31 December 2019, the information obtained indicates that Angola should not be considered a hyperinflationary economy, however, the Bank should provide comparative financial information with reference to 31 December 2018 covering all the principles defined in IAS 29. However, we have not obtained sufficient information to be able to accurately quantify the effects of the increases in the Bank's assets and own funds as of 31 December 2018, which we believe to be significant.

Opinion

7. In our opinion, except for the possible effects of the matter described in paragraph 6 above, the financial statements referred to above represent in a true and fair way, in all materially relevant aspects, the financial position of Banco BIC, S.A. as of 31 December 2019, the profits and comprehensive income of its operations, changes in equity and its cash flows for the year then ended in accordance with the International Financial Reporting Standards issued by the IASB - International Accounting Standards Board (Note 2).

Luanda, 9 April 2020

C&S - Assurance and Advisory, S.A.

Registered with the Angolan Order of Accountants and Chartered Accountants under No.:

E20180018 and with the Capital Market Commission under No.: 001/AE/CMC/02-19

Represented by:



Henrique Manuel Camões Serra
(Perito Contabilista n.º 20130167)

REPORT AND OPINION OF THE SUPERVISORY BOARD

Dear Shareholders of Banco BIC, S.A.

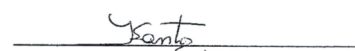
1. In accordance with the Law and the Statute, we hereby present our report on our supervisory activity and our opinion on the financial statements presented by the Board of Directors of Banco BIC, S.A. (the Bank) for the year ended 31 December 2019.
2. During the course of the financial year, we monitored, with the frequency and to the extent we deemed appropriate, the development of the Bank's business, the regularity of its accounting records and its compliance with the applicable legal and statutory requirements. We have also obtained from the Board of Directors and from the Bank's various departments the information and clarifications required for our opinion to be issued,
3. We have analysed the contents of the Auditors' Report, issued by C&S - Assurance and Advisory, S.A., which we present as fully reproduced and which contains a qualified opinion referred to in paragraph 6.
4. We must inform the Shareholders that the failure to fully apply the provisions of IAS 29 - Financial Reporting in Hyperinflationary Economies is due to the instructions issued by the National Bank of Angola, regulator of the financial sector, and by ABANC, which provides an analysis of the evolution of the Angolan economy considering that it is not in hyperinflation. The instructions issued by the National Bank of Angola, as supervisor and regulator of the financial sector, are of mandatory application under the Law and Regulations in force in the country.
5. In performing our work, we examined the Balance Sheet as of 31 December 2019, the Statements of Income, Income and Other Comprehensive Income, Changes in Equity and Cash Flows for the year then ended and the related Notes, including the accounting policies and valuation criteria used.
6. In addition, we have analysed the Management Report for the financial year 2018 prepared by the Board of Directors and the proposal for the allocation of profits included therein.
7. In view of the above, and considering the work accomplished, we are of the opinion that the General Assembly:
 - a) Approves the Management Report for the year ended 31 December 2019,
 - b) Approves the Accounts for that financial year, and
 - c) Approves the Proposal for the Allocation of Profits.
8. We would like to express our appreciation to the Board of Directors and the Bank's departments for their cooperation.

Luanda, 9 April 2020

The Supervisory Board



Sérgio Henrique Borges Serra
Presidente



Maria Ivone de Freitas Pereira dos Santos
Vogal