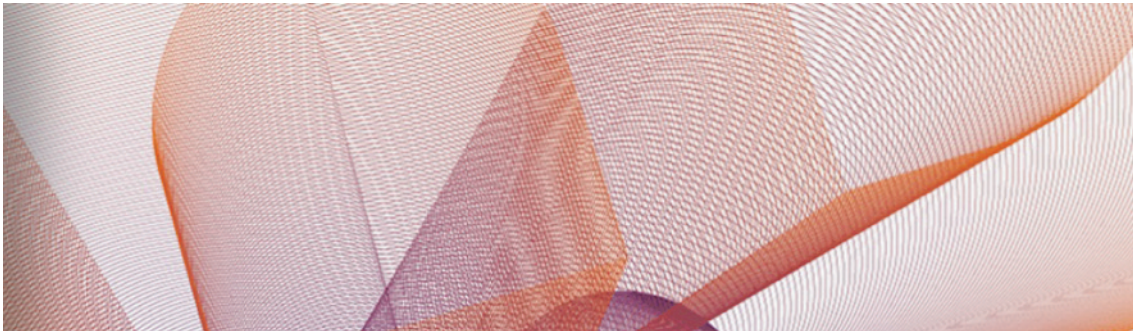




Annual Report and Accounts 2015



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Message from the chairman

Another year has gone by and on balance I wish I wasn't torn by two contradictory feelings: if, on one hand I am glad for the BCH's successful year, on the other hand I'd rather not feel so worried about the exchange rate, the financial and macroeconomic situation of the country.

Before I dwell on those issues, I would like to give you a brief insight into the BCH's results.

The 2015 financial year proved quite successful, with profit reaching the amount of 2.2 billion kwanzas after tax, which stands for an increase of 630% as compared to the year of 2014.

The main ratios show the BCH's comfortable position, by not only presenting liquidity levels which allow it to meet promptly all its liabilities but also a quite solid capital structure. The solvency ratio stands at 134% while the minimum required is 10%. ROA at 17.72%, ROE at 48.19% and Cost to income at 21.84%, while in 2014 the respective percentages were 4.95%, 12.75% and 57.74%, respectively.

The BCH ended the year with 7,773 customers, representing an increase of 92% over the previous year, which shows a solid growth in line with the objectives outlined by Management.

I must point out that most of the indicators had a positive increase:

- Total assets grew by 104%
- Loans and advances to the Government grew favorably by 107%
- Net operating income increased 300%
- The net interest income increased 15%

The BCH has taken a number of initiatives to adopt the new rules of the financial system, including the full implementation of anti-money laundering and terrorist financing plan, as well as adapting International Accounting Standards and International Financial Reporting Standards (IAS/IFRS).

I take this opportunity to say a few words about 2016. I am somewhat concerned, as it presents a less favorable forecast that points to a decrease of our results, in line with the difficulties the country is facing.

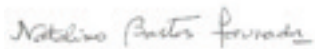
As for the foreign exchange market, there is some uncertainty as to the availability of foreign currencies on the market which may result in greater exchange rate volatility and less financial transactions in the formal market.

With regard to the interbank market, which is mainly characterized by the lending and borrowing of funds between banks, it is almost inoperative.

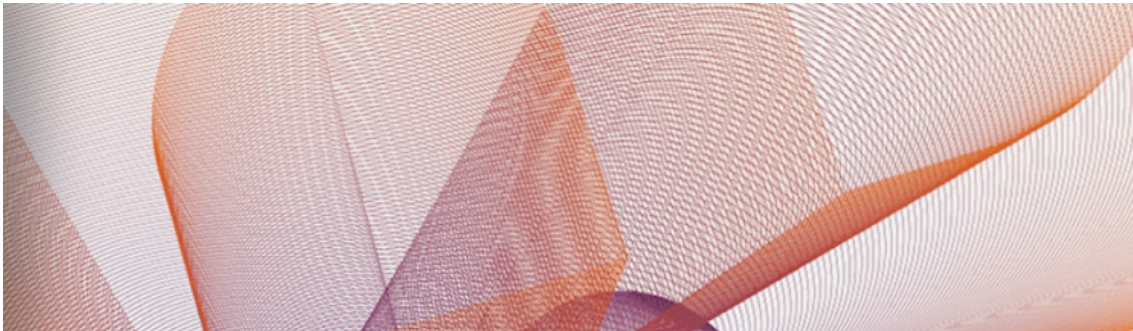
Despite these concerns, the BCH has already defined the measures to be taken in order to overcome any obstacles so as to maintain capital ratios at satisfactory levels, thus continuing to present financial stability.

And my last words are for the customers of BCH whom I would like to thank for placing their trust in us along the way. I also thank the shareholders for their confidence in the Board of Directors and the employees for their commitment and dedication throughout the financial year of 2015 and their determination to win shown in the first months of this year.

I hope that BCH continues to grow and that the financial system is able to meet the economic needs of the country.



Natalino Bastos Lavrador
Chairman of the Board of Directors



Corporate Bodies and Shareholder Structure

Corporate Bodies

At 31 December 2015, the corporate bodies were comprised as follows:

General Meeting of Shareholders – Board

Chairman	Alexandra Teodora da Conceição Cruz Martins
Deputy-chairman	Maria Helena Miguel
Secretary	Regina Luísa Lagos Fernandes dos Santos Nulli

Board of Directors

Chairman	Natalino Bastos Lavrador
Director	Salim Abdul Valimamade
Director	Cristiana de Azevedo Neto Lavrador

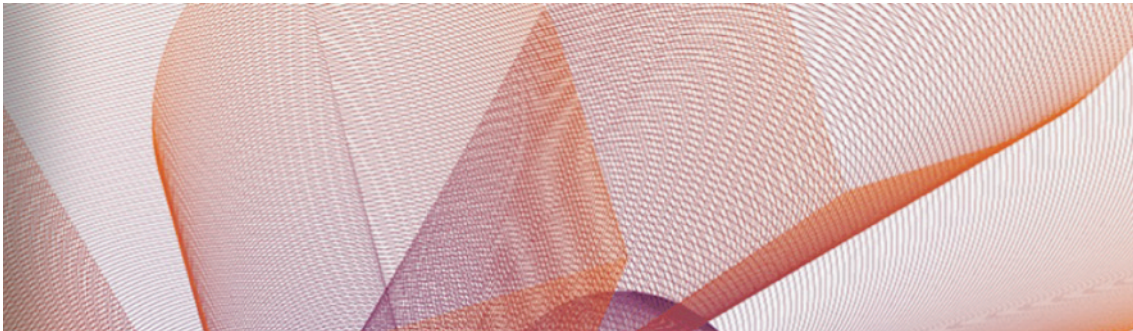
Audit Committee

Chairman	UHY – A. Paredes & Associados – Angola
Deputy-chairman	Mário Silva Castelo Branco
Deputy-chairman	Miguel Francisco Luís Manuel

Shareholder structure

At 31 December 2015, the capital of Banco Comercial do Huambo was owned by 5 shareholders as follows:

Shareholders	Interest
Natalino Bastos Lavrador	51.5%
Sebastião Bastos Lavrador	5.5%
Valdomiro Minoru Dondo	20%
António Mosquito	20%
Carlos Saturnino Guerra Sousa e Oliveira	3%



Macroeconomic Background

Macroeconomic Background

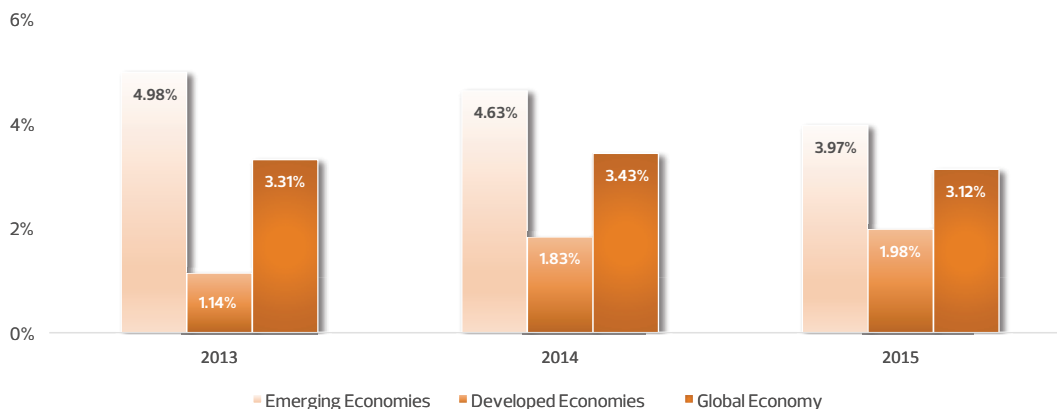
World Economy

The International Monetary Fund revised downward its forecasts for global economic growth in 2015. In October, global growth was 3.1% which is 0.3% lower than the percentage achieved a year earlier and 0.2% down from the projections in July.

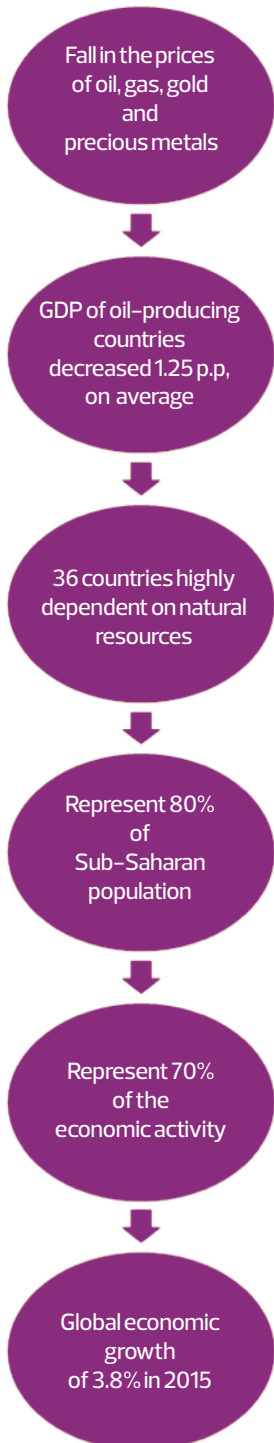
The first projections indicated a gradual picking up of the advanced economies and a slight slowdown of emerging economies. However, the projections were revised downwards. The economic downturn occurred mainly at the beginning of the year and in particular in North America thus justifying the global slowdown. However, this slowdown did not affect the main economic drivers of the developed economies. As these economies benefit from strong structural factors, they managed to apply mechanisms and benefit from internal and external conditions to absorb this shock, mainly accommodative monetary policies, more favorable financial conditions, less aggressive fiscal policies in the euro zone, lower oil price, improved confidence and reduction of unemployment.

On the other hand, emerging countries saw their growth slow down for the fifth consecutive year, mainly influenced by the Chinese economy, the low oil and commodity prices and less favorable global financial conditions translated into lower financial flows and strong exchange rate pressures on national currencies.

Economic Growth 2013 – 2015



Source: World Economic Outlook – International Monetary Fund, October 2015



Economy of Sub-Saharan Africa

Sub-Saharan Africa, comprised mainly of emerging economies, grew moderately in 2015, at 3.8% on average, much less than the 5% in 2014. This slowdown is due mainly to the fall in oil and other commodity (gold and natural gas) prices. The fall in oil prices led to a 1.25 percentage point reduction, on average, of the economic growth of oil-producing countries.

About 36 African countries, which account for 80% of sub-Saharan population and 70% of economic activity, will face greater difficulties due to the dependence of their economies on the exploration of these natural resources.

Therefore, the growth of sub-Saharan Africa will still depend on investment in infrastructure, increased agricultural production and the expansion of the service sector.

One of the greatest hazards to the region's growth is also the less favorable Chinese economic environment, given the importance of this economy as a partner of many African countries, particularly of those with vast natural resources.

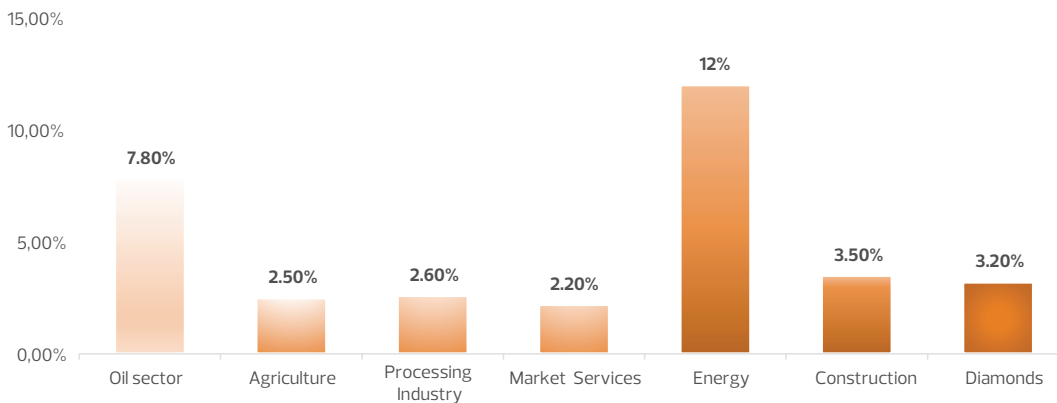
Nonetheless, the overall economy of Sub-Saharan Africa is set to record yet another year of solid economic performance at 3.8% growth in 2015, thus continuing to be one of the regions worldwide with highest growth rates, which is second only to the emerging Asian economies.

Angolan Economy

Given the overall economic slowdown, Angola was faced with 3.5% growth rate as opposed to government projection of 4.8% in 2014.

The Angolan government estimated for 2015 a growth rate of 7.8% for the oil sector as a result of increase in production and 2.4% for the non-oil sector, reflecting the level of growth of agriculture (2.5%), manufacturing (2.6%) and market services (2.2%). The energy sector is expected to grow by 12%, construction sector by 3.5% and diamond industry by 3.2%.

Economic growth in 2015, per sector

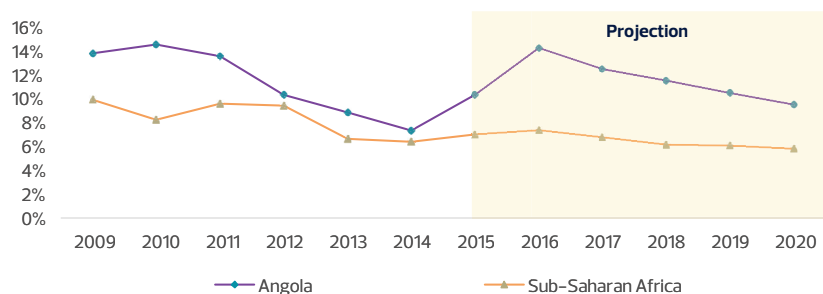


Source: Angolan Government macroeconomic projections for 2015

However, due to several sources of uncertainty that emerged at international level, the global economic stability has been put in doubt, which has negatively affected the price of crude oil due to the imbalance between supply and demand which affected negatively the Angolan economy.

On average, in 2015 a barrel of Brent crude oil was traded for about 53 US dollars, nearly half the price for last year. This fall set the average price per barrel at about 55% below the price recorded at the beginning of 2014. The oil sector constitutes 95% of Angola's exports and the associated tax revenue stands for about two thirds of total tax revenue. Taking into account the significant reduction in revenue from the sale of this resource, the Angolan Government has revised the State Budget and adjusted public expenditure according to expected reduction in tax revenue. The reduction in export earnings caused a decrease in the supply of foreign currencies to economic agents and had a direct impact on GDP growth, thus affecting the economy as a whole as a result of the interdependency of the different sectors. The deterioration of external balance and decrease in international reserves put strains on the national currency which suffered devaluation of more than 20%, and consequent rise in inflation. The IMF estimates 10.3% inflation in 2015, to note the high efforts made by the government in initiatives to control this variable. However, inflation may worsen in 2016 due to the sharp devaluation trend of the kwanza and the related increase in the price of imported goods.

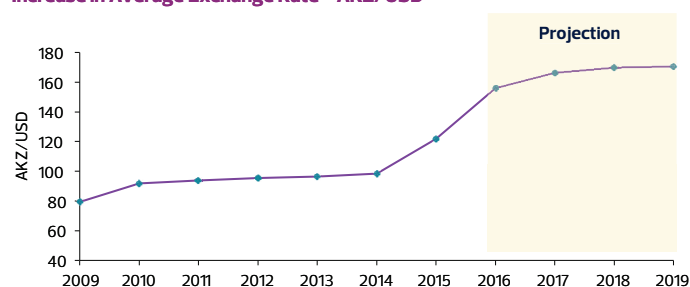
Changes in Inflation Rate (%)



Source: World Economic Outlook – International Monetary Fund, October 2015

As a result of the foregoing, the Law of Financial Institutions has been actively applied by the National Bank of Angola. Thus, it is possible to redirect the currencies towards the priority needs of the country, namely basket funding for essential food items, health and other services. Another objective is to ensure stability in the prices of these goods and services and prevent the population from the total negative effects of the collapse of oil prices in the international market. According to BNA, the exchange rate depreciated more than 30% in 2015 (2014: 5.4%), due to the high demand for foreign currency caused by the significant drop in revenues related to oil exports. In this sense, there have been some challenges, such as reducing the accumulation of foreign exchange which had immediate effect, namely the general rise in prices and a reduction in household disposable income.

Increase in Average Exchange Rate - AKZ/USD



Source: World Economic Outlook – International Monetary Fund, October 2015

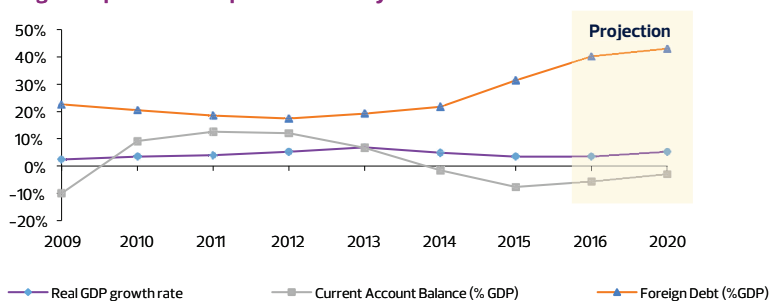
The expectations of maintaining oil barrel prices at relatively low levels and the contraction of public investment, coupled with the growing demand for foreign currency justify the projections of continued devaluation of the kwanza. Despite Angola's slowdown, the government intends to continue the National Development Program for the period of 2013 to 2017 and create conditions for the economy to produce goods and services competitively. It is intended that this program develops initiatives related to the following sectors: energy, water, basic sanitation, education, health, logistics platforms, transport and cold chain. The Private Investment Law approved recently also reinforced the desired potential

and efficiency of services and more foreign private investment, to values close to 10 billion dollars over a period of two years.

Future Perspectives

The international macroeconomic environment and, in particular, the sharp drop in oil prices continue to strongly affect the Angolan economy, likewise other economies in sub-Saharan Africa. This impact was felt strongly in the last two years through currency instability and economic slowdown.

Angola: Expected Developments in the Key Indicators



Source: World Economic Outlook – International Monetary Fund, October 2015; Economist Intelligence Unit

In the coming years the economy is expected to grow moderately at 5.2% per year until 2020. However, the forecasts are based on sets of volatile variables in the short and medium run, as is the oil price. Thus, diversifying the economy and reducing the oil-dependency of Angola should remain a priority of the Angolan government.

Regarding Angola's financial system, its resilience has been strengthened mainly through active monetary policy pursued by BNA and the Government. It is essential that Angola manages to respond to the challenges posed by the global economic environment and be able to implement social reforms that promote human development and sustainable development. In this way, the country can build the necessary bases to position itself as one of the leaders in sub-Saharan Africa.

Analysis of the Angolan banking sector

The banking sector in Angola was affected by the economic slowdown. Thus, its development hasn't been the same as in previous years.

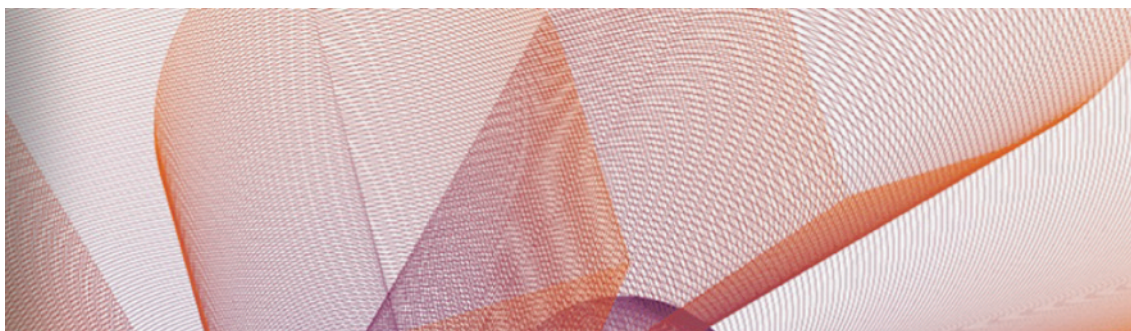
However, despite the less pronounced trend, the banking sector remains with positive growth rates. The positive developments in the banking sector have had effect on banking inclusion. According to 2014 statistics, 47% of Angola's population is banked. This growth contrasts with 30% in 2013 and is due to the growing number of Bankita accounts (current accounts). These accounts had a 36,8% increase in number between 2013 and 2014. In line with this trend, in 2014 there was a 7.3% increase in total financial assets, 6.4% in number of employees in the banking sector and 6.7% in the number of branches.

The number of financial institutions in the country remained unchanged with 29 financial institutions operating. The negative results of the Economic Bank, former Banco Espírito Santo Angola, affected the profitability of the sector which fell by 50.3%, due to adjustments to provisions not previously made.

At the moment, the high percentage of bad loans are one of the sensitive factors that cause the greatest concern in the Angolan banking sector. In 2014, the volume of overdue loans had an upward jump of 41.6%. These amounts substantiated an increase of 2.5 percentage point in the non-performing loans ratio in comparison with the previous year, which stood at about 10.6%.

Prudential and conduct supervision has been tightened in order to align itself with the best international practices and strengthen its reputation on the international financial markets. There were several Instructions and Notices issued which allowed to streamline processes, implement exchange controls, on foreign currency, new standards of financial reporting, legal reserves and for the regulation of the payment systems and fulfillment of fiscal duties.

The major development of the banking system was the creation of a capital market in Angola. In 2015, treasury bonds were traded for the first time on BVDA (Angolan Securities and Derivatives Exchange), which shall be the reference market for these operations. Currently, it is also possible to trade public debt among banks, but it is expected that this market will be extended to the trade of other securities in the near future.

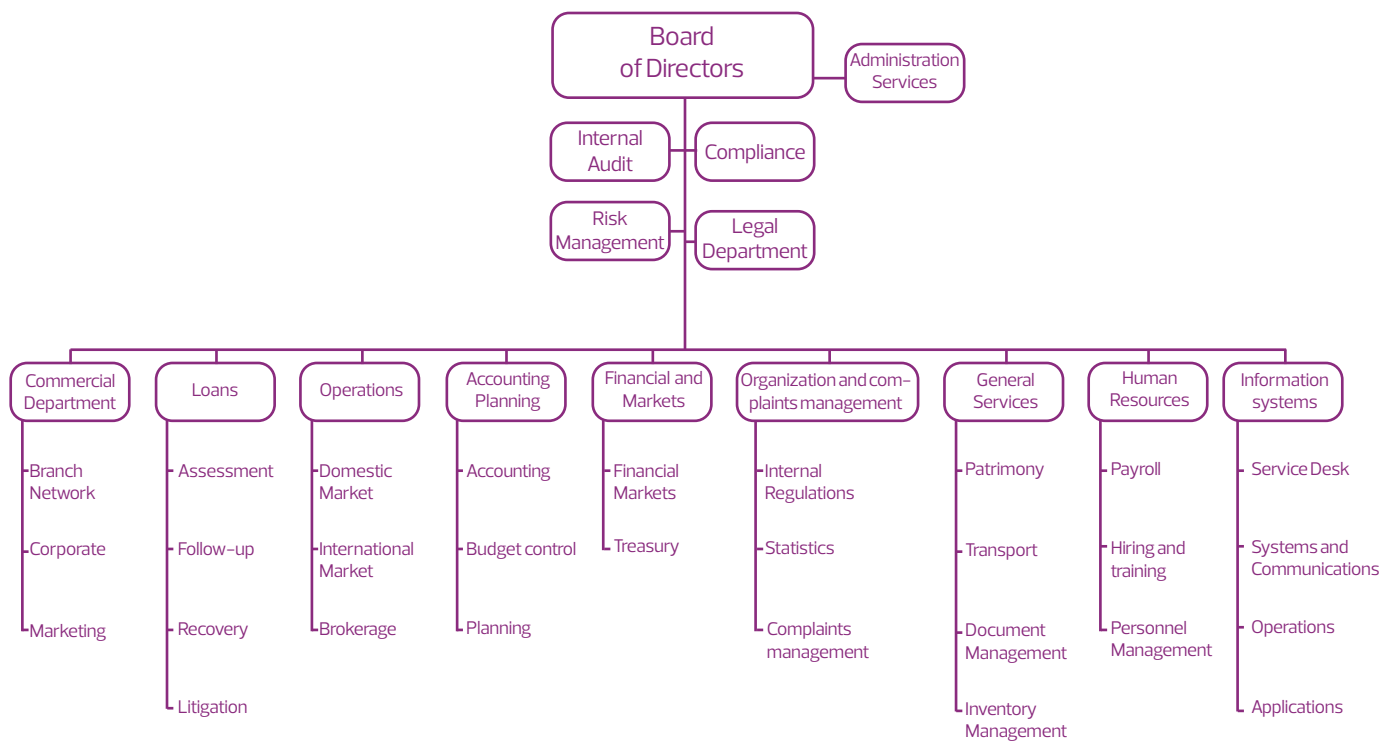


BCH

O BCH

Corporate Structure

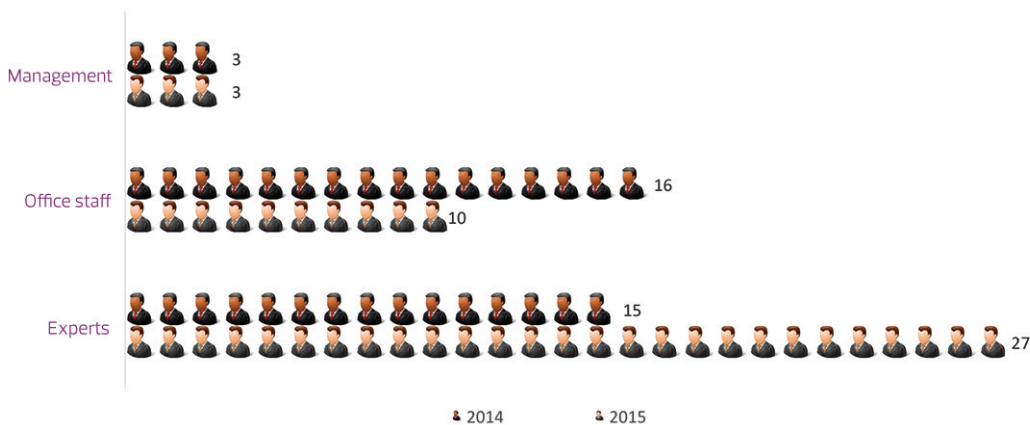
The Board of Directors is comprised by the Chairman and two Directors.



The Management of the Bank implemented a set of initiatives to meet the requirements in Notice N° 1/2013 and Notice N° 2/2013 of 19 April 2013, issued by the National Bank of Angola. However, there is a number of functions, policies and procedures that have not yet been properly implemented or formalized, namely: (i) the Bank does not have a formally established independent risk management function; (ii) the Bank does not have an independent Compliance Department, and has not appointed a person in charge of the independent department from the Board of Directors; (iii) BCH does not have properly documented corporate governance structure.

Human Resources

Following its business expansion policy, BCH seeks to hire new staff that ensure customer service excellence, and which is carried out in line with the economic and financial growth of the Bank. At the end of 2015, the Bank had 40 employees, 6 more than in 2014. The increase in BCH's human resources per function was as follows:

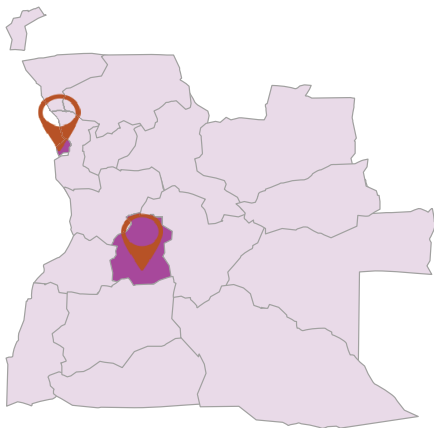


In order to successfully achieve its objectives, the Bank is committed to hiring competent expert staff to reinforce its internal structure. BCH believes that the diversity of our employees is of utmost importance to your success, and so it seeks to have the most talented people who abide by the high ethical standards of the institution.

Branches

In 2015 BCH performed its operations through four branches, one in Huambo and three in Luanda.

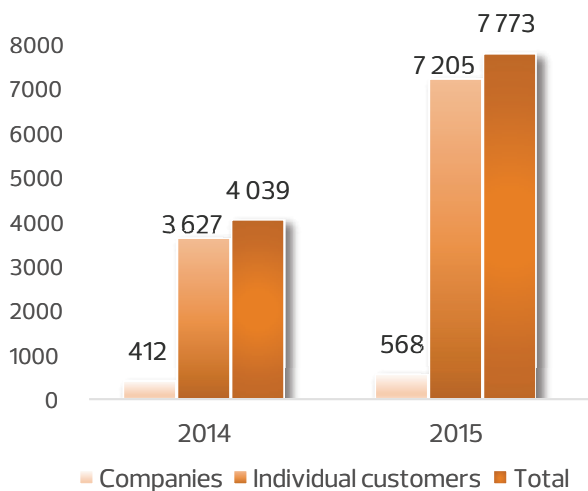
For 2016, the objective outlined by the Board of Directors is the opening of three new branches. This investment will aim to strengthen the Bank's presence in the outskirts of Luanda and open a branch at the Catholic University to be used by staff and students and the general public.

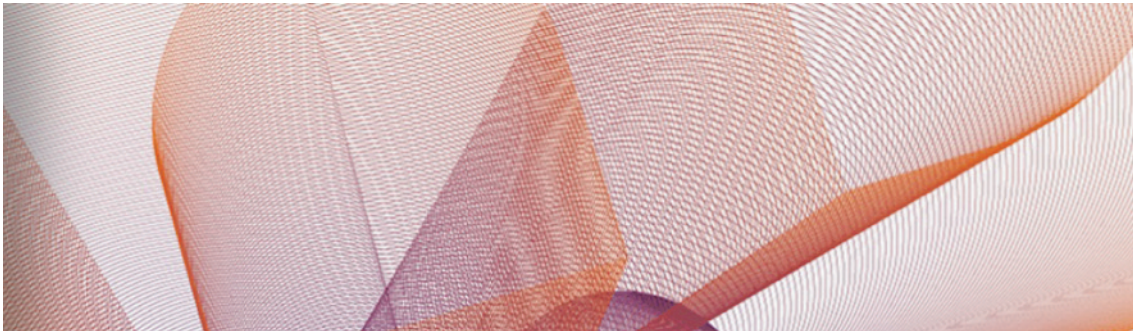


Customers

In 2015, BCH's customer base was comprised of 7,773 clients.

The Bank's customer base went up by 92% in 2015, based on the private customers segment which grew by 99%, thus contributing to the continuation of the consolidated growth of BCH.

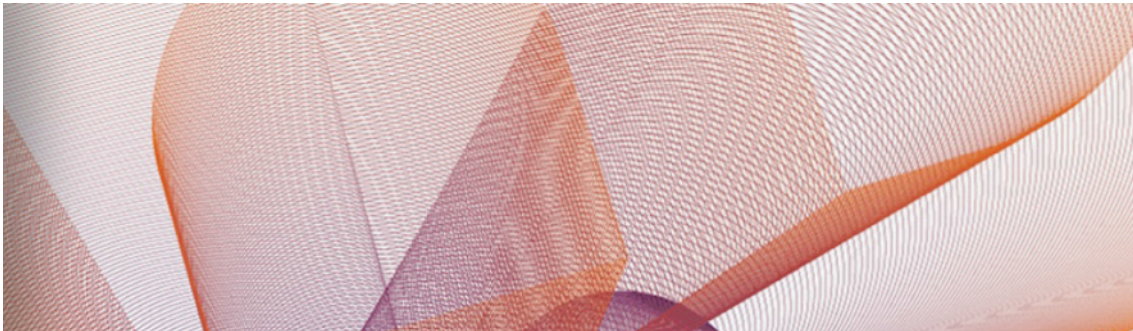




Key Indicators

Os valores monetários estão expressos em milhares de kwanzas angolanos

Indicators	2015	2014	Variation
Total Assets	12,476,613	6,126,307	↑ 104%
Funding the Economy	2,845,209	1,942,700	↑ 46%
Loans and advances to customers	430,212	774,486	↓ 44%
Loans and advances to the government	2,414,997	1,168,214	↑ 107%
Customer Deposits	6,882,588	3,329,822	↑ 107%
Ratio Loans/Deposits	6.25%	23.26%	↓ 17.58 p.p.
Net operating income	3,956,735	989,508	↑ 300%
Net Interest Income	536,304	170,203	↑ 215%
Profit after tax	2,211,227	303,032	↑ 630%
Cost to Income Ratio	21.84%	57.74%	↓ 35.90 p.p.
Regulatory level of equity	4,542,302	2,327,581	↑ 95%
Solvency ratio	133.97%	120.69%	↑ 13.28 p.p.
Return on Assets (ROA)	17.72%	4.95%	↑ 12.78 p.p.
Return on Equity (ROE)	48.19%	12.75%	↑ 35.44 p.p.
Overdue Loans / Total Loans	1.22%	3.59%	↓ 2.37 p.p.
Provisions for Loans / Overdue Loans	31.25%	69.55%	↓ 38.30 p.p.
N° of Branches	4	4	↔
N° of employees	40	34	↑ 18%
Customers	7,773	4,039	↑ 92%

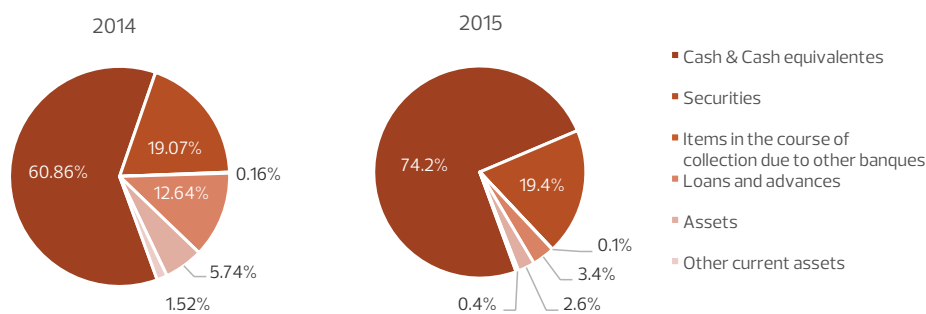


Business development

Business Development

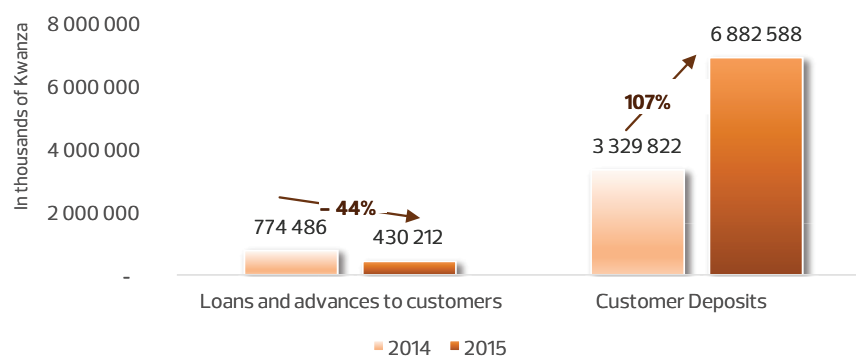
Total Assets

In 2015, BCH had total assets of AKZ 12,476,613 thousand, an increase of 104% from the prior year. Especially Cash & Cash Equivalents which account for 74.2% of Total Assets increased 148% from AKZ 3,728,507 thousand in 2014 to AKZ 9,253,730 thousand in 2015.



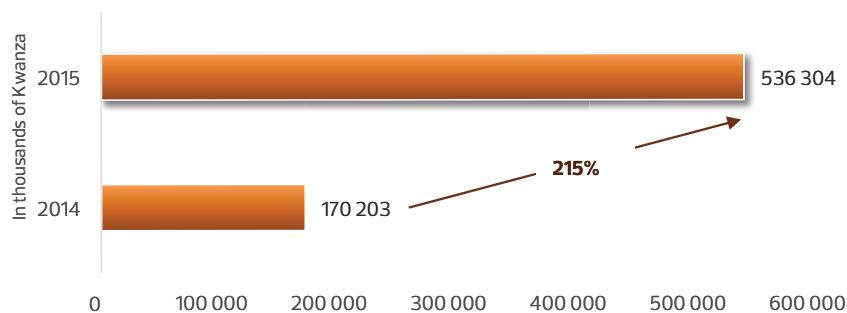
Customer Deposits and Loans and Advances to Customers

In 2015, the amount of customer deposits doubled in relation to 2014. This increase of 107% is also a result of an increased customer base. On the opposite end, there was a 44% decrease of loans and advances to customers to AKZ 430,212 thousand in 2015, down from AKZ 774,486 thousand in 2014. To point out that in 2015 overdue loans decreased to 1.22% (3.59% in 2014).



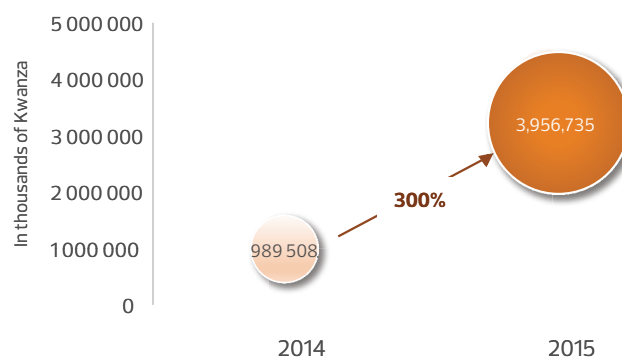
Net Interest Income

The Bank's Net Interest Income increased 215% to AKZ 536,304 thousand, as at 31 December 2015. This is due to the significant increase of Income from Securities which rose from AKZ 95,718 thousand in 2014 to AKZ 495,792 thousand in 2015, offsetting a rise in the Interest expenses on Deposits from AKZ 36,517 thousand in 2014 to AKZ 65,220 thousand in 2015.



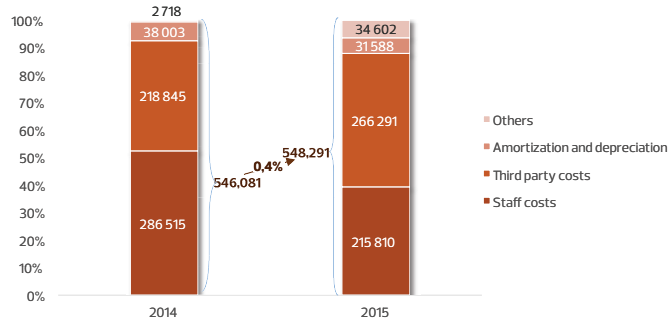
Net operating income

Following the good performance of the net interest income of the Bank, the net operating income also improved substantially in 2015. The figure in Net Operating Profit increased by AKZ 2,967,227 thousand in 2015, a 300% rise in comparison with 2014. This improvement is due, besides the net interest income, to the Net Income from provision of Financial Services of AKZ 2,722,666 thousand. Another important contribution was Net Income from foreign currency transactions which had a 59% increase to AKZ 697,765 thousand at the end of 2015 (AKZ 438,801 thousand in 2014).



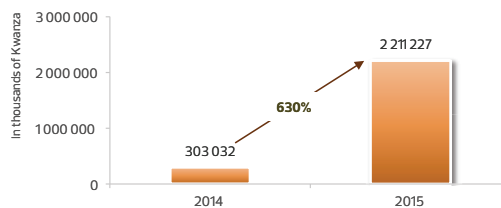
Administration Costs

In 2015 the Bank's cost structure increased slightly by 0,4% in relation to 2014. The main administration cost items are staff costs which went down 25% and third party costs which went up 22%.



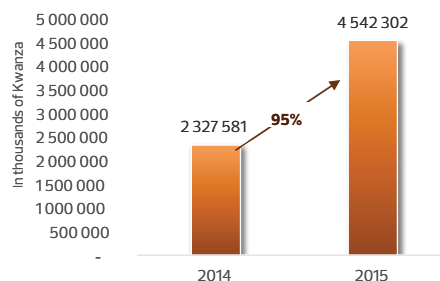
Profit after tax

The net income amounted to a total of AKZ 2,211,227,323 which is AKZ 1,908,194,885 higher than the amount reported in the financial year of 2014.



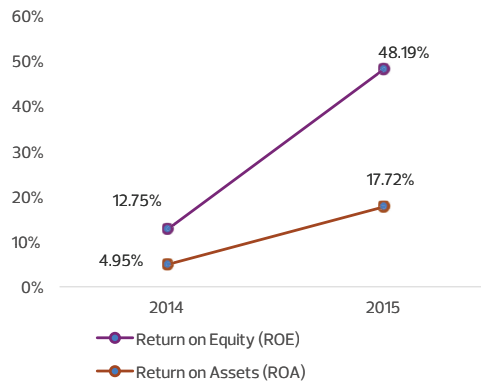
Regulatory Equity Requirements

The amount of Required Equity increased 95%, totaling AKZ 4,542,301,634 at the end of 2015.



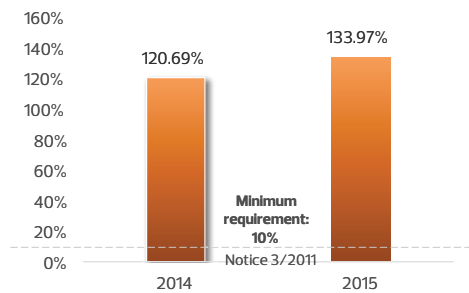
ROE and ROA

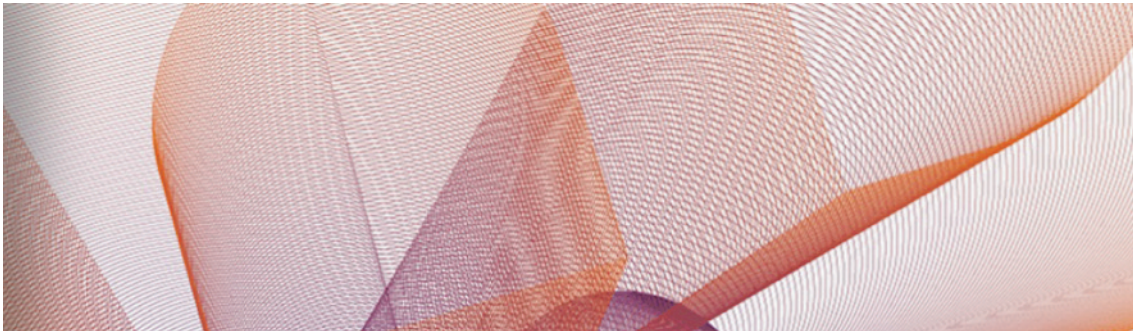
Both ROE and ROA proved the positive business performance in 2015. The Return on Equity grew by 35.44 percentage point, while the Return on Assets increased by 12.78 percentage point.



Solvency Ratios

Based on the calculation defined in Notice 03/2011, this ratio at the end of 2015 is about 133.97%, a percentage well above the 10% minimum requirement set by the National Bank of Angola.



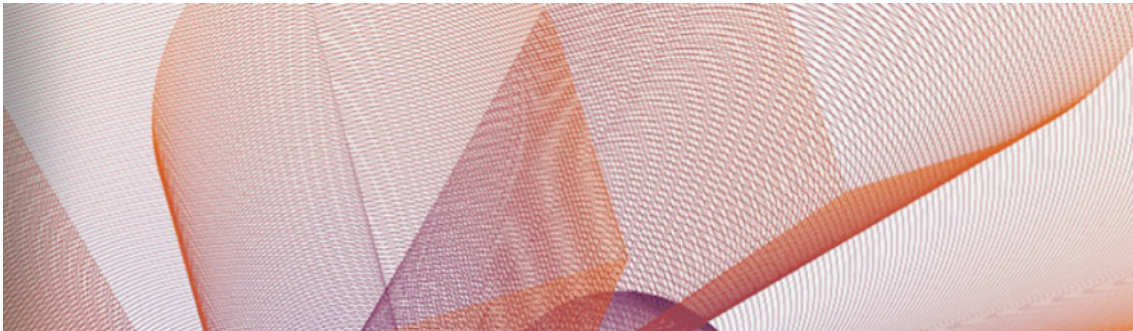


Proposed Appropriation of Profit

Proposed Appropriation of Profit

The profit after tax in 2015 which is AKZ 2,211,227 thousand will be retained as follows:

- AKZ 221,123 thousand in Legal Reserves;
- AKZ 734,751 thousand in Incorporation of Reserves;
- AKZ 219,687 thousand in Dividend Payment;
- AKZ 1,035,667 thousand to hedge Retained Earnings.



Financial Statements

Balance sheet as at 31 December 2015 and 2014

(amounts in thousands of Angolan kwanzas)

In Kwanzas	Note	Dec-15	Dec-14	Dec.15/Dec.14	
				Δ value	Δ %
ASSETS					
Cash and Cash equivalents	3	9,253,730	3,728,507	5,525,223	148.2%
Short-term wholesale investment	-	0	0	0	0,0%
Securities	4	2,414,997	1,168,214	1,246,782	106.7%
Items in the course of collection from other banks	5	6,929	9,909	-2,980	-30.1%
Loans and advances to customers	6	430,212	774,486	-344,274	-44.5%
Other current assets	7	49,142	93,316	-44,174	-47.3%
Fixed assets	8	321,603	351,874	-30,271	-8.6%
TOTAL ASSETS		12,476,613	6,126,307	6,350,306	103.7%
LIABILITIES					
Deposits	9	6,882,588	3,329,822	3,552,766	106.7%
Current Deposits		5,928,967	2,305,084	3,623,883	157.2%
Savings accounts		953,621	1,024,737	-71,117	-6.9%
Items in the course of collection due to other banks	10	27,916	22,048	5,868	26.6%
Other short-term wholesale funding	11	0	312,109	-312,109	-100.0%
Other liabilities	12	977,660	85,205	892,455	1,047.4%
TOTAL LIABILITIES		7,888,164	3,749,185	4,138,980	110.4%
EQUITY					
Share Capital	13	2,265,249	2,265,249	0	0.0%
Reserves and Funds	13	14,795	14,795	0	0.0%
Retained earnings/losses	13	97,178	-205,953	303,131	-147.2%
Operating profit	13	3,164,406	443,524	2,720,882	613.5%
Profit tax	13	-906,764	-135,048	-771,716	571.4%
Non-operating profit	13	-46,415	-5,443	-40,972	752.7%
TOTAL EQUITY		4.49	2,377,123	2,211,326	93.0%
TOTAL EQUITY + LIABILITIES		12,476,613	6,126,308	6,350,305	103.6%

Income Statement as at 31 December 2015 and 2014

(amounts in thousands of Angolan Kwanza)

Description	Note	Dec-15	Dec-14	Dec.15/Dec.14	
				Δ value	Δ %
Income from short-term interbank investments	15	25,242	35,191	-9,949	-28.3%
Income from securities	15	495,792	95,718	400,074	418%
Income from derivative financial instruments	15	0	0	0	-
Income from loans and advances to clients	15	83,834	83,371	463	1%
Income from Financial Instruments - Assets		604,868	214,280	390,588	182%
Interest expense - deposits	15	-65,220	-36,517	-28,703	79%
Interest expense - short-term wholesale funding	15	0	-18	18	-100%
Other interest expense	15	-3,344	-7,542	4,198	-56%
Costs of Financial Instruments - Liabilities		-68,565	-44,077	-24,488	56%
NET INTEREST INCOME		536,304	170,203	366,100	215.1%
Net income from trading and changes in fair value	-	0	0	0	-
Net income from foreign currency transactions	16	697,765	438,801	258,964	59%
Net income from the provision of financial services	17	2,722,666	380,504	2,342,162	616%
Provisions for bad debt and guarantees	6	-267,312	-19,056	-248,256	1,303%
NET OPERATING INCOME		3,689,422	970,452	2,718,970	280.2%
Staff	18	-215,810	-286,515	70,705	-25%
Utilities	19	-266,291	-218,845	-47,446	22%
Non-profit taxes and fees	-	-29,577	-2	-29,575	1408327%
Fines charged by Regulatory Authorities	-	-3,310	-1,574	-1,736	110.36%
Other administration and general expenses	-	-1,715	-1,143	-572	50%
Depreciations and Amortizations	20	-31,588	-38,003	6,415	-17%
Cost recovery	-	0	0	0	-
Administration and General Expenses		-548,291	-546,081	-2,210	0%
Provisions and other liabilities	-	0	0	0	-
Other operating income and expenses	21	23,275	19,153	4,122	22%
Other operating Income and expenses		-525,016	-526,928	1,912	0%
OPERATING PROFIT		3,164,406	443,524	2,720,882	613.5%
Non-operating loss	-	-46,415	-5,443	-40,972	753%
PROFIT BEFORE TAX		3,117,991	438,081	2,679,911	611.7%
Tax	22	-906,764	-135,048	-771,716	571%
PROFIT AFTER TAX		2,211,227	303,032	1,908,195	629.7%

Statement of Changes in Equity as at 31 December 2015 and 2014

(amounts in thousands of Angolan kwanza)

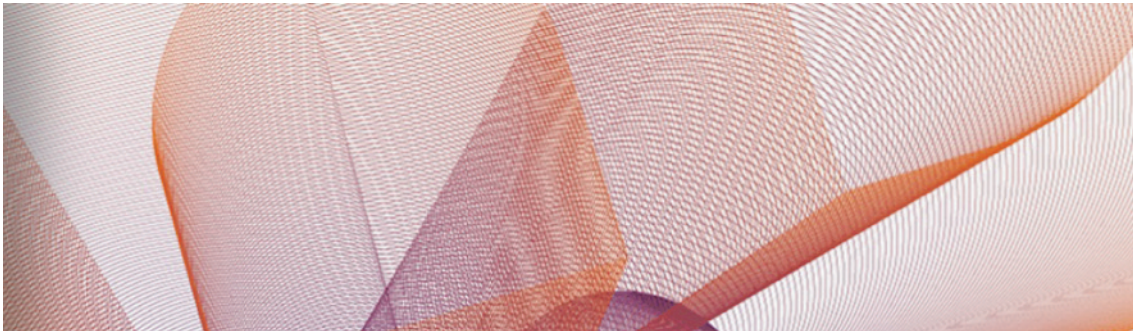
	Note	Share Capital	Currency translation reserve Share Capital	Reserves and Funds	Retained earnings	PROFIT FOR THE YEAR	Total
Balance as at 31 December							
2014		2,265,249	0	14,795	-205,953	303,032	2,377,123
Retained earnings		0	0	0	303,032	-303,032	0
Dividends paid		0	0	0	0	0	0
Increase of Share capital		0	0	0	0	0	0
Settlement of Reserves and funds		0	0	0	0	0	0
Profit for the year 2015		0	0	0	0	2,211,227	2,211,227
Balance as at 31 December							
2015		2,265,249	0	14,795	97,079	2,211,222	4,588,357

	Note	Share Capital	Currency translation reserve Share Capital	Reserves and Funds	Retained earnings	PROFIT FOR THE YEAR	Total
Balance as at 31 December							
2013		1,500,000	0	14,795	-290,040	84,154	1,308,909
Retained earnings		0	0	0	84,087	-84,154	-67
Dividends paid		0	0	0	0	0	0
Increase of Share capital		765,249	0	0	0	0	765,249
Settlement of Reserves and funds		0	0	0	0	0	0
Profit for the year 2014		0	0	0	0	303,032	303,032
Balance as at 31 December							
2014		2,265,249	0	14,795	-205,953	303,032	2,377,123

Statement of Cash Flows for the year ended 31 December 2015 and 2014

(amounts in thousands of Angolan kwanza)

Description	Dec-15	Dec-14
Net cash flow from operating activities	3,424,017	310,671
Cash flow from financial Intermediation	3,956,735	989,508
Net Interest Income	536,304	170,203
Net increase in Trading and changes in fair-value	-	-
Net increase in foreign currency transactions	697,765	438,801
Net increase in rendering of financial services	2,722,666	380,504
Cash flow from Profit/Loss on Stocks, Products and other services	-	-
Receipts from and Payments of Other Operating Income and expenses	-532,717	-678,837
Payment of administration and general expenses	-548,291	-546,081
Proceeds from settlement of operations with other banks	8,848	6,011
Other inflows and outflows of cash	29,866	-157,920
Other operating income and expenses	-23,140	19,153
Net Cash flow from Investing activities	-1,139,451	236,249
Cash flow from Investing activities	-1,169,821	253,554
Short-term funding/borrowing	0	1,307,054
Purchase of securities	-1,246,782	-1,168,214
Cash advances and loans	76,962	114,715
Purchase/ proceeds from sale of other assets	-	-
Net Cash from Fixed Assets	30,370	-17,305
Purchase /Proceeds from sale of Fixed Assets	30,370	-17,305
Net cash from financing activities	3,240,657	1,899,848
Cash flow from financing activities	3,240,657	1,134,599
Financing through Customer deposits	3,552,766	822,490
Financing through short-term wholesale funding	-312,109	312,109
Financing through minority interests	-	-
Financing through equity	-	765,249
Proceeds from increase of capital	-	765,249
Payments for reduction of capital	-	-
Cash flow from financing through other liabilities	-	-
Net Increase in cash and cash equivalents	5,525,223	2,446,768
Cash and cash equivalents at the beginning of the year	3,728,507	1,281,740
Cash and cash equivalents at the end of the year	9,253,730	3,728,507
Net Increase in cash and cash equivalents	5,525,223	2,446,768



Notes to the Financial Statements

For the year ended 31 December 2015 and 2014
(amounts in thousands of Angolan kwanza)

1. Introductory Note

The Banco Comercial do Huambo (Commercial Bank of Huambo) was incorporated by a public deed on 17 June 2009, hereinafter referred to as "Bank" or "BCH".

BCH is a regional bank, with head office in Huambo and its object is banking activity, supporting small and medium-sized companies, contributing strongly for the social and economic development of the region which is based on agro-industrial economic activity. The bank started its commercial activity on 16 July 2010.

BCH will also offer its clients a consultancy service, from setting up a company right through studies of financial and economic feasibility. This is an innovative service in the Angolan financial system, available at the branches in Huambo and Luanda.

Concerning the ownership structure and as mentioned in Note 12, the Bank is owned by Angolan shareholders, further details on which are provided in the same note.

In compliance with the requirements of the Accounting Plan for Financial Institutions (CONTIF) and standards and instructions issued by Banco Nacional de Angola (National Bank of Angola, hereinafter referred to as "BNA"), concerning the official publication, we hereby set out the explanatory notes and information considered relevant for the interpretation of the attached financial statements.

2. Basis of presentation and a summary of the main accounting policies

2.1 Comparative Information

In preparing the Financial Statements, the amounts presented relate to the period of 31 December 2014 to 31 December 2015 and were prepared in accordance to the Accounting Plan for Financial Institutions (CONTIF).

2.2 Basis of Preparation

The Financial Statements hereby prepared on historical cost basis and are stated in thousand Kwanzas (thousands of AKZ).

They are in compliance with the accounting principles adopted by the Bank, namely going concern, prudence and accrual basis of accounting, among others, in accordance with the Accounting Plan (Contif) for the banking sector, established by BNA, as provided for in Instruction n° 09/07 of 19 September of BNA, which came into force on 1 January 2010 and Regulation 04/DSI/2012, which rules that International Accounting Standards must be applied for all accounting procedures and criteria not set in the CONTIF.

2.3 Presentation currency

The Bank's financial statements as at 31 December 2015 are presented in Angolan Kwanza (thousands of AKZ), as provided in art. 5 of Notice n° 15/2007 of BNA, thus all assets and liabilities items denominated in foreign currency are translated at the average indicative rate published by BNA at balance-sheet date.

The income and expenses items in the Income Statement are translated at the average exchange rate for the year and historical exchange rate was used for the Equity items

As at 31 December 2015, the foreign currencies to which the Bank is more exposed have the following exchange rate in relation to the Kwanza:

Currency	2015	2014
USD	135,315	102,863
EUR	147,832	125,195

2.4 Accounting Policies

The main accounting policies adopted in the preparation of the financial statements and which have been consistently applied ever since the start of operations of BCH are set out below:

a. Accrual basis of accounting

The Bank recognizes income and expenses when it is earned or is incurred, regardless of having been received or paid, and are disclosed in the financial statements for the years to which they relate.

Income is considered realized when: i) in the transactions with third parties, the payment has been made or there is a serious commitment to payment; ii) there is a partial or total settlement of a liability, for whatever reason, without the simultaneous write-off of an asset of equal or higher value; iii) there is a natural generation of new assets with or without third-party intervention; or d) donations or grants are received.

The expenses, in turn, are considered incurred when: i) an asset is written-off due to a transfer of its ownership to a third party; ii) an asset devaluates partially or completely; or iii) a liability occurs without a corresponding asset.

b. Loans and Advances

Loans and advances are financial assets and are recorded at their contracted amounts when lent by the Bank. The initial entry is made on the debit side of a credit item, depending on its type and currency, and the latter is credited according to respective received amounts.

Liabilities for guarantees and commitments are recorded in off-balance sheet accounts at the amount at risk, while inflows of interests, commissions and other proceeds are recorded in the income statement over the life of the transactions.

Renegotiated loans and advances are recorded at total loan value plus respective due interest. Gains or income resulting from the renegotiation are recognized when received.

Every year, the Bank writes-off loans and advances which have been under Category G for over 6 months by using the corresponding provision (transfer of the loan/advances to loss). Furthermore, these loans and advances are listed in an off-balance item during at least 10 years.

According to Notice 3/2012, the Bank writes-off the interest more than 60 days past due and does not recognize the interest from that date onwards until the client regularizes the situation.

c. General provision for loan losses

The method used for calculating the provisions for losses on Client loans, in 2010 and early 2011 followed the requirements of Notice n° 4/2009 of 18 June. On 8 June 2011, the BNA published Notice n° 4/2011 which repealed Notice n° 4/2009, and which was later substituted by Notice n° 3/2012 that contained the rules regarding provisions, but imposed restrictions on granting loans in foreign currency.

The provisions are constituted on the date the loans are granted, on the basis of the client risk profile, according to the following categories:

- Level A – No risk
- Level B – Very small risk
- Level C – Small risk
- Level D – Moderate risk
- Level E – High risk
- Level F – Very high risk
- Level G – Risk of financial loss

The classification of each credit operation shall be revised at least once a year, through a re-evaluation of the criteria for the initial classification of the client, having in mind the minimum levels of provision calculated pursuant to Notice n° 3/2012.

Without prejudice to the revision mentioned in art. 4 of the referred Notice, the financial institution revises on a monthly basis each credit rating according to verified delays in payment of the principal or interests, and the rating of all credit operations for the same customer, for provision calculation purposes, falls into the highest risk category. Thus the credit is classified in the risk categories according to the extent of time from the event of default, pursuant to Notice n° 3/2012, which sets the following minimum levels of provision for loans with residual maturity of up to 24 months:

Risk	Risk Level	Days of default	Minimum provision provided
No risk	A	-	0%
Very small risk	B	15 to 30	1%
Small risk	C	30 to 60	3%
Moderate risk	D	60 to 90	10%
High risk	E	90 to 150	20%
Very high risk	F	150 to 180	50%
Loss	G	over 180	100%

According to article 10 of the referred Notice, for loans past due over 24 months, the deadlines for monthly revision verified on the payment of principal and interest, might be counted in double.

d. Financial Assets

Investment in Associates

This item includes those investments in legal entities where the Bank holds, directly or indirectly, 10 per cent or more of the respective voting capital, without exercising control (an associate). These assets are accounted for by the equity method, and in cases of significant influence the equity method is used when the Bank has influence in the management or when it holds, directly or indirectly, 20% or more of the voting capital of the associate.

Interests in Other Entities

This item includes the interests in entities in the voting capital of which the Bank holds, directly or indirectly, less than 10%.

These financial assets are recorded at acquisition cost less provision for losses.

e. Tangible and Intangible Fixed Assets

The intangible fixed assets are recorded at acquisition cost, including acquisition and development costs of software used for data processing, costs related to incorporation, organization, restructuring, expansion and/or modernization of the Bank, improvements in third-party properties, and products in development classified as assets.

The tangible fixed assets are recorded at acquisition cost which also includes the expenses paid pursuant to the requirements of CONTIF, and their revaluation is permitted according to legal provisions.

The immovable properties are presented at cost less accumulated monthly depreciation which is calculated from the effective date of bringing the assets into working condition using the straight-line method and according to the Corporate Tax Act, which defines the following years of estimated useful life:

Type	Years of useful life
Own buildings	50
Works in rented buildings	10
Equipment:	
Office equipment and materials	10
Computers and similar equipment	3
Fittings	10
Vehicles	3
Machinery and tools	6 and 7

The expenses incurred during the investment stage in new product development are not recognized as intangible assets but rather as costs in the income statement.

f. Securities

The securities acquired by the Bank are recorded at acquisition cost and according to their characteristics and purchase purpose, they fall into the following categories:

- i. Trading;
- ii. Available for sale;
- iii. Held-to-maturity.

The category "trading securities" includes all securities purchased with the purpose of active and frequent buying and selling.

The category "available-for-sale securities" includes only the securities which are acquired with the purpose to be eventually sold and as such do not fit into any other category.

The category "held-to-maturity securities" contains those securities that the Bank has the intent and ability to hold in its portfolio to maturity. This ability is proved on the basis of cash flow projections without considering the possibility to sell the securities before maturity.

Gains from securities, corresponding to yields to maturity or dividend yields, are recognized directly in profit or loss, regardless of the category under which they were classified, whereas gains from the sale of shares held less than 6 months are recognized by offset against acquisition cost.

The securities classified under the "trading and available-for-sale" categories are adjusted at fair value, and the respective gains or losses due to changes in fair value are recognized:

- i. In profit/loss for the year, when referring to "trading securities";
- ii. In equity, when referring to available-for-sale securities, at after-tax value, which must only be trans-

ferred to the profit or loss for the year when sold.

The adjustment of the fair value of the securities follows the pricing criteria, defined by BNA. The permanent losses on securities are immediately recognized in the profit/loss for the year, and the adjusted value resulting from the recognition of the mentioned losses becomes the new value base for income/loss appropriation purposes, with those not to be re-verted to future financial years.

The securities classified under held-to-maturity category are valued at acquisition cost, plus their yields to return, and possible profits or losses are recognized on the redemption date at the difference between the redemption price and their accounting value.

g. Foreign Currency Transactions

The purchase and sale of foreign currency when settled on the contract date are recorded in the balance sheet of the Bank. If the settlement date is after contract date, then they are recorded in off-balance sheet accounts.

The foreign currency operations are recorded in the respective currencies, pursuant to the principle of multi-currency system, on the basis of the official exchange rate announced by the BNA on the date of the transaction. Unrealized gains and losses resulting from exchange differences are reported in profit and loss accounts.

Differences and changes in the exchange rates concerning the purchase and sale of foreign currency which have occurred within the signing and settlement of the exchange contract are accounted for in the account "Results from Transactions in foreign currencies" against the balance-sheet account "Receivables - Income from Purchase and Sale of Foreign Currency" or "Payables - Liabilities from Purchase and Sale of Foreign Currency", as applicable.

h. Provisions and Contingencies

Provisions are recognized when i) the Bank has legal or constructive present obligation; ii) its payment is probable; and iii) the amount of this obligation can be estimated reliably.

Contingent liabilities are recognized in off-balance sheet accounts when the Bank has i) a possible present obligation whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events which are not wholly within the control of the Institution and ii) a present obligation which has arisen as a result of past events, but which is not recognized because payment is not probable or because the amount cannot be measured reliably.

Contingent assets are recognized in off-balance sheet accounts when a possible present asset, arising from past events, whose existence will be confirmed only by the occurrence or not-occurrence of one or more future events not wholly within the control of the entity.

i. Corporation tax

The Bank is subject to corporation tax of 30% and is considered a Group A taxpayer.

The corporation tax includes current and deferred taxed. The corporate income taxes are recognized in the income statement, except when they relate to items which are credited or charged directly to equity in which case the taxes are also charged or credited directly to equity.

The current taxes are the taxes expected to be paid in respect of the taxable profit for a year, obtained pursuant to the tax regulations in force and applying the tax rate mentioned above.

The deferred tax assets and liabilities are recognized for temporary differences between the amount of an asset or liability and its tax base. The deferred taxes and liabilities are measured on the basis of the tax rates expected to apply to the period when the asset is realized or the liability is settled.

j. Reduction in Recoverable Value of Assets (Impairment)

The bank reviews its assets periodically to look for assets which carrying amount exceeds its recoverable amount. There is a reduction in the carrying amount (impairment) of an asset when its carrying amount exceeds its recoverable amount. In order to identify an asset that might be impaired, the Bank takes into account the following indicators:

- i. Significant decline of the asset value, more than the expected from its normal use;
- ii. Significant changes in technology, economy or laws which have negative effect on the Bank;
- iii. Increases in interest rates or any market rates, affecting the discount rates and leading to reduction in the present or recoverable value of the assets;
- iv. Net asset value greater than market value;
- v. Available evidence of obsolescence or physical damage to the asset;
- vi. Significant changes in the usage patterns of the asset, such as non-usage or restructuring, with negative effect on the Bank; and
- vii. Indication of worse economic performance of the asset than expected.

3. Cash and cash equivalents

As at 31 December 2015 and 2014, the item Cash & cash equivalents was comprised of the following:

	2015	2014
Cash	363,237	560,719
Notes and coins in national currency	359,740	558,065
Notes and coins in foreign currency	3,497	2,654
Cash and Deposits with the Central Bank	6,978,638	2,866,555
Current accounts at the National Bank of Angola (BNA)		
In national currency	6,869,750	2,660,346
In American dollars	108,888	206,209
Cash and Deposits with other banks abroad	1,911,855	301,233
Checks in the course of collection – national currency	7,196	875
Current accounts abroad	1,904,659	300,358
Total	9,253,730	3,728,507

The item "Deposits with the Central Bank" comprises non-interest bearing current accounts in national and foreign currencies, which purpose is to fulfil the requirements of minimum reserves set by the BNA as well as other liabilities. On 4 June 2010, Regulation n° 3/2010 of BNA came into force, and determined that the mandatory reserves must be made in two currencies – AKZ for the accounts in AKZ which comprise the reserve base and USD for the accounts in foreign currency which comprise the reserve base.

In 2015, the BNA issued Regulation n° 19/2015 of December 2nd which establishes that the reserves in national currency must be 25%, except Local Government deposits which are subject to 50% and Central Government deposits subject to 75%. The coefficient of mandatory reserves in foreign currency is 15% for customer deposit balances and 100% for Local & Central Government deposit balances, as well as for Town Halls.

Cash and deposits with other banks abroad (in foreign currency), include the account balances at the respective banks and those amounts are part of the management of the Bank's current operations.

4. Securities

As at 31 December 2015 and 2014, the item "Securities" included the following:

								2015
	Risk Level	Country	Currency	Acquisition Cost	Discounted	Interest rate yields	Balance sheet value	Average Interest rate
Debt securities								
Treasury bills	-	-	-	-	-	-	-	-
Government bonds in National currency:								
Indexed to the US dollar exchange rate	A	Angola	AKZ	1,788,736	442,535	20,881	2,252,152	7%
Not indexed	-	-	-	-	-	-	-	-
Government bonds in Foreign currency:								
Government bonds in US dollars	A	Angola	USD	162,378	0	467	162,845	5%
Total							2,414,997	

								2014
	Risk Level	Country	Currency	Acquisition Cost	Discounted	Interest rate yields	Balance sheet value	Average Interest rate
Debt securities								
Treasury bills	-	-	-	-	-	-	-	-
Government bonds in National currency:								
Indexed to the US dollar exchange rate	A	Angola	AKZ	1,088,797	57,343	22,074	1,168,214	7%
Not indexed	-	-	-	-	-	-	-	-
Government bonds in Foreign currency:								
Government bonds in US dollars	-	-	-	-	-	-	-	-
Total							1,168,214	

As at 31 December 2014, the Bank had already a portfolio of debt securities, which it continued to increase during 2015, which were classified as held-to-maturity. All securities have original maturity of over 1 year.

For reasons of converting the Mandatory Reserve in American Dollars from Deposits with the Central Bank into Securities, by the end of 2015 the Bank had acquired Government bonds in Foreign Currency.

The security investment policy, adopted by the Bank, is adjusted to the Angolan market, mainly by means of the following:

- i. focus on public debt securities and short-term government bonds;
- ii. profit-oriented criteria;
- iii. maintenance of liquidity and market risks associated controls.

5. Items in course of collection from and due to other banks

As at 31 December 2015 and 31 December 2014 the items were as follows:

	2015	2014
Items in course of collections		
From and due to Agencies	0	0
From and due to Counterparties		
Debit card transactions not settled (ATM's)	50	5,228
Check clearings	0	0
Other items in the course of collection from and due to other banks	6,879	4,681
Total	6,929	9,909

The amounts as at 31 December 2015 refer mainly to clearing of interbank card transactions, cashier's check and check clearings, which amounts were settled in the beginning of 2016.

6. Loans and advances to Customers

As at 31 December 2015 and 31 December 2014 this item included the following:

	2015	2014
Loans and advances within the country		
Short-term loans:		
National currency	231,241	186,770
Foreign currency	0	0
Overdrafts:	0	0
National currency	27	69
Foreign currency	0	0
Advances:	0	0
National currency	20,000	18,000
Foreign currency	0	0
Loans:	0	0
National currency	432,984	555,595
Foreign currency	0	69
Loans and advances abroad	0	0
Total	684,251	760,503
Total performing loans	684,251	760,503
Total overdue loans and interest	8,471	27,279
Total loans and advances to customers	692,723	787,782
Proceeds from granted loans	2,208	5,675
Provision for bad debt	(264,719)	(18,972)
Net loans and advances to clients	430,212	774,486

As at 31 December 2015 and 2014, the average annual interest on customer loans was as follows:

	2015	2014
Average annual interest on loans:		
Loans and advances to customers in AKZ	18.55%	15.98%
Loans and advances to customers in USD	22.00%	7.31%

As at 31 December 2015 and 2014, outstanding loan balances, excluding income receivables, are as follows:

	2015	2014
Up to 1 year	303,339	217,676
From one to three years	52,583	153,111
From three to five years	59,182	64,038
Over five years	269,148	325,678
Total	684,251	760,503

As at 31 December 2015, the lending portfolio, excluding income receivables, presented the following structure, per type of borrower:

	2015		
	Performing	Overdue	Total
Companies			
Short-term loans	231,241	0	231,241
Overdrafts	27	56	83
Loans	266,818	6,299	273,118
Advances	20,000	0	20,000
Individuals			
Short-term loans	0		0
Overdrafts	1,567	70	1,637
Loans	164,598	2,046	166,644
Advances	0		0
Total	684,251	8,471	692,723

As at 31 December 2015 and 2014, the specification per currency of loans and advances without income receivables had the following structure:

	2015	2014
Kwanza	692,715	787,708
American dollars	8	74
Total	692,723	787,782

As at 31 December 2014 and 2013, the lending portfolio, without income receivables had the following structure according to reference rates:

Year	Fixed rate	Variable rate – Reference rates			Total
		Lulbor 3M	Lulbor 6M	Lulbor 12M	
2015	32.57	0	5,445	658,366	685,491
2014	32.57	18,000	0	737,212	787,782

As at 31 December 2015 and 2014, the lending portfolio per economic sector was as follows:

Economic Sectors	2015	%	2014	%
Agriculture, Forestry and Fisheries	384,895	55.7%	321,999	40.9%
Wholesale and retail trade	18,901	2.7%	171,306	21.7%
Construction	1,477	0.2%	0	0.0%
Processing Industry	2,422	0.3%	4,853	0.6%
Individuals	168,793	24.3%	260,193	33.0%
Services and real estate	113,415	16.3%	24,418	3.1%
Transports, Storage and Communications	0	0.0%	5,000	0.6%
Other	2,821	0.4%	14	0.0%
Total	692,723	100%	787,782	100%

The following table presents the distribution of loans per risk category and corresponding provisions as at 31 December 2015 and 2014:

Risk Category	2015			2014		
	Loans	Provisions	Average rate of provisions	Loans	Provisions	Average rate of provisions
A	27	0	0.0%	13,133	0	0%
B	362,847	6,145	1.0%	491,475	4,759	1%
C	59,445	1,773	3.0%	251,022	7,531	3%
D	537	59	10.0%	20,330	2,033	10%
E	16,819	3,692	20.0%	8,966	1,793	20%
F	0	0	0.0%	0	0	0%
G	253,049	253,049	100.0%	2,857	2,857	100%
Total	692,723	264,719	38.1%	787,782	18,971	2.4%

The changes in provisions for loans in 2015 are hereby presented:

	2015
Balance at 31 December 2014	18,972
Additional Provisions	355,140
Reversal of Provisions	-109,392
Balance at 31 December 2015	264,719

7. Other current assets

The balance of "Other current assets" as at 31 December 2015 and 31 December is broken down as follows:

	2015	2014
Other current assets		
Other tax assets		
Amounts to be recovered	20,249	7,817
Other current assets of civil nature		
Advances to suppliers	0	0
Commitments given to third-parties	0	0
Differences to cash and cash equivalents	1,590	43,522
Other current assets of administrative and commercial nature		
Working capital	1,233	1,632
Advances to employees	2,600	4,493
Advance payment of expenses	23,090	27,977
Office material	334	7,788
Other advance payments	45	87
Total	49,142	93,316

The increase in 2015 verified in the balance of Recoverable Tax is due to Recoverable Tax from the tax calculation in 2014 as well as the Tax paid at source (Investment Income Tax – IAC), with interest received from the securities owned by the Bank.

Other current assets of civil nature include the differences to cash and cash equivalents occurred in 2015. The reduction is due to the cost recognition of a difference identified at the end of 2013, resulting from an update of the accounting software. As it was not possible to trace the origin of this difference during 2014, the Bank recognized this amount in its income statement for 2015.

8. Fixed Assets

As at 31 December 2015 and 31 December 2014 the item "Fixed assets" contains the following:

Assets	2015	2014
Gross value		
Buildings	206,819	206,819
Basic equipment	1,544	0
Vehicles	2,352	2,352
Office equipment	56,607	47,195
Computers and similar equipment	735	0
Banking equipment	31,418	29,773
Security equipment	3,738	1,604
Work in progress	24,082	15,864
Other tangible assets	99	13,803
Total	327,393	317,409
Accumulated depreciation of Tangible Assets		
Buildings	(13,297)	(8,962)
Basic equipment	(208)	0
Vehicles	(2,353)	(1,568)
Furniture	(23,317)	(12,802)
Computers and similar equipment	1	0
Banking equipment	(11,434)	(7,860)
Security equipment	(1,290)	(263)
Work in progress	0	0
Other tangible assets	(39)	(5,981)
Total	(51,937)	(37,435)
Net Value	275,456	279,974
Intangible Assets	2015	2014
Gross value		
Software	96,214	93,756
Incorporation costs	129,936	129,936
Expenses with expansion	8,819	8,819
R&D	2,658	2,658
Other intangible assets	8,131	8,411
Total	245,758	243,579
Accumulated amortization of Intangible Assets		
Software	(93,634)	(66,809)
Incorporation costs	(129,936)	(129,408)
Expenses with expansion	(8,819)	(8,819)
R&D	(2,658)	(2,238)
Other intangible assets	(8,131)	(8,248)
Total	(243,179)	(215,521)
Net Value	2,580	28,059
Financial Assets	2015	2014
Interests in other entities – EMIS	43,568	43,842

In short version:

Total Fixed Assets	2015	2014
Fixed Assets – Gross Value	616,719	604,830
Amortization and Depreciation	(295,116)	(252,956)
Net Value	321,603	351,874

In 2012, there was significant investment in system redundancy through the implementation of "data center" in Luanda. With this project BCH now has two sites, Huambo and Luanda, thereby enabling data replication between both sites which in turn contributed to a solution of "disaster recovery".

The amount recognized in tangible and intangible assets refers mainly to investments made during the period preceding and following the opening of the Bank. The intangible assets correspond to start-up expenses, such as construction works in the head office, expenses with projects and consulting services.

BCH branch network as at 31 December 2015 is comprised of 4 branches. Situated in Huambo, Maculusso, Catholic University (UCAN) and Palanca, which opened in 2014.

The tangible assets are recorded at acquisition cost.

It is also important to note that after extensive work to identify and locate fixed assets, these were reclassified in the balance sheet through accounting adjustment.

The accumulated movement in fixed assets as at 31 December 2015 and 2014, denominated in thousands of Kwanzas, is hereby shown:

Fixed Assets	Opening balance Dec-14	Acquisition In 2015	Transfers In 2015	Write-offs 2015	Settlement In 2015	Gross Assets Dec-15	Amortization Dec-15	Adjustment reclassification	Closing Balance Dez-15
Financial Assets	43,842	0	0	-274	0	43,568	0	0	43,568
Interests in other companies	43,842	0	0	-274	0	43,568	0	0	43,568
Tangible Assets	317,409	5,829	0	0	0	323,238	-52,882	5,100	275,456
Buildings	206,819	0	0	0	0	206,819	-13,099	-198	193,523
Basic equipment	0	0	0	0	0	0	-208	1,544	1,335
Vehicles	2,352	0	0	0	0	2,352	-2,353	0	0
Office equipment	47,195	0	0	0	0	47,195	-17,763	3,858	33,290
Computers and similar equipment	0	0	0	0	0	0	0	736	736
Banking equipment	29,773	3,829	0	0	0	33,601	-11,734	-1,883	19,984
Security equipment	1,604	0	0	0	0	1,604	-457	1,301	2,447
Work in progress	13,803	0	0	0	0	13,803	-7,268	-6,476	59
Other tangible assets	15,864	2,000	0	0	0	17,864	0	6,218	24,082
Intangible Assets	243,579	18,522	0	0	0	262,102	-231,871	-27,651	2,580
Software	93,756	18,522	0	0	0	112,278	-82,047	-27,651	2,580
Incorporation costs	129,936	0	0	0	0	129,936	-129,936	0	0
Expenses with expansion	11,477	0	0	0	0	11,477	-11,477	0	0
Other Intangible Assets	8,411	0	0	0	0	8,411	-8,411	0	0
Total Fixed Assets	604,830	24,351	0	(274)	0	628,908	(284,753)	(22,551)	321,603

Fixed Assets	Opening Balance Dec-13	Acquisitions In 2014	Transfers In 2014	Write-offs 2014	Settlements In 2014	Gross Assets Dec-14	Amort. Dec-14	Closing balance Dec-14
Financial Assets	41,569	2,273	0	0	0	43,842	0	43,842
Interests in other companies	41,569	2,273	0	0	0	43,842	0	43,842
Tangible Assets	329,414	12,008	-25,088	0	1,076	317,409	-37,435	279,974
Buildings	206,819	0	0	0	0	206,819	-8,962	197,857
Vehicles	2,352	0	0	0	0	2,352	-1,568	784
Office Equipment	40,208	6,156	831	0	0	47,195	-12,802	34,393
Banking Equipment	23,242	5,455	0	0	1,076	29,773	-7,860	21,913
Security Equipment	1,207	397	0	0	0	1,604	-263	1,341
Other tangible fixed assets	13,803	0	0	0	0	13,803	-5,981	7,821
Work in Progress	41,783	0	-25,919	0	0	15,864	0	15,864
Intangible Assets	216,543	1,948	25,088	0	0	243,579	-215,521	28,059
Software	66,719	1,948	25,088	0	0	93,756	-66,809	26,947
Incorporation costs	129,936	0	0	0	0	129,936	-129,408	529
Expenses with expansion	11,477	0	0	0	0	11,477	-11,056	420
Other Intangible Assets	8,411	0	0	0	0	8,411	-8,248	163
Total Fixed Assets	587,525	16,229	0	0	1,076	604,830	(252,956)	351,874

9. Customer Deposits

As at 31 December 2015 and 31 December 2014, the breakdown of this item is presented below:

Customer Deposits	2015	2014
Current accounts		
In national currency	4,845,610	1,853,424
In foreign currency	1,083,357	451,660
Total	5,928,967	2,305,084
Savings accounts		
In national currency	800,142	453,365
In foreign currency	153,479	571,373
Total	953,621	1,024,737
Total Deposits	6,882,588	3,329,822

In comparison to 31 December 2014, the customer deposits increased 100% as a result of the Bank's strategy to expand its commercial banking activity clearly through this type of funding.

The breakdown of the savings accounts, excluding costs, according to the respective maturity and currency is as follows:

Savings Accounts	2015	2014
National Currency		
From 0 to 3 months	494,444	362,874
Over 3 months	290,575	85,347
Total National Currency	785,019	448,221
Foreign Currency		
From 0 to 3 months	149,523	561,118
Over 3 months	0	0
Total Foreign Currency	149,523	561,118

As at 31 December 2015, the saving accounts offered an average interest rate of 4.52% per year for national currency and 3.00% per year for foreign currency. The current accounts opened with the Bank in national and foreign currency were not remunerated during 2015.

10. Other wholesale funding

This item, as at 31 December 2015 and 2014 had the following structure:

	2015	2014
Other wholesale funding		
Borrowing from credit institutions in the country		
In foreign exchange	0	308,589
Costs – Interest rates	0	3,520
Total	0	312,109

As at 31 December 2014, the item wholesale funding refers to a transaction carried out with a national credit institution with original maturity of less than 6 months, at an interest rate of 2.15%, reaching maturity in 2015.

11. Items in the course of collection due to other banks

As at 31 December 2015 and 2014 the item had the following structure:

	2015	2014
Items in the course of collection due to other banks		
Between branches	(0)	0
Between counterparties		
Checks payable by the Bank	0	(1,611)
Certified checks	3,649	3,805
Other outstanding transactions	24,268	19,854
Total	27,916	22,048

The item other outstanding transactions refers mainly to settlement of card transactions.

12. Other liabilities

As at 31 December 2015 and 31 December 2014 this item had the following structure:

	2015	2014
Other liabilities		
Other tax liabilities		
Corporation tax	906,764	30,818
Taxes due – withheld from third parties		
Capital gains tax	302	373
Income tax	1,607	6,817
Other	9,175	2,346
Other general liabilities		
Suppliers of goods and services	31,521	33,729
General Creditors	1,510	1,234
Other liabilities of commercial and administrative nature		
Staff – Salaries and other remunerations	25,735	7,003
Social security contributions	1,046	2,886
Total	977,660	85,205

The balance in other tax liabilities consists primarily of state taxes. The item other general liabilities refers to amounts owed to suppliers of goods and services. And Other liabilities of commercial and administrative nature includes monthly accrual of holidays and holiday pay paid in the following year.

13. Equity

As at 31 December 2015 and 31 December 2014, the equity item had the following structure:

	2015	2014
Equity		
Share Capital	2,265,249	2,265,249
Reserves and funds	14,795	14,795
Retained earnings	97,178	(205,953)
Profit for the year	2,211,227	303,032
Total	4,588,449	2,377,123

The Commercial Bank of Huambo was incorporated in 2009 with share capital of 300 million AKZ. In 2011 the Bank increased its share capital to 1 billion AKZ and in 2012 there was a paid-up increase of capital to 1.5 billion AKZ, divided into 1,500,000 shares, issued at par, with a nominal value of 1,000 AKZ each. And in 2014, the Bank increased its share capital to 2,265,249,000 AKZ, fully subscribed and paid up.

Despite the capital increase carried out, as at 31 December 2014 the Bank does not yet fulfill the minimum regulatory requirement for share capital and equity of 2.5 billion Kwanzas, imposed by BNA through Notice No. 14/2013 of November 15th. On 31 March 2016, the bank asked for BNA's authorization to increase capital through incorporation of reserves during 2016. BNA granted authorization and imposed as deadline for the operation September 2016.

As at 31 December 2015 the share capital was distributed in the following way:

Shareholders	Par value / share (em AKZ)	N° shares (In thousands)	Total (In thousands of AKZ)	Shareholding
Natalino Lavrador	1,000	1,167	1,166,603	51.5%
Minoru Dondo	1,000	453	453,050	20.0%
António Mosquito	1,000	453	453,050	20.0%
Sebastião Lavrador	1,000	125	124,589	5.5%
Carlos Oliveira	1,000	68	67,957	3.0%
Total	5,000	2,265	2,265,249	100.00%

Furthermore, please note that changes in equity are disclosed under the heading "Statement of changes in equity".

14. Off-balance sheet items

As at 31 December 2015 the off-balance sheet accounts had the following balances:

	2015	2014
Off-balance accounts		
Commitments received from third-parties		
Guarantees received and Revocable Commitments	1,208,130	7,331,972
Commitments undertaken by third-parties	(57,283)	0
Commitments given to third-parties		
Guarantees granted	(43,099)	0
Amounts in safe deposits	8,611	0
Loans still recorded in assets	(311,727)	(283,301)
Loans transferred to loss	28,608	6,170
Other control accounts	3,339	3,130
Total	836,578	7,057,971

15. Net Interest Income

The following is the breakdown of this item as at 31 December 2015 and 2014:

	2015	2014
Net Interest Income		
Gains from short-term interbank investments	25,242	35,191
Gains from securities	495,792	95,718
Interest income	83,834	83,371
Total Interest Income from financial instruments assets	604,868	214,280
Interest expenses	(65,220)	(36,517)
Short-term wholesale funding costs	0	(18)
Other funding costs	(3,344)	(7,542)
Total Interest expense from financial instruments liabilities	(68,565)	(44,077)
Total Net Interest Income	536,304	170,203

The Net Interest Income of the Bank at 31 December 2015 increased by 215% in comparison to the previous year. Such improvement results from the implementation of the strategy for 2015 by the Board of Directors oriented towards increase of investment in Public Debt Securities.

This investment in securities led to a 418% increase in gains from these assets recorded at 31 December 2015, when compared to 2014. These gains result not only from the yields on the securities but also from changes in the exchange rate of the dollar against the Kwana, which took place in 2014, as those are Government bonds indexed to the US dollar, as referred to in Note 4.

Income from customer loans increased slightly by 1% when compared to the same period last year. Interest income from loans reflects the interest income from all loans granted and on which payment is due, as well as due interest paid by clients, arising from delayed payments of the instalments.

16. Results from Foreign Currency Transactions

As at 31 December 2015 and 2014, this item comprised the following:

	2015	2014
Results from foreign currency transactions		
Profit from Foreign Currency Transactions	27,499,798,039	5,924,587,665
Losses from Foreign Currency Transactions	(27,499,100,275)	(5,924,148,865)
Total Income from Foreign Currency Transactions	697,765	438,801

The results from foreign currency transactions of the Bank can be further broken down into:

	2015	2014
Results from foreign currency transactions		
Valuation revision in foreign currency denominated assets and liabilities	107,683	(50,133)
Trading in Currency and Foreign Currencies	590,082	488,933
Total Income from Foreign currency Transactions	697,765	438,801

Income from foreign currency transactions of the Bank at 31 December 2015 increased 59% when compared to the previous year. This improvement is due mainly to 2 factors:

- i. Negatively due to the global short position of the Bank in foreign currency, mainly dollars, as liabilities in this currency were higher than assets, which meant that during the year 2014, the Bank recognized losses from foreign exchange rate revaluation Kwana – foreign currency; and
- ii. Positively due to the result from purchase and sale of foreign currency due to the increase in the number of such operations.

17. Income from rendering of Financial Services

As at 31 December 2015 and 2014, income from rendering of financial services was as follows:

	2015	2014
Income from rendering of financial services		
Commissions on transfers	598,615	366,343
Dossier fees	1,923,688	0
Cash transfers – Moneygram	199,721	0
Charges for the provision of guarantees and collateral	2,378	1,493
Charges for credit facility arrangement	8,679	4,920
Charges for standard services (cards, Compensations)	26,009	21,825
Other commissions	1,506	2,357
Total Income from rendering of Financial Services	2,760,596	396,938
Costs of rendering Financial Services		
Fees for automated clearing	(5,028)	(3,818)
Costs of importing notes	(14,111)	0
Charges for other services provided by third-parties	(18,790)	(12,617)
Total costs of rendering of Financial Services	(37,930)	(16,435)
Net Income	2,722,666	380,504

The net income from services rendered by the bank as at 31 December 2015 increased 616% when compared to the result obtained for the same period last year. This increase is mainly due to dossier fees which correspond to the thorough analysis of the dossier related to Foreign operations.

18. Staff Costs

As at 31 December 2015 and 2014, this item was comprised of the following:

	2015	2014
Members of Management and Supervision Boards		
Monthly salaries	57,613	140,748
Extra pays	29,024	20,024
Other remunerations	1,800	1,800
Total Pay of Members of Management and Supervision Boards	88,437	162,572
Employees		
Monthly salary	86,309	88,713
Extra pay	29,040	20,289
Total pay of Employees	115,349	109,002
Other staff costs		
Taxes and Social Security	7,354	9,280
Insurance against accidents at work	4,670	4,527
Other	0	1,134
Total other staff costs	12,024	14,941
Total Staff Costs	215,810	286,515

We point out that the increase in comparison to the previous year is in line with the Bank's growth, reflecting staff increase in order to provide the Bank with trained staff.

As at 31 December 2015 and 31 December 2014 the Bank had the following operational structure:

Head Count	2015	2014
Board of Directors	3	3
Management	0	3
Experts	27	15
Office staff	10	16
Total Staff	40	37

19. Utilities and contracted services

As at 31 December 2015 and 31 December 2014 this item was broken down into:

	2015	2014
Utilities and contracted services		
Communications	24,520	25,233
Water and energy	2,894	883
Transports, travel and accommodation	5,841	6,999
Publications, advertising and publicity	732	4,388
Security, conservation and repair	31,421	24,821
Audits, consulting and other specialized and technical services	151,123	106,511
Insurances	142	20
Leasing and rentals	30,231	43,568
Materials	18,093	6,222
Other utilities	1,294	200
Total Utilities and Contracted Services	266,291	218,845

The amount in expert services represents the costs incurred with audit and consulting services and other monthly fees paid throughout the year. The item "leasing and rentals" contains the costs related to buildings rented by BCH.

20. Depreciations and Amortizations

As at 31 December 2015 and 2014 the item Depreciations and Amortizations comprised the following:

	2015	2014
Amortization of Intangible Assets	16,518	23,967
Industrial property and other	15,484	19,382
Construction costs	529	2,755
Expansion costs	0	741
R&D	420	882
Other intangible assets	85	207
Amortization of Tangible Assets	15,070	14,036
Buildings	4,136	4,136
Vehicles	784	784
Office Equipment	5,729	4,598
Computers and similar equipment	123	0
Banking equipment	3,676	2,985
Security equipment	612	152
Other tangible Assets	10	1,380
Depreciations and Amortizations	31,588	38,003

21. Other operating income and expenses

As at 31 December 2015 and 31 December 2014 this item had the following components:

	2015	2014
Other operating income and expenses		
Income from different banking services	4,965	3,807
Cost reimbursement	(5,188)	0
Currency Exchange gains and losses	290	304
Other	23,207	15,042
Total Other Operating Income and Expenses	23,275	19,153

22. Corporation Tax

As at 31 December 2015 and 31 December 2014, the taxable profit in Income Statement, as well as the effective tax rate can be summed up as follows:

	2015	2014
Profit before tax	3,117,991	438,081
Penalties and other non-deductible expenses	3,310	17,663
Property tax	212	0
Tax benefits	98,967	59,545
Taxable profit	3,022,546	396,198
Regular tax rate	30%	30%
Tax according to the regular tax rate	906,764	118,859
Effects of change in the tax rate for the year	0	15,350
Tax for the year	906,764	134,209

As referred in Note 2 above, the bank is subject to Corporation Tax and is considered Croup A taxpayer. The Corporation tax is 30%, as long as the Bank presents profit.

The difference between the applicable tax rate (30%) and the effective tax rate in the financial year of 2014 is primarily explained by gains on public debt securities, resulting from Government Bonds and Treasury Bills which the Bank holds in its portfolio and which pursuant to section 1 of Article 23, Corporation Tax Code, are tax exempt, and thus are deducted from taxable income.

23. Associates

As at 31 December 2015 and 31 December 2014, the Bank's balances with associates were as follows:

Associate	Current account	Savings account	Loans
Shareholders	189,771,737	135,000,000	0
Members of the Board of Directors	13,754,451	0	0
Companies in which the shareholders have significant influence	204,388,215	242,500,000	0
Companies where the members of the Board of Directors have significant influence	0	0	0
	407,914,403	377,500,000	0

Here below is a list of the Associates of the Bank.:

Associates
Amosmid, Lda
António Mosquito
Auto Zuid
Bacatral, Sociedade de Transp., Lda
Bobs Comércio Geral, Lda
Consórcio Mayaca/Sol Mayor
Esplanada Grill, Lda
Exacta Engenharia, Lda
M'bakassy & Filhos
Natalino Lavrador
Parige, Lda
Sebastião Lavrador
Sol Maior Emp. Part., Lda
Taiping, Lda
Valdomiro Minoru Dondo

24. Balance sheet as per currency

As at 31 December 2015 and 31 December 2014, the Balance sheet as per currency had the following structure:

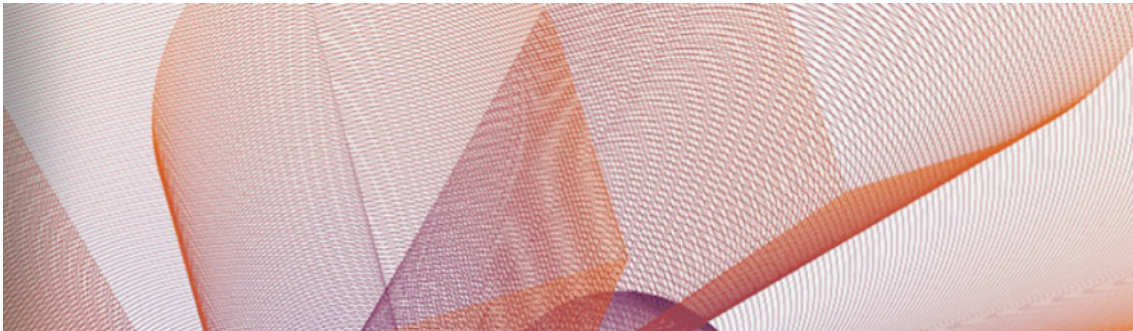
December 2015	National currency	Foreign currency	Total
ASSETS			
Cash & cash equivalents	7,146,712	2,107,018	9,253,730
Short-term bank investments	0	0	0
Securities	2,252,152	162,845	2,414,997
Items in the course of collection from other banks	9,635	-2,706	6,929
Loans and advances	430,204	8	430,212
Other current assets	48,020	1,122	49,142
Fixed assets	321,603	0	321,603
TOTAL ASSETS	10,208,325	2,268,287	12,476,613
LIABILITIES			
Deposits	5,645,752	1,236,835	6,882,588
Items in the course of collection due to other banks	27,917	-1	27,916
Short-term wholesale funding	0	0	0
Other liabilities	976,401	1,259	977,660
TOTAL LIABILITIES	6,650,070	1,238,094	7,888,164
EQUITY			
Share capital	2,265,249	0	2,265,249
Reserves and Funds	14,795	0	14,795
Retained earnings	97,178	0	97,178
Operating profit	3,163,992	414	3,164,406
Profit tax	-906,764	0	-906,764
Non-operating loss	-47,171	756	-46,415
TOTAL EQUITY	4,587,279	1,170	4,588,449
TOTAL EQUITY + LIABILITIES	11,237,350	1,239,264	12,476,613
December 2014	National currency	Foreign currency	Total
ASSETS			
Cash & cash equivalents	3,205,482	523,025	3,728,507
Short-term bank investments	0	0	0
Securities	1,168,214	0	1,168,214
Items in the course of collection from other banks	9,909	0	9,909
Loans and advances	772,368	2,118	774,486
Other current assets	95,960	-2,644	93,316
Fixed assets	351,874	0	351,874
TOTAL ASSETS	5,603,808	522,499	6,126,306
LIABILITIES			
Deposits	2,309,232	1,020,589	3,329,822
Items in the course of collection due to other banks	22,049	-1	22,048
Short-term wholesale funding	0	312,109	312,109
Other liabilities	74,373	10,833	85,205
TOTAL LIABILITIES	2,405,654	1,343,531	3,749,185
EQUITY			
Share capital	2,265,249	0	2,265,249
Reserves and Funds	14,795	0	14,795
Retained earnings	-204,600	-1,352	-205,953
Operating profit	443,524	0	443,524
Profit tax	-135,048	0	-135,048
Non-operating loss	-5,443	0	-5,443
TOTAL EQUITY	2,378,476	-1,352	2,377,123
TOTAL EQUITY + LIABILITIES	4,784,130	1,342,178	6,126,308

25. Events occurred after the reporting

The Financial Statements were prepared according to Notice N° 15/2007 of September 12th, by using the reference exchange rate of 1USD= 135,315 KZ published on the BNA's website on 31December 2015. Observing the provisions of art. 6 of Notice N° 15/2007 the event occurred on 4 January 2016 is hereby presented, a 15% increase in the KZ to USD exchange rate, bringing the rate to 1USD = 155,612 AKZ.

To demonstrate this increase, the Balance sheet as at 31December 2015 is hereby converted at the exchange rate on 4 January 2016.

December 2015	National currency	Foreign currency	Total
ACTIVO			
Cash and cash equivalents	7,146,712	2,422,908	9,569,620
Short-term wholesale investment	0	0	0
Securities	2,252,152	187,272	2,439,423
Items in the course of collection from other banks	9,635	-3,112	6,523
Loans and advances	430,204	10	430,213
Other current assets	48,020	1,287	49,307
Fixed assets	321,603	0	321,603
TOTAL ASSETS	10,208,326	2,608,364	12,816,691
LIABILITIES			
Deposits	5,645,752	1,421,460	7,067,212
Items in the course of collection due to other banks	27,917	-1	27,916
Short-term wholesale funding	0	0	0
Other Liabilities	976,401	1,445	977,846
TOTAL LIABILITIES	6,650,070	1,422,904	8,072,974
EQUITY			
Share capital	2,265,249	0	2,265,249
Reserves and Funds	14,795	0	14,795
Retained Earnings	97,178	0	97,178
Operating profit	3,319,073	476	3,319,549
Profit tax	-906,764	0	-906,764
Non-operating profit	-47,171	880	-46,291
TOTAL EQUITY	4,742,361	1,356	4,743,716
TOTAL EQUITY + LIABILITIES	11,392,431	1,424,260	12,816,691



External Auditor's Report

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Independent Auditor's Report

To the Board of Directors of Banco Comercial do Huambo, S.A

Report on the Financial Statements

We have audited the attached financial statements of Banco Comercial do Huambo, S.A, hereby referred to as "Bank"), which comprise Balance Sheet as at 31 December 2014 showing total assets of 12,476,613 thousand Kwanza and equity of 4,588,449 thousand Kwanza, including profit after tax of 3,211,227 thousand Kwanza; Income Statement; Statement of Cash Flows, Statement of Changes in equity for the year then ended and the Notes to the Financial Statements.

Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the adequate preparation and presentation of these financial statements in accordance with accounting principles and policies generally applied for the banking sector in Angola and for the maintenance of an appropriate system for internal control in order to permit that the financial statements are prepared free of material misstatements due to fraud or error.

Responsibility of the Auditor

Our responsibility consists in expressing an opinion about these financial statements, on the basis of the audit which we conducted according to the International Standards on Auditing. Those Standards require that we comply with ethic requirements and plan and conduct such examination as to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves procedures as to obtaining evidence about the amounts and disclosures in the financial statements. The selected procedures depend on the auditor's judgment, including the assessment of risk of material misstatements in the financial statements due to fraud or error. By conducting those risk assessments, the auditor considers the internal control relevant for the adequate preparation and presentation of the financial statements by the Bank in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the efficiency of the Bank's internal control. An audit also includes assessment of the adequacy of the applied accounting policies and their disclosure, reasonableness of significant ac-

counting estimates made by the Board of Directors and assessment of the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Banco Comercial do Huambo S.A [Commercial Bank of Huambo] as of 31 December 2015, the result of its operations and cash flows for the year then ended, in conformity with the generally accepted accounting policies and best practices for the banking sector in Angola.

Emphasis of Matter

Without prejudice to our opinion expressed in the preceding paragraph, we point out the following situations that occurred in the financial year of 2015:

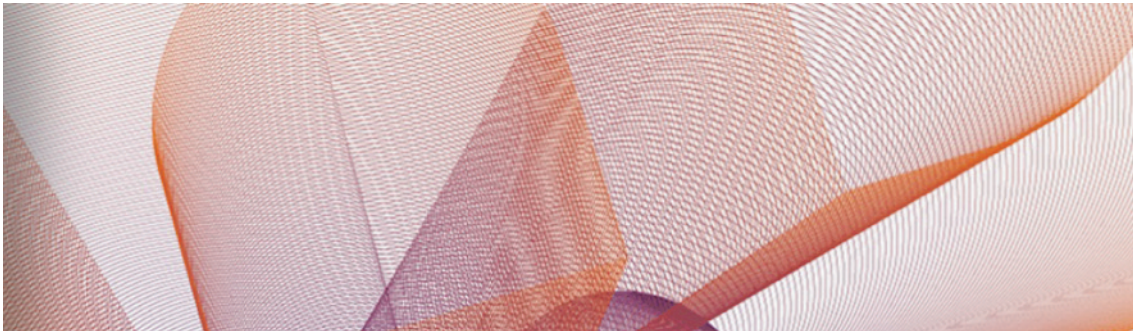
- i) As mentioned in Note 13 of the Notes to the Financial Statements, as at 31 December 2015 the Bank did not comply with the minimum regulatory requirement for share capital and equity of 2.5 billion kwanzas, imposed by BNA through Notice No. 14/2013 of November 15th. On 31 March 2016 the Bank asked for BNA's authorization to increase capital through incorporation of reserves during the financial 2016 which was granted with imposed deadline September 2016.

- ii) As mentioned in the Directors' Report there is a number of functions, policies and procedures that have not yet been properly implemented and/or formalized according the requirements of Notice N° 1/2013 and Notice N° 2/2013 of 19 April 2013, issued by the National Bank of Angola. In this context, the Management of the Bank has approved a set of initiatives to carry out in 2016 in order to meet those requirements.

Luanda, 28 April 2016

Ernst & Young, Lda

Represented by: Rui Abel Serra Martins (signature illegible) and António Filipe Dias da Fonseca Brás (signature illegible)



Audit Committee´s Report & Opinion

To the shareholders of
BANCO COMERCIAL DO HUAMBO, S. A.
Luanda

Pursuant to the Angolan legal provisions and the power vested in us, we hereby submit to your attention our Report and Opinion which includes the work we performed and the documents of the financial reporting of BANCO COMERCIAL DO HUAMBO, S.A. (hereby referred to as Bank), for the year ended 31 December 2015, which are a responsibility of the Board of Directors. The Balance Sheet shows total assets of 12,476,613 thousand Kwanza and equity of 4,588,449 thousand Kwanza including profit after tax of 2,211,227 thousand Kwanza.

Throughout the financial year, we followed regularly the Bank's activity by checking to the extent considered adequate – the asset values, accounting records and respective supporting documents which comply with legal provisions and with the Articles of Association.

The Bank's management and departments provided on time the explanations and information we needed.

The Directors' Report explains with sufficient clarity the activity performed by the Bank throughout the financial 2015 and we entirely stand by the proposed appropriation of profit made by the Board of Directors.

We consider that the Balance Sheet, the Income Statement, Statement of changes in equity, Statement of cash flows and respective Attachments are in accordance with the legal and company requirements, and give a true and fair view, in all material respects, of the financial position of the Bank, as stated in the Reports of the External and Independent Auditor from 28 April 2016, with which we agree.

The valuation criteria used for the preparation of the accounts correspond to the correct valuation of the assets.

The legal formalities and those in the Memorandum of association for disclosure of information and monitoring were met.

In the light of the foregoing, in the Audit Committee's opinion the referred Financial Statements and Directors' Report as well as the proposal for appropriation of profit made by the Board of Directors comply with applicable accounting and company law requirements for the purpose of approval by the General Meeting of Shareholders.

We would also like to express our thanks to the Board of Directors and the Bank's departments for their collaboration.

Luanda, 28 April 2016

The AUDIT COMMITTEE

Signed: Mr. Armando Nunes Paredes – President

Signed: Mr. Mário Castelo Branco – Deputy-chairman

Signed: Mr. Miguel Luis Manuel – Deputy-chairman