Annual Report 09

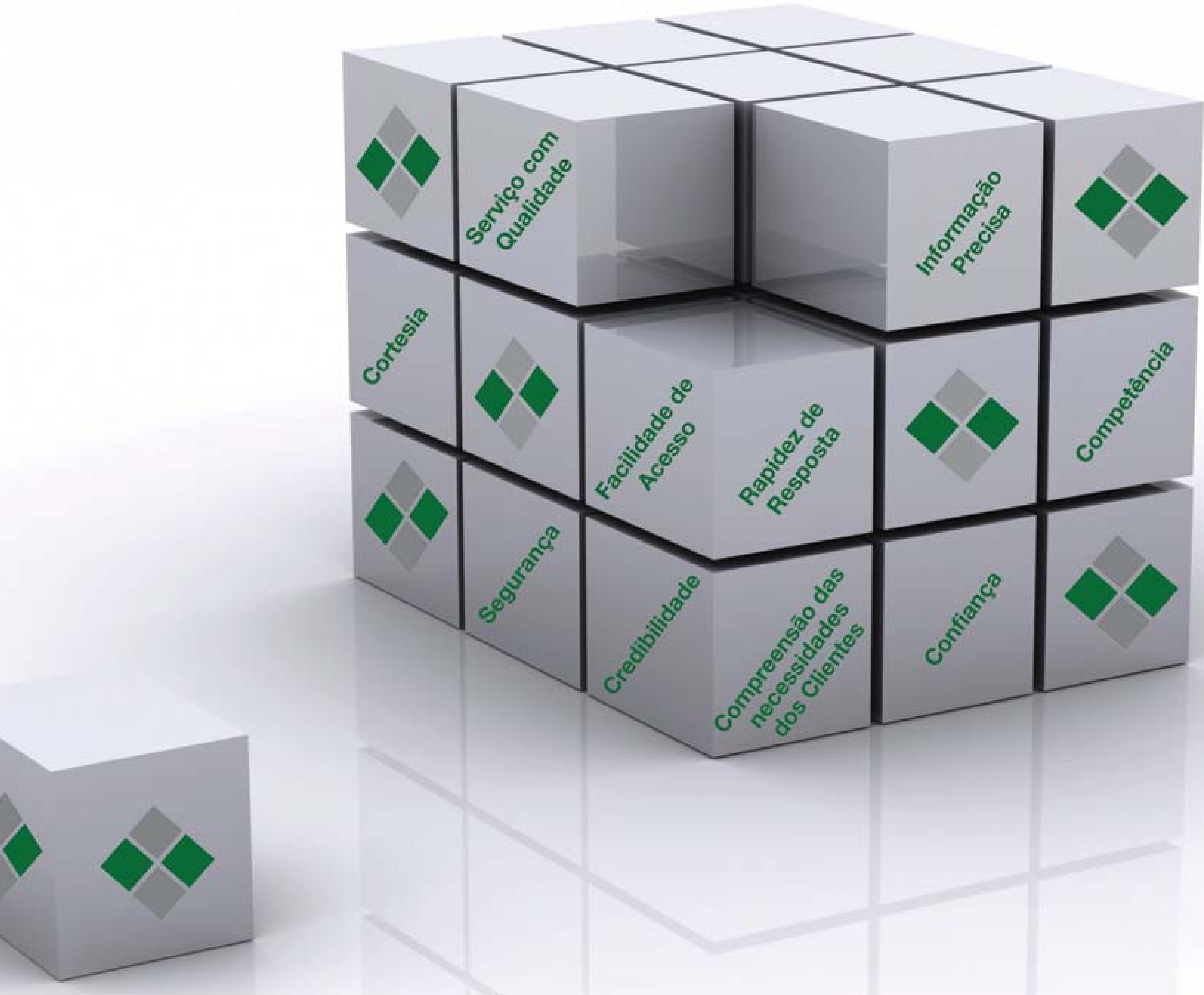
BCA
BANCO COMERCIAL ANGOLANO

Annual Report 2009

BANCO COMERCIAL ANGOLANO

Index

Focamos a nossa acção nas 10 dimensões mais relevantes, que determinam o nível da satisfação dos nossos clientes:



BCA
BANCO COMERCIAL ANGOLANO

Uma nova dimensão - O Banco que pensa em si.

Approval of the Board of Directors

The members of the Board of "Banco Comercial Angolano, S.A." are responsible for the preparation, integrity and objectivity of the financial statements and other information contained in this report

To satisfy this responsibility the company has put in place systems of internal accounting and administrative control to ensure that the assets of the Bank are safeguarded and that the operations and transactions are executed and recorded in conformity with the rules and procedures adopted.

The financial statements for the year ended on the 31st of December 2009, audited and comprising the pages from 21 to 47 were approved by the Board of Directors and are signed on its behalf by:

Francisco da Silva Cristóvão
Chairman of the Board of Directors

Mateus Filipe Martins
Chief Executive Officer

Luanda, 15 April 2010

O BCA protege a sua reputação e a do País!

Ao utilizar os nossos serviços de recebimentos ou pagamentos internos e internacionais, terá uma garantia única oferecida no mercado, porque:

- O BCA possui sistemas informáticos e processos tais como ***"Side Safewatch*** e ***World-Check"***;
- A sua reputação e o seu negócio estarão protegidos contra o crime financeiro;
- Estará em cumprimento com os regulamentos nacionais e internacionais sobre o Branqueamento de Capitais;
- Evitará multas e penalizações pesadas dos reguladores nacionais e internacionais;
- Os seus pagamentos internacionais serão filtrados na base de dados aprovadas pelos principais reguladores internacionais, OFAC, EU, entre outros.

BCA – Garantia de combate ao crime financeiro.

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BANCO COMERCIAL ANGOLANO

Uma nova dimensão - O Banco que pensa em si.

Directors Report

2009 in Perspective

After ABSA bank indicated in October 2008 its intentions to dispose of its 50% stake in BCA to the other shareholders and their acceptance of the offer, this gave rise to a transitional phase where there was joint decision making until the effective sale date. During this transitional phase, management was concerned with ensuring an adequate control environment with special focus on risk management.

After the effective sale date of 18 June 2009 BCA sought to implement a transitional strategy with na immediate aim of stopping the trend of losses registered in the past. The main focus was initially on the improving efficiency through eliminating unnecessary expenses; rationalising all expense lines and increasing the non-interest income so that it would be in line with industry averages.

The strategy implemented in the last 12 months of the year lead to na improvement in the bank's financial performance as reflected in this report. The new management team also focused its attention on consolidating the work that had been done to that date in terms of reorganisation; reengineering of processes; and applying best practices throughout the bank with special focus on the following areas: Corporate Governance; Finance; Credit Risk; Treasury; Branch network; Human Resources; Know your Customer; Anti-money Laundering procedures; Regulatory compliance and Third-party supplier management.

Risk Management

The board of directors recognises the importance of effective risk management and continues to give close attention to risk management issues. Refresher workshops and specific in-house and third party courses were held on the following risk áreas:

- Operational Risk (workshops on Detailed Risk And Control Assessment with each head of department and departmental risk champion)
- Market risk (Computation and interpretations of Value at Risk etc)
- Credit risk (types of guarantees and how they are formalised)
- Liquidity Risk management
- Compliance risk
- Reputational risk
- Money laundering risk

Directors Report

BCA is proud to have been the first bank in Angola to have implemented anti-money laundering systems procedures and mechanisms with all relevant licences for the systems in use having been renewed in 2009.

Risk management is a permanent agenda item on the bank's Management Committee meetings and also all board meetings.

Appropriation of 2009 Profits

The board proposes the transfer of the requisite amount for the legal reserve as required by law and that a dividend of AKZ 27,35 per share be declared with the balance being incorporated into equity as reserves.

Future Prospects

In 2010 the board intends to continue it's efforts to: expand its footprint; implement a bank website with Internet banking; launch new products and a new image for its debit cards among other things.

Francisco da Silva Cristóvão
Chairman of the Board of Directors

Mateus Filipe Martins
Chief Executive Officer

BCA Highlights

BCA Highlights - 2009.

Some of the main highlights for the year 2009 are as follows:

• Finalisation of the disposal of the 50% stake held by ABSA Bank in BCA to Angolan shareholders;

• Appointment of new governance structures in light of ABSA Bank's exit;

• Opening of the Lobito Branch;

• Signing of an agreement with BAI for the certification of BCA's ATMs to enable them to accept VISA cards.

• Approval of the transitional strategic plan for 2009/2010

Key Indicators

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Balance Sheet				
Total assets	22.000.479	245.689	21.269.761	282.955
Loans and advances	4.590.339	50.926	4.862.070	64.681
Customer liabilities	18.349.634	205.276	18.406.8822	44.870
Equity	2.703.301	29.815	2.172.579	28.902
Activity				
Net Interest Income (NII)	760.857	9.591	974.088	12.981
NII plus net fees and commissions	2.119.825	26.727	1.506.191	20.072
Operating expenses	1.407.202	17.557	1.439.488	19.183
Operating profit	669.099	8.621	3.380	45
Profit for the period	530.722	7.073	3.380	45
NII/NII plus net fees & commissions	35,9%	35,9%	64,7%	64,7%
Net fees & commissions/NII	178,6%	178,6%	54,6%	54,6%
Cost-to-income	66,4%	66,4%	95,6%	95,6%
Operating expenses/average total assets	6,4%	6,4%	6,8%	6,8%
Solvency and Liquidity				
Non-perf loans/Total loans & advances	7,6%	7,6%	5,9%	5,9%
Provisions/Non-perf loans	69,9%	69,9%	59,4%	59,4%
Return on assets (ROA)	2,9%	2,9%	-	-
Return on Equity (ROE)	24,4%	24,4%	-	-
Debt-to-equity ratio	14%	14%	11,4%	11,4%
Fixed asset ratio	40,2%	40,2%	47,6%	47,6%

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Governance and Management Structure

GOVERNANCE STRUCTURE

General Assembly

Chairman	Afonso Domingos Pedro Van-Dúnem "Mbinda"
Vice-Chairman	Mario António de Sequeira e Carvalho
Secretary	José Francisco Luís António

Board of Directors

Chairman (Non-executive)	Francisco da Silva Cristóvão (Non-executive)
	Mateus Filipe Martins
	Mathias Tohana Nleya
	José Carlos de Almeida Marques
	António Daniel Pereira dos Santos

Fiscal Council

	Paul de Sousa (KPMG - ANGOLA, S.A.)
	António Briffel Neto
	Eduardo Cirilo

MANAGEMENT STRUCTURE

Executive Committee

Chief Executive Officer	Mateus Filipe Martins
	Mathias Tohana Nleya
	José Carlos de Almeida Marques

Heads of Department

• Head of Finance	Faustino Madia
• Head of Credit	Tatiana Muhongo
• Head of Risk	Uini Miguel
• Head of Treasury	Bo Kronback
• Head of Internal Audit	António Cambuta
• Head of Human Resources	Hernani Cambinda
• Head of Operations	Carlos Fernandes
• Head of Infrastructure & Branch Expansion	João Reis
• Head of IT	Otniel Agostinho
• Head of Marketing	Zélia Pitra
• Head of Legal	Delfina Cumandala
• Head of Policies & Procedures	Lizeth Lemos
• Head of New Product Development	Manuela Baptista
• Head of Retail Banking	Mário Leitão
• Head of Corporate Banking	José Marques

Corporate Governance Declaration

The Board of Directors remains committed to the maintenance of the highest corporate governance standards in the operations and structures of the Bank. Ensuring effective monitoring and control, and timely and accurate disclosure of material information about the Bank has also remained a top priority. All laws and regulations are observed as a matter of policy. In this regard, the board saw it fit to create a number of sub-committees as required by corporate governance best practice as detailed below:

Main Board

The Bank is directed by a Board of Directors headed by an independent, non-executive chairman, thereby ensuring separation of roles between the Managing Director and Board Chairman. The board is composed of 5 members (2 non-executive and 3 executive directors). The board meets ordinarily once a quarter and agreed on the following sub-committees:

Audit Committee

The prime functions of the committee are to review the Bank's accounting policies, the contents of the financial reports, disclosure controls and procedures, management's approach to internal controls, the adequacy and scope of the external and internal audit functions, compliance with regulatory and financial reporting requirements, oversee the relationship with the company's external auditors and fiscal council, as well as providing assurance to the board that management's control assurance processes are being implemented and are complete and effective. This committee is made up of 3 independent members.

Remuneration Committee

The committee hás the responsibility to determine the remuneration packages of the board and other internal supervisory bodies such as the fiscal council and general assembly and is composed of 3 members who represent shareholders of the bank.

Board Credit Committee

The Board Credit Committee is tasked with the overall review of the bank's lending policies. At each meeting, the committee deliberates and considers loan applications beyond the discretionary limits of the management credit committee. It ensures that there are effective procedures and resources to identify and manage irregular or problem credit facilities, minimize credit loss and maximize recoveries. It also directs, monitors, reviews and considers all issues that may materially impact on the present and future quality of the Bank's Credit Risk Management. This committee is made up of 3 board members (The non-executive Chairman; 1 non-executive director and 1 executive director).

Asset and Liability Committee (ALCO)

ALCO is tasked with ensuring the achievement of sustainable and stable profits within a framework of acceptable financial risks and controls. ALCO ensures maximization of the value that can be generated from active management of the Bank's balance sheet and financial risk within agreed risk parameters. ALCO manages the funding and investment of the bank's balance sheet, liquidity and cash flow of the bank, as well as exposure of the bank to interest rate, exchange rate, market and other related risks. It ensures that the bank adopts the most appropriate strategy in terms of the mix of assets and liabilities given its expectation of the future and potential consequences of interest rate movements, liquidity constraints and foreign exchange exposure and capital adequacy. The committee is made up of the 3 executive directors and the heads of risk; credit; retail; corporate banking; finance and Treasury (dealing room).

Risk Management Committee

This committee provides advice and recommendations to the board of directors with regards risk management issues. Its main objective is to analyse and evaluate the following risks on a quarterly basis: Operational Risk; Money Laundering Risk and sanctions; Compliance risk and Fraud risk.

The committee members are the CEO; Executive Director responsible for risk management; heads of Risk, Internal Audit; Routines and Controls and Legal departments and also the IT security manager.

Macroeconomic Background

By the beginning of 2009, the global economy had been severely affected by the effects of the 2008 international financial crisis, the core of which lay in the American economy. Its glaring and continued lack of liquidity in the real estate market affected all nations across the world in different ways, in a domino effect facilitated by financial globalisation.

The degree of damage wrought in each country reflects the degree of its financial and commercial links firstly with the United States of America, and secondly with Europe - as it was here that the causes of this huge crisis so rapidly became apparent, namely in England, Germany, France, Spain and Portugal-

It is important to remember that this global crisis was preceded by many signs that were not given the necessary attention, namely the ostensive and disastrous economic declines in Mexico in 1995, South Korea in 1998 and Argentina in 2002.

The International Circumstances

In 2009, due to the intervention of the market economies, capitalists, so to speak, (in 2008) determined to revive their economies helped lessen the effects of the crisis by injecting large quantities of capital into their financial markets to staunch and reverse the lack of liquidity and sustain the consumption-production binomial. In this way, some banks, insurance companies and large multinationals were saved from bankruptcy with State injections of billions of dollars, thereby violating the basic principles of a market economy, which is based on governmental abstinence in the liberalized market - as such market should be able to regulate itself in case of any anomaly - and thus proving the Angolan government to be correct in its economic intervention with liquidity.

This crisis negatively affected global commerce, which according to the World Bank, fell by 14.4%. This was fundamentally influenced by the constant and persistent fluctuations in the prices of the main merchandise transacted and the cyclical variations in exchange rates.

In 2009, the main economies' central banks, which intervened in an attempt to stem the tide of the crisis, liquidated the emergency liquidity receipts in stages.

The Developed Economies

The United States of America

As the origin of the global financial crisis, in 2009 the USA began to show clear signs of destabilisation such as the continuous drop in internal production, leading to the bankruptcy of renowned industrial and financial companies (whose share values plummeted) to the deficient response to consumption and internal investment, stimulated by the reduction in interest rates at levels below 1%. These problems, together with the undercapitalisation of the banks, insurance companies and other institutions and financial intermediaries, was largely responsible for the lack of consumer confidence and the increase in unemployment. Consequently, the American economy - the number one on a global level - experienced a negative variation of -2.4%, thus continuing the cooling-off that went on until 2005, and behaving in a similar fashion to the world's second-biggest economy, Japan, as we see from the table below.

The European Union

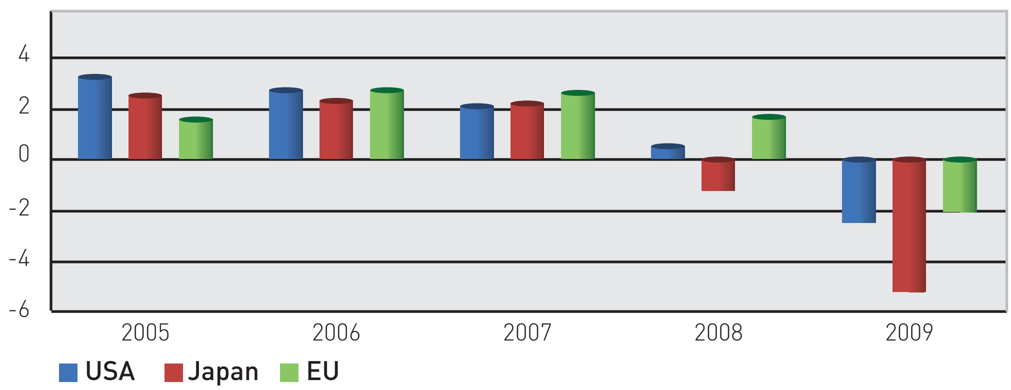
Europe, which had been experiencing growth over recent years, began to slow down in 2006 and ultimately entered recession in 2009 with a negative growth rate of -4.1%. This economic zone assists some of its member countries get through times of great uncertainty as regards the immediate future; those in an ailing position having been greatly weakened by high budget deficits and spiralling public debt, which may culminate in the necessary intervention of the IMF proposing drastic containment measures with unpredictable effects; Greece, Ireland and Portugal are the most evident in the group of countries experiencing severe crisis.

Japan

This Asian country with highly-qualified and disciplined workers, modern infrastructures and industrial facilities, impressive technological know-how and a stable government with the facility to levy taxes experienced rapid growth from 1953 to 1973. From the mid-1970s, however, it began to suffer constant crises; in the 1990s, the economy continued to see increasingly smaller growth cycles, with increasingly deeper recessions. In 2005, when it had seemed to recover the growth to which the world was accustomed, another recession began, the most severe to date, and Japan experienced a negative growth rate of -5.2% in 2009.

GDP variation rates of the biggest economies in the world (%)

Countries	2005	2006	2007	2008	2009
USA	3,2	2,8	2,1	0,4	-2,4
JAPAN	2,6	2,4	2,3	-1,2	-5,2
EUROPEAN UNION	1,8	2,8	2,7	1,7	-2,0



Emerging Economies

Despite the large international scope of its economy, China was the country least affected by the crisis due to its decade of growth (above 10%), despite a slowed growth to 8.7% in 2009. Over this period, its imports increased from 10% in 2008 to 12% in 2009; this rise in Chinese consumption led to a growth in commercial exchanges with Japan, which became the largest market in detriment to the USA, prompting a 12.1% growth in Japanese exports. This Chinese consumer behaviour, according to the World Bank, prompted the economies in crisis to emerge from recession and stagnation, which were then able to receive foreign currency as revenue from exports, thus also improving their balance of payment and internal balance.

Brazil experienced periods of negative growth due to shrinking consumption, particularly in the international private sector: once exports fell, its balance of payment consequently worsened. This still reflects the contracting of foreign investment in the private sector. However, the previous golden years contributed to the fact that the effects were less serious and persistent. To stimulate internal consumption and minimise some of the effects of reducing exports, Brazil used fiscal policies and lowered a few tax rates on consumer goods in general.

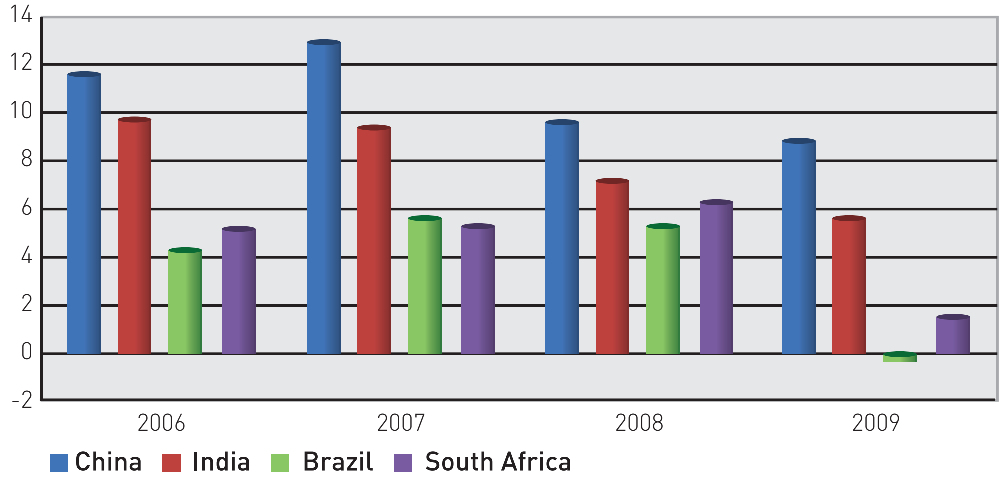
Although **India** continued to claim having increased its number of workers, mainly due to the banks beginning to offer microcredit loans to poor people, it has continued to slow down its economy, basically in 2008, reaching an unemployment rate of 10.7%. To reduce the risks of a lack of liquidity, the central Indian bank brought in reserve protection policies.

In 2009, **South Africa** also saw its economy slow down to negative numbers (-1.8%). Considered the largest African economy, it was severely penalised by its connection with and integration in North American, European and Asian markets. Its unemployment rate hit 24.3%, the highest of the emerging countries.

Trends of emerging economies in the last quadriennium (%)

Countries	2006	2007	2008	2009
China	11,6	13,0	9,6	8,7
India	9,8	9,4	7,3	5,7
Brazil	4,0	5,7	5,1	-0,2
South Africa	5,3	5,1	6,3	1,7

Macroeconomic Background



Africa

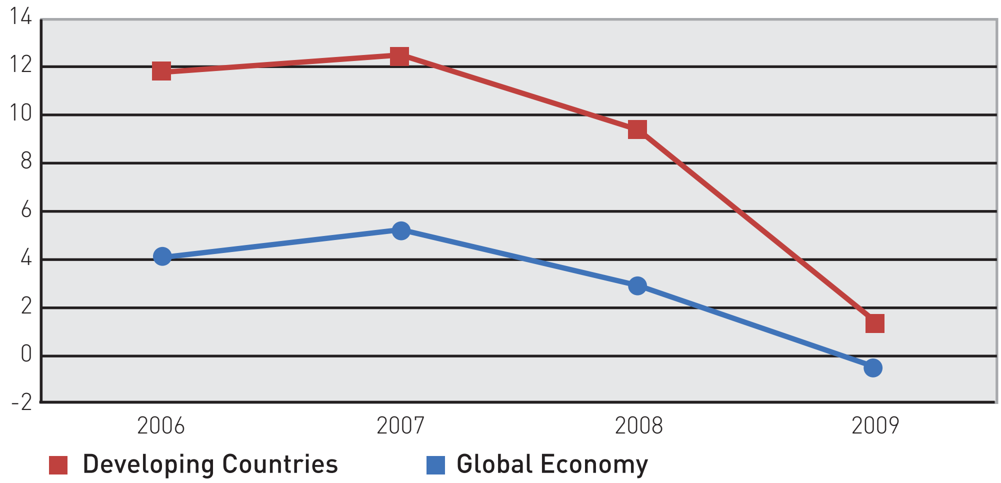
If we remember that the crisis erupted precisely when petroleum reached its maximum, countries such as Angola, Nigeria, Algeria and Libya saw a decrease in their revenue from the sale of crude oil, thus prompting a chain of problems in their balances of payments, international reserves, consumption (highly dependent on imports) and consequently on the prices of its goods and currency exchange rates, which depreciated.

Sub-Saharan Africa, the region that had experienced the most growth in the continent over recent years, also saw the development of its economies slow down, a trend which, according to the International Monetary Fund, began in 2007 with 7%, and decreased to 5.5% in 2008 and 2.1% in 2009.

If the rich world no longer had the finances to make its imports, it is logical that the majority of African countries, whose economic power is based on the natural resources they have been blessed with, would lose revenue from potential exports, worsen their deficits, reduced their reserves, thus becoming more susceptible to fluctuating prices, inflation and devaluation of their currency. In short, they would not escape the sticky web of this economic-financial crisis. Only economic growth, which has recently lessened over the last few years, will be able to re-establish the normal operation of global commerce, which is still threatened by recession according to the figures in the table below.

Description	2006	2007	2008	2009
Global Economy	4,0	5,2	3,0	-0,6
Developing Countries	7,7	7,4	6,3	1,7

Macroeconomic Background



National Circumstances

The economic sector

Angola's economy did not escape the damage wreaked by the international crisis: since crude oil is the basis of its national revenue (more than 97%), and since the USA is the main importer of its crude oil, the balance of payments, which was in surplus when the crisis broke out, was severely affected and forced into a deficit situation, due to the substantial reduction in export revenues, and consequently our net exports - since the number one buyer of this national product did not have the financial means to maintain the level and speed of purchasing which had been witnessed in the past.

These results only had a big impact due to the country's high dependence on crude oil revenues, followed by diamonds, which as "luxury goods" saw most traditional buyers' demand waning due to a loss of buying power. The incipient and almost invisible diversification of the Angolan economy was another important factor in the deceleration of the economy.

Comparing the macroeconomic indicators of the Angolan economy of prior years with 2009 (when growth was only 2.4%), we can see a slowing GDP growth rate, with onerous consequences on inflation, unemployment, bank activity, construction of infrastructure and other important and pressing investments for the economy's growth in post-crisis development. The revenues from crude oil shrank by 55.23%, global expense dropped 10.9% and inflation rose to 13.9%.

It must be emphasised that in this period, the construction of necessary infrastructure to attract large investment capital continued, a sacrifice whose fruits will be rapid post-crisis growth for Angola. We believe this measure was the most appropriate, because although it may have worsened the internal Angolan debt, crises are fleeting by nature while the need to attract investments that accelerate growth, increase employment and improve credit capacity for consumption and the economy are permanent. In this way, Angola will build the foundations that will sustain its growth in terms of development rapidly. Angola must continue with its massive investment plan, transforming the range of current works into stable and large industries, cooperatives and agrarian structures, which are important for reducing average unit costs and thus develop economies of scale. It must continue to re-establish, improve and modernise its public and freight transport links that interconnect the whole country, particularly networks for transporting large quantities more securely and with lower costs - railways and maritime transport are very important for regional integration, as they bring competitive benefits in comparative terms and lower the cost of our goods and services.

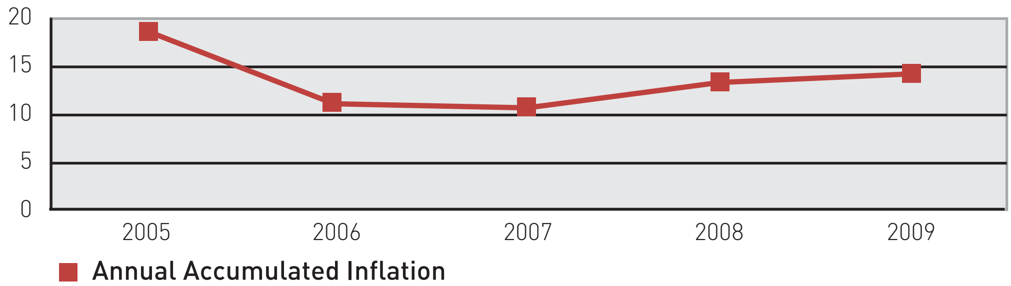
As a response to the experiences during the crisis, the Angolan government brought in policies that aimed to diversify the origins of their international revenue, the main objective being to reduce the Angolan economy's high dependence on crude oil exports, by increasing the contribution to fiscal revenues of other non-oil productive activities.

Inflation rates in the period

The deflation that began in 2002 ended in 2007; inflation began to rise again in 2008, increasing year-on-year by 1.4%. It continued to grow in 2009, a year in which it recorded an increase of 0.82%. The considerable reduction in Central Bank's foreign currency (forex) reserves (due to the reduction and fluctuation in oil and diamond prices), the limited supply of consumer goods (due to reduced production in countries from which Angola imports), the low supply of foreign currency, which led to the appreciation of the dollar and an increased use of the kwanza as an alternative to the difficulty of getting forex on the interbank market vast quantities of local currency injected into the informal market contributed to the increase of this monetary phenomenon.

Description	2005	2006	2007	2008	2009
Annual Accumulated Inflation	3,2	2,8	2,1	0,4	-2,4

Annual Accumulated Inflation



Macroeconomic Background

The Monetary Sector

The BNA (Central Bank of Angola) is responsible for the application and control of government monetary policies. In early 2009 its intervention capacity was reduced due to the significant reduction in net forex reserves. To avoid the bank system deteriorating, it increased the statutory reserve requirements from 15% to 20% and rediscount rate from 19.5% to 25% by substantially reducing the volume of debts held by the national bank. The monetary base rose 75.5%, in which net credit afforded to the State by the BNA was dominant. The monetary reserves grew 71.5%, BNA's stock of securities expanded by 55.5%, reaching 146 billion kwanzas compared to 94 billion kwanzas in 2008. It is important to remember that the domestic debt was partly financed by a substantial issuing of securities.

BNA's restrictive measures also hindered and reduced the commercial bank's lending capacity, as it reduced the liquidity available.

Credit to the government, which had been growing since 2001, changed direction in 2006, recovering its growth the following year. In 2008, credit rose by 337.89% in relation to the previous year, but it only grew by 13.51% in 2009.

Since 2001, **credit to the public business sector** has enjoyed a continued growth trajectory. In 2008, this credit rose by 116.9 % compared to the previous year, and 20.09% in 2009.

Credit to the private sector also had been on a growth trend since 2001 with high annual growth rates, especially in the last few years, more specifically 78.72 % in 2007, 61.19 % in 2008 and 60.71 % in 2009, always keeping the previous year in mind.

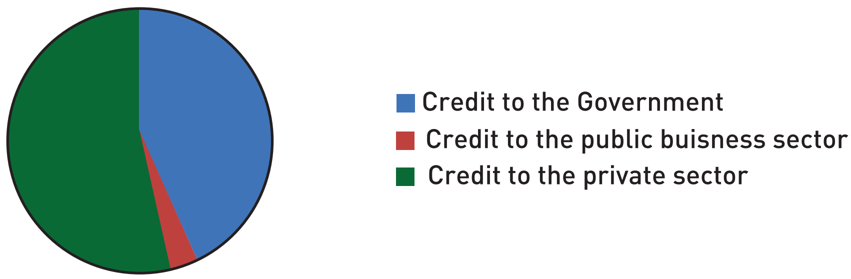
The **non-performing loans** displayed different behaviour in the two sectors; in the public business sector, behaviour has wavered since 2001, with the lowest value in 2007 and greatest growth in 2008 with about 1564.96%, experiencing another decrease in 2009. Except for 2004, the private sector continued rising until 2009, which demonstrates the commercial bank's concern in financing the economy, as well as consumption or production.

Table: Credit granted by Commercial Banks - in Thousands of kz

Description	2005	2006	2007	2008	2009
Credit:					
to the Government	94.799,38	53.248,34	183.396,73	803.075,23	911.539,11
to the Public Buisness Sector	10.761,65	14.529,82	23.588,71	51.167,78	61.449,14
to the Private Sector	133.433,24	267.461,09	478.012,66	770.518,35	1.238.311,77
Sub-Total	**238.994,27**	**335.239,26**	**684.998,09**	**1.624.762,35**	**2.211.300,02**
Overdue:					
of the Public Buisness Sector	653,77	1.417,45	69,47	10.940,09	2.999,03
of the Private Sector	1.370,59	2.531,51	4.220,90	21.970,47	26.329,40
Total	**241.018,63**	**339.188,22**	**689.288,46**	**1.657.672,91**	**2.241.128,45**
Credit in %:					
in National Currency	55,81	40,30	40,21	53,83	49,60
in Foreign Currency	44,19	59,70	59,79	46,17	50,40

Obs: Data from 2008 and 2009 are preliminary, according to the BNA statistics report.

Credit Granted by Commercial Banks in 2009



Borrowing in foreign currency has dominated over the last few years (except in 2008), an attitude that reflects a greater currency security to defend against the instability of the kwanza, which is periodically devalued by the appreciation of the dollar if the government does not intervene in the exchange market with open market policies.

Credit to the Economy

Credit to agriculture and forestry continued to grow, since this sector (the primary of an economy) is decisive in leveraging the industrial sector responsible for transforming these goods. These sectors are essential for diversifying the economy, bearing in mind that the main government objective is to end the heavy dependence on crude oil. Focus on the extractive industry, with an increase in credit, supplements the objective mentioned. The credit volume in fishing also aims (as a last resort) to increase revenue and foreign currency, after improving the diet of the Angolan people.

A greater focus on energy, gas, water and construction aims to improve the condition of infrastructure that attracts international capital, which is necessary for Angola's bulk investments. Deposits

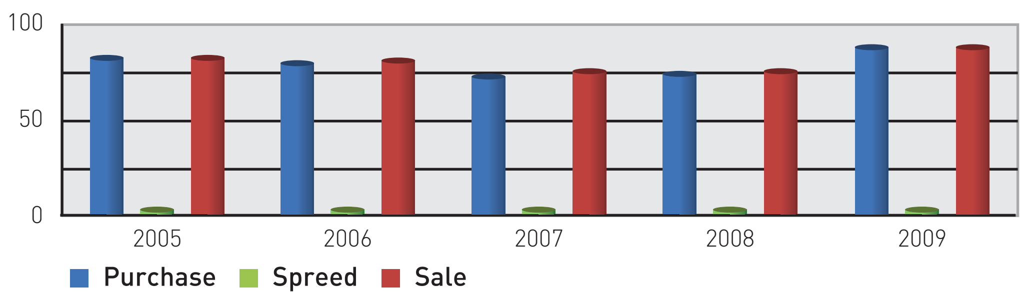
The deposits that had been growing at satisfactory rates in 2007 and 2008 slowed down in 2009. This slowed growth in deposits is a lot more visible in local currency 46.91% in 2007, 57.89% in 2008 and finally 49.28% in 2009. Reduction in term deposits in 2009 (18.94% compared to 29.05% in 2008) - the most important aspect for the commercial bank (because it permits the granting of medium to long-term loans as the maturity mismatch between the assets and liabilities is reduced) reflects the customer's reaction to the policies aimed at containing the effects of the crisis in response to the great difficulty of withdrawing their savings when values are raised.

Exchange rates

Buying the dollar, whose price continued to decrease from 2005 to 2007 (in relation to 2004, when the price hit a record); in 2009 the growth begun in 2008 continued. This increase was almost quarterly, reaching its greatest variation in December compared to the previous year. The depreciation of the kwanza reflected the appreciation of the dollar in the internal market, the reference currency for Angola's commercial link to the outside.

Table: Exchange Rates in the Primary Market

Description	2005	2006	2007	2008	2009
Primary Market:					
Purchase	80,58614	79,99165	74,83000	74,94500	88,52500
Sale	80,98908	80,39161	75.20400	75,32000	88,96700
Spreed	0,40294	0,39996	0.37400	0,37500	0,44200



Everything suggests that Angola will not enter recession; on the contrary, its economy will recover its growth patterns, a prediction confirmed in the improving price of oil when compared with 2009.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Financial Analysis

Comments on the Balance Sheet of BCA

Assets

During the transition phase after the exit of ABSA bank from the shareholding structure of the bank, management decided to maintain the existing asset mix so as to avoid taking on new risks. 70% of the bank's assets were income earning which represents a 5% decrease when compared to 2008 mainly because of the need to reinforce the bank's statutory reserve requirements after the central bank increased the same.

Loans and advances

The loans and advances decreased by about 21% due mainly to the lower level of lending and the significant collections during the year. The bank will continue to emphasize the collection of loans during 2010.

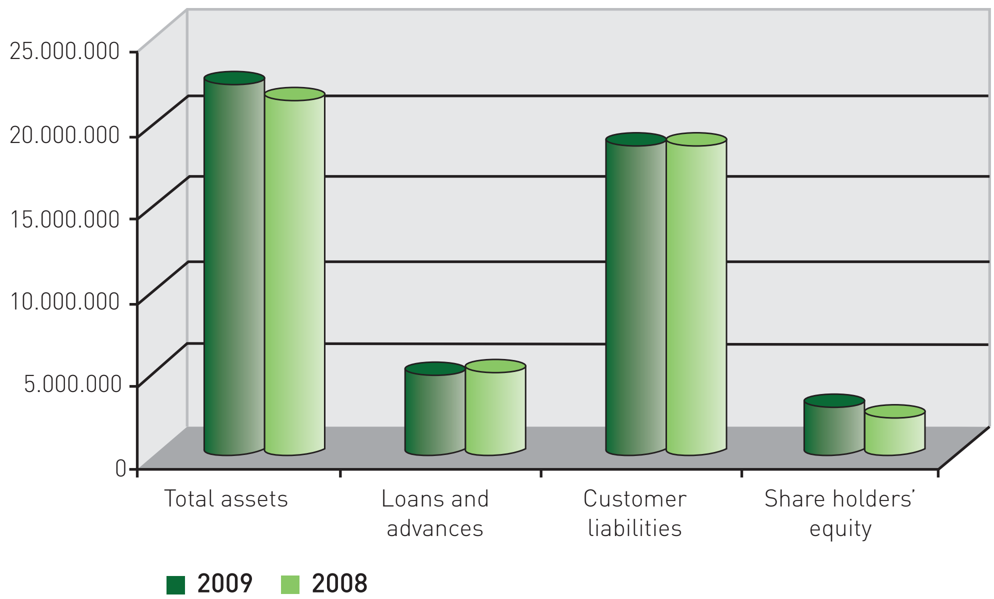
Customer liabilities

The customer liabilities did not alter much during the year. The effects of the global financial crisis started being felt in Angola in 2009 and a number of customers preferred to either withdraw their resources from the financial system or in most cases not renew their term deposits and opt more to keep their resources in demand deposits due to the uncertainty that reigned at the time. These customer tendencies resulted in a shift in the concentration of deposits from term to demand.

Shareholders' equity

The current year profit had a positive impact on the total equity of the bank with the bank closing the year with about USD 30 million in equity.

The graph below reflects the trends of the last 2 years.



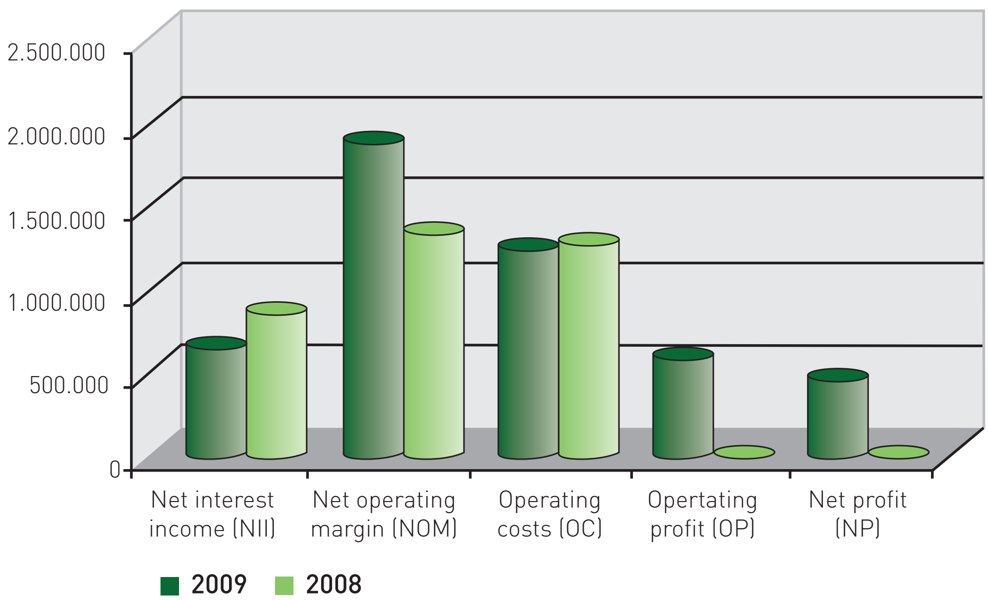
Financial Analysis

Comments on the Income Statement

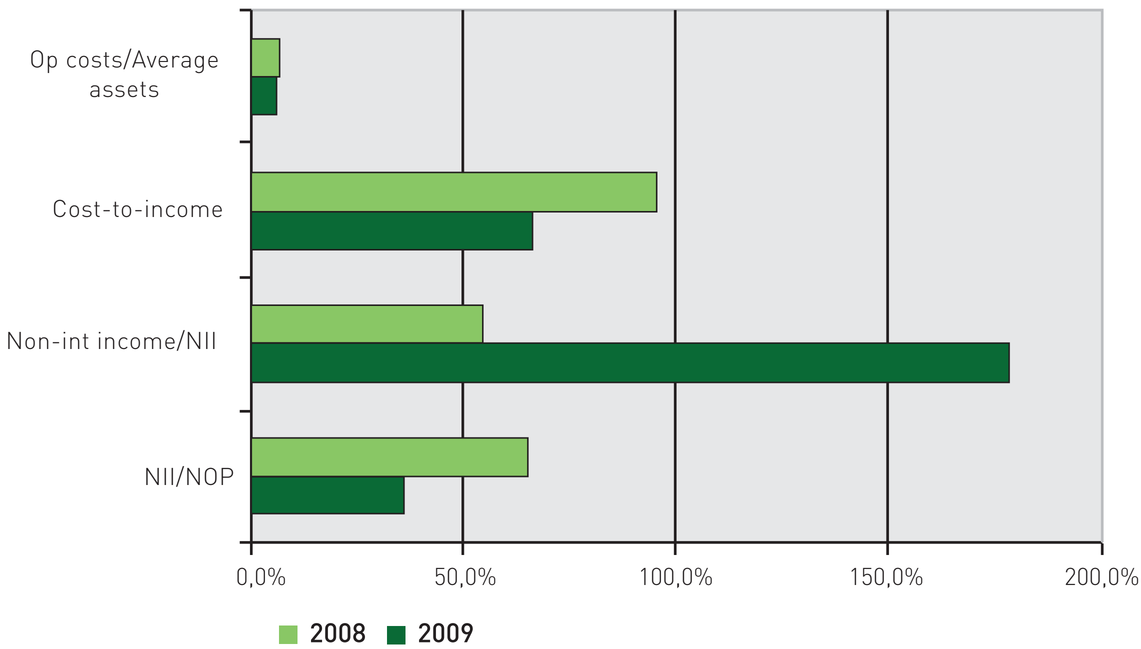
During 2009 there was a marked decline in the net interest income mainly due to the lower level of lending and the reduction in interest earning assets such as government and treasury bonds. This decline was however, counterbalanced by a significant increase in the non-interest income as a result of internal process changes and significant foreign Exchange profits.

There was a deliberate drive to contain and reduce operating costs by eliminating unnecessary expenses and this also had a positive impact on the bank's profitability in 2009. The management team will continue its efforts to reduce the cost-to-income ratio to within the industry average.

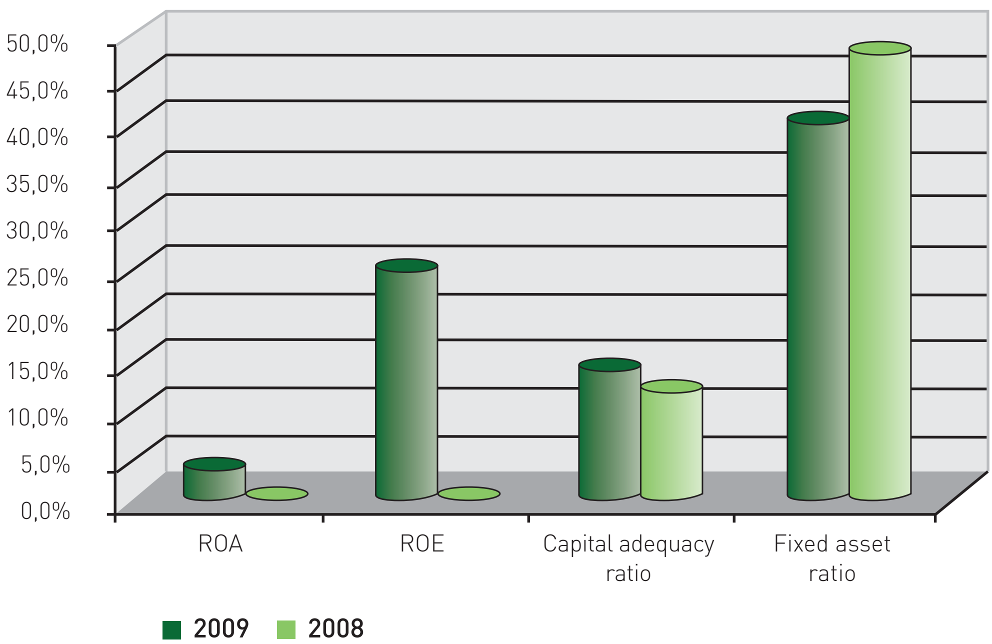
As can clearly be seen, the profit that was realised in 2009 was mainly a result of more efficient management of the available resources as shown below, however, in order for the bank to ensure sustainable income statement growth there is a necessity to grow the balance sheet and also for additional capital to be injected as was deliberated and approved at the Extraordinary General Assembly held on 27 January 2010 where the bank´s 2 year strategic plan was also approved.



Financial Analysis



as well as on other prudential rations as shown in the graph below.



Distribution Channels

1- Direct:

Branches (15)

LUANDA:

Valódia - Sede
Av. Comandante Valódia, nº 83-A
Tel: (+244) 2 - 448106
Fax: (+244) 2 - 447832
E-mail: bca@bca.co.ao
SWIFT: COMLAOLU

Deolinda Rodrigues
Rua Deolinda Rodrigues, nº 477
Estrada de Catete - Luanda
Tel/Fax: (+244) 2 - 260063 / 2376

N'gola Kiluanji
Rua N'gola Kiluanji, nº 183
São Paulo - Luanda
Tel: (+244) 2 - 384508 / 40
Fax: (+244) 2 - 384570

Rainha Ginga
Rua Rainha Ginga, nº 8 - B
Coqueiros - Luanda
Tel: (+244) 2 - 334160/3289/3678
Fax: (+244) 2 - 330189

Major Kanhangulo
Rua Major Kanhangulo, nº 288
Ingombota - Luanda
Tel: (+244) 2 - 330932/1097
Fax: (+244) 2 - 330802

Morro Bento
Rua Pedro Castro Van-Dúnem
Estrada Nacional - Talatona
Bairro Morro Bento

Porto Seco de Viana

Filda

CABINDA

Cabinda
Largo Lopes Pim-Pim
Tel: (+244) 231 220125
Fax: (+244) 231 222127

Cabinda Airport
Av. Duque de Chiasi
Aeroporto de Cabinda
Tel: (244) 231 223148
Fax: (+244) 231 223149

Porto de Cabinda

BENGUELA:

Benguela
Rua Comandante Kassanje,
nº 1 R/C
Tel:(+244) 272 23704 /42/43/44/71
Fax: (+244) 272 236640

LOBITO:

Lobito
Av. 25 de Abril, Bairro 28
Edifício da ENE
Tel: (+244) 272 226606/7/8/9/10
Fax: (+244) 272 611

SANTA-CLARA:

Santa Clara
Rua Principal de Sta. Clara
Próximo da Alfândega Sta. Clara
Cunene

2- Indirect:

Limited service branches:
Hipermercado Jumbo (1)
Fábrica da Cola-Cola, Funda (1)
Multicaixas - ATM (24)
Terminal de Pagamentos
Automáticos - POS (48)

CARTÃO MULTICAIXA BCA
VAI CONSIGO PARA TODO O LADO.

O cartão Multicaixa BCA vai consigo para todo o lado, podendo ser usado, a qualquer hora, num dos diversos terminais de auto-atendimento espalhados por todo o país.

Com este cartão, o BCA vai estar, ainda mais, perto de si e das suas necessidades.

Principais vantagens do Cartão Multicaixa BCA:

- Disponível 24 horas
- Levantamentos
- Consulta de saldo
- Consulta de movimentos
- Requisição de cheques
- Carregamento de telemóveis

BCA
BANCO COMERCIAL ANGOLANO

Financial Statements

As at 31 December 2009

BALANCE SHEET

	Notes	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
ASSETS					
Cash and Deposits with Central Bank	**4**	5.029.197	56.261	3.334.588	44.361
Short term deposits with Banks	**5**	1.518.310	16.985	2.711.662	36.074
Deposits with Banks	**6**	2.770.078	30.988	20.691	275
Loans and advances to customers	**7**	4.590.339	50.926	4.862.070	64.681
Trading and Investment securities	**8**	6.277.612	70.226	8.379.845	111.478
Equity investments	**9**	49.737	556	49.737	662
Intangible assets	**10**	25.190	282	18.445	245
Property, equipment and other tangible assets	**10**	1.061.775	11.877	1.014.818	13.500
Other assets	**11**	388.126	4.342	662.785	8.817
Accrued interest income and other assets	**12**	290.115	3.246	215.120	2.862
		22.000.479	**245.689**	**21.269.761**	**282.955**
LIABILITIES					
Deposits from Banks					
a) Demand deposits	**13**	7.022	79	1.500.000	19.955
b) Term deposits	**13**	-	-	2.255.055	30.000
Deposits from clients					
a) Demand deposits	**14**	13.214.667	147.832	8.386.852	111.571
b) Term deposits	**14**	2.715.052	30.373	4.936.528	65.671
Other borrowings	**15**	2.412.893	26.992	1.191.214	15.847
Other liabilities	**16**	232.897	3.623	137.233	1.826
Accrued interest expense and other liabilities	**17**	714.647	6.975	625.536	8.322
Provisions					
Provision for general credit risk	**18**	-	-	64.764	861
		19.297.178	**215.874**	**19.097.182**	**254.053**
SHAREHOLDERS' EQUITY					
Share capital	**19**	1.308.702	15.000	1.308.702	15.000
Legal reserve	**20**	193.643	2.508	190.263	2.463
Capital maintenance reserve	**20**	82.579	-	82.579	-
Other reserves	**20**	587.655	9.376	587.655	9.376
Foreign currency translation reserve		-	(4.142)	-	2.018
Retained income for the year	**20**	530.722	7.073	3.380	45
		2.703.301	**29.815**	**2.172.579**	**28.902**
		22.000.479	**245.689**	**21.269.761**	**282.955**

INCOME STATEMENT

	Notes	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Interest and other similar income	21	1.140.166	14.378	1.652.947	22.028
Interest and other similar expenses	22	(379.309)	(4.787)	(678.859)	(9.047)
Net interest margin		**760.857**	**9.591**	**974.088**	**12.981**
Fee and commission income	23	366.340	4.620	211.762	2.822
Results of financial operations	24	950.233	11.982	318.399	4.243
Other income	25	49.493	623	9.979	133
Fee and commission expenses		(7.098)	(89)	(8.037)	(107)
		1.358.968	17.136	532.103	7.091
Net operating margin		**2.119.825**	**26.727**	**1.506.191**	**20.072**
Salaries and other payroll expenses	26	(734.332)	(9.207)	(681.331)	-9.080
General administrative expenses	27	(544.815)	(6.870)	(641.377)	-8.547
Taxes and other similar expenses		(951)	(12)	(2.719)	-36
Other expenses		(33.411)	(421)	(978)	-13
Depreciation		(94.644)	(1.059)	(115.802)	-1.543
Provisions	28	(42.573)	(537)	(60.604)	-808
		(1.450.726)	(18.106)	(1.502.811)	-20.027
Operating results		**669.099**	**8.621**	**3.380**	**45**
Provision for Income taxes		(138.377)	(1.548)	-	-
Net Income/(Losses) for the year		**530.722**	**7.073**	**3.380**	**45**

NOTES TO THE FINANCIAL STATEMENTS

1. CONSTITUTION AND ACTIVITY

Banco Comercial Angolano, S.A. ("BCA" or "the Bank"), with its head office in Luanda, is a private company whose shareholders are Angolan (50%) and ABSA Group Ltd, a bank registered in South Africa. ("ABSA") (50%). On the 9th of June 2009 ABSA, 50% shareholder, sold their interest in BCA to certain existing Angolan shareholders.

The Bank was formed on the 17th of March 1997 and started its commercial activity on the 23rd of March 1999.

BCA's commercial goal is to operate as a bank and to provide credit, using any financial operations as appropriate and investing in bonds or other financial instruments.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

The financial statements are prepared in Kwanza (AKZ) on the historic cost basis, except for fixed assets which are restated as permitted by Angolan legislation, and in accordance with the accounting principles and rules of the General Plan of Accounting for Financial Institutions established by the National Bank of Angola (Central Bank).

Currency of presentation

Since it started its activities, the Bank has applied the accounting and presentation practices required of financial institutions by the Angolan regulations. These regulations require that the accounts are maintenaned in the local currency, the Kwanza, using the principles of the multi-currency system.

However, the US Dollar (USD) is the bank´s functional currency as it is the currency most representative of the Bank's international operations. As a result, financial information is presented in both currencies. The AKZ/USD exchange rates used in the preparation of this financial statement were as follows:

Year ended on	Average Rate	Closing Rate
31.12.08	75,04	75,17
31.12.09	79,30	89,39

The financial statements in AKZ were converted to USD using the following rates:

- Historical - Shareholders' equity and fixed assets
- Closing - All other assets and liabilities
- Average - Income statement

Exchange differences arising from this conversion process are included in Shareholders' Equity in the account denominated as Foreign Currency Translation Reserve.

3) ACCOUNTING PRINCIPLES

The following accounting principles have been applied in preparing the financial statements and have been consistently applied except where stated:

a) Accruals principle

Costs and income are recorded in the period to which they relate, independent of the period in which they are paid or received in accordance with the accruals concept.

b) Loans and advances indexed in US Dollars

The result of revaluing loans and advances granted in Kwanza but indexed to the USD - the difference between the amount of the loan or advance when it was granted and its value at the balance sheet date - is accounted for in the Income Statement as part of Gains or Losses from Financial Operations.

The calculation of the monthly instalment Interest on these loans and advances is based on the amount conceded expressed in the indexed currency, so that any revaluation is automatically included in Interest and Other Similar Income account.

The repayments of capital and interest are accounted for as cash is received and any differences accounted for in Gains and Losses from Financial Operations based on the exchange rate of the index currency on the day of receipt.

c) Provision for credit risk and for overdue amounts

The Credit Risk provision policy has been modified, with effect from the 31st of March 2008, in the light of the notice 9/07 issued by the BNA (Angolan central bank) on the 12th of September 2007 (which was then revoked by regulation 04/09 on the 18th of June 2009).

Prior to this regulation, the financial institutions had to comply with the doubtful credit provision and credit general risk proceedings, expressed in the instructions nº9/98 and nº 17/98. These regulations required that provisions be created on non-performing loans at rates determined solely on the period of non-compliance, 100 % provision for overdrawn accounts which were overdrawn for more than 30 days and a general provision of between 2 to 4%.

The regulations of 18 June 2009 require specific provisions that are calculated according to the following criteria.

Classification of the customer

As from the date credit is granted to a customer a provision must be created based on the classification of the customers risk. This risk is determined after an analysis is made of the quality of the customer and the actual use of the credit.

Risk	Risk Level	Minimum Provision to be constituted
None	A	0%
Lowest	B	1%
Low	C	3%
Moderate	D	10%
High	E	20%
Highest	F	50%
Loss	G	100%

Frequency of revision

The credit classification by risk level must be revised:

1. Yearly, based on the client quality and in relation to the operation.
2. Monthly, if there is a delay on the capital and/ or interest installment.

Number of Days Delay	Minimum Risk Level
15 a 30	B
30 a 60	C
60 a 90	D
90 a 150	E
150 a 180	F
Over 180	G

Classification of provisions

The classification of provisions in the Balance sheet is determined by this new regulation.

Specific provisions are reflected as a deduction from loans and advances. Provisions for off-balance sheet items, such as guarantees, are included in general provisions for loans and advances which is reflected as a liability on the balance sheet.

d) Transactions in foreign currency

Transactions in foreign currency are accounted for in accordance with the multi-currency system principles under which each transaction is initially registered in the currency in which it is carried out. As a result, balances expressed in foreign currency are converted to Kwanzas on monthly basis and at the end of every accounting period by applying the average buying and selling rate published by the National Bank of Angola. The exchange rate used at the year end to convert US Dollars into Kwanza is the rate set out in Note 2.

e) Spot foreign exchange position

The spot foreign exchange position is made up of the net assets less liabilities in the same currency, as well as the forward foreign exchange position that is to mature in the following two business days.

The spot foreign exchange position is re-valued monthly using the average rate published by the National Bank of Angola. Resulting exchange differences are accounted for as costs or income of the period.

f) Foreign currency notes and coins

Foreign currency notes and coins are revalued monthly using the average rate published by the National Bank of Angola. Resulting exchange differences are accounted for as costs or income of the period.

g) Conversion to AKZ of transactions in foreign currency

At the end of every month, the results of all foreign currency transactions expressed in foreign currency are converted to Kwanzas using the average of the buy and sell rates. This procedure changes the spot foreign exchange position for all foreign currencies in relation to the Kwanza. Income and costs in each foreign currency are debited and credited to the respective currency's spot foreign currency position.

h) Foreign exchange transactions carried out with the National Bank of Angola

Foreign exchange transactions carried out together with the National Bank of Angola, realised and awaiting realisation by the Central Bank, are accounted for in a balance sheet account specifically not subject to revaluation as required by the requirements of Instruction No 16 of 16 November 1998.

i) Trading and investment securities

Available for sale securities

Available for sale securities are considered to be those that are acquired with the objective of selling them within a period not exceeding six months.

Bonds issued at a discount - Government bonds or Treasury bills - are accounted for at the amount at which they will be repaid (nominal value) and the difference between this amount and the acquisition price is treated as deferred income. This is released to income monthly over the life of the bond.

Government bonds and Treasury bills can be sold to customers with a repurchase agreement. If this happens, the bonds that are sold continue to be held as assets of the Bank while the amount received and the related interest are accounted for as liabilities to the buyer (see Notes 14 e 16).

Investment securities

Fixed interest bonds are considered held for investment if they are purchased with the intention of retaining them for a period exceeding six months, although the Bank may dispose of them before this period expires. Fixed interest bonds issued at their nominal value are accounted for at their acquisition cost and the premium or discount at which they are acquired is accounted for in the balance sheet and released to the income statement over the life of the bond. Interest is accounted for in the balance sheet as interest receivable and released to income monthly based on the nominal value and the interest rate applicable.

j) Equity investments

Equity investments, as well as other financial assets, are accounted for at the cost of acquisition in Kwanzas, at the date of investment, whether that investment had been made in Kwanzas or foreign currency.

k) Tangible and intangible assets

Intangible assets comprise establishment costs and software and are amortized on the straight line basis over three years from the year in which they are incurred.

Fixed assets are accounted for at their cost in Kwanzas and subsequently revalued in accordance with sub clause 2 of Article 2 of Decree 6/96, of 26 January 1996) in order to reflect the effect of the devaluation of the national currency against the US Dollar. The resulting revaluation surplus is accounted for in the balance sheet as Revaluation Reserve.

Depreciation is calculated monthly on the straight line basis using the maximum rates permitted by Angolan tax law in accordance with the following periods that do not differ substantially from the assets' useful lives:

	Useful life (Years)
Premises Owned	50
Improvements to leasehold premises	10-25
Computer equipment	3
Vehicles	3
Other fixed assets	3-10

In order to comply with sub clause 2 of Article 7 of Decree 6/96 of 26 January 1996, depreciation of the annual increase in those assets that have been re-valued is accounted for only in the accounting period following that in which the revaluation took place; depreciation is accounted for monthly on the straight line basis over the remaining useful life of the asset concerned. Depreciation on improvements to leasehold premises has been reduced from 25 years in 2006 to 10 years in order that the depreciation period coincides with the term of the respective leases.

l) Capital maintenance reserve

The Bank, following the principle of not determining its income before maintaining the purchasing power of its capital expressed in Kwanzas, protects shareholders' equity denominated in Kwanzas by crediting a reserve account with an amount equal to the increase in the exchange rate between the Kwanza and the US Dollar applied to its share capital; the corresponding entry in the income statement is included in Provisions. This is done in conformity with the requirements of Directive No 01/2003 of 7 March 2003 and of Advice 05/03 of 7 February 2003 of the National Bank of Angola.

m) Income tax

Taxes on profits are calculated at 35% of the profit before tax after adjustments for non taxable or deductible amounts for tax purposes.

4) CASH AND BALANCES WITH CENTRAL BANK

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Cash				
-Local currency	624.465	6.985	299.338	3.982
-Foreign currency	1.280.742	14.328	420.370	5.593
	1.905.207	21.313	719.708	9.575
Balances at the National Bank of Angola (BNA)	3.123.990	34.948	2.614.880	34.786
	5.029.197	**56.261**	**3.334.588**	**44.361**

In accordance with Instruction No 08/2009 of 21 May 2009, the statutory reserve required by the National Bank of Angola is 15% of the Deposits (in Kwanzas and Dollars converted into Kwanzas). The reserve requirement is calculated weekly on the arithmetic average of balances on each day of the week. These deposits do not earn interest.

At 31 December 2009, included in the balance at the National Bank of Angola (BNA) is an amount to meet the minimum statutory reserve requirement of AKZ 3.261.310 (2008: AKZ 2.509.328).

5) SHORT TERM DEPOSITS WITH OTHER BANKS

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Outstanding cheques	7.150	80	85	1
Nostro accounts	1.511.160	16.905	2.711.577	36.073
	1.518.310	**16.985**	**2.711.662**	**36.074**

The amount for outstanding cheques relates to the total of all uncleared effects at year end.

The Nostro account balances represent all demand deposits held with our correspondent banks for the conduct of normal international buisness transactions on behalf of clients.

6) DEPOSITS WITH BANKS

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Overnight advances with local banks	24.608	275	20.691	275
Term deposits with banks abroad	2.745.470	30.713	-	-
	2.770.078	**30.988**	**20.691**	**275**

7) LOANS AND ADVANCES TO CUSTOMERS

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Loans and advances	4.442.827	49.702	4.678.698	62.241
Non performing loans and interest	363.715	4.069	292.238	3.888
	4.806.542	53.771	4.970.936	66.129
Specific Provisions on loans (Overdue loans and interest and doubtful accounts) (Note 17)	(216.203)	(2.845)	(108.866)	(1.448)
	4.590.339	**50.926**	**4.862.070**	**64.681**

Specific provisions for non-performing loans, including overdue capital and interest and doubtful accounts as referred to in Note 3c) total AKZ 216.854 (USD 2.845), representing 4.5% of total capital and interest overdue.

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Loans and advances				
In Foreign currency:				
Up to 6 months	412.526	4.615	321.461	4.276
From 6 months to 1 year	39.087	437	777.361	10.341
From 1 to 5 years	1.435.912	16.063	1.634.162	21.740
More than 5 years	1.880.205	21.034	1.112.334	14.798
Advances	-	-	35.854	477
	3.767.730	42.149	3.881.172	51.632
In Local and indexed currency				
Up to 6 months	437.114	4.890	477.478	6.352
From 6 months to 1 year	17.568	197	93.686	1.246
From 1 to 5 years	186.533	2.087	168.327	2.239
More than 5 years	19.305	216	20.078	267
Advances	14.577	163	37.957	505
	675.097	7.553	797.526	10.609
	4.442.827	**49.702**	**4.678.698**	**62.241**

At 31 December 2009 the sectoral analysis of credit provided by the bank was as follows:

	2009 AKZ´000	2009 USD´000	%
Construction	171.046	1.913	4%
Wholesale and retail	1.419.925	15.885	32%
Transport and communications	34.970	391	1%
Services and Real estate	157.961	1.767	4%
Manufacturing Industries	448.638	5.019	10%
Electricity, gas and Water Production and Supply	357.552	3.999	8%
Fishing and Agriculture	515	6	-
Individuals	1.852.220	20.722	41%
	4.442.827	**49.702**	**100 %**

At 31 December 2008 the sectoral analysis of credit provided by the bank was as follows:

	2009 AKZ´000	2009 USD´000	%
Construction	374.296	4.979	8%
Wholesale and retail	1.497.183	19.917	32%
Transport and communications	46.787	622	1%
Services and Real estate	140.361	1.867	3%
Manufacturing Industries	374.296	4.979	8%
Electricity, gas and Water Production and Supply	514.657	6.847	11%
Fishing and Agriculture	46.787	622	1%
Individuals	1.684.331	22.408	36%
	4.678.698	**62.241**	**100 %**

8) TRADING AND INVESTMENT SECURITIES

This line item includes Central Bank Treasury bills and other Government securities.

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Government Treasury bills	50.000	559	5.019.334	66.772
Central Bank Treasury bills	2.581.000	28.873	1.635.000	21.751
Government bonds - Local Currency	1.715.612	19.192	56.887	755
Government bonds - Foreign Currency	1.931.000	21.602	1.668.624	22.200
	6.277.612	**70.226**	**8.379.845**	**111.478**

At 31 December 2009 the maturity of the above securities was as follows:

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Treasury bills:				
Up to 6 months	2.581.000	29.432	4.473.000	59.504
From 6 to 12 months	50.000	559	1.231.334	16.381
More than 12 months	-	-	950.000	12.638
	2.631.000	28.873	6.654.334	88.523
Government Bonds:				
Up to 6 months	-	-	-	-
From 6 to 12 months	1.025.627	11.474	101.988	1.357
More than 12 months	2.620.985	29.320	1.623.523	21.598
	3.646.612	40.794	1.725.511	22.955
	6.277.612	**70.226**	**8.379.845**	**111.478**

Government bonds in foreign currency relate to the remaining amount of USD 2.200.000 for the Bank participation in the financing of TAAG airplanes acquisition, airline and USD 20.000.000 which is BCA's participation in the countries reconstruction.

9) EQUITY INVESTMENTS

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
EMIS	29.245	327	29.245	389
Stock Exchange	20.492	229	20.492	273
	49.737	**556**	**49.737**	**662**

These investments are valued in accordance with Note 3.

10) INTANGIBLE AND TANGIBLE ASSETS

	INTANGIBLE ASSETS					
Thousands of Kwanzas	Opening Balance	Increases	Transfer	Other	Write off	Closing Balance
Cost/revaluation						
Software	43.099	13.512	-	-	-	56.611
Other intangible assets	341	233	-	-	-	574
Capital work in progress	13.736	-	(2.851)	-	-	10.885
	57.176	**13.745**	**(2.851)**	**-**	**-**	**68.070**
Amortisation/Depreciation						
Software	(38.684)	(4.035)	-	-	-	(42.719)
Other intangible assets	(47)	(114)				(161)
Capital work in progress	-	-	-	-	-	-
	(38.731)	**(4.149)**	**-**	**-**	**-**	**(42.880)**
Carrying amount						
Software	4.415	9.477	-	-	-	13.892
Other intangible assets	294	119	-	-	-	413
Capital work in progress	13.736	-	(2.851)	-	-	10.885
	18.445	**9.596**	**(2.851)**	**-**	**-**	**25.190**

Thousands of Kwanzas	TANGIBLE ASSETS Opening Balance	Increases	Transfer	Other	Write off	Closing Balance
Cost/revaluation						
Buildings	308.956 -	254.240	-			563.196
Equipment	645.688 -	100.723			(34.127)	712.284
Other fixed assets -	- -	-	-	-		
Work in progress	- 551.146	-	(218.881)			332.265
	1.505.790	**354.963**	**(218.881)**		**(34.127)**	**1.607.745**
Amortisation/Depreciation						
Buildings	(152.889) -	(11.145)	-			(164.034)
Equipment	(338.083) -	(79.350)		1.364	34.133	(381.936)
Other fixed assets -	- -	-	-	-		
Work in progress -	- -	-	-	-		
	(490.972) -	**(90.494)**		**1.364**	**34.133**	**(545.970)**
Carrying amount						
Buildings	156.067 -	243.095	-			399.162
Equipment	307.605 -	21.373		1.364	6	330.348
Other fixed assets -	- -	-	-	-		
Work in progress	- 551.146	-	(218.881)			332.265
	1.014.818	**264.468**	**(218.881)**	**1.364**	**6**	**1.061.775**

11) OTHER ASSETS

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Others	14.728	165	340.507	4.530
PROBECEA	371.810	4.159	312.629	4.159
Gold coins	1.485	17	1.485	20
Licences	103	1	8.164	108
	388.126	**4.342**	**662.785**	**8.817**

Amounts advanced to PROBECEA represent payments made in the name of the shareholder, PROBECEA - Gestão e Participações Sociais SARL. This amount will be recovered from the proceeds of a dividend that is being put forward for approval in the next shareholders meeting.

Licences is the amount of licence vouchers in the Bank's possession at 31 December 2009 for sale to the public as an agent authorized by the National Directorate of Taxes for which the Bank receives a commission of 11%.

12) ACCRUED INTEREST INCOME AND OTHER ASSETS

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Accrued interest				
Fixed deposits with other banks in Angola	-	-	-	-
Fixed deposits with other banks outside Angola	27	-	2.716	36
Loans and advances	28.206	316	14.302	190
Securities negotiable	475	5	1.543	21
Securities investments	19.859	222	44.555	593
Debtors and other loans	7.232	81	6.103	81
	55.799	624	69.219	921
Deferred costs				
Insurance	18.553	208	15.732	209
Rent and hiring	62.297	697	63.387	843
Repurchase agreements	12.255	137	-	-
Others	5.593	63	906	12
	98.698	1.105	80.025	1.064
Other assets	135.618	1.517	65.876	877
	290.115	**3.246**	**215.120**	**2.862**

Accrued interest relates to interest due on deposit accounts and loans to customers that has been recognised as income but is awaiting receipt.

Deferred costs relate to payments made but the cost relates to future periods.

13) DEPOSITS FROM BANKS

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
In the Country				
LCY Interbank Money Market borrowing	-	-	1.500.000	19.955
FCY Interbank Money Market borrowing	7.022	79	-	-
	7.022	79	1.500.000	19.955
Term deposits				
In local currency	-	-	1.879.212	25.000
In foreign currency				
	-	-	375.843	5.000
	-	-	2.255.055	30.000
	7.022	**79**	**3.755.055**	**49.955**

14) DEPOSITS FROM CLIENTS

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Demand deposits				
In local currency	3.685.801	41.233	3.641.202	48.439
In foreign currency	9.528.866	106.599	4.745.650	63.132
	13.214.667	147.832	8.386.852	111.571
Term deposits				
In local currency	1.935.620	21.654	3.489.421	46.421
In foreign currency	779.432	8.719	1.447.107	19.250
	2.715.052	30.373	4.936.528	65.671
	15.929.719	**178.205**	**13.323.380**	**177.242**

The maturity of term deposits by currency was as follows:

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
In Kwanzas				
Up to 3 months	292.481	3.272	2.379.647	31.657
From 3 to 6 months	1.637.011	18.313	852.583	11.342
From 6 months to 1 year	6.128	69	257.191	3.422
	1.935.620	21.654	3.489.421	46.421
In foreign currency				
Up to 3 months	593.581	6.640	866.808	11.530
From 3 to 6 months	121.343	1.357	565.769	7.527
From 6 months to 1 year	64.508	722	13.553	180
Over 1 year	-	-	977	13
	779.432	8.719	1.447.107	19.250
	2.715.052	**30.373**	**4.936.528**	**65.671**

15) OTHER BORROWINGS

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Bankers cheques	64.946	727	61.294	816
Cheques resources - In local currency	179.661	2.010	11.365	151
Treasury bills sold under repurchase agreements	746.492	8.351	738.622	9.826
Other resources - In local currency	-	-	15	-
Amounts held as collateral for foreign exchange operations	201.350	2.252	379.918	5.054
Assigned customer resources	1.220.444	13.652	-	-
	2.412.893	**26.992**	**1.191.214**	**15.847**

Treasury Bills Sold under Repurchase Agreements relates to Central Bank bonds bought by customers through the Bank.

Amounts held as collateral for foreign exchange operations represent amounts retained from customers' accounts to guarantee foreign transactions

16) OTHER LIABILITIES

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Creditors				
Suppliers	80.098	896	126.358	1.681
Other accruals	152.799	1.709	10.875	145
	232.897	**2.605**	**137.233**	**1.826**

Other accruals refer essentially to amounts owing for corporate income tax (AKZ 138.377); income tax deducted from employees' salaries, stamp tax and social security.

17) ACCRUED INTEREST EXPENSE AND OTHER LIABILITIES

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Costs payable				
Interest on deposits	43.559	487	143.864	1.914
Holidays and holiday pay	33.335	373	21.374	284
Retirement compensation	36.653	410	-	-
Interest on Central Bank bonds bought by customers	-	-	4.522	60
Outros Custos	62.447	698	65.242	868
	175.994	1.968	235.002	3.126
Deferred income				
Loans	-	-	6.553	87
Trading securities	48.524	540	225.367	2.998
Investment securities	2.833	32	3.430	46
Debtors and other loans	-	-	1.033	14
	51.357	572	236.383	3.145
Outras contas de regularização do passivo				
Collateral from Fundo de Projecto de Coca-Cola for credit given on its behalf	138.640	1.551	116.289	1.548
Purchasing Powder adjustment	91.010	1.018	-	-
Suspense accounts to regularise	66.892	748	32.648	434
Others	190.754	2.134	5.214	69
	487.296	4.433	154.151	2.051
	714.647	**6.975**	**625.536**	**8.322**

Deferred income refers to income for 2008 relating to Central Bank bonds and Treasury bills acquired by the bank (see Note 8).

18) PROVISIONS

The movements in this account during 2009 were as follows:

Thousands of kwanzas	Specific Provisions-Credt (see note 7)	General Provisions-Credit
Opening balance - 1 January 2009	108.8666	4.764
Charge for the year	98.434	41.114
Write-back for the year	(77.446)	(19.529)
Net provision for the year	20.988	21.587
Write-offs	86.349	(86.349)
Balance as at 31 December 2009	**216.203**	-

Thousands of dollars	Specific Provisions-Credt (see note 7)	General Provisions-Credit
Opening balance - 1 January 2009	1.448	861
Charge for the year	1.241	518
Write-back for the year	(977)	(246)
Net provision for the year	264	272
Write-offs	1.133	(1.133)
Balance as at 31 December 2009	**2.845**	-

19) SHARE CAPITAL

The share capital of the bank is AKZ 1.308.702.000, equivalent to USD 15.000.000 represented by 3.271.754 fully paid up shares of a nominal value of AKZ 400 each. At 31 December the share capital of the bank was held by 28 Angolan shareholders with individuals and companies holding 54,6% and 45,4% respectively.

20. RESERVES

Thousands of kwanzas	Legal reserve	Capital maintenance reserve	Other reserves	Retained income for the year
Opening balance - 1 January 2009	190.263	82.579	587.655	3.380
Application of the prior year retained income	3.380	-	-	(3.380)
Revaluation	-	-	-	-
Profit for the year	-	-	-	530.722
Balance as at 31 December 2009	**193.643**	**82.579**	**587.655**	**530.722**

Thousands of dollars	Legal reserve	Capital maintenance reserve	Other reserves	Retained income for the year
Opening balance - 1 January 2009	2.463	-	9.376	45
Application of the prior year retained income	45	-	-	(45)
Profit for the year	-	-	-	7.073
Balance as at 31 December 2009	**2.508**	**-**	**9.376**	**7.073**

The Capital Maintenance Reserve was calculated in accordance with the accounting policy described in Note Nº 3 (l).

The legal and other reserves represent amounts that have been appropriated from prior period profits in accordance with legal requirements. Of the three types of reserves above, only the "other reserves" are available for distribution as dividends.

21) INTEREST AND OTHER SIMILAR INCOME

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Loans & Advances to Customers	379.960	4.791	431.933	5.756
From short term deposits with Banks abroad	29.638	374	15.309	204
Term deposits with Banks abroad	7.252	91	64.242	856
Inter bank lending	124.972	1.576	117.334	1.564
Loans & Advances to non-res clients	78	1	-	-
Penalty Interest	11.072	140	16.476	220
Other debtors and investments	61.750	779	38.267	510
Treasury Bills	525.444	6.626	969.386	12.918
	1.140.166	**14.378**	**1.652.947**	**22.028**

The headings Deposits with banks include interest from deposits with both Angolan and offshore banks in different currencies.

Interest from loans and advances reflects income received in 2007 from all credit granted. Penalty Interest refers to interest and additional amounts charged on overdue loan repayments.

Interest from treasury bills relates to interest from Central Bank bonds and Treasury bills.

22) INTEREST AND OTHER SIMILAR EXPENSES

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Deposits	209.183	2.639	455.831	6.075
Interbank lending	74.507	940	25.872	345
Nostro	21	-	692	9
On funds related to Treasury bills with repurchase agreements	95.598	1.208	195.188	2.601
Others	-		1.276	17
	379.309	**4.787**	**678.859**	**9.047**

The costs included under this heading are made up of amounts due to customers in respect of interest on time deposits and on bonds from the National Bank of Angola purchased on their behalf.

23) FEE AND COMMISSION INCOME

Fee and commission income can be analysed as follows:

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Withdrawal fees	4.845	61	2.345	31
From general banking services	323.829	4.084	172.186	2.295
From guarantees given by the Bank	37.666	475	37.231	496
	366.340	**4.620**	**211.762**	**2.822**

Discounting commission represents the income the Bank obtained from its intermediation in the purchase of Treasury bills and bonds.

24) RESULTS OF FINANCIAL OPERATIONS

The net result of financial operations can be analysed as follows:

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
From spot foreign Exchange position	855.987	10.794	306.848	4.089
From short term operations	92.251	1.163	10.940	146
On revaluation difference-investments	-	-	489	6
From Government debt securities	1.995	25	122	2
	950.233	**11.982**	**318.399**	**4.243**

25) OTHER INCOME

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Bank guaranteed cheque fees	43	-	673	9
Cheque account fees	2.776	35	1.576	21
Reimbursement of expenses	1.132	14	185	2
Sundries services - EMIS	-	-	1.917	26
Other	45.542	574	5.628	75
	49.493	**623**	**9.979**	**133**

26) SALARIES AND OTHER PAYROLL EXPENSES

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Social Security & Pensions	69.906	829	35.289	470
Other benefits	11.326	143	12.972	173
Retention fees	-	-	6.282	84
Staff Salaries	648.705	8.180	621.809	8.286
Other	4.395	55	4.979	67
	734.332	**9.207**	**681.331**	**9.080**

Included in Social Security and pensions is an amount of AKZ 36.653 related to a provision for retirement compensation as stipulated in the Angolan Labour law.

The Bank employed 219 people at 31 December 2009 (248 at 31 December 2008).

27) GENERAL AND ADMINISTRATIVE EXPENSES

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Communication costs	33.408	421	49.881	665
Repairs and maintenance	18.743	236	29.653	395
Professional services	29.311	370	20.448	272
Travel and other related costs	37.516	473	55.547	740
Third party supplies	65.949	832	108.620	1.447
Write off of fixed assets	-	-	366	5
Marketing	50.108	632	15.018	200
Rentals	138.541	1.747	140.200	1.868
Insurance	10.743	135	13.283	177
Computer costs	25.647	323	37.490	500
Security costs	29.081	367	29.606	395
Staff training	48.012	605	70.230	936
Cash transportation costs	5.931	75	18.015	240
Other	51.825	654	53.020	707
	544.815	**6.870**	**641.377**	**8.547**

28) PROVISIONS

Provisions for 2009 are made up as follows:

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Specific provisions for Loans & Advances	20.988	265	110.702	1.475
General credit portfolio provisions	21.585	272	(50.098)	(667)
	42.573	**537**	**60.604**	**808**

29. OFF BALANCE SHEET LIABILITIES AND CONTINGENCIES

	2009 AKZ´000	2009 USD´000	2008 AKZ´000	2008 USD´000
Guarantees provided and other liabilities				
Guarantees and sureties provided	(1.017.302)	(11.380)	(715.858)	(9.523)
Letters of Credit issued	(192.588)	(2.154)	(434.129)	(5.775)
	(1.209.890)	**(13.534)**	**(1.149.987)**	**(15.298)**
Responsibilities for provision of services				
Securities deposited by customers	**(5.286.241)**	**(59.137)**	**(4.935.292)**	**(65.655)**
Guarantees received				
Guarantees received	**149.382**	**1.671**	**149.382**	**1.991**

30) CONTINGENCIES

Taxes

The Large Taxpayer's Office has issued a revised assessment for the 2002 tax year disallowing various deductions for tax purposes. The taxes being claimed total AKZ 71.125.089. Management has replied in writing disputing the assessment and is of the opinion that no provision is required

FPCC - Fundo Do Projecto Coca-Cola

This Fund, which in the past was managed by BCA, has instituted legal proceedings against BCA claiming a total amount of USD 6.280.000. This amount relates to the bad debts written off on its behalf, and commissions charged by BCA, which it alleged were unfairly charged. BCA and its legal council believe that the claim has no foundation, and that it would not be successful, however, at the end of 2009 upon the request of the Fund's legal practitioners a meeting was held between the Fund's top officers and the Bank's executive committee which resulted in the signing of a memorandum of agreement which would see an amount much lower than that initially claimed being reimbursed to the fund. The agreed amount will be liquidated in 2010 after which all pending issues between BCA and the Fund will be closed definitively.

Others

Two ex-members of staff have instituted legal proceedings and are claiming compensation for wrongful dismissal to the value of $ 470.000. In management's opinion their claim will be unsuccessful and has subsequently lodged an appeal to the relevant court. In tandem to this appeal, the bank has also launched a civil case against the two former employees with regards the loans that they benefited from and which they have stopped repaying. The total amount of capital and interest that the bank is claiming at balance sheet date was slightly over $400 000.

Report of the Fiscal Council

Dear shareholders,

1. In compliance with the legal provisions in force, namely Law nº'bc 1/04 of 13 February (the companies law) and the bank's articles of association the fiscal council presents here with its opinion on the report of the board of directors, the balance sheet, income st5atement and the notes for the year ended 31 December 2009

2. These financial statements were subject to an independent external audit by Deloitte in whose opinion, the said financial statements give a true and fair view, in all materially relevant aspects, the financial position as at 31 December 2009, as well as the results of its operations for the period then ended in accordance with the accounting principles accepted for the banking sector in Angola

3. The Fiscal council performed all the verifications considered necessary and requested and obtained all the necessary explanations from the board of directors and the external auditors in arriving at its opinion.

4. The fiscal council confirms that the accounting policies and valuation criteria adopted for the various elements of the financial statements are in accordance with the legal requirements and that the financial statements reflect the information contained in the bank's books of account.

5. Considering the preceding, the fiscal council is of the opinion that the report of the board of directors, the balance sheet, the income statement and the notes represent in all material respects, the financial position and performance of the bank and therefore propose to the general assembly that:

   a. The financial statements and all accompanying notes for the year ended 31 December 2009 be approved as presented;

   b. The proposal for the distribution of the net profit as presented in the financial statements be approved;

Paulo Sousa
(On behalf of KPMG)

Luanda, 15 June 2010

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AUDIT REPORT

(Translation of a report originally issued in Portuguese)

(Amounts expressed in thousands of Kwanzas - tAKZ)

Introduction

1. We have examined the accompanying financial statements of Banco Comercial Angolano, S.A. (hereinafter also referred to as "the Bank") which comprise the balance sheet as of December 31, 2009, that reflects a total of 22.000.479 tAKZ and shareholders' equity of 2.703.301 tAKZ, including net income of 530.722 tAKZ, the income statement and statement of source and application of funds for the year then ended and the corresponding notes.

Responsibilities

2. The preparation of financial statements that present a true and fair view of the position of the Bank the results of its operations and the source and application of its funds, as well as the adoption of adequate accounting principles and criteria and the maintenance of an appropriate system of internal control are the responsibility of the Bank's Board of Directors. Our responsibility is to express a professional and independent opinion on these financial statements based on our examination.

Scope

3. Our examination was performed in accordance with generally accepted auditing standards which require that the audit be planned and performed with the objective of obtaining reasonable assurance about whether the financial statements are free of material misstatement. Our examination included verifying, on a sample basis, evidence supporting the amounts and disclosers in the financial statement and assessing the estimates, based on judgements and criteria defined by the Board of Directors, used in their preparation. Our examination also included assessing the adequacy of the accounting principles used and their disclosure, taking into consideration the circumstances, verifying the applicability of going concern concept and assessing the adequacy of the overall presentation of the financial statements. We believe that our examination provide a reasonable basis for expressing our opinion.

Qualifications

4. In 2009, as a result of the implementation of National Bank of Angola Notice 4/2009 of May 20, the Bank started a project to determine the provision needs for credit and accrued interest,

Deloitte.

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in accordance with the new regime, which involves new and complex implementation rules. In accordance with the first calculations, which are still subject to confirmation based on their evolution, at December 31, 2009 the provision for credit and accrued interest needs to be increased by an amount which we were unable to estimate. Therefore, we are unable to conclude as to the impact of this matter on the accompanying financial statements.

Opinion

5. In our opinion, except for the effect of the adjustments referred to in paragraph 4 above, the financial statements referred to in paragraph 1 above, present fairly, in all material respects, the financial position of Banco Comercial Angolano, S.A. as of December 31, 2009 and the results of its operation and the source and application of its funds for the year then ended, in conformity with generally accepted accounting principles in Angola (Note 2).

Emphases

6. The caption "Other assets adjustment accounts" at December 31, 2009, includes the amount 76,708 tAKZ relating to shares acquired from one the Bank's in the exercise of a right of preference. The Bank's Board of Directors intends to propose at the next Shareholders' General Meeting, that the sale be considered. The Board of Director believes that the shares will be sold for an amount equal to or exceeding their cost.

7. The financial statements for the year ended December 31, 2008 are presented by the Bank for comparative purposes in compliance with the requirements for the publication of accounts. These financial statements were audited by other auditors. As we were only appointed as auditors in August 2009, the financial statements as of December 31, 2008 were not examined by us and do not express any opinion on them.

Luanda, April 15, 2010

Deloitte