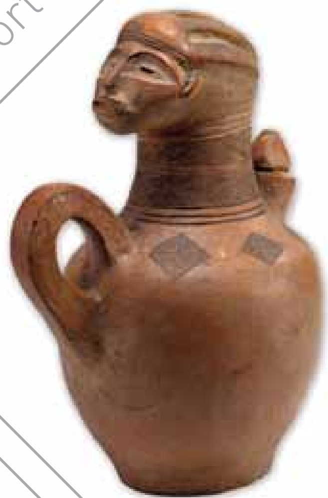
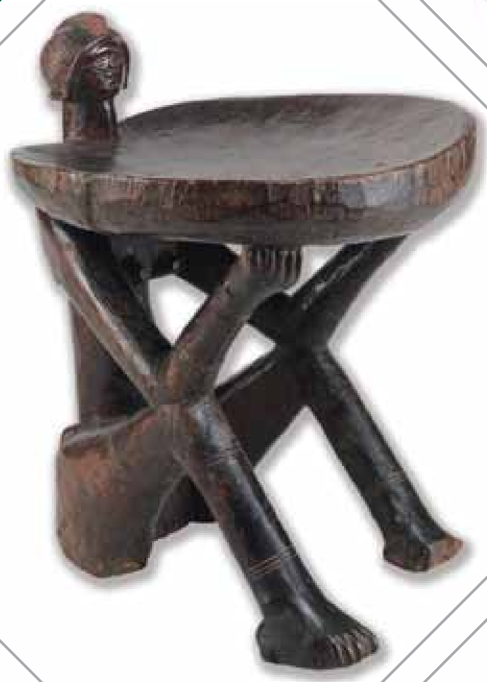
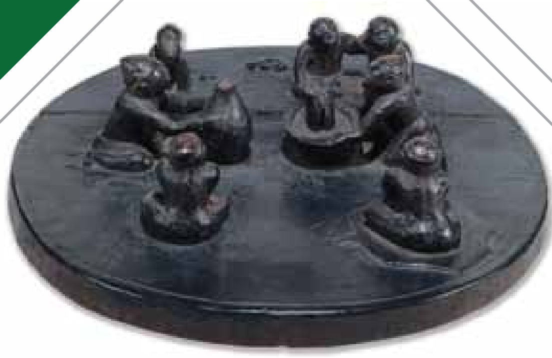
BCA

BANCO COMERCIAL ANGOLANO

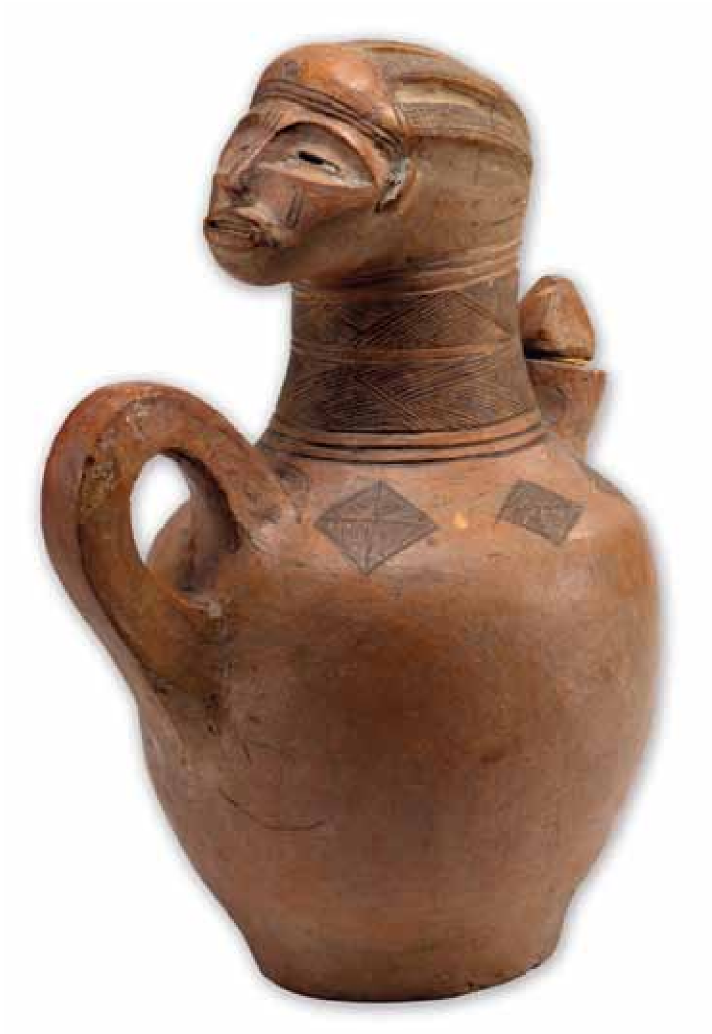
Annual Report | 2011







In this Annual Report, Banco Comercial Angolano has decided to continue with its project to pay tribute to the rich ethnography of Angola, an age-old witness to the cultural diversity of the country.
Therefore, throughout this document you will find a set of varied ethnographic pieces, going from sculpture to musical instruments to handicrafts.



EWER

Red pottery ewer, side handle and spout, with bowl crowned by a beautiful female head, with plaited hair wig; expressive face, remarkably well-modelled and neck adorned with engraved linear paintings.

In Catalogue of Angolan Carvings - Celebration of Cultures (1994, page 148)

Inventory number: AO.407
Category: Ceramics
Cultural Group: Lwena - Angola
Technical Information: Red pottery

National Museum of Ethnology - Portugal
Photographer: José Pessoa

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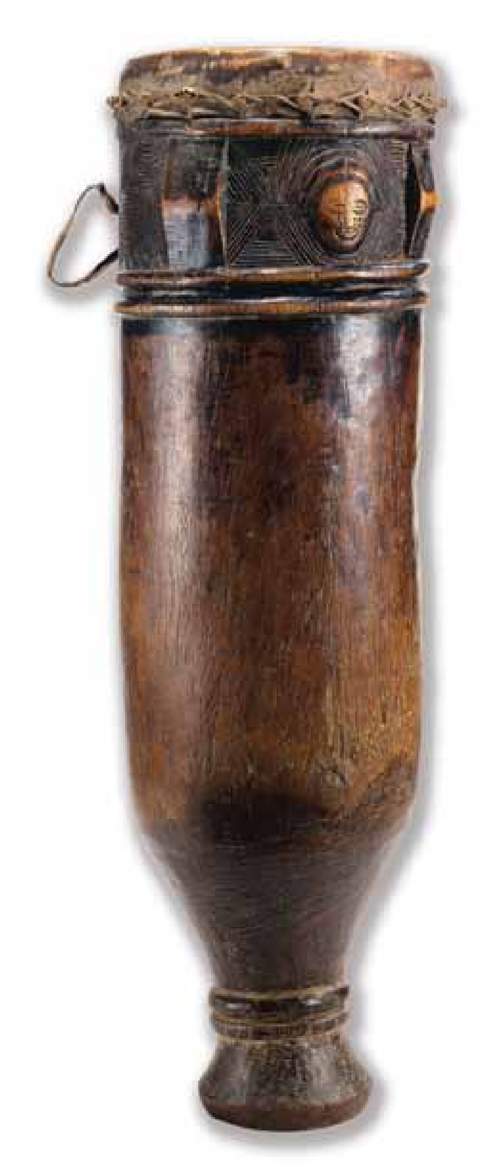


DRUM

Large *ngoma ya shina* standing drum, with the skin fixed by pins, decorative moulding between the four handles (one of them perforated for the strap), with various geometric motifs and the representation of an evocative face of the female mask.

In Catalogue of Angolan Carvings - Celebration of Cultures (1994, page 139)

Inventory number: AB.324
Category: Equipments and Utensils
Cultural Group: Tchokwe-Minungu - Angola
Technical Information: Wood and skin

National Museum of Ethnology - Portugal
Photographer: José Pessoa

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.

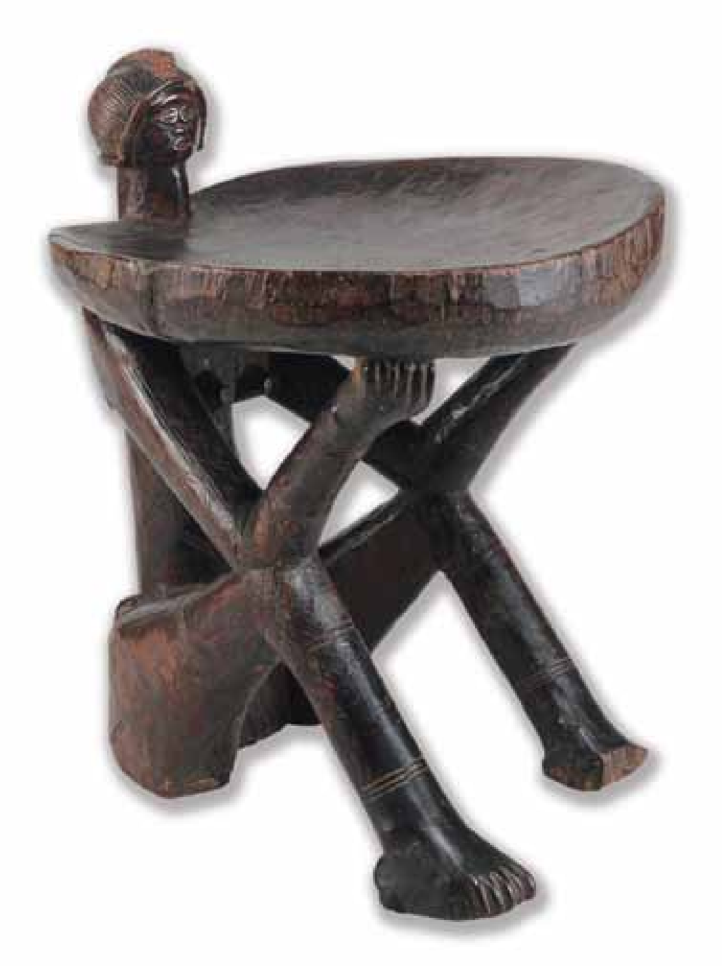
To satisfy this responsibility the company has put in place systems of internal accounting and administrative control to ensure that the assets of the Bank are safeguarded and that the operations and transactions are executed and recorded in conformity with the rules and procedures adopted.

The financial statements for the year ended on the 31st of December 2011, audited and comprising the pages from 35 to 61 were approved by the Board of Directors and are signed on its behalf by:

Francisco da Silva Cristóvão
Chairman

Mateus Filipe Martins
Chief Executive Officer

Luanda, May 18, 2012



SMALL THRONE

Small throne being held by a seated female caryatid, elbows on the knees, supporting the rounded seat with both hands. The head, with a domed hairstyle on top, comes above the place where the back of the seat should begin.

In Catalogue of Angolan Carvings - Celebration of Cultures (1994, page 150)

Inventory number: AJ.289
Category: Equipments and Utensils
Cultural Group: Songo - Angola
Technical Information: Wood

National Museum of Ethnology - Portugal
Photographer: José Pessoa

2011 in Perspective

The year under review was characterised principally by activities that sought to improve internal management practices, the control environment and to also rationalize costs without impacting negatively on the levels of efficiency, as well as focusing on customers gathering.

The main drivers of our activities can be summarised as follows:

- Development of our human capital;
- Improvement and modernization of our technological and operational infrastructure;
- Growing our footprint across the country;
- The development and diversification of our products and services supply; and
- Refreshing the bank's picture.

The measures that were implemented during the last two financial years contributed significantly to the improvement of the bank financial situation. The management team sought to consolidate the internal reorganisation and process reengineering work, as well as the adoption of international standard risk management practices. The main areas focused were Corporate governance structure; Finance; Credit Risk; Treasury operations; Retail network; Human resources; KYC and compliance policies and third party supply management.

Financial indicators

Assets

The bank's total assets grew about 55%, as a result of more placements with other banks, increased investments in trade securities, and an increase in fixed assets. The total assets are split into 62% interest/income bearing with the balance not being interest earning.

Liabilities

On the liabilities side, we experienced a significant increase of customers deposits, even though, most customers still prefer to maintain their deposits on demand.

Equity

The equity increased due to the net profit generated during the previous year, and as a result of the adjustments related to available for sale securities.

Income statement

The net interest margin increased by about 28% in 2011, as we were able to earn more income from our excess liquidity in local currency on the inter-bank market. The non-interest income increased by 13% from prior year. We however, experienced a significant decline in income from fx operations due to an upper limit on spreads that the bank can charge.

The bank's cost-to-income ratio improved from 65,4% to 62,9% due to the continued efforts to increase revenues, and reduce expenses.

Appropriation of 2011 Profits

In accordance with the Financial Institutions law we propose that the profit after tax for the year amounting to AKZ 903.284 thousands to be distributed as follows:

1. AKZ 45.164 thousands to be allocated to legal reserves;
2. AKZ 190.547 thousands to be declared as a dividend at a rate of AKZ 58,24 per share, for the total of 3.271.754 shares registered at the balance date; and
3. The balance of AKZ 667.573 thousands to be allocated to other reserves.

Future Prospects

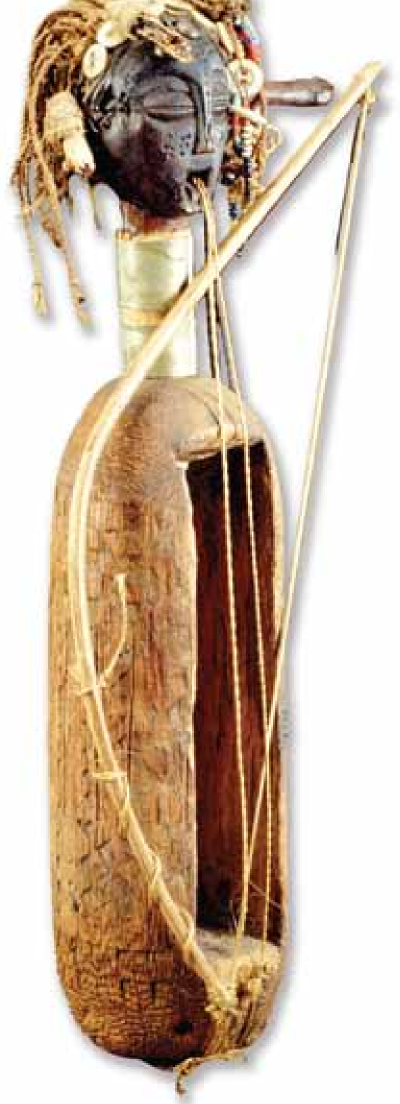
In 2012 we will continue to focus our efforts on the expansion of our branch network. We will increase our footprint the current 23 branches to 31, some of which will be in the provinces of Huila, Malanje, and on the cities of Soyo and Saurimo. Our main objectives continue to be the capturing of new customers, better profitability and to increase our presence across the country.

The internet and SMS banking services, Disaster recovery, the Business Continuity structure, and the introduction of VISA debit and credit cards, are also important tasks to be concluded during 2012.

We are confident that we will achieve the objectives that we have set for 2012 as we have a strong belief in this demanding project and in the team that is working with us towards achieving these objectives.

Francisco da Silva Cristóvão
Chairman

Mateus Filipe Martins
Chief Executive Officer



KAKOSHA STRINGED INSTRUMENT

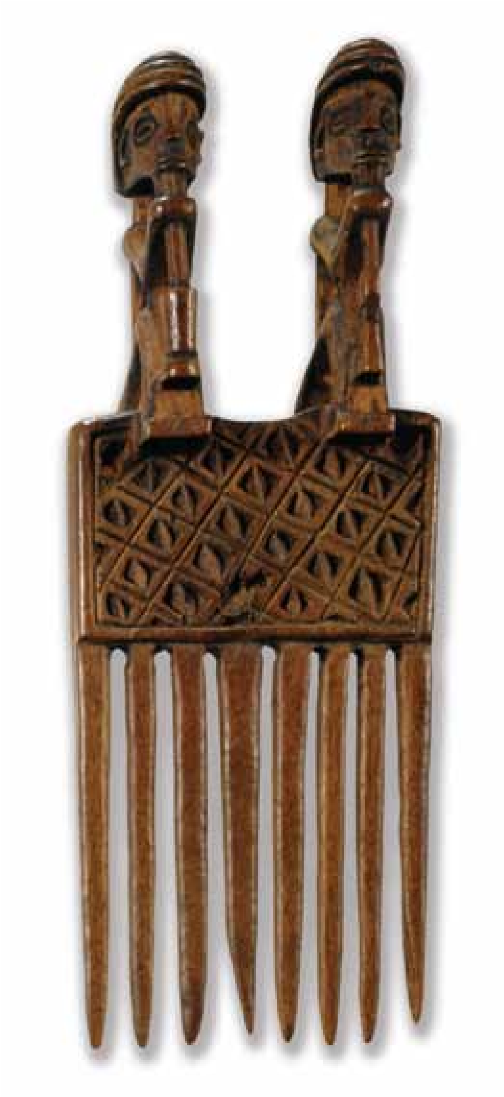
Cylindrical *Kakosha* stringed instrument, with two strings and two pins (one has been lost), played by a vegetable string bow; the neck, circled with two metal rings, is topped by a female head, with a hairstyle consisting of rolled cotton tresses, intensified with multicoloured beads, buttons and brass nails. This type of stringed instrument with a head like hand grip is also used by the Holo.

In Catalogue of Angolan Carvings - Celebration of Cultures (1994, page 112)

Inventory number: ANT.D.79.5.36
Category: Music instruments
Cultural Group: Mbangala - Angola
Technical Information: Cotton, wood, beads,
vegetable fibre, iron and brass

Science Museum of the University of Coimbra - Portugal
Missionaries of the Espirito Santo deposit
Photographer: Carlos Barata

	2011 AKZ´000	2011 USD´000	2010 AKZ´000	2010 USD´000
Balance sheet				
Total assets	36.512.824	383.211	23.500.873	253.672
Loans and advances	3.850.141	40.408	4.512.456	48.708
Customer liabilities	31.569.698	331.333	19.440.289	209.842
S/holders' equity	4.148.893	43.543	3.341.116	36.064
Activity				
Net Interest Income (NII)	1.325.817	14.127	1.036.497	11.287
Net operating margin (NOM)	2.893.828	30.820	2.404.622	26.177
Operating costs (OC)	1.819.456	19.378	1.572.027	17.105
Operating profit (OP)	1.074.372	11.442	832.595	9.072
Net profit (NP)	903.284	9.643	689.319	7.525
NII/NOP	45,8%	45,8%	43,1%	43,1%
Non-int income/NII	118,3%	118,2%	132,0%	131,9%
Cost-to-income	62,9%	62,9%	65,4%	65,3%
Op costs/Average assets	6,1%	6,1%	6,9%	6,9%
Solidity				
Non-performing loans/total loans	19,2%	19,2%	6,2%	6,2%
Provisions/non-performing loans	45,6%	45,6%	107,9%	107,9%
ROAA	2,5%	2,5%	3,0%	3,0%
ROAE	24,2%	24,2%	22,7%	22,7%
Capital adequacy ratio	11,0%	11,0%	14,0%	14,0%
Fixed asset ratio	50,9%	50,9%	43,4%	43,4%



COMB

Eight-toothed comb, rectangular handle decorated on both sides and topped by two female figures, sitting next to each other, with their elbows on their knees.

In Catalogue of Angolan Carvings - Celebration of Cultures (1994, page 137)

Inventory number: AO.217
Category: Equipments and Utensils
Cultural Group: Tchokwe - Angola
Technical Information: Wood

National Museum of Ethnology - Portugal
Photographer: José Pessoa

GOVERNANCE STRUCTURE

General Assembly

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

Board of Directors

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

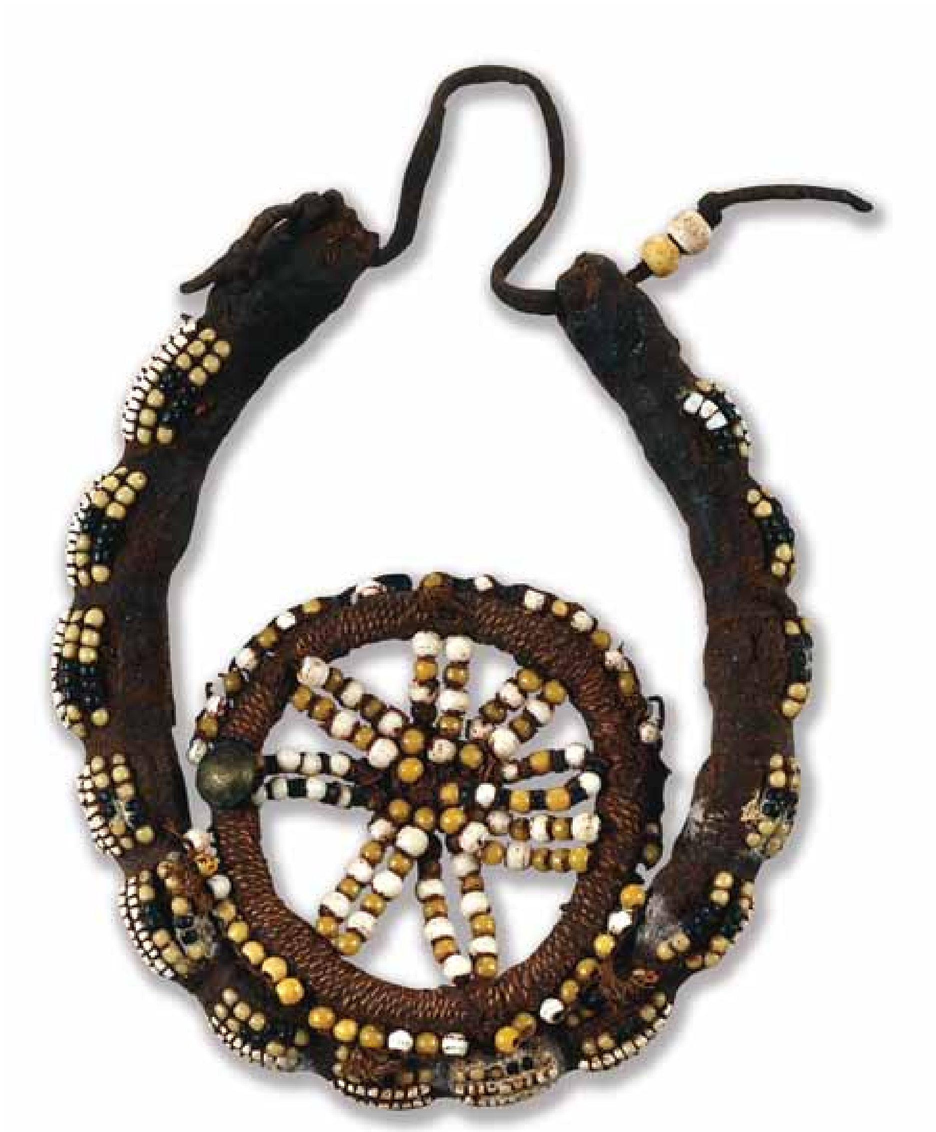
MANAGEMENT STRUCTURE

Executive Committee

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

Heads of Departement

• Head of Finance	Helder Lisboa
• Head of Risk and Credit	Tatiana Muhongo
• 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 Legal	Delfina Cumandala
• Head of policies & Procedures	Lizeth Lemos
• Head of Retail Banking	Mário Leitão
• Head of Corporate Banking	José Carlos de Almeida Marques



ADORNMENT OBJECT

Tchitundo adornment consisting of a set of fibres ingeniously brought together around the neck, with a central rosette; the entire piece is decorated with beads of different colours.

In Catalogue of Angolan Carvings - Celebration of Cultures (1994, page 185)

Inventory number: AH.589
Category: Body
Cultural Group: Mucubal - Angola
Technical Information: Vegetable fibres and beads

National Museum of Ethnology - Portugal
Photographer: José Pessoa

The Board of Directors remains committed to the maintenance of the highest corporate governance standards in the operations and structures of the Bank. Looking forward to implementing good governance practice, the following committee were created:

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, who cannot be part of any other bank committee.

Remuneration Committee

The committee has 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, and cannot be members of any other committee.

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).

Credit Monitoring and Recovery Committee

This committee has the objective to monitor credit clients on the bank's early warning list and other non-performing loans and advances and to approve recovery strategies and measures.

New Product Committee

This committee is responsble for analysing and approving new products and services or any major alterations to current products and services on a regular basis.

Risk Management Committee

This committee meets on a quarterly basis to review and recommend risk management policies, procedures and profiles for the following risks:

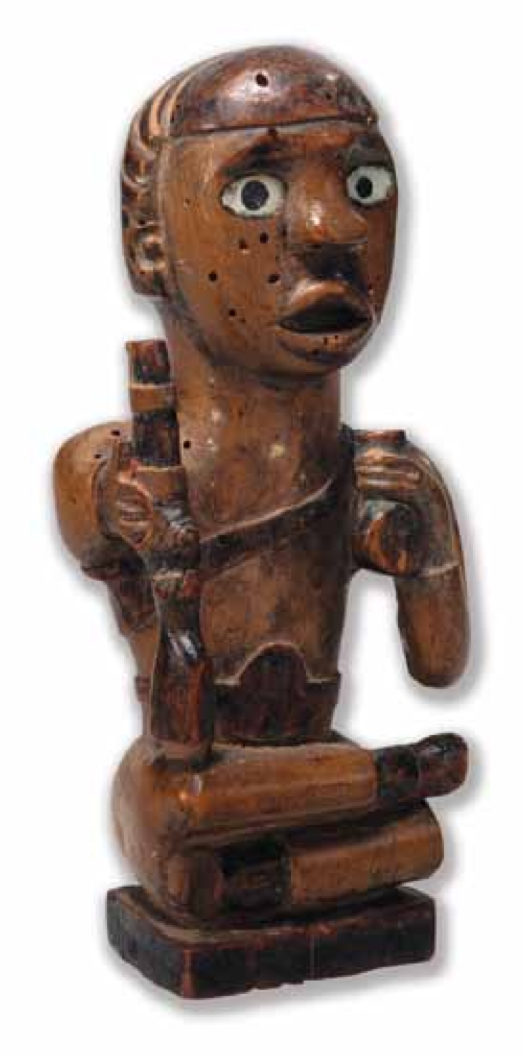
• Operational risk • Reputational risk • Money laundering risk • Compliance and legal risk

Branch Expansion Committee

This committee defines the branch expansion strategy and evaluates the business cases for the opening and closure of branches.

Technical Support Committee

The technical support committee is responsible for the design and functioning of all the IT infrustructure of the bank so as to manage the related risks and ensure minimal if any down-time of the bank's systems.



MALE STATUETTE

Male effigy undoubtedly representing someone famous, sitting with his legs crossed, one over the other, with a rifle in his right hand and a kind of pouch in his left. Eyes inset in white ceramic with pupils painted in black.

In Catalogue of Angolan Carvings - Celebration of Cultures (1994, page 67)

Inventory number: AL.055
Category: Sculpture
Cultural Group: Kakongo - Angola
Technical Information: Wood and glass

National Museum of Ethnology - Portugal
Photographer: José Pessoa

Risk management is a core capability of Banco Comercial Angolano (BCA) and is integral to the execution of its activities, evaluating strategic alternatives and setting objectives aligned with its strategy.

BCA's philosophy is underpinned by its objective of creating stakeholder value through sustainable and profitable growth, consistent with shareholders' expectations of the group's risk-bearing capacity and risk appetite.

BCA's risk and ethical culture is aligned with its risk philosophy. The bank's objective is to ensure that a world-class risk management culture is sustained throughout its operations.

The management of risk is fundamental to BCA's business and plays a crucial role in enabling management to operate more effectively in an uncertain and risky environment. BCA adopts the following approach to risk management:

- All risks must be identified and managed. The returns must be commensurate with the risks taken, relative to BCA's risk appetite;
- The effectiveness of risk management processes throughout the bank is ensured through formal governance and comprehensive, regular reporting processes in a well-defined control environment; and
- Bank's declared priority of risk management, recognising real or anticipated risks and taking appropriate action.

The details of some of the principal risks are as follows:

Operational risk

Operational risk is defined as the potential for loss resulting from inadequate and/or failed internal processes, people and system or from external events. Operational risk is thus the risk of failure, or near failure of critical business processes and their underlying operational systems and data, be it failure of activities, systems or people.

Operational risk management forms part of the day-to-day responsibilities of all business units and specialist function management. Several specialist functions also attend to specialised areas of operational risk management contained within the causal structure of the operational risk definition.

BCA follows the Advanced Measurement Approach (AMA) in managing operational risk as this helps to:

- Reduce the operational risk management events and associated financial losses;
- Strengthen the BCA brand and the bank's economic capital;
- Satisfy the central bank requirements;
- Make a proactive follow-up of significant operational risk management events, ineffective controls and possible breaches of indicative limits;
- Establish appropriate risk appetite and tolerance;
- Delegate competencies and authorisation limits;
- Define the resource allocation format.

Liquidity risk

Liquidity risk is the possibility that operations cannot be funded and financial commitments met timeously and cost-effectively. Prudent management of liquidity contributes positively to earnings, with sound liquidity risk management being pivotal to the viability of the bank and the maintenance of overall banking stability. BCA believes that the management of liquidity should encompass an overall balance sheet approach, which consolidades all sources and uses of liquidity.

The monitoring of liquidity risk is done independently by the head of risk with overall oversight being done by the Assets and Liabilities Committee (ALCO) and the executive committee.

The effective management of liquidity risk seeks to achieve the following main objectives:

- To satisfy the customer requirements for cash withdrawals, loans and advances and other short-term liquidity requirements;
- To ensure that the there is a buffer to ensure any seasonal changes to demand for liquid assets are adequately catered for;
- To ensure the right balance between covering cyclical fluctuations in customer demand and the holding of excessive liquid assets with low returns;
- To minimise the potential negative impact of changes in market conditions that may affect the bank; and
- To provide security against the negative consequences that my be generated by a loss of confidence by customers resulting in a run on banks.

The process of monitoring the liquidity risk is done mainly through quantitative limits on, as follows:

- Monthly cash flows expressed as a percentage of total deposits and current account.
- Minimum reserve requirements and other regulatory requirements.

Interest rate risk

Interest rate risk refers to the potential variability in the bank's financial condition owing to changes in the level of interest rates. From an earnings perspective, changes in interest rates affect a bank's net interest income and the level of other interest-sensitive income and operating expenditure, as well as credit risk. However, from an economic value perspective, changes in interest rates affect the underlying value of assets, liabilities and off-balance sheet instruments.

Through matched funds transfer pricing and asset/liability repricing, risk is transferred from businesses. The inherent mismatch is managed centrally within an agreed risk tolerance at net income level. In doing so, the effects of interest rates on other aspects of the business, which may offset the impact of interest rates on net interest income, are also considered.

Quantitative limits for interest rate risk are established to meet BCA's goal of containing its exposure to adverse consequences arising from changes in prevailing interest rates. The quantitative risk limits are defined for the impact of hypothetical changes in prevailing interest rates on earnings. In setting the limits, several factors are taken into account including:

- The sensitivity of net interest income over a 12-month period to changes in interest rates, using projections and assumptions that reflect expected changes in asset and liability growth, composition, pricing and repricing;
- Changes in administered interest rates and market interest rates; and
- All other material variables that can reasonably be approximated.

Interest rates may have a direct or indirect impact on the business in the following areas:

- Asset margin;
- Liability margin;
- Net non-interest revenue;
- Operational expenses.

Credit risk

Credit risk is defined as the risk of counterparties failing to honour their financial obligations, both on and off balance sheet, to the Bank. Counterparities include governments, banks, non-bank financial institutions, corporations and individuals.

The Bank endeavors to grant facilities that are based on sound credit principles with appropriate returns balancing risk and reward. The general policy is to find primary justification in the:

- Merits of the business
- Debtor's financial position
- Transaction itself (the decision should never be based on security alone)

A balance between risk and quality customer service must be maintained. Quality service should not imply granting loans to entities that are not creditworthy.

The Bank shall not extend credit of any nature to any applicant who lacks the capacity to repay the debt.

The Bank realizes the importance of asset growth, but underwrites the principle that asset growth should never be pursued to the detriment of quality and sound credit principles.

The Bank will only grant credit on the basis of:

- Properly motivated and assessed credit risk
- The capital adequacy requirements of the Financial Institutions Law

The Bank's own requirements in terms of Return on Assets and Return on Equity

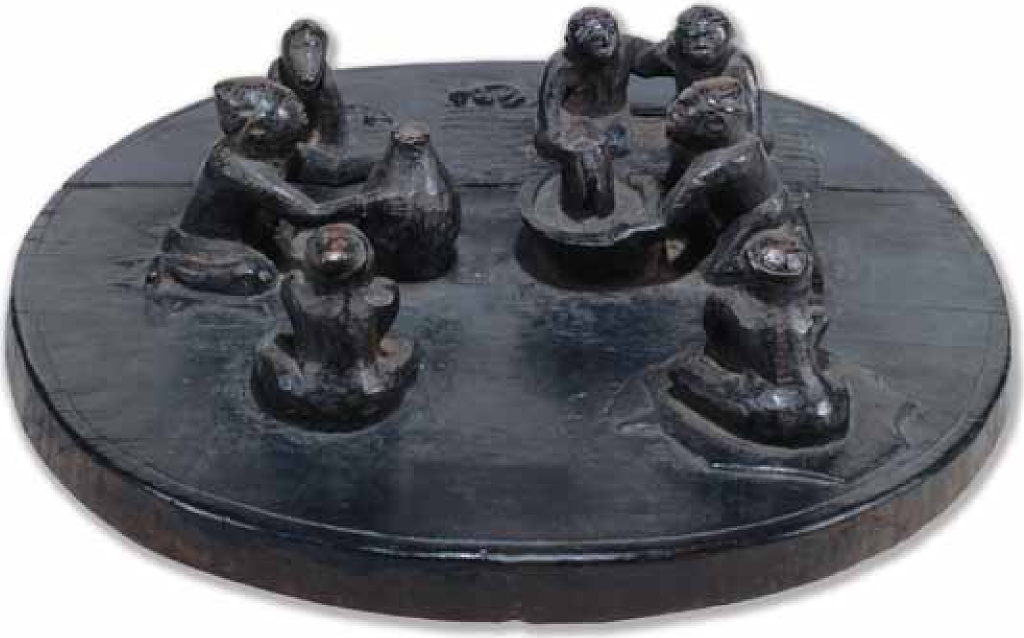
The aim of the Bank is to grant facilities to companies and/or individuals, based on their own financial strength and not exclusively on the guarantee of the holding company or other guarantors.

Facilities should be granted to an individual or a company in which the assets, against which the Bank is lending, are vested.

Assessment of the financial profile of individuals or companies will vary from industry to industry/person and efforts should be made to use comparative studies as a guideline, where available.

It is essential to develop mutual trust and confidence through personal contact with customers to whom we are lending. In the case of businesses, we must visit our customer's place of business at least once a year, preferably at the time the review of the facilities is undertaken.

Generally the bank will seek unlimited guarantees and cession or capitalization of loan accounts (except of partnerships) of the directors/partners/trustees must be obtained as security for facilities to unlisted companies, corporations, partnerships, trusts and spouses, in the case of individuals.



PAN COVER

Cover with proverbs, with human and animal figures in the scene.

In Catalogue of Angolan Carvings - Celebration of Cultures (1994, page 84)

Inventory number: AE.265
Category: Equipments and Utensils
Cultural Group: Woyo de Cabinda - Angola
Technical Information: Wood

National Museum of Ethnology - Portugal
Photographer: José Pessoa

Macro Economic Context

In 2011 most economies went through a phase of reduced Gross Domestic Product (GDP) growth rates. This also included the BRICS group of countries comprising Brazil, Russia, India, China and South Africa, which in previous years had contributed positively to a general increase in world GDP figures.

The continued economic in Europe due to the sovereign debt crisis, the oscillation of the price of crude oil resulting in fluctuations in the liquidity level in the international markets, the earthquake and subsequent tsunami that lead to the nuclear accident in Japan coupled with the sudden changes in some of the oil-producing North African countries as a result of the uprisings in that region are some of the factors that resulted in global economic instability.

On the other hand, the significant improvement in the United States (US) economy, the measures taken by the European Union (EU) to arrest the economic crisis in Europe as well as the rapid response by Japan to the aftermath of the earthquake all resulted in a less severe contraction of a number of affected economies. In the current economic environment, the recovery of the world economy has been lead by the emerging economies, in particular China, which has slowly become a dominant force in the world/global economic playing field.

International Considerations

The excessive restrictions on public expenditure in the US and Europe, inevitably lead to these countries not recovering as quickly as expected. With China's economic activity being mainly export oriented, unlike the US and Europe which made the recovery process in these countries even more difficult as most industries there lacked the necessary competitiveness to stimulate sufficient growth. These and other factors are widely responsible for the slower growth of the world economy in 2011.

The Developed Economies

Growth in the developed economies during 2011 was around 1,6%. Indications and estimates at the beginning of the year were that the US economy would grow by between 2 and 2,5% whereas Europe as a whole was expected to experience negative growth with the exception of Germany.

The United States of America

Having come out of a serious financial crisis, the US economy started showing signs of its frailty again, not withstanding the fact that a lot of new jobs were created especially in the last quarter of 2011, when unemployment fell to 9% which was the lowest level since 2008.

The US GDP which had declined in the last quarter of 2010 rebounded in 2011 and grew in each quarter of 2011 according to the department of commerce. The growth in the US GDP in 2011 was mainly due to increased consumption spending, higher exports and capital inflows resulting in average growth in the US economy of 1,7% which was lower than the 3% growth in 2010.

Four years after the severe recession it experienced, the US economy appears to be making significant progress and is slowly reestablishing itself as the heartbeat of the world economy. The higher consumer spending in the US will obviously benefit other regions, especially Europe which is still deep in crisis.

The European Union

Europe ended 2011 again in recession. Notwithstanding some economies in the region, such as Germany, having shown signs of recovery in the first semester of 2011, it was not enough to pull the region from the jaws of the recession. With a number of countries concentrating on austerity measures, the historically strong exporting countries are experiencing reduced exports resulting in a drastic decline in confidence levels by both consumers and businessmen.

Europe had the lowest growth rate in the world at 1,5% with Portugal (-1,4%) and Greece (12,6%) in recession and Italy, Ireland and Spain at the edge of recession as their economies are experiencing tough times. The current account surplus of 17 countries in the Euro zone at the end of 2011 was 9,7 billion Euros, which was a significant improvement from the 1,7 billion Euro deficit in 2010. The current unemployment rate in the common currency region is at its highest level since October 1997 and the highest since 2000 for all the 27 EU member states according to the EU statistical office – Eurostat. As at December 2011, the unemployment rates in the single currency and EU regions were 10,6% and 10% respectively, which was worse than at the beginning of the year when they were 10% and 9,5% respectively. Spain ended 2011 with an unemployment rate of 22,85% (about 5 270 000 unemployed people),which is the highest in the industrialised world.

Growth rate in GDP of the largest economies in the world (%)

Real growth in GDP	2006	2007	2008	2009	2010	2011
USA	2,7	1,9	-0,3	-3,5	3,0	1,7
JAPAN	1,7	2,2	-1,0	-5,5	4,4	-0,7
EUROPEAN UNION	3,6	3,4	0,5	-4,2	2,0	1,6

Source: IMF WEO, April 2012

O Japan

As the third biggest economy in the world, Japan maintained its interest rates virtually unchanged since December 2008 ranging between 0% and 0,1%. The earthquake and resultant tsunami shook the Japanese economy to the core at a time it had started recovering from the global crisis. The rebuilding of infrastructure destroyed by this calamity resulted in significant investments in industrial equipment. Consumer spending, which amounts to about 60% of GNP, grew as a result of government subsidies for the purchase of low carbon emitting vehicles. The GDP growth was negative even though there are a number of multinational companies in the country, the strong financial system that the country possesses the reduced energy consumption levels and the significant disposable income of the country's general population.

The Emerging Markets

The global economic slow-down also affected the emerging markets, which have in the past few years been the main driving force of global economic growth. The main reasons being the tainting effects of the global financial crisis and economic crisis in Europe since most of the emerging markets have close export ties with Europe and also receive a lot of aid from this region.

World GDP

GDP in billion USD current prices	2006	2007	2008	2009	2010	2011
Advanced economies	36.485	39.880	42.063	39.629	41.438	44.423
Emerging and developing economies	12.858	15.797	19.104	18.132	21.637	25.237
World economy	49.342	55.678	61.167	57.761	63.075	69.660
Share advanced economies	74%	72%	69%	69%	66%	64%
Share emerging developing economies	26%	28%	31%	31%	34%	36%

Source: IMF WEO, April 2012

The data in the table above shows that the emerging markets are slowly but surely expanding and therefore increasing their influence in the world.

With GDP of USD 13,5 billion, the BRICS (Brazil, Russia, India, China and South Africa) group of countries experienced 6,2% growth in comparison to the previous year. Among this grouping, it appears Russia is the one that is possibly more susceptible to negative external influences, whereas the Chinese economy is the most stable of this grouping followed by India and Brazil.

The year 2011 saw the appreciation of the Brazilian, South African and Chinese currencies against the US dollar, similar to what happened in 2010.

China continues to be the main driver of the BRICS, notwithstanding the fact that it experienced difficulties in maintaining the same rate of growth achieved in previous years, for example, GDP fell from 10,4% to 9,2% whereas consumer spending of 13-15% also decreased when compared to the previous year. A decade ago China was the 7th largest economy in the world, however, the significant development of this Asian powerhouse resulted in a growth of 261% between 2001 and 2011 in comparison to a small 5% growth in the Japanese economy during the same period according to the world bank.

On the other hand, the second biggest economy on the American continent, Brazil, was considered the 6th largest economy in the world by the IMF, having overtaken Italy and Great Britain. The country's exports were mainly manufactured goods. The Brazilian economy's resilience comes from the fact that it has a well diversified export base where commodities make up only 35% of total exports meaning a lot of value adding activities are undertaken in the country hence promoting growth. Brazil's exports were mainly to Europe (20%) which translates to 11% of total GDP, an increase of 2,7% from the previous year. The country still experienced a slow-down in its economy in 2011 due mainly to the above average growth experienced in 2010.

India's rate of growth on the other hand decreased from 10,6% to 7,2%. Given that India's economy is mainly driven by its internal economy, it was more or less immune to the external shocks that had devastating effects on many economies around the world. The country's main export destinations, China, the United Arab Emirates and other countries that did not feel the effects of the economic crisis meant that the country's export volumes did not decrease significantly.

Russia is considered the most vulnerable economy within the BRICS grouping as it has suffered since the sub-prime crisis.

Evolution of the emerging economies during the past years (%)

Real GDP growth in %	2006	2007	2008	2009	2010	2011
BRAZIL	4,0	6,1	5,2	-0,3	7,5	2,7
CHINA	12,7	14,2	9,6	9,2	10,4	9,2
INDIA	9,5	10,0	6,2	6,6	10,6	7,2
RUSSIA	8,2	8,5	5,2	-7,8	4,3	4,3
SOUTH AFRICA	5,6	5,5	3,6	-1,5	2,9	3,1

Source: IMF WEO, April 2012

South Africa, Africa's most economically developed country, South Africa, joined the BRIC countries to form the BRICS in March of 2011. South Africa's entry into this grouping was strategically calculated to facilitate the BRIC countries' entry and influence on the growth and investment on the African continent, through South-South trade. China is South Africa's biggest trading partner and the South African economy comes in at 31st position in terms of GDP size in the world, making it the smallest of the BRICS economies.

The Rest Of The World

Latin America,
Overall, the Latin American countries had negative trade balances during the crisis as their imports were more than their exports, however, the effects of the crisis were not that severe as this region is very strong in commodities, raw materials and basic consumer goods whose demand is almost permanent. Exports from this region to Europe, the US and Asia also grew significantly. On the flipside, significant imports of asian manufactured goods and credit line financed capital investments resulted in higher foreign currency capital outflows than inflows resulting in balance of payment disequilibrium, which, if not well managed could lead a number of economies in this region into recession. This region still depends significantly on international trading for a market for its raw materials which results in significant dependence on the international markets, hence any slight deceleration in the consuming countries has a negative impact on the Latin American countries' growth rates and economies.

The rest of Asia,
China's growth had a pull effect on other economies in the region such as Singapore, South Korea, Taiwan and Hong Kong.

The rest of Africa,
Our continent suffered political crises in North Africa as a result of the Arab springs that swept through that region. These uprisings resulted in the destruction of infrastructure in general and the oil producing infrastructure in particular. In other sub-Saharan countries, religious and tribal conflicts were the order of the day such as in Nigeria, Sudan, Uganda and the DRC among others resulting in a negative impact on economic development of these countries and consequently increased levels of poverty and misery on the continent. Some of the nations

experiencing stability are, however, experiencing growth and prosperity of their economies. The SADC region's GDP decreased from 3,9% in 2008 to 2,7% in 2009 then grew to 5,3% in 2010 before receding slightly to 4,9% in 2011.

Economic evolution – advanced and emerging economies

Real GDP growth in %	2006	2007	2008	2009	2010	2011
Advanced economies	3,0	2,8	0,0	-3,6	3,2	1,6
Emerging economies	8,2	8,7	6,0	2,8	7,5	6,2
World economy	5,2	5,4	2,8	-0,6	5,3	3,9

Source: IMF WEO, April 2012

The Angolan Economy

Angola continued reconstructing the infrastructure of the country, which is important for the socio-economic development as well as attracting international capital of a larger scale. The construction of houses, schools, hospitals, health centers, commercial establishments, plants, industrial parks, agricultural and livestock compounds, roads and other means of communication, bridges, railways, airports and modernized harbors, irrigations systems, energy distribution, etc. continued at a frenetic pace.

The development has a predominant role in the reduction of imports, in the increase of internal offer of goods and services and of exports, in the increase of GDP, in the reduction of capital flight, in the combat against unemployment and hunger and misery, as well as improving the living standard.

Although the substantial progresses recorded in the improved social conditions since 2002, the country is still confronted with great challenges in terms of reduction of poverty, unemployment and of increasing the living standard. The Government continues to direct more that 30% of the budget for social expenditure.

Angola continued to implement the program of the Stand-by Arrangement of the IMF, which was characterized by a tight fiscal and monetary discipline and reforms in order to approve the exchange rate system, public financial management, as well as maintaining a solid banking system and a transparent budget.

The Economy

Real GDP in Angola was at the level of the previous year, recording a 3, 4% growth in 2011, mostly influenced by the oil prices and by a strong real growth in the non oil sector.

GDP Angola

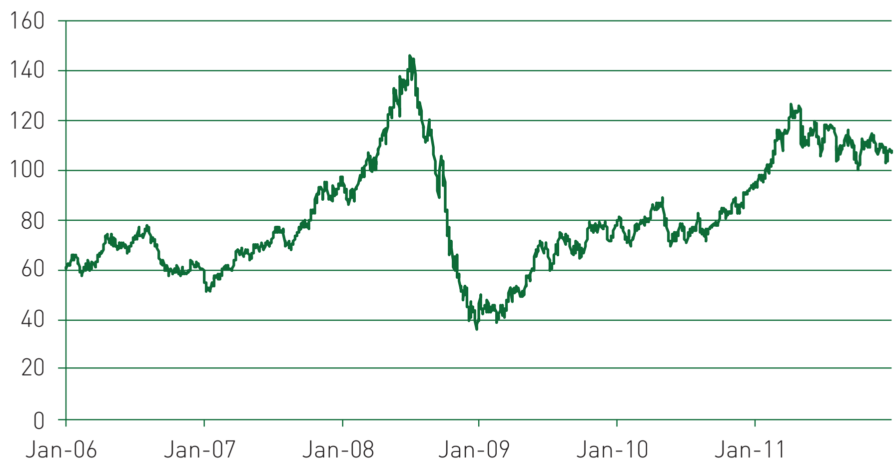
Real GDP growth of Angola (%)	2006	2007	2008	2009	2010	2011
GDP	18,8	23,2	13,8	2,4	3,5	3,1
GDP oil sector	13,1	20,4	12,3	-5,1	-2,9	-5,5
GDP excluding oil sector	25,9	25,4	15,0	8,3	7,8	8,5

Source: BNA

A global strategy to develop the private sector was worked out by the Government together with legislative and financial supportthrough the creation of a fund to streamline and boost the growth, to consolidate and strengthen the micro, small and medium sized Angolan enterprises, in order to guarantee a diversification of the economy and greater tax revenue. The Government formed partnership with certain banks for this strategy and millions of USD in loans and grants have been put at the disposal of the Angolan companies.

In 2011 a unit was created to manage the debt of Angola and to follow and control the money flow of the oil sector for the budget. A reduction in the capital spending and the good management of the expenses in 2011 resulted in overdue payments of internal debt of around USD 7, 5 billion.

Oil Price Brent - USD/barrel



The dependence on oil will still last for a while until the diversification shows its results.

Inflation

The inflationary pressure was maintained at a high level in 2011, mostly due to the strong growth in internal demand.

Inflation and variation in %

Inflation in Angola	2006	2007	2008	2009	2010	2011
Accumulated annual inflation	12,21	11,78	13,18	14,00	15,31	11,38
Average annual inflation	13,4	12,3	12,5	13,73	14,44	13,54
Variation in accumulated annual inflation	-6,33	-0,43	1,4	0,82	1,31	-3,93
Variation in average annual inflation	-9,84	-1,1	0,2	1,23	0,71	-0,9

Source: BNA

The inflation is in accordance with the policy to reduce the level to one digit, being lower than recorded the previous years. The strong dependence on import of goods for consumption and production are significant parts of the high price level in Angola. The accumulated annual inflation for 2011 was 11, 38% - just lower than the objective established by the President of 12%.

Monetary Area

The Central Bank (BNA) continued to reinforce its role as regulator – besides the normal supervision based on liquidity risk, credit risk, exchange rate and interest rate risk, the Central Bank launched various projects and created a series of modernizations in the banking system.

An innovative project, called Financial Education Campaign, was launched with the purpose ofincreasing the banked population through the opening of current accounts, call deposits and term deposits, in order to capture funds circulating in the informal market, searching to mobilize the population to use banking accounts and increasing this way the liquidity available in the monetary sector.

A base interest rate of BNA was established to signalize the path of the monetary policy of the economy. Also the Luanda Interbank Offered Rate – LUIBOR – was created, which serves as the reference interest rate for the Angolan financial market.

In order to improve the anti-money launderingcontrols and protect the consumers, the central bank introduced a series of regulations. Furthermore, the central bank launched an integrated system to control all imports and exports to improve the control of movement of capital.

Monetary Policy

The relative stability of the oil price,with a positive average increase during 2011, permitted reinforcement of the international reserves at the levels before the crises, having a strengthening of the currency reserves is, decisive in the application of the monetary policy, when necessary to influence the stability of the Kwanza, and becoming less dependent on the USD in the Angolan economy.

BNA lowered the discount rate (lending of last resort) from 25% to 20%, facilitating obtaining necessary liquidity if urgently required by the banks. This measure increased the access to cheaper money, with consequent increased money supply for the banking sector, which was important for granting credit for consumers and the economy as a whole, this way improving the possibility for the banks to obtain earnings by traditional mechanisms.

Fiscal Policy

The contribution to obtaining monetary resources via taxes is still not significant, given the dimension of the business sector, although this sector could grow due to the political stimulus designed in the Government program of enhancing the small and medium sizedenterprises, and thus increasing the tax revenues from the non oil sector. Measures to increase control and fight tax evasion are progressing well through a new fiscal reform program called PERT.

Exchange Rate Policy

During 2011 BNA continued selling USD to the banking sector at a very stable price, hence managing through this measure to reduce imported inflation.

Exchange rate evolution of USD/AKZ

Annual average fixing exchange rate	2006	2007	2008	2009	2010	2011
USD/AKZ	80,192	75,017	75,132	88,746	92,353	93,807

Source: BNA

The USD/AKZ fixing rate closed at 95,282 in 2011, increasing 2, 7% in relation to 2010, which ended with 92,760. During 2011 BNA sold an amount of USD against Kwanza of 14, 9 billion, an increase of 28% in relation to the prior year.

The policy to de-dollarize the economy continues. The Angolan banks are limited in granting credit in USD, and the Angolan companies are obliged to make onshore payments between them in Kwanzas (the Local Currency).

Banking Activity

The stock of total Loans and Advances increased 17% in relation to 2010, divided in an increase of 43% in Kwanzas and a decrease of 5% in USD, as a result of the stability of the Kwanza, the reduced inflation, the increased money supply to the banks due to lower reserve requirements and the restriction imposed by BNA onlending in USD.

The private sector was attributed with 68% of the stock of total loans and advances as shown below.

Credit granted by commercial banks in millions of Kwanza

Credit Granted	2006	2007	2008	2009	2010	2011
Credit to Government	53.248	183.397	803.075	911.539	889.436	862.211
Credit to public sector	14.530	23.589	51.168	61.449	93.325	91.734
Credit to private sector	267.461	478.013	770.518	1.238.312	1.581.079	2.061.738
Total	**335.239**	**684.999**	**1.624.761**	**2.211.300**	**2.573.840**	**3.015.683**
Credit in %						
National currency	40	40	54	50	46	56
Foreign currency	60	60	46	50	54	44

Source: BNA

When comparing the money supply in circulation with 2010 M3 expanded 34% in 2011, M2 increased 34% and M1 grew 26%, having a greater increase in the less liquid part of the money supply, and this way reducing the risk of inflation.

Comparing with 2010, total deposits in Angola grew 35% in 2011 – the deposits in local currency increased 38% and the deposits in foreign currency grew 32%.

External Activity

Total public debt represented about 30% of GDP, and thus not surpassing the international index of reference, which is 50%, neither relative to GDP or GNP.

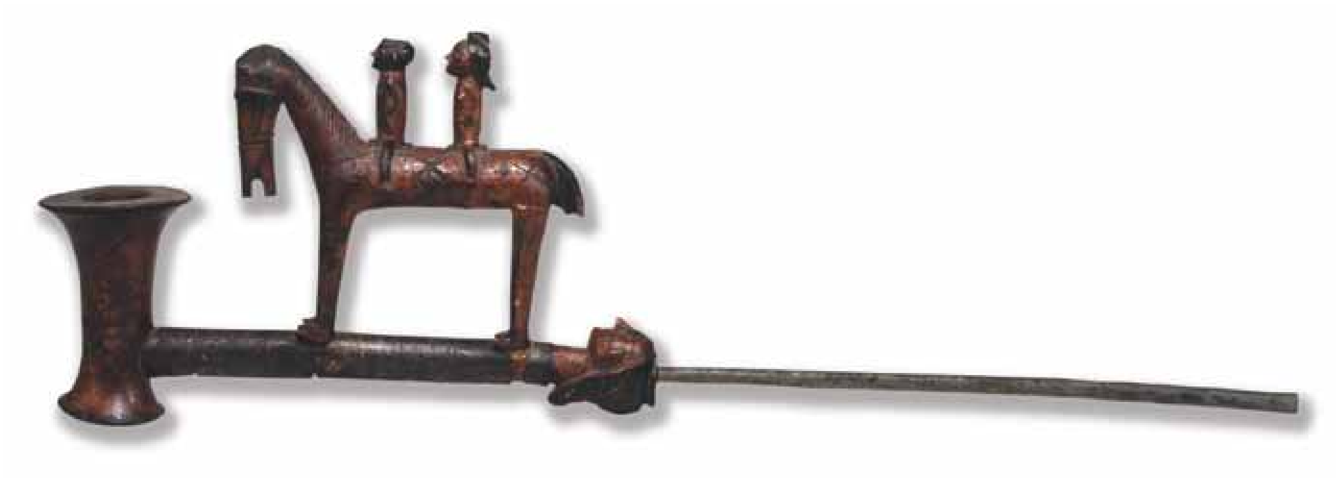
Exports increased to USD 67 billion from USD 51 billion last year, an increase of 32%. Oil still has a very strong weight accounting for 98% of all exports. Imports increased by 21% to USD 20 billion.

Evolution of exports and imports in million USD

Balance of payments	2006	2007	2008	2009	2010	2011
Total exports	31.862	44.396	63.914	40.828	50.595	66.996
Total imports	8.778	13.662	20.982	22.660	16.667	20.190

Source: BNA

The growth in exports resulted in the increase inforeign currency reserves, which rose to USD 26 billion, an amount sufficient to provide almost 8 months of import cover.



PIPE

Pipe with the tube topped by the figure of a horse ridden by a man and a woman and finished with a female head in haute relief. The women's hairstyles are double plaits.

In Catalogue of Angolan Carvings - Celebration of Cultures (1994, page 170)

Inventory number: AK.589
Category: Sculpture
Cultural Group: Ovimbundu - Angola
Technical Information: Wood

National Museum of Ethnology - Portugal
Photographer: José Pessoa

1 - Direct:
Branches (23)

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Funda Coca-Cola
Funda Fábrica Coca-Cola

Porto Seco de Viana

Filda

Hospital do Prenda

Hipermercado Jumbo

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Aeroporto de Cabinda
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Porto de Cabinda

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

Porto do Lobito

CUNENE

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

HUAMBO

Aeroporto do Huambo
Aeroporto Albano Machado

UIGE

Comércio Uige
Convergência à Rua do Comércio,
23-A com a Rua da Ambuila, 20

2 - Indirect:
Limited service branches

ATM machines (30)
POS machines (73)

MASK

A mask “evoking the ancestors”, linked with adolescent initiation. Flat face with jewels in a circle around the eyes and mouth, consisting of sackcloth stretched over a basket frame, painted blue, red and white, and surrounded by feathers.

In Catalogue of Angolan Carvings - Celebration of Cultures (1994, page 115)

Inventory number: AM.027
Category: Masks
Cultural Group: Matapa - Angola
Technical Information: Vegetable fibres, sackcloth and feathers

National Museum of Ethnology - Portugal
Photographer: José Pessoa

BALANCE SHEET

	Notes	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
ASSETS					
Cash and cash equivalents	3	11.349.028	119.110	7.127.119	76.932
Placements with other banks	4	7.898.626	82.898	2.425.860	26.185
Trading and Investment securities	5	10.615.620	111.413	7.117.527	76.827
Loans and advances	6	3.850.141	40.408	4.512.456	48.708
Equity investments	7	74.262	779	59.726	645
Intangible assets	8	828.209	8.692	527.201	5.691
Property, equipment and other tangible assets	8	1.284.191	13.478	921.648	9.948
Other assets	9	122.814	1.289	135.352	1.461
Pending Foreign Exchange operations	10	489.933	5.142	673.984	7.275
		36.512.824	**383.209**	**23.500.873**	**253.672**
LIABILITIES					
Deposits from other banks					
a) demand	11	1.164.035	12.217	59.355	641
Deposits from clients					
a) demand	12	23.732.587	249.079	14.167.250	152.923
b) term	12	5.838.692	61.278	5.082.449	54.861
Accruals and other liabilities	13	238.693	2.505	169.118	1.825
Other borrowings	14	834.384	8.758	131.235	1.417
Other liabilities	15	504.922	5.299	503.102	5.431
Prov for potential liabilities		50.618	531	47.248	510
		32.363.931	**339.667**	**20.159.757**	**217.608**
EQUITY					
Capital	16	1.308.702	15.000	1.308.702	15.000
Capital maintenance reserve	17	82.579	-	82.579	-
Fair value adjustment	17	31.669	225	58.359	630
Treasury Shares	17	-	-	(20.381)	(220)
Other reserves	17	1.822.659	24.063	1.222.538	17.765
Foreign currency translation reserve		-	(5.389)	-	(4.636)
Retained income for the year		903.284	9.643	689.319	7.525
		4.148.893	**43.542**	**3.341.116**	**36.064**
		36.512.824	**383.209**	**23.500.873**	**253.672**

INCOME STATEMENT

	Notes	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Interest and other similar income	18	1.634.854	17.412	1.348.982	14.678
Interest and other similar expenses	19	(309.037)	(3.291)	(312.485)	(3.400)
Net interest margin		**1.325.817**	**14.121**	**1.036.497**	**11.278**
Fee and commission income	20	692.034	7.370	612.360	6.663
Results of financial operations	21	1.003.525	10.688	893.203	9.719
Other income	22	4.248	45	23.108	251
Fee and commission expenses		(12.868)	(137)	(11.224)	(122)
		1.686.939	17.966	1.517.447	16.511
Impairment losses on loans	26	(118.928)	(1.267)	(149.322)	(1.612)
Net operating margin		**2.893.828**	**30.820**	**2.404.622**	**26.177**
Salaries and other payroll expenses	23	(854.162)	(9.097)	(773.469)	(8.416)
Third party supplies	24	(558.136)	(5.944)	(483.059)	(5.256)
Other admin expenses	25	(239.219)	(2.548)	(202.100)	(2.199)
Taxes and other similar expenses		(2.542)	(27)	(2.630)	(29)
Depreciation	8	(135.915)	(1.448)	(103.746)	(1.129)
Retirement compensation prov		(7.502)	(80)	(16.405)	(178)
Other income/(expenses)		(21.980)	(234)	9.382	102
		(1.819.456)	(19.378)	(1.572.027)	(17.105)
Operating Results		**1.074.372**	**11.442**	**832.595**	**9.072**
Non-operating results	27	(23.235)	(247)	134	1
Profit before taxes		**1.051.137**	**11.195**	**832.729**	**9.073**
Provision for Income taxes	28	(147.853)	(1.552)	(143.410)	(1.548)
Net income for the year		**903.284**	**9.643**	**689.319**	**7.525**

CASH FLOW STATEMENT

	2011 AKZ'000'S	2010 USD'000'S
Profit before tax	1.051.137	832.729
Add:		
Depreciation	135.915	103.746
Loan loss provisions	118.928	149.322
Less:		
Dividend paid	(89.198)	(42.880)
Tax paid	(150.794)	(139.077)
Cash flows from operating activities	1.065.988	903.840
(Increase)/decrease in loans and advances	543.387	(43.235)
(Increase)/decrease in accrued assets	184.051	(158.360)
(increase) in other assets	64.918	(22.791)
Increase/(decrease) in dep from other banks	1.104.680	52.333
Increase/(decrease) in other liabilities	1.820	85.158
(Decrease)/Increase in accruals and other liabilities	720.344	(543.148)
	3.685.188	273.797
Investing activities		
Purchase of fixed assets	(799.464)	(467.992)
Purchase of trading and investment securities	(3.498.093)	(870.938)
Placements with other banks	(5.472.766)	345.730
Equity investments	(14.536)	(9.989)
	(9.784.859)	(1.003.189)
Financing activities		
(Decrease)/increase in demand deposits	9.565.337	(267.862)
Increase/(decrease) in term deposits	756.243	2.323.837
Short term Liquidity	-	(746.971)
	10.321.580	1.309.004
Increase in cash and cash equivalents	4.221.909	579.612
Opening balance of cash and cash equivalents	7.127.119	6.547.507
Closing balance of cash and cash equivalents	**11.349.028**	**7.127.119**

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 100% Angolan owned private company.

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 (Money transfer, Insurance sales, . At the end of 2011, the Bank operated 23 branches throughout the country, 6 of which were opened during 2011.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

2.1. COMPARABILITY OF INFORMATION

These financial statements are presented in such a way as to allow comparison with those of the prior year in accordance with the new chart of accounts Contif.

2.2. BASIS OF PRESENTATION

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 maintained in the local currency, the Kwanza, using the principles of the multi-currency system.

However, the Board has decided that 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
31.12.2010	91,91	92,64
31.12.2011	93,89	95,28

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

- Historical – Shareholders' equity;
- 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:

2.3. ACCOUNTING POLICIES

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

a) Accrual 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) Purchasing power adjustments

The financial statements take into account the effects of changes in the purchasing power of the local currency, should the cumulative inflation rate in the past three years as reflected in the Consumer price Index (CPI) as disclosed by the National Statistical Institute (INE) exceed 100%.

c) Loan loss provisions

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.

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%

The credit classification by risk level must be reviewed:

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 to 30	B
30 to 60	C
60 to 90	D
90 to 150	E
150 to 180	F
Over 180	G

The bank applies a period which is double that stated above as a greater portion of the loans portfolio has maturity periods above 2 years as stipulated by BNA regulation 04/09.

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 2.2.

e) Trading and investment securities

Trading and investment securities are recorded at the transaction value on trade date and then classified based on the bank's ability and intentions into one or more of the following classifications:

1. Trading assets – Investments acquired for the purpose of generating short term fluctuations in price or dealer's margin. Trading assets are held at fair value and unrealised gains and losses are accounted for as non-interest income in the income statement.
2. Held-to-maturity – Investments with a fixed maturity date and where the bank has a firm intention and ability to hold the investment to such date. The investments are held at amortised cost and reviewed where appropriate.
3. Available-for-sale – Investments normally held to maturity, but that may be sold in response to a need for liquidity owing to changes in interest rates, Exchange rates or other economic conditions.

Subsequent to initial recording all trading assets and available-for-sale assets are measured at fair value with the gains and losses arising from a change in the fair value being recorded as follows:

1. Through the income statement for trading assets and
2. Through equity net of tax for available-for-sale assets.

Impairments that are considered to be permanent in nature are recognised as losses immediately in the period and taken to the income statement and is not reversible in future periods.

Central bank bills and treasury bills are issued at a discount and registered in the books at the amount actually paid and at the end of the year the fair value is calculated using the criteria above.

All the treasury bonds are registered in the books ate the amount paid on the date of purchase.

f) 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.

g) Property, plant and equipment

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.

h) 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 n.º 01/2003 of 7 March 2003 and of Advice 05/03 of 7 February 2003 of the National Bank of Angola.

i) Income tax

The tax currently payable is calculated at 35% of the taxable profit for the year.

The tax law in Angola determines that all tax declarations for the previous 5 years are still subject to additional reviews and audits and hence the tax Office can order the bank to make changes to the tax expenses presented and hence result in a change in the taxable income. To this end, it means that the tax returns for 2006 to 2011 still fall within this legal requirement. Management, however, does not foresee that any material changes could be effected by the tax Office on the self-declarations that were submitted for the period stated above.

Deferred tax is provided for on a comprehensive basis using the liability method, for temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

j) Impairment

Financial assets are reviewed at each reporting date to determine if there is objective evidence of impairment. If such indication exists, the assets recoverable amount is estimated. An impairment loss is recognised whenever the recoverable amount is less than the carrying amount.

In considering whether or not indications of impairment exist, the bank takes into account the following factors:

a) An asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;

b) Significant changes with an adverse effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated;

c) Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease an asset's recoverable amount materially;

d) The carrying amount of the net assets of the entity is more that its market capitalisation;

e) Evidence is available of obsolescence or physical damage of an asset;

f) Significant changes with an adverse effect on the entity have taken place during the period, in the extent to which, or manner in which an asset is used or expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset and reassessing the useful life of an asset as finite rather than indefinite; and

g) Evidence is available from internal reporting that indicates the economic performance of an asset is, or will be, worse than expected.

k) Principal estimates and provisions

The financial statements include estimates which were made in conditions of uncertainty, however, no hidden or excessive reserves were created.

Provisions were constituted on the basis of present constructive or legal obligations as a result of past events where it is probable that an outflow of resources, embodying economic benefits, will be required to settle the obligations and a reliable estimate of the amount of the obligation can be made.

3. CASH AND CASH EQUIVALENTS

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Cash:				
-Local currency:	1.381.841	14.504	688.539	7.432
-Foreign currency	707.675	7.427	387.765	4.186
	2.089.516	21.931	1.076.304	11.618
Balances at the National Bank of Angola (BNA)				
-Local currency:	2.984.527	31.323	3.486.178	37.630
-Foreign currency:	1.943.753	20.400	1.851.153	19.982
	4.928.280	51.723	5.337.331	57.612
Outstanding cheques	99.766	1.047	143	2
NOSTRO accounts	4.231.466	44.409	713.341	7.700
	4.331.232	45.456	713.484	7.702
	11.349.028	**119.110**	**7.127.119**	**76.932**

In accordance with Instructions nº 03/10 of 04 July, and n.º 02/11 of 28 April, the statutory reserve required by the National Bank of Angola is 20%, 50%, and 100%, 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 2011, the balance at the National Bank of Angola (BNA) for FCY deposits and LCY deposits was to comply with minimum reserve requirements.

4. PLACEMENTS WITH OTHER BANKS

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Local banks	4.362.569	45.785	51.750	559
Foreign banks	3.534.572	37.097	2.372.625	25.610
Gold coins	1.485	16	1.485	16
	7.898.626	**82.898**	**2.425.860**	**26.185**

In the placements with local banks is included the BCA balance on "Prime Imovel" financing for housing project at Alvalade. Others investor in the same projects are "Banco de Fomento, S.A." (BFA), and "Banco Angolano de Investimentos, S.A." (BAI). The total initial investment was of USD 60.000.000,00. BCA share is of 1,67%. The interest of one million dollars of this amount is earned at Libor tax of 6 months with the an increased 3,5% a year, with an initial delay of 30 months.

5. TRADING AND INVESTMENT SECURITIES

The trading and investment securities below are all classified as available for sale.

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Treasury bills –LCY	6.846.808	71.939	1.636.582	17.665
Central bank bills – LCY	1.255.074	13.189	2.411.855	26.034
Treasury bonds – LCY	560.697	5.885	1.114.259	12.027
Treasury bonds – FCY	1.953.041	20.400	1.954.831	21.101
	10.615.620	**111.413**	**7.117.527**	**76.827**

The maturity profile of the above-mentioned trading and investment securities is as follows:

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Treasury and central bank bills:				
Up to 6 months	3.568.556	37.495	1.642.969	17.734
From 6 months to 1 year	4.533.326	47.633	2.405.468	25.965
More than 1 year	8.101.882	85.128	4.048.437	43.699
Treasury bonds:				
Up to 6 months	38.295	400	-	-
From 6 months to 1 year	1.914.746	20.000	55.586	600
More than 1 year	560.697	5.885	3.013.504	32.528
	2.513.738	26.285	3.069.090	33.128
	10.615.620	**111.413**	**7.117.527**	**76.827**

Treasury bonds in foreign currency relate to the remaining amount of USD 400.000 for the Bank share in the investment on TAAG airplanes acquisition, and USD 20.000.000,00 which is BCA participation for the country reconstruction programme.

The average interest rates for these instruments were as follows:

	2011 %	2010 %	Variation %
Treasury bills –LCY	6,62	13,22	(6,60)
Central bank bills – LCY	7,02	21,60	(14,58)
Government Bonds (LCY):			
Indexed to the CPI	-	3,00	(3,00)
Indexed to the USD	7,00	7,00	-
Government Bonds (FCY)	3,72	3,75	(0,03)

6. LOANS AND ADVANCES

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Loans and advances	3.409.475	35.783	4.536.363	48.966
Non performing loans	809.640	8.497	300.241	3.241
	4.219.115	44.280	4.836.604	52.207
Loan loss provisions (See Note 18)	(368.974)	(3.872)	(324.148)	(3.499)
	3.850.141	**40.408**	**4.512.456**	**48.708**

Loan loss provisions for non-performing loans, including overdue capital and interest and doubtful accounts as referred to in Note 4c) total AKZ 324.148 thousands (2010: 324.148 thousands), which represents 8.75% of total loans and advances.

The basic principles that BCA using in granting loans and advances are as follows:

- Granting of credit is subject to a rigorous process which ensures that credit is granted within the realms of the defined strategy and also in compliance with all regulatory provisions issued by the central bank in this regard;

- In the credit risk assessment and evaluation process the bank takes into consideration the marginal effect of each loan on the whole loans and advances portfolio and also takes into account industry/sector limits and also the financial stability of the customer;

- In order to mitigate the credit risk, especially in ensuring the reduction of losses resulting from the credit granting process, the board of directors has emphasised the need for continuous improvement of the internal control environment and credit risk governance and hence approved the constitution of a credit monitoring and recovery committee in this regard.

At 31 December 2011 and 2010 the bank's major customer represented 16,94% and 14,48% of the Loans and advances portfolio, respectively. The total of the top twenty customers at the above mentioned dates represented 58,16% and 56,29% of the Loans and Advances portfolio, respectively.

At 31 December 2011 and 2010 the Loans and Advances to related parties totaled 57.802 thousand Kwanzas and 23.051 thousand Kwanzas (note 30), respectively.

At 31 December 2011 the sector analysis of credit provided by the bank was as follows:

	2011 AKZ'000	2011 USD'000	%
Construction	634.905	6.663	15
Wholesale and retail	641.638	6.734	15
Transport and communications	-	-	-
Services and real estate	-	-	-
Manufacturing industries	40.828	428	1
Electricity, gas and water production and supply	938.916	9.854	22
Fishing and Agriculture	31.931	335	1
Individuals	1.930.897	20.266	46
	4.219.115	**44.280**	**100**

At 31 December 2010 the sector analysis of credit provided by the bank was as follows:

	2010 AKZ'000	2010 USD'000	%
Construction	532.026	5.743	11
Wholesale and retail	1.402.615	15.140	29
Transport and communications	-	-	-
Services and real estate	-	-	-
Manufacturing industries	96.732	1.044	2
Electricity, gas and water production and supply	145.098	1.566	3
Fishing and Agriculture	48.366	522	1
Individuals	2.611.767	28.192	54
	4.836.604	**52.207**	**100**

Loans and advances by currency:

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Kwanzas	1.093.872	11.480	1.074.417	11.597
US Dollars	3.125.119	32.799	3.762.040	40.608
Other Currencies	124	1	147	2
	4.219.115	**44.280**	**4.836.604**	**52.207**

At 31 December 2011 and 2010 the average annual interest rate for loans (excluding the advances) was of 19,2% and 22,78%, for LCY Loans, and 9,70% and 9,25%, for FCY Loans, respectively.

Loans and advances by credit risk classification:

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
A	-	-	-	-
B	588.269	6.175	43.882	474
C	18.435	193	26.966	291
D	1.994	21	27.770	300
E	87.995	923	28.341	306
F	10.008	105	30.888	333
G	102.939	1.080	142.394	1.537
	809.640	**8.497**	**300.241**	**3.241**

Comparative matrix of loans and advances by credit risk classification:

						2011						2010
	Risk	A	B	C	D	E	F	G	WO	Reductions	Total	Portfolio
2010	A	**0,00%**	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	-
	B	0,00%	**55,21%**	6,59%	0,00%	0,20%	0,55%	0,00%	0,00%	37,44%	93,49%	4.521.590
	C	0,00%	24,10%	**65,19%**	0,00%	7,78%	2,93%	0,00%	0,00%	0,00%	0,71%	34.188
	D	0,00%	0,00%	0,00%	**7,18%**	10,40%	82,42%	0,00%	0,00%	0,00%	0,60%	29.256
	E	0,00%	0,00%	0,00%	12,81%	**0,00%**	0,00%	87,19%	0,00%	0,00%	0,61%	29.447
	F	0,00%	0,00%	0,00%	0,00%	0,00%	**27,52%**	8,90%	0,00%	63,58%	0,80%	38.820
	G	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	**22,73%**	40,43%	36,85%	3,79%	183.303
Total		0,00%	51,78%	6,63%	0,12%	0,31%	1,26%	1,46%	1,53%	36,91%	100,00%	
2010 Portfolio		-	2.504.542	320.450	5.873	14.908	60.796	70.789	74.101	1.785.145		4.836.604

On 31 December 2011 and 2010, the rescheduled loans amounted to 81.774 thousands of Kwanzas and 95.354 thousand of Kwanza, respectively, and Loans write off during the same period totaled 74.101 thousands of Kwanzas and 41.377 thousands of Kwanzas, respectily.

Maturity profile of loans and advances:

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Loans and advances:				
In foreign currency:				
Up to 1 year	1.086.669	11.405	1.140.713	12.313
From 1 to 5 years	1.119.122	11.745	1.306.915	14.107
More than 5 years	919.452	9.650	1.314.559	14.190
	3.125.243	32.800	3.762.187	40.610
In local currency:				
Up to 1 year	560.913	5.887	341.482	3.686
From 1 to 5 years	497.838	5.225	391.231	4.223
More than 5 years	-	-	333.330	3.598
Overdrafts	35.121	368	8.374	90
	1.093.872	11.480	1.074.417	11.597
	4.219.115	**44.280**	**4.836.604**	**52.207**

The credit provisions movement during the year of 2011 was:

Thousands of Kwanzas	Credit Provisions
Balance at 31 December 2010	324.148
Reinforcements	118.928
Used	(74.101)
Balance at 31 December 2011	**368.975**

7. EQUITY INVESTMENTS

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
EMIS – Empresa Interbancária de Serviços:				
Capital	19.593	206	19.593	212
Shareholders Loans	34.540	365	19.641	212
Capital - Impairment	(363)	(7)	-	-
	53.770	564	39.234	424
Angolan Stock Exchange	20.492	215	20.492	221
	74.262	**779**	**59.726**	**645**

These investments are valued in accordance with Note 2.3. (f). The shareholders, loans are remunerated at libor 6 months plus 325 base points.

8. PROPERTY PLANT AND EQUIPMENT INTANGIBLE ASSETS

INTANGIBLE ASSETS

AKZ'000	Opening Balance	Increases	Transf.	Other	Write off	Closing Balance
Cost						
Software	68.043	18.308	-	(14.396)	-	71.955
Expansion related	233	-	-	(233)	-	-
Works in rented properties	689.115	105.624	235.542	(3.183)	-	1.027.098
Other intangible assets	113	-	-	1.186	-	1.299
	757.503	**123.932**	**235.542**	**(16.626)**	**-**	**1.100.352**
Depreciation						
Software	(47.534)	(5.814)	-	-	-	(53.348)
Expansion related	-	-	-	-	-	-
Works in rented properties	(182.524)	(35.229)	-	-	-	(217.753)
Other intangible assets	(245)	(797)	-	-	-	(1.042)
	(230.303)	**(41.840)**	**-**	**-**	**-**	**(272.143)**
Net						
Software	20.509	12.494	-	(14.396)	-	18.607
Expansion related	233	-	-	(233)	-	-
Works in rented properties	506.591	70.395	235.542	(3.183)	-	809.345
Other intangible assets	(132)	(797)	-	1.186	-	257
	527.201	**82.092**	**235.542**	**(16.626)**	**-**	**828.209**

TANGIBLE ASSETS

AKZ'000	Opening Balance	Increases	Transf.	Other	Write off	Closing Balance
Cost						
Buildings	30.418	17.434	189.506	24.774	-	262.132
Equipment	839.775	134.583	20.161	(39.721)	(29.613)	925.185
Capital WIP	513.749	623.354	(445.208)	(68.266)	-	623.629
	1.383.942	**775.371**	**(235.541)**	**(83.213)**	**(29.613)**	**1.810.946**
Depreciation						
Buildings	(642)	(3.431)	-	-	-	(4.073)
Equipment	(461.652)	(90.643)	-	-	29.613	(522.682)
Capital WIP	-	-	-	-	-	-
	(462.294)	**(94.074)**	**-**	**-**	**29.613**	**(526.755)**
Net						
Buildings	29.776	14.003	189.506	24.774	-	258.059
Equipment	378.123	43.940	20.161	(39.721)	-	402.503
Capital WIP	513.749	623.354	(445.208)	(68.266)	-	623.629
	921.648	**681.297**	**(235.541)**	**(83.213)**	**-**	**1.284.191**

The adjustments above, arose from the work done during the year to reconcile the fixed asset management system with the accounting system.

9. OTHER ASSETS

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Electronic settlements	54.474	571	19.824	214
Suspense accounts	9.066	95	6.917	75
Other debtors	59.274	623	108.611	1.172
	122.814	**1.289**	**135.352**	**1.461**

At 31 December 2011, the amount in "Other debtors" relates mainly to the difference between the accounting and fixed assets management systems, which are being investigated.

10. ACCRUED ASSETS

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Probecea	384.942	4.039	384.942	4.155
Advances to suppliers	1.491	16	139.891	1.510
Stationary	16.639	175	13.439	145
Accruals	49.021	515	92.084	994
-Health Insurance	-	-	29.554	319
-Rentals and hire	42.262	444	57.384	619
-Others	6.759	71	5.146	56
Sectional purchase of bankers association HQ	24.151	253	24.151	261
Vehicle licence discs	13.622	143	9.820	106
Others	67	1	9.657	104
	489.933	**5.142**	**673.984**	**7.275**

The amounts advanced to PROBECEA represent the payments made in the name of PROBECEA – Gestão e Participações Sociais SARL. This amount will be recovered through a transaction in kind, whereby Probecea will cede the rights to a certain piece of land in the CBD to BCA amount for.

The vehicle license discs represents the amount of licence vouchers in the Bank's possession at 31 December 2011 for sale to the public as an agent authorized by the National Directorate of Taxes for which the Bank receives a commission of 11%.

11. DEPOSITS FROM OTHER BANKS

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
On demand:				
From foreign banks	1.164.035	12.217	57.444	620
Accrued interest	-	-	1.911	21
	1.164.035	**12.217**	**59.355**	**641**

12. DEPOSITS FROM CLIENTS

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Demand deposits:				
In local currency	12.572.820	131.955	4.417.655	47.685
In foreign currency	11.159.767	117.124	9.749.595	105.238
	23.732.587	249.079	14.167.250	152.923
Term deposits:				
In local currency	3.887.330	40.798	2.575.472	27.800
In foreign currency	1.951.362	20.480	2.506.977	27.061
	5.838.692	61.278	5.082.449	54.861
	29.571.279	**310.357**	**19.249.699**	**207.784**

13. ACCRUALS AND OTHER LIABILITIES

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Bankers cheques	57.992	609	77.366	835
Cheques resources – In local currency	6.051	63	16.992	183
Dividend payable	46.200	485	46.200	499
Others	115.357	1.211	20.285	219
Teller excesses	13.093	137	8.275	89
	238.693	**2.505**	**169.118**	**1.825**

14. OTHER BORROWINGS

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Amounts held as collateral for foreign exchange transactions	**834.384**	**8.758**	**131.235**	**1.417**

15. OTHER LIABILITIES

	2011 Milhares de Kwanzas	2011 Milhares de Dólares	2010 Milhares de Kwanzas	2010 Milhares de Dólares
Creditors				
Suppliers	129.100	1.355	114.281	1.234
Provisions	139.837	1.467	149.100	1.609
Staff	73.459	771	50.279	543
Fiscal obligations	157.689	1.655	182.570	1.971
Others	4.837	51	6.872	74
	504.922	**5.299**	**503.102**	**5.431**

Fiscal obligations refer essentially to amounts owing for corporate income tax (AKZ 147.853); income tax deducted from employees' salaries, stamp tax and social. All these amounts will be paid in 2012.

16. CAPITAL

The share capital of the bank is AKZ 1.308.702.000, equivalent to USD 15.000.000 represented by 3.271.754 shares of a nominal value of AKZ 400 each.

At 31 December 2011 the above mentioned capital was held by 28 Angolan shareholders with individuals holding 63,6% and corporates holding 36,4%.

17. STATEMENT OF SHAREHOLDERS' EQUITY

AKZ'000	Capital	Treasury Shares	Capital Maintenance Reserve	Other Reserves	Fair Value Adjust.	Retai. Income	Total
Balance 31 Dec. 2010	**1.308.702**	**(20.381)**	**82.579**	**1.222.538**	**58.359**	**689.319**	**3.341.116**
Appropr. of 2009 retai. income	-	-	-	600.121	-	(600.121)	-
Dividends	-	-	-	-		(89.198)	(89.198)
Fair value adjustment	-	-	-	-	(58.359)	-	(58.359)
2011 Fair value adjustment	-	-	-	-	31.669	-	31.669
Purchare of own shares	-	20.381	-	-	-	-	20.381
Profits for the year	-	-	-	-	-	903.284	903.284
Balance 31 Dec. 2011	**1.308.702**	**-**	**82.579**	**1.822.659**	**31.669**	**903.284**	**4.148.893**

The Capital Maintenance Reserve was calculated in accordance with the accounting policy described in Note 2.3. h).

The legal and other reserves represent amounts that have been appropriated from prior period profits in accordance with legal requirements.

The fair value adjustment is issued from the trade and investment securities assessment that are available for sale. The total fair value adjustment amounted to 32.027 thousands of kwanzas, from which deferred tax amounting to 358 thousands of Kwanzas were deducted to arrive at the net fair value adjustment of AKZ 31.669 thousands.

18. INTEREST AND OTHER SIMILAR INCOME

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Loans & Advances to Customers	476.482	5.075	510.655	5.556
Term deposits with Banks abroad	2.897	31	4.128	45
Inter bank lending	236.392	2.518	276.896	3.013
Other debtors and investments	47.358	504	5.598	61
Treasury Bills	871.725	9.284	551.705	6.003
	1.634.854	**17.412**	**1.348.982**	**14.678**

Term deposit interest relates to interest earned on the bank's placements with its correspondent banks.

Interest on Loans and Advances related to all interest on performing loans. Interest related to non-performing loans, stipulated as an account delinquent for 3 months or more, is not recognised in the income statement.

The total revenue recorded under treasury bills, includes income from Central Bank treasury bills, Government Treasury Bill and Government Bonds.

Income from Government Bonds and Government Trasury Bills is exempt from corporate tax in line with Decrees no 51/03 and 52/03, issued on the 8th of July of 2003 and also as documented in the updated tax code.

19. INTEREST AND OTHER SIMILAR EXPENSES

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Deposits	308.725	3.288	293.068	3.189
Interbank lending	-	-	6.942	76
On funds related to Treasury bills with repurchase agreements	312	3	12.475	135
	309.037	**3.291**	**312.485**	**3.400**

Interest and similar expenses relate mainly to interest paid on customer term deposits during 2011.

20. FEE AND COMMISSION INCOME

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Withdrawal fees	74.560	794	72.012	784
From general banking services	593.025	6.316	504.744	5.492
From guarantees given by the Bank	24.449	260	35.604	387
	692.034	**7.370**	**612.360**	**6.663**

Fees and commissions from general banking services a composed mainly of intermediation fees, Moneygram commissions, bancassurance commissions etc.

21. RESULTS OF FINANCIAL OPERATIONS

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Gains from FX transactions	1.403.452	14.948	1.524.036	16.582
Losses from FX transactions	(399.927)	(4.260)	(630.833)	(6.863)
	1.003.525	**10.688**	**893.203**	**9.719**

22. OTHER INCOME

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Bank guaranteed cheque fees	321	4	359	4
Cheque account fees	1.109	12	2.624	29
Reimbursement of expenses	1.454	15	2.114	23
Other	1.364	14	18.011	195
	4.248	**45**	**23.108**	**251**

23. SALARIES AND OTHER PAYROLL EXPENSES

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Social Security	35.541	379	34.242	373
Other benefits	30.987	330	23.611	257
Staff Salaries	774.768	8.251	704.388	7.664
Other	12.866	137	11.228	122
	854.162	**9.097**	**773.469**	**8.416**

The Bank had 238 employees at 31 December 2011 (222 at 31 December 2010).

24. THIRD PARTY SUPPLIES

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Communication costs	81.276	866	28.729	313
Repairs and maintenance	44.794	477	18.737	204
Professional services	51.321	546	54.652	595
Travel and other related costs	56.651	603	51.314	558
Third party supplies	150.690	1.605	96.465	1.050
Marketing	47.355	504	50.451	549
Rentals	122.311	1.303	180.052	1.959
Insurance	3.738	40	2.659	28
	558.136	**5.944**	**483.059**	**5.256**

25. GENERAL AND ADMINISTRATIVE EXPENSES

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Computer costs	25.532	272	40.824	444
Security costs	84.763	903	71.384	777
Staff training	37.504	400	29.929	326
Cash transportation costs	11.262	120	4.693	51
Other	80.158	853	55.270	601
	239.219	**2.548**	**202.100**	**2.199**

26. IMPAIRMENT LOSSES ON LOANS

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Provisions for loan losses	**118.928**	**1.267**	**149.322**	**1.612**

27. NON-OPERATING RESULTS

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Bad debt recoveries	(9.056)	(96)	(46.246)	(502)
Prior period gains	(29.672)	(315)	(26.473)	(288)
Prior period losses	63.530	675	71.451	777
Other expenses	(1.567)	(17)	1.134	12
	23.235	**247**	**(134)**	**(1)**

28. INCOME TAXES

The tax reconciliation at 31 December is presented as follows:

	2011 AKZ'000	2010 AKZ'000
Profit before tax	1.051.137	832.729
Fiscal penalties	4.110	1.588
Tax exempt income	(632.810)	(424.573)
Taxable profits	422.437	409.744
Nominal tax rate	35%	35%
Income tax payable	**147.853**	**143.410**
Effective tax rate	14%	17%

29. OFF BALANCE SHEET ITEMS AND CONTINGENCIES

	2011 AKZ'000	2011 USD'000	2010 AKZ'000	2010 USD'000
Guarantees provided and other liabilities				
Guarantees and securities provided	(942.631)	(9.893)	(741.144)	(8.000)
Letters of Credit issued	(614.679)	(6.451)	(106.664)	(1.151)
	(1.557.310)	**(16.344)**	**(847.808)**	**(9.151)**
Responsibilities for provision of services				
Securities deposited by customers	**(3.069.889)**	**(32.219)**	**(3.014.470)**	**(32.539)**
Guarantees received				
Guarantees received	**1.069.540**	**11.225**	**1.039.918**	**11.225**

30. RELATED PARTY DISCLOSURE

At 31 December, the main balances and deals held with the related party, were as follows:

	2011 Milhares de Kwanzas	2011 Milhares de Dólares	2010 Milhares de Kwanzas	2010 Milhares de Dólares
Assets:				
Other assets	384.942	4.039	524.833	5.665
Loans and advances	57.802	607	23.051	249
	442.744	**4.646**	**547.884**	**5.914**
Liabilities:				
Deposits	28.551	300	16.305	176
	28.551	**300**	**16.305**	**176**

The balances above were held with the following related parties:
Probecea – Gestão de Participações SARL
GEFI – Sociedade de Gestão de Participações, SARL and
Fundo de Pensões
Jatosadinhi, Lda

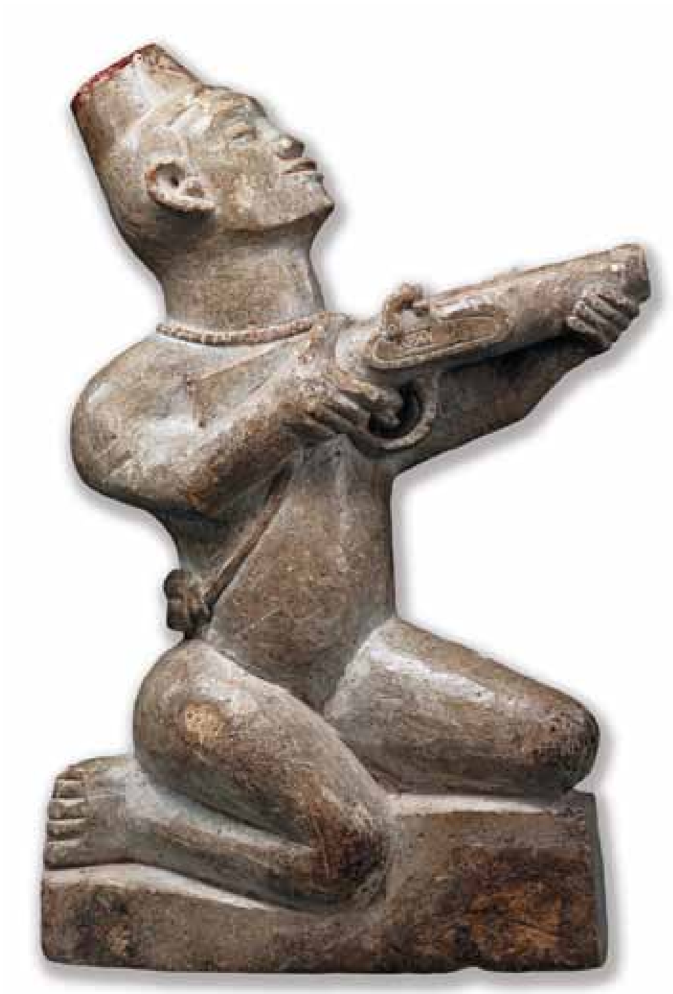
31. BALANCE SHEETS BY CURRENCY

	2011 LCY	2011 FCY	2011 Total
ASSETS			
Cash and cash equivalents	4.466.134	6.882.894	11.349.028
Placements with other banks	4.302.792	3.595.834	7.898.626
Trading and Investment securities	8.662.579	1.953.041	10.615.620
Loans and advances	724.898	3.125.243	3.850.141
Equity investments	74.262	-	74.262
Intangible assets	828.209	-	828.209
Property, equipment and other tangible assets	1.284.191	-	1.284.191
Pending Foreign Exchange operations	120.680	2.134	122.814
Other assets	443.830	46.103	489.933
	20.907.575	**15.605.249**	**36.512.824**
LIABILITIES			
Deposits from other banks	33.799	1.130.236	1.164.035
Deposits from customers	16.460.150	13.111.129	29.571.279
Accruals and other liabilities	125.842	112.851	238.693
Other borrowings	-	834.384	834.384
Other liabilities	287.369	217.553	504.922
Prov. for potential liabilities	-	50.618	50.618
	16.907.160	**15.456.771**	**32.363.931**
EQUITY			**4.148.893**

	2010 Moeda Nacional	2010 Moeda Estrangeira	Total
ASSETS			
Cash and cash equivalents	4.174.860	2.952.259	7.127.119
Placements with other banks	1.485	2.424.375	2.425.860
Trading and Investment securities	5.162.696	1.954.831	7.117.527
Loans and advances	750.269	3.762.187	4.512.456
Equity investments	59.726	-	59.726
Intangible assets	527.201	-	527.201
Property, equipment and other tangible assets	921.648	-	921.648
Pending Foreign Exchange operations	21.679	113.673	135.352
Other assets	491.863	182.121	673.984
	12.111.427	**11.389.446**	**23.500.873**
LIABILITIES			
Deposits from other banks	-	59.355	59.355
Deposits from customers	6.993.127	12.256.572	19.249.699
Accruals and other liabilities	169.118	-	169.118
Other borrowings	-	131.235	131.235
Other liabilities	310.711	192.391	503.102
Prov. for potential liabilities	-	47.248	47.248
	7.472.956	**12.686.801**	**20.159.757**
EQUITY			**3.341.116**

32. SUBSEQUENT EVENTS

There were no significant subsequent events between the balance sheet date and the date of approval of the financial statements.



SCULPTURE

Ntadi (sing. of mintadi) sepulchral effigy, sculpted in steatite, of a kneeling man, armed with a rifle.

In Catalogue of Angolan Carvings - Celebration of Cultures (1994, page 79)

Inventory number: AN.091
Category: Sculpture
Cultural Group: Kakongo - Angola
Technical Information: Soapstone

National Museum of Ethnology - Portugal
Photographer: José Pessoa

REPORT AND OPINION OF THE FISCAL COUNCIL

Dear shareholders,

In accordance with Angolan Legal and Regulatory requirements, the Fiscal Council ("Conselho Fiscal") is required to issue a report in respect of its activities and issue an opinion in respect of the Financial Statements of the Banco Comercial Angolano (BCA) for the financial year ended 31 December 2011.

Throughout the year the Fiscal Council continually monitored the company's activities and verified its accounting records as well as the related supporting documentation. The Fiscal Council wishes to recognize that it received complete cooperation from the Board of Directors in obtaining any information it considered necessary to fulfill its responsibilities.

The Banks financial statements were audited by its external auditors, whose opinion is that the financial statements fairly present, in all material respects, the financial position of BCA at 31 December 2011, as well as the results of its operations, the movements in its reserves and in its cash flows for the financial year ended on that date, in accordance with the "Plano Contabilístico das Instituições Financeiras em Angola emanado pelo Banco Nacional de Angola" (the Financial Institutions Accounting Plan issued by the Angolan Central Bank).

Having taken into consideration the external auditors report, it is the opinion of the Fiscal Council, that the Shareholders Assembly should approve the Annual Report and Financial Statements for the 2011 financial year.

The Fiscal Council

18 May, 2012

Deloitte.

Deloitte & Touche - Auditores, Lda
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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 31 December, 2011, that reflects a total of 36.495.016 tAKZ and shareholders' equity of 4.148.893 tAKZ, including a net result of 903.284 tAKZ, the statements of income, of changes in equity and of cash flows for the year then ended and corresponding notes.

Responsibilities

2. The preparation of financial statements that present a true and fair view of the financial position of the Bank, the results of its operations, the changes in its equity and its cash flows, as well as the adoption of adequate accounting principles and criteria and 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. Except for the matter described in paragraph 4 below, our examination was performed in accordance with generally accepted auditing standards, which require that the examination be planned and perform with the objective of obtaining reasonable assurance about wheter the financial statements are free of material misstatement. Our examination included verifying, on a sample basis, evidence supporting the amounts and disclosures in the financial statements 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 the going concern concept and assessing the adequacy of the overall presentation of the financial statements. We believe that our examination provides a reasonable basis for our opinion.

Deloitte.

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Qualification

4. In the course of our work, we identified that the internal control procedures in force at the Bank in the "Purchase of goods and services" area still do not fully ensure the timely record of the transactions, as well as the proper specialization of costs in the year ended at December 31, 2011. In adition, until the date of this report, we have not received a significant number of replies to our application for confirmation of balances, transactions and other information, requested to several suppliers, neither we were able to perform alternative effective audit procedures regarding the credit balances recorded on the caption "Other liabilities - Suppliers".

Opinion

5. In our opinion, except for the effects of adjustments, if any, that might have been identified, in the absence of the scope limitation 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 31 December, 2011, the results of its operations, the changes in its equity and its cash flows for the year then ended, in accordance with generally accepted accounting principles in Angola for the Banking Sector (Note 2).

Luanda, May 18, 2012, except for the change in the wording of paragraph 4 above, for which the date is May 25, 2012.

Deloitte