

Angola Financial Systems



By:

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1. Basic information about the country

The Republic of Angola is located in south-central Africa bordered by Namibia on the south, Democratic Republic of the Congo on the north, and Zambia on the east; its west coast is on the Atlantic Ocean. The exclave province Cabinda has a border with the Republic of Congo and the Democratic Republic of the Congo. Angola was a Portuguese overseas territory from the 16th century to 1975. The country is the second-largest petroleum and diamond producer in sub-Saharan Africa. In August 2006, a peace treaty was signed with a faction of the FLEC, a separatist guerrilla group from the Cabinda exclave in the North, which is still active. About 65% of Angola's oil comes from that region.

Angola's economy has undergone a period of transformation in recent years becoming the second fastest growing economy in Africa and one of the fastest in the world. Growth is almost entirely driven by rising oil production which surpassed 1.7 million barrels per day. Control of the oil industry is consolidated in Sonangol Group, a conglomerate which is owned by the Angolan government. In December 2006, Angola was admitted as a member of OPEC. Angola is China's biggest supplier of oil. The economy grew 18% in 2005, 26% in 2006 and 17.6% in 2007 and it's expected to stay above 10% for the rest of the decade. The country has developed its economy since political stability arose in 2002. Rapidly rising production and revenues from the oil sector have been the main driving forces behind the improvements in overall economic activity – nevertheless, poverty remains widespread. Anti-corruption watchdog Transparency International rated Angola one of the 10 most corrupt countries in the world in 2005.

Macro- economic Data

Population: 16,941,000 (2007 estimate)
GDP: \$108 Bn / GDP per capita: \$6,443 (IMF)
Growth rate: 17.6%
Human Development Index: 0.446 (Low - 162 nd)
Inflation: 12.2% (following a long period of hyperinflation)
Exchange rate: 1 USD / 80.37 Kwanza (AOA)
Interest rate: 17.7%
Population below poverty line: 70%
Labour Force: 6.64M (85% Agriculture, 15% industry & service)
Unemployment: Extensive unemployment > 50%
Main industries: Petroleum, diamonds, iron ore, phosphates, feldspar, bauxite, uranium, gold, cement, basic metal products, fish processing, food processing, brewing, tobacco products, sugar, textiles, ship repair.

Major Exports & Imports

The country's main exports consist of oil, diamonds and gas, all of which are crucial to Angola's economic recovery. As the country is rich in natural resources, its main imports are machinery, equipment and vehicles. With FDI increasing, exports are expected to rise and with tourism also increasing, the country will have to import more goods to accommodate a western standard.

Major Exports 2007	% of Total	Major imports 2007	% of Total
US	38.1%	US	15.3%
China	34.2%	Portugal	15%
Taiwan	5.8%	S. Korea	10.1%
France	4.9%	China	8.8%
Chile	4.1%	Brazil	8.2%

Financial System Overview¹

There is no stock market, the money market has very few tradable instruments, the insurance sector is dominated by two state companies, and there are no institutions specializing in housing finance. The banking sector consists of nine commercial banks, one merchant bank, four representative offices of foreign banks, and a few institutions providing loans to small-scale enterprises. (THIS IS NOT TRUE, I PROVIDE BANK DATA FOR MORE THAN 9 BANKS) Among the commercial banks, three are foreign-owned and two are state banks, BPC and BCI. The three larger banks (BPC, BFA, and BAI) handle some 82 percent of the turnover of the entire system. However, the three private banks recently established (BTA, BESA, and BCA) are the first to have offered banking products denominated in dollars, and have begun to win a significant market share because of better quality service and a breakthrough in banking marketing. The state banks account for about 45 percent of commercial bank assets in the country. The Central Bank has recently created a division specialized in micro-finance in anticipation of an appropriate legal framework in response to growing demand by commercial banks to offer this service. YOU NEED TO DISCUSS THE FUTURE PLANS OF THE STOCK MARKET. THERE IS A LAW AND PLANS IN PLACE FOR A STOCK MARKET SO THAT NEEDS TO BE SAID.

2. Banking Overview:

¹ World Bank

Angola's financial sector, still underdeveloped, has grown rapidly and key indicators have improved in recent years. By December of 2007, total deposits exceeded \$11.5 billion, up from \$9.5 billion in 2006. Most banks focus their operations on such short-term commission-related activities as currency trading and trade finance. Foreign investors do not normally access credit locally, and local investors either self-finance or seek financing from non-Angolan banks and investment funds. Subsidized government loan programs to promote economic development are available only to majority-owned Angolan companies and on a very selective basis. Local businesses must take loans in kwanzas, the Angolan currency, though exceptions are granted.

In the past, triple-digit inflation resulted in a high level of dollarization in the economy and banking system, with 70 percent of banking assets held in dollars. Since the end of the civil war in 2002, the Central Bank has devoted considerable effort to rebuilding trust in the kwanza, bringing inflation down to 12 % in 2006 and 11.8 % in 2007; in 2008, however, inflation rose to 13.2%. The mandatory reserve requirement for non-government deposits, whether in kwanzas or foreign currency, is 15 percent. The reserve requirement for government deposits is 100 percent, a measure that seriously limits lending by state-owned banks.

The number of private banks has been growing since 2003, transforming a sector previously dominated by State-owned banks. Two of Angola's three largest banks are privately owned. As of late 2008, Angola had 18 commercial banks, three of them State-owned. While every provincial capital has at least three bank branches, only 6 percent of the population uses banks, and few businesses even apply for loans. By mid-2007, credit to the private sector amounted to just 7.2 percent of GDP; while bank deposits totaled only 15.7 percent of GDP.

Banks had a low lending rate of 61 percent of deposits in 2007. The normal banking need to identify customers and require collateral are blocked because State-owned property cannot be offered as collateral, the judicial system is weak, credit histories cannot be tracked and few houses have street addresses.. Banks profit from transactions, short-term trade financing and investments in high-interest government bonds, but also increasingly from loans, especially in the construction sector. In the past, State and State-affiliated companies enjoyed privileged access to loans, often at concessionary rates, leading to several bank failures. Currently, the non-performing loan rate is relatively low, reflecting conservative lending practices throughout the sector. Legislative changes and development in the banking sector are

expected to widen the availability of credit. The new land law should reduce confusion over property rights and help identify sources of collateral.

The Central Bank has developed a market for short-term bonds called Títulos do Banco Central and long-term bonds called Obrigações do Tesouro. Most of these bonds are bought and held by local Angolan banks. The Obrigações have maturities ranging from 1 to 7.5 years, whereas the Títulos have maturities of 91 to 182 days. For up-to-date information on current rates, see www.bna.ao. In 2007, the government issued \$3.5 billion in a single issue subscribed by a number of Angolan commercial banks.

In December 2005, the government announced plans to develop a stock market and appointed a commission to oversee its creation. It has not opened as of the end of 2008. The government may privatize some state-owned companies and list them on the stock exchange. The state oil company SONANGOL and the state diamond company ENDIAMA are expected to be listed on the stock exchange.

*Banking Overview Source: U.S. Department of State: <http://www.state.gov/e/eeb/rls/othr/ics/2009/117406.htm>

Below is a chart listing commercial banks operating in Angola. Not enough information is yet available on one new bank, FiniBank Angola.

BANKS	CONTACT INFORMATION	SHAREHOLDERS	CAPITALIZATION	PRINCIPLE CLIENTS
BCI, Banco de 1 Comercio e Industria	Adriano Rafael Pascoal, CEO, tel. 244 2 330769 Fax 244 2 331498 e-mail secretariado@bci.ebonet.net	State	Kz 615.034.394,60 = USD 7.687.930	Public Enterprises
BPC, Banco de 2 Poupança e Credito	Paixao Junior, CEO tel. 244 2 334280 Fax 244 2 391580 e-mail bpc@bpc.ebonet.net	State	KZ 783.000.000.00 = USD 9.787.500	Macro/Micro credit loans. Public Administration
BAI, Banco Africano de 3 Investimentos	Jose Calos de Castro Paiva, CEO, tel. 244 222 335127 Fax 244 222 335486 e-mail rabreu@bainet.ebonet.net	Sonangol, Deputy Prime Minister Aguinaldo Jaime, Minister of Petroleum, Disiderio da Costa	Kz 6.531.817.500.00 = USD 32.500.000.00	Oil companies. Private companies/ individuals
BFA, Banco de Fomento 4 Angolano	Emidio Pinheiro, CEO, tel. 244 2 638900 fax 244 2 638110	BPI,Portuguese Bank of Investments	Kz 2.800.000.000.00=USD 35.000.000.00	Macro credit loans,Private companies and individuals
BCA, Banco Comercial 5 Angolano	Benvindo Pitra, CEO, tel. 244 2 449548 fax 244 2 449516 e-mail bca@snet.co.ao	South African Bank (ABSA), and some private Angolan Businesses	Kz 938.700.000.00 = USD 11.733.750	Personnal loans, private medium size companies
6 Banco Sol	Sebastiao Lavrador, CEO, tel 244 2 440330 fax 244 2 440226 e-mail banco.sol@ebonet.net	Mr. Lavrador, Ana Paula dos Santos, (President Dos Santos wife)	Kz 969.339.000.00 = USD 12.116.737	micro credit loans, private small companies
Banco Regional do 7 Keve	Amilcar Silva, CEO, Tel. 244 2 394161 Fax 244 2 395101, e-mail servicocentrais@bankeve.com	Mr. Amilcar Silva, Dr. Carlos Gomes member of the board, Minister Higino Carneiro is the principal shareholder	Kz 456.000.000.00 = USD 5.700.000	Agro Industry
8 Banco Totta de Angola	Mario Nelson Maximo, CEO, tel. 244 222 332729 fax 244 222 333233, e-mail tottango@ebonet.net	Portuguese group Bank Totta & Açores	Kz 793.609.000.00 = USD 9.920.000	Private investment
Banco Millennium 9 Angola	Maria Nazare Dang, General manager, tel. 244 222 397922 Fax 244 222 397397	Portuguese Group Millennium BCP	Kz 509.807.334.00 = USD 6.372.500	Corporate, Banking Investments
Banco Espirito Santo 10 Angola (BESA)	Ricardo Espírito Santo, CEO, tel. 244 222 333776 Fax 244 222 333772	Portuguese, Group Espirito Santo	Kz 800.000.000.00 = USD 10.000.000	Corporate, Banking Investments
Banco de Credito 11 Internacional (BIC)	Fernando Teles, CEO, tel. 244 222 371227 Fax 244 222 395099	Portuguese Group Amorim, Isabel dos Santos (President Dos Santos daughter)	Kz 807.941.050.00 = USD 10.099.000	Corporate, Macro credit loans, Individuals
12 Novo Banco	Tom Mitro, General Manager, tel. 244 222 244 912 509159	Chevron, World Bank	Kz 391.058.220.00 = USD 4.888.000	Micro credit loans
Banco de Negocios 13 Internacional (BNI)	Mario Palhares, President	Private Angolan businesses	Kz 1.600.000.000.00 = USD 20.000.000	Corporate, Private banking investments
Banco Privado Atlantico 14 (BPA)	Carlos da Silva, CEO	Global Pactium (Angolan Capital Investors), AAA Insurance Company (Sonangol Group)	Kz 800.000.000.00 = USD 10.000.000	Corporate, Management of assets, banking investments
BDA, Angolan 15 Development Bank	Paixão Franco Junior, President	State	Kz 4.000.000.000.00 = USD 50.000.000	Macro/micro credit loans, Private banking investments
16 BANC	Sergio de Sousa Tel. 222 339285	Private Angolan businesses	USD 10.000.000	Private banking investments
17 VTB Afica	Lukianenko Vassillievitch Tel. 222 393634	Russian Investment	USD 20.000.000	corporate banking
18 Finbanco Angola				

Source: U.S. Department of State. <http://www.state.gov/e/eeb/rls/othr/ics/2009/117406.htm>

Banking System:

Bank credit to the private sector in Angola has been increasingly growing over the past few years as a result of an oil economic boom, major improvements in macroeconomic stability, and increasing competition in the financial system. Yet Angola's financial system has a ways to go to improve the banking system. Almost all indicators show that Angola needs to work on the banking system. For example, in a recent survey conducted by the World Bank, local businesses identified access to financing as the single most important constraint they face, ahead of other problems such as electricity supply, crime, and corruption.¹

1. Source: *Preliminary Findings for the Angolan Investment Climate Assessment*, by Giuseppe Iarossi. The World Bank.

Angola's financial system has undergone a series of reforms to liberalize and privatize the previously state-controlled financial system. The World Bank and IMF have played a major role in introducing financial sector reforms through the Financial Institutions Modernization project (1992-2002) when the banking and insurance sectors were liberalized and new regulatory and supervisory systems were put in place.

In Angola the Banco Nacional de Angola is responsible for all banking supervision through its Banking Supervision Department.

Reserve Requirements on Banks:

All banking institutions maintain deposits in the central bank, in the form of reserve requirements. Reserve requirements are extended to demand deposits in local and foreign currency in the banking institutions operating in Angola's financial system. The current requirement is 15 percent of the weekly average balance of demand deposits in local and foreign currency collected in domestic currency. Banks may maintain up to 7.5 percent of reserve requirements in Central Bank Bills or Treasury Bills with maturity up to 63 days.

Source: Banco Nacional de Angola

Deposit Insurance:

None

Banco Nacional de Angola Policy Matrix for “Expanding Access to Credit” identifies the lack of deposit insurance fund in Angola as a key issue because deposit insurance may enhance public confidence in the banks which will attract more deposits into the financial system. Angola’s Policy Matrix calls for a study to evaluate the merits of deposit insurance in other countries to assess the feasibility of introducing a suitable system for Angola.

Bank Credit:

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Credit to Public Sector Enterprises (Em milhões de Kz)	23,408.03	23,376.08	24,142.45	35,186.43	36,394.52	49,014.47	57,201.60	59,507.95	60,790.62	55,952.30	56,242.03	61,009.69
Credit to Public Sector Enterprises (Percent)	3.28%	2.93%	2.63%	3.56%	3.47%	4.32%	4.06%	3.62%	3.49%	3.07%	2.91%	3.05%
Credit to Private Sector (Em milhões de Kz)	482,033.66	503,087.48	536,554.84	554,949.05	571,746.49	596,973.79	629,470.71	656,163.01	694,802.35	727,493.33	755,883.86	783,424.03
Credit to Private Sector (Percent)	67.60%	63.00%	60.74%	57.71%	56.62%	54.13%	51.76%	47.56%	46.28%	47.34%	46.55%	46.71%
Credit to the State (Em milhões de Kz)	202,903.70	266,929.09	314,076.30	362,463.97	393,713.44	449,082.95	519,055.57	654,172.46	709,674.38	717,889.32	775,303.89	798,755.19
Credit to the State (Percent)	28.45%	33.43%	35.90%	38.05%	39.30%	41.01%						

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
Credit to Public Sector Enterprises (Em milhões de Kz)	11,254.99	11,732.91	14,592.36	14,385.28	12,503.50	14,828.72	13,803.05	14,287.34	12,694.07	13,121.38	23,034.01	23,124.04
Credit to Public Sector Enterprises (Percent)	3.32%	3.27%	3.79%	3.59%	3.01%	3.35%	2.91%	2.82%	2.39%	2.35%	3.60%	3.35%
Credit to Private Sector (Em milhões de Kz)	273,020.05	289,528.03	305,246.04	315,300.66	319,884.47	336,638.52	373,959.93	386,309.82	408,024.67	424,036.29	446,904.35	471,868.39
Credit to Private Sector (Percent)	80.54%	80.72%	79.25%	78.71%	76.90%	76.10%	75.82%	76.12%	76.74%	75.85%	69.88%	68.28%
Credit to the State (Em milhões de Kz)	50,970.74	53,092.61	61,460.30	66,311.18	79,283.04	86,135.82	96,877.41	103,472.37	105,738.45	117,390.07	165,394.00	191,650.94
Credit to the State (Percent)	15.00%	14.80%	15.95%	16.55%	19.06%	19.47%	20.44%	20.39%	19.89%	21.00%	25.86%	27.73%

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06
Credit to Public Sector Enterprises (Em milhões de Kz)	6537.27	7147.29	6,449.95	7,690.61	7,797.09	8,222.41	7,791.19	9,861.00	10,413.36	10,750.44	12,046.07	14,450.08
Credit to Public Sector Enterprises (Percent)	2.78%	2.97%	2.76%	3.43%	3.39%	3.37%	3.20%	3.61%	3.62%	3.48%	3.62%	4.28%
Credit to Private Sector (Em milhões de Kz)	137,571.33	154,079.32	162,622.20	167,928.22	178,696.38	190,364.51	192,327.99	215,465.30	227,836.96	243,075.04	260,904.48	267,461.09
Credit to Private Sector (Percent)	58.49%	64.06%	69.70%	74.98%	77.76%	77.94%	79.05%	78.86%	79.29%	78.73%	78.49%	78.70%
Credit to the State (Em milhões de Kz)	89,014.32	77,511.96	62,663.63	46,841.05	41,718.62	43,897.48	41,478.12	46,137.20	46,902.26	51,548.18	54,141.27	49,098.66
Credit to the State (Percent)	37.84%	32.23%	26.86%	20.91%	18.15%	17.97%	17.05%	16.89%	16.32%	16.70%	16.29%	15.70%

	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-06	Dec-05
Credit to Public Sector Enterprises (Em milhões de Kz)	7.946,43	5.308,69	6.538,80	6.096,60	6.067,32	5.555,04						10,642.58
Credit to Public Sector Enterprises (Percent)												4.42%
Credit to Private Sector (Em milhões de Kz)	88.516,48	93.144,88	95.330,91	102.801,00	105.243,37	109.607,62						133,756.36
Credit to Private Sector (Percent)												55.52%
Credit to the State (Em milhões de Kz)	43,292.44	36,731.70	34,483.05	39,873.25	45,452.04	54,030.47						94,476.26
Credit to the State (Percent)												39.22%

	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04
Credit to Public Sector Enterprises (Em milhões de Kz)	4.188,79	3.022,76	4.571,19	4.778,56	6.016,21	6.052,30	6.386,52	4.657,17	7.118,83	7.210,56	5.564,46	7.493,37
Credit to Public Sector Enterprises (Percent)												
Credit to Private Sector (Em milhões de Kz)	52.475,55	56.727,80	60.528,81	63.211,99	64.550,62	67.816,93	70.398,57	73.899,81	79.300,41	80.575,64	83.353,89	84.893,99
Credit to Private Sector (Percent)												
Credit to the State (Em milhões de Kz)	17.651,51	20.809,89	19.989,19	22.726,68	21.631,75	28.600,88	29.279,43	34.382,99	35.735,63	43.053,72	46.483,48	50.135,11
Credit to the State (Percent)												

Deposit Summary:

Deposit Summary

	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Demand Deposits	620,467	703,276	650,010	735,629	762,378	805,193	818,738	903,424	975,437	1,002,042	1,116,568	1,061,174	1,089,198
Time Deposits	318,447	350,763	387,778	412,729	457,346	502,637	501,657	543,315	582,974	700,627	711,055	810,670	855,944
Central from the Government	20,865	29,842	21,668	18,432	29,234	17,804	22,173	16,992	30,878	24,396	26,572	23,503	28,118
Autonomous Funds	130,802	139,253	140,142	124,089	112,521	110,058	123,562	136,974	126,137	113,794	109,917	108,242	103,446
From Other Financial Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0
Deposits in MN	515,089	575,147	605,967	631,568	675,729	710,960	771,079	810,521	872,510	991,828	984,366	1,139,426	1,203,334
Deposits in ME	575,491	647,988	593,632	659,311	685,749	724,733	695,051	790,183	842,916	849,032	979,746	864,163	873,372
TOTAL	1,090,580	1,223,135	1,199,599	1,290,879	1,361,478	1,435,692	1,466,129	1,600,704	1,715,426	1,840,860	1,964,113	2,003,589	2,076,706

Source: Banco Nacional de Angola

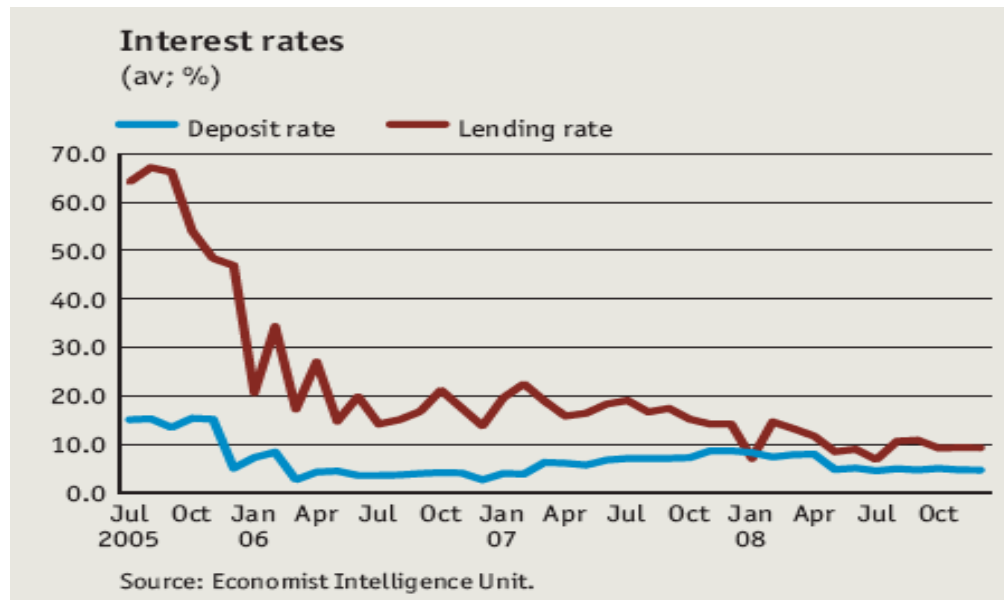
Interest & Discount Operations:

The rediscount rate was modified in September 2006 and has a reference to the interest rate of the treasury bills with 91 days maturity of the visible auction plus 5 percent of the spread.

Financial Indicators

	2004	2005	2006	2007	2008
Lending Interest Rate (av: %)	39.1	59.2	27.8	59.4	103.8
Stock of Money M1 (% change)	37	60.5	57.3	38.6	62.2
Stock of Money M2 (% change)	82.3	67.7	19.5	17.7	9.2

Source: International Financial Statistics



3. Insurance companies and other financial institutions

*Insurance Companies*²³

Angola presently has 2 insurance companies with a total market size estimated at \$100 million. The main source of revenues for both companies is the oil and gas sector.

A total of 26 insurance companies were operating during Angola's colonial rule, 12 of these were foreign owned. When Angola won its independence from Portugal, those companies folded and left a huge gap that threatened to bring the newly formed nation to a standstill. In order to fill the void, the government stepped in to create the Angolan National Insurance and Reinsurance Company (ENSA) in 1978.

The country's civil war, which had a devastating effect on the national economy, likewise took its toll on ENSA, the only company during the conflict to provide insurance coverage.

The Angolan insurance market has matured following legislation a couple of years ago that liberalized the sector and paved the way for the eventual sell-off of a large stake in state-owned ENSA. In February 2000 new insurance legislation (Law 1/100) allowed local and foreign participation in the insurance industry. In January 2001 AAA Seguros (AAA Insurance) was founded putting an end to ENSA's 23 year monopoly. Today the Angolan insurance market is worth an annual \$100 million, half of which come from oil industry premiums. AAA Seguros is part of AAA Financial Services, 90% owned by state oil giant SONANGOL EP, Angola's largest company and sole concessionary of Angola's mineral rights.

(WE NEED TO CITE SOURCES FOR ALL DATA PROVIDED ABOVE)

According to the president of ENSA, "The Finance Ministry has created the Insurance Supervision Institute to oversee the activity [entry of new companies into the insurance sector]. It would have been impossible to open up the market without monitoring the industry."

"The privatization of ENSA has already been established by government strategy," Mr. Augusto explains. "The first phase will be a 49% sell-off followed later by further percentages." The benefits of dropping its status as a public company are twofold. "It will inject fresh capital into the company and bring in the know-how allowing us to swiftly train new national managers" that will result in further growth for the company.

*Other Financial Institutions*⁴⁵⁶

² <http://www.winne.com/angola/cr05.html>

³ <http://www.summitreports.com/angola2/ensa.htm>

In order to make better use of the oil windfall, in December 2006 Angola created the **Angola Development Bank** (Banco de Desenvolvimento de Angola – BDA) to administer its new Development Fund (FDA), to which 3 per cent of annual oil revenues and 2 per cent of diamond revenues will be channeled. By the end of 2007, the BDA had already approved a series of projects having a combined value of USD 307 million. Of this total, 55 per cent is for industrial projects, 32 per cent for agriculture projects and 13 per cent for wholesale and retail trade. There are concerns, however, regarding risks of corruption and mismanagement of funds, which are supposed to be channeled through commercial banks and allocated according to transparent criteria based on project profitability. The BDA and FDA are expected to ease access to credit for the private sector, which is a major constraint on investment, especially in agriculture.

Portugal's largest bank and Angolan state oil company Sonangol are creating an investment bank that will finance infrastructure projects in the southwest African country. State-owned Caixa Geral de Depositos and Sonangol will set up the bank in the second half of this year with initial capital of 1 billion dollars, officials said at the end of a two-day state visit to Portugal by Angolan President Jose Eduardo dos Santos. The bank will also support industrial and agricultural development projects in Angola.

4. Central bank and its role in the economy

The Central Bank

The Central Bank of Angola, previously one of two major Angolan banks, had its name changed to Banco Nacional de Angola (BNA) after independence in 1975, and inherited the responsibilities of a central bank, bank of issue and commercial bank, the only legal holder of foreign currency, and responsible for all foreign transactions under Organic Law 69/76. Further reforms restricted BNA's role solely to monetary policy, issuing bank, banker of the Government and reserve bank, effectively transforming the BNA into a pure central bank.

Banco Nacional de Angola
151, Av. 4 de Fevereiro, No.
Tel: +244-222-399125
Fax: +244-222-390579, 39
Web: www.bna.ao

⁴ Angola Economic Outlook

⁵ BMI Angola Report

⁶ <http://finance.yahoo.com/news/Portugal-Angola-create-joint-apf-14604155.html>

The central bank's main objective is to ensure that the value of the national currency is sustained. Additionally, it has authority to supervise financial institutions, control their liquidity and solvency, and maintain their deposit accounts under terms and conditions that the Board of Directors may decide. Additionally, it has the authority to:

- Act as the sole banker to the state;
- Advise the government in monetary, financial and foreign exchange matters;
- Cooperate in the definition and execution of foreign exchange policy;
- Manage the country's external reserves;
- Act as intermediary in the government's international monetary relations;
- Strive for the stability of the national financial system ensuring, to that end, that it plays the role of lender of last resort;
- Grant and ensure an information collection and processing system for monetary, financial, and foreign exchange statistics and other information in areas of its activity so as to act as an efficient coordinating, management and control mechanism;
- Prepare and maintain the updated external debt record of the country and carry out debt management;
- Prepare the balance of payments;
- Supervise the financial institutions, control their solvency and liquidity, and maintain their deposit accounts under the terms and conditions that the Board of Directors may decide; and
- Organize and supervise the banks clearing houses.

Angola's main source of fiscal revenue is through the taxation of the oil sector, including the state-owned oil company Sonangol. As a result, fiscal revenues have been excessively vulnerable to international crude oil price volatility and have not always been able to keep pace with expenditures. The insufficient control of public spending, including notably large extra budgetary expenditures and the sizeable operational deficit of BNA, have induced large increases in base money. Additionally, in the past, favored interest groups, including Sonangol, have used arbitrage and other tactics to benefit from high inflation, for example, by delaying payments in domestic currency for oil and other sales received in hard currency. Until 2002, this combination of affairs had actually created positive incentives for high inflation.

The establishment of the savings and expenditure rules for the oil reserve account should draw on the success and failure of past experiences in other oil producing countries. The authorities have announced that part of the improvement in the country's fiscal position will be used to create a dedicated oil reserve account of the Ministry of Finance at the BNA to help in fiscal stabilization. Past experiences with similar initiatives in a variety of countries have not

been encouraging. However, learning from past failures, new promising approaches are being adopted around the world.

[World Bank]

5. Government bond market

The central bank has developed a market for short term bonds, called Titulos do Banco Central (TBC), with maturities ranging from 91 to 182 days. It has also developed a market for long-term bonds (Obrigacoes do Tesour) that have a maturity range from 1 to 7.5 years. In December 2002, to effectively influence money supply and finance the budget deficit, the Government of Angola approved the issuance of the TBC by the Ministry of Finance. It earmarked USD 1 bn for bonds to pay its debt to private local companies, some of which have been able to sell the bonds directly to local banks or use them as collateral for credit. The size of TBC issues range between AOA 100,000 and AOA 50 mn and are issued weekly. The nominal yields on the short-maturity TBCs declined during the first semester of 2005, from 46.44% in December of 2004 to 32.03% in June 2005.

Secondary Market

Most of the government bonds are bought and held by local banks in Angola, and as a result it has hindered the development of an active secondary bond market.

Angola Government Bond

Short Name	Coupon	Maturity	Amount Outstanding	Issue Date	Callable date	Callable price
ANGOLA GOVT BOND	6.895	11/15/2009	30,000,000	11/15/2005	5/15/2009	100.5
ANGOLA GOVT BOND	6.995	11/15/2010	30,000,000	11/15/2005	5/15/2009	101.5
ANGOLA GOVT BOND	7.095	11/15/2011	30,000,000	11/15/2005	5/15/2009	102.5
ANGOLA GOVT BOND	7.135	5/15/2012	20,000,000	11/15/2005	5/15/2009	103
ANGOLA GOVT BOND	5.845	11/15/2012	1,000,000,000	11/15/2007	N/A	N/A
ANGOLA GOVT BOND	7.455	4/15/2015	80,000,000	4/16/2007	4/15/2012	103
ANGOLA GOVT BOND	4.215	7/15/2015	62,500,000	7/16/2007	7/15/2011	104
ANGOLA GOVT BOND	5.795	5/16/2016	40,000,000	5/15/2007	5/15/2012	104
ANGOLA GOVT BOND	5.5225	6/15/2016	40,000,000	6/15/2007	6/15/2012	104
ANGOLA GOVT BOND	7.14375	10/15/2016	62,500,000	10/15/2007	10/15/2012	105
ANGOLA GOVT BOND	4.665	7/17/2017	40,000,000	7/16/2007	7/15/2012	105
ANGOLA GOVT BOND	4.92375	8/15/2017	40,000,000	8/15/2007	8/15/2012	105
ANGOLA GOVT BOND	4.215	1/15/2018	62,500,000	1/15/2008	7/15/2011	106.5
ANGOLA GOVT BOND	5.10375	9/17/2018	40,000,000	9/17/2007	9/15/2012	106
ANGOLA GOVT BOND	7.57625	10/15/2018	40,000,000	10/15/2007	10/15/2012	106
ANGOLA GOVT BOND	7.12625	4/15/2019	62,500,000	4/15/2008	10/15/2011	107.5
ANGOLA GOVT BOND	5.795	11/15/2019	40,000,000	11/15/2007	11/15/2012	107
ANGOLA GOVT BOND	5.5225	12/16/2019	40,000,000	12/17/2007	12/15/2012	107

Angola Treasury Bill

Short Name	Coupon	Maturity	Amount Outstanding	Issue Date
ANGOLA T-BILL	0	4/1/2009	13,294,433,000	10/1/2008
ANGOLA T-BILL	0	4/8/2009	22,963,428,000	10/8/2008
ANGOLA T-BILL	0	4/15/2009	24,576,838,000	10/15/2008
ANGOLA T-BILL	0	4/22/2009	27,051,136,000	10/22/2008
ANGOLA T-BILL	0	4/29/2009	29,500,002,000	10/29/2008
ANGOLA T-BILL	0	5/6/2009	35,409,880,000	11/5/2008
ANGOLA T-BILL	0	5/13/2009	35,792,003,000	11/12/2008
ANGOLA T-BILL	0	5/20/2009	35,294,004,000	11/19/2008
ANGOLA T-BILL	0	5/27/2009	22,873,410,000	11/26/2008
ANGOLA T-BILL	0	6/3/2009	9,447,495,112	12/3/2008
ANGOLA T-BILL	0	6/10/2009	20,249,864,000	12/10/2008
ANGOLA T-BILL	0	6/17/2009	15,372,113,000	12/17/2008
ANGOLA T-BILL	0	6/24/2009	44,767,388,000	12/24/2008
ANGOLA T-BILL	0	7/8/2009	9,120,000,000	1/7/2008
ANGOLA T-BILL	0	7/15/2009	11,269,491,000	1/14/2009
ANGOLA T-BILL	0	7/22/2009	12,180,935,000	1/21/2009
ANGOLA T-BILL	0	7/29/2009	7,857,512,000	1/28/2009
ANGOLA T-BILL	0	8/12/2009	5,642,960,000	2/11/2009
ANGOLA T-BILL	0	8/19/2009	4,610,914,000	2/18/2009
ANGOLA T-BILL	0	8/26/2009	2,688,926,000	2/25/2009
ANGOLA T-BILL	0	9/2/2009	911,296,000	3/4/2009
ANGOLA T-BILL	0	9/9/2009	1,159,478,000	3/11/2009
ANGOLA T-BILL	0	9/16/2009	507,303,000	3/18/2009
ANGOLA T-BILL	0	9/23/2009	28,689,291,000	3/25/2009
ANGOLA T-BILL	0	12/23/2009	400,000,000	12/24/2008
ANGOLA T-BILL	0	1/6/2010	501,750,000	1/7/2008

6. Stock market

- Companies listed
- Stock price data if possible
- Volumes
- Market capitalization
- Trading volume
- Turnover [Trading volume as a fraction of Capitalization; Trading volume as a fraction of GDP]
- Privatizations through the stock market (e.g., Kenya Airways)
- Fraction of local ownership in the stock market
- Automation versus manual trading
- Listing and size of foreign based funds investing in the stock market
- Concentration of listed companies [the top three/five company capitalizations as a fraction of total market cap]
- If possible aggregate stock market returns (both in local currencies and dollars)
- Regional integration initiatives

8. Other types of finance
- Micro finance
 - Informal finance
 - Private equity and so forth

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APPENDIX

Credit by Bank:

Credit to the Private Sector

	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
Credit to Private Sector	78,87%	80,54%	80,72%	79,25%	78,71%	76,90%	76,10%
Short Term	25,80%	26,42%	25,27%	24,66%	24,06%	23,79%	23,37%
BAI	3,08%	3,03%	2,66%	2,66%	1,99%	1,82%	1,43%
BCA	0,39%	0,23%	0,19%	0,18%	0,18%	0,17%	0,04%
BCI	0,32%	0,31%	0,29%	0,20%	0,20%	0,20%	0,15%
BFA	4,69%	4,68%	4,52%	4,14%	3,89%	3,57%	3,53%
BCP	1,07%	1,09%	1,10%	1,07%	1,07%	1,01%	0,98%
BPC	9,44%	9,24%	8,71%	8,83%	9,69%	9,83%	9,88%
BTA	0,41%	0,35%	0,35%	0,41%	0,44%	0,40%	0,47%
SOL	0,35%	0,39%	0,34%	0,31%	0,22%	0,18%	0,16%
BESA	2,72%	3,67%	3,78%	3,59%	3,26%	3,30%	3,53%
BRK	0,84%	0,87%	0,98%	0,93%	0,84%	0,77%	0,79%
Novo Banco	0,17%	0,16%	0,16%	0,16%	0,16%	0,15%	0,14%
BIC	2,31%	2,39%	2,14%	2,13%	2,06%	2,24%	1,97%
BPA	0,00%	0,00%	0,05%	0,04%	0,04%	0,04%	0,09%
BNI	0,00%	0,00%	0,00%	0,00%	0,01%	0,10%	0,21%
VTBAFRICA	0,00%	0,00%	0,00%	0,01%	0,01%	0,00%	0,00%
BDA	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%

Source: Banco Nacional de Angola

Credit to the Private Sector

	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Credit to Private Sector	68.28%	67.60%	63.00%	60.74%	57.71%	56.62%	54.13%	51.76%	47.56%	46.28%	47.34%	46.55%	46.71%
Short Term	19.25%	18.81%	16.85%	17.14%	15.28%	15.42%	15.28%	15.14%	15.20%	14.78%	15.72%	15.26%	16.29%
BAI	1.48%	1.38%	1.04%	1.25%	1.32%	1.33%	1.08%	1.21%	1.27%	0.96%	1.44%	1.12%	1.17%
BCA	0.02%	0.03%	0.01%	0.01%	0.01%	0.01%	0.03%	0.07%	0.08%	0.08%	0.05%	0.04%	0.03%
BCI	0.21%	0.18%	0.09%	0.14%	0.12%	0.11%	0.11%	0.11%	0.11%	0.12%	0.12%	0.09%	0.14%
BFA	3.35%	3.38%	3.11%	2.78%	2.59%	2.67%	2.38%	2.22%	2.00%	1.87%	1.69%	1.56%	1.50%
BCP	0.95%	0.97%	0.93%	0.94%	0.86%	0.85%	0.89%	0.84%	0.75%	0.70%	0.68%	0.64%	0.64%
BPC	5.75%	4.94%	4.64%	4.60%	4.47%	4.35%	4.48%	4.69%	5.39%	5.29%	5.55%	5.62%	5.90%
BTA	0.31%	0.31%	0.29%	0.27%	0.25%	0.24%	0.22%	0.19%	0.16%	0.14%	0.14%	0.20%	0.19%
SOL	0.12%	0.09%	0.11%	0.08%	0.09%	0.14%	0.15%	0.16%	0.14%	0.15%	0.15%	0.15%	0.20%
BESA	4.48%	4.31%	3.97%	3.89%	3.62%	3.35%	3.57%	3.49%	3.25%	3.25%	3.42%	3.29%	3.08%
BRK	0.60%	0.57%	0.49%	0.49%	0.11%	0.29%	0.32%	0.22%	0.16%	0.18%	0.19%	0.17%	0.18%
Novo Banco	0.10%	0.09%	0.08%	0.07%	0.07%	0.07%	0.06%	0.06%	0.05%	0.05%	0.05%	0.05%	0.05%
BIC	1.67%	2.29%	1.79%	2.30%	1.35%	1.41%	1.36%	1.24%	1.26%	1.20%	1.34%	1.42%	1.37%
BPA	0.10%	0.15%	0.19%	0.17%	0.22%	0.22%	0.23%	0.23%	0.20%	0.19%	0.21%	0.25%	0.32%
BNI	0.09%	0.08%	0.07%	0.09%	0.15%	0.29%	0.29%	0.25%	0.22%	0.24%	0.31%	0.28%	0.48%
VTBAFRICA	0.01%	0.01%	0.02%	0.02%	0.02%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
BDA	0.02%	0.02%	0.02%	0.02%	0.03%	0.08%	0.08%	0.14%	0.12%	0.35%	0.35%	0.33%	0.97%
BANC	0.01%	0.01%	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%	0.03%	0.03%
FINIBANCO	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.02%	0.02%	0.02%
QUANTUM	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Banco Nacional de Angola

Credit to the Private Sector

	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
Medium Term	53,07%	54,12%	55,45%	54,59%	54,65%	53,11%	52,73%
BAI	6,94%	7,14%	6,96%	6,82%	6,95%	6,49%	5,90%
BCA	0,94%	1,09%	1,13%	1,04%	1,12%	1,05%	1,10%
BCI	2,50%	2,42%	2,22%	2,14%	2,06%	1,95%	1,89%
BFA	15,37%	15,68%	15,81%	15,49%	15,40%	14,82%	14,70%
BCP	0,66%	0,71%	0,69%	0,65%	0,65%	0,70%	0,67%
BPC	11,41%	11,42%	12,89%	12,53%	11,42%	11,15%	10,89%
BTA	1,51%	1,63%	1,62%	1,58%	1,61%	1,54%	1,48%
SOL	0,70%	0,76%	0,75%	0,79%	0,81%	0,81%	0,91%
BESA	4,21%	3,92%	3,79%	3,77%	4,19%	4,04%	4,17%
BRK	0,52%	0,55%	0,59%	0,55%	0,60%	0,61%	0,65%
Novo Banco	0,01%	0,01%	0,01%	0,01%	0,01%	0,01%	0,01%
BIC	8,31%	8,80%	9,00%	9,17%	9,65%	9,60%	9,87%
BPA	0,00%	0,00%	0,00%	0,05%	0,07%	0,11%	0,11%
BNI	0,00%	0,00%	0,00%	0,01%	0,10%	0,22%	0,38%
VTBAFRICA	0,00%	0,00%	0,00%	0,00%	0,00%	0,01%	0,00%
BDA	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%

Source: Banco Nacional de Angola

Credit to the Private Sector

	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Medium Term	49.03%	48.79%	46.15%	43.60%	42.43%	41.20%	38.85%	36.62%	32.36%	31.50%	31.61%	31.29%	30.42%
BAI	7.47%	7.46%	7.11%	6.97%	6.60%	6.56%	6.23%	5.82%	5.39%	5.62%	5.64%	5.66%	5.35%
BCA	0.69%	0.67%	0.57%	0.52%	0.47%	0.43%	0.38%	0.33%	0.29%	0.27%	0.25%	0.24%	0.23%
BCI	1.43%	1.45%	1.39%	1.18%	1.12%	1.08%	0.99%	0.93%	0.83%	0.75%	0.77%	0.76%	0.73%
BFA	12.50%	12.62%	11.65%	11.10%	10.21%	9.77%	9.19%	8.38%	7.50%	7.15%	7.13%	6.94%	6.70%
BPC	0.94%	0.89%	0.85%	0.90%	1.01%	1.04%	0.98%	0.92%	0.83%	0.81%	0.79%	0.79%	0.74%
BPC	8.80%	8.87%	8.24%	7.73%	7.52%	7.56%	7.18%	6.78%	5.40%	5.36%	5.38%	5.24%	5.07%
BTA	1.35%	1.40%	1.26%	1.18%	1.13%	1.08%	1.00%	0.92%	0.80%	0.75%	0.73%	0.69%	0.64%
SOL	1.12%	1.12%	1.16%	1.01%	0.96%	0.89%	0.87%	0.83%	0.73%	0.68%	0.72%	0.65%	0.64%
BESA	3.25%	3.26%	3.06%	2.92%	2.57%	2.51%	2.34%	2.57%	2.39%	2.27%	2.51%	2.68%	2.83%
BRK	0.57%	0.57%	0.57%	0.63%	0.95%	0.69%	0.63%	0.63%	0.60%	0.60%	0.61%	0.66%	0.62%
Novo Banco	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
BIC	9.28%	8.56%	8.36%	7.63%	8.12%	7.87%	7.34%	6.92%	6.15%	5.82%	5.67%	5.61%	5.42%
BPA	0.34%	0.38%	0.40%	0.39%	0.42%	0.47%	0.44%	0.42%	0.42%	0.47%	0.53%	0.48%	0.53%
BNI	1.26%	1.52%	1.49%	1.42%	1.32%	1.23%	1.25%	1.12%	0.95%	0.89%	0.85%	0.82%	0.85%
VTBAFRICA	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
BDA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BANC	0.01%	0.01%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
FINIBANCO	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.01%	0.02%	0.03%
QUANTUM	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Banco Nacional de Angola

Credit to Public Sector Enterprises

	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
Short Term	4,26%	3,32%	3,27%	3,79%	3,59%	3,01%	3,35%
BAI	0,00%	0,02%	0,01%	0,01%	0,02%	0,01%	0,01%
BCA	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
BCI	0,02%	0,02%	0,01%	0,02%	0,01%	0,01%	0,01%
BFA	0,43%	0,55%	0,43%	0,74%	0,56%	0,46%	0,35%
BCP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
BPC	0,50%	0,43%	0,55%	0,53%	0,58%	0,68%	0,73%
BTA	0,00%	0,03%	0,05%	0,01%	0,00%	0,04%	0,03%
SOL	0,00%	0,10%	0,00%	0,00%	0,01%	0,02%	0,10%
BESA	0,07%	0,09%	0,08%	0,08%	0,07%	0,01%	0,01%
BRK	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
Novo Banco	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
BIC	1,43%	0,35%	0,26%	0,68%	0,77%	0,40%	0,73%
BPA	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
BNI	0,02%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
VTBAFRICA	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
BDA	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%

Source: Banco Nacional de Angola

Credit to Public Sector Enterprises

	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Credit to Public Sector	3.35%	3.28%	2.93%	2.63%	3.56%	3.47%	4.32%	4.06%	3.62%	3.49%	3.07%	2.91%	3.05%
Enterprises	1.05%	0.95%	0.82%	0.70%	2.51%	2.44%	3.27%	2.96%	1.45%	1.52%	1.17%	1.12%	1.06%
Short Term	0.04%	0.00%	0.01%	0.01%	0.01%	0.02%	0.01%	0.01%	0.00%	0.00%	0.01%	0.00%	0.00%
BAI	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BCA	0.01%	0.01%	0.00%	0.00%	0.00%	0.04%	0.03%	0.03%	0.03%	0.05%	0.05%	0.01%	0.00%
BCI	0.13%	0.15%	0.07%	0.06%	0.05%	0.05%	0.04%	0.03%	0.04%	0.08%	0.07%	0.07%	0.07%
BFA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BFC	0.46%	0.42%	0.36%	0.34%	0.39%	0.35%	0.33%	0.32%	0.39%	0.38%	0.37%	0.33%	0.35%
BTA	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SOL	0.02%	0.01%	0.01%	0.01%	0.02%	0.01%	0.02%	0.02%	0.02%	0.01%	0.00%	0.00%	0.01%
BESA	0.01%	0.01%	0.01%	0.00%	1.76%	1.64%	2.62%	2.38%	0.74%	0.65%	0.43%	0.40%	0.50%
BRK	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.00%	0.00%
Novo Banco	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BIC	0.36%	0.35%	0.35%	0.26%	0.27%	0.30%	0.20%	0.16%	0.21%	0.33%	0.23%	0.13%	0.12%
BPA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BNI	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.00%	0.01%	0.00%	0.17%	0.01%
VTBAFRICA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BDA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BANC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FINIBANCO	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
QUANTUM	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Banco Nacional de Angola

Credit to Public Sector Enterprises

	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
Medium Term	1,79%	1,73%	1,88%	1,72%	1,57%	1,38%	1,36%
BAI	0,30%	0,29%	0,34%	0,31%	0,30%	0,27%	0,26%
BCA	0,00%	0,00%	0,27%	0,25%	0,24%	0,22%	0,20%
BCI	0,28%	0,28%	0,25%	0,21%	0,18%	0,14%	0,12%
BFA	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
BPC	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
BPC	0,22%	0,22%	0,18%	0,19%	0,15%	0,10%	0,08%
BTA	0,28%	0,25%	0,20%	0,16%	0,12%	0,09%	0,05%
SOL	0,09%	0,08%	0,07%	0,05%	0,04%	0,03%	0,02%
BESA	0,03%	0,03%	0,02%	0,02%	0,02%	0,08%	0,07%
BRK	0,02%	0,03%	0,03%	0,02%	0,02%	0,02%	0,02%
Novo Banco	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
BIC	0,57%	0,56%	0,53%	0,50%	0,50%	0,44%	0,54%
BPA	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
BNI	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
VTBAFRICA	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
BDA	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%

Source: Banco Nacional de Angola

Credit to Public Sector Enterprises

	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Medium Term	2.30%	2.33%	2.10%	1.93%	1.05%	1.04%	1.04%	1.10%	2.17%	1.98%	1.89%	1.79%	1.98%
BAI	0.29%	0.30%	0.32%	0.26%	0.22%	0.22%	0.21%	0.19%	0.17%	0.15%	0.17%	0.16%	0.15%
BCA	0.12%	0.11%	0.10%	0.09%	0.08%	0.07%	0.06%	0.06%	0.05%	0.04%	0.04%	0.04%	0.03%
BCI	0.08%	0.08%	0.05%	0.06%	0.06%	0.06%	0.05%	0.04%	0.03%	0.01%	0.01%	0.04%	0.06%
BFA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BCP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BPC	0.02%	0.03%	0.03%	0.03%	0.02%	0.03%	0.11%	0.27%	0.24%	0.22%	0.22%	0.19%	0.18%
BTA	0.00%	0.00%	0.00%	0.01%	0.01%	0.04%	0.04%	0.03%	0.05%	0.04%	0.04%	0.04%	0.05%
SOL	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
BESA	1.37%	1.33%	1.19%	1.09%	0.00%	0.00%	0.00%	0.00%	1.17%	1.09%	1.02%	0.97%	1.01%
BRK	0.01%	0.01%	0.01%	0.01%	0.01%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Novo Banco	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BIC	0.34%	0.32%	0.27%	0.26%	0.23%	0.22%	0.20%	0.17%	0.15%	0.14%	0.13%	0.12%	0.11%
BPA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BNI	0.08%	0.15%	0.13%	0.12%	0.41%	0.38%	0.37%	0.33%	0.30%	0.28%	0.25%	0.23%	0.38%
VTBAFRICA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BDA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BANC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FINIBANCO	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
QUANTUM	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Banco Nacional de Angola

Credit to the State:

	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
	15,70%	15,00%	14,80%	15,95%	16,55%	19,06%	19,47%
BAI	2,10%	2,15%	2,03%	1,87%	1,79%	2,58%	2,16%
BCA	0,01%	0,09%	0,08%	0,09%	0,09%	0,08%	0,08%
BCI	2,91%	2,64%	2,56%	2,57%	2,43%	2,19%	2,03%
BFA	3,31%	2,57%	2,46%	3,25%	4,00%	4,64%	4,95%
BCP	0,36%	0,32%	0,31%	0,29%	0,30%	0,29%	0,33%
BPC	2,45%	2,45%	2,43%	2,33%	2,48%	2,93%	3,23%
BTA	1,03%	0,97%	0,94%	0,92%	0,85%	0,87%	0,87%
SOL	0,13%	0,10%	0,15%	0,15%	0,15%	0,12%	0,11%
BESA	2,52%	2,78%	2,62%	3,13%	3,06%	2,81%	2,82%
BRK	0,12%	0,13%	0,12%	0,01%	0,01%	0,01%	0,01%
Novo Banco	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
BIC	0,77%	0,80%	0,79%	0,77%	0,84%	0,80%	1,14%
BPA	0,00%	0,00%	0,30%	0,57%	0,56%	0,73%	0,93%
BNI	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
VTBAFRICA	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
BDA	0,00%	0,00%	0,00%	0,00%	0,00%	1,00%	0,81%

Credit to the State:

	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Credit to the State	27.75%	28.45%	33.43%	35.90%	38.05%	39.30%	41.01%	43.05%	47.76%	48.43%	47.82%	48.84%	48.61%
BAI	2.49%	2.45%	3.71%	3.90%	3.94%	4.68%	5.98%	6.44%	6.16%	6.46%	7.12%	7.41%	8.79%
BCA	0.04%	0.04%	0.04%	0.16%	0.30%	0.44%	0.39%	0.41%	0.50%	0.76%	0.66%	0.47%	0.42%
BCI	1.25%	1.44%	1.35%	1.35%	1.28%	1.15%	1.09%	0.99%	0.97%	0.97%	0.92%	0.92%	0.92%
BFA	6.84%	7.79%	9.33%	10.49%	11.75%	11.69%	11.74%	11.81%	11.25%	12.13%	11.14%	11.73%	12.81%
BCP	0.36%	0.37%	0.40%	0.46%	0.47%	0.48%	0.52%	0.60%	0.59%	0.58%	0.70%	0.69%	0.76%
BPC	2.64%	2.87%	2.59%	2.52%	2.67%	2.75%	2.97%	2.76%	2.42%	2.33%	2.30%	2.22%	1.26%
BTA	0.76%	0.81%	1.01%	1.14%	1.13%	1.16%	1.08%	1.14%	1.16%	1.18%	1.45%	1.41%	1.19%
SOL	0.12%	0.14%	0.91%	0.54%	1.16%	0.78%	1.06%	0.93%	0.86%	0.75%	0.72%	0.85%	0.91%
BESA	6.74%	7.33%	6.75%	6.77%	6.98%	6.95%	6.30%	6.01%	12.66%	12.09%	11.82%	11.24%	10.52%
BRK	0.04%	0.05%	0.18%	0.22%	0.32%	0.32%	0.27%	0.27%	0.23%	0.22%	0.22%	0.23%	0.17%
Novo Banco	0.00%	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.00%
BIC	2.67%	2.53%	3.18%	3.44%	4.39%	4.62%	5.77%	6.99%	6.53%	6.45%	5.77%	5.00%	4.83%
BPA	0.78%	0.78%	0.46%	1.27%	1.54%	2.28%	2.29%	2.17%	2.07%	2.51%	2.98%	4.59%	4.02%
BNI	0.44%	0.40%	0.82%	1.10%	0.82%	0.92%	0.90%	0.91%	0.88%	0.61%	0.59%	0.72%	0.70%
VTBAFRICA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BDA	2.54%	1.44%	2.61%	2.39%	1.14%	0.91%	0.51%	1.47%	1.29%	1.21%	1.18%	1.11%	1.08%
BANC	0.03%	0.03%	0.11%	0.15%	0.17%	0.16%	0.13%	0.14%	0.17%	0.17%	0.25%	0.23%	0.22%
FINIBANCO	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
QUANTUM	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Banco Nacional de Angola

Angola Banking System Financial Indicators

	2002	2003	2004	2005	2006
Capital adequacy					
Regulatory capital to risk-weighted assets	20.1	18.1	19.6	16.5	18.5
Capital (net worth) to risk-weighted assets	14.4	11.8	13.5	13.6	15.3
Asset quality					
Foreign exchange loans to total loans	74.8	27.8	55.7	71.4	71.4
Nonperforming loans to gross loans	10.4	9.0	8.1	6.7	4.8
Provision as percent of past-due loans					
Provision as percent of capital (net worth)	9.9	13.0	13.6	12.4	8.1
Sectoral distribution of credits					
Credit to public sector to total credit	8.4	7.7	5.2	0.9	7.1
Credit to private sector to total credit	91.6	92.3	94.7	93.6	92.6
Earnings and profitability					
Return on assets	0.7	4.7	4.1	4.2	2.7
Return on equity	18.3	27.0	24.3	29.8	28.8
Operating expense/gross income				7.0	77.3
Interest margin to gross income	98.0	103.8	116.3	119.5	47.4
Liquidity					
Liquid assets/total assets	72.0	97.0	63.9	63.7	34.4
Liquid assets/short term liabilities	164.5	85.3	78.5	78.7	59.8
Loan/deposits	25.1	38.7	45.8	39.9	44.4
Foreign exchange liabilities/total liabilities	76.4	46.5	45.0	45.0	59.2
Excess reserves/broad money					
Sensitivity to market risk					
Net open position in foreign exchange to capita	114.1	41.6	64.1	28.4	74.34
<i>Memorandum items:</i>					
Largest bank (share in total deposits)	32.7	27.7	22.0
Largest bank (share in total credit)	29.9	30.3	23.8

Sources: BNA's Banking Supervision Directorate and IMF staff estimates.