

## **BFA'S PROFIT INCREASED +74.2% in 2021**

- AOA 156.5 billion of Net Profit (vs AOA 89.8 billion in 2020).
- 36.4% ROE (+18.3 p.p. YoY).
- 5.7% ROA (+2.1 p.p. YoY).
- 41.9% Cost-to-income ratio (+8.5 p.p. YoY).
- AOA 199.41 billion of Net Financial Income (+6.8% YoY).
- AOA 241.38 billion of Net Operating Income (-12% YoY).
- AOA 101.21 billion Overheads (+10.3% YoY).

### **NATIONAL COVERAGE AND RANGE OF SERVICES**

- Presence throughout Angola.
- 198 Branches (+1 in the previous year)
- 21.6% market share in Debit Cards.
- 385 Active ATMs.
- +24.7% Active APTs.
- 216 900 BFA Net Users (+9.6% YoY).

### **MORE CUSTOMERS, MORE BUSINESS, MORE SUPPORT TO THE ANGOLAN ECONOMY**

- 2 369 693 Customers (+7.9% YoY).
- AOA 352.9 billion of Loans to Customers (+5.9 % YoY).
- AOA 2005.3 billion of Customers Assets (-11% YoY).
- 38.6% Loan-to-Deposit Ratio in Local Currency (+8.2 p.p. YoY).
- 55.3% Market Share in Public Debt Securities (Secondary Market Leader).

### **FINANCIAL SOUNDNESS AND STRENGTH**

- 46.2% Total Capital Ratio (vs a required minimum of 10%).
- AOA 357.6 billion of Total Capital (vs a minimum capital requirement of AOA 77.5 billion).
- 3.6 % 90 days past due ratio (-2.1 p.p. YoY).

## **STRONG INVESTMENT IN DEVELOPMENT AND IMPROVEMENT OF HUMAN CAPITAL**

- 2 770 Employees.
- 1 319 Female Employees, 347 in management positions.
- 84.2% of Employees with higher education or attending university.
- 60 899 hours of training (+22% training hours and +26.1% courses taught).

## **COMMITMENT TO FUTURE GENERATIONS**

- +20 initiatives implemented.
- +44 000 children benefited from the Bank's social responsibility actions.
- More than 80 000 Angolans benefited from access to safe drinking water.
- AOA 22.6 billion (≡ USD 55 million)\* to finance initiatives with an impact on society.

\* Funds accumulated in BFA's Social Fund since it was created.

**Luanda, 2 May 2022** – In a year marked by the devastating effects of the Covid-19 pandemic worldwide, and in Angola in particular, BFA's Net Profit for 2021 increased significantly compared to 2020, by +74.2%, to reach AOA 156.5 billion.

The increase of + AOA 66.6 billion in net profit had a positive impact on the Bank's main profitability indicators, with ROA up +2.1 p.p. YoY at 5.7%.

**Luís Gonçalves, Chairman of BFA's Executive Committee**, commented:

*"The Bank's financial performance is the result of the excellence and effort of our most valuable asset, our employees, who have overcome numerous challenges during the year, enabling BFA to fulfil its mission towards its customers and other stakeholders. The good results recorded in 2021, in both operational and financial terms, once again bear witness to BFA's ambition to be the Bank of All Angolans and maintain its leadership and reputation in the Angolan financial sector."*

In 2021, the appreciation of the kwanza—by nearly 17.1% against the US dollar and 26.7% against the Euro (in cumulative terms)—had a negative impact on the balances of the main items of the Bank's balance sheet linked to or denominated in foreign currency. Thus, **Total Assets** ended the year at AOA 2 632.3 billion, compared to AOA 2 874.9 billion in 2020 (-8.4% YoY).

## Financial Soundness and Strength

**Deposits** fell 11%, to AOA 2005.3 billion while **Customers Assets** rose 5.9% to AOA 352.9 billion. The **Loan-to-Deposit Ratio in Local Currency** came to 38.6% (+8.2 p.p. YoY), reflecting BFA's ongoing commitment to act as a catalyst driving the national economy, despite the adverse macroeconomic conditions.

In 2021, the Bank granted more credit to the economy and improved its credit quality, thanks to prudent risk management over the last few years. The **90 days past due Ratio** reached 3.6% (-2.1 p.p. YoY), well below the average of the Angolan financial system (20.26%).

**Equity Capital** decreased by 15.2% compared to 2020, reaching a total of AOA 422.1 billion in 2021. This decrease is due to a 36.3% reduction in Reserves and Retained Earnings. Even so, capital levels have remained well above the average for the financial system as a whole and well above the regulatory minimums, giving BFA a strong, sound balance sheet:

- **Total Capital** totalled AOA 357.6 billion, as against a minimum capital requirement of AOA 77.5 billion;
- **Net profit attributable to Shareholders (ROE)** reached 36.4% (8 p.p. above the Angolan financial system average of 26.73%); and
- The **Total Capital Ratio** was 46.2% (4.6 times the required minimum).

In 2021, BFA's **Financial Income** totalled AOA 199.4 billion, up 6.8% compared to the same period of the previous year. The growth in net interest income came mainly from an increase in interest income and other similar income, namely, credit income (+23.2%) and income from securities (8.5%). In contrast, **Net Operating Revenue** fell 12% as a result of a decrease in Complementary Income (52%), driven mainly by a drop in Net Foreign Exchange Gains or Losses (67%) and Other Net Income (69.8%).

In line with the investments carried out, at 31 December 2021 **Overheads** were up 10.3% at AOA 101.2 billion (vs AOA 91.8 billion in 2020). This increase was partly due to a 30.2% increase in third-party supplies and services, which totalled AOA 35.36 billion. This investment was vital to support implementation of the initiatives undertaken within the framework of the current Strategic Plan, most notably the Bank's digital transformation and technological modernisation.

In 2021, the **Cost-to-Income Ratio** increased from 33.5% to 41.9% (+8.5 p.p.), driven by the growth in the Bank's Operating Expenses (+10.3%) and the decrease of Net Operating Income (-12%). Despite this trend, the ratio remains at a comfortable level, well below the average for the Angolan financial system as a whole (74.6%).

## **National Coverage and Range of Services**

In 2021, we reached a total of 2 369 693 Customers. Compared to 2020, +173 613 Customers reaffirmed their trust in BFA's brand.

At the end of 2021, with a Sales Network covering the whole of Angola, BFA had a total of 198 branches (vs 197 in 2020), comprising retail branches, corporate centres, investment centres and private banking branches.

BFA continues to operate under the **universal banking model**, offering a full range of products and services to meet the needs and expectations of its customers. For this reason, in 2021 **BFA was the market leader** in the following lines of business:

- **Payment services**, with a market share of 21.6% in debit cards and a total 1 441 548 cards in issue. The number of APT's grew significantly compared to 2020, reaching a total of 30 483 registered devices, equivalent to a market share of 20.1%. Thanks to the improvements seen in the foreign exchange market, BFA was able to grow its international credit card business, reaching a total of 29 274 cards in issue at year-end.
- **Savings and investment products**. Through BFA Gestão de Activos the Bank brought seven more securities investment funds to market, with a total of AOA 196 billion of assets under management at year-end;
- **Public Debt Securities (Secondary Market)**. In 2021 BFA achieved a market share of more than 55.3% in number of trades and 29.4% in trading volume. At the end of 2021, BFA had 13 926 active accounts with the Central Securities Depository of BODIVA (CEVAMA), an increase of 48.5%, accounting for 55.7% of the total number of CEVAMA accounts.

## **Strong Investment in Development and Improvement of Human Capital**

At year-end 2021, the Bank had 2 770 Employees (-5 compared to 2020), testifying to its strategy of encouraging internal job rotation, mobility and promotion to meet its Human Capital needs. A total of 120 job moves were carried out successfully.

BFA's commitment to the improvement and development of its Human Capital was decisive in 2021, with the number of hours of training increasing to 60 899 (+22% in training hours and +26.1% in courses taught).

The Bank gives priority to the experience, gender equality, skills training and improvement of its People and fosters a Culture of Meritocracy. Thus, 45.7% of Employees are female (347 in management positions) and 84.2% have higher education or are completing a university degree.

### **Commitment to Future Generations**

Ever since it was founded in 1992, BFA has been deeply committed to the economic and social development of Angola and for more than 28 years has delivered financial support to numerous social initiatives, thus putting its commitment to society, institutions and Angolans into practice.

Our responsibility is to help build a more promising, more sustainable future for all our stakeholders and for Angola in general. In 2021, the Bank supported a number of initiatives aligned with the United Nations Sustainable Development Goals, aimed at the eradication of poverty, health promotion, education and improvement of living conditions for Angolan children and their families, most notably:

- +20 initiatives implemented;
- +44 000 children benefited from BFA initiatives;
- +80 000 Angolans gained access to safe drinking water; and
- AOA 22.6 billion of funding for initiatives that will have an impact on society.

In summary, our results for 2021 are in line with our objectives: more Customers, more business, more robust risk management, more support to the economy, high profitability, a renewed business vision, ongoing modernisation and digitisation, and an unequivocal contribution to the sustained growth of our country.