



12M2021
BFA ANNUAL
PERFORMANCE

MAY 2022

A BANK WITH GREAT HISTORY AND PROMISING FUTURE

Advertising Campaign



MACROECONOMIC CONTEXT IN 2021

BFA is currently operating in a recovering economy

2021 was a year conditioned by the Covid-19 pandemic

- Emergence of new variants of the virus
- Global effort to vaccinate people as a measure to prevent and mitigate the risks of contamination

2021 was a year for the gradual reopening of businesses and economy recovery on a global scale

- The world economy grew of 5.9% (vs. -3.1% registered in 2020)

Angolan economy reverted the new deceleration tendency

► GDP with growth of approximately 0.8% (YoY)

Motivated by:

- The recovery of the oil prices on the international markets registered growth of the Non-oil sector with a GDP of 3,9% trade, fisheries and agriculture were the most dynamic non-oil sectors



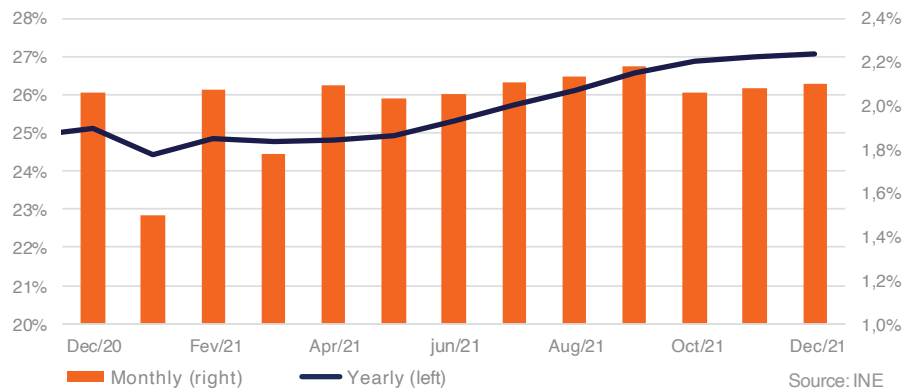
MACROECONOMIC CONTEXT IN 2021

BFA is currently operating in a recovering economy

Inflation rate increased throughout the year

- Annual average settled above 27% ($\approx +2$ pp Δ YoY)
- Central Bank adopted restrictive monetary policy to ensure its retention

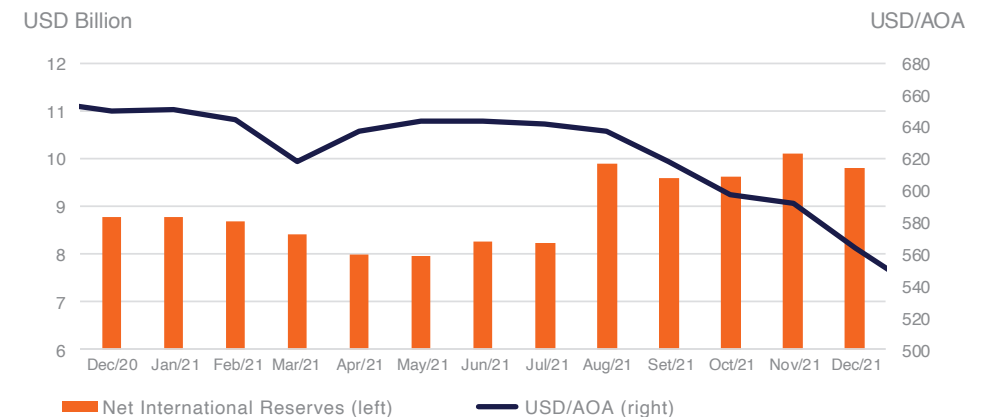
inflation(%)



The Foreign exchange rate registered a significant appreciation of the Kwanza compared to Dollar and the Euro in the last quadrimester of the year

- Appreciation of about 17.1% compared to Dollar and 26.7% against the Euro (in accumulated terms)

International Reserves and Exchange Rate



BFA IN 2021

BFA is ready to grow consistently and sustainably thanks to its business model



BFA services' reach

- Country wide presence
- 198 Branches
- 385 Active ATMs
- +24.7% YoY Active APTs



The Bank invests in its Human Capital

- 2 770 Employees
- 60 899 Training hours
- +22% Training hours
- +26.1% Delivered courses

Net Profit

- **156,5 AOABn**
- **+74.2% YoY**
- **36.4% ROE**

Customers Activity (YoY)

- **-246,9 AOABn Resources**
- **+19,6 AOABn Loan**

Robust and Resilient Capital Position

- **46.2% TCR***
(above the minimum regulatory levels, 10%)

*TCR-Total Capital Ratio

BFA IN 2021

BFA is ready to grow consistently and sustainably thanks to its business model



Increase in Customers Number

- 2 369 693
- +7.9% YoY



Growth in loans and advances to Customers

- 352,9 AOABn
- +5.9 % YoY



Market leader in payment services

- 35.4% SPI Visa Cards
- 21.6% Debit Cards
- 25.9% ATM Market Share



The Bank maintains its leadership position in terms of Public Debt Securities

- 55.3% of the Market share
- +51.1% YoY



Commitment to The Next Generations

(BFA's Social Sustainability area)

- +44 thousand Children benefited from BFA's initiatives
- +80 thousand Angolans benefited from having access to drinking water through BFA's initiatives

A RENEWED BUSINESS VISION

More prepared, more flexible and capable of serving its Customers with excellence...

Focused on designing BFA of the Future, the Bank has redesigned its business through a set of guidelines that place the **Customers, quality of services, sustainability**, at the center while:

- Realigning the Bank's business model
- Promoting a digital makeover and technological modernization
- Promoting the improvement of operational efficiency
- Promoting flexibility and the adoption to new methodologies and work tools
- Promoting a leadership approach, a meritocratic culture, and the continuously valorization of Human Capital

... and that invests in expanding its business



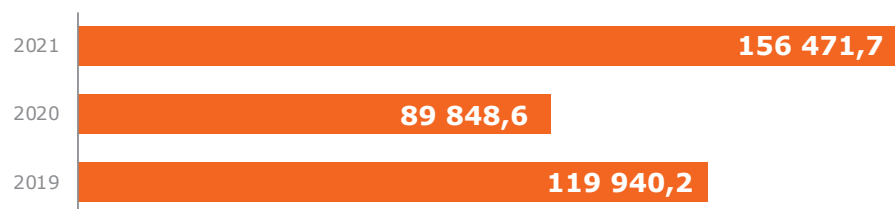
Leaders in savings and investment products

- We act as adviser in the **Sonangalp** privatization process.

- **BFA's Investment Banking Business** has gained new momentum and will certainly have a huge margin for progression up coming years

NET PROFIT INCREASES 74.2 %

Net Profit (AOABn)



+66,6 AOABn

**Net Profit
+74.2 % YoY**



EXCHANGE RATE VARIATION IMPACTS ON ASSET GROWTH



-242,62 AOABn
Total Assets

TOTAL ASSETS DECREASE 8.4%

Depreciation of the Kwanza against Dollar (17.1%)* and Euro (26.7%)* had negative impact on the indexed or foreign currency denominated balances of the main asset items.

* In cumulative terms

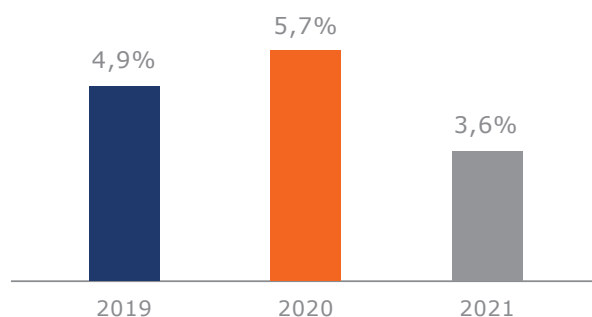


CONTINUOUS SUPPORT TO FAMILIES AND CORPORATES CONTRIBUTING TO THE ANGOLAN ECONOMY

Loans and advances to Customers

AOABn	2020	2021	Δ%
1. Loans and advances to Customers	364,52	391,06	7,3%
2. Total Loan Loss Provisions	54,52	53,90	-1,2%
3. Loans Net of Provisions	333,37	352,95	5,9%

90 days past due Ratio Progression



LOAN PORTFOLIO INCREASES 5.9%

Despite the macroeconomic context, the Bank granted more **loans to customers with quality** and above average angolan financial system (20.26%¹);

3.6% 90 days past due Ratio
-2,1 p.p. YoY

38.6% Loan-to-Deposit Ratio(AOA)

¹ Source BNA

CUSTOMER ASSETS DECREASE 11%

Deposits from customers and other loans

AOABn	2020	2021	Δ%
Demand Deposits	1 089,76	840,32	-22,90%
Local Currency	684,32	611,50	-10,6%
Foreign Currency	405,43	228, 82	-43,60%
Term Deposits	1 162,44	1 165,00	0,20%
Local Currency	272,65	362,01	32,8%
Foreign Currency	889,79	803,00	-9,80%
Total	2 252,20	2 005,32	-11,0%

-246,9 AOABn

Deposits from customers

As a result of the exchange rate appreciation in 2021, which negatively impacted the Currency deposit portfolio in Kwanzas.

EQUITY EQUIVALENTS ARE A SIGN OF A ROBUST BALANCE SHEET

Shareholders' Equity and Equivalents

AOABn	2020	2021	Δ%
Share Capital	15,00	15,00	0%
Funds	-	-	0%
Reserves and Retained Earnings	393,13	250,60	-36,3%
Net profit	89,85	156,47	74,20%
Total	497,98	422,07	-15,2%

357,6 AOABn TC¹
77,5 AOABn Requisites ROF

¹ TC - Total Capital

EQUITY CAPITAL DECREASES 15.2%

This negative variation is due to the 36.3% reduction in Reserves and Retained Earnings from previous years.

Nevertheless, capital levels remained well above the angolan financial system average(20.73%²) and regulatory limits, which reinforces BFA's strength balance sheet.

² Source BNA

NET FINANCIAL INCOME INCREASES 6.8%

Net Financial Income

AOABn	2020	2021	Δ%
Interest and similar income [P]	216,45	243,01	12,3%
Interest and similar expense [C]	29,75	43,60	46,5%
Net Financial Income	186,70	199,41	6,8%

Non-interest income

AOABn	2020	2021	Δ%
Foreign exchange gains/losses	42,51	14,04	-67%
Net fee income	16,81	19,42	15,5%
Other net income	28,20	8,51	-69,8%
Non-Interest Income	87,52	41,97	-52%

+12,71 AOABn Financial Income

- The positive variation in the NM¹ comes from the increase in Interest and Similar Income: credit income (+23.2%) and income from securities (8.5%);
- The CI² decreased 52% YoY variation in (-67%) and Other Net Income(-69.8%). Net Commissions increased 15.5%.

¹NM - Net Margin | ²CI - Complementary Income

NET OPERATING INCOME DECREASES 12%

Operating Statement

AOABn	2020	2021	Δ%
Net financial income [NFI]=[I-C]	186,70	199,41	6,8%
Net Non-interest Income [NNII]	87,52	41,97	-52%
Net operating income [NOI]=[NFI+NNII]	274,22	241,38	-12,0%
Administrative expenses [AE]	86,24	93,48	8,4%
Operating cash flow [OCF] = [NOI-AE]	187,98	147,90	-21,3%
Provisions and Amortizations [PA]	80,30	-16,67	-120,8%
Profit before tax from continuing operations [PBT]=[OCF-PA]	107,69	164,57	52,8%
Income tax [IT]	-17,84	-8,10	-54,6%
Net profit [NP]=[PBT-IT]	89,85	156,47	74,2%
Cash flow for the year [CF]=[NP+PA]	170,14	139,80	-17,8%

I - Income from financial instruments (Assets) C - Costs of financial instruments (Liabilities)
G - Other operating gains I' - Other operating losses

Deterioration of net operating income is a consequence of a decrease in the **Complementary Income** 52% in which a decrease in 67% and **Other Net Income** 69.8% stands out.

-32,84 AOABn Net Operating Income

OPERATING EXPENSES IN LINE WITH INVESTMENTS

Overhead

AOABn	2020	2021	Δ%
Staff costs (I)	59,08	58,12	-1,60%
External supplies and services (II)	27,16	35,36	30,2%
Operating expenses before depreciation and amortisation (IV = I+II+III)	86	93,48	8,40%
Depreciation and amortisation (V)	5,52	7,73	40%
Total operating expenses (VI = IV+V)	91,76	101,21	10,3%
Administrative Expenses (VI-V-VII)	86,24	93,48	8,4%
Cost-to-income	33,50%	41,90%	8,5 p.p.

+9,45 AOABn Overheads

OPERATING EXPENSES INCREASED 10.3%

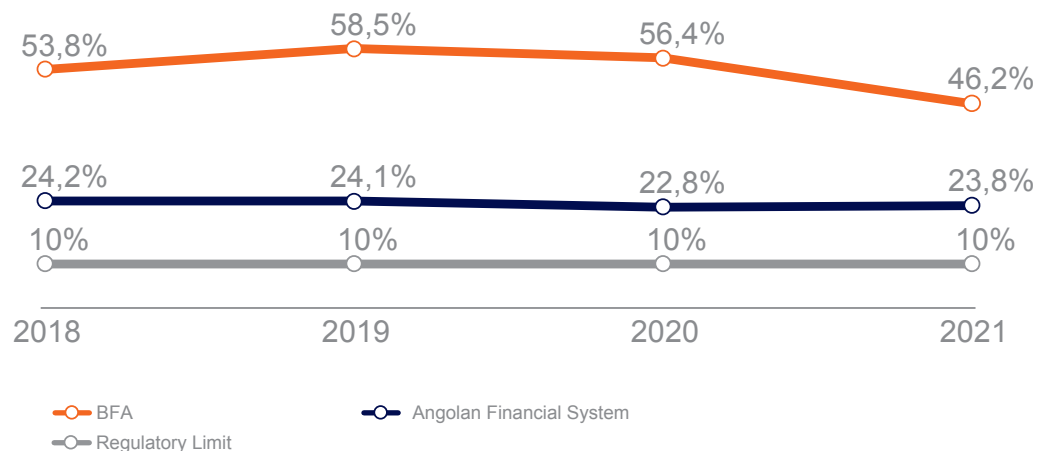
- This variation is due to 30.2% increase in **TPSS** (Third-Party Supplies and Services), which amounted **35,36 AOABn**. **This investment** was crucial to support the implementation of initiatives that are a part of a Strategic Plan, of which we highlight the Bank's digital makeover and technological modernization, that are currently underway;
- **Cost-to-income +8,5 p.p.YoY**
Despite the increase, this indicator remains at a comfortable level, below the average of the angolan financial system (74.6%*).

* Source BNA

RISK MANAGEMENT

Robust capital adjusted to the business model

Total Capital Ratio



The strength and resilience of the Bank's balance sheet is evidenced by a **Total Capital Ratio** of **46.2%**, comfortably surpassing the minimum value required by the Regulator (10%) and angolan financial system average (23.8%*).

* Source BNA

KEY INDICATORS

CUSTOMER ACTIVITY

Loans
352.9 AOABn
+5.9 % ΔYoY

Deposits
2005.3 AOABn
-11% ΔYoY

**Loan-to-Deposit
Ratio (AOA)**
38.6%
+8.15 ΔYoY

Digital Banking
216 900
BFANet Users
+9.6% ΔYoY

RISK AND CAPITALIZATION

**90 days past due
Ratio**
3.6 %
-2,1 p.p. ΔYoY

Total Capital Ratio
46.2%
-10,3 p.p. ΔYoY

Total Capital
357,6 AOABn
77,5 AOABn
Requisites ROF

PROFIT AND PROFITABILITY

ROA
5.7%
+2,1 p.p. ΔYoY

ROE
36.4%
+18,3 p.p. ΔYoY

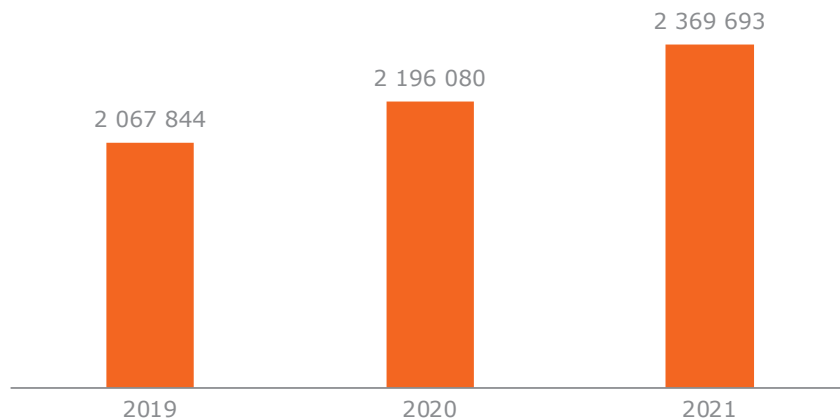
Cost-to-income
41.9%
+8,5 p.p. ΔYoY

Net Profit
156,5 AOABn
+74.2% ΔYoY

+CUSTOMERS, +BUSINESS, +ECONOMY SUPPORT

BFA adjusted its Commercial Network to ensure a higher quality service and to better serve its Customers

No. of Customers



+7.9% Customers

No. of Branches

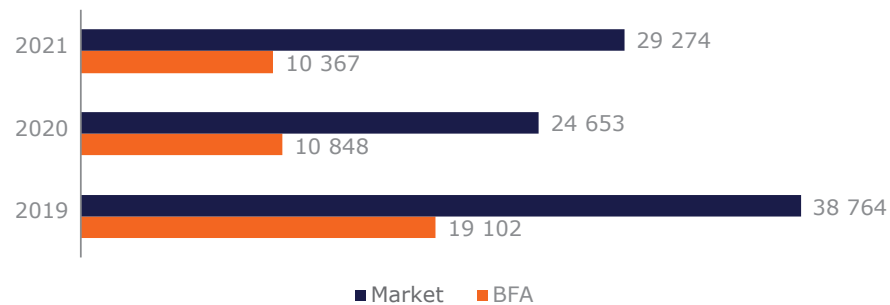


+1 Branch

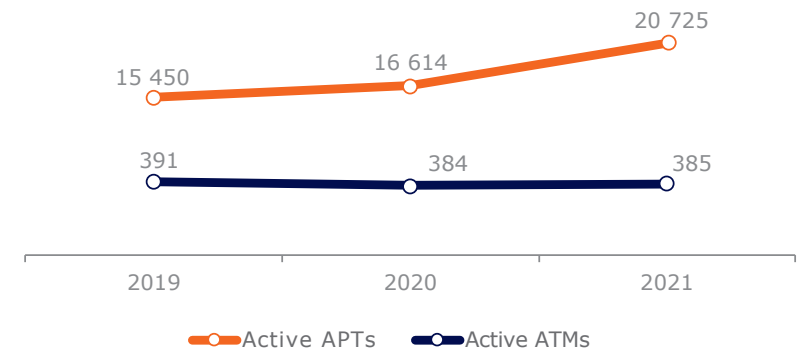
+CUSTOMERS, +BUSINESS, +ECONOMY SUPPORT

BFA is the market leader in payment solutions offering

Number of Active SPI Cards



Active APTs and ATMs



21.6% Debit Card Market Share
35.4% SPI Visa Card Market Share
24.7% APTs Δ YoY

+CUSTOMERS, +BUSINESS, +ECONOMY SUPPORT

Support to Companies to enhance the Angolan Economy



Crédito de Campanha Agrícola BFA

A agricultura faz Angola crescer.

O BFA é o seu parceiro no negócio agro-pecuário.

Apoiamos o crescimento das Empresas ligadas ao sector agrícola, através de um financiamento até 12 meses para a produção de culturas anuais e de exploração pecuária em Angola.

Saiba mais em www.bfa.ao



Crédito ao Investimento Agrícola BFA

A agricultura faz Angola crescer.

O BFA é o seu parceiro no negócio agro-pecuário.

Apoiamos o crescimento das Empresas ligadas ao sector agrícola, através de um financiamento até 84 meses na aquisição de máquinas e equipamentos para o desenvolvimento e modernização da produção agro-pecuária nacional.

Saiba mais em www.bfa.ao



+CUSTOMERS, +BUSINESS, +ECONOMY SUPPORT

BFA invests in a wide range of products and multichannel services



INVESTMENT ON IT'S HUMAN CAPITAL VALUE AND GROWTH

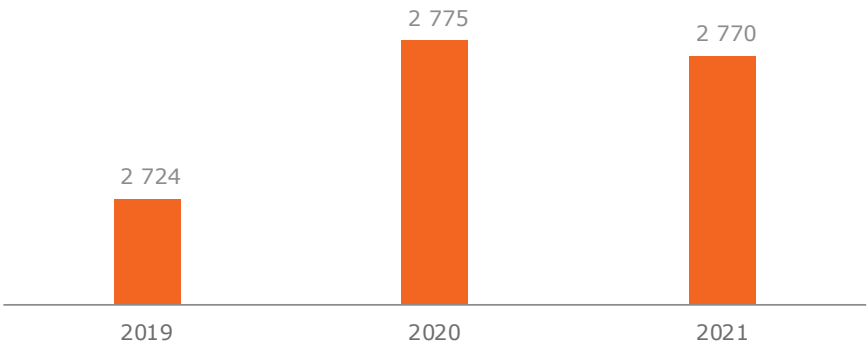
"The Right People in the Right Places" program aimed the **career development and promotion**, allocating employees to areas of activity where their contribution and skills are more relevant.

In 2021, we continued with the promotion of internal people rotation, mobility, and promotions, in order to meet Human Capital needs.

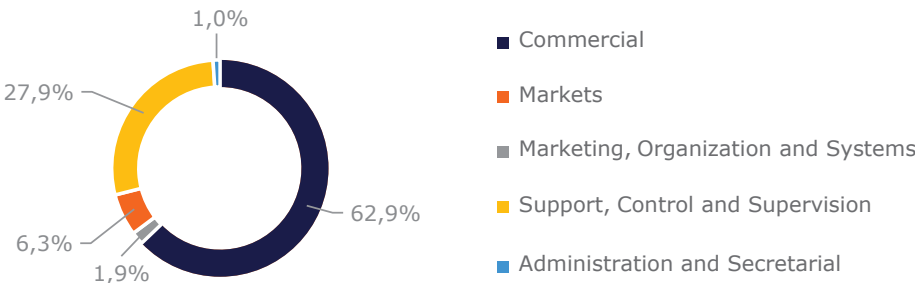
External recruitment was limited and strategic.

+120 mobility processes

No. of Employees



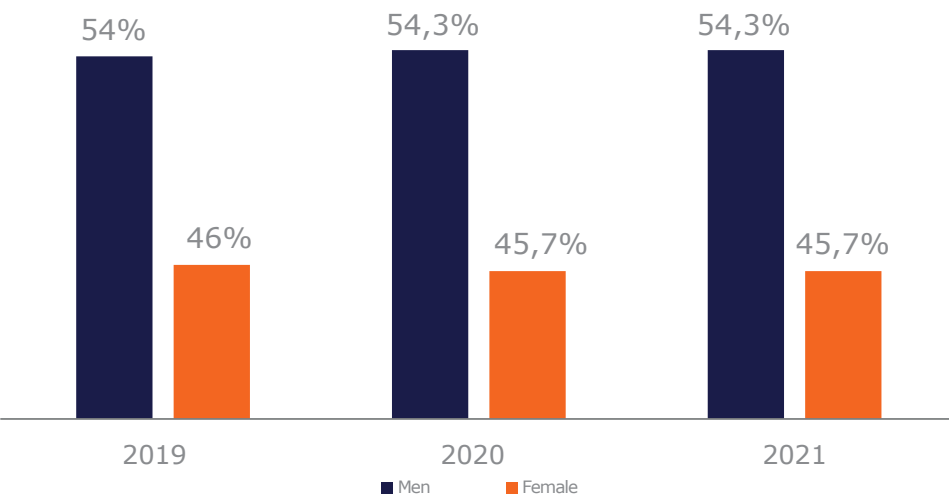
Employees Distribution by Activity



INVESTMENT ON HUMAN CAPITAL'S VALUE AND GROWTH

BFA values experience, gender equality, and...

Employee Distribution by Gender

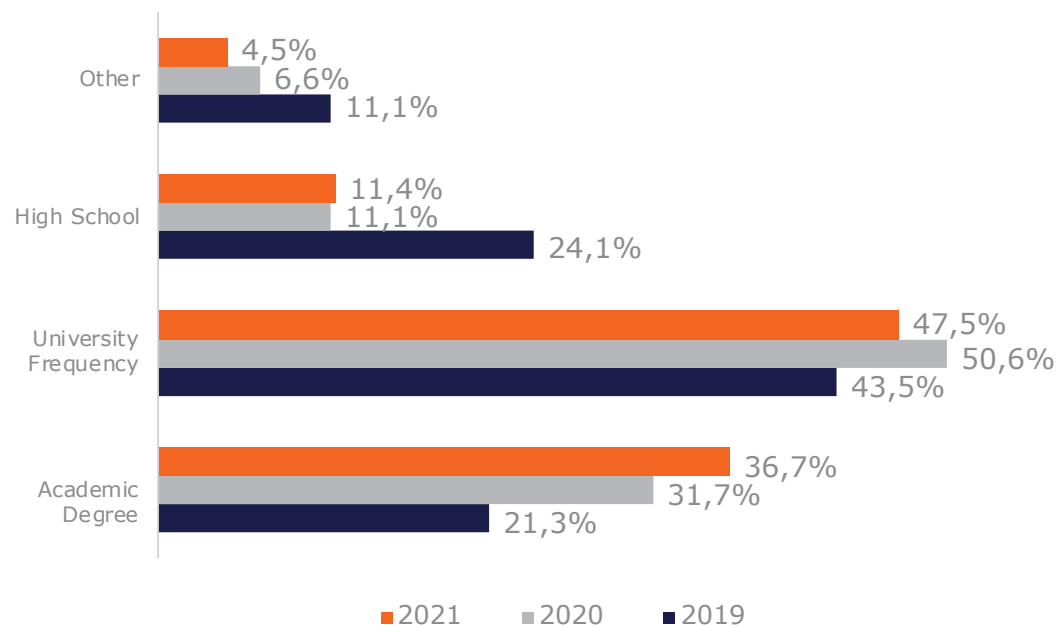


1319 Female Employees
347 Women in Management Positions
37 years, the average age of our Employees

INVESTMENT ON HUMAN CAPITAL'S VALUE AND GROWTH

...the empowerment and improvement of our People
promoting a Culture of Meritocracy.

Employee Distribution by Academic Background



+26% of training hours:

- **60 889 hours** of attendance per year
- **5 535 hours** of risk and finance training
- **12 986 hours** of banking products and services training

84.2% Employees have higher education or are attending university

COMMITMENT TO THE NEXT GENERATIONS

In 2021, we renew our commitment to be the Bank of all Angolans.

With this purpose it was possible to ensure:

+Positive impact for Angolan children and their families

- ▶ 44 thousand children benefited from BFA's initiatives
- ▶ 80 thousand Angolans benefited from having access to safe drinking water

+Implemented initiatives, aligned with the United Nations Sustainable Development Goal (SDG)

- ▶ +20 initiatives in 2021

+Social investment

- ▶ **22,6 AOABn (≅55 \$M)***

* BFA's Social Fund accumulated endowment



COMMITMENT WITH THE NEXT GENERATIONS



COMMITMENT WITH THE NEXT GENERATIONS

A HEALTHY LIFE



► BFA + Water + Life

- Cunene, municipality of Ombandja
- Fighting malnutrition in children under the age of 5
- **18 Schools**
- **7 463 tested children**
- **5 000 Children** had access to BP-5 nutritional supplements



BFA Solidarity

- Benguela
- Donation of medical equipment to a hospital unit
- **4 000 Children** benefited from a better care

A HEALTHY LIFE



► BFA Solidarity

- Luanda
- Donation of a vehicle
- Support for the displacement of children throughout Angola
- Tracking untreatable medical pathologies in Angola:
 - congenital malformation, cleft lip and palate, 3rd degree burns, and maxillofacial issues
- Clinical support from a German NGO, which performs surgery in countless Angolan children in Germany
- **250 Children** benefited from the initiative

► BFA + Nourishment

- Bié, municipality of Cunhinga
- Fighting malnutrition in children under the age of 5
- **10 000 families** benefited from the initiative



COMMITMENT WITH THE NEXT GENERATIONS

A HEALTHY LIFE



► BFA + Water + Life

- Luanda
- COVID-19 fighting and prevention
- Setting up hand hygiene stations
- **10 elementary school**, attended by about **20 000 children**

WATER AND SANITATION



► BFA Solidarity

- Kuanza Sul, Cuerama village
- Construction of water holes, with reservoirs and distribution points
- **5 000 Angolans**, and especially **3 000 children** have now access to drinking water and improved sanitation conditions

WATER AND SANITATION



► BFA + Water + Life

- Supporting in opposition to the drought in Southern Angola by
- Constructing containers for capturing rainwater and creating a sanitation network
- **80 012 Angolans** benefited from this initiative
- **13 schools, 72 sanitation networks created**
- **48 vilages in Ombandja** have been assessed and trained for the Community Led Total Sanitation (CLTS) approach
- **7 vilages** have been certified as an Open Defecation Free Village (ODF)
- **11 973 Angolans** live in certified vilages

QUALITY EDUCATION



► BFA + Water + Life

- **Cunene**, municipality of Ombadja
- Setting up a secure learning environment
- Training of members of the educational community, teachers and guardians
- **18 Schools**
- **8 853 children return to school**, (4589 girls)
- Participation of 18 school managers, 61 teachers and 24 TUPPI (Everyone United for Early Childhood) adherents

COMMITMENT WITH THE NEXT GENERATIONS

QUALITY EDUCATION



► BFA Solidarity and BFA + Water + Life

- Benguela and Cunene
- Construction of schools and improvement of conditions in educational establishments
- Total of **5 schools**: 3 newly built and 2 improved
- **2 010 Children** benefited from better access conditions to education

► BFA Solidarity

- Luanda
- School inclusion for children with special needs:
- Follow up on children and their families, search for trained teachers, and access to transportation to school

- **30 autistic children** were included in the regular education system

ERRADICATING POVERTY



► BFA + Water + Life

- Cunene, at the municipality of Ombadja, in the drought-affected areas
- **+5 903 children** have been registered at the 18 primary schools
- A total of **17 560 children** registered since 2020

► BFA Solidarity

- **95 wheelchairs** were delivered to children with mobility needs



OUR PERFORMANCE IN 2021 ARE IN LINE WITH OUR GOALS



More Customers



More business



**More support
to the economy**



**A more detailed and robust
risk management**



High Profitability



A renewed business vision



**An ongoing process of digital
makeover and technological
modernization**



**An unequivocal contribution
to the sustained growth
of our country**



APPENDIX

Balance Sheet
Income Statement
Key Indicators
Glossary

BALANCE SHEET

AOAM	2020	2021	Δ%
Net assets			
Cash and deposits	500 493,6	446 664,4	-10,80%
Total Short-term Deposits	2 325 996,1	2 132 056	-8,30%
Other loans and advances to Central Banks and Credit Institutions	649 091,7	556 325,6	-14,30%
Loans and advances to Customers	333 373,3	352 959,5	5,9%
Investment in Securities	1 343 531	1 222 771	-9%
Other tangible and intangible assets net of depreciation and amortisation	30 788,8	35 715,3	16%
Other assets	17 621,2	17 839,5	65,30%
Total Assets	2 874 899,7	2 632 275,3	-8,40%
Liabilities	2 376 922,4	2 210 205,1	-6,40%
Deposits from Central Banks and other Credit Institutions	4 088,3	1 854	-54,70%
Deposits from Customers and other loans	2 252 202,7	2 005 319,5	-11%
Other liabilities	79 163,3	154 061	116,50%
Provisions for Risks and Charges	41 468,1	48 970,6	11,60%
Shareholders' Equity and Equivalents	497 977,3	422 070,2	-15,80%
Total Liabilities and Equity	2 874 899,7	2 632 275,3	-8,40%



INCOME STATEMENT

AOA thousand	2020	2021
Interest and similar income	216 454 644	243 010 765
Interest and similar expense	-29 751 290	-43 598 651
Net financial income	186 703 354	199 412 114
Fees and commission income	23 654 102	26 799 794
Fees and commission expense	-6 840 486	7 380 177
Net gains/(losses) on financial assets and liabilities measured at fair value through profit or loss	26 476 147	9 201 783
Foreign exchange gains/(losses)	42 508 516	14 039 151
Net gains/(losses) on sale of other assets	50 561	28 163
Other operating income/(expense)	1 672 097	-720 557
Net operating income	274 224 291	241 380 271
Staff costs	-59 081 263	-58 125 349
External supplies and services	-27 160 743	-35 357 473
Depreciation and amortisation for the period	-5 522 107	-7 732 253
Provisions net of reversals	-15 229 293	-11 255 812
Impairment for loans and advances to customers net of reversals and recoveries	-16 920 894	5 605 936
Impairment for other financial assets net of reversals and recoveries	42 424 090	41 445 923
Impairment for other assets net of reversals and recoveries	198 836	178 913
Profit Before Tax from Continuing Operations	107 687 066	164 570 458
Income tax		
Current	-11 141 490	-6 524 720
Deferred	-6 696 980	-1 574 006
Net Profit/(loss) for The Period	89 848 596	156 471 732



KEY INDICATORS



AOAM	2020	2021	Δ%
Total Assets	2 874 899,70	2 632 275,30	-8,44%
Loans and advances to Customers ¹	333 373,30	352 959,50	5,88%
Customer deposits	2 252 202,70	2 005 319,50	-11%
Shareholders' Equity and Equivalent	497 977,30	422 070,20	-15,20%
Operating income	274 224,30	241 380,30	-12%
Net financial income	186 703,40	199 412,10	6,80%
Other income	87 520,90	41 968,20	-52%
Overheads ²	91 764,10	101 215,10	10,30%
Net profit	89 848,60	156 471,70	74,20%
Return on Total Assets [ROA]	3,60%	5,70%	2,1 p.p
Return on Equity [ROE]	18,10%	36,40%	18,3 p.p
Cost-to-income	33,50%	41,90%	8,5 p.p
Total Assets / Employees	1 036	946,9	-89,1
Loan-to-deposit ratio	17,20%	20,30%	3,1 p.p
Total Capital Ratio	56,40%	46,20%	(10,3 p.p)
90 days past due Ratio ³	5,70%	3,60%	(2,1 p.p)
Impairment of non-performing loans	234,10%	353,10%	119 p.p
Loan Impairment	12,40%	11%	(1,7 p.p)
Number of service desks ⁴	197	198	1
Number of Employees	2 775	2770	-5
BFA Net Penetration rate	9%	9,20%	0,2 p.p
Debit Cards Penetration rate	57,30%	53,30%	(4 p.p.)

1) Loans net of impairment

2) Includes staff costs, external supplies and services, other operating costs, depreciations and amortizations

3) 90 days past due ratio = Non-performing loans/Total loans and advances to customers

4) Retail Branches, Corporate Centres, Investment Centres and Private Banking Branches

GLOSSARY - PERFORMANCE INDICATORS

INCOME, EFFICIENCY, AND PROFITABILITY INDICATORS

The following profit, efficiency, and profitability indicators are defined by reference to the aforementioned structure of the balance account used in this document.

Net Operating Income	Net Margin + Complementary Income (Commissions, Income from Foreign Exchange, and Financial Assets and Liabilities)
Overheads	Personnel Costs + Third-Party Supplies and Services + Depreciation and Amortization
Operating Income	Net Operating Income - Overheads
Efficiency Ratio (cost-to-income Ratio)	Overheads / Net Operating Income
Return on Equity (ROE)	Net Income (calculated over the last 12 months) and moving average of the Own Capital (last 12 months)
Return on Assets(ROA)	(Net income attributable to BPI's shareholders + Income attributable to non-controlling interests - dividends on preferred shares) / Average value in the period of total net assets.
Income Before Taxes	Operating Income -Impairment of financial assets and other impairments and provisions + Gains or losses in other assets

BALANCE SHEET AND FINANCING INDICATORS

Customer Assets in the Balance Sheet	Deposits = Current DepositsNC and FC + Time Deposits NC and FC.
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GLOSSARY - PERFORMANCE INDICATORS

BALANCE SHEET AND FINANCING INDICATORS

Net of Impaired Loan to Customers	Gross Customer Loan – Impaired Loan to Customers
Deposit to loan conversion ratio	$(\text{Gross Customer Loan} + \text{Overdue Credit}) / \text{Customer Current Deposits}$.

ASSET QUALITY INDICATORS

NPE Ratio	Non-Performing Exposure Ratio (NPE) according to the Directive n° 02/DSB/DRO/2020.
Total Capital Ratio	Regulatory Capital / Risk Weighted Assets (RWA).
NPL Ratio	NPL Equity Exposure / Total Equity Exposure.
Conversion Ratio (RTM)	Total Loans / Total Assets.
NPL Coverage by Impaired Credit	NPL Impaired Credit + Equity Exposure without the NPL status
Customer Loan	Loan in NC and FC + Overdue Loan in NC and FC – Impaired Loan

