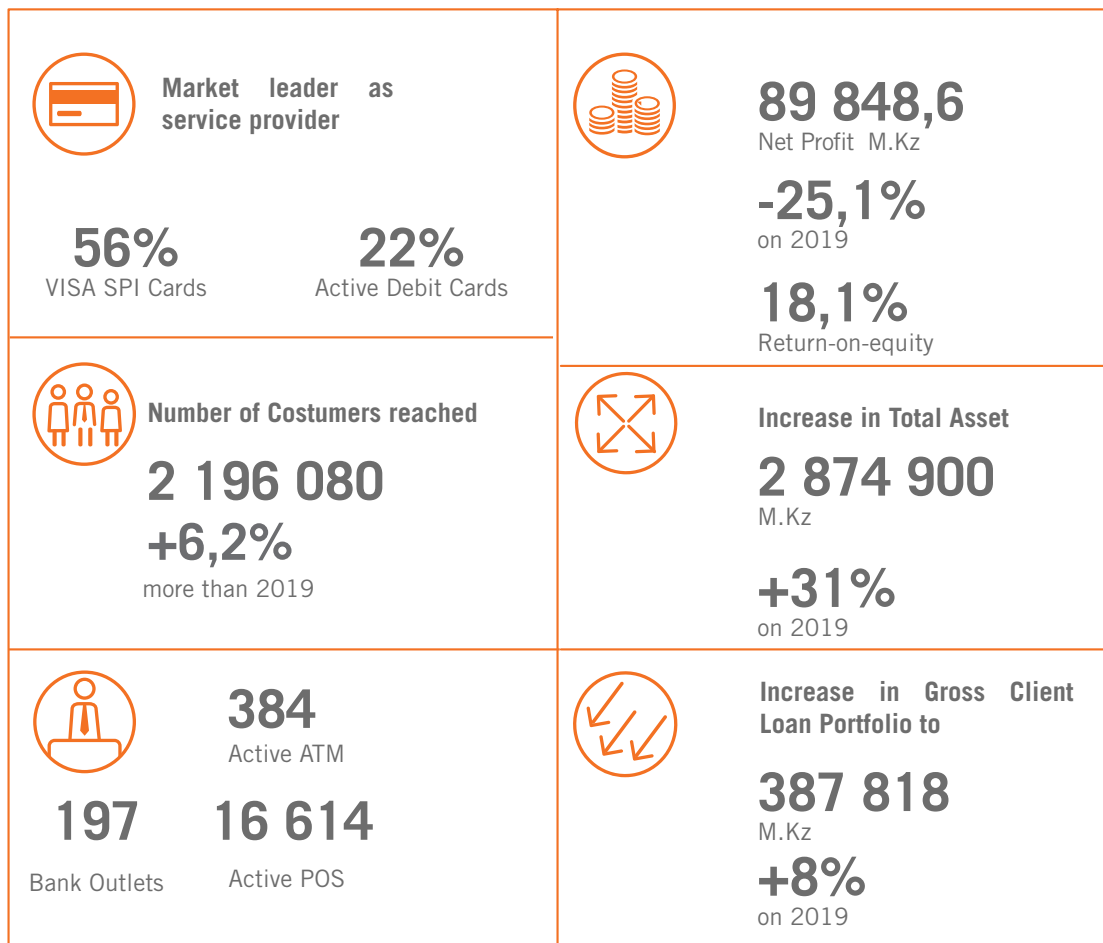


ANNUAL RESULTS PRESENTATION BFA

2020



2020 in Review




BFA was the first banking institution to support the Angolan government, contributing with the kwanza equivalent of USD 5 million, in the fight against the pandemic.

Key measures under COVID-19

BFA implemented a contingency plan, divided into 5 main dimensions: **Governance, Logistics, Systems, Processes and Communication.**

Governance

A governance model was defined and implemented to face the pandemic, emphasising the creation of the Crisis Committee, which assumed the role of coordinating all the actions. Additionally, an Epidemic Prevention Committee was created, whose the first responders were identified as the points of contact between the Epidemic Control Committee and the Bank's Employees. To ensure its Employees' well-being, the Human Capital Division proceeded with the identification of individuals at risk and guaranteed the follow up of Employees in quarantine.

Logistics

The plan included the acquisition of protective and bio-safety equipment, such as alcohol and alcohol gel, masks, gloves and support kits that were distributed to the Central Buildings and Bank Outlets. The Bank also reinforced cleaning and disinfection measures, restricted access to the central buildings, and controlled access to the Bank Outlets. In addition, in order to guarantee remote working conditions for Employees, laptops were also acquired, installed and distributed, so that each which one could work remotely.

Key measures under COVID-19

Systems

The teams were reorganised and started to work in shifts to minimise the risk of operational disruption. In addition, priorities were reviewed to strengthen monitoring, minimise the impacts of change, focusing on the safety and resilience of Employees, always supporting their mobility. The Bank also prepared solutions for remote working, a contingency plan aimed at preparing and making available the necessary tools and means to Employees, and providing information on good safety measures and virtual meetings, speeding up processes to identify Employees at risk, providing them with access credentials.

Processes

A plan was established whereby Central Services were organised so as to work in non-overlapping shifts, identifying critical processes and players, giving priority to remote working equipment delivery for the key elements of essential processes. The Bank Outlets (Branches, Business Centres, Investment Centres, Private Banking Centres and Service Points) operated exclusively by appointment. At the Individuals and Small Business Branches, scheduling was complemented by attendance on a first-come, first-served basis, behind closed doors and strict control of the number of Customers inside the Bank Outlets.

Key measures under COVID-19

Communication

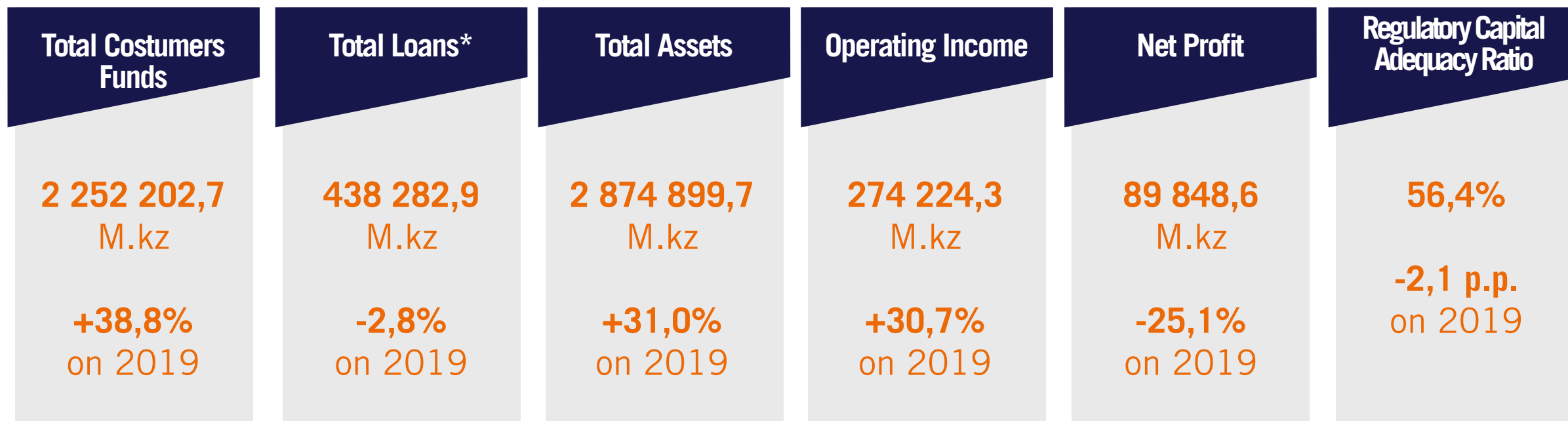
The Bank reinforced internal communication through the intranet and e-mail, where it provided its Employees with information on the pandemic and recommendations. Posters were also used to disseminate social distance rules, hygiene and access restrictions. At the same time, external communication was strengthened, informing Customers about the new functioning of the Bank Outlets and recommending the use of remote channels, using social networks and posters at the Outlets. In terms of institutional communication, the Bank communicated the implemented measures and closed Bank Outlets to the Central Bank (BNA) in permanent articulation with the Angolan Banks Association (ABANC).

**0 BFA
IN 2020**



Key Indicators

2020



*Includes loans to Customers, overdue loans and interest and loans for subscriptions and guarantees provided.

Key Indicators

	Dez/19	Dez/20	Var %19-20
Total Assets (M.Kz)	2 195 058,0	2 874 899,7	31,0%
Loans and Advantaces to Customers ¹ (M.Kz)	327 936,7	333 373,3	1,7%
Costumer Deposits (M.Kz)	1 622 897,6	2 252 202,7	38,8%
Shareholders Equity and Equivalent (M.Kz)	462 205,9	497 977,3	7,7%
Operating Income (M.Kz)	209 869,2	274 224,3	30,7%
Net Interest Income (M.Kz)	153 475,7	186 703,4	21,7%
Other Income (M.Kz)	56 393,5	87 520,9	55,2%
Overheads ² (M.Kz)	77 075,3	91 764,1	19,1%
Operating Profit (M.Kz)	138 371,2	187 982,3	35,9%
Net Profit (M.Kz)	119 940,2	89 848,6	-25,1%
Accumulated Profit Attributable to Shareholders ⁵ (M.Kz)	135 192,9	89 848,6	-33,5%
Return on Assets [ROA]	6,2%	3,6%	-2,57 p.p
Return on Equity [ROE]	30,0%	18,1%	-11,84 p.p
Cost to Income	36,7%	33,5%	-3,24 p.p
Total Assets per Employee	805,8	1036,0	28,56%
Loan to Deposits Ratio	22,1%	17,20%	-4,9 p.p
Regulatory Capital Adequacy Ratio	58,50%	56,40%	-2,1 p.p
Non-performing Loans/Total Advances and Loans to Customers	6,4%	6,0%	-0,4 p.p
Impairment of Non-Performing Loans ³	138,0%	234,1%	96,2 p.p
Loan Impairment ³	6,9%	12,4%	102,7 p.p
Bank Outlets ⁴	197	197	0,0%
Number of Employees	2 724	2 775	1,9%
BFA Net Penetration	24,9%	9,00%	-15,9%
Debit Cards Penetration	53,9%	57,30%	3,4%

1. Loan net of impairments;

2. Includes personnel, suppliers and third party services costs, other operating costs, depreciation and amortisation;

3. The impairments method of calculating changed in 2018, according to IFRS 9 rules;

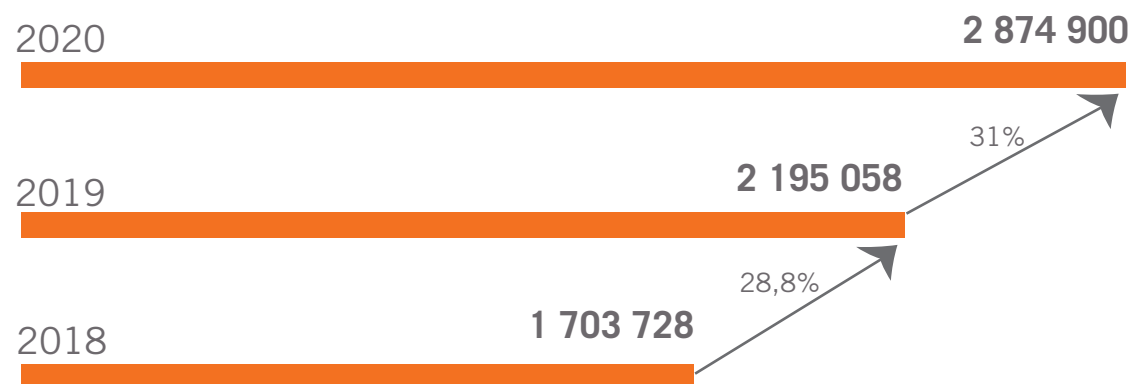
4. Branches, Business Centres, Investment Centres, Private Banking Centres and Service Points;

5. In 2019, it includes 15.252 M.kz of Retained Earnings.

Business Development 2020

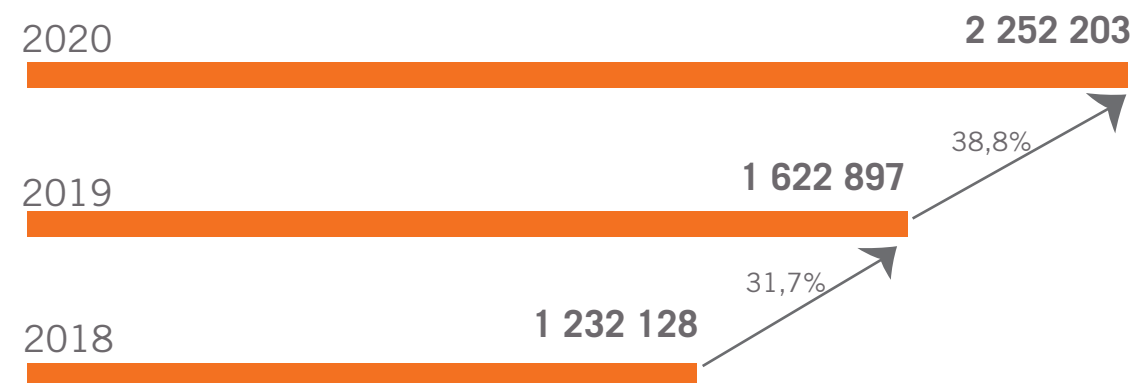
Total Assets (M.kz)

In 2020, BFA registered a 31% growth in Total Assets, reflecting the increase of the activity.



Total Deposits (M.kz)

Fund raising showed a growth in the volume of deposits, evidencing the market's confidence in the Bank. As a result, a total of 2 252 203 M.kz was recorded.



Business Development 2020

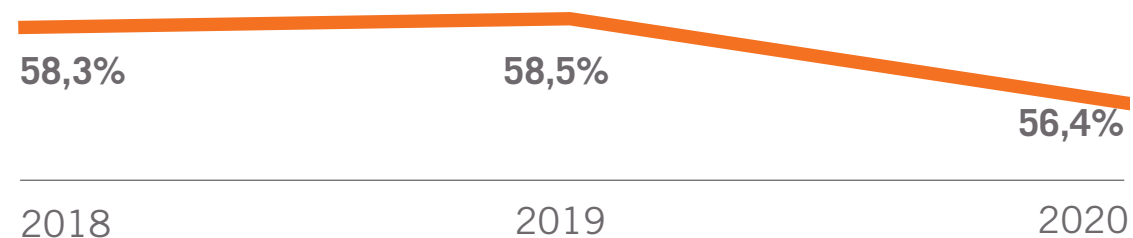
Regulatory Capital (M.kz)

In 2020, BFA's Regulatory Capital showed a growing trend, with an increase of 11.3%, consolidating the Bank's leading position and the security of the financial support to the needs of its Customers.



Regulatory Capital Adequacy Ratio

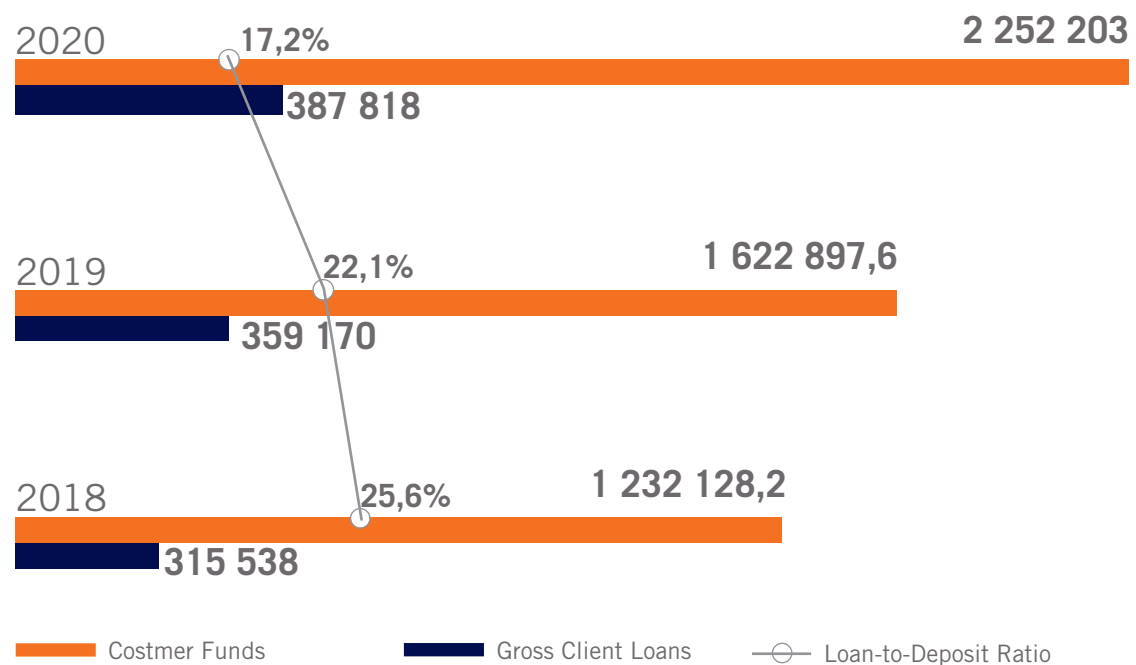
BFA presented a high financial strength, proven by a regulatory capital adequacy ratio well above the minimum required (10%).



Business Development 2020

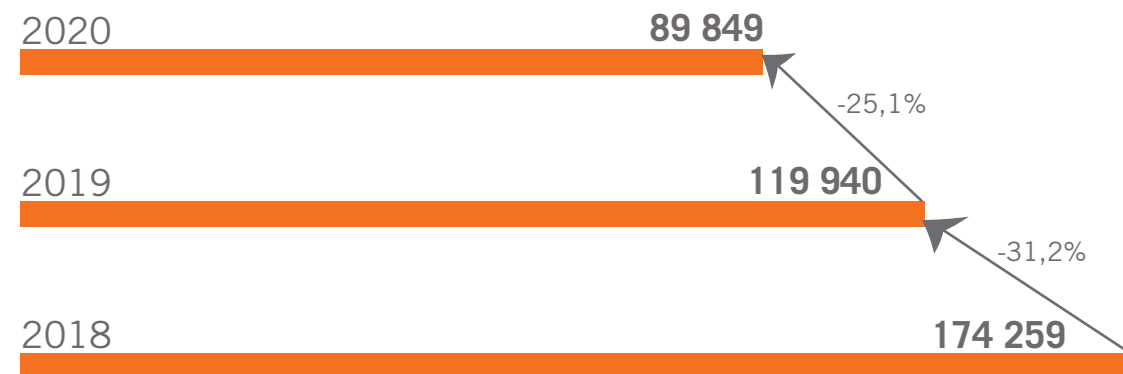
Customers Activity (M.kz)

The Loan-to-Deposit Ratio fell to 17.2%. This decrease is explained by the greater relative growth in deposits compared to credit granted.



Net Profit (M.kz)

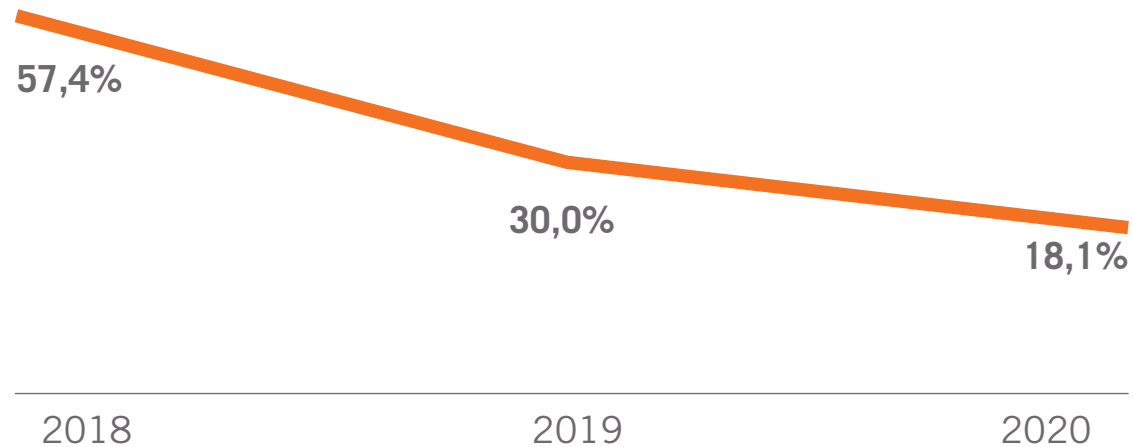
In 2020, BFA's net income suffered a 25.1% reduction to 89,848.6 M.Kz.



Business Development 2020

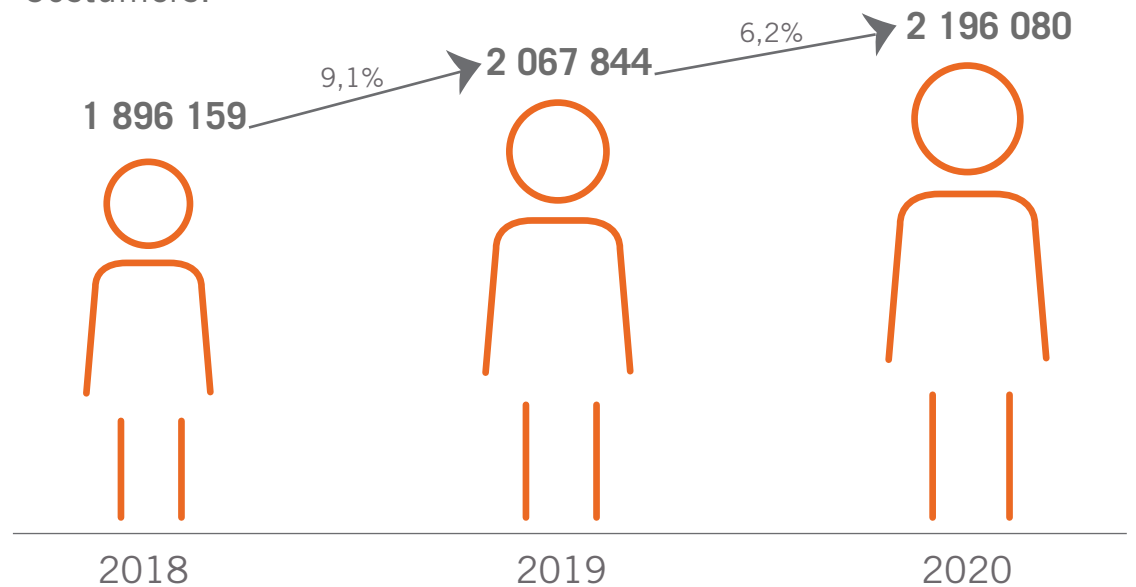
Return on Equity

In 2020, the return-on-equity figure fell by 11.84 percentage points compared with the previous period as a consequence of very challenging conditions of the year.



Costumers

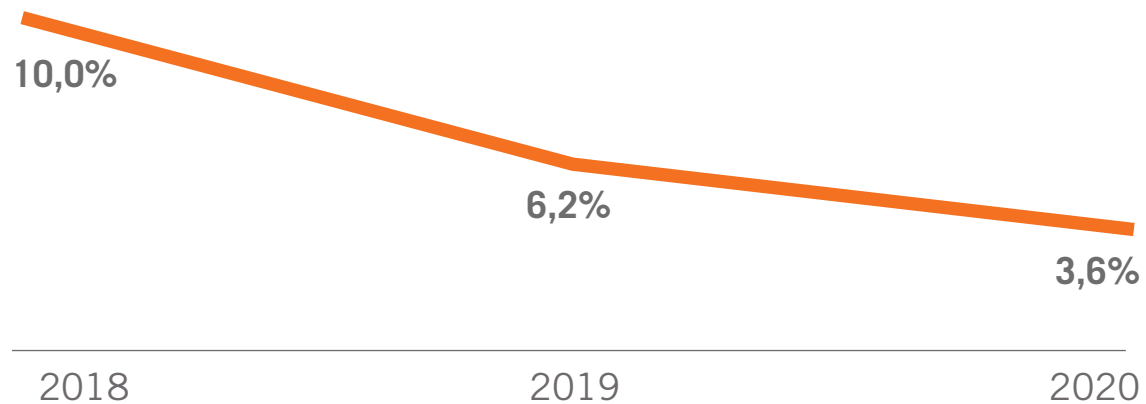
BFA maintained the growth trend in the number of Costumers, increasing the total number by 6.2% and reaching 2 196 080 Costumers.



Business Development 2020

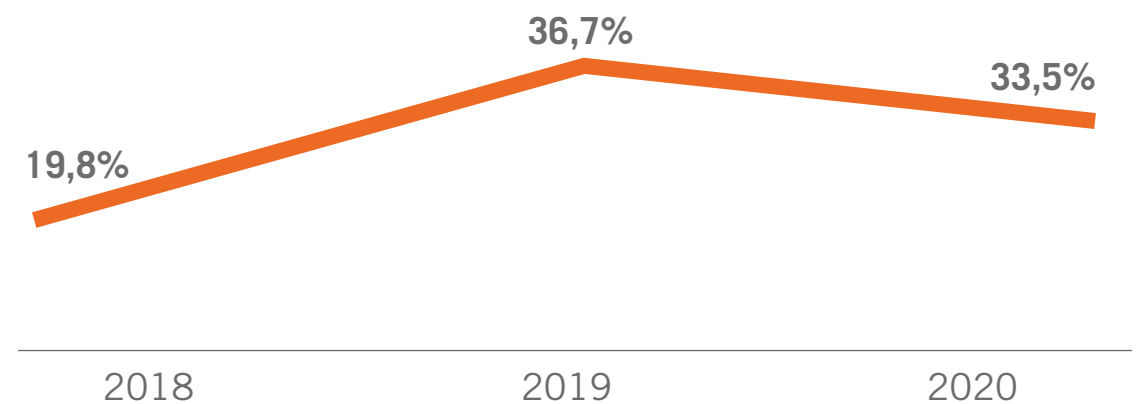
ROA

The reduction in net income negatively impacted the evolution of the main profitability indicators, namely the Return On Assets (ROA), which registered -2.57 percentage points totalling 3.6%.



Cost to Income

In 2020, there was a slight reduction in the cost-to-income ratio from 36.7% to 33.5%. However, optimisation in the management of BFA's expenses continued to be, in 2020, one of the main focus areas, through the continued focus on maintaining the efficiency ratio at a low level.



**RISK
MANAGEMENT**



Risk Management

Regulatory Capital Ratio (RCR)

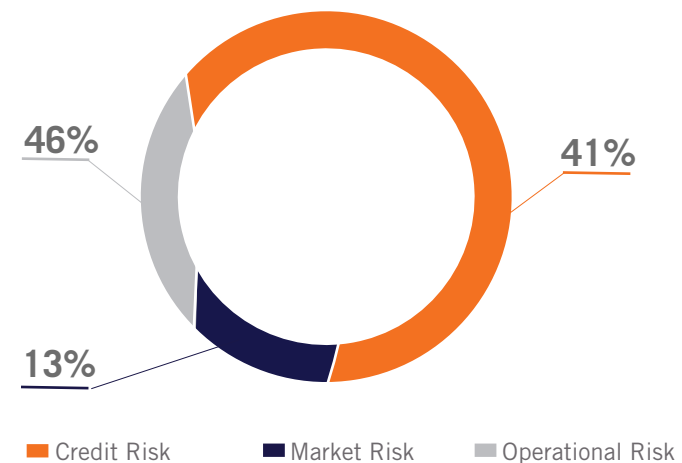
High capital levels demonstrate the soundness of the balance sheet . BFA's Regulatory Capital Adequacy Ratio (RSR) is 5.4 times higher than the minimum regulatory level (10%) and higher than the average of the Angolan Financial System.



Regulatory Capital (M.Kz)



PILAR1 RWA-Risk Weighted Assets

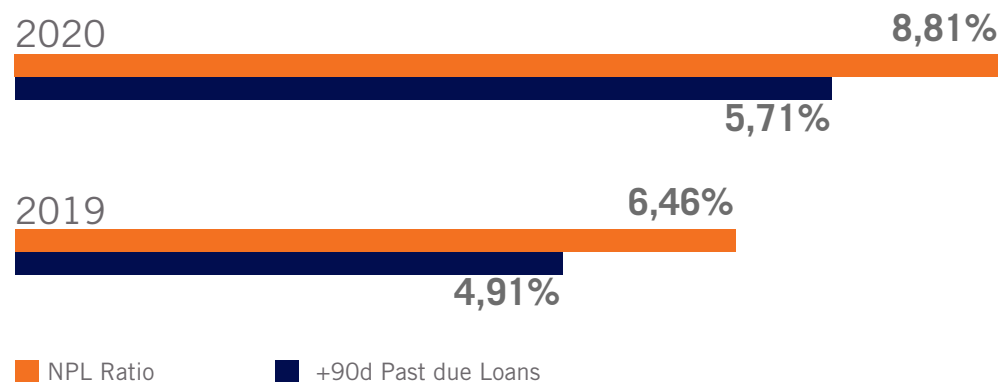


Risk Management

Credit Risk - Indices of Quality of the Loan Portfolio, with Deterioration at Acceptable Levels

During 2020, there was a deterioration of the financial conditions of companies and households, which translated into a decline of the quality of BFA's loan portfolio, leading to the reinforcement of impairment to cover credit exposure and, mainly, non-performing loans. One of the main factors was the pandemic context experienced at the international level and the crisis context experienced in the domestic market in recent years.

NPL Ratio and +90d Past due Loans Ratio Evolution



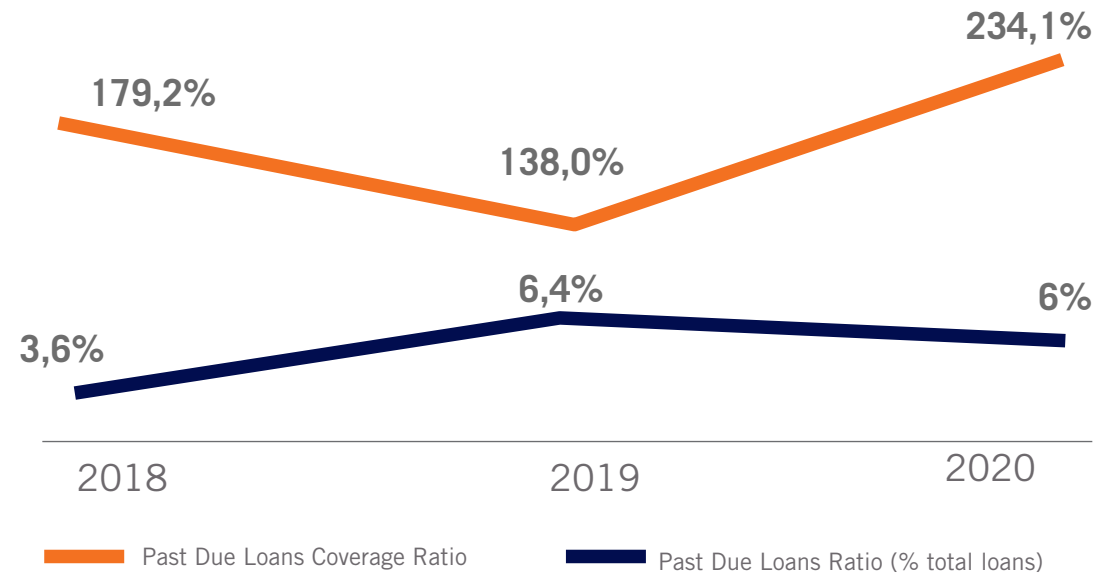
NPL Coverage Ratio



Risk Management

Loan Quality

In 2020, there was a decrease of 0.4 percentage points in the Past Due Loans Ratio and an increase in the Past Due Loans Coverage Ratio, to 234.12%.



BUSINESS AREAS



Business Areas

Personal and Businesses

Resources

	M.Kz			Var% 18-19	Var% 19-20
	2018	2019	2020		
Funds	416 777,0	376 617,6	376 617,6	-30,7%	30,4%
Deposits	416 777,0	288 834,5	376 617,6	-30,7%	30,4%
Sigth	276 507,9	232 968,7	297 563,0	-15,7%	27,5%
Terms	140 269,1	55 865,8	79 563,0	-60,2%	42,4%
Other Funds	-	-	-	0,0%	0,0%

Loans (M.Kz)

2020	74 469,3
2019	76 973,7
2018	88 891,4

Business Areas

Investment Centers

Resources

	M.Kz				
	2018	2019	2020	Var% 18-19	Var% 19-20
Funds	328 008,9	135 824,1	176 751,3	-58,6%	30,1%
Deposits	328 008,9	135 824,1	176 751,3	-58,6%	30,1%
Sighth	48 350,1	41 968,7	61 915,3	-13,6%	48,2%
Terms	297 658,8	94 052,4	114 836,0	-66,4%	22,1%
Other Funds	-	-	-	0,0%	0,0%

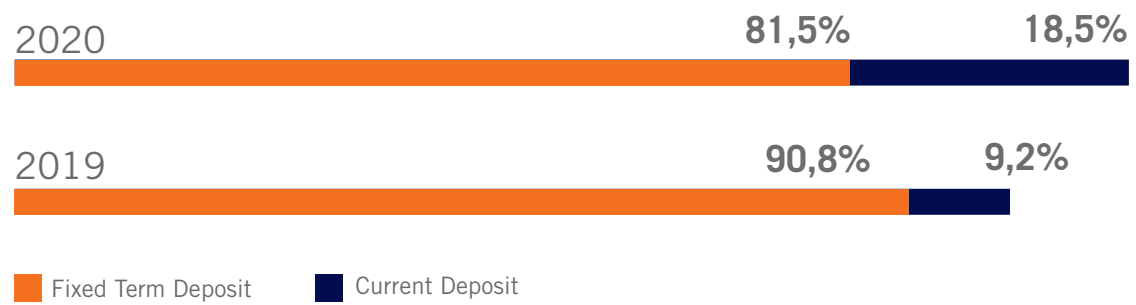
Loans (M.Kz)



Business Areas

Private Banking

Resources



Loans (M.Kz)



Business Areas

Corporates

Resources

*Customer securities under BFA custody and considered in off-balance sheet items; considered in off-balance sheet.

	M.Kz			Var% 18-19	Var% 19-20
	2018	2019	2020		
Funds	998 564,0	808 525,6	1 084 553,7	-19,0%	34,2%
Deposits	479 601,7	808 125,6	1 084 538,8	68,5%	34,2%
Sigth	254 375,3	390 184,0	615 363,5	53,4%	57,7%
Terms	225 226,4	417 941,6	469 173,3	85,6%	12,3%
Other Funds*	518 962,3	400,0	14,9	-99,9%	-96,3%

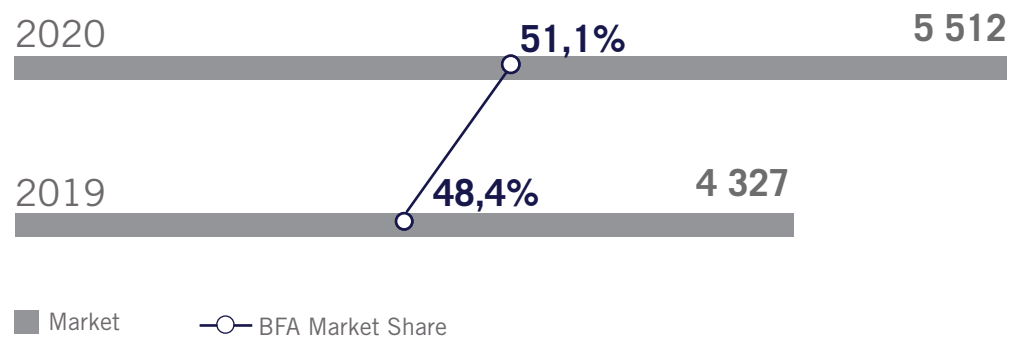
Loans

	M.Kz			Var% 18-19	Var% 19-20
	2018	2019	2020		
Total Lending	258 952,1	326 097,8	317 428,1	25,9%	-2,7%
Corporate	258 952,1	326 097,8	317 428,1	25,9%	-2,7%
Loans and Advances to Clients	202 861,0	239 535,3	268 522,0	18,1%	12,1%
Unsecured Loans	56 091,1	86 562,5	48 906,1	54,3%	-43,5%
Import Doc. Credits	21 607,3	63 857,0	14 945,1	195,5%	-76,6%
Guarantees	34 483,8	22 705,5	33 961,0	-34,2%	49,6%
Others	-	-	-	0,0%	0,0%

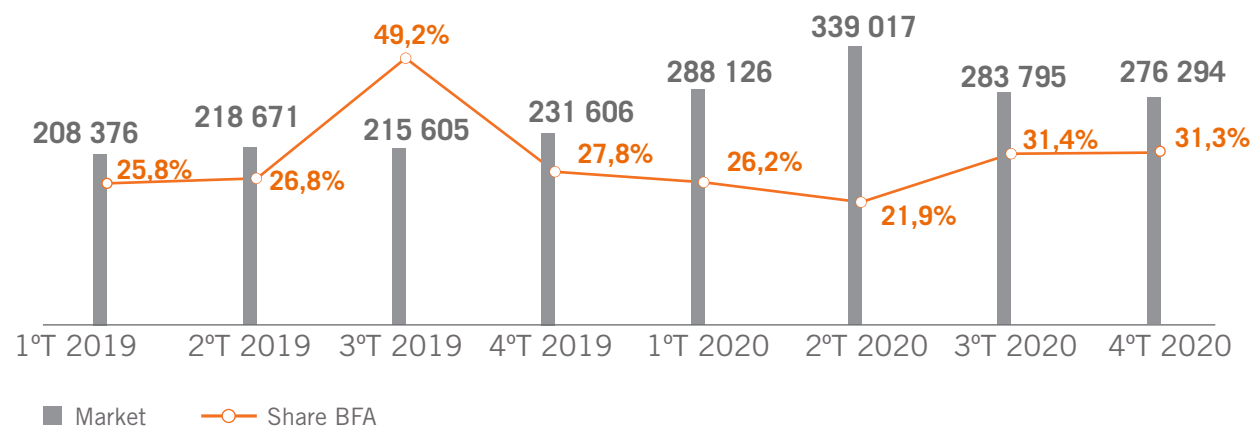
Business Areas

Bodiva Capital Markets

Number of Total Businesses



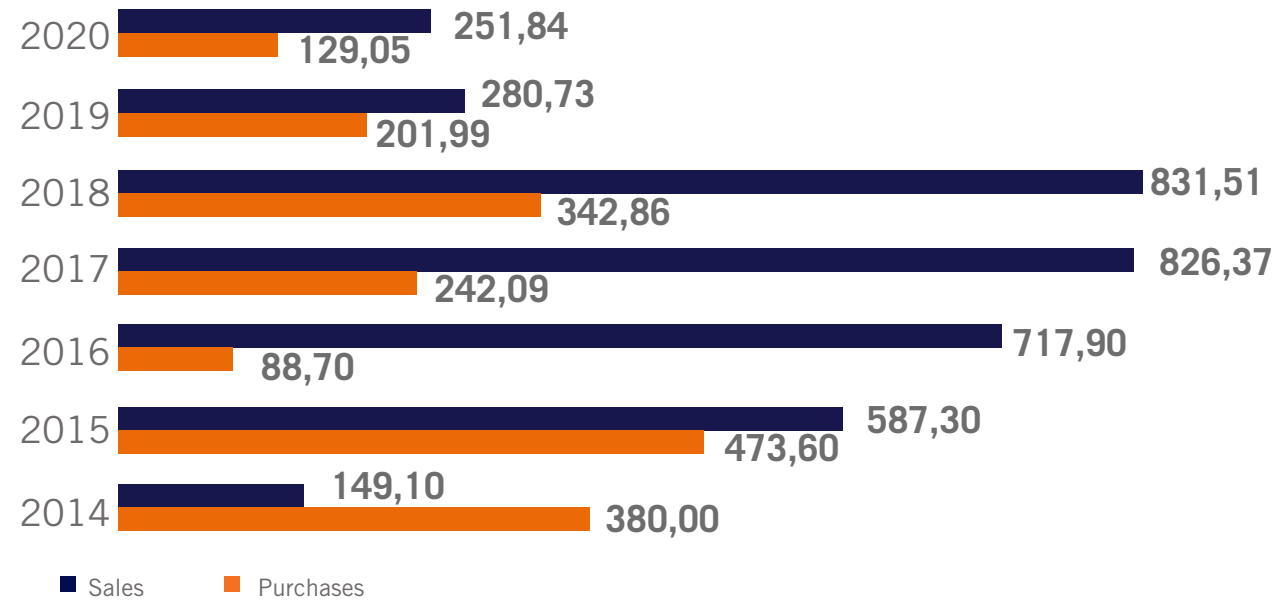
Cumulative Amount Traded (M.kz)



Business Areas

Capital Markets Public Debt

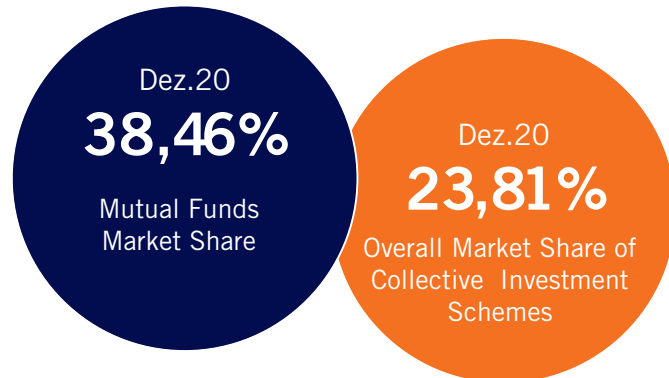
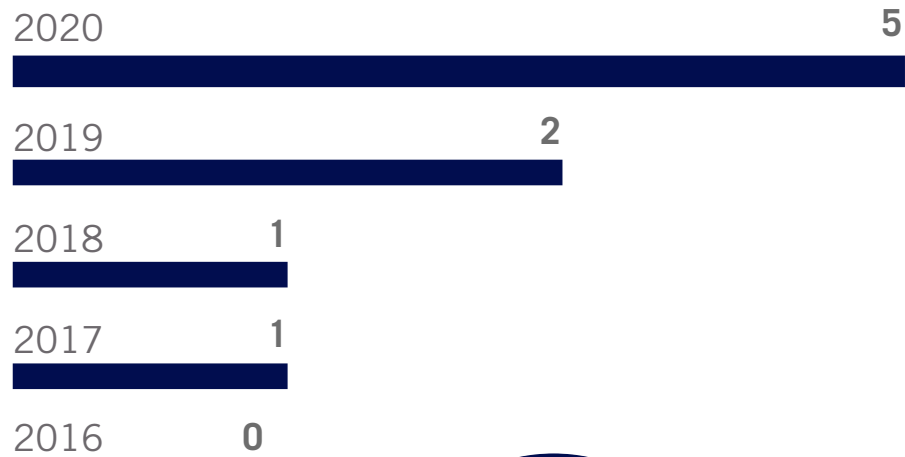
Public Debt Transaction with Customers in USD Million



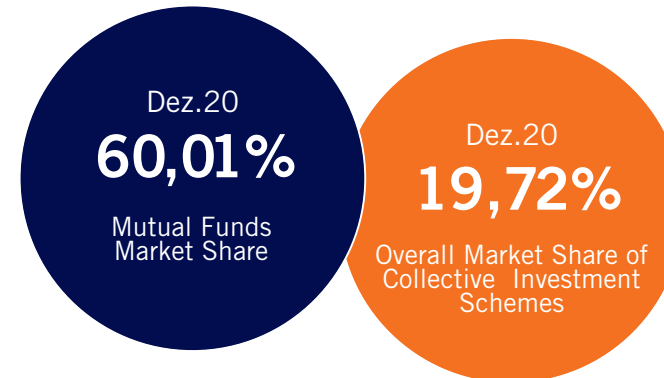
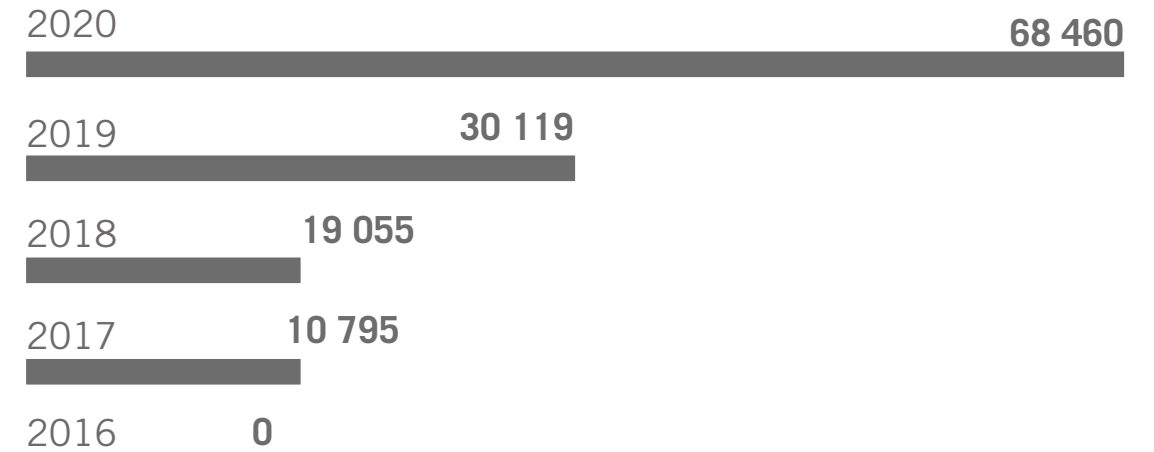
Business Areas

BFA Asset Management

Number of Funds under Management



Assets under Management (M.Kz)



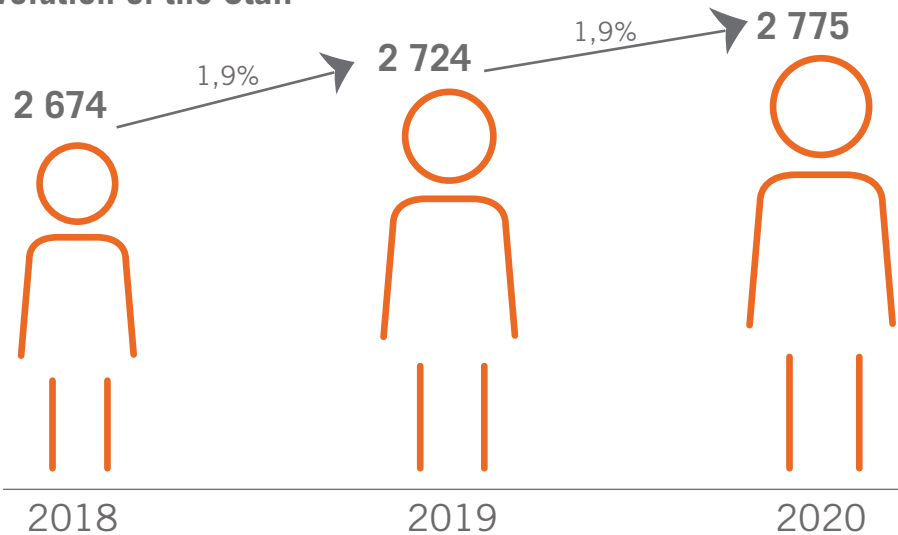
HUMAN CAPITAL



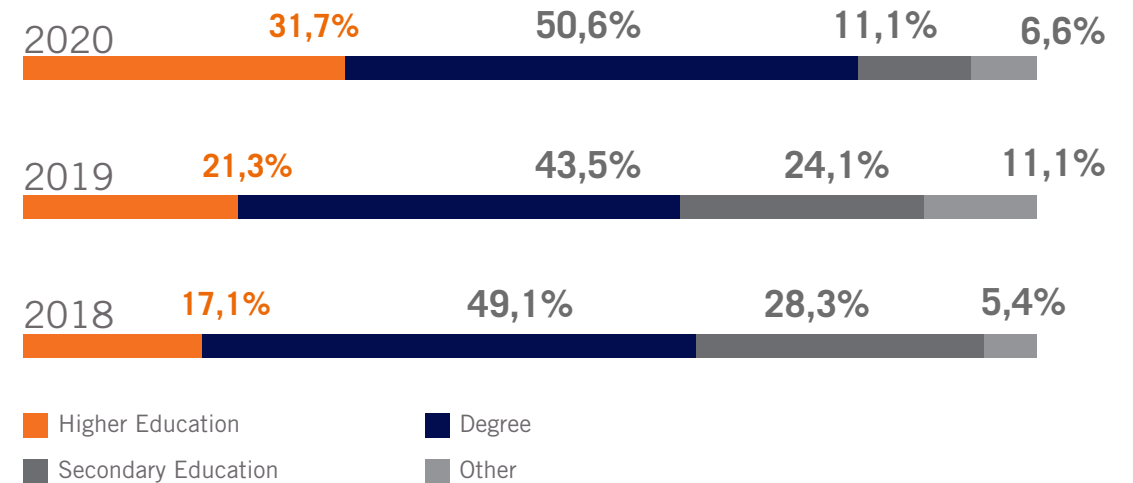
Human Capital

At the end of 2020, the Bank had 2,775 Employees, an increase of 1.87% compared to the previous period, with 51 new Employees.

Evolution of the Staff



Distribution of the Staff by Level of Qualification



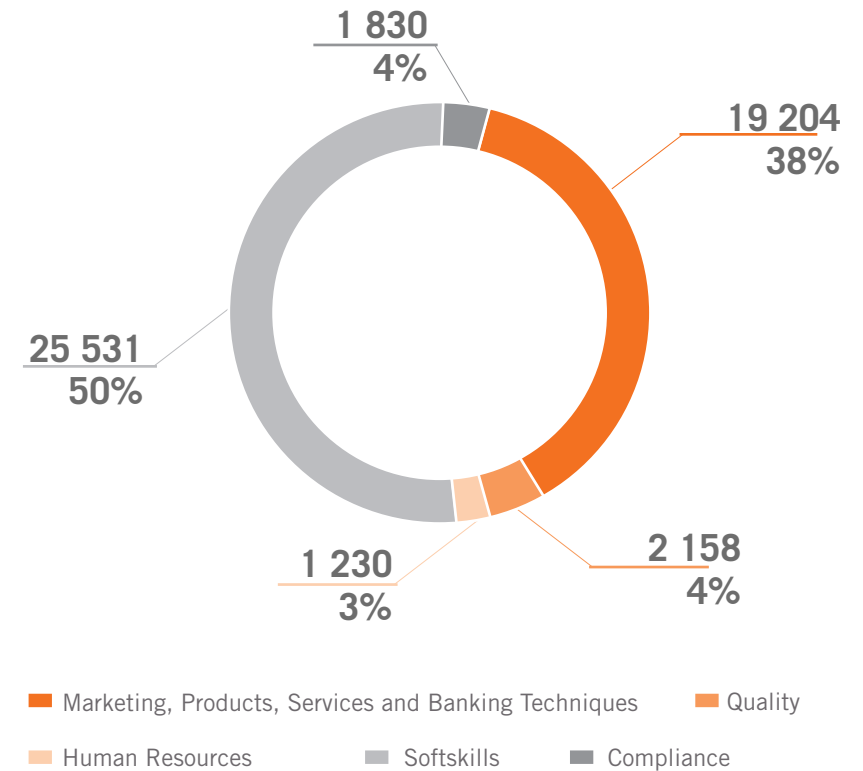
Human Capital

BFA Academy

In 2020, 2,724 Employees were trained, which corresponds to 40 fewer than in 2019. This decrease was a consequence of the new pandemic context, which required new training methods. The participation of Employees was 81.2%.



Distribution per Training Area



**SOCIAL
RESPONSABILITY**



Social Responsibility

BFA Solidário

The overall allocation to the BFA Solidário Programme 2020 was 250,000,000 Kz (equivalent to USD 400.000) , divided into each of the categories: **Healty, Education, Financial and Social Inclusion**, 173 organizations applied for this edition and 12 are contemplated.

Other Projects:

- BFA + Saúde Huambo;
- BFA + Água + Vida;
- BFA +Nutrir;
- Support for the Hydrocephalus Centre;
- Support to the Government in the Fight Against Covid-19.



BFA Solidário

Por um futuro feito de sorrisos.

A 2ª edição do BFA Solidário disponibiliza 250 milhões de kwanzas para apoiar o trabalho de organizações, sem fins lucrativos, que desenvolvem actividades para a melhoria das condições de educação, saúde e inclusão social e financeira de crianças e jovens. Candidata a sua organização e o seu projecto de 14 de Janeiro a 29 de Fevereiro. BFA Solidário, apoiamos as causas que fazem a diferença na vida das novas gerações.



Para mais informações dirija-se a um banco BFA, consulte www.bfa.ao ou ligue para a Linha de Atendimento BFA 023 120 120.



Social Responsibility

Volunteering

BFA Voluntary Donor

support health institutions in reducing the blood deficit. During 2020, we held blood donation campaigns in the country's 18 Provinces and counted on the participation of 1,935 Volunteers, including BFA Employees, family members and friends.



Natal de Luz

With the motto of bringing a smile to children and promoting a better Christmas, in 2020, BFA held a Christmas party at the pediatric ward of the Hospital Central do Huambo and a children rescue center Centro de Acolhimento Pequena Semente. More than 300 children participated in these parties.





Banco de Fomento Angola

Rua Amilcar Cabral, nº 58 - Luanda, Angola

Linha de Atendimento BFA: +244 923 120 120

Site: www.bfa.ao | E-mail: bfa@bfa.ao

