



**BIC Seguros**

Safely Together

# 2015

**ANNUAL  
REPORT**





# 2015

## ANNUAL REPORT



The image shows the exterior of the BIC Seguros Head Office. A large, bright red horizontal sign with the text "BIC Seguros" in white, sans-serif font is mounted above the entrance. The building features a modern design with large glass windows and doors. The glass reflects the surrounding environment, including trees and other buildings. The entrance consists of a set of double glass doors with silver frames. To the left and right of the entrance are red pillars, each topped with a red planter box containing green plants. A small red sign with white text and symbols is visible on the glass door. The overall scene is captured in a slightly low-angle shot, emphasizing the height of the building and the sign.

# BIC Seguros

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# STATEMENT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER



Following its inauguration on 15 October 2014, 2015 was unquestionably a defining year for BIC Seguros, as it was its first full year of activity.

The year 2015 was a difficult year, characterised by marked slowdown and weak economic growth. It was precisely against this adverse but challenging backdrop that BIC Seguros turned threats into opportunities, establishing partnerships and accomplishing business deals. Within the first six months of 2015, the Company had already achieved break-even point.

During its first full year of activity, BIC Seguros managed to surpass the 9 million US Dollars of gross premiums written through sustainable growth, firmly founded on a strict business underwriting policy and high quality standards, reflected in balanced production and low claims rates. These figures allow us to look optimistically to the future, notwithstanding the continued adverse and difficult external context, but we believe that there is always room to improve, revalue

and reinvent Customer service in particular, and to contribute to the economy in general.

In terms of the BIC Seguros and Banco BIC interconnection, results were highly positive, given that the Insurance brokerage strategy, underlying the BIC Seguros project, provided unquestionable proof of its success through the clearly visible results achieved in 2015. Our strategy, based on the motto "Go to your Insurance Company as you would go to your Bank", has enabled us to establish our presence in all the provinces of Angola and in the vast majority of municipalities.

The fact that BIC Seguros relies on a commercial network composed of 224 Banco BIC Branches throughout the country, in addition to acting as an important gate of entry for the growth of an insurance culture in Angola, enables all the Bank's Customers (over one million), and the population at large, to learn more about and gain access to the protection provided by our insurance products. The BIC brand, already a benchmark

in the national market, has always believed that its entire team members are key players in consolidating and bolstering business relations. The large group of men and women who represent the BIC brand (over 2,200) stand united in defence of a clear sustainable growth strategy.

As for our activity, it should be noted that right at the start of 2015, we were confronted with the occurrence of extremely serious road accidents. We are proud to affirm that BIC Seguros fully accomplished performance of the social and economic mission required of the insurance industry, thus fully substantiating the trust of its customers: the company provided assistance to its policy holders, promptly assessed respective damages and paid out due compensation in record time, contributing to boosting the credibility of the sector, assisting Lives and enabling our Customers to focus on their own activities, which are essential to a healthy economy and to the fostering of respect for human lives and property.

The alignment of our entire team around a simple strategy, based on robust ethical principles, in which we all take pride and set out to accomplish effectively, made it possible for us to close the financial year 2015 with deep satisfaction and a profound sense of achievement. It was, indeed, a highly fruitful year in terms of positive experiences, and all those who contributed to the results are worthy of praise.

The great challenge that we will face in 2016 will be to implement a transversal culture, grounded on cost-benefit analysis in order to move monitoring of financial and business performance, with a view to moving forward as an increasingly more efficient organisation.

We will proceed with a strong appetite to further develop the strategic concepts that marked the first full year of activity of BIC Seguros, aiming to offer a differentiated and refined selection of products, a specialized positioning of the company and a unique value proposition.

We will remain alert to the evolution of the insurance market and seek to bring innovation and recruit personnel for its specific segments, thus consolidating our know-how in our reference areas.

To conclude, we wish to acknowledge the commitment, effort and dedication of all staff members of the Company and the Bank who were the driving force behind the accomplishment of the BIC Seguros project, the results obtained and the success of the Organisation. We believe that success is dictated by People. By working together, we will certainly continue to grow together.

We also wish to extend our gratitude to our Business Partners, Insurance Brokers, our Service Providers and Suppliers involved in the assertion of this project, with the strong conviction that


our current cooperation ties will be cemented and strengthened in the future.

Special acknowledgement goes to our Customers, for their unwavering trust in BIC Seguros to ensure the protection and safety of their assets, lives and investments.

Finally, we wish to express our sincere gratitude to our Shareholders, members of all the other Governing Bodies, to the Authorities and ARSEG [Agency for Insurance Supervision and Regulation], for their support and collaboration which were decisive factors in the success of BIC Seguros.



Chairman of the Board of Directors  
Fernando Mendes Teles



Chief Executive Officer  
Maria de Fátima Marques Monteiro



Baobabs



# 01

## BIC SEGUROS

- › CORPORATE STRUCTURE
- › FUNCTIONAL ORGANISATIONAL CHART
- › MISSION, VISION AND VALUES



# CORPORATE STRUCTURE

## GOVERNANCE MODEL

The governance model of the Insurance Company is established in its Articles of Association and is regulated by the requirements laid down in the Insurance Activities Act (Law 1/00, 3 February) and Executive Decree 70/06 7 June. The Governing Bodies are composed by the General Meeting, Board of Directors, Executive Board of Directors, Fiscal Council, Board of the General Meeting, Statutory Auditor.

BIC Seguros was incorporated by Public Deed on 7 June 2014, following communication from the Ministry of Finance on 7 March 2014, authorising its incorporation. Its head office is currently held at N'Gola M'Bandi, R/CH, Maianga Municipality, Luanda.

The activity of the Insurance Company consists of insurances and reinsurances in the Life and Non-Life branches, to the extent provided under the terms of the Law.

FISCAL  
COUNCIL

GENERAL  
MEETING

STATUTORY

BOARD  
OF DIRECTORS

EXECUTIVE  
BOARD  
OF DIRECTORS



## GENERAL MEETING

The General Meeting is the governing body composed of all the Shareholders of the Insurance Company, and is regulated pursuant to the terms laid down in the Articles of Association. Its key competencies involve:

- Election and approval of the fixed and/or variable remunerations of the members of the governing bodies;
- Assessment of the annual report of the Board of Directors, discussion and voting on the balance sheet and accounts of the Insurance Company, taking into consideration the reports of the Fiscal Council and Statutory Auditor;
- Resolution on the appropriation of profits as proposed by the Board of Directors; and
- Resolution on changes to the Articles of Association.

## BOARD OF DIRECTORS

The current Board of Directors is composed by 5 members, while the executive management of the Insurance Company is undertaken by three directors, appointed by the Board. Meetings of the Board of Directors are held on at least a quarterly basis, and whenever determined by the Chairman.

In order to regulate its internal functioning, the Board of Directors, delegated the current management of the Insurance Company to the Executive Board of Directors, consisting of 3 members, with the limits specified in the resolution which determined this delegation.

## EXECUTIVE BOARD OF DIRECTORS

Within the scope of its competencies, the Executive Board of Directors is dependent on the plans of action and annual budget, in addition to other measures and guidelines approved by the Board of Directors. However, it has discretionary powers in the management of the current Insurance activity, albeit under close supervision on the part of the Fiscal Council and Statutory Auditor.

All members of the Executive Board of Directors perform an active role in the current management of the Insurance Company's business, and are responsible for one or more specific business areas, in accordance with the respective profile and individual specializations, without prejudice to a greater or lower concentration of individuals in a specific area.

The Executive Board of Directors holds meetings, called by its Chairperson, at least once a month.

## FISCAL COUNCIL

Composition of the Fiscal Council is regulated by the provisions in the Articles of Association, and is composed of a Chairman and two voting members.

## STATUTORY AUDITOR

The statutory audit is conducted by PKF ANGOLA – Auditores e Consultores, S.A.

BIC Seguros considers its current Statutory Auditors to be in possession of the availability, knowledge, experience and reputability required for full performance of its duties.

## BOARD OF DIRECTORS

### EXECUTIVE BOARD OF DIRECTORS



**FERNANDO TELES**  
Chairman



**FÁTIMA MONTEIRO**  
Chief Executive Officer



**ALEIXO AFONSO**  
Director



**LÚCIA FONSECA**  
Director

## COMPOSITION OF GOVERNING BODIES

BOARD OF DIRECTORS	EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS
<p><b>CHAIRMAN</b> Fernando Mendes Teles</p> <p><b>MEMBERS</b> Maria de Fátima Marques Monteiro Aleixo Arlindo Santana Afonso Lúcia Manuela Frederico de Sousa Oliveira Fonseca</p>	<p><b>CHIEF EXECUTIVE OFFICER</b> Maria de Fátima Marques Monteiro</p> <p><b>MEMBER</b> Aleixo Arlindo Santana Afonso Lúcia Manuela Frederico de Sousa Oliveira Fonseca</p>
FISCAL COUNCIL	STATUTORY AUDITOR
<p><b>CHAIRMAN</b> Henrique Camões Serra</p> <p><b>VOTING MEMBERS</b> Ana Sofia Almeida Maria Ivone dos Santos Graziela do Céu Rodrigues Esteves (Substitute Member)</p>	<p>PKF ANGOLA - Auditores e Consultores, S.A.</p>



# FUNCTIONAL ORGANISATIONAL CHART

The functional organisation of the Insurance Company makes it possible to clearly divide the areas and duties of each department and/or office, falling under the domain of each of the executive directors.

The functional organisational chart of the Insurance Company is as follows:



The Compliance Office and Internal Audit Committee are dependent on the Board of Directors

The Legal Department and Risk Analysis Committee (Reinsurance Treaties) are dependent on the Executive Board of Directors.

# MISSION, VISION AND VALUES

Our vision lauds the commitment of all our staff to our mission, through the work performed in accordance with our corporate values which has given substance to our motto: *Safely Together*.

## VISION

To be the biggest and best private Insurance company operating in Angola, with sustained growth, offering innovative and tailored solutions to our customers, while in constant renewal and making an active contribution to development and growth in Angola.

## MISSION

To be a sound, profitable, socially responsible, efficient and agile Insurance Company, geared towards the creation of additional value, collaborating with companies and households, towards

the satisfaction of its customers and fulfilment of its employees, guided by highly ethical and social conduct.

## VALUES

To transmit the attitudes, decisions and principles that underlie the performance of our duties through our behaviour and conduct at all times, and in the accomplishment of our aims:

### CUSTOMER-DRIVEN

Build relationships with our customers based on rigour, integrity and transparency. It is through our dedication and commitment to our values that our customers feel they can count on us to provide high quality services that will enable them to attain their goals and meet their assets, investments, and people protection requirements.



BIC Seguros Kiosk - Avenida Shopping Mall

## **INNOVATION**

To be constantly observing and interpreting the market so that we are able to differentiate ourselves within this highly competitive environment, not only by anticipating solutions and acquiring new knowledge, but also through the creation of additional value.

## **AMBITION**

The permanent union between personal humbleness and professional ambitions allows us to believe that we can always improve, being this one of the driving forces for a professional growth for the employees and the team.

## **CONTINUOUS RECOGNITION AND APPRECIATION OF OUR EMPLOYEES**

Our Human Resources are one of the driving forces behind our growth and the achievement of our strategic objectives. Our action is geared towards the creation of working conditions and individual career plans that serve to satisfy and enhance the motivation of all our employees, in addition to constantly investing in the development of their technical and behavioural skills.

## **TEAM WORK**

The achievement of our mission will be the result of a team work not an individual effort. The aim of our constant combination of talents and skills is to establish highly competent teams, capable of building on and improving their management skills, thus going beyond their own limits.

## **HIGH STANDARD OF INTEGRITY**

All our employees act in accordance with principles of a high ethical standard, and are rigorously guided by the Company regulations and recommendations, within the legal framework of the respective Regulatory Entities.

## **SOCIAL RESPONSIBILITY**

Wherever we are, we seek to create an environment that fosters investment and growth, and to be fully integrated in the Community, both through our involvement with the population and by means of the services rendered. Each employee, and the team as a whole, leave our work as a legacy for the construction of a better world for future generations.

These values (Customer-driven approach, Innovation, Ambition, Recognition and continuous appreciation of our employees, Teamwork, High Standard of integrity and Social Responsibility) reflect the personality and corporate essence of BIC Seguros, and are our inspiration to do more, to improve our services and broaden our scope of action, day after day, year after year, to the benefit of all.



Port of Luanda



# 02

## MACROECONOMIC SCENARIO

- › INTERNATIONAL ECONOMY
- › THE ANGOLAN ECONOMY
- › GENERAL EVOLUTION  
OF THE INSURANCE SECTOR



# MACROECONOMIC SCENARIO

## INTERNATIONAL ECONOMY

Five years have elapsed since the beginning of the recovery of the world economy, and it is still struggling to gain traction. Low growth of the productivity (all factors), salaries and potential output are the most common and striking situations. The low investment rate has been affected by low demand, yet it has also been equally jeopardised by aggregate demand, in a vicious circle that is proving to be sluggish to suppress. The legacies of the 2008 crisis are still weighing heavily: high public and private debt, financial instability and ongoing credit bubble adjustment.

Over the last five years, projected growth has failed, due to overestimated upward projections. Further deflections have been observed in output and fewer in employment, thus revealing an unanticipated downward trend in productivity. Despite higher recorded levels of employment, weak output growth has resulted in the maintenance of high unemployment figures. Growth in the emerging and developing countries has continued to decelerate for the fifth consecutive year, while modest crisis recovery has been observed in the advanced countries. Brazil and Russia have slipped into recession owing to the slump in oil prices and, in the case of Russia, to imposed economic sanctions.

Gross world product recorded a growth of 3.1%, down on the 3.4% year-on-year figure. Growth of the advanced countries stood at 1.9%, approximately in line with the previous year (1.8%). The USA is still setting itself apart with a growth rate of 2.5% in 2015, and 2.4% in 2014. In the euro area, GDP increased by 1.5% and by 1.9% in the European Union. These figures represent an acceleration vis-à-vis the figures recorded in the previous year, 0.9% (euro area) and 1.5% (European Union). In the emerging and developing countries, growth stood at 4% (against 4.6% in 2014), a record low since the financial crisis of 2008. Growth in China has continued on a downward trend for several years, however in 2015, its descent plummeted unexpectedly. The Chinese economy has continued to decelerate, recording a growth rate of 6.9% in 2015, compared with 7.3% in 2014.

Evolution among the advanced countries is differentiated. The USA and United Kingdom have already recovered the GDP figure recorded before the crisis, and the respective yields are already very close to their potential. Unemployment is already below the level recorded during the 2007 pre-crisis peak. These performances have been made possible, despite exchange rate

appreciation, due to the dynamic labour market, low oil prices and the healthy financial conditions of households, despite the exchange revaluation.

Notwithstanding an exchange rate devaluation caused by the expansionary monetary policy, the euro area and Japan have seen more modest growth. Output is still far below its capacity. Recovery of the European economy, which began in the second quarter of 2013, continued through 2015. This recovery is primarily the result of private consumption. Companies have benefited from the depreciation of the euro and the energy price slump. Investment has increased moderately, despite improved financial conditions triggered by the expansionary monetary policy.

The price of oil has continued on a plummeting downward trend. The cost of Brent in euros plunged by 36.4%, followed by more moderate descents of 9.3% in 2014 and 5.8% in 2013. The spot price per barrel was 28.3 euros in January (three month moving median) representing a record low in the last 12 years (since April 2004). One would expect the oil price slump to stimulate global demand, as oil importers have more of a tendency to spend than its exporters. However, this was not the case owing to financial instability and low investment recorded in the energy sector, which was specifically affected by low profitability stemming from the price slump.

In the European Union, the unemployment rate fell from 11% at the start of 2013, to 9% by the end of 2015. Employment was observed to recover steadily, coming close to the record high observed before the crisis. In the USA, unemployment levels stood at 5%, representing the lowest rate in the last 8 years (since February 2008). Recovery in the European Union has been backed by consumer demand which, in turn, has been aided by low inflation. Investment, on the other hand, has continued to remain at low levels with stable company credit demands, despite the ultra expansionary monetary policy.

Out of the group of European countries requiring an external bailout (Ireland, Portugal, Greece and Cyprus), only Greece has failed to show signs of recovery. Ireland, Spain and Cyprus have recorded growth levels above euro area levels. Ireland is evidently recovering, recording a remarkable growth of 6.9% in 2015,



while Portugal and Cyprus, albeit more moderately, have both shown clear signs of recovery, with respective growth rates of 1.4% and 1.5% in 2015.

Devaluation of the euro exchange rate has been observed since September 2014. In 2015, depreciation of the euro stood at 16.5% against the US dollar, 4.3% against the yen and 10% against the sterling pound. As a result of this depreciation, almost all the euro area countries have gained market shares in international markets. Owing to the euro exchange rate plummet, price competitiveness in the euro area inverted in 2015 to the trend prior to the fall. The effective exchange rate in the euro area fell by 9.7% following increases of 0.2% in 2014 and 5% in 2013. The oil price slump has contributed to keeping inflation and the expansionary monetary policy low.

Inflation rates in the advanced countries have remained below the goal levels of the central banks. In the advanced countries, prices increased marginally in 2015 (0.3%), compared with an increase of 1.4% in 2014. In the emerging and developing countries, inflation has remained stable, close to 5%. In the European Union, inflation stood at 0.0%, while the USA recorded respective rates of 0.1% and 0.8% respectively.

Recovery in Europe has enabled the majority of countries to reduce their public deficits. In the euro area, aggregate public deficit for all the countries as a percentage of GDP decreased in 2015 by 0.4 percentage points, standing at 2.2%. The number

of countries to which the Excessive Deficit Procedure still applies fell from 16 in 2014 to 9 in 2015. In general, the interest fall in sovereign debt has allowed the advanced countries to follow expansionary fiscal policies. In 2015, the fiscal deficit stood at 2.5% in the European Union, 4.2% in the USA and 5.1% in Japan.

## SUB-SAHARAN AFRICA

The Sub-Saharan region of Africa, which recorded GDP growth of 5. % in 2014, is still the second region in the world with the highest growth rate, attained a year-on-year growth of 3.8% in 2015, lower than 2014. The main risks of the economy of Sub-Saharan Africa are the plummeting tax revenue for the commodity-dependent economies; exchange depreciations; slowdown of the Chinese economy; potential changes in the USA Federal Reserve interest rates (FED-Central bank) and, ultimately, the decompression of bond risk premiums in the advanced economies.

Given this unfavourable scenario, in some countries of the region, economic growth has remained steady, recording upward trends above 7%. Countries such as the Democratic Republic of Congo, Mozambique and Tanzania, recording respective growth rates of 8.4%, 7.0% and 6.9%, in addition to the Ivory Coast and Ethiopia, both with economic growth rates of 7%, were primarily supported by investments in infrastructures and private consumption.



BIC Seguros Kiosk- Avenida Shopping Mall

The Sub-Saharan region of Africa recorded GDP growth of 5.0% in 2014, and is still the second region in the world with the highest growth rate, attained a year-on-year growth of 3.8% in 2015.

Notwithstanding, other countries in the region have seen their economic growth follow the worldwide trend and are feeling the brunt of the price of commodities. The oil exporters of the region are the most affected, since the price slump has had a considerable negative impact on exploration revenue, obliging them to make budgetary adjustments (particularly Nigeria and Angola). There are also other countries which, despite feeling the impacts of this plummet in the price of commodities, such as oil, saw a mitigation in the costs of energy import.

The South African economy decreased to 1.4% in 2015, against 1.5% in 2014, projecting a further downturn to 1.3% in 2016. The weak performance of the South African economy was a result of the drought that affected the country in 2015, low external demand, low commodity prices and currency depreciation. However, it was also due to structural factors, particularly the restriction on the supply of electricity, a low-skilled workforce, the scarcity of infrastructures and political problems related to the bad management of public funds. The end of 2015 was also marked by the Finance Minister being replaced twice.

As for the monetary market, tension in the mining sector, a fall in the price of metal commodities, concerns related to growth of the Chinese economy and the expectation of increased interest rates on the part of FED, obliged the South Africa Reserve Bank (SARB –South African Central Bank) to increase its benchmark interest rate to curb inflation around potential salary increases of the civil service and the miners. The South African inflation rate remained between the 3% and 6% limits stipulated by the Central Bank. This dampening of the inflation rate was mainly the result of low raw-material prices and a restrictive monetary policy.

Nigeria, boosted by its diversified economy, projected favourable growth for 2015, with a more attenuated rate of 4%, vis-à-vis the 6.3% recorded in 2014. Notwithstanding, a moderate acceleration of the economy to 4.3% is projected for 2016. The inflation rate saw a year-on-year growth from 7.9% to 9.6% in 2015, pursuant to IMF data.

In line with other oil exporting countries, the Angolan economy was affected by the price slump of over 50%. Real GDP growth fell from 4.8% in 2014 to 4.0% in 2015. The inflation rate soared to 14.27% in 2015, against the 7% BNA target. In order to leverage the economy, it was necessary to increase public debt from 31% in 2014, to 45.8% of GDP in 2015.

Pursuant to known figures, in 2015, the growth rate of the economy in Mozambique remained below 7%, owing to a reduction in foreign investment inflow, a restrictive fiscal policy, a fall in external revenue and currency depreciation. The metical depreciation by approximately 50% triggered an increase in the inflation rate and depleted the Net International Reserves (NIR) stock, forcing the central bank to adopt a more restrictive monetary policy. The IMF anticipates a growth of 6.5% for 2016, based on heavy investment in natural gas and coal production products.

## THE ANGOLAN ECONOMY

2015 was a year marked by plunging oil prices, which negatively impacted the Angolan economy, and directly contributed to a plummet in net exports. The excessive supply of oil in the international market and the slowdown of the main world economies led to over a 50% reduction in the price per oil barrel, making an adjustment of the Angolan economy unavoidable, which saw a year-on-year slump in its tax and export revenue of approximately 40%, thus inducing a high balance of payments deficit in its tax revenue in 2015.

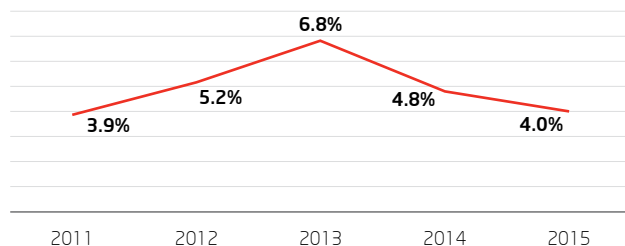
Diversification is a vehicle for long-term sustainability in order to boost the collection of non-oil revenue and to bolster the country's self-sufficiency.

A negative impact on the economy was inevitable and obliged the Angolan Government to adjust the Annual Budget by taking even more conservative assumptions into consideration. The contribution of oil revenue, the main source of revenue of the Annual Budget, amounted to over 75% and also the main source of tax revenue, representing over 90%, were reduced by 35.7%, changing their value of 4.1 trillion kwanzas to 2.6 trillion kwanzas. By the same token, expenditure was cut by 33%, plunging from 5.2 trillion Kwanzas to 3.4 trillion.



Overall, a slowdown in economic activity was observed which, naturally, led to a downward revision of growth rates for 2015. The real GDP growth rate stood at 4.0% for 2015, far short of the projections of the National Development Plan which had estimated a growth rate for the Angolan economy of 8.8%, 9.8% for oil GDP and 5.3% for non-oil GDP.

### Real GDP Growth (in%)



Angolan public debt increased considerably to approximately 46% of GDP, while Net International Reserves reached 24,550 million US dollars, equivalent to approximately 6 months of imports. Inflation rocketed to 14.27%, surpassing the initial aim of a maximum of 9% of the Central Bank of Angola.

Within this landscape, exposure of the Angolan economy to external shocks will be even greater, given the current economic

conjecture of the country, characterised by a reduction in international reserves and exports and higher international and domestic indebtedness, as a means to curb current expenditure and capital.

### GROSS DOMESTIC PRODUCT

The year 2015 will remain marked by the constant readjustment of macroeconomic scenarios and great uncertainty in terms of recovery projections in oil prices. Indeed, 2015 saw an economy deceleration and fell far short of initial projections for the year, all of this after golden years of significant economic growth.

The constraints that continue to hamper economic activity also obstruct fulfilment of the strategic diversification goals of the Angolan economy. Diversification is a vehicle for long-term sustainability which seeks to potentiate the collection of non-oil revenue and to improve the self-sufficiency of the country through a gradual substitution of imports. Angolan domestic production is still relatively low given the current market demand, and is highly dependent on the oil sector, which despite having recorded a reduction in prices, was still one of the sectors that contributed to real GDP growth.



## Real GDP growth - Production

(annual percentage variation)

	2013	2014	2015	2016 Proj.
GDP mp	6,8	4,8	4,0	3,3
Oil Sector	-0,3	-0,8	2,3	1,5
Non-oil Sector	7,2	5,6	1,7	1,9
Agriculture	42,3	11,9	2,5	4,6
Fish and derivatives	2,4	19,1	2,0	0,2
Diamonds and other	3,3	1,0	3,2	1,0
Oil	-0,9	-2,6	7,8	4,8
Manufacturing Industry	8,6	8,1	2,6	3,1
Construction	8,1	8,0	3,5	3,1
Energy	34,4	17,3	12,0	20,0
Market services	7,0	8	2,2	2,4
Other	0,7	6,0	1,1	0,0

Source: Treasury

According to data published by the Treasury, the real GDP growth rate stood at 4.0% in 2015, reflecting a slowdown of 4 pp when compared with the projections of the National Development Plan, in which oil production presented a growth of 7.8%, resulting from a production increase in some blocs, despite price instability. The non-oil sector was the most affected by the oil price slump, notwithstanding it recorded positive growth, in the region of 1.7%, against 5.6% observed in 2014. In terms of sector contribution to global GDP, in spite of external shocks, and contrary to 2014, it was the oil sector that contributed most with 2.3%.

Growth in the non-oil sector was based on the energy (12%), construction (3.5%) and diamonds and other (3.2%) sectors, and agriculture (2.5%). The agricultural economy is still experiencing sharp slowdowns, reflecting an unstable and unsustainable trend of the sector which, in 2012, recorded negative growth in view of the persistent drought which devastated the country. The Government is projected to bolster investment in projects that will contribute to a diversification of the economy, and put effort into attracting private investment, thus boosting an increase in domestic production and in short-term exports.

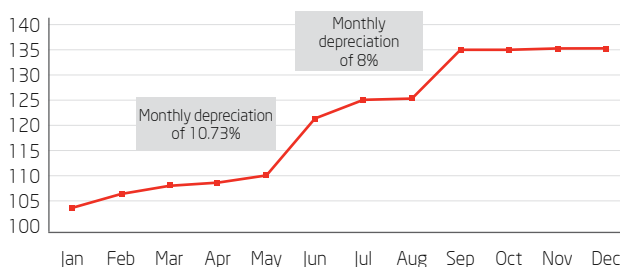
In order to re-launch the economy, public debt is important to tackle the crisis, to enable action that is not oil-dependent. New methods for managing the financial activity of the state are necessary, and at this level, the Programa de Potenciação da *Receita Tributária* [Tax Revenue Boost Programme] has a broader dynamic, allowing for an increase in non-oil tax revenue, which could offer a higher contribution to revenue in oncoming years.

## FOREIGN EXCHANGE MARKET

The economic conjecture in 2015, driven by the oil price slump, led to a decrease in the inflow of foreign currency to Angola and, consequently, less availability of currencies for the liquidation of foreign transactions on the part of the government, companies and individuals. These factors had a considerable impact on the imbalance of the foreign exchange market, serving to create significant exchange pressure which culminated in depreciation of the domestic currency. Furthermore, the gap between the formal and informal foreign exchange rates increased exponentially to spreads above 100%.

Throughout 2015, the Banco Nacional de Angola (BNA) proceeded to depreciate the Kwanza in relation to the US dollar on a number of occasions, which led to an accumulated depreciation in the region of 30%. This exchange depreciation emerged at the point when the inflow of other currencies into the economy had been lower since the 2nd semester of 2014, having remained so to date, resulting from the crude oil price reduction in international markets and, by default, in oil revenue. Naturally, this is one of the factors that contributed to the acceleration of inflation from the beginning of the depreciation period.

### Evolution of Exchange Rates



## INFLATION AND THE MONETARY MARKET

Evolution over recent years has revealed an economy that is highly dependent on oil, to the point of jeopardising Angola's intention to become a benchmark economy of the Sub-Saharan region. The monetary policies adopted throughout 2015 aimed to control the overall level of prices and to secure the stability of the national financial system.

Accumulated inflation stood at 7.44% in 2014, while in December 2015, the accumulated rate was recorded at 14.27%, reflecting a percentage increase of 51.4%. Three factors were determinant for this inflation trend: depreciation of domestic currency against the US dollar, reflecting a correction in the region of 30% when compared with December 2014, adjustment of the price of fuel which ceased to be subsidised by the government, to be

regulated by a free price system and an increase in imported goods to the detriment of a currency reduction in the market through oil exports.

## GENERAL EVOLUTION OF THE INSURANCE SECTOR

According to recent data referring back to 2013, the insurance penetration rate is still relatively low, representing just 0.82% of Angolan GDP. Notwithstanding, high growth levels in the insurance sector have been recorded, reflected in the overall increase of premiums (in 2013 the insurance market recorded a year-on-year growth of 11.25% with premiums reaching approximately 97.6 billion Kwanzas) and in the increasing number of Insurance companies operating in Angolan territory, represented by 18 entities licensed to market Insurance by the end of 2015.

Based on the same data, the Non-Life branches represent 98% of the total output of Insurance brokers, which is considered normal, given the social and economic contextualisation of countries in a similar state of development. In terms of claims, the overall rate stood at 30% in 2013, a still relatively low figure in comparison with Insurance markets in a more advanced state of maturity, however this gap is likely to close as the insurance culture becomes more established among the population.

Recent Angolan government guidelines for strict compliance with the implementation of mandatory insurance policies, namely motor third party liability and Workmen Compensation, along with the restructuring of some branches such as agricultural insurance and Cargo, will give rise not only to growth in the insurance market, but also to an awareness of the population of the importance of insurance in their lives, which will continue to contribute to the evolution of the Angolan economy.







Luanda Bay



# 03

## ACTIVITY FRAMEWORK

- › MAIN LINES OF ACTIVITY
- › EVOLUTION PROJECTIONS
- › DISTRIBUTION NETWORK  
AND GEOGRAPHICAL PRESENCE
- › HUMAN RESOURCES



# MAIN LINES OF ACTIVITY

After implementation of the insurance project within the BIC universe, culminating in the launch of BIC Seguros on 15 October 2014, the official date of the Company's inauguration, 2015 marked the first full year of its operations.

The emergence of BIC Seguros coincided with a the above-mentioned sharp slowdown of the Angolan economy. However, in 2015, the Company managed to surpass the 9 million USD of gross premiums written, through monthly exponential, and above all sustainable growth, grounded in a sound business insurance underwriting policy, which was reflected in balanced output and low claims rates.

In addition to such sustained growth of the customer portfolio, enabling a highly positive underwriting result for the first year of activity, the Company also recorded an excellent average collection period, thus allowing for effective management of its liquidity and a remarkable performance in financial terms.

The main features of the year 2015 are analysed in greater detail below:

## INFORMATION SYSTEMS

In the area of information systems, the main concern was not only to improve and adapt the system to the organisational processes of the Company, but also to upgrade the physical infrastructures, through considerable investment in the acquisition of new servers.

The main measures taken as regards the information system focused on finalizing the claims management workflow and constantly improving the IT platform in the Banco BIC network, which has increasingly allowed for a de-centralised issuance of insurance policies. Furthermore, improvements were also made to the development of a specific access path to the system for



## SECURELY WITH YOU, SAFELY TOGETHER.

**ANGOLA HAS GROWN, BANCO BIC HAS GROWN. WE GROW TOGETHER.**

What the Angolans have achieved at home, at work and in their lives is proof of such growth which deserves to be protected. To this end, and to remain close to its customers, Banco BIC launched the insurance company BIC Seguros S.A, offering a broad range of insurance products adapted and adaptable to the needs of all its customers.

With BIC Seguros, our intention is to grow securely with you, safely together.

[www.bicseguros.ao](http://www.bicseguros.ao)



external partners (brokers) and to the insertion of multi-insurance policies, which are essential in the management of motor fleet insurance policies.

## TECHNICAL AREA

From a more technical perspective, the design and implementation of new Company products are worthy of mention, namely "Personal Accidents", "Boat Insurance" and "Health", the latter projected to be marketed in the second quarter of 2016.

In terms of claims management, the Company has concentrated its efforts on the swift settlement of Life and Non-Life claims, having already secured a market position and visibility to customers, displaying great efficiency in this area. Moreover, the Company has actively continued to analyse and secure partnerships with automobile workshops, establishing clinical assistance agreements, to provide assistance to the clients of the several branches.

## MARKETING AND COMMERCIAL AREA

Throughout 2015, BIC Seguros marked its presence in the main media channels, enhancing its motto "Go to your Insurance Company as you would go to your Bank". Through television and radio advertisements, on outdoors or in the written press, the BIC Seguros brand name has affirmed its trustworthiness.

The Company also marked its presence in a number of local and national Fairs, receiving several distinctions for its presence and presentation, which proves that the participation of BIC Seguros in exhibitions and events of this nature is a winning strategy.

In the first semester of 2015, an internal production campaign of all the branches and investment centres belonging to Banco BIC was launched. This campaign lasted eight weeks and focused exclusively on Motor Insurance. In addition to the excellent level of production verified, it represented a crucial step in affirming the banking channel as one of the main distribution channels of BIC Seguros.

## COMPLIANCE

The Company is guided by international best practices relative to Anti-money Laundering and Counter-Terrorist Financing.

BIC Seguros managed to surpass the 9 million USD of gross premiums written, through monthly exponential, and above all sustainable growth, grounded in a sound business insurance underwriting policy, reflected in our balanced output and low claims rates.

In 2015, the Anti-money Laundering and Counter-Terrorist Financing Manual was published, and all the employees actively participated in a training session on this theme. In the same year, a customer screening process was also initiated against the lists of international sanctions, with a view to ensuring full compliance with the identification duty laid down in the applicable laws.

In early 2016, the Company was represented in the joint meeting of the Sector with the Financial Action Task Force (FATF) in the context of its on-site visit to Angola, which culminated with the removal of Angola from the "grey list" of countries that have not substantially implemented Anti-money Laundering and Counter-Terrorist Financing.



# EVOLUTION PROJECTIONS

2016 will be the year in which BIC Seguros will consolidate its position in the Angolan market. Following the initial investment and highly positive growth verified in 2015, the main challenges for 2016 will involve:

- Continuation of the development and adaptation of products, bearing in mind the specific nature of the main distribution channel (Bank), a segment in which the Company is pioneer in Angola;
- Consolidation of the growth of BIC Seguros, both in terms of production output and market share;
- Capitalization on the challenges deriving from the economic slowdown in order to identify new business opportunities;
- Launching of new products, particularly in the area related to Health;
- Continuation of excellence in the rendering of services to customers, with a view to their utmost satisfaction, grounded on the efficiency and quality of the Company's services, namely in terms of claims settlement;
- Maturity of procedures and internal control processes, so as to project the image of a modern, reliable Company and a distinguished brand name in the dissemination of information to stakeholders;

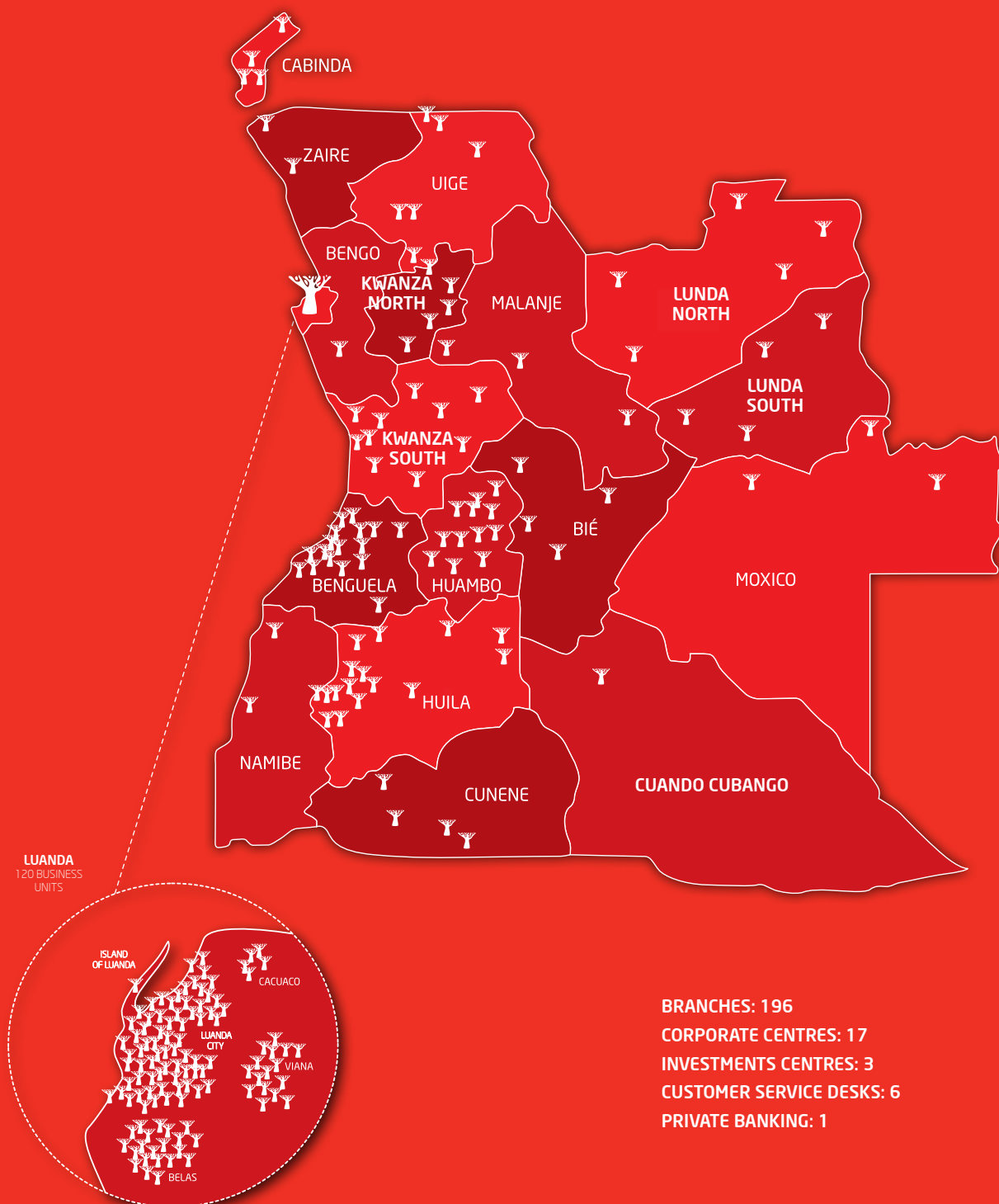
The main challenges for 2016 involve consolidating the growth of BIC Seguros, both in terms of production output and market share

- Continuous concern with the development of our employees, based not only on their respective training, but also on performance management practices and incentive encouragement;
- Development of relations with Reinsurance partners, seeking to strengthen existing partnerships and establishing new relations;
- Opening of the Company's own sales point: "BIC Seguros Kiosk", in a renowned commercial venue in Luanda; and
- Collaboration with ARSEG [Agency for Insurance Supervision and Regulation] and other official entities.

# DISTRIBUTION NETWORK AND GEOGRAPHICAL PRESENCE

BANCO BIC, S.A. AND BIC SEGUROS, S.A.

Broad range of Life and Non-Life Insurance products available at all Banco BIC branches and through a network of representatives covering the entire country.



\*Network updated at 31 December 2015

# HUMAN RESOURCES

Employees are one of the main pillars of BIC Seguros activity. The Human Resources policies implemented by the Company are based on the active management of talent as a differentiating factor. Attracting, retaining, generating and developing professional talent, in working conditions that foment a genuine sense of pride and belonging in our staff, continues to be the main goal of BIC Seguros in terms of its Human Resources.

The Human Resources Office, part of the Communications and Public Relations Department, is responsible for establishing human capital policies and practices and for fostering a healthy, balanced, competitive working environment, geared towards results.

The 2015 activity plan aimed to consolidate the Human Resources strategy by promoting structural programmes for the development of BIC Seguros from a sustained perspective:

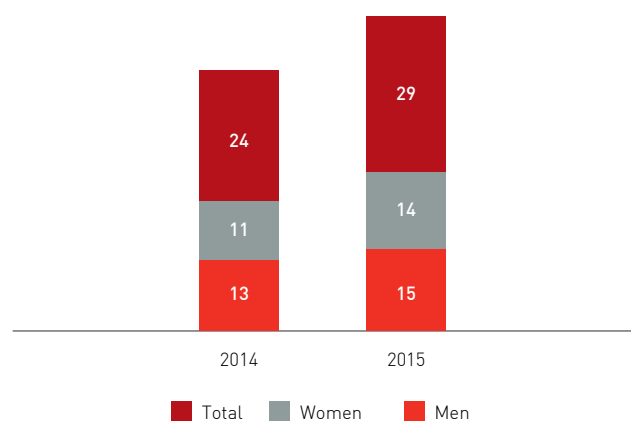
- Continuation of alignment and organisational clarification, set on adapting Human Resources to business demands and creating new opportunities for internal mobility;
- Enhancement of developmental programmes for the employees of BIC Seguros, taking new challenges and the dissemination of knowledge into account;
- Continuation of the acknowledgement of organisational and individual merit, in a sustained manner;
- Improvement of practices for recognising talent and performance.

## CHARACTERISATION OF HUMAN CAPITAL

At the end of 2015, the number of employees was observed to have evolved by 21%, against 2014.

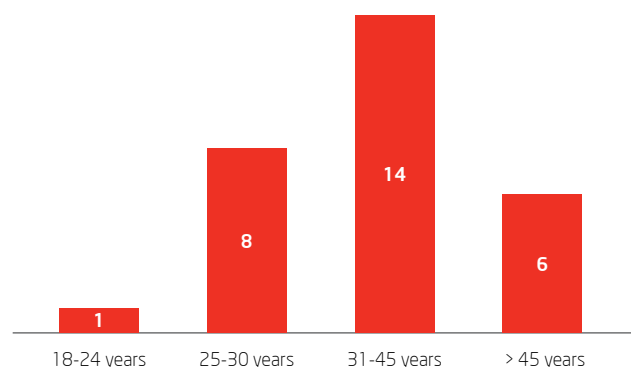
At 31 December 2015, the total number of BIC Seguros employees stood at 29. These professionals were distributed across the various areas of the Company, and all shared the same workplace in Heroínas, Luanda.

Our staff members are one of the main pillars of BIC Seguros' activity.



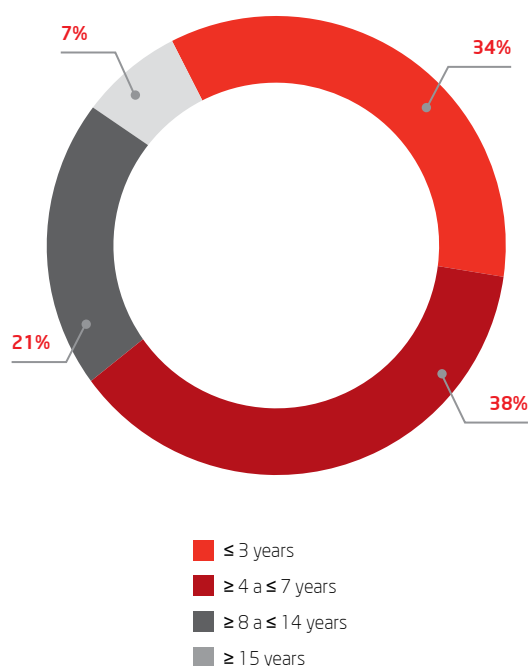
In terms of the "ratios" of experience in the insurance sector, age and higher education, the median age of the BIC Seguros employees stood in the region of 35 years. The percentage of employees with university education remained at 79%.

### Age Bracket

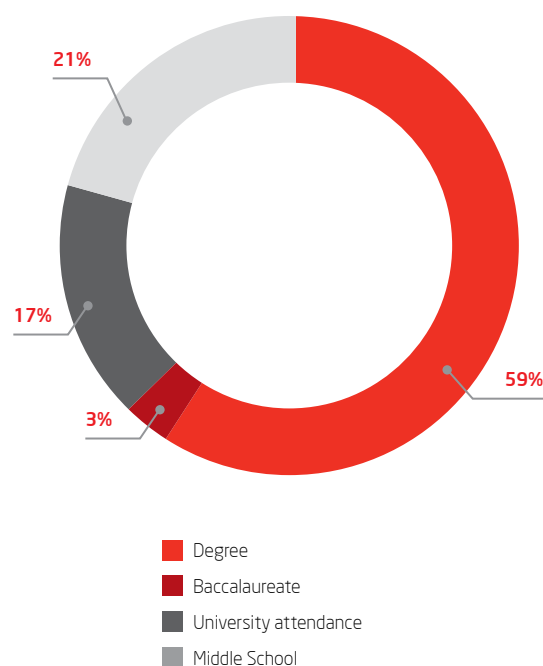




### Years of experience in the Insurance sector



### Schooling



## TRAINING AND TALENT RETENTION

Within the scope of knowledge management, deemed essential for the success of BIC Seguros, professional training remained geared towards the development of people and business, reflected in over 1,000 hours of training, 47 hours per employee.

### Training Activity

Total amount of training ( total hours of training)	1,374
Average no. of training hours per employee	47h

The main aim behind all the training sessions was to value the potential of each employee, and to align Human Resources policies with the expectations of the employees and the strategic objectives of the Institution.

The Annual Training Programme includes transversal and specific types of training. At a transversal level, behavioural training, aligned with the values and organisational strategy are examples, as is Compliance, where BIC Seguros complies with best practices in this specific area. As far as specific training is concerned, the Company has continued to invest in training sessions geared towards insurance-related technical issues, such as in training in the various branches of products (underwriting, management and claims).

## MEDICAL ASSISTANCE BENEFITS

The benefits policy of BIC Seguros, which focuses on offering support to its employees in important areas of their personal and family life, covers a broad range of additional benefits in the field of health.

In 2015, medical assistance benefits, attributed transversally, amounted to a total cost of AOA 5,261,810, of which AOA 4,209,472 represented direct costs for the Insurance Company.

## PERFORMANCE ASSESSMENT

The Performance Assessment System, an indispensable tool in the active management of talent and careers, continued to focus primarily on boosting critical competencies and a merit-based culture.

Ethical conduct and professional excellence, coupled with enthusiasm and initiative, in addition to extending appreciation for the team work of all employees, leads to an objective management approach that is geared towards the importance of Human Capital for business success.



Serra da Leba



# 04

## FINANCIAL ANALYSIS

- › DIRECT INSURANCE  
PREMIUM PORTFOLIO
- › CLAIMS INCURRED
- › REINSURANCE





# FINANCIAL ANALYSIS

## DIRECT INSURANCE PREMIUM PORTFOLIO

BIC Seguros began operating on 15 October 2014, and reported gross written premium income by the end of that year in the region of 87 million Kwanzas. In 2015, the first full year of its activity, the premium income of the Company amounted approximately to 1,162 million AOA (277 million AOA and 887 million AOA in Life and Non-Life, respectively), equivalent to around 9 million USD, thus reflecting a year-on-year global growth of 1.225%.

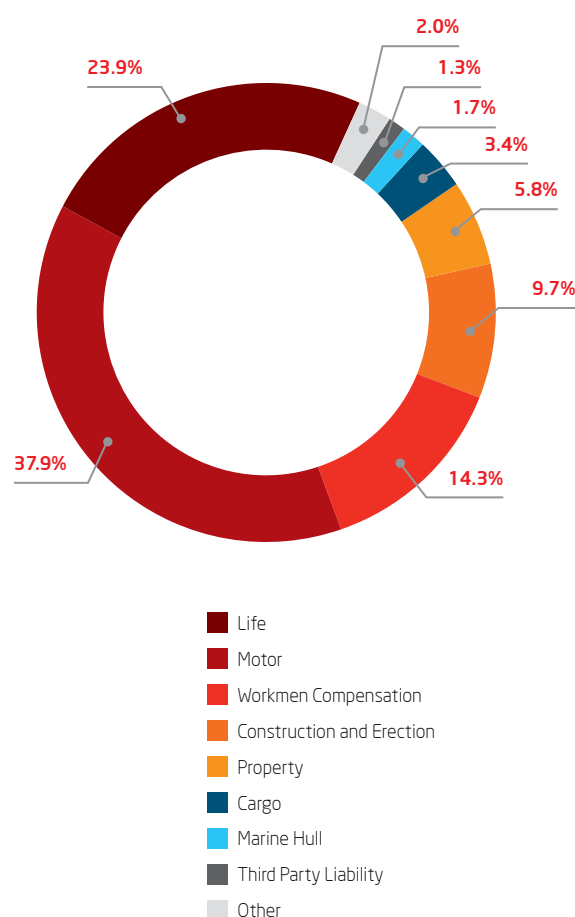
The banking channel contributed significantly to this growth, particularly in mass products, and at the end of the year was responsible for approximately 49% of BIC Seguros output.

Output is splitting down by the various branches marketed by the Company and their respective weight in total output for the year:

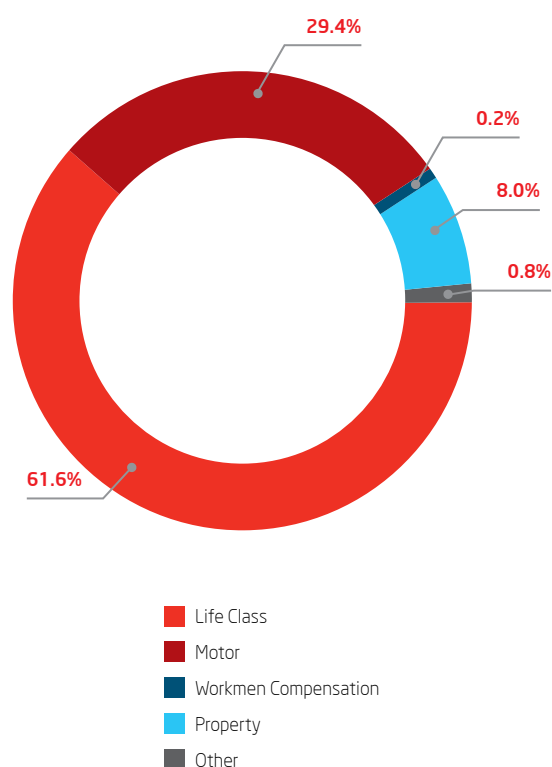
In million AOA

	2015	2014
Gross written premiums	Direct Insurance	Direct Insurance
Life	<b>277,086,673</b>	<b>54,007,977</b>
Non-Life	<b>884,649,508</b>	<b>33,662,806</b>
Motor	440,038,457	25,764,418
Workmen Compensation	166,540,684	189,793
Construction and Erection	113,146,596	-
Property	67,095,962	7,003,717
Cargo	40,015,734	-
Marine Hull	19,326,974	-
Third Party Liability	14,824,136	-
Machinery breakdown	8,416,760	-
Travel	8,268,099	285,639
Household Comprehensive	6,817,217	419,509
Personal Accidents	158,889	-
<b>Total</b>	<b>1,161,736,181</b>	<b>87,670,783</b>

## Weight of each branch in Net Output in 2015



## Weight of each branch in Net Output in 2014



Gross claims incurred is broken down by the various branches as follows:

Amounts in AOA

Costs with gross claims	2015	2014
<b>Life</b>	<b>8,755,000</b>	-
<b>Non-Life</b>	<b>119,033,082</b>	<b>1,394,545</b>
Motor	100,657,611	1,078,347
Workmen Compensation	10,012,703	7,795
Third Party Liability	8,362,768	-
Property	-	291,822
Household Comprehensive	-	16,581
<b>Total</b>	<b>127,788,082</b>	<b>1,394,545</b>

In 2015, Reinsurance costs stood in the region of 11.8 million AOA, between Third Party Liability (6.5 million AOA) and Life (5.3 million AOA).

## REINSURANCE

At 31 December 2015 and 2014, the premiums ceded to Re-insurers are splitted as follows:

Amounts in AOA

Reinsurance ceded	2015	2014
<b>Life</b>	<b>9,152,702</b>	<b>568,298</b>
<b>Non-Life</b>	<b>220,530,635</b>	<b>7,354,011</b>
Motor	14,250,501	3,647,580
Property	45,058,798	3,190,655
Household Comprehensive	4,389,910	343,791
Travel	3,144,889	31,320
Machinery breakdown	4,911,580	-
Third Party Liability	2,831,589	-
Marine Hull	18,417,699	-
Cargo	32,902,810	-
Workmen Compensation	4,169,379	37,220
Personal Accidents	83,131	-
Construction and Erection	90,370,349	103,445
<b>Total</b>	<b>229,683,337</b>	<b>7,922,309</b>

## CLAIMS INCURRED

In 2015, net reinsurance claims costs amounted to approximately 116 million AOA, including funds to the IBNR (Provision for incurred but not reported claims) to the value of 3 million AOA. Claims have remained stable and relatively low, amounting to 13.5% in overall Non-Life Branches.

In 2014, no claims were made to BIC Seguros, however a provision for IBNR was constituted by the Company, amounting to approximately 1.4 million Kwanzas at the end of the respective reporting year, which reflected the total claims costs for 2014.





Kalandula Falls





# 05

## PROPOSED APPROPRIATION OF PROFITS

> FINAL CONSIDERATIONS

# PROPOSED APPROPRIATION OF PROFITS

In view of the positive net income for the year ended 2015, standing at AOA 28,750,038, the Board of Directors proposes its respective appropriation for the coverage of retained earnings.

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YOU CAN BE SURE THAT  
THERE IS NO CAR  
BETTER THAN YOURS

BIC MOTOR INSURANCE,  
THE INSURANCE  
THAT IS BETTER  
ADAPTED TO YOU  
AND YOUR CAR.



A car is always a big investment, which is why we are always with you to make it safe. BIC Motor Insurance is flexible and offers a broad range of guarantees and services. Now, you can choose the best solution adapted to your needs.

# FINAL CONSIDERATIONS

The Board of Directors extends its gratitude to all those involved in the implementation and launch of BIC Seguros, with special acknowledgement of:

- The Angolan Agency for Insurance Supervision and Regulation (ARSEG) and the Treasury, for their supervision of the Sector and for the constant, productive dialogue maintained among all the interested parties and the Board of Directors;
- The Board of the General Meeting, the Fiscal Council and Statutory Auditors for their availability and commitment in controlling the activity of the Company;
- Banco BIC Angola and Banco BIC Português for all the support provided throughout the implementation period and since the Company's initiation of operations, thus demonstrating the strength and mutual aid within the BIC universe;
- The Brokers, Reinsurance Companies and other partners for their trust and consideration;
- The employees who, as a result of their commitment, dedication and excellence, made the launch and affirmation of BIC Seguros possible.

We also leave a special note of appreciation to our current and future customers for their preference, and to the shareholders for all their support which culminated in the establishment of BIC Seguros.

Luanda, 30 March 2016

The Board of Directors





Ruacana Falls





**06**

**FINANCIAL  
STATEMENTS**



# FINANCIAL STATEMENTS

Amounts in thousand Angolan Kwanzas

Assets	Notes	2015						2014
		Life	Non-Life	Non-Technical Accounts	Total Gross Assets	Provisions and Amortisations	Total Net Assets	Total Net Assets
<b>Investments</b>	4	<b>455,417,160</b>	<b>463,751,861</b>	<b>874,219,090</b>	<b>1,793,388,111</b>	-	<b>1,793,388,111</b>	-
Properties		36,417,160	36,417,160	-	72,834,320	-	72,834,320	-
Variable Income Securities		-	-	-	-	-	-	-
Fixed Income Securities		119,000,000	127,334,701	-	246,334,701	-	246,334,701	-
Mortgage Loans		-	-	-	-	-	-	-
Other Loans		-	-	-	-	-	-	-
Deposits in Credit Institutions		300,000,000	300,000,000	874,219,090	1,474,219,090	-	1,474,219,090	-
Other Loans		-	-	-	-	-	-	-
<b>Deposits with Ceding Companies</b>		-	-	-	-	-	-	-
<b>Technical Provisions for Reinsurance Ceded</b>	8	-	<b>118,954,074</b>	-	<b>118,954,074</b>	-	<b>118,954,074</b>	<b>2,513,447</b>
Mathematical Provision for Life Insurance		-	-	-	-	-	-	-
Mathematical Provision for Workmen Compensation		-	-	-	-	-	-	-
Unearned Premiums Provision		-	118,507,481	-	118,507,481	-	118,507,481	2,513,447
Provision for Outstanding claims		-	446,593	-	446,593	-	446,593	-
<b>Receivables from Policyholders</b>	6	<b>2,474,361</b>	<b>48,961,137</b>	-	<b>51,435,498</b>	-	<b>51,435,498</b>	<b>10,481,721</b>
> Direct		2,474,361	48,961,137	-	51,435,498	-	51,435,498	10,481,721
> Indirect		-	-	-	-	-	-	-
<b>Debtors</b>	7	-	174,508	248,126	422,634	-	422,634	367,500
Direct Insurance		-	174,508	-	174,508	-	174,508	-
Reinsurance		-	-	-	-	-	-	-
State and Other Public Entities		-	-	228,126	228,126	-	228,126	17,500
Share Capital subscribers		-	-	-	-	-	-	-
Shareholders		-	-	-	-	-	-	-
Other		-	-	20,000	20,000	-	20,000	350,000
<b>Other Asset Items</b>	5	-	<b>300,000</b>	<b>280,740,882</b>	<b>281,040,882</b>	<b>(6.120.106)</b>	<b>274,920,776</b>	<b>1,606,915,611</b>
Tangible Fixed Assets and Stocks	3	-	-	114,455,058	114,455,058	(6.120.106)	108,334,952	15,917,217
Bank Deposits and Cash		-	-	166,285,824	166,285,824	-	166,285,824	1,590,998,394
Other		-	300,000	-	300,000	-	300,000	-
<b>Accruals and Deferrals</b>	9	<b>6,303,999</b>	<b>6,483,025</b>	<b>10,955,246</b>	<b>23,742,270</b>	-	<b>23,742,270</b>	<b>253,503</b>
Interest Receivable		6,303,999	6,483,025	9,167,185	21,954,209	-	21,954,209	-
Other Accruals and Deferrals		-	-	1,788,061	1,788,061	-	1,788,061	253,503
<b>Intangible Fixed Assets</b>	5	-	-	<b>223,533,853</b>	<b>223,533,853</b>	<b>(81.606.272)</b>	<b>141,927,581</b>	<b>145,802,504</b>
<b>Total</b>		<b>464,195,520</b>	<b>638,624,605</b>	<b>1,389,697,197</b>	<b>2,492,517,322</b>	<b>(87.726.378)</b>	<b>2,404,790,944</b>	<b>1,766,334,286</b>

Notes to the Financial Statements are an integral part of these Financial Statements

Amounts in thousand Angolan Kwanzas

Liabilities and Equity	Notes	2015				2014
		Life	Non-Life	Non-technical Accounts	Total	Total Liabilities
<b>Technical Provisions</b>	8	<b>214,549,060</b>	<b>420,523,444</b>	-	<b>635,072,504</b>	<b>70,881,647</b>
Mathematical provision for life insurance						
> Direct Insurance		214,226,602	-	-	214,226,602	41,047,957
> Reinsurance Accepted		-	-	-	-	-
Mathematical Provision for Workmen Compensation						
> Direct Insurance		-	-	-	-	-
> Reinsurance Accepted		-	-	-	-	-
Unearned Premiums Provision						
> Direct Insurance		-	360,809,808	-	360,809,808	28,400,171
> Reinsurance Accepted		-	-	-	-	-
Temporary Disability Workmen Compensation Provision		-	34,705,634	-	34,705,634	38,974
Provision for Outstanding Claims						
> Direct Insurance		322,458	25,008,002	-	25,330,460	1,394,545
> Reinsurance Accepted		-	-	-	-	-
Equalization Provision		-	-	-	-	-
<b>Revaluation and Settlement Reserve</b>	6	-	-	-	-	-
<b>Other Provisions</b>		<b>241,229</b>	<b>6,048,695</b>	<b>10,000,000</b>	<b>16,289,924</b>	-
Provision for Receivables for Policyholders		241,229	6,048,695	-	6,289,924	-
Provision for Other Debtors		-	-	-	-	-
Other Provisions		-	-	10,000,000	10,000,000	-
<b>Deposits Received from Reinsurers</b>	7	-	-	-	-	-
<b>Creditors</b>		<b>11,320,948</b>	<b>157,891,176</b>	<b>167,962,799</b>	<b>337,174,923</b>	<b>334,264,941</b>
Direct Insurance Operations		1,614,073	52,162,985	-	53,777,058	5,830,047
Reinsurance Operations		9,152,702	92,811,345	-	101,964,047	7,922,309
Bank Loans		-	-	-	-	-
State and Other Public Entities		554,173	12,916,846	3,020,257	16,491,276	2,533,002
Shareholders		-	-	-	-	-
Other		-	-	164,942,542	164,942,542	317,979,583
<b>Accruals and Deferrals</b>	9	-	-	33,182,164	33,182,164	6,866,307
<b>Capital</b>	10					
Share Capital		-	-	1,500,000,000	1,500,000,000	1,500,000,000
Share Issuance Premiums		-	-	-	-	-
Legal Reserve		-	-	-	-	-
Statutory Reserve		-	-	-	-	-
Revaluation Reserve		-	-	-	-	-
Special Reserves		-	-	-	-	-
Free Reserves		-	-	-	-	-
Value Fluctuations						
> Of Securities		-	-	-	-	-
> Of Properties		-	-	-	-	-
> Of Exchanges		-	-	-	-	-
Retained Earnings		-	-	(145,678,609)	(145,678,609)	-
Net Income for the Year		-	-	28,750,038	28,750,038	(145,678,609)
<b>Total</b>		<b>226,111,237</b>	<b>584,463,315</b>	<b>1,594,216,392</b>	<b>2,404,790,944</b>	<b>1,766,334,286</b>

Notes to the Financial Statements are an integral part of these Financial Statements

Revenue	Notes	Life	Accidents, Illness and Travel	Fire and Allied Risks	Other Damage to Property
<b>Mathematical Provision</b>		<b>173,178,645</b>	-	-	-
> Direct Insurance		173,178,645	-	-	-
> Reinsurance Accepted		-	-	-	-
> Reinsurance Ceded (Decrease)		-	-	-	-
<b>Unearned Premiums Provision</b>		-	4,560,125	78,501,069	182,054,745
> Direct Insurance		-	4,560,125	74,190,821	159,506,040
> Reinsurance Accepted		-	-	-	-
> Reinsurance Ceded (Decrease)		-	-	4,310,248	22,548,705
<b>Temporary Disability Workmen Compensation Provision</b>	8	-	<b>34,666,660</b>	-	-
<b>Equalization Provision</b>		-	-	-	-
<b>Profit Participation</b>		-	-	-	-
<b>Provision for Receivables for Policyholders</b>	6	<b>241,229</b>	<b>568,790</b>	<b>2,799,581</b>	-
<b>Claims</b>	12	<b>8,755,000</b>	<b>10,012,703</b>	-	-
Direct Insurance					
> Reporting Period		8,755,000	10,012,703	-	-
> Previous Reporting Periods Adjustments		-	-	-	-
> Reinsurance Accepted		-	-	-	-
<b>Commissions</b>		<b>11,545,278</b>	<b>16,532,062</b>	<b>1,863,343</b>	<b>10,898,025</b>
> Direct Insurance		11,545,278	16,532,062	1,863,343	10,898,025
> Reinsurance Accepted		-	-	-	-
> Acquisition Costs		-	-	-	-
<b>Reinsurance Charges</b>	11	<b>9,152,702</b>	<b>7,397,399</b>	<b>49,448,708</b>	<b>95,281,929</b>
> Premiums		6,980,849	3,228,020	46,983,850	94,270,851
> Interest		-	-	-	-
> Minimum Deposit Premium		2,171,853	4,169,379	2,464,858	1,011,078
<b>Losses from Investments</b>	13	-	-	-	-
> Due to Technical Provisions		-	-	-	-
> Non-Technical		-	-	-	-
Staff Costs	15	-	-	-	-
Other Administrative Costs	14	-	-	-	-
Taxes and Charges		-	-	-	-
Depreciations	5	-	-	-	-
Provision for Other Debtors		-	-	-	-
Other Provisions		-	-	-	-
Other Costs		-	-	-	-
Other Costs and Losses		-	-	-	-
Income Tax for the Year		-	-	-	-
<b>Total</b>		<b>202,872,854</b>	<b>73,737,739</b>	<b>132,612,701</b>	<b>288,234,699</b>

Notes to the Financial Statements are an integral part of these Financial Statements



Amounts in thousand Angolan Kwanzas

2015							2014
Motor	Cargo	Petrochemical	Third Party Liability	Others	Non-Technical Accounts	Total	Total Costs
-	-	-	-	-	-	<b>173,178,645</b>	<b>41,047,957</b>
-	-	-	-	-	-	173,178,645	41,047,957
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
448,801,072	40,216,378	-	18,176,108	-	-	772,309,497	31,393,688
448,801,072	35,275,608	-	16,472,476	-	-	738,806,142	31,393,688
-	-	-	-	-	-	-	-
-	4,940,770	-	1,703,632	-	-	33,503,355	-
-	-	-	-	-	-	<b>34,666,660</b>	<b>38,974</b>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>2,680,324</b>	-	-	-	-	-	<b>6,289,924</b>	-
<b>100,657,611</b>	-	-	<b>8,362,768</b>	-	-	<b>127,788,082</b>	<b>1,394,545</b>
100,657,611	-	-	8,362,768	-	-	127,788,082	1,394,545
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>30,644,095</b>	<b>1,572,334</b>	-	<b>1,821,263</b>	-	-	<b>74,876,400</b>	-
30,644,095	1,572,334	-	1,821,263	-	-	74,876,400	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>14,250,501</b>	<b>51,320,509</b>	-	<b>2,831,589</b>	-	-	<b>229,683,337</b>	<b>7,922,309</b>
-	51,320,509	-	2,831,589	-	-	205,615,668	3,257,509
-	-	-	-	-	-	-	-
14,250,501	-	-	-	-	-	24,067,669	4,664,800
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	252,759,245	252,759,245	83,485,159
-	-	-	-	-	121,707,401	121,707,401	61,961,689
-	-	-	-	-	9,393,924	9,393,924	1,071,478
-	-	-	-	-	68,570,365	68,570,365	19,156,013
-	-	-	-	-	-	-	-
-	-	-	-	-	10,000,000	10,000,000	-
-	-	-	-	-	2,469,878	2,469,878	11,268
-	-	-	-	-	2,075,881	2,075,881	(2,459)
-	-	-	-	-	-	-	-
<b>597,033,603</b>	<b>93,109,221</b>	-	<b>31,191,728</b>	-	<b>466,976,694</b>	<b>1,885,769,239</b>	<b>247,480,621</b>

Revenue	Notes	Life	Accidents, Illness and Travel	Fire and Allied Risks	Other Damage to Property
<b>Mathematical Provision</b>	8	-	-	-	-
> Direct Insurance (Decrease)		-	-	-	-
> Reinsurance Accepted (Decrease)		-	-	-	-
> Reinsurance Ceded		-	-	-	-
<b>Unearned Premiums Provision</b>	11	-	<b>3,402,476</b>	<b>67,182,019</b>	<b>165,868,631</b>
> Direct Insurance (Decrease)		-	3,402,476	52,497,696	65,162,410
> Reinsurance Accepted (Decrease)		-	-	-	-
> Reinsurance Ceded		-	-	14,684,323	100,706,221
<b>Temporary Disability Workmen Compensation Provision</b>	8	-	-	-	-
<b>Equalization Provision</b>		-	-	-	-
<b>Distributed Earnings</b>		-	-	-	-
<b>Premiums</b>	11	<b>277,086,673</b>	<b>174,967,672</b>	<b>73,913,179</b>	<b>121,563,356</b>
Direct Insurance		277,086,673	174,967,672	73,913,179	121,563,356
Reinsurance Accepted		-	-	-	-
Co-insurance Special Scheme		-	-	-	-
Co-insurance Accepted		-	-	-	-
<b>Reinsurance Revenue</b>		<b>5,325,418</b>	<b>24,939</b>	<b>15,023,059</b>	<b>3,539,677</b>
> Claims	12	5,325,418	-	-	-
> Commissions		-	24,939	15,023,059	3,539,677
<b>Profits from Investments</b>	13	<b>13,983,647</b>	<b>3,628,201</b>	<b>1,451,280</b>	<b>1,451,280</b>
> Due to Technical Provisions		13,983,647	3,628,201	1,451,280	1,451,280
> Non-Technical		-	-	-	-
Other Income		-	-	-	-
Other Income and Gains		-	-	-	-
<b>Total</b>		<b>296,395,738</b>	<b>182,023,288</b>	<b>157,569,537</b>	<b>292,422,944</b>

Notes to the Financial Statements are an integral part of these Financial Statements

Amounts in thousand Angolan Kwanzas

2015							2014
Motor	Cargo	Petrochemical	Third Party Liability	Other	Non-Technical Accounts	Total	Total Revenues
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>266,369,495</b>	<b>36,099,466</b>	-	<b>16,971,807</b>	-	-	<b>555,893,894</b>	<b>5,506,964</b>
266,369,495	6,305,012	-	12,659,415	-	-	406,396,504	2,993,517
-	-	-	-	-	-	-	-
-	29,794,454	-	4,312,392	-	-	149,497,390	2,513,447
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>440,038,457</b>	<b>59,342,708</b>	-	<b>14,824,136</b>	-	-	<b>1,161,736,181</b>	<b>87,670,783</b>
440,038,457	59,342,708	-	14,824,136	-	-	1,161,736,181	87,670,783
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	<b>324,433</b>	-	<b>7,312,792</b>	-	-	<b>31,550,318</b>	-
-	-	-	6,470,868	-	-	11,796,286	-
-	324,433	-	841,924	-	-	19,754,032	-
<b>7,256,402</b>	-	-	<b>725,640</b>	-	<b>129,519,706</b>	<b>158,016,157</b>	<b>8,624,265</b>
7,256,402	-	-	725,640	-	-	28,496,451	-
-	-	-	-	-	129,519,706	129,519,706	8,624,265
300,000	-	-	-	-	-	300,000	-
-	-	-	-	-	7,022,727	7,022,727	-
<b>713,964,354</b>	<b>95,766,607</b>	-	<b>39,834,375</b>	-	<b>136,542,433</b>	<b>1,914,519,277</b>	<b>101,802,012</b>



## Cash Flow Statement for the period ended 31 December 2015

Amounts in thousand Angolan Kwanzas

2015

### Cash Flows Generated by Operating Activities:

Operating cash flows prior to variations in assets and liabilities:	
> Premiums received, net of reinsurance	930,666,894
> Claims paid, net of reinsurance	(92,502,473)
> Payments to suppliers	(100,604,066)
> Payments to employees	(242,748,488)
> Other	(64,819,595)
	<b>429,992,272</b>
(Increases) / decreases in operating assets	
> Debtors for direct insurance and reinsurance operations	(63,495,438)
> Debtors for other operations	119,374
	<b>(63,376,064)</b>
(Increases) / decreases in operating liabilities	
> Creditors for direct insurance and reinsurance operations	162,189,329
> Creditors for other operations	(153,162,293)
> Other liabilities	14,083,526
	<b>23,110,562</b>
Net cash from operating activities before tax	389,726,770
Income tax payments	-
<b>Net cash from operating activities</b>	<b>389,726,770</b>

### Cash Flows from Investment Activities:

Receipts on the sale or redemption of:	
> Income from financial assets	136,061,948
	<b>136,061,948</b>
Payments arising from the acquisition or origination of:	
> Financial assets	(1,720,553,792)
> Properties	(72,834,320)
> Tangible and Intangible assets	(157,113,177)
> Other	-
	<b>(1,950,501,289)</b>
<b>Net cash from investment activities</b>	<b>(1,814,439,341)</b>
Net increase (decrease) of cash and cash equivalents	(1,424,712,570)
Cash and cash equivalents at the start of the year	1,590,998,394
Cash and cash equivalents at the end of the year	166,285,824
	<b>(1,424,712,570)</b>

## Cash Flow Statement for the period ended 31 December 2014

Amounts in thousand Angolan Kwanzas

2014

### Cash Flows Generated by Operating Activities:

Operating cash flows prior to variations in assets and liabilities:	
> Premiums received, net of reinsurance	88,099,053
> Claims paid, net of reinsurance	-
> Payments to suppliers	(54,880)
> Other	(155,944)
	<b>87,888,229</b>
(Increases) / decreases in operating assets	
> Debtors for direct insurance and reinsurance operations	(10,481,721)
> Debtors for other operations	-
	<b>(10,481,721)</b>
(Increases) / decreases in operating liabilities	
> Creditors for direct insurance and reinsurance operations	5,830,047
> Creditors for other operations	-
	<b>5,830,047</b>
Net cash from operating activities before tax	83,236,555
Income tax payments	-
<b>Net cash from operating activities</b>	<b>83,236,555</b>
<b>Cash Flows from Investment Activities:</b>	
Receipts on the sale or redemption of:	
> Loans and accounts receivable	-
> Earnings from financial assets	7,761,839
> Other receipts	-
	<b>7,761,839</b>
<b>Net cash from investment activities</b>	<b>7,761,839</b>
<b>Cash Flows from Financing Activities:</b>	
Capital increases	1,500,000,000
Distribution of dividends	-
<b>Net cash from financing activities</b>	<b>1,500,000,000</b>
Net increase (decrease) of cash and cash equivalents	1,590,998,394
Cash and cash equivalents at the start of the year	-
Cash and cash equivalents at the end of the year	1,590,998,394
	<b>1,590,998,394</b>

# NOTES TO THE FINANCIAL STATEMENTS

## as of 31 December 2015 and 2014

(Amounts in Kwanzas - AOA, unless otherwise stated)

### 1. Introduction

BIC SEGUROS, S.A. ("BIC SEGUROS" or "Company") was incorporated on 7 June 2014, and disclosed in the Official Gazette, no. 151- 3rd Series of 7 August 2014. The Company began its operations on 15 October 2014.

The head office of BIC SEGUROS is located in Luanda, and its aim is to engage in the Life and Non-Life Branches of the Insurance activity. The Company was issued the license to operate as such on 29 September 2014 by the Angolan Agency for Insurance Supervision and Regulation (ARSEG), and is also authorised to develop other businesses connected to its main activities and to establish partnerships with other companies, provided that their aim is equal or complementary to its own.

At 31 December 2015 and 2014, the Company was composed of 1 functioning agency, while its presence was visible in all the provinces of the Angolan territory through the network of Banco BIC S.A. ("Banco BIC") branches, authorised to market the products of the Company.

The financial statements of BIC SEGUROS as at 31 December 2015 were approved by the Board of Directors on 3 February 2016. These financial statements are currently pending approval by the corresponding governing bodies. Notwithstanding, the Board of Directors foresees their approval without any significant changes.

### 2. Presentation Basis and Summary of Significant Accounting Policies

#### 2.1. Presentation Basis

The financial statements were prepared on a going concern basis from the ledgers and records kept by the Company, in conformity with the accounting principles established in the Chart of Accounts of Insurance Companies (PCES), as defined in Decree 79 - A/02, of 5 December, of the Council of Ministers, and subsequent amendment promulgated in the Official Gazette of 24 May 2004.

#### 2.2. Accounting Policies

The most significant accounting policies used in the preparation of the financial statements are as follows:

##### 2.2.1. Accruals Basis

Income and costs are recognised when obtained or incurred, irrespective of the time of their receipt or payment, and should be included in the financial statements of their respective reporting periods.

##### 2.2.2. Transactions in foreign currency

BIC SEGUROS accounts are prepared in accordance with the currency used in the economic area in which it operates - Kwanza (AOA), referred to as the "functional currency".

Assets and liabilities denominated in foreign currency are recorded on the basis of their exchange value at the average commercial banking exchange rate of purchase and sale at the balance sheet date.

Differences are recognised in the respective profit and loss accounts, with the exception of the provision relative to investments, and are recorded under the heading "Value Fluctuations".





As at 31 December 2015 and 2014, the exchange rate of the Angolan Kwanza (AOA) relative to the US Dollar (USD) and Euro (EUR) was as follows:

	2015	2014
1 USD	136,850	102,863
1 EUR	149,509	125,195

### 2.2.3. Investments

Investments are valued on the basis of application of the current value principle.

#### a) Properties

Properties are valued as per the current market value at the date of valuation. When it is not possible to determine the market value, the value is determined by application of the purchase price or production cost principle.

#### b) Financial investments

Financial investments are valued by the respective quotation on the reference date of the Financial Statements, whereby this value is taken as the current market value.

When it is not possible to obtain a quotation, the financial investments are valued on the basis of a prudent appraisal of their realisation value, however they may not surpass their proportional value in the equity of the respective company, pursuant to the last approved balance sheet, in the case of stocks and shares, or the purchase or nominal value in the case of bonds purchased during the reporting year, or previous reporting years, respectively.

The differences between the purchase price, which should include associated costs, and the current value, calculated in accordance with the afore-mentioned valuation criteria, are recorded under the heading "Value Fluctuations".

When financial investments are disposed of, any gains or losses made are recorded in the income statement of the respective reporting year, under the headings "Profits from Investments" and "Losses from Investments".

#### c) Financial investment income

Income from financial investments recorded in the period is regulated by the accrual principle, with the exception of income from shares that are only recorded at the time of effective receipt of dividends.

### 2.2.4. Tangible and intangible fixed assets

Intangible fixed assets are recorded at acquisition cost, less accumulated depreciation. Depreciation, recorded in costs for the period, is calculated on a straight-line basis over the estimated years of useful life of the assets, which corresponds to a period of three years.

Software maintenance costs are recorded under costs for the period.

Tangible fixed assets are recorded at acquisition cost, which covers the acquisition cost plus associated expenses until the asset becomes operational. Depreciation is calculated on a straight-line basis over the estimated years of useful life of the asset, which corresponds to the period during which the asset is expected to be available for use and is recorded under expenses for the period.

Depreciation for the period is calculated by the straight-line method, pursuant to the rates defined in Ministerial Order 755/72:

	Years of useful life
Intangible fixed asset	3
Administrative equipment	6
Computer equipment	3
Other equipment	3

### 2.2.5. Technical provisions

The Company is required to maintain a sufficient level of technical provisioning in order to comply with the obligations undertaken in the insurance contract. Calculation procedures and application methodologies are laid down in Executive Decree 06/03, of 24 January, of the Treasury.

At 31 December 2015 and 2014, the technical provisions constituted by the Company and respective calculation methodology, pursuant to the applicable regulations were as follows:

#### a) Provision for Unearned Premiums Provision

The Unearned Premiums Provision corresponds to the value of insurance premiums written attributable to following periods. More precisely, the part corresponding to the period from the date of balance sheet closure up to the end of the period to which the premium refers. For each contract in force, it is calculated by applying the "Pro-rata temporis" method to the respective gross premiums written, net of reversals and write-offs. This provision is calculated for all branches, with the exception of "Life" and "Workmen Compensation".

Brokerage fees incurred with the acquisition of insurance contracts are deferred throughout the period to which they refer, and are recognised as a deduction of the value of the unexpired risk provision.

#### b) Mathematical provision for "Life" insurance

The mathematical reserve for life insurance corresponds to the difference between the current values of the reciprocal liabilities of the insurer and third parties who have entered into an insurance contract, calculated in accordance with the approved technical bases.

#### c) Mathematical provision for "Workmen Compensation" insurance

The mathematical provision for "Workmen Compensation" seeks to record liability relative to:

- Pensions payable regarding claims with amounts already approved by the Comissão Nacional de Avaliação das Incapacidades Laborais [National Committee for the Assessment of Work Disability];
- The estimate of liabilities for pensions relative to claims already made but which are pending a final agreement or sentence, referred to as defined pensions;
- The estimate of liabilities for pensions relative to claims already made but whose respective clinical processes are still ongoing at the time of the financial statements, or pensions regarding claims already made but not yet declared, referred to as presumed pensions.



The hypotheses and technical bases used to determine the approved and defined mathematical provisions for Workmen Compensation are calculated pursuant to the applicable legal and regulatory terms.

#### **d) Temporary Disability workmen compensation Provision**

The provision for temporary disability in "Workmen Compensation" is designed to deal with liabilities regarding claims with ongoing clinical processes, namely salary payments and medical expenses up to the date of clinical discharge.

The provision for temporary disability is calculated on the basis of the policies in force in "Workmen Compensation", corresponding to 25% of the basic premiums written, net of reversals and write-offs.

#### **e) Provision for outstanding claims**

The provision for outstanding claims corresponds to the predictable value of the costs with unsettled claims, or already settled but not yet cleared. Furthermore, although the IBNR (provision for incurred but not reported claims) is still not contemplated in Angolan legislation, the Company records an estimate for these claims, so as to ensure the accruals principle and its level of provisioning, in accordance with the best possible estimate.

The provision for claims is calculated on a claim to claim basis, corresponding to the predictable value of the total cost of each claim, deducted from payments already made.

#### **f) Technical provisions for reinsurance ceded**

These provisions are determined by applying the abovementioned criteria for direct insurance, in strict compliance with the percentage agreement and all other treaties in force.

### **2.2.6. Other provisions**

#### **a) Provision for receivables from Policyholders**

The provision for receivables from Policyholders is designed to cover the collection premium. It is calculated in compliance with Executive Decree 05/03, of 24 January, of the Treasury, through the application of provisioning rates, in accordance with the time elapsed as of the date of issuance of the earned receipts.

The Company also analyses the need to record additional provisions, determined in accordance with economic criteria, whenever the provisions resulting from application of the foregoing criterion are deemed insufficient to reduce the balance of earned premiums to their estimated realisation value.

#### **b) Provision for Other Debtors**

This provision is designed to cover the risks of the collection of third-party debt, excluding those relative to the collection of outstanding premiums. The provision is constituted through the application of economic criteria.



### 3. Bank Deposits and Cash

At 31 December 2015 and 2014, this heading is broken down as follows:

	31-12-2015	31-12-2014
<b>Bank Deposits</b>		
> In domestic currency	143,637,771	1,590,894,967
> In foreign currency	22,583,024	-
<b>Cash</b>		
> Cash holdings	65,029	103,427
<b>Total</b>	<b>166,285,824</b>	<b>1,590,998,394</b>

At 31 December 2015 and 2014, the demand deposits were all held at Banco BIC. These demand deposits accrued interest to the amount of 48,148 AOA and 405,087 AOA in 2015 and 2014, respectively (Note 13).

At 31 December 2015 and 2014, the heading "Cash" represents the amount available in cash held in the safe of the head branch.

### 4. Investments

At 31 December 2015 and 2014, this heading is broken down as follows:

	31-12-2015	31-12-2014
Properties		
> Properties for own use	72,834,320	-
Fixed Income Securities		
> Treasury Bonds	246,334,701	-
Deposits in Credit Institutions		
> Term Deposits	1,474,219,090	-
	<b>1,793,388,111</b>	<b>-</b>

At 31 December 2015, the heading "Deposits in Credit Institutions- Term Deposits" includes a sum of 474,219,090 AOA applied to term deposits whose profitability is indexed to USD appreciation. At 31 December 2015, the potential exchange gain relative to these deposits stood at a positive global figure, in the region of 36 million AOA.

At 31 December 2015, the term deposits were constituted at Banco BIC with a maturity of less than 3 months. The financial income from these products are presented in Note 13.

At 31 December 2015, the heading "Properties – Properties for Own Use" refers to 2 properties located in Luanda and purchased in the last quarter of 2015. As mentioned in subparagraph a) of note 2.2.3, the properties are recorded at their purchase value, and no revaluation of their value is presented at the date of the financial statements, since they were purchased within a period equal to or under three months.

## 5. Fixed Tangible and Intangible Assets

Turnover under the Fixed Assets heading for the reporting years 2015 and 2014 was as follows:

Fixed Assets	Balance at 31-12-2014			Turnover for the year		Balance at 31-12-2015		
	Gross value	Accumulated Depreciation	Net Value	Purchases	Depreciation for the year	Net Value	Accumulated Depreciation	Net Value
<b>Intangible fixed assets</b>								
Incorporation and start-up expenses	7,591,111	(843,372)	6,747,739	-	(2,530,116)	7,591,111	(3,373,488)	4,217,623
Research and development expenses	31,192,628	(3,465,501)	27,727,127	1,555,134	(10,612,470)	32,747,762	(14,077,971)	18,669,791
Rented buildings expenses	185,082	(20,563)	164,519	-	(61,692)	185,082	(82,255)	102,827
Advertising	12,006,479	(1,000,440)	11,006,039	-	(4,001,760)	12,006,479	(5,002,200)	7,004,279
Software	112,675,307	(12,518,227)	100,157,080	47,389,272	(46,552,131)	160,064,579	(59,070,358)	100,994,221
<b>Sub-total intangible fixed assets</b>	<b>163,650,607</b>	<b>(17,848,103)</b>	<b>145,802,504</b>	<b>48,944,406</b>	<b>(63,758,169)</b>	<b>212,595,013</b>	<b>(81,606,272)</b>	<b>130,988,741</b>
<b>Tangible Fixed Assets</b>								
Administrative equipment	9,336,449	(518,484)	8,817,965	101,640	(1,558,274)	9,438,089	(2,076,758)	7,361,331
Computer equipment	7,572,678	(754,666)	6,818,012	2,210,905	(3,037,584)	9,783,583	(3,792,250)	5,991,333
Other equipment	316,000	(34,760)	281,240	1,937,250	(216,338)	2,253,250	(251,098)	2,002,152
<b>Sub-total tangible fixed assets</b>	<b>17,225,127</b>	<b>(1,307,910)</b>	<b>15,917,217</b>	<b>4,249,795</b>	<b>(4,812,196)</b>	<b>21,474,922</b>	<b>(6,120,106)</b>	<b>15,354,816</b>
<b>Fixed Assets in progress</b>								
Intangible Fixed Assets	-	-	-	10,938,840	-	10,938,840	-	10,938,840
Tangible Fixed Assets	-	-	-	92,980,136	-	92,980,136	-	92,980,136
<b>Sub-total fixed assets in progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>103,918,976</b>	<b>-</b>	<b>103,918,976</b>	<b>-</b>	<b>103,918,976</b>
<b>Total Fixed Assets</b>	<b>180,875,734</b>	<b>(19,156,013)</b>	<b>161,719,721</b>	<b>157,113,177</b>	<b>(68,570,365)</b>	<b>337,988,912</b>	<b>(87,726,378)</b>	<b>250,262,534</b>

Fixed Assets	Initial Balance			Turnover for the year		Balance at 31-12-2014		
	Gross Value	Accumulated Depreciation	Net Value	Purchases	Depreciation for the year	Net Value	Accumulated Depreciation	Net Value
<b>Intangible fixed assets</b>								
Incorporation and start-up expenses	-	-	-	7,591,111	(843,372)	7,591,111	(843,372)	6,747,739
Research and development expenses	-	-	-	31,192,628	(3,465,501)	31,192,628	(3,465,501)	27,727,127
Rented buildings expenses	-	-	-	185,082	(20,563)	185,082	(20,563)	164,519
Advertising	-	-	-	12,006,479	(1,000,440)	12,006,479	(1,000,440)	11,006,039
Software	-	-	-	112,675,307	(12,518,227)	112,675,307	(12,518,227)	100,157,080
<b>Sub-total intangible fixed assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>163,650,607</b>	<b>(17,848,103)</b>	<b>163,650,607</b>	<b>(17,848,103)</b>	<b>145,802,504</b>
<b>Fixed Assets in progress</b>								
Administrative equipment	-	-	-	9,336,449	(518,484)	9,336,449	(518,484)	8,817,965
Computer equipment	-	-	-	7,572,678	(754,666)	7,572,678	(754,666)	6,818,012
Other equipment	-	-	-	316,000	(34,760)	316,000	(34,760)	281,240
<b>Sub-total Imobilizado Corpóreo</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,225,127</b>	<b>(1,307,910)</b>	<b>17,225,127</b>	<b>(1,307,910)</b>	<b>15,917,217</b>
<b>Fixed Assets in progress</b>								
Intangible Fixed Assets	-	-	-	-	-	-	-	-
Tangible Fixed Assets	-	-	-	-	-	-	-	-
<b>Sub-total fixed assets in progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fixed Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>180,875,734</b>	<b>(19,156,013)</b>	<b>180,875,734</b>	<b>(19,156,013)</b>	<b>161,719,721</b>

At 31 December 2015 and 2014, the balance of the headings "Intangible Fixed Assets- Software" and "Intangible Fixed Assets- Research and Development Expenses" refer to investment in the operating systems of the Company (GIS) and consultancy conducted within the scope of development and product pricing, respectively.

At 31 December 2015 and 2014, the balance of the headings "Tangible Fixed Assets- Administrative Equipment" and "Tangible Fixed Assets- Computer Equipment", refer respectively to office furniture and the computer equipment and systems of the Company.

At 31 December 2015, the heading "Fixed Assets in progress" refers to the ongoing renewal on this date of the Company's computer servers, in addition to their respective support software.

## 6. Receivables from Policyholders

At 31 December 2015 and 2014, outstanding premiums by activity class is splitted as follows:

	31-12-2015	31-12-2014
<b>Life</b>	<b>2,474,361</b>	<b>914,575</b>
<b>Non-Life</b>	<b>48,961,137</b>	<b>9,567,146</b>
Motor	20,825,001	2,542,418
Other Damage to Property	14,496,858	-
Fire Allied Risks	11,231,936	7,024,728
Accidents, Illness and Travel	2,407,342	-
<b>Total</b>	<b>51,435,498</b>	<b>10,481,721</b>

In the following table, the provision for outstanding premiums by activity class at 31 December 2015 is splitted as follows:

	31-12-2015
<b>Life</b>	<b>241,229</b>
<b>Non-Life</b>	<b>6,048,695</b>
Fire Allied Risks	2,799,581
Motor	2,680,324
Accidents, Illness and Travel	568,790
<b>Total</b>	<b>6,289,924</b>

At 31 December 2014, it was deemed unnecessary to constitute a provision for outstanding premiums, both at a regulatory level and through an economic analysis of amounts receivable, since at the said date there was no indication of any difficulty in the receipt of insurance premiums.



## 7. Debtors and Creditors

At 31 December 2015 and 2014, these headings are splitted as follows:

	31-12-2015	31-12-2014
<b>Debtors</b>		
Direct Insurance operations		
> Reimbursement of claims	174,508	-
State and other public Entities		
> Visa Permits	210,626	-
> Industrial Tax	17,500	17,500
Other		
> Advances to staff	20,000	350,000
	<b>422,634</b>	<b>367,500</b>
<b>Creditors</b>		
Direct Insurance operations		
> Fees payable	26,347,035	-
> Policyholders - returned premiums	25,769,204	5,716,815
> Co-insurers	1,524,793	-
> Policyholders - rebates payable	136,026	113,232
Reinsurance operations		
> Reinsurers	101,964,047	7,922,309
State and other public entities		
> Motor Guarantee Fund	6,846,210	1,078,347
> Contribution to the Angolan Agency for Insurance Supervision and Regulation	3,208,117	-
> Industrial tax - deduction at source	2,739,394	-
> Income tax-deduction at source	2,390,549	1,026,962
> Social Security Contributions	629,707	374,551
> Revenue stamps	564,725	51,304
> Other taxes	112,574	1,838
Other taxes		
> Suppliers	164,817,290	317,979,583
> Other creditors	125,252	-
	<b>337,174,923</b>	<b>334,264,941</b>

### Suppliers

At 31 December 2015 and 2014, the Company presents liabilities for "Suppliers" to the value of 164,817,290 AOA and 317,979,583 AOA, respectively, in which amounts to be settled with BIC entities, namely Banco BIC Angola (117,083,576 AOA in 2015 and 275,234,807 AOA in 2014) and BIC Português, S.A. (47,379,845 AOA in 2015 and 35,299,624 AOA in 2014) are included. These amounts refer to initial and current payments on the part of these entities towards the implementation of the Company, namely initial investments in fixed assets and initial start-up costs. During the reporting period 2015, the Company settled a total sum of 343,279,400 AOA with these entities, having also settled further amounts in 2016.

### Commissions payable

At 31 December 2015, this amount represents the amounts payable by the Company to Insurance brokers and agents for contracts entered into within the scope of customer acquisition.

### Policyholders - premiums received in advance

At 31 December 2015 and 2014, these amounts represent the values received by the Company for the payment of insurance premiums relative to policies which entered into force after 31 December 2015 and 2014 respectively.

## 8. Technical Provisions-Direct Insurance and Reinsurance Ceded

At 31 December 2015 and 2014, this heading is splitted as follows:

	31-12-2015	31-12-2014
Mathematical provision for Life Insurance		
> Direct insurance	214,226,602	41,047,957
Unearned Premiums Provision		
> Direct insurance	360,809,808	28,400,171
> Reinsurance accepted	(118,507,481)	(2,513,447)
Temporary for Workmen Compensation	34,705,634	38,974
Provision for outstanding claims		
> Direct insurance	25,330,460	1,394,545
> Reinsurance accepted	(446,593)	-
	<b>516,118,430</b>	<b>68,368,200</b>

### Unearned Premiums Provision

At 31 December 2015 and 2014, the heading relative to "Unearned Premiums Provision" is broken down by class as follows:

	31-12-2015	31-12-2014
<b>Non-Life</b>		
Motor	204,691,290	22,259,712
Other damage to property	91,436,880	-
Fire and Allied Risks	30,632,147	6,032,273
Cargo	28,970,596	-
General Liability	3,813,061	-
Accidents, Illness and Travel	1,265,834	108,186
<b>Total</b>	<b>360,809,808</b>	<b>28,400,171</b>
<b>Reinsurance Ceded-Non-Life</b>		
Other damage to property	78,157,515	-
Cargo	24,853,684	-
Fire and Allied Risks	12,887,522	2,513,447
General Liability	2,608,760	-
<b>Total</b>	<b>118,507,481</b>	<b>2,513,447</b>

Pursuant to Executive Decree 6/03, Article 1, number 1, the Unearned Premiums Provision is designed to guarantee the coverage of risks assumed and expenses thereof of each insurance policy in force, with the exception of those falling under "Life" and "Workmen Compensation", during the period between the end of the fiscal year and the date of the respective maturity. Pursuant also to numbers 2 and 3 of the said Article, the Unearned Premiums Provision should be calculated on a contract to contract basis, through application of the *pro-rata temporis* (or global) method.

### Mathematical provision for "Life"

The mathematical provision for life insurance corresponds to the difference between the current values of the reciprocal liabilities of the insurer and the third-parties who have entered into an insurance contract, calculated in accordance with the approved technical bases.

### **Temporary Disability Workmen Compensation Provision**

Pursuant to Article 4 of Executive Decree 6/03, "the provision for temporary disability arising from Workmen Compensation is designed to deal with liabilities regarding claims with ongoing clinical processes, namely salary payments and medical expenses up to the date of clinical discharge (...). It corresponds to 25% of the basic premiums written in the Workmen Compensation branch, net of reversals and write-offs, processed during the reporting period".

### **Provision for outstanding claims**

At 31 December 2015 and 2014, the heading "Provision for outstanding claims" is splitted as follows:

	31-12-2015	31-12-2014
<b>Direct Insurance-Life</b>	<b>322,458</b>	-
<b>Direct Insurance-Non-Life</b>	<b>25,008,002</b>	<b>1,394,545</b>
Motor	19,349,288	1,078,347
Accidents, Illness and Travel	4,757,854	7,795
General Liability	592,457	-
Fire and Allied Risks	308,403	308,403
<b>Total Direct Insurance</b>	<b>25,330,460</b>	<b>1,394,545</b>
<b>Reinsurance ceded-Non-Life</b>		
General Liability	446,593	-
<b>Total Reinsurance ceded</b>	<b>446,593</b>	-

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At home, the feeling of comfort increases with the feeling of safety. BIC Household Comprehensive Insurance offers coverage to protect your home from all main risks, ranging from the most basic to the most specific.



## 9. Accrual and Deferrals

At 31 December 2015 and 2014, the headings Accruals and Deferrals are broken down as follows:

	31-12-2015	31-12-2014
<b>Accrued Income</b>		
> Interest receivable	21,954,209	-
<b>Deferred Expenses</b>		
> Advertising	721,441	46,420
> IT licences	612,937	175,000
> Insurances	117,554	-
> Technical Subscriptions	31,112	32,083
> Other deferred expenses	305,017	-
<b>Total Assets</b>	<b>23,742,270</b>	<b>253,503</b>
<b>Accrued expenses</b>		
> Holiday allowance	10,762,920	2,471,870
> IT maintenance	4,953,255	-
> Audit	4,318,333	2,080,000
> Computer equipment rental	4,090,145	-
> Specialised Services	3,974,011	1,585,000
> Advertising	2,025,646	-
> Communications	356,865	200,000
> Taxes	429,495	120,433
> Other accrued expenses	2,271,494	409,004
<b>Total Liabilities</b>	<b>33,182,164</b>	<b>6,866,307</b>

## 10. Equity

Turnover under the headings of net position during the reporting years 2015 and 2014 are as follows:

	Equity								
	Capital	Legal reserve	Revaluation reserves	Special reserves	Free reserves	Value fluctuations	Retained earnings	Income for the year	Equity
<b>Turnover in 2014</b>									
Paid-in share capital	1,500,000,000	-	-	-	-	-	-	-	1,500,000,000
Net earnings for the year	-	-	-	-	-	-	-	(145,678,609)	(145,678,609)
<b>Balances at 31 December 2014</b>	<b>1,500,000,000</b>	-	-	-	-	-	-	<b>(145,678,609)</b>	<b>1,354,321,391</b>
<b>Turnover in 2015</b>									
Appropriation of profits	-	-	-	-	-	-	(145,678,609)	145,678,609	-
Net earnings for the year	-	-	-	-	-	-	-	28,750,038	28,750,038
<b>Balances at 31 December 2015</b>	<b>1,500,000,000</b>	-	-	-	-	-	<b>(145,678,609)</b>	<b>28,750,038</b>	<b>1,383,071,429</b>

### Share Capital

As provided for in the Articles of Association of BIC SEGUROS, the Share Capital of the Company stands at 1,500,000,000 Kwanzas and is totally subscribed and paid up by the shareholders.

## 11. Premiums and Additional Net of Reinsurance Ceded

At 31 December 2015 and 2014, this heading is splitted as follows:

	2015			2014		
	Direct Insurance	Reinsurance Ceded	Net	Direct Insurance	Reinsurance Ceded	Net
<b>Gross Written Premiums</b>						
<b>Life</b>	<b>277,086,673</b>	<b>9,152,702</b>	<b>267,933,971</b>	<b>54,007,977</b>	<b>568,298</b>	<b>53,439,679</b>
<b>Non-Life</b>	<b>884,649,508</b>	<b>220,530,635</b>	<b>664,118,873</b>	<b>33,662,806</b>	<b>7,354,011</b>	<b>26,308,795</b>
Motor	440,038,457	14,250,501	425,787,956	25,764,418	3,647,580	22,116,838
Accidents, Illness and Travel	174,967,672	7,397,399	167,570,273	7,423,226	3,534,446	3,888,780
Other damage to property	121,563,356	95,281,929	26,281,427	475,162	68,540	406,622
Fire and Allied Risks	73,913,179	49,448,708	24,464,471	-	103,445	(103,445)
Cargo	59,342,708	51,320,509	8,022,199	-	-	-
General Liability	14,824,136	2,831,589	11,992,547	-	-	-
<b>Total</b>	<b>1,161,736,181</b>	<b>229,683,337</b>	<b>932,052,844</b>	<b>87,670,783</b>	<b>7,922,309</b>	<b>79,748,474</b>
<b>Variation Of Unearned Premiums Provision</b>						
<b>Non-Life</b>						
Motor	182,431,577	-	182,431,577	22,259,712	-	22,259,712
Accidents, Illness and Travel	1,157,649	-	1,157,649	6,032,273	2,513,447	3,518,826
Other damage to property	94,343,630	78,157,516	16,186,114	108,186	-	108,186
Fire and Allied Risks	21,693,125	10,374,075	11,319,050	-	-	-
Cargo	28,970,596	24,853,684	4,116,912	-	-	-
General Liability	3,813,061	2,608,760	1,204,301	-	-	-
<b>Total</b>	<b>332,409,638</b>	<b>115,994,035</b>	<b>216,415,603</b>	<b>28,400,171</b>	<b>2,513,447</b>	<b>25,886,724</b>
<b>Acquired Premiums</b>						
<b>Life</b>	<b>277,086,673</b>	<b>9,152,702</b>	<b>267,933,971</b>	<b>54,007,977</b>	<b>568,298</b>	<b>53,439,679</b>
<b>Non-Life</b>	<b>552,239,870</b>	<b>104,536,600</b>	<b>447,703,270</b>	<b>5,262,635</b>	<b>4,840,564</b>	<b>422,071</b>
Motor	257,606,880	14,250,501	243,356,379	3,504,706	3,647,580	(142,874)
Accidents, Illness and Travel	173,810,023	7,397,399	166,412,624	1,390,953	1,020,999	369,954
Other damage to property	27,219,726	17,124,413	10,095,313	366,976	68,540	298,436
Fire and Allied Risks	52,220,054	39,074,633	13,145,421	-	103,445	(103,445)
Cargo	30,372,112	26,466,825	3,905,287	-	-	-
General Liability	11,011,075	222,829	10,788,246	-	-	-
<b>Total</b>	<b>829,326,543</b>	<b>113,689,302</b>	<b>715,637,241</b>	<b>59,270,612</b>	<b>5,408,862</b>	<b>53,861,750</b>

## 12. Claims

At 31 December 2015 and 2014, this heading is splitted as follows:

Costs with Claims	2015			2014		
	Amounts paid	Variation of provision for claims	Total	Amounts paid	Variation of provision for claims	Total
<b>Life</b>	<b>3,107,124</b>	<b>322,458</b>	<b>3,429,582</b>	-	-	-
Direct Insurance and Reinsurance accepted	8,432,542	322,458	8,755,000	-	-	-
Reinsurance Ceded	(5,325,418)	-	(5,325,418)	-	-	-
<b>Non-Life branches</b>	<b>93,122,275</b>	<b>19,439,939</b>	<b>112,562,214</b>	-	<b>1,394,545</b>	<b>1,394,545</b>
<b>Direct Insurance and Reinsurance Accepted</b>	<b>99,146,550</b>	<b>19,886,532</b>	<b>119,033,082</b>	-	<b>1,394,545</b>	<b>1,394,545</b>
Motor	85,496,513	15,161,098	100,657,611	-	1,078,347	1,078,347
General Liability	8,032,366	330,402	8,362,768	-	-	-
Accidents, Illness and Travel	5,617,671	4,395,032	10,012,703	-	7,795	7,795
Fire and Allied Risks	-	-	-	-	308,403	308,403
<b>Reinsurance Ceded</b>	<b>(6,024,275)</b>	<b>(446,593)</b>	<b>(6,470,868)</b>	-	-	-
General Liability	(6,024,275)	(446,593)	(6,470,868)	-	-	-
<b>Total Costs with Claims</b>	<b>96,229,399</b>	<b>19,762,397</b>	<b>115,991,796</b>	-	<b>1,394,545</b>	<b>1,394,545</b>

Variation of the provision for claims, under the heading costs for net reinsurance claims, of the technical account, is mainly offset by the provision for claims, under the heading technical provisions, of liabilities. Notwithstanding, some operations are recognised in other items of the balance sheet, namely through claim reimbursements reflected in other debits for direct insurance operations. Thus, discrepancies may be observed in provisions for claims variations recorded on the balance sheet and in the technical account.

## 13. Profits and Losses from Investments

At 31 December 2015 and 2014, this heading is splitted as follows:

	31-12-2015	31-12-2014
<b>Financial Gains</b>		
Interest from term deposits	67,988,085	8,219,178
Interest from Treasury Bonds	15,760,834	-
Interest from demand deposits	48,148	405,087
	<b>83,797,067</b>	<b>8,624,265</b>
Gains from investments	74,219,090	-
<b>Total Gains from Investments</b>	<b>158,016,157</b>	<b>8,624,265</b>

At 31 December 2015, the heading "Profits from investments" refers to the exchange profits obtained through financial assets whose profitability is indexed to appreciation of the US dollar against the Angolan Kwanza, which are recognised only upon maturity of the respective investments.

On this date, the potential exchange gain related to existing financial investments with these characteristics amounted to a global value in the region of 101 million AOA.



## 14. Administrative Costs

At 31 December 2015 and 2014, this heading is splitted as follows:

	31-12-2015	31-12-2014
Advertising	34,792,400	9,262,117
IT maintenance and licences	24,378,755	3,360,808
Specialised services	22,503,932	12,184,687
Leases and Rentals	21,994,774	11,694,087
Representation expenses-Travel	6,811,443	20,514,878
Office material	3,426,254	1,344,499
Communication	2,972,000	255,620
Events	385,215	1,089,870
Other external supplies and services	4,442,628	2,255,123
<b>Total</b>	<b>121,707,401</b>	<b>61,961,689</b>

At 31 December 2015 and 2014, the heading "Advertising" includes expenses related to a diversity of the Company's promotional material, in addition to publicity campaigns through various media channels.

At 31 December 2015 and 2014, the heading "Specialised Services" includes consultancy provided by GI Insurance Portugal, S.A. in its support regarding product pricing and the definition of Company procedures and the auditing of the financial statements, conducted by PKF Angola – Auditores e Consultores, S.A..

At 31 December 2015 and 2014, the heading "Rentals and Leases" refers to the rental of premises in which the central services of the Company are located and of two servers, as of July 2013, for the hosting of the Company's operating systems..

At 31 December 2015, the heading "Representation allowances – travel expenses" refers to the costs of travel expenses incurred by the commercial and technical area for business acquisition and market exploration. At 31 December 2014, this heading covers travel expenses incurred by the Founding Committee of the BIC SEGUROS project up to October 2014.

## 15. Staff Costs

At 31 December 2015 and 2014, this heading is splitted as follows:

	31-12-2015	31-12-2014
Governing Bodies Remuneration	78,348,689	17,416,518
Staff Remuneration	126,996,112	26,090,716
Taxes	5,415,444	1,413,943
Retainers/Fees	34,980,659	33,765,083
Other expenses	7,018,341	4,798,899
	<b>252,759,245</b>	<b>83,485,159</b>

At 31 December 2015 and 2014, the heading "Retainers/Fees" refers to the payment of a number of professionals who are currently collaborating with the Company, namely in terms of the rendering of medical and actuarial services and claims management.

At 31 December 2015 and 2014, the heading "Other Expenses" includes, for example, training sessions for Company employees, mandatory insurance and health expenses co-funded by BIC SEGUROS.

## 16. Related Entities

At 31 December 2015 and 2014, the balances with related entities is splitted as follows:

	31-12-2015	31-12-2014
<b>Banco BIC</b>		
<b>Assets</b>		
> Bank deposits (Note 3)	166,220,795	1,590,894,967
> Investments (Note 4)	1,474,219,090	-
<b>Liabilities</b>		
> Suppliers (Note 7)	117,083,576	275,234,807
> Policyholders - premiums received in advance (Note 7)	7,813,054	5,264,906
<b>Profit and Loss Account</b>		
> Income from financial investments (Note 13)	142,255,323	8,624,265
<b>BIC Português, S.A.</b>		
<b>Liabilities</b>		
> Suppliers (Note 7)	47,379,845	35,299,624



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# INDEPENDENT AUDITOR'S REPORT



Accountants &  
business advisers

## LEGAL CERTIFICATION OF ACCOUNTS

### Introduction

1. We hereby present our Legal Certification of Accounts on the accompanying financial statements of BIC Seguros S.A., which comprise the Balance Sheet as at December 2015, reflecting a total of 2,404,790,944 Angolan Kwanzas and equity of 1,383,071,429 Angolan Kwanzas, including a net income of 28,750,038 Angolan Kwanzas, the profit and loss account for the year then ended, and corresponding notes.

### Responsibilities of the Board of Directors for the Financial Statements

2. The Board of Directors of the Bank is responsible for the preparation of the financial statements in accordance with the accounting principles generally accepted in Angola for insurance companies, and for the internal control it deems necessary to ensure there are no material misstatements owing to fraud or error in the preparation of these financial statements.

### Responsibilities of the Statutory Auditor

3. Our responsibility is to express an independent opinion on these financial statements as a result of our auditing, which was conducted in accordance with the International Auditing Standards. These standards demand the fulfilment of ethical requirements and that the audit be planned and performed with a view to obtaining reasonable assurance as to whether the financial statements are free of any material misstatements.
4. An audit involves carrying out procedures to obtain proof of the amounts and disclosures contained in the financial statements. The procedures adopted depend on the judgement of the statutory auditor, including the assessment of risks related to material misstatements, fraud and error. By assessing the risk, the statutory auditor considers internal control relevant for the preparation and appropriate presentation of the financial statements on the part of the entity, so as to devise auditing procedures tailored to the circumstances, however not to express an opinion on the efficacy of the internal control of the entity. An audit also includes an assessment of the adequacy of the accounting principles used and obtaining reasonable assurance of the accounting estimates conducted by the Board of Directors and an assessment of the overall presentation of the financial statements.
5. We believe that the auditing proof we obtained provides a sufficient and appropriate basis for expressing our opinion.

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**BIC Seguros**



**Opinion**

6. In our opinion, the financial statements referred to above appropriately present, in all material respects, the financial position of BIC Seguros S.A. as at 31 December 2015, the income from its operations, pursuant to the accounting principles generally accepted in Angola (Note 2).

Luanda, 19 April 2016



PKF ANGOLA – Auditores e Consultores, S.A.

Represented by

Henrique Manuel Camões Serra (Chartered Accountant no. 20130167)

# FISCAL COUNCIL REPORT

## REPORT AND OPINION OF THE FISCAL COUNCIL

To the Shareholders of BIC Seguros, S.A.

1. In compliance with the applicable legislation, we hereby present the report on our supervisory activity in addition to our opinion on the accounting documents submitted by the Board of Directors of BIC Seguros, S.A. (Insurance Company) relative to the financial year ended 31 December 2015.
2. During the financial year 2015, we monitored the evolution of the Insurance Company's activity, the regularity of book-keeping and compliance with the applicable legal and statutory rules, with the frequency and to the extent deemed appropriate. The Board of Directors and various departments of the Insurance Company provided all the information and explanations requested for the issue of our opinion.
3. We have analysed the content of the Legal Certification of Accounts issued by the Audit Firm PFK Angola –Auditores e Consultores, S.A., with which we are in agreement and hereby fully subscribe.
4. Within the scope of our duties, we examined the Balance Sheet as at 31 December 2015, the statement of profit and loss for the financial year ended 31 December 2015, in addition to the accompanying Notes, including the accounting policies and valuation criteria adopted.
5. Additionally, we examined the Management Report relative to 2015, prepared by the Board of Directors, and the proposed appropriation of profits therein.
6. In view of the above, and considering the work performed and conclusions resulting from the Legal Certification of Accounts, we are of the opinion that the General Meeting should:
  - a. Approve the Management Report relative to the year ended 31 December 2015;
  - b. Approve the Accounts relative to that year, and
  - c. Approve the Proposed Appropriation of profits obtained that same year.



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7. On a final note, we wish to acknowledge the collaboration of the Board of Directors and the various departments of the Insurance Company.

Angola, 19 April 2016

Fiscal Council



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Henrique Manuel Camões Serra  
Chairman





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## FICHA TÉCNICA

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**BIC Seguros**  
Seguramente Juntos