



BIC Seguros

Safely Together

ANNUAL
REPORT
2016



PROTECTING TO GROW





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Safely Together

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REPORT
2016

PROTECTING TO GROW

A PROTECTED GROWTH

Confidence is not given; it is earned. The growth of Angolans in their work and in their private lives are BIC Seguros' best asset. Taking care of that greatest asset, which is the growth of all of us, the group, employees and customers, is our reason for being, doing and living.

As we work geared to the customer and focused on excellent service, convinced of making a difference and anticipating value-creating solutions, BIC Seguros always seeks to do more and better, to ensure an environment that is favourable to investment and to growth, integrated within the community and united in the willingness to contribute toward a legacy that comprises building a better world. Safely together, surely protected.

Protecting to Grow



PROTECTING



GUARANTEEING



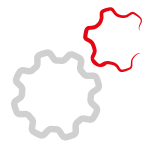
ENSURING



SAFEGUARDING



PREVENTING



SOUNDNESS

“ The growth of Angolans in their work and in their private lives are BIC Seguros' best asset ”

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FERNANDO MENDES TELES

The Chairman of the Board
of Directors

PRESENTATION OF THE REPORT

JOINT MESSAGE

FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHAIRMAN OF THE EXECUTIVE COMMITTEE

The year 2016 was marked by strong repercussions on the “real economy”. Household budgets have suffered significantly with the slowing down of the economy and the companies have faced increased financial difficulties. Both these factors have jointly conditioned and had an overall impact on the evolution of credit insurance activities.

Even though the year 2016 was not prone to the development of our activity, BIC Seguros, completing its second year of full activity, has managed to exceed 2 thousand million Kwanzas in gross insurance premium, by means of a sustainable growth that is underpinned by a strict policy on business subscription, manifested in a balanced production and reduced accident rates.

With regards to the link between BIC Seguros and BIC Bank, the results continue to be very positive and the Insurance Bank strategy in the scope of the project BIC Seguros continues to score positively as a success strategy, having the results obtained become very evident of such success over our two years of activity. Our strategy, based on the motto “Go to the Insurer as you go to the Bank”, has allowed our presence in all provinces of Angola and in almost all municipalities.

The fact that BIC Seguros relies on a commercial network of 226 branch offices of BIC Bank spread across the country, besides being an important diffuser of the insurance culture in the country, allows all BIC Bank Clients (more than 1 million) and the general population to get to know and obtain the coverage that is provided by insurance products.

With regards to our activity, it is worth mentioning that in 2016 BIC Seguros has fully complied with the social mission that is of the responsibility of the insurance industry, which has rightfully justified the trust of its Clients. The fact that all have come together around a simple strategy, based on strong ethical principles, of which we are all proud, and that we can perform efficiently, allowed us to close



**MARIA DE FÁTIMA
MARQUES MONTEIRO**

Chief Executive Officer

the financial year of 2016 with a deep satisfaction, as it is this an activity full of positive experiences that praises all that play a part in achieving these results.

The big challenge of 2017 will be to give continuity to the consolidation process of a transversal culture, which is based on cost-benefit assessments and monitoring of results, with the aim of moving forward as an increasingly efficient organization.

We will carry on with the strong will of developing, even more profoundly, the strategic concepts that marked the first year of activity of BIC Seguros, namely, a different selection of products, a specialization position in the market and an original value proposal.

We remain watchful of the evolution of the insurance market and continue seeking to contribute with more innovation to specific segments of the latter, while consolidating our know-how in specific areas of reference.

Last but not least, we would like to express our appreciation for all company and bank employees who, by their own commitment, effort and dedication, have contributed to the establishment of BIC Insurance in the national scene and for the results achieved. By working together, we will certainly continue to grow together.

We also wish to thank the involvement of business partners, professional insurance brokers, service providers and suppliers for the asserting of this project, with the certainty that the cooperation ties that exist will continue to be consolidated and strengthen in the future.

Finally, to stakeholders, members of social bodies, authorities, ARSEG, we wish to express our full appreciation for the support and collaboration that has, to a very large extent, contributed to the success of BIC Seguros.

Fernando Mendes Teles
The Chairman
of the Board of Directors

Maria de Fátima Marques Monteiro
Chief Executive
Officer



01

BIC SEGUROS

PROTECTING TO GROW

Together in the Assurance of the sustainable growth of our customers, it is more than an attitude or a conviction; it is a mission.

SAFELY TOGETHER IN PROTECTION



01

BIC
SEGUROS

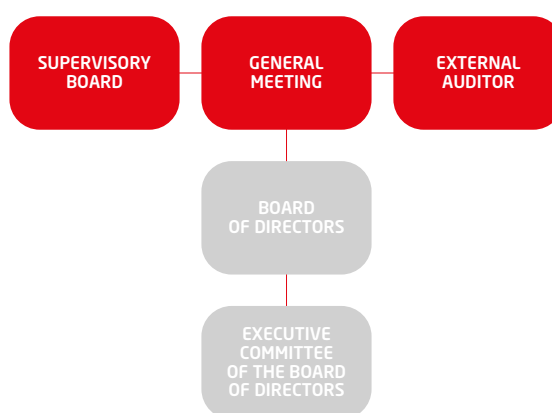
ORGANISATIONAL STRUCTURE

Governance Model

The Insurance Company's governance model is established in its Articles of Association and complies with the requirements of the General Insurance Business Law (Law no. 1/00, of 3 February) and Executive Decree no. 70/06, of 7 June. Its Governing Bodies are the General Meeting, the Board of Directors, the Executive Committee of the Board of Directors, the Supervisory Board and, also, the Board of the General Meeting and the External Auditor.

BIC Seguros was formed by Public Deed dated 7 July 2014, following the communication of the Ministry of Finance, of 7 March 2014, which authorized its formation, and it is based in Rua N'Gola M'Bandi, R/CH, Municipality of Maianga, in Luanda.

The Insurance Company pursues Life and Non-Life insurance and reinsurance activities, to the extent permitted by Law.



GENERAL MEETING

The General Meeting is the governing body that comprises all the Insurance Company's Shareholders, being governed in compliance with the Articles of Association. Its key responsibilities are:

- To elect and approve the fixed and/or variable remunerations of the members of the governing bodies;
- To review the annual report of the Board of Directors, discuss and vote the Insurance Company's balance sheet and accounts, taking into account the opinion of the Supervisory Board and the External Auditor;
- To decide on the distribution of profits upon proposal of the Board of Directors; and
- To decide on amendments to the articles of association.

BOARD OF DIRECTORS

Currently, the Board of Directors is composed of 4 members, and the Insurance Company's executive management is ensured by three directors, appointed by the Board from among its members. The meetings of the Board of Directors are held at least quarterly, and whenever convened by the Chairman of the Board of Directors.

With the purpose of regulating its internal functioning, the Board of Directors has delegated to an Executive Committee, composed of 3 members, the day-to-day management of the Insurance Company, with the limits laid down in the resolution approving such delegation.

EXECUTIVE BORD OF DIRECTORS

The Executive Committee of the Board of Directors, within the scope of its competences, is subject to the action plans and annual budget, as well as to other measures and guidelines approved by the Board of Directors, having extensive management powers to conduct the Insurance Company's current activity, which is constantly monitored by the Board of Directors, the Supervisory Board, and the External Auditor.

All the members of the Executive Committee play an active role in the day-to-day management of the Insurance Company's business, being responsible for one or more specific business areas, according to each one's profile and individual expertise, without prejudice to the greater or lesser focus of one of the members in a given specific area. The Executive Committee of the Board of Directors is convened by its Chairman and held, at least, once a month.

SUPERVISORY BOARD

The composition of the Supervisory Board is governed by the provisions of the Articles of Association and comprises a Chairman and two permanent members.

EXTERNAL AUDITOR

The external auditing is ensured by PKF ANGOLA - Auditores e Consultores, S.A.. The Insurance Company considers that the incumbent External Auditors have the availability, knowledge, experience and reputé required to the proper fulfilment of their duties.

ALL THE MEMBERS
of the Executive
Committee play
an active role in
the day-to-day
management
of the Insurance
Company's
business

EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS



Fátima Monteiro, Aleixo Afonso, Lúcia Fonseca

Board of Directors

CHAIRMAN

Fernando Mendes Teles

MEMBERS

Maria de Fátima Marques Monteiro
 Aleixo Arlindo Santana Afonso
 Lúcia Manuela Frederico de Sousa
 Oliveira Fonseca

Board of the General Meeting

CHAIRMAN

Manuel Pinheiro Fernandes

SECRETARY

Luís Manuel Cortez dos Santos

Executive Board of Directors

CHIEF EXECUTIVE OFFICER

Maria de Fátima Marques Monteiro

MEMBERS

Aleixo Arlindo Santana Afonso
 Lúcia M. F. S. Oliveira Fonseca

Supervisory Board

CHAIRMAN

Henrique Camões Serra

MEMBERS

Maria Ivone dos Santos
 Graziela do Céu Rodrigues Esteves

External Auditor

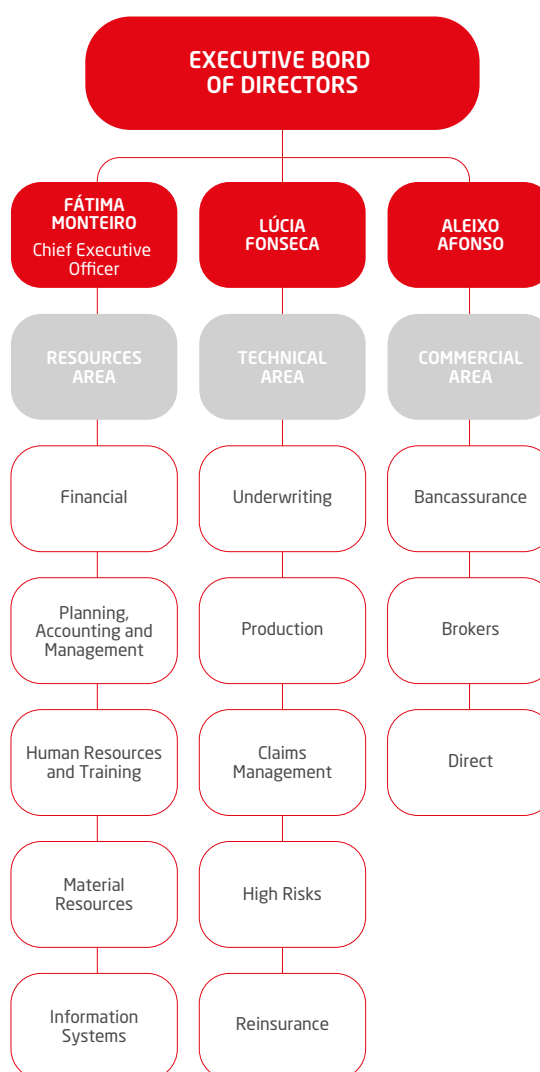
PKF ANGOLA - Auditores
 e Consultores, S.A.

The Board of Directors of BIC Seguros, S.A., in compliance with the applicable legal and statutory requirements, submits the Annual Report for the financial year 2016.

FUNCTIONAL ORGANISATION CHART

The Insurance Company's functional organisation allows a clear distinction between the areas and functions of each division and/or office, under the responsibility of each executive director.

The Insurance Company's functional organisation chart can be presented as follows:



The Compliance and Internal Audit Offices are supervised by the Board of Directors. The Legal Office and the Risk Analysis Committee (Reinsurance Treaties) are supervised by the Executive Committee.

MISSION, VISION AND VALUES

Our vision praises the commitment of all of us to our mission, through a work that is carried out based on our corporate values and that has been giving substance to our motto: Surely Together.

VISION

To be the best and largest private Insurance Company operating in Angola, growing in a sustainable and innovative way and offering customers the best solutions, with a permanent capacity for renewal and actively contributing to Angola's development and growth.

MISSION

To be a sound, profitable, socially responsible, efficient, agile Insurance Company focused on creating value, acting as a partner for companies and families, which stands out for searching for the best return on its assets, customer satisfaction and the fulfilment of its employees, always guided by a highly responsible ethical and social behaviour.

VALUES

Reflecting, in all our behaviours, attitudes and decisions, the principles that guide us while exercising our responsibilities and achieving our goals:

Customer Orientation

Establishing lasting relations with our customers based on rigour, integrity and transparency. Our dedication and commitment to our values allow our customers to know they can rely on us to provide excellent services that help them achieve their goals and meet their needs for the protection of assets, investments and people.

Innovation

Continuously observing and interpreting the market in order to be able to make the difference in a highly competitive environment, not only by anticipating solutions and acquiring new knowledge, but also by creating value.

Ambition

The permanent bond between personal humility and professional ambition allows us to believe that we can always do more and better, a belief that is one of the driving forces behind the professional growth of each individual in particular and of the team as a whole.

Continuous Recognition and Appreciation of the Employees

Human Resources are one of the main driving forces that allow us to grow and achieve our strategic goals. We base our action on the creation of working conditions and individual career plans that foster satisfaction and increase everyone's motivation, while privileging the continuous investment in the development of our employees' technical and behavioural skills.

**TO BE THE BEST
AND LARGEST**

private
Insurance
Company
operating
in Angola

**CONTINUOUSLY
OBSERVING AND
INTERPRETING**

the market
in order
to be able
to make the
difference

Teamwork

The pursuit of our Mission is not the work of an individual but of an entire team. A steady combination of talents and skills seeks to obtain highly effective teams with the ability to always do more and better and that, therefore, allow us to go beyond our own limits.

High Integrity Standards

The actions of each and every one of our employees follow high ethical standards and are strictly guided by the Insurance Company's regulations and recommendations, inspired by the legal framework provided by the Regulatory Authorities.

Social Responsibility

Wherever we are, we strive for the creation of favourable environment for investment and growth, while seeking to be fully integrated into the Community, in terms of both our involvement with the population and the services we provide. The legacy of each of our employees, and of the team as a whole, is our effort for the construction of a better world for the next generations.

These values (Customer Orientation, Innovation, Ambition, Continuous Recognition and Appreciation of the Employees, Teamwork, High Integrity Standards and Social Responsibility) reflect BIC Seguros' personality and essence and inspire us to keep doing more and better, day after day, year after year, for the benefit of all.





02

MACROECONOMIC
BACKGROUND

GUARANTEERING TO GROW

The great flexibility in facing our customers' challenges is a part of us. We are differentiators in our ability to ensure the best solutions most suited to stakeholders, partners and customers.

SAFELY TOGETHER IN BENEFITS



02

MACROECONOMIC
BACKGROUNDINTERNATIONAL
ECONOMY

The advanced economies were at the epicentre of the global financial crisis and, almost a decade after its onset, it is possible to observe an overall significant progress in the recovery of the macroeconomic indicators, despite noticeable gaps between different countries. If, on the one hand, several economies are still showing levels of macroeconomic activity lower than those observed before the crisis (namely various economies from Southern Europe), in other cases those levels have already been exceeded, but the trend of pre-crisis evolution is yet to be resumed (for example, in the USA and in the advanced economies of Southeast Asia). In general, the economies whose recovery is at an earlier stage have banking systems with high values of impairments in their balance sheets, a circumstance that has been affecting the financing of the economic activity and, consequently, the intensity of the process of macroeconomic recovery.

According to the information that is already available for 2016 as a whole, there was a marginal slowdown in global economic activity compared to the preceding year. The latest International Monetary Fund (IMF) estimates indicate a global real GDP growth of 3.1%, following growths of 3.2% in 2015 and 3.4% in 2014. That occurred in a climate of deceleration of the economic activity among the advanced economies and of stabilisation of the growth rate among the emerging economies and developing countries.

In the USA, the economy showed a significant loss of dynamism in 2016 as a whole compared to the preceding year (GDP growth rate of 1.6% in 2016, against 2.6% in 2015), despite irregular behaviour throughout the year. A sharp slowdown in the first semester was mainly a reflection of the trend in inventories and entrepreneurial investment, particularly due to the poor performance of this expenditure aggregate in the energy sector and in the exporting companies affected by the appreciation of the dollar. However, the dynamics of private consumption remained strong, supported by a robust labour market, wage growth, and the advanced stage of resolution of the financial imbalances of both households and companies, leading to some recovery of the economic activity in the second semester of 2016.

In the Euro Area, the slowdown in the economic activity was less intense with a GDP growth rate of 1.7% in 2016, compared to 2.0% in the preceding year. Domestic demand and, particularly, investment, lost some dynamism, after several quarters showing a behaviour that was stronger than expected. If, on the one hand, the activity remained below the level of potential output, on the other hand, the outcome of the British European Union membership referendum (Brexit) seems to have had a rather limited impact on the activity and trust of the economic agents from the Euro Area.

However, the behaviour of the different Member-States has been heterogeneous. Concerning the largest economies, GDP maintained its growth rate in Spain (at 3.2%), increased (slightly) in Germany (to 1.8%) and Italy (to 1.0%) and slowed down in France (to 1.1%). 2016 was also characterised by a slowdown in some of the smaller economies, particularly in Ireland (which, nevertheless, maintained a high growth rate), Belgium and Portugal. Greece, on the other hand, had a marginally positive behaviour, thus interrupting the tendency towards recession shown in the preceding year.

In the United Kingdom, there was also some loss of dynamism, even if only marginal over the year (the GDP growth rate came down from 2.2%, in 2015, to 2.0%, in 2016), and its economic activity continued to be supported by domestic demand. The vote in favour of the Brexit had a remarkable short-term negative impact on the industrial activity, but its effect on household consumption expenditure indicators was limited.



+3.1%

GROWTH
of the world's GDP
(IMF forecast)

IN THE EURO AREA,
the slowdown
in the economic
activity was less
intense

As for the group of emerging economies and developing countries, the stabilisation of the growth rate in 2016 occurred after a year that had been characterised by the negative effects of a sharp drop in the prices of commodities and a significant capital outflow in various countries. This circumstance, however, concealed the disparate behaviour of the different economic blocs.

In 2016, the commodities price indicators compiled by the IMF fell for the fifth consecutive year, with losses of 15.9% in the oil component, and 2.7% in the non-energy component, which were nevertheless attenuated compared to the rather significant drops occurred in 2015 (average variation of -47.1% and -17.4%, respectively).

As for the particular case of oil, the price of Brent oil in dollars per barrel dropped 16.0% over 2016 (following a drop of 46.0% in the preceding year), but eventually ended the year with a significant rise. In fact, towards the end of the year (on 30 November), and after various breakthroughs and setbacks in negotiations, OPEC agreed to a production cut (of 1.2 million barrels/day, to 32.5 million barrels/day), for the first time in eight years. There was also an agreement with countries outside OPEC to reduce the production by 600 thousand barrels/day, which constitutes the first global cut in 15 years. Following these agreements, the price of Brent crude oil ended December at 55 dollars per barrel (against 46 dollars per barrel in November).

For 2017, the IMF forecasts suggest a certain degree of acceleration of global economic activity, with an increase of 3.4% in the global GDP. This acceleration will be the result of an increasing dynamism among both the advanced economies and the emerging and developing economies (growth of 1.9% and 4.5%, respectively). Among the former group of countries, we highlight the significant acceleration of the USA (growth of 2.3%), against a marginal slowdown of the Euro Area (to 1.6%) and Japan (to 0.8%). As for the latter, we highlight the recovery expected for Russia and Brazil (transition to a positive variation in GDP of 1.1% and 0.2%, respectively), against a new (slight) slowdown in China (to 6.5%).



Sub-Saharan Africa

The growth of Sub-Saharan Africa is estimated to have reached only 1.6% in 2016, the lowest rate in over two decades, according to the new half-yearly evaluation published by the World Bank in October 2016. Domestic political uncertainties and the prolonged regional consequences of the drop in the prices of raw materials in the global market are among the causes for this slowdown identified by the aforementioned financial entity

South Africa remains, at least for now, the largest economy in the African continent, according to the latest data of the International Monetary Fund (IMF). The latest figures place South Africa's GDP at US\$ 301 billion and Nigeria's GDP at US\$ 296 billion. The main responsible for the overrun is the recent strength of the South African rand, which appreciated 15% in the last quarter of 2016 alone, driven by international liquidity amidst a scenario of uncertainty in Europe and the postponement of the rise in interest rates in the USA.

We should also highlight the issue of political uncertainty. Late last year, South Africa had three different Ministers of Finance in a week.

The Nigerian naira was an exception and lost a lot of its value since mid-2014, when there was a drop in the price of oil, the country's main export product. The disparities between these nations and the rest of Sub-Saharan Africa are due to the fact that some of the States have a more diversified economy and are not as dependent on the export of commodities.

The growth of countries rich in natural resources and oil cannot be held hostage to the appreciation of raw materials whose prices, warns the World Bank, are expected to remain well below the maximums reached between 2011 and 2014, despite a recent and slight increase.

The UN agency forecasts a modest recovery over the next two years, as the growth of the region's real Gross Domestic Product (GDP) is expected to reach 2.9% in 2017, and 3.6% in 2018.



ANGOLAN ECONOMY

The shock caused by the decrease of oil prices, which has been persisting since late 2014, has substantially reduced the Angolan economy's tax revenues and net exports, limiting its economic growth in 2015 and 2016 and leading to an acceleration in the accumulated inflation rate to, approximately, 40% late in 2016.

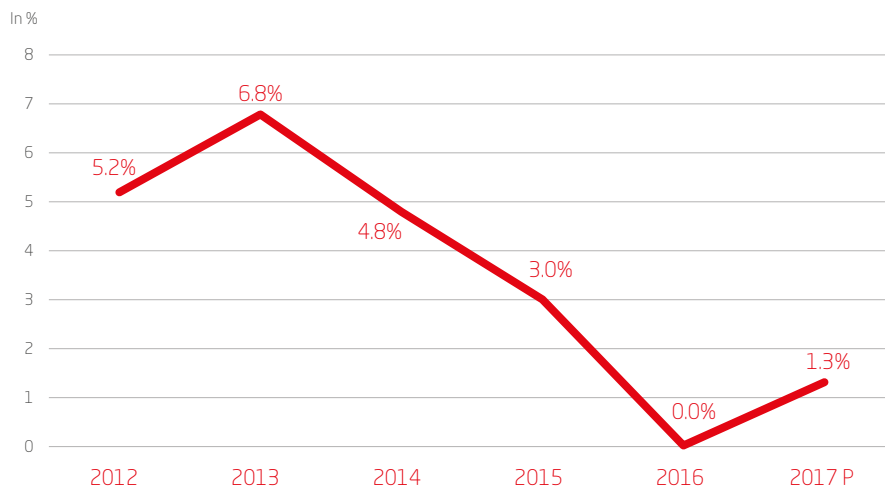
Against this backdrop of financial crisis faced by the country, we should highlight the Government's remarkable effort to reinforce economic and financial stability through the implementation of various reforms, namely concerning the State's administrative machinery, with a special emphasis on Sonangol; in the banking sector, with an adjustment to international accounting and compliance standards, as well as, last but not least, in the fiscal administration.

In September 2016, the General State Budget was adjusted to take the revenue reduction into account and maintain the country's growth. Investment expenses increased 16%, resulting in an increase in the fiscal deficit to 6.8% of GDP, against the 5.5% originally foreseen. This revision had a negative impact on social sector spending, which was reduced by approximately 8%.

According to IMF data, the real growth of GDP is estimated to have stagnated in 2016, with a contraction of 0.5% in the non-oil sector, pushed by the industrial, construction, and service sectors. Industrial and agricultural productions, despite their potential to replace imports, were limited by the shortage of imported inputs due to currency constraints.



REAL GDP GROWTH



Source: IMF

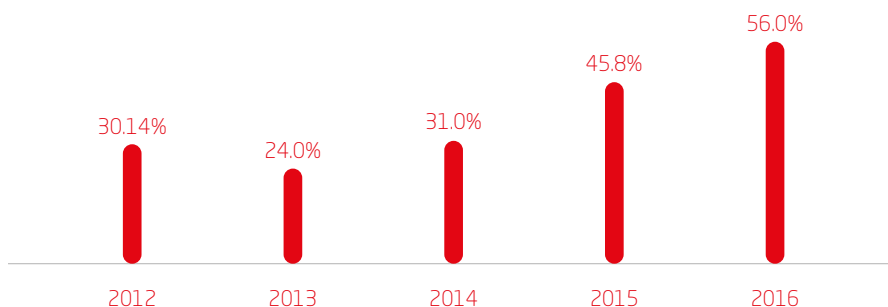
The accumulation of public deficits and the sharp decline in the growth rate have been leading to an upward trend in the ratio of government debt to GDP, which is estimated to have reached approximately 56% of GDP in 2016, against 46% in the preceding year. Adding Sonangol's debt to this figure, the ratio of government debt to GDP is estimated to have exceeded 70% in 2016.

Against this backdrop, the exposure of the Angolan economy to external shocks continue to increase, as the country's current economic situation is characterized by a reduction of international reserves and exports, and an increasing external and internal indebtedness being used to deal with both current and capital expenditure.

UPWARD TREND
in the ratio of
government
debt to GDP,
which is
estimated to
have reached
approximately
56% of GDP

PUBLIC DEBT

(% of GDP)



Source: MINFIN

Gross Domestic Product

Gross Domestic Product

In 2016, according to the IMF, there was a flattening of growth in GDP, which corresponded to a slowdown of 3% compared to 2015 and 6.8% compared to the maximum observed in 2013.

It is estimated that the oil sector was the most affected by the drop in the price of oil, with a growth of only 8% compared to 6.4% in 2015. On the other hand, the non-oil sector is estimated to have recorded a 0.4% decrease compared to a 1.6% growth in 2015.

	'12	'13	'14	'15	'16
GDP pm	5.2	6.8	4.8	3.0	0.0
Oil sector	4.3	-0.3	-0.8	6.4	0.8
Non-oil sector	5.6	7.2	5.6	1.6	-0.4

Source: IMF

Angola's key economic challenge continues to be its need to diversify its economy, by replacing imports and/or increasing exports. In order to achieve these goals, it needs to reduce costs in the non-oil sector and solve its constraints in terms of physical and human capital.

In this regard, and despite the challenging environment, the Angolan Government is expected to increase its investments in projects that contribute to diversify the economy, while striving to attract private investment, with a view to promoting the diversification of the domestic economy.

International Reserves and Oil Sector

Net international reserves witnessed a sharp decrease, due to the drop in the price of the main raw material, with a decrease of approximately 30% from 2012 to 2016, equivalent to approximately 9 billion dollars. Reserve levels have been showing a downward trend, with a stock of USD 21,400 million on 31 December 2016, which corresponds to a decrease of 13% compared to the stock of the preceding year and to approximately 8 months of imports, thus limiting the volume of currencies sold to commercial banks by the National Bank of Angola (BNA).

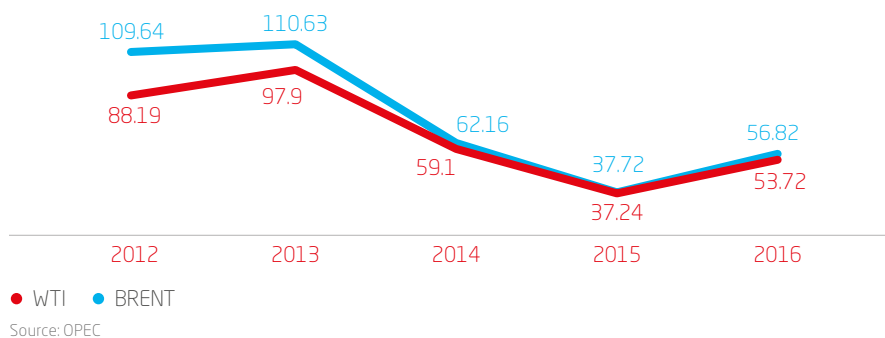
The current dynamics of the price of oil in the international markets remains unsustainable, as a result of the uncertainties that surround the market forces and other speculative factors. In 2016, the spot price of oil showed a rise of approximately 50%, increasing from 37.72 US\$bbl in December 2015 to 56.82 US\$bbl in December 2016, despite the fact that, in the first quarter of 2016, it reached a minimum of 27.10 USD US\$bbl.

THE ANGOLAN GOVERNMENT IS EXPECTED

to increase its investments in projects that contribute to diversify the economy da economia

The positive variation in the price of oil per barrel occurred in 2016, and the fact that this trend continued early in 2017, strengthened the positive expectation of an increase in tax revenues in 2017, considering also the fact that the price observed late in 2016 was approximately 20% of the GSB for 2017.

DEVELOPMENTS IN THE PRICE OF OIL



Foreign Exchange Market

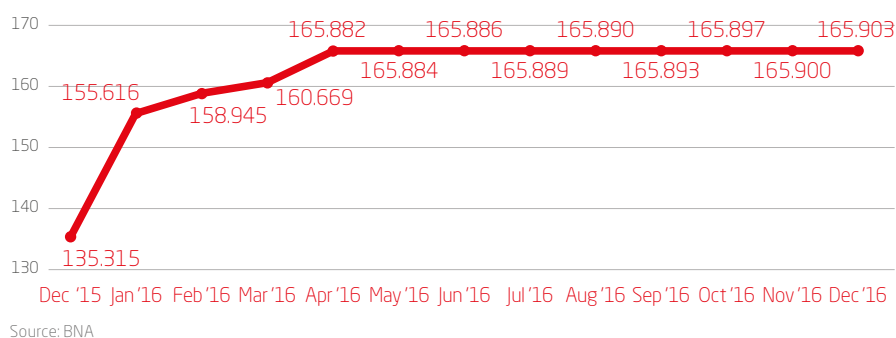
A less favourable economic outlook boosted by the drop in the price of oil led to a decrease in the flow of foreign currency into the Country and, naturally, to a decreased availability of currencies for the settlement of debts of both the State, and companies and individuals to foreign countries. These facts have been significantly contributing to the maintenance of an unbalance in the foreign exchange market generating a significant exchange rate pressure that culminated with the continuous depreciation of the national currency in 2015 and 2016.

In 2016, the BNA proceeded with a devaluation of the Kwanza against the Dollar of approximately 22% (32% in 2015), which occurred mainly over the first four months of 2016. This was one of the factors that, together with the elimination of state subsidies to domestic fuel prices, contributed to the acceleration of inflation.



DEVALUATION
of the Kwanza against
the Dollar in 2016

DEVELOPMENTS IN FOREIGN EXCHANGE RATES



41.95%

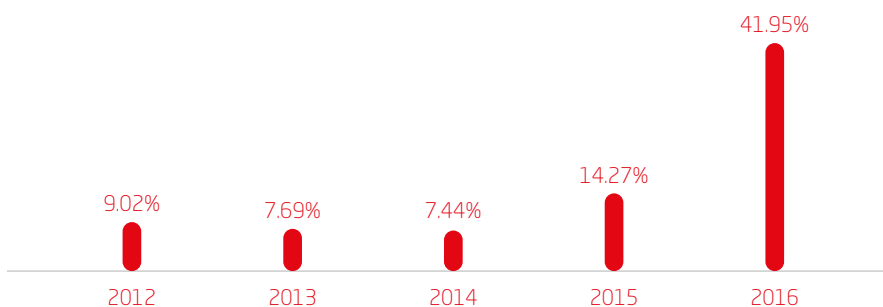
ACCUMULATED INFLATION
in 2016

Inflation and Money Market

In 2016, the accumulated inflation stood at 41.95%, compared to 14.27% in 2015, corresponding to an increase of approximately 190%. This inflation was the result of two key factors: the devaluation of the national currency against the US dollar and the adjustment of the price of fuels that are no longer subsidised by the State.

Against the backdrop of increasing price instability witnessed in 2016, the monetary policy had to take a contractionary stance in order to ensure the stability of the levels of volume of money in circulation controlling the upward trend of the inflation rate while ensuring the preservation of the external solvency of the economy. However, the structural characteristics of the domestic economy of a net exporter of oil that is highly dependent on oil imports and revenues, limit a more effective development of the monetary function.

ACCRUED ANNUAL INFLATION



Source: INE / MINFIN

0.82%

THE ANGOLAN GDP
is the insurance
penetration rate

OVERALL TREND OF THE INSURANCE SECTOR

The latest official data on the Insurance Sector in Angola date back to 2013, making it difficult to have an understanding of the present situation.

Therefore, and according to the latest available official data (2013), the insurance penetration rate is still relatively low, representing only 0.82% of the Angolan GDP.

Despite the lack of official information, there is a high number of Insurance Companies operating in the Angolan territory, with 24 entities licensed to market Insurance products at the end of 2016 (against 18 in 2015 and 17 in 2014). This significant increase in the number of companies authorized to pursue insurance-related activities may indicate a significant growth of the sector.

Also according to the data from 2013, the Non-Life Segments represent 98% of the entire production of the Insurance Agents, a figure considered normal in view of the socio-economic context of countries at a similar stage of development. With regard to claims, the overall rate stood at 30% in 2013, a figure that nevertheless corresponds to a relatively low value compared to Insurance markets at a more advanced stage of maturity; this indicator is expected to move towards figures closer to those levels as the insurance culture takes roots among the population.

The recent guidelines of the Angolan State for the strict compliance with the implementation of the mandatory insurance policy, namely concerning Third Party Liability motor insurance and work accident insurance, as well as the restructuring of certain segments, namely the agricultural and goods-in-transit insurance, will result not only in the growth of the insurance market, but also in an increased awareness among the population of the importance of insurance in their lives, which will continue to positively contribute to the development of the Angolan economy.

A significant progress in the legislation on the Insurance Sector is also expected to occur once the restructuring of the Angolan Agency for Regulation and Supervision of Insurance (ARSEG) is completed, together with an update of the official information on the sector in 2017.

98%

REPRESENT

the Non-Life Segments of the entire
production of the Insurance Agents



03

BUSINESS
ENVIRONMENT

ENSURING TO GROW

Knowing who to count on in anticipating solutions that create value and ensure sustainable growth means growing with confidence.

SAFELY TOGETHER IN PEACE OF MIND



03

BUSINESS
ENVIRONMENTMAIN ACTIVITY
ASPECTS↑↑
+100%GROWTH
in the Non-Life
Segments compared
to the preceding
financial yearIN THE INFORMATION
SYSTEMS AREA,BIC Seguros
has been
making a
continuous
effort to
improve the
performance
of the system

2016 was marked by an exponential growth of BIC Seguros in terms of the customer portfolio (growth of 100% in the Non-Life Segments compared to the preceding financial year), exceeding the mark of 2 billion annual AKZ of Gross Written Premiums, only 2 years after the launch of Universo BIC's insurance project, on 15 October 2014.

The assertion of BIC Seguros has coincided with a period of sharp slowdown of the Angolan economy, which has been occurring since the 2nd semester of 2014. However, the Company has been experiencing considerable growth rates, both in terms of production and technical results. Most importantly, this is a sustainable growth, underpinned by a policy of rigour in the Underwriting of businesses, translated into a balanced production and low claim rates.

This sustained growth of the customer portfolio allowed a growth of the technical result that, combined with a good liquidity management and an excellent average collection period, allows the Company to achieve an excellent financial performance.

The key aspects to note with regard to the financial year 2016 are described below:

Information Systems

In the information systems area, BIC Seguros has been making a continuous effort to improve the performance of the system and to adjust it to the Company's organizational procedures. The preparation of the new servers was completed at the end of the financial year, while the migration to the new machines was carried out in 2017, resulting in an improved capacity of the physical infrastructures.

Therefore, the main actions with regard to information systems were focused on the continuous improvement in terms of claim management and policy issuance, on the completion of the reinsurance module and on the continuous enhancement of the IT platform for external agents, namely Banco BIC's commercial network, which allow this channel to issue insurance policies in an increasingly decentralised way.

Technical Area

Within the scope of the technical area, we highlight the design and implementation of the new "Saúde Empresas" product, which began being marketed in the third quarter of 2016.

In terms of claim management, the Company has been focusing its efforts in the swift settlement of claims in both the Life and Non-Life Segments, cementing its market positioning and, in the eye of the customers, with an excellent efficiency in this area. Additionally, the Company continued to actively analyse and establish partnerships with workshops and concluding agreements in the area of clinical assistance for the provision of services to claimants from the different segments in which the Company operates.

THE PARTICIPATION OF BIC SEGUROS as the exclusive sponsor of the road safety awareness campaign

Marketing and Commercial Area

Throughout 2016, BIC Seguros continued to be present in the mainstream media, strengthening the motto “Go to the Insurance Company as you Go to the Bank”. Through TV and radio spots, campaigns in outdoors or in the written press, the BIC Seguros brand has been asserting itself as a trusted brand. We should also highlight the sponsorship and spotlight on BIC Seguros in the 1st Insurance Market Forum in Angola, organized by the trade press and with a broad media coverage.

In December, the highlight was the participation of BIC Seguros as the exclusive sponsor of the road safety awareness campaign promoted by the National Police with the aim of reducing road accidents.

The Company was also present in various local and national Fairs, being acknowledged with several distinctions for its presence and presentation, proving that its participation in these events is a winning strategy.

Throughout the financial year 2016 there were various internal production campaigns launched across Banco BIC’s Branches and Corporate Centres. These campaigns, the latest of which coincided with the Christmas period, were aimed at specific products according to different Bank channels (Branches and Corporate Centres with different target audiences). In addition to achieving an excellent production, this step allowed asserting the banking channel as one of BIC Seguros’ main distribution channels.

Compliance

The Company follows the best international practices concerning the Prevention of Money Laundering and Terrorist Financing.

The Prevention of Money Laundering and Terrorist Financing Manual was updated in 2016, and all the employees had an active participation in a further training session on this matter. Additionally, the Company’s Compliance officers were present at a joint session with other players in the sector on these matters, organised by ARSEG.

Early in 2016, the Company was represented in the joint meeting of the Sector with the Financial Action Task Force (FATF/GAFI) within the scope of the on-site visit of this organisation to Angola, which ended with the removal of Angola from the “grey list” of countries with deficits in Prevention of Money Laundering and Terrorist Financing

DEVELOPMENT PROSPECTS

THE CHALLENGE IN 2017

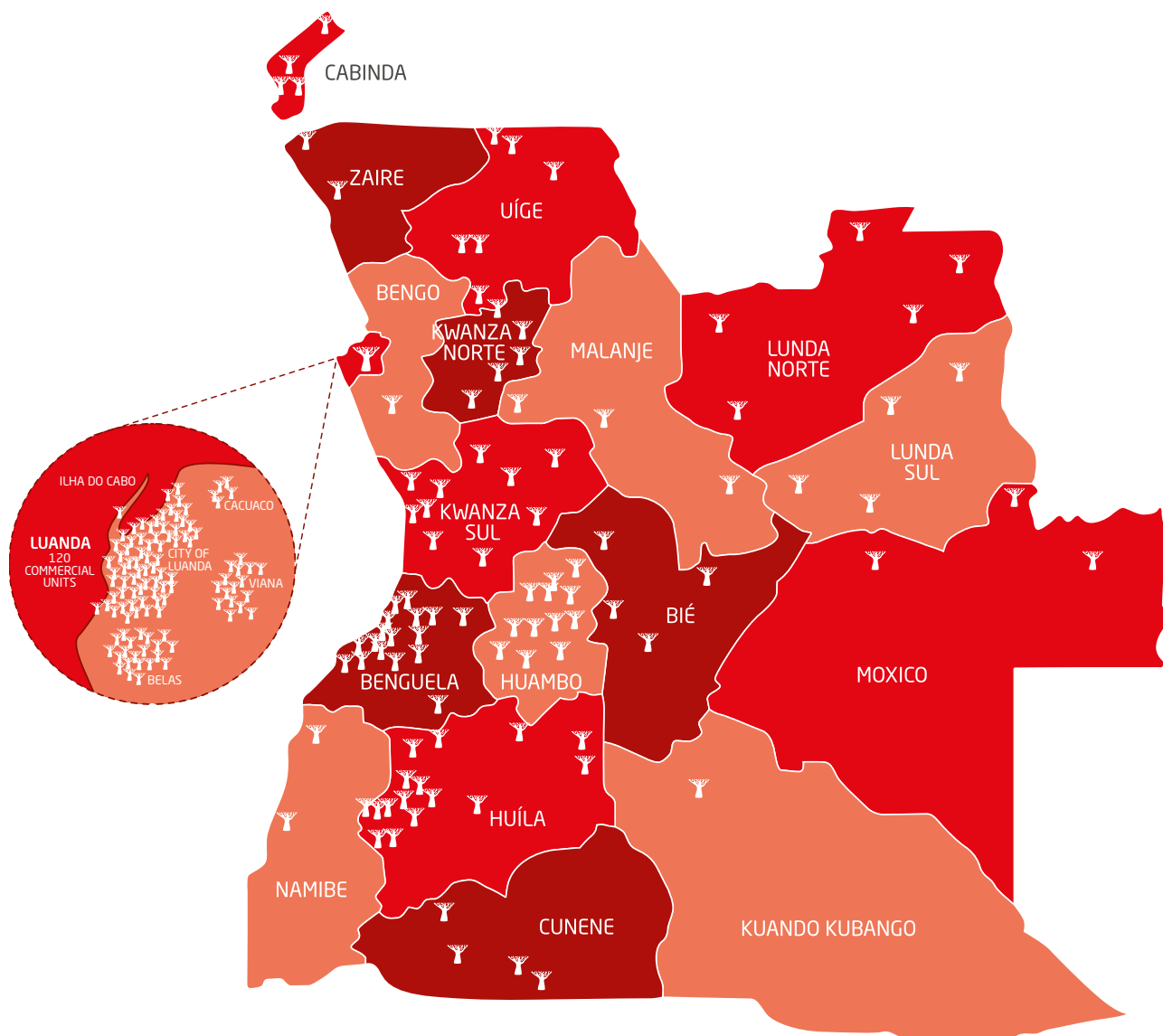
will be to
continue
growing at
the same pace
as in the first
two years of
operation

BIC Seguros' challenge for the financial year 2017 will be to continue growing at the same pace as in the first two years of operation. Following the initial investment and a very positive growth witnessed until 2016, the main challenges for 2017 require us to:

- Continue to develop and adjust products taking into account the specificities of the main distribution channel (Bank), a segment in which the Company is the pioneer in Angola;
- Consolidate BIC Seguros' growth, in terms of both production volume and market share;
- Maintain the high premium collection rate, through a continuous improvement of the payment collection process and portfolio loyalty;
- Take advantage of the challenges presented by the economic slowdown to identify new business opportunities;
- Continue to provide an excellent service to the customers, seeking to achieve their maximum satisfaction, based on the efficiency and quality of the Company's services, namely concerning the settlement of claims;
- Mature the internal control procedures and process, in order to reflect an image of a modern and reliable company, within the scope of the disclosure of information to stakeholders;
- Remain constantly concerned with the development of our employees, based not only on the organisation of training sessions, but also on performance management and incentive promotion practices;
- Develop our relations with our Reinsurance partners, seeking to strengthen the existing partnerships and build new relations;
- Collaborate with ARSEG and other official agencies.

COMMERCIAL NETWORK AND GEOGRAPHICAL PRESENCE

- Head Office: Rua Ngola M'Bandi R/Ch - Maianga - Luanda
- Avennida Kiosk: Centro Comercial Avennida - Talatona
- Banco BIC branches across the entire Angolan territory:



Network Updated on 31 December 2016

BENGO
Branches - 1

BENGUELA
Branches - 17
Corporate Centres - 2
Service Points - 1

BIÉ
Branches - 4

CABINDA
Branches - 4

CUNENE
Branches - 4

HUAMBO
Branches - 12

HUÍLA
Branches - 15
Corporate Centres - 1

KUANDO KUBANGO
Branches - 1

KWANZA NORTE
Branches - 5

KWANZA SUL
Branches - 10

LUANDA
Branches - 99
Corporate Centres - 14
Investment Centres - 3
Service Points - 4
Private Banking - 1

LUNDA NORTE
Branches - 5

LUNDA SUL
Branches - 4

MALANGE
Branches - 3

MOXICO
Branches - 3

NAMIBE
Branches - 2

UÍGE
Branches - 6
Service Points - 1

ZAIRE
Branches - 2

HUMAN RESOURCES

THE EMPLOYEES

are one of the cornerstones of BIC Seguros' activity

Employees are one of the cornerstones of BIC Seguros' activity. The Human Resources policies implemented by the Company are based on the active management of talent as a differentiating factor. To attract, retain, generate and develop professional talent, in working conditions that allow the employees to feel a real sense of pride and belonging, is still BIC Seguros' major goal with regard to Human Resources.

The Human Resources Department, integrated into the Resources Division, is responsible for establishing the policies and practices for human capital, promoting a healthy, balanced, competitive and result-oriented work environment.

The activity plan for 2016 aimed at consolidating the Human Resources strategy, by promoting structuring programmes to develop BIC Seguros according to a sustained approach that requires us to:

- Continue our organisational alignment and clarification, aiming at adjusting our Human Resources to the demands of the business and to the creation of new opportunities, fostering internal mobility;
- Strengthen BIC Seguros' employee development programmes, taking new challenges and the dissemination of knowledge into account;
- Continue to recognise organisational and individual merit, in a sustained manner;
- Improve our talent and performance recognition practices.

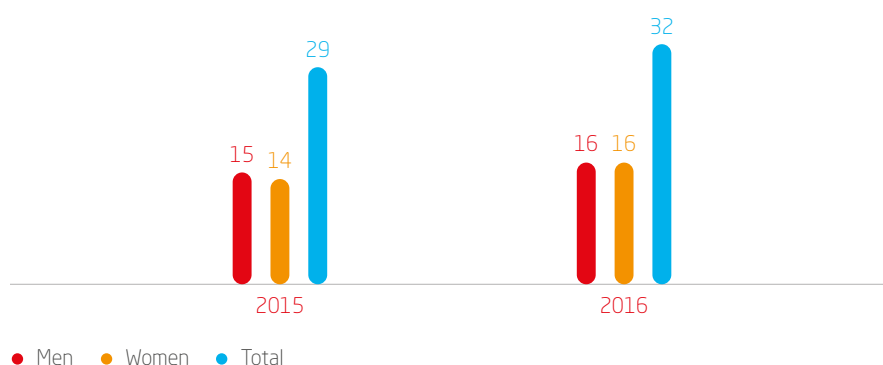
Characterisation of the Human Capital

At the end of 2016, the number of employees had increased 14% compared to 2015.



INCREASED
the number of
employees

NUMBER OF EMPLOYEES	'15	'16
Men	15	16
Women	14	16
Total	29	32



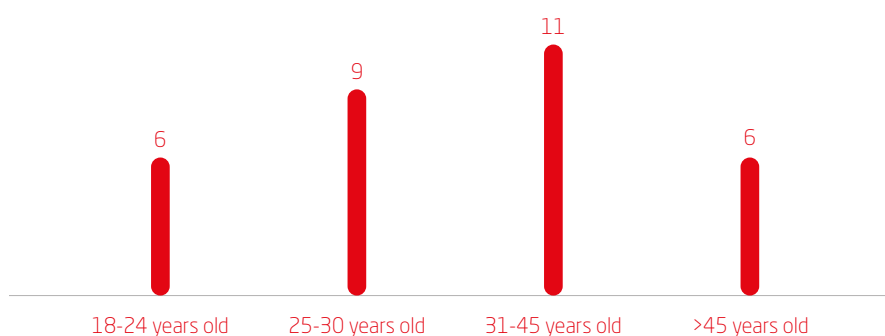
A total of 32 Employees are distributed across the different areas of the Company. From this universe of employees, 4 are allocated to the BIC Seguros Kiosk, located in Shopping Avennida, in Luanda, while the others have a physical workplace in the facilities located in Heroínas, Luanda.

79%

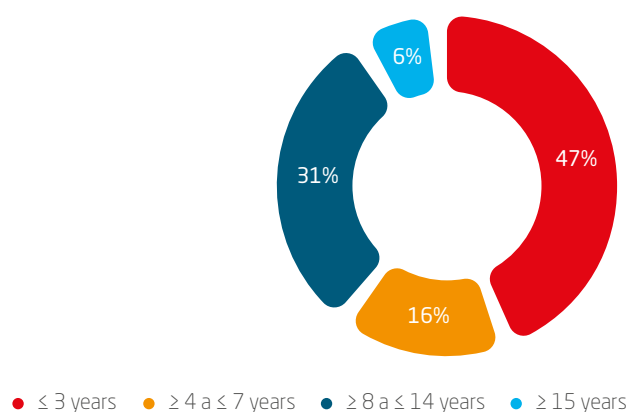
OF EMPLOYEES
with university education

With regard to the "ratios" of experience in the insurance sector, age and higher education, the average age of the BIC Seguros employees is 33. The percentage of employees with university education remains at 79%

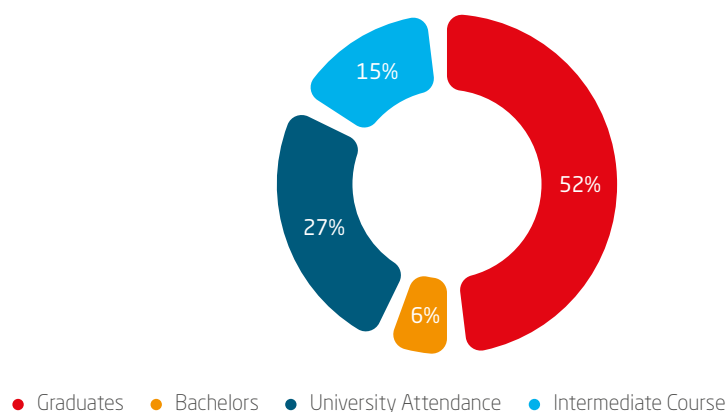
AGE GROUP



YEARS OF EXPERIENCE IN THE INSURANCE SECTOR



LEVEL OF EDUCATION



3,000
HOURS OF TRAINING
50 hours per employee

Talent Training and Retention

Training has been addressed as a priority for the development of our Employees' professional and personal skills. Therefore, and within the scope of knowledge management, our vocational training efforts remained focused on people and business development, resulting in over 3,000 hours of training, 50 hours per employee.

TRAINING ACTIVITY	'15	'16
Number of Participants ⁽¹⁾	56	66
Number of Training Hours	2,632	3,300
By employee	47h	50h

(1) The same employee may have attended various training courses

All the training activities that were carried out aimed at harnessing each employee's potential, allowing the Human Resource policies to be aligned with the employees' expectations and the Institution's strategic goals.

The Annual Training Programme included cross-sectional and specific courses. From a cross-sectional point of view, we highlight the training initiatives in the behavioural area, aligned with BIC Seguros' values and organisational strategy, as well as in the Compliance area, following the best practices in this specific field. In terms of specific training, the emphasis was once again placed on technical insurance-related matters. We should highlight product training, in all its components (underwriting, management and claims).

Medical Assistance Benefits

MEDICAL ASSISTANCE BENEFITS

represented
a total cost of
10,691,783 AKZ
in 2016

BIC Seguros' benefit policy, focused on providing support to employees in relevant areas of their personal and family life, includes a series of additional aids and benefits in the area of health.

In 2016, the medical assistance benefits, distributed across all the employees, represented a total cost of 10,691,783 AKZ, of which 8,553,426 AKZ were a direct cost of the Insurance Company.

Performance Assessment

The Performance Assessment System, an essential tool for an active talent management and career management, remained focused on promoting the development of critical skills and a culture of merit.

Combining an ethical conduct of professional rigour with enthusiasm and initiative, appreciating all the employees' teamwork, allows supporting an objective management focused on Human Capital as a key factor for business success.

YOU CAN BE SURE THAT THERE IS NO OTHER HOME LIKE YOURS.

WITH BIC HOME INSURANCE,
CERTAINLY YOUR HOUSE
IS WELL PROTECTED.



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.



SAFEGUARDING TO GROW

Protecting in order to advance makes us stronger. Safeguarding assets, investments and people that rely on BIC Seguros, with a combination of technical talents and skills means valuing a unique set of assets: yours.

SAFELY TOGETHER IN ASSETS



04

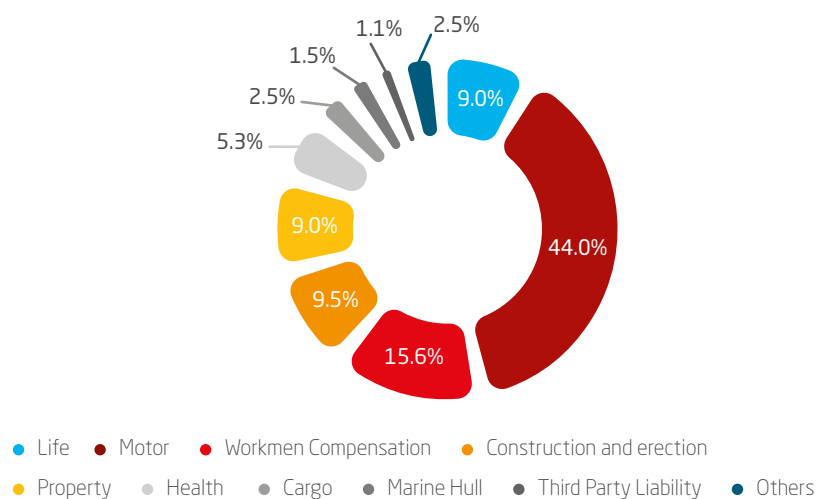
FINANCIAL
ANALYSISDIRECT INSURANCE
PREMIUM PORTFOLIO2 mil M^{AKZ}VOLUME OF GROSS
WRITTEN PREMIUMS
in the financial year 2016

In the financial year 2016, the volume of Gross Written Premiums amounted to 2 billion AKZ (181 million AKZ and 1,823 million AKZ in Life and Non-Life insurance, respectively). This amount, which represents approximately 12 million USD, corresponds to an overall production growth of 72.5% compared to 2015, the year in which the Company's volume of premiums reached approximately 1,162 million AKZ (277 million AKZ and 887 million AKZ in Life and Non-Life insurance, respectively).

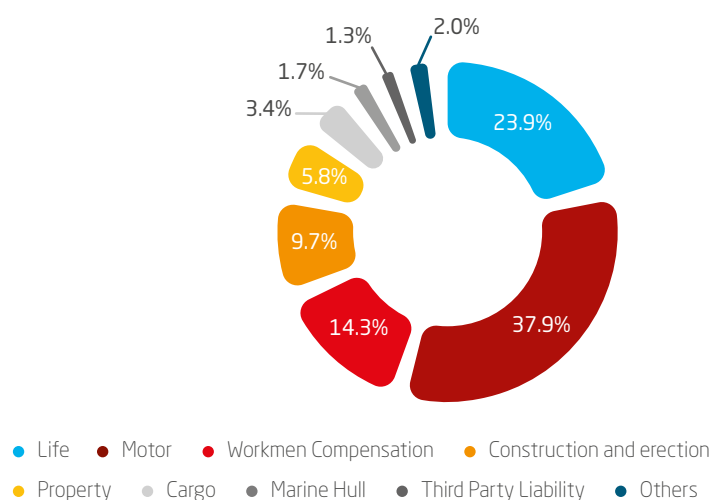
The production of the various segments marketed by the Company, and their respective weight in the total production of the financial year, is broken down as follows:

	'16	'15
GROSS WRITTEN PREMIUMS	DIRECT INSURANCE	DIRECT INSURANCE
Life	180,880,910	277,086,673
Non-life	1,823,551,449	884,649,508
Motor	881,522,464	440,038,457
Workmen Compensation	313,146,749	166,540,684
Construction and erection	190,200,401	113,146,596
Property	180,435,465	67,095,962
Health	106,354,945	-
Cargo	49,664,074	40,015,734
Marine Hull	30,223,295	19,326,974
Third Party Liability	21,206,085	14,824,136
Others	50,797,971	23,660,965
TOTAL	2,004,432,359	1,161,736,181

WEIGHT OF EACH SEGMENT IN THE PRODUCTION ISSUED IN 2016



WEIGHT OF EACH SEGMENT IN THE PRODUCTION ISSUED IN 2016



COSTS WITH CLAIMS

427.5 M^{AKZ}
COSTS WITH CLAIMS
 net of reinsurance in 2016

In 2016, the Costs with Claims, net of reinsurance, amounted to approximately 427.5 million AKZ (116 million AKZ in 2015), including appropriations for IBNR (Provision for claims incurred but not reported) in the amount of approximately 20 million AKZ. The claim payment rate has remained stable and relatively low given the reality of the sector, reaching 33% in the overall of the Non-Life Segments.

The costs with gross claims in the various segments is broken down as follows:

	'16	'15
Life	44,877,214	8,755,000
Non-Life	420,153,240	119,033,082
Motor	273,711,230	100,657,611
Workmen Compensation	105,514,068	10,012,703
Health	29,267,123	-
Property	10,654,147	-
Third Party Liability	923,253	8,362,768
Household Comprehensive	83,419	-
Total	465,030,454	127,788,082

37.5 M AKZ

COSTS CHARGED TO
REINSURANCE
in 2016

In 2016 and 2015, the costs charged to Reinsurance amounted to approximately 37.5 million AKZ and 11.8 million AKZ, respectively.

REINSURANCE

On 31 December 2016 and 2015, the outgoing reinsurance premiums are broken down as follows:

REINSURANCE CEDED	'16	'15
Life	43,601,828	9,152,702
Non-life	357,263,209	220,530,635
Construction and erection	131,926,507	90,370,349
Property	72,487,090	45,058,798
Cargo	37,839,781	32,902,810
Marine Hull	25,086,231	18,417,699
Motor	23,620,710	14,250,501
Travel	14,411,481	3,144,889
Third Party Liability	13,253,804	2,831,589
Personal accidents	9,890,194	83,131
Household Comprehensive	8,431,992	4,389,910
Health	7,878,151	-
Workmen Compensation	7,712,233	4,169,379
Machinery Breakdown	4,725,035	4,911,580
TOTAL	400,865,037	229,683,337

FINANCIAL REVENUE

The revenues from the financial activity on 31 December 2016 and 2015 are shown below:

	'16	'15
Revenues from investments	157.390.163	83.797.066
Term deposits	128.614.625	67.988.087
Treasury Bonds	28.765.268	15.760.834
Interest-bearing sight deposits	10.270	48.145
Realised Investment Capital Gains	151.209.840	74.219.091
Total	308.600.004	158.016.157

136 M^{AKZ}

CAPITAL GAINS

related to foreign exchange gains arising from the investment in products

On 31 December 2016, the Company has unrealised capital gains in the amount of 136 million AKZ, related to foreign exchange gains arising from the investment in products (term deposits and Treasury Bonds) linked to the appreciation of the USD.

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.

www.bicseguros.ao



PREVENTING TO GROW

Anticipating means predicting our customers' needs and evolve with their reality. Protecting their growth with adapted and personalized solutions is the source of our motivation.

SAFELY TOGETHER IN ANTICIPATION



05

PROPOSED APPROPRIATION
OF PROFITS

The net result for the financial year 2016 was positive in the amount of 342,462,249 AKZ, and the Board of Directors proposed the following appropriation:

- Constitution of a Legal Reserve in the amount of 34,246,225 AKZ; and
- Transfer to Retained Earnings in the amount of 308,216,024 AKZ.



SAFELY WITH YOU,
SAFELY TOGETHER.

**ANGOLA HAS GROWN, GROUP 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

FINAL CONSIDERATIONS

The Board of Directors wishes to express its gratitude to all those involved in BIC Seguros' activity, particularly to:

- The Angolan Agency for Regulation and Supervision of Insurance and the Ministry of Finance, for monitoring the Sector and establishing a continuous and productive dialogue with all the stakeholders and the Board of Directors;
- The Board of the General Meeting, the Supervisory Board and the Auditors for their availability and commitment to monitoring and controlling the Company's activity;
- Banco BIC Angola, for all the support provided during the Company's implementation and assertion, thus showing the soundness and mutual aid present in the BIC Universe;
- The Brokers, Reinsurers and other partners for the confidence they have shown;
- The employees who, with all their commitment, dedication and excellence, allowed the aim of asserting BIC Seguros within the Angolan insurance market to become a reality.

We would also like to make a special reference to our current and future customers for their preference and also the shareholders for all the support provided to BIC Seguros in every step of the way.

Luanda, 31 March 2017

On Behalf of the Board of Directors
Fernando Mendes Teles



SOUNDNESS TO GROW

Efficient protection with effective solutions for valuing our customers' assets means creating the stability necessary for sustainable growth, along with a sound future.

SAFELY TOGETHER IN STABILITY



06

FINANCIAL STATEMENTS AND NOTES

FINANCIAL
STATEMENTS

Amounts expressed in thousand
Angolan Kwanzas

							31 DEC. '16	31 DEC. '15
ASSETS	NOTES ATTACHED	LIFE	NON-LIFE	NON- TECHNICAL ACCOUNTS	TOTALS GROSS ASSETS	PROVISIONS AND DEPRECIATIONS	TOTALS NET ASSETS	TOTALS NET ASSETS
INVESTMENTS	4	507,404,276	816,732,535	1,105,630,141	2,429,766,952	-	2,429,766,952	1,793,388,111
Properties		36,417,160	36,417,160	-	72,834,320	-	72,834,320	72,834,320
Variable-Income Securities		-	-	-	-	-	-	-
Fixed-Income Securities		120,987,116	130,315,375	-	251,302,491	-	251,302,491	246,334,701
Mortgage Loans		-	-	-	-	-	-	-
Other Loans		-	-	-	-	-	-	-
Deposits with Credit Institutions		350,000,000	650,000,000	1,105,630,141	2,105,630,141	-	2,105,630,141	1,474,219,090
Others		-	-	-	-	-	-	-
DEPOSITS WITH CEDING UNDERTAKINGS		-	-	-	-	-	-	-
TECHNICAL PROVISIONS FOR REINSURANCE CEDED	8	2,382,941	188,251,801	-	190,634,742	-	190,634,742	118,954,074
Mathematical Provision for the Life Insurance		-	-	-	-	-	-	-
Mathematical Provision for the Workmen Compensation Insurance Segment		-	-	-	-	-	-	-
Unearned Premiums Provision		-	181,194,109	-	181,194,109	-	181,194,109	118,507,481
Provision for Outstanding Claims		2,382,941	705,7692	-	9,440,633	-	9,440,633	446,593
PREMIUMS IN COURSE OF COLLECTION	6	2,449,488	264,289,743	-	266,739,231	-	266,739,231	51,435,498
Direct		2,449,488	264,289,743	-	266,739,231	-	266,739,231	51,435,498
Indirect		-	-	-	-	-	-	-
DEBTORS	7	-	1,503,902	230,626	1,734,528	-	1,734,528	422,634
For Direct Insurance Operations		-	1,322,277	-	1,322,277	-	1,322,277	174,508
For Reinsurance Operations		-	-	-	-	-	-	-
State and Other Public Entities		-	-	210,626	210,626	-	210,626	228,126
Capital Subscribers		-	-	-	-	-	-	-
Shareholders		-	-	-	-	-	-	-
Others		-	181,625	20,000	201,625	-	201,625	20,000
OTHER ASSET ITEMS		-	1,900,000	231,501,659	233,401,659	(12,420,170)	220,981,489	274,920,776
Tangible Fixed Assets and Stocks	5	-	-	121,512,400	121,512,400	(12,420,170)	109,092,230	108,334,952
Bank Deposits and Cash	3	-	-	109,989,259	109,989,259	-	109,989,259	166,285,824
Others		-	1,900,000	-	1,900,000	-	1,900,000	300,000
ACCRUALS AND DEFERRALS	9	11,356,681	17,955,032	17,408,843	46,720,556	-	46,720,556	23,742,270
Interest Receivable		11,356,681	17,955,032	11,015,964	40,327,677	-	40,327,677	21,954,209
Other Accruals and Deferrals		-	-	6,392,879	6,392,879	-	6,392,879	1,788,061
INTANGIBLE FIXED ASSETS	5	-	-	255,489,762	255,489,762	(157,770,874)	97,718,888	141,927,581
Totals		523,593,386	1,290,633,013	1,610,261,031	3,424,487,430	(170,191,044)	3,254,296,386	2,404,790,944

Amounts expressed in thousand Angolan Kwanzas

					31 DEC. '16	31 DEC. '15
LIABILITIES AND EQUITY	NOTES ATTACHED	LIFE	NON-LIFE	NON-TECHNICAL ACCOUNTS	TOTALS	TOTALS LIABILITIES
TECHNICAL PROVISIONS	8	251,633,673	809,790,926	-	1,061,424,599	635,072,504
Mathematical Provision for Life						
- Direct Insurance		244,204,844	-	-	244,204,844	214,226,602
- Reinsurance Acceptances		-	-	-	-	-
Mathematical Provision for Workmen Compensation						
- Direct Insurance		-	9,739,638	-	9,739,638	-
- Reinsurance Acceptances		-	-	-	-	-
Unearned Premiums Provision						
- Direct Insurance		-	598,550,520	-	598,550,520	360,809,808
- Reinsurance Acceptances		-	-	-	-	-
Temporary Disability Workmen Compensation Provision		-	65,198,458	-	65,198,458	34,705,634
Provision for Outstanding Claims						
- Direct Insurance		7428,829	136,302,310	-	143,731,139	25,330,460
- Reinsurance		-	-	-	-	-
Equalization Provision		-	-	-	-	-
UPDATE AND SETTLEMENT FUND		-	-	-	-	-
OTHER PROVISIONS		509,629	22,435,818	14,044,326	36,989,773	16,289,924
Provision for Premiums in Course of Collection	6	509,629	22,435,818	-	22,945,447	6,289,924
Provision for Doubtful Loans		-	-	-	-	-
Provision for Risks and Charges		-	-	14,044,326	14,044,326	10,000,000
DEPOSITS RECEIVED FROM REINSURERS		-	-	-	-	-
CREDITORS	7	19,621,120	290,303,308	62,006,742	371,931,170	337,174,923
For Direct Insurance Operations		1,124,423	111,890,923	-	113,015,346	53,777,058
For Reinsurance Operations		18,135,203	158,935,114	-	177,070,317	101,964,047
Bank Loans		-	-	-	-	-
State and Other Public Entities		361,494	19,477,271	16,901,229	36,739,994	16,491,276
Shareholders		-	-	-	-	-
Others		-	-	45,105,513	45,105,513	164,942,542
ACCRUALS AND DEFERRALS	9	444,625	-	57,971,821	58,416,446	33,182,164
CAPITAL	10					
Share Capital		-	-	1,500,000,000	1,500,000,000	1,500,000,000
Issuance Premiums		-	-	-	-	-
Legal Reserve		-	-	-	-	-
Statutory Reserve		-	-	-	-	-
Revaluation Reserve		-	-	-	-	-
Special Reserves		-	-	-	-	-
Free Reserves		-	-	-	-	-
Fluctuations in Values						
- Of Securities		-	-	720	720	-
- Of Real Estate Properties		-	-	-	-	-
- Of Exchange Rates		-	-	-	-	-
Retained Earnings		-	-	(116,928,571)	(116,928,571)	(145,678,609)
Results for the Year		-	-	342,462,249	342,462,249	28,750,038
Totals		272,209,047	1,122,530,052	1,859,557,287	3,254,296,386	2,404,790,944

Amounts expressed in thousand Angolan Kwanzas

COSTS	NOTES ATTACHED	LIFE	ACCIDENTS, ILLNESS AND TRAVEL	FIRE AND ALLIED RISKS	OTHER DAMAGES TO PROPERTY
MATHEMATICAL PROVISION	8	29,978,242	9,739,638	-	-
Direct Insurance		29,978,242	9,739,638	-	-
Reinsurance Acceptances		-	-	-	-
Outgoing Reinsurance (Decrease)		-	-	-	-
UNEARNED PREMIUMS PROVISION	11	-	112,443,577	-	436,161,685
Direct Insurance		-	103,386,803	-	383,332,978
Reinsurance Acceptances		-	-	-	-
Outgoing Reinsurance (Decrease)		-	9,056,774	-	52,828,707
TEMPORARY DISABILITY WORKMEN COMPENSATION PROVISION	8	-	30,492,824	-	-
CLAIMS EQUALISATION PROVISION		-	-	-	-
SHARE IN PROFITS		-	-	-	-
PROVISION FOR PREMIUMS IN COURSE OF COLLECTION	6	268,400	(178,502)	-	(1,155,710)
COMPENSATIONS	12	44,877,214	134,781,191	-	10,737,566
From Direct Insurance					
Of the Financial Year		31,727,214	137,746,965	-	10,511,064
Of Previous Financial Years (readjustments)		13,150,000	(2,965,774)	-	226,502
Reinsurance Acceptances		-	-	-	-
COMMISSIONS		6,271,311	25,515,588	-	27,636,211
Direct Insurance		5,381,311	25,515,588	-	27,636,211
Reinsurance Acceptances		-	-	-	-
Acquisition Costs		890,000	-	-	-
OUTGOING REINSURANCE COSTS	11	43,601,828	39,892,059	-	217,570,624
Premiums		39,919,269	32,179,826	-	208,752,388
Interest		-	-	-	-
Minimum Deposit Premium		3,682,559	7,712,233	-	8,818,236
REALISED INVESTMENT LOSSES	13	-	-	-	-
Allocated to Technical Provisions		-	-	-	-
Free		-	-	-	-
Staff Costs	15	-	-	-	-
Other Administrative Costs	14	-	-	-	-
Taxes and Levies		-	-	-	-
Amortisations	5	-	-	-	-
Provision for Doubtful Loans		-	-	-	-
Provision for Risks and Charges		-	-	-	-
Other Costs	16	-	-	-	-
Extraordinary Costs and Losses		-	-	-	-
Income tax for the year		-	-	-	-
Totals		124,996,995	352,686,375	-	690,950,376

							31 DEC. '16	31 DEC. '15
MOTOR	CARGO	PETROCHEMICAL	THIRD PARTY LIABILITY	OTHERS	NON-TECHNICAL ACCOUNTS	TOTALS		
-	-	-	-	-	-	39,717,880	173,178,645	
-	-	-	-	-	-	39,717,880	173,178,645	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
943,997,622	130,499,234	-	26,025,649	-	-	1,649,127,767	772,309,497	
943,997,622	73,143,340	-	20,318,478	-	-	1,524,179,221	738,806,142	
-	-	-	-	-	-	-	-	
	57,355,894	-	5,707,171	-	-	124,948,546	33,503,355	
-	-	-	-	-	-	30,492,824	34,666,660	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
17,353,617	112,613	-	255,105	-	-	16,655,523	6,289,924	
273,711,230	-	-	923,253	-	-	465,030,454	127,788,082	
266,402,129	-	-	993,700	-	-	447,381,072	127,788,082	
7,309,101	-	-	(70,447)	-	-	17,649,382	-	
-	-	-	-	-	-	-	-	
74,791,894	2,155,951	-	981,975	-	-	137,352,930	74,876,400	
74,791,894	2,155,951	-	981,975	-	-	136,462,930	74,876,400	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	890,000	-	
23,620,710	62,926,012	-	13,253,804	-	-	400,865,037	229,683,337	
-	62,926,012	-	13,253,804	-	-	357,031,299	205,615,668	
-	-	-	-	-	-	-	-	
23,620,710	-	-	-	-	-	43,833,738	24,067,669	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	394,257,347	394,257,347	252,759,245	
-	-	-	-	-	186,900,008	186,900,008	121,707,401	
-	-	-	-	-	20,707,781	20,707,781	9,393,924	
-	-	-	-	-	82,464,666	82,464,666	68,570,365	
-	-	-	-	-	-	-	-	
-	-	-	-	-	4,044,326	4,044,326	10,000,000	
-	-	-	-	-	218,460,185	218,460,185	41,517,578	
-	-	-	-	-	-	-	2,075,881	
-	-	-	-	-	22,449,719	22,449,719	-	
1,333,475,073	195,693,810	-	41,439,786	-	929,284,032	3,668,526,447	1,924,816,939	

Amounts expressed in thousand Angolan Kwanzas

REVENUES	NOTES ATTACHED	LIFE	ACCIDENTS, ILLNESS, AND TRAVEL	FIRE AND ALLIED RISKS	OTHER DAMAGES TO PROPERTY
MATHEMATICAL PROVISION	8	-	-	-	-
Direct Insurance (Decrease)		-	-	-	-
Reinsurance Accepted (Decrease)		-	-	-	-
Outgoing Reinsurance		-	-	-	-
UNEARNED PREMIUMS PROVISION	11	-	66,601,543	-	430,707,767
Direct Insurance (Decrease)		-	53,528,862	-	311,708,042
Reinsurance Accepted (Decrease)		-	-	-	-
Outgoing Reinsurance		-	13,072,681	-	118,999,725
TEMPORARY DISABILITY WORKMEN COMPENSATION PROVISION	8	-	-	-	-
EQUALIZATION PROVISION		-	-	-	-
DISTRIBUTED EARNINGS		-	-	-	-
PREMIUMS AND THEIR ADDITIONS	11	180,880,911	461,734,402	-	378,600,287
Direct Insurance		180,880,911	461,734,402	-	378,600,287
Reinsurance Accepted		-	-	-	-
Co-Insurance Special Scheme		-	-	-	-
Co-Insurance Accepted		-	-	-	-
OUTGOING REINSURANCE REVENUES		28,869,448	5,815,239	-	48,164,386
Compensations	12	28,869,448	2,848,181	-	5,422,882
Commissions		-	2,967,058	-	42,741,504
REALISED INVESTMENT GAINS	13	49,152,621	14,211,371	-	11,369,096
Allocated to Technical Provisions		49,152,621	14,211,371	-	11,369,096
Free		-	-	-	-
Other Revenues	16	-	-	-	-
Extraordinary Profits and Gains		-	-	-	-
Totals		258,902,980	548,362,555	-	868,841,536

							31 DEC. '16	31 DEC. '15
MOTOR	CARGO	PETROCHEMICAL	THIRD PARTY LIABILITY	MISCELLANEOUS	NON-TECHNICAL ACCOUNTS	TOTALS		
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
825,001,028	126,996,743	-	24,766,602	-	-	1,474,073,683	555,893,894	
825,001,028	78,690,734	-	17,509,843	-	-	1,286,438,509	406,396,504	
-	-	-	-	-	-	-	-	-
-	48,306,009	-	7,256,759	-	-	187,635,174	149,497,390	
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
881,522,463	79,887,369	600,842	21,206,085	-	-	2,004,432,359	1,161,736,181	
881,522,463	79,887,369	-	21,206,085	-	-	2,003,831,517	1,161,736,181	
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	600,842	-	-	-	600,842	-	-
-	2,137,757	-	6,751,259	-	-	91,738,089	31,550,318	
-	-	-	384,182	-	-	37,524,693	11,796,286	
-	2,137,757	-	6,367,077	-	-	54,213,396	19,754,032	
28,422,741	-	-	2,842,274	-	202,601,901	308,600,004	158,016,157	
28,422,741	-	-	2,842,274	-	-	105,998,103	28,496,451	
-	-	-	-	-	202,601,901	202,601,901	129,519,706	
1,900,000	-	-	-	-	130,230,428	132,130,428	39,347,700	
-	-	-	-	-	14,133	14,133	7,022,727	
1,736,846,232	209,021,869	600,842	55,566,220	-	332,846,462	4,010,988,696	1,953,566,977	

Amounts expressed in thousand Angolan Kwanzas

31 DEC.
'15**CASH FLOWS FROM OPERATING ACTIVITIES:**

Operating flows before variations in assets and liabilities:	
Premiums received, net of reinsurance	930,666,894
Claims paid, net of reinsurance	(92,502,473)
Commissions associated with insurance contracts	(74,876,401)
Foreign exchange income	(2,166,571)
Payments to suppliers	(100,604,066)
Payments to employees	(242,748,488)
Others	10,056,805
	427,825,700
(Increases)/reductions in operating assets	
Debtors arising from direct insurance and reinsurance operations	(41,128,286)
Debtors arising from other operations	119,374
	(41,008,912)
Increases/(reductions) in operating liabilities	
Creditors arising from direct insurance and reinsurance operations	141,988,750
Creditors arising from other operations	(153,162,293)
Other liabilities	14,083,526
	2,909,983
Net cash from operating activities before taxes	389,726,771
Income tax payments	-
Net cash from operating activities	389,726,771
CASH FLOWS FROM INVESTMENT ACTIVITIES:	
Income from financial assets	136,061,948
Other receipts	-
	136,061,948
Payments arising from the acquisition or origination of:	
Financial assets	(1,720,553,792)
Real estate properties	(72,834,320)
Tangible and intangible assets	(157,113,177)
Others	-
	(1,950,501,289)
Net cash from investment activities	(1,814,439,341)
Net increase (reduction) of cash and cash equivalents	
Cash and cash equivalents at the beginning of the financial year	1,590,998,394
Cash and cash equivalents at the end of the financial year	166,285,824
	(1,424,712,570)

Amounts expressed in thousand Angolan Kwanzas

**31 DEC.
'16**
CASH FLOWS FROM OPERATING ACTIVITIES:

Operating flows before variations in assets and liabilities:	
Premiums received, net of reinsurance	1,603,567,321
Claims paid, net of reinsurance	(318,099,123)
Commissions associated with insurance contracts	(136,462,930)
Foreign exchange income	(85,846,610)
Payments to suppliers	(205,386,255)
Payments to employees	(355,141,637)
Others	30,546,603
	533,177,369
(Increases)/reductions in operating assets	
Debtors arising from direct insurance and reinsurance operations	(216,451,502)
Debtors arising from other operations	(181,625)
	(216,633,127)
Increases/(reductions) in operating liabilities	
Creditors arising from direct insurance and reinsurance operations	134,344,558
Creditors arising from other operations	(119,711,777)
Other liabilities	7,737,405
	22,370,186
Net cash from operating activities before taxes	338,914,428
Income tax payments	(10,046,158)
Net cash from operating activities	328,868,270
CASH FLOWS FROM INVESTMENT ACTIVITIES:	
Income from financial assets	290,226,536
Other receipts	-
	290,226,536
Payments arising from the acquisition or origination of:	
Financial assets	(636,378,120)
Real estate properties	-
Tangible and intangible assets	(39,013,251)
Others	-
	(675,391,371)
Net cash from investment activities	(385,164,835)
Net increase (reduction) of cash and cash equivalents	(56,296,565)
Cash and cash equivalents at the beginning of the financial year	166,285,824
Cash and cash equivalents at the end of the financial year	109,989,259
	(56,296,565)

NOTES TO THE FINANCIAL STATEMENTS

ON 31 DECEMBER 2016 AND 2015

Amounts denominated in Kwanzas - AKZ, unless otherwise expressly stated

1. INTRODUCTION

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

The corporate purpose of BIC SEGUROS, whose head office is located in Luanda, is the pursuit of insurance activities in the Life and Non-Life segments, with a license certificate issued by the Angolan Agency for Regulation and Supervision of Insurance on 29 September 2014, being also able to develop other businesses connected to its main activity and participate in other companies, provided that their purpose is similar or complementary to its own.

On 31 December 2016, the Company owned 2 operating branches, both in the province of Luanda, while being present in all the provinces of the Angolan territory through the Banco BIC S.A. branch network ("Banco BIC"), which is authorised to market the Company's products.

The financial statements of BIC SEGUROS on 31 December 2016 were approved by the Board of Directors on 3 February 2017. These financial statements are pending approval by the corresponding governing bodies. However, the Board of Directors accepts that they will be approved without significant amendments.

2. BASES OF PRESENTATION AND SUMMARY OF THE MAIN ACCOUNTING POLICIES

2.1 Bases of Presentation

The financial statements have been prepared on the going concern basis, on the books and records kept by the Company in accordance with the accounting principles laid down in the Plan of Accounts for Insurance Companies (PCES), pursuant to Decree No. 79 - A/02, of 5 December, of the Council of Ministers, and subsequent amendments enacted in the Official Government Gazette of 24 May 2004.

2.2 Accounting Policies

The most significant accounting policies used in preparing the financial statements were as follows:

2.2.1 Accrual Accounting

Income and expenses are recognised when obtained or incurred, irrespective of the moment when they are received or paid, and shall be included in the financial statements for the respective periods.

2.2.2 Foreign Currency Transactions

BIC SEGUROS' accounts are prepared in accordance with the currency used in the economic area where it operates - Kwanza (AKZ), known as "functional currency".

The values of assets and liabilities denominated in foreign currency are recorded at the average exchange rate for commercial banking purchase and sale in force on the balance sheet date.

Exchange rate differences are recognised in the respective profit and loss accounts, except for those regarding Investments, which are recorded under the heading "Fluctuation in values".

On 31 December 2016 and 2015, the exchange rates with the US Dollar (USD) and the Euro (EUR) were as follows

	'16	'15
1 USD	167.785 AKZ	136.850 AKZ
1 EUR	187.481 AKZ	149.509 AKZ

2.2.3 Investments

Investments are measured based on the application of the current value principle.

a) Properties

Real estate properties are measured at the current market value calculated on the valuation date. If the market value is impossible to determine, the current value shall be the value calculated based on the application of the principle of purchase price or production cost.

b) Financial investments

Financial investments are measured at their price on the reference date for the Financial Statements, and this value is understood as the current market value.

If their price is impossible to obtain, financial investments are measured based on a cautious appreciation of their realisable value, which, however, cannot exceed the value that proportionally corresponds to them in the shareholders' equity of the respective company according to the last balance sheet approved, in the case of shares and quotas, or the purchase price or nominal value, in the case of bonds purchased during the financial year or in previous financial years, respectively.

Differences between the purchase price, which shall include incidental expenses, and the current value, calculated according to the valuation criteria described above, are recorded under the heading "Fluctuations in values".

On the disposal of financial investments, all realised capital gains and losses are recorded in the income statement for the period in which they occur, under the headings "Realised investment gains" and "Realised investment losses", respectively.

c) Revenues from financial investments

All the revenues from financial investments recorded in the financial year respect the accrual accounting principle, except for revenues from shares, which are only recorded at the moment in which the attributed dividends are actually received.

2.2.4 Tangible and Intangible Fixed Assets

Intangible fixed assets are recorded at acquisition cost, minus accumulated amortisations. Amortisations, recorded as costs in the financial year, are calculated on a systematic basis over the estimated useful life of the assets, which corresponds to a period of 3 years.

Software maintenance expenses are recorded as costs in the financial year.

Tangible fixed assets are recorded at purchase price, which comprises the purchase price plus the incidental costs borne until the asset begins operating. Amortisations are calculated on a systematic basis over the estimated useful life of the asset, which corresponds to the period during which the asset is expected to be available for use and are recorded as costs in the financial year

The amortisations of the financial year are calculated using the straight-line method, in accordance with the rates defined in the Presidential Decree no. 207/15, of 5 November:

	YEARS OF USEFUL LIFE
Intangible Fixed Assets	3
Administrative Equipment	6
Computer Equipment	3
Other Equipment	3 - 4

2.2.5 Technical Provisions

The Company shall ensure a level of technical provisioning that allows it to fulfil the obligations undertaken within the scope of its insurance contracts. The forms of calculation and methods of application are governed by the Executive Decree no. 06/03, of 24 January, of the Ministry of Finance.

On 31 December 2016 and 2015, the technical provisions set up by the Company and the respective method of calculation, in accordance with the regulations in force, are described below:

a) Unearned Premiums Provision

The Unearned Premiums Provision corresponds to the value of the written premiums of insurance contracts attributable to subsequent financial years, i.e., the portion corresponding to the period between the closing balance sheet date and the end of the period to which the premium refers. It is calculated, for each contract in force, using the "pro-rata temporis" method applied to the respective gross written premiums, net of reversals and write-offs. This provision is calculated for all the segments, except for the "Life" and "Workmen Compensation" segments.

Mediation commissions incurred with the acquisition of insurance contracts are being deferred over the period to which they refer, being recognised as a deduction to the value of the Unearned Premiums Provision.

b) Mathematical provision for the "life" insurance segment

The mathematical provision for the life insurance segment corresponds to the difference between the current values of the reciprocal liabilities of the insurance company and the people who have concluded the insurance contracts, calculated in accordance with the approved technical bases.

c) Mathematical provision for the "Workmen Compensation" insurance

The mathematical provision for the "Workmen Compensation" segment is aimed at recording liabilities concerning:

- Pensions payable within the scope of claims whose amounts have already been approved by the National Commission for the Assessment of Work-Related Disabilities;
- Estimate of liabilities arising from pensions related to claims incurred but pending final agreement of judgement, known as defined pensions;
- Estimate of liabilities arising from pensions related to claims incurred whose clinical records are yet to be completed on the date of the financial statements, or pensions related to claims incurred but not reported, known as presumptive pensions.

The hypotheses and technical bases used in the calculation of approved and defined mathematical provisions for Workmen Compensation are calculated in accordance with the laws and regulations in force.

d) Temporary Disability Workmen Compensation Provision

The provision for temporary disabilities related to the “Workmen Compensation” segment is used to cover liabilities related to claims whose clinical procedures are yet to be closed, concerning the payment of wages and medical treatment costs until the date of clinical discharge.

The provision for temporary disabilities is calculated on the policies in force for the “Workmen Compensation” segment, corresponding to 25% of the simple premiums issued over the last twelve months, net of reversals and write-offs.

e) Provision for outstanding claims

The provision for outstanding claims corresponds to the foreseeable value of costs with claims pending regularisation or with regularised claims pending settlement. Additionally, despite the fact that the concept of IBNR (claims incurred but not reported) is not addressed by the Angolan legislation, the Company records an estimate for these claims, with the purpose of ensuring the application of the accrual accounting principle and adjusting its level of provisioning to the best possible estimate.

The provision for claims is calculated on a claim-by-claim basis, corresponding to the foreseeable value of the total cost of each claim, minus the payments that have already been made.

f) Technical Provisions for Outgoing Reinsurance

These provisions are determined using the criteria for direct insurance described above, taking into account the percentages ceded, as well as the other provisions of the treaties in force.

2.2.6 Other Provisions

a) Provision for premiums in course of collection

The provision for premiums in course of collection is used to cover risks related to the collection of premium receipts. It is calculated in accordance with the Executive Decree no. 05/03, of 24 January, of the Ministry of Finance, through the application of provisioning rates according to the time elapsed from the issue date of the receipts pending collection.

Additionally, the Company analyses the need to record additional provisions, determined according to economic criteria, when the provisions resulting from the application of the aforementioned criterion are deemed insufficient to reduce the balance of premiums in course of collection to their estimated realisable value.

b) Provision for doubtful loans

This provision is used to cover risks related to the collection of debts from third parties, excluding those concerning premium receipts pending collection. This provision is set up through the application of economic criteria.

3.3. BANK DEPOSITS AND CASH

On 31 December 2016 and 2015, this heading is broken down as follows:

	31 DEC. '16	31 DEC. '15
BANK DEPOSITS		
National currency	109,238,424	143,637,771
Foreign currency	469,839	22,583,024
CASH		
Cash	280,996	65,029
Total	109,989,259	166,285,824

On 31 December 2016 and 2015, all sight deposits are domiciled in Banco BIC Angola. These sight deposits paid interest in the amount of 10,275 AKZ and 48,148 AKZ in 2016 and 2015, respectively. (Note 13).

On 31 December 2016 and 2015, the heading "Cash" represents the available amount in cash kept in the safes of the BIC Seguros branches.

4. INVESTMENTS

On 31 December 2016 and 2015, this heading is broken down as follows:

	31 DEC. '16	31 DEC. '15
REAL ESTATE PROPERTIES		
Properties for own use	72,834,320	72,834,320
FIXED-INCOME SECURITIES		
Treasury Bonds	251,302,491	246,334,701
DEPOSITS WITH CREDIT INSTITUTIONS		
Term Deposits	2,105,630,141	1,474,219,090
	2,429,766,952	1,793,388,111

On 31 December 2016 and 2015, the heading "Deposits with credit institutions - Term deposits" includes amounts of 625,428,931 AKZ and 474,219,090 AKZ, respectively, invested in term deposits whose profitability is linked to the appreciation of the USD. On 31 December 2016 and 2015, the potential exchange rate gains allocated to these deposits reached an overall positive amount of approximately 54 thousand AKZ and 36 million AKZ, respectively.

On 31 December 2016 and 2015, the Company's term deposits are made with Banco BIC Angola and have the maturity intervals shown in the table below:

	31 DEC. '16	31 DEC. '15
TERM DEPOSITS		
Less than one month	100,000,000	-
Between one and three months	625,428,931	1,474,219,090
More than three months	1,380,201,210	-
	2,105,630,141	1,474,219,090

The financial revenue allocated to these products is shown in Note 13.

On 31 December 2016 and 2015, the heading "Real Estate Property - Properties for Own Use" concerns two properties located in Luanda, purchased in the last quarter of 2015. As mentioned in subparagraph a) of note 2.2.3, the properties are recognised at their purchase price and, up to the date of the financial statements, there had been no revaluations of their value, as they had been purchased less than fifteen months prior to that date.

5. TANGIBLE AND INTANGIBLE FIXED ASSETS

The movement occurred under the Fixed Assets headings in 2016 and 2015 was as follows:

FIXED ASSETS	BALANCE ON 31-12-2015			MOVEMENT IN THE PERIOD		BALANCE ON 31-12-2016		
	GROSS VALUE	ACCRUED AMORTISATIONS	NET VALUE	ACQUISITIONS	AMORTISATIONS IN THE PERIOD	GROSS VALUE	ACCRUED AMORTISATIONS	NET VALUE
INTANGIBLE FIXED ASSETS								
Incorporation and start-up expenses	7,591,111	(3,373,488)	4,217,623	-	(2,530,116)	7,591,111	(5,903,604)	1,687,507
Research and development costs	32,747,762	(14,077,971)	18,669,791	-	(10,914,828)	32,747,762	(24,992,799)	7,754,963
Leasehold expenses	185,082	(82,255)	102,827	3,405,802	(866,718)	3,590,884	(948,973)	2,641,911
Advertising	12,006,479	(5,002,200)	7,004,279	5,494,688	(4,612,041)	17,501,167	(9,614,241)	7,886,926
Software	160,064,579	(59,070,358)	100,994,221	20,014,785	(57,240,899)	180,079,364	(116,311,257)	63,768,107
Sub-total Intangible Fixed Assets	212,595,013	(81,606,272)	130,988,741	28,915,275	(76,164,602)	241,510,288	(157,770,874)	83,739,414
TANGIBLE FIXED ASSETS								
Administrative equipment	9,438,089	(2,076,758)	7,361,331	2,067,378	(2,056,830)	11,505,467	(4,133,588)	7,371,879
Computer equipment	9,783,583	(3,792,250)	5,991,333	1,336,396	(3,541,001)	11,119,979	(7,333,251)	3,786,728
Other equipment	2,253,250	(251,098)	2,002,152	841,405	(702,233)	3,094,655	(953,331)	2,141,324
Sub-total Tangible Fixed Assets	21,474,922	(6,120,106)	15,354,816	4,245,179	(6,300,064)	25,720,101	(12,420,170)	13,299,931
FIXED ASSETS IN PROGRESS								
Intangible fixed assets	10,938,840	-	10,938,840	3,040,634	-	13,979,474	-	13,979,474
Tangible fixed assets	92,980,136	-	92,980,136	2,812,163	-	95,792,299	-	95,792,299
Sub-total Fixed assets in progress	103,918,976	-	103,918,976	5,852,797	-	109,771,773	-	109,771,773
Total fixed assets	337,988,912	(87,726,378)	250,262,534	39,013,251	(82,464,666)	377,002,162	(170,191,044)	206,811,118

FIXED ASSETS	BALANCE ON 31-12-2014			MOVEMENT IN THE PERIOD		BALANCE ON 31-12-2015		
	GROSS VALUE	ACCRUED AMORTISATIONS	NET VALUE	ACQUISITIONS	AMORTISATIONS IN THE PERIOD	GROSS VALUE	ACCRUED AMORTISATIONS	NET VALUE
INTANGIBLE FIXED ASSETS								
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 costs	31,192,628	(3,465,501)	27,727,127	1,555,134	(10,612,470)	32,747,762	(14,077,971)	18,669,791
Leasehold 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
Sub-total Intangible Fixed Assets	163,650,607	(17,848,103)	145,802,504	48,944,406	(63,758,169)	212,595,013	(81,606,272)	130,988,741
TANGIBLE FIXED ASSETS								
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
Sub-total Tangible Fixed Assets	17,225,127	(1,307,910)	15,917,217	4,249,795	(4,812,196)	21,474,922	(6,120,106)	15,354,816
FIXED ASSETS IN PROGRESS								
Intangible fixed assets	-	-	-	10,938,840	-	10,938,840	-	10,938,840
Tangible fixed assets	-	-	-	92,980,136	-	92,980,136	-	92,980,136
Sub-total Fixed assets in progress	-	-	-	103,918,976	-	103,918,976	-	103,918,976
Total fixed assets	180,875,734	(19,156,013)	161,719,721	157,113,177	(68,570,365)	337,988,912	(87,726,378)	250,262,534

On 31 December 2016 and 2015, the balance of the headings "Intangible Fixed Assets - Software" and "Intangible Fixed Assets - Research and development costs", refers to the investment in the Company's operational systems (GIS) and the consulting activities carried out within the scope of product development and pricing, respectively.

On 31 December 2016 and 2015, the balance of the headings "Tangible Fixed Assets - Administrative Equipment" and "Tangible Fixed Assets - Computer Equipment" refers to the Company's office furniture and computer assets, respectively.

On 31 December 2016 and 2015, the balance of the heading "Fixed assets in progress" refers to the ongoing renovation of the Company's computer servers, as well as the software that assists their operation. The work in question was completed in January 2017 and, on that date, the Company's servers were transferred to tangible fixed assets.

6. PREMIUMS IN COURSE OF COLLECTION

On 31 December 2016 and 2015, the premiums in course of collection by activity segment are broken down in the following table:

	31 DEC. '16	31 DEC. '15
LIFE	2,449,488	2,474,361
NON-LIFE	264,289,743	48,961,137
Motor	117,356,230	20,825,001
Accidents, Illness and Travel	76,956,837	2,407,342
Other Damages to Property	59,273,354	25,728,794
Cargo	7,659,516	-
General Third Party Liability	3,043,806	-
Total	266,739,231	51,435,498

The following table presents the details of the provision for premiums under collection by activity segment on 31 December 2016 and 2015:

	31 DEC. '16	31 DEC. '15
LIFE	509,629	241,229
NON-LIFE	22,435,818	6,048,695
Motor	20,033,941	2,680,324
Other Damages to Property	1,643,871	2,799,581
Accidents, Illness and Travel	390,288	568,790
General Third Party Liability	255,105	-
Cargo	112,613	-
Total	22,945,447	6,289,924

7. DEBTORS AND CREDITORS

On 31 December 2016 and 2015, these headings are broken down as follows:

	31 DEC. '16	31 DEC. '15
DEBTORS		
Direct insurance operations		
Reimbursement of claims	1,301,000	174,508
Commissions receivable	21,277	-
State and other public entities		
Visa guarantee	210,626	210,626
Industrial Tax	-	17,500
Others		
Advances to staff	20,000	20,000
Other amounts receivable	181,625	-
	1,734,528	422,634
CREDITORS		
Direct insurance operations		
Commissions payable	63,069,993	26,347,035
Policyholders - premiums received in advance	45,880,151	25,769,204
Co-insurers	1,158	1,524,793
Policyholders - reversals payable	4,064,044	136,026
Reinsurance operations		
Reinsurers	177,070,317	101,964,047
State and other public entities		
Motor Insurance Guarantee Fund	13,170,455	6,846,210
Industrial Tax	12,386,060	-
Contribution to the Angolan Agency for Regulation and Supervision of Insurance	5,830,552	3,208,117
Income tax - withholding	3,028,898	2,390,549
Receipt stamps	837,758	564,725
Contributions to Social Security	823,273	629,707
Industrial Tax - withholding	660,898	2,739,394
Other taxes	2,100	112,574
Others		
Suppliers	45,105,513	164,817,290
Other creditors	-	125,252
	371,931,170	337,174,923

Suppliers

On 31 December 2016 and 2015, the Company has recorded liabilities arising from "Suppliers" in the amount of 28,000,557 AKZ and 164,817,290 AKZ, respectively, which include amounts to be settled with entities from the BIC Universe, namely Banco BIC Angola (28,000,557 AKZ in 2016 and 117,083,576 AKZ in 2015) and Banco BIC Português, S.A. (47,379,845 AKZ in 2015). On 31 December 2015, these amounts concern initial payments on account made by these entities within the scope of the implementation of the Company, namely initial investments in Fixed Assets and the initial costs of the start-up stage; these balances have been fully settled on 31 December 2016. Therefore, on 31 December 2016, the amount that is yet to be repaid to Banco BIC Angola concerns payments on account made in the financial year 2016, namely advance payments to external entities, which are due to be settled at a later date by BIC Seguros.

Commissions payable

On 31 December 2016 and 2015, this amount represents the sums payable by the Company to Insurance mediators and brokers within the scope of agreements concluded for customer acquisition.

Policyholders - premiums received in advance

On 31 December 2016 and 2015, these amounts represent the sums received by the Company as a payment of insurance premiums related to policies whose validity begins after 31 December 2016 and 2015, respectively.

8. TECHNICAL PROVISIONS - DIRECT INSURANCE AND OUTWARDS REINSURANCE

On 31 December 2016 and 2015, this heading is broken down as follows:

	31 DEC. '16	31 DEC. '15
Mathematical provision for the life		
From direct insurance	244,204,844	214,226,602
Unearned Premiums Provision		
From direct insurance	598,550,520	360,809,808
From outgoing reinsurance	(181,194,109)	(118,507,481)
Provision for temporary disabilities of the workmen compensation segment	65,198,458	34,705,634
Mathematical provision for the workmen compensation segment	9,739,638	-
Provision for outstanding claims		
From direct insurance	143,731,139	25,330,460
From outgoing reinsurance	(9,440,633)	(446,593)
	870,789,857	516,118,430

Unearned Premiums Provision

On 31 December 2016 and 2015, the heading related to the "Unearned Premiums Provision" is broken down by segments as follows:

	31 DEC. '16	31 DEC. '15
DIRECT INSURANCE		
Motor	323,687,884	204,691,290
Other Damages to Property	193,693,963	122,069,027
Accidents, Illness, and Travel	51,123,775	1,265,834
Cargo	23,423,202	28,970,596
General Third Party Liability	6,621,696	3,813,061
Total	598,550,520	360,809,808
OUTGOING REINSURANCE		
Other Damages to Property	157,216,055	91,045,037
Cargo	15,803,799	24,853,684
General Third Party Liability	4,158,348	2,608,760
Accidents, Illness, and Travel	4,015,907	-
Total	181,194,109	118,507,481

In accordance with article 1(1) of the Executive Decree no. 6/03, the Unearned Premiums Provision is intended to ensure, with regard to each of the insurance contracts in force, except for those related to the "Life" and "Workmen Compensation" segments, the coverage of the risks incurred, as well as the costs arising from them, during the period running from the end of the financial year to the respective maturity date. Also according to numbers 2 and 3 of the aforementioned article, the Unearned Premiums Provision should be calculated on a contract-by-contract basis, using the pro-rata temporis method.

Mathematical provision for the life

The mathematical provision for the life insurance segment corresponds to the difference between the current values of the reciprocal liabilities of the insurance company and the people who have concluded the insurance contracts, calculated in accordance with the approved technical bases.

Temporary Disability Workmen Compensation Provision

Under article 4 of the Executive Decree 6/03, "the Temporary Disability Workmen Compensation Provision is used to cover liabilities related to claims whose clinical procedures are yet to be closed, concerning the payment of wages and medical treatment costs until

the date of clinical discharge (...). It corresponds to 25% of the simple premiums of the workmen compensation segment net of reversals and write-offs, processed during the financial year”.

Provision for outstanding claims

On 31 December 2016 and 2015, the heading “Provision for outstanding claims” is broken down by segments as follows:

	31 DEC. '16	31 DEC. '15
DIRECT INSURANCE - LIFE	7,428,829	322,458
DIRECT INSURANCE - NON-LIFE	136,302,310	25,008,002
Accidents, Illness, and Travel	73,987,647	4,757,854
Motor	53,672,043	19,349,288
Other Damages to Property	8,389,450	308,403
General Third Party Liability	253,170	592,457
Total Direct Insurance	143,731,139	25,330,460
OUTGOING REINSURANCE - LIFE	2,382,941	-
OUTGOING REINSURANCE - NON-LIFE	7,057,692	446,593
Other Damage to Property	4,094,633	-
Accidents, Illness, and Travel	2,848,181	-
General Third Party Liability	114,878	446,593
Total Outgoing Reinsurance	9,440,633	446,593

9. ACCRUALS AND DEFERRALS

On 31 December 2016 and 2015, the headings related to Accruals and Deferrals are broken down as follows:

	31 DEC. '16	31 DEC. '15
ACCRUED INCOME		
Interest receivable	40,327,677	21,954,209
DEFERRED COSTS		
Advertising and publicity	4,885,558	721,441
Computer licenses	873,819	612,937
Rentals and leases	505,552	-
Insurance	87,753	117,554
Technical signatures	40,197	31,112
Other deferred costs	-	305,017
Total Assets	46,720,556	23,742,270
ACCRUED EXPENSES		
Holiday bonuses	37,380,969	10,762,920
Auditing of the financial statements	10,340,698	4,318,333
Computer maintenance	4,360,905	4,953,255
Specialised work - consulting	3,388,583	3,974,011
Subsidy expenses	1,379,908	429,495
Communications	688,141	356,865
Medical exam management - Life	444,625	-
Advertising and publicity	432,617	2,025,646
Computer equipment rentals	-	4,090,145
Other accrued expenses	-	2,271,494
Total Liabilities	58,416,446	33,182,164

10. SHAREHOLDERS' EQUITY

The movement occurred under the net worth headings in 2016 and 2015 was as follows:

	CAPITAL	LEGAL RESERVE	REVALUATION RESERVES	SPECIAL RESERVES	FREE RESERVES	FLUCTUATIONS IN VALUES	RETAINED EARNINGS	RESULT FOR THE YEAR	NET WORTH
MOVEMENT IN 2015									
Balances as of 31 December 2014	1,500,000,000	-	-	-	-	-	-	(145,678,609)	1,354,321,391
Appropriation of profits	-	-	-	-	-	-	(145,678,609)	145,678,609	-
Net profit for the year	-	-	-	-	-	-	-	28,750,038	28,750,038
Balances as of 31 December 2015	1,500,000,000	-	-	-	-	-	(145,678,609)	28,750,038	1,383,071,429
MOVEMENT IN 2016									
Appropriation of profits	-	-	-	-	-	-	28,750,038	(28,750,038)	-
Exchange rate fluctuations from investments	-	-	-	-	-	720	-	-	720
Net profit for the year	-	-	-	-	-	-	-	342,462,249	342,462,249
Balances as of 31 December 2016	1,500,000,000	-	-	-	-	720	(116,928,571)	342,462,249	1,725,534,398

Capital

In accordance with BIC SEGUROS' articles of association, the Company's Share Capital is 1,500,000,000 Kwanzas and is fully subscribed and paid up by the shareholders.

11. PREMIUMS AND THEIR ADDITIONS NET OF OUTGOING REINSURANCE

On 31 December 2016 and 2015, this heading is broken down as follows:

	'16			'15		
	DIRECT INSURANCE	REINSURANCE	NET	DIRECT INSURANCE	REINSURANCE	NET
GROSS WRITTEN PREMIUMS						
Life	180,880,911	43,601,828	137,279,083	277,086,673	9,152,702	267,933,971
Non-life	1,823,551,448	357,263,209	1,466,288,239	884,649,508	220,530,635	664,118,873
Motor	881,522,463	23,620,710	857,901,753	440,038,457	14,250,501	425,787,956
Accidents, Illness, and Travel	461,734,402	39,892,059	421,842,343	174,967,672	7,397,399	167,570,273
Other Damages to Property	378,600,287	217,570,624	161,029,663	195,476,535	144,730,637	50,745,898
Cargo	79,887,369	62,926,012	16,961,357	59,342,708	51,320,509	8,022,199
General Third Party Liability	21,206,085	13,253,804	7,952,281	14,824,136	2,831,589	11,992,547
Petrochemical	600,842	-	600,842	-	-	-
Total	2,004,432,359	400,865,037	1,603,567,322	1,161,736,181	229,683,337	932,052,844
CHANGE IN THE UNEARNED PREMIUMS PROVISIONS						
Non-life						
Motor	118,996,594	-	118,996,594	182,431,577	-	182,431,577
Accidents, Illness, and Travel	49,857,941	4,015,907	45,842,034	1,157,649	-	1,157,649
Other Damages to Property	71,624,936	66,171,018	5,453,918	116,036,755	88,531,591	27,505,164
Cargo	(5,547,394)	(9,049,885)	3,502,491	28,970,596	24,853,684	4,116,912
General Third Party Liability	2,808,635	1,549,588	1,259,047	3,813,061	2,608,760	1,204,301
Total	237,740,712	62,686,628	175,054,084	332,409,638	115,994,035	216,415,603
PRÉMIOS ADQUIRIDOS						
Life	180,880,911	43,601,828	137,279,083	277,086,673	9,152,702	267,933,971
Non-life	1,585,810,736	294,576,581	1,291,234,155	552,239,870	104,536,600	447,703,270
Motor	762,525,869	23,620,710	738,905,159	257,606,880	14,250,501	243,356,379
Accidents, Illness, and Travel	411,876,461	35,876,152	376,000,309	173,810,023	7,397,399	166,412,624
Other Damages to Property	306,975,351	151,399,606	155,575,745	79,439,780	56,199,046	23,240,734
Cargo	85,434,763	71,975,897	13,458,866	30,372,112	26,466,825	3,905,287
General Third Party Liability	18,397,450	11,704,216	6,693,234	11,011,075	222,829	10,788,246
Petrochemical	600,842	-	600,842	-	-	-
Total	1,766,691,647	338,178,409	1,428,513,238	829,326,543	113,689,302	715,637,241

On 31 December 2016, the Gross Written Premiums of the Non-Life "Petrochemical" segment concern premiums from co-insurance acceptances related to the Company's participation in various co-insurance agreements in the oil sector, as non-leading insurer.

12. COMPENSATIONS

On 31 December 2016 and 2015, this heading is broken down as follows:

	'16			'15		
	AMOUNTS PAID	CHANGE IN THE PROVISION FOR CLAIMS	TOTAL	AMOUNTS PAID	CHANGE IN THE PROVISION FOR CLAIMS	TOTAL
COSTS WITH CLAIMS						
LIFE	11,724,100	4,283,666	16,007,766	3,107,124	322,458	3,429,582
Direct Insurance and Reinsurance Acceptances	38,210,607	6,666,607	44,877,214	8,432,542	322,458	8,755,000
Outgoing Reinsurance	(26,486,507)	(2,382,941)	(28,869,448)	(5,325,418)	-	(5,325,418)
NON-LIFE	312,171,923	99,326,072	411,497,995	93,122,275	19,439,939	112,562,214
Direct Insurance and Reinsurance Acceptances	314,216,069	105,937,171	420,153,240	99,146,550	19,886,532	119,033,082
Motor	242,842,933	30,868,297	273,711,230	85,496,513	15,161,098	100,657,611
Accidents, Illness, and Travel	67,726,110	67,055,081	134,781,191	5,617,671	4,395,032	10,012,703
Other Damages to Property	2,656,497	8,081,069	10,737,566	-	-	-
General Third Party Liability	990,529	(67,276)	923,253	8,032,366	330,402	8,362,768
Outgoing Reinsurance	(2,044,146)	(6,611,099)	(8,655,245)	(6,024,275)	(446,593)	(6,470,868)
General Third Party Liability	(715,897)	331,715	(384,182)	(6,024,275)	(446,593)	(6,470,868)
Accidents, Sickness and Travel	-	(2,848,181)	(2,848,181)	-	-	-
Other Damages to Property	(1,328,249)	(4,094,633)	(5,422,882)	-	-	-
Total costs with claims	323,896,023	103,609,738	427,505,761	96,229,399	19,762,397	115,991,796

The main consideration for the change in the provision for claims, under heading costs with claims net of reinsurance, in the technical account, is the provision for claims under heading technical provisions, in liabilities. However, some operations are recognised as other items of the balance sheet, namely through the reimbursement of claims reflected on other debtors arising from direct insurance operations and, therefore, the changes in provisions for claims in the balance sheet and in the technical account may differ.

13. REALISED INVESTMENT GAINS AND LOSSES

On 31 December 2016 and 2015, this heading is broken down as follows:

	31 DEC. '16	31 DEC. '15
FINANCIAL REVENUE		
Interest on term deposits	128,614,621	67,988,085
Interest on Treasury Bonds	28,765,268	15,760,834
Interest on sight deposits	10,275	48,148
	157,390,164	83,797,067
Realised investment capital gains	151,209,840	74,219,090
Total realised investment gains	308,600,004	158,016,157

On 31 December 2016 and 2015, the heading "Realised investment capital gains" concerns exchange rate gains obtained in contracts that gave rise to financial assets whose profitability is linked to the appreciation of the USD against the AKZ, and these gains are only recognised upon the maturity of the respective investments.

On this date, the potential exchange rate gain allocated to live financial investments with these characteristics reached an overall positive amount of approximately 136 million AKZ.

14. ADMINISTRATIVE COSTS

On 31 December 2016 and 2015, this heading is broken down as follows:

	31 DEC. '16	31 DEC. '15
Advertising and publicity	59,949,574	34,792,400
Computer maintenance and licenses	49,774,963	24,378,755
Specialised work	33,882,751	22,503,932
Rentals and leases	19,335,126	21,994,774
Travel and accommodation	2,716,025	6,811,443
Office supplies	5,800,437	3,426,254
Communications	5,377,519	2,972,000
Other supplies and external services	10,063,613	4,827,843
Total	186,900,008	121,707,401

On 31 December 2016 and 2015, the heading "Advertising and publicity" includes costs allocated to various promotional materials, as well as to advertising campaigns launched by the Company in various media.

On 31 December 2016 and 2015, the heading "Computer maintenance and licenses" includes amounts spent in the maintenance of the Company's computer systems, as well as in the software licenses in force.

On 31 December 2016 and 2015, the heading "Specialised work" includes the consulting services provided by GI Insurance Portugal, S.A. to support product pricing and the definition of the Company's procedures and the audit of the financial statements, carried out by PKF Angola - Auditores e Consultores, S.A..

On 31 December 2016 and 2015, the heading "Rentals and leases" concerns the rental of the facilities where the Company's central services are located and also, since July 2013, of two servers to host the Company's operational systems. On 31 December 2016, this heading includes also the rent of the BIC Seguros branch located in Shopping Avennida, in Luanda.

On 31 December 2016 and 2015, the heading "Travel and accommodation" concerns travel costs incurred by the commercial and technical department for market acquisition and prospection.

15. STAFF COSTS

On 31 December 2016 and 2015, this heading is broken down as follows:

	31 DEC. '16	31 DEC. '15
Remunerations Staff	244,149,709	126,996,112
Remunerations Governing Bodies	115,750,321	78,348,689
Retainers/fees	13,881,429	34,980,659
Remuneration expenses	9,088,766	5,415,444
Other staff costs	11,387,122	7,018,341
	394,257,347	252,759,245

On 31 December 2016 and 2015, the heading "Retainers/fees" concerns payments made to various professionals who are cooperating with the Company, namely within the scope of the provision of medical and actuarial services.

On 31 December 2016 and 2015, the heading "Other staff costs" includes, among others, the organisation of training sessions for the Company's employees, mandatory insurance policies and health-related costs co-financed by BIC Seguros.

16. OTHER COSTS AND EARNINGS

On 31 December 2016 and 2015, this heading is broken down as follows:

	31 DEC. '16	31 DEC. '15
OTHER REVENUES		
Favourable exchange rate differences	130,045,037	39,047,700
Wrecks	1,900,000	300,000
Other revenues	185,391	-
Total other revenues	132,130,428	39,347,700
OTHER COSTS		
Unfavourable exchange rate differences	215,891,647	41,214,271
Bank charges	2,505,980	293,303
Other costs	62,558	10,004
Total Other Costs	218,460,185	41,517,578

On 31 December 2016 and 2015, the headings "Exchange rate differences" include, as mentioned in note 2.2.2, the revaluation of assets and liabilities denominated in foreign currency, except for the amounts related to Investments and Technical Provisions, which are recorded as Realised Investment Gains (when realised) and in the headings for changes in technical provisions, respectively.

17. RELATED ENTITIES

On 31 December 2016 and 2015, the balances with related entities are broken down as follows:

	31 DEC. '16	31 DEC. '15
BANCO BIC		
Assets		
Bank deposits (Note 3)	109,708,263	166,220,795
Investments (Note 4)	2,105,630,141	1,474,219,090
Liabilities		
Suppliers (Note 7)	28,000,557	117,083,576
Policyholders - premiums received in advance (Note 7)	2,142,176	7813,054
Profit and loss account		
Revenue from financial investments (Note 13)	279,834,736	142,255,323
BIC PORTUGUÊS, S.A.		
Liabilities		
Suppliers (Note 7)	-	47,379,845

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REPORT OF THE INDEPENDENT AUDITOR



REPORT OF THE INDEPENDENT AUDITOR

Introduction

1. We have examined the accompanying financial statements of **BIC Seguros, S.A.**, comprising the Balance Sheet on 31 December 2016, which shows a total of 3,254,296,386 Angolan kwanzas and a total shareholders' equity of 1,725,534,398 Angolan kwanzas, including a net income of 342,462,249 Angolan kwanzas, the Profit and loss account and the cash flow statement for the financial year ending on that date and the corresponding notes to the financial statements.

Responsibility of the Board of Directors for the Financial Statements

2. The Board of Directors is responsible for the appropriate preparation and submission of these financial statements, in accordance with the accounting principles generally accepted in Angola for insurance companies, and for ensuring the internal control it deems necessary to allow the preparation of financial statements free from material misstatements due to fraud or error.

Responsibility of the Auditor

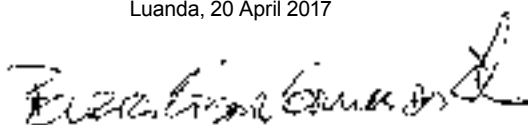
3. Our responsibility is to express an independent opinion on these Financial Statements based on our audit, which was carried out in accordance with the Technical Standards of the Association of Accountants and Expert Accountants of Angola. These Standards require us to comply with ethical requirements and to plan and carry out the audit in order to obtain a reasonable assurance as to whether the Financial Statements are free from material misstatements.
4. An audit entails performing procedures to obtain audit evidence regarding the amounts and disclosures included in the financial statements. The procedures that are chosen depend on the auditor's judgement, including an assessment of the risks of material misstatements in the financial statements due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant for the appropriate preparation and presentation of the financial statements by the entity, in order to design audit procedures that are appropriate under the circumstances in question, but not with the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Furthermore, an audit includes an assessment of whether the accounting policies that were adopted are appropriate and whether the accounting estimates made by the management are reasonable, as well as an assessment of whether the overall presentation of the financial statements is adequate.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

6. In our opinion, the financial statements referred to above present a true and fair view, in all material respects, of the financial position of **BIC Seguros, S.A.** on 31 December 2016, as well as the results of its operations for the year then ended on that date, in accordance with the accounting principles generally accepted in Angola (Note 2).

Luanda, 20 April 2017



PKF Angola, S.A.

Represented by:

Eurico César Gomes da Silva (Chartered Accountant no. 20120074)

REPORT AND OPINION OF THE SUPERVISORY BOARD

REPORT AND OPINION OF THE SUPERVISORY BOARD

Dear Shareholders of BIC Seguros, S.A.

1. Pursuant to the Law and the Articles of Association, we submit the report on the supervisory activity we have developed, as well as the opinion on the financial statements submitted by the Insurance Company BIC Seguros SA's Board of Directors for the financial year ending on 31 December 2016.
2. During the financial year for which we were appointed, we monitored, with the frequency and to the extent deemed appropriate, the evolution of the Insurance Company's activity, the regularity of book-keeping and compliance with the applicable legal and statutory rules. We have also obtained, from the Board of Directors and from the various departments of the Insurance Company, the information and explanations that were requested, necessary for us to issue our opinion.
3. We have analysed and agreed with the content of the Auditors' Report, issued by PKF Angola, S.A., whose content is deemed to have been reproduced in full.
4. During our audit, we have examined the Balance Sheet on 31 December 2016, the Profit and loss account and the cash flow statement for the financial year ending on that date, as well as the respective annexes, including the accounting policies and valuation criteria that were adopted.
5. Furthermore, we examined the Management Report of the financial year of 2016, drawn up by the Board of Directors and the proposed application of net income included therein.
6. In view of the above, and taking into account the work that was performed, we believe that the General Meeting should:
 - a. Approve the Management Report relative to the year ended 31 December 2016,
 - b. Approve the Accounts relative to that year, and
 - c. Approve the Proposed Appropriation of Profits.

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7. We would like to express our gratitude to the Board of Directors and the services of the Insurance Company for their cooperation.

Luanda, 20 April 2017

The Supervisory Board



Henrique Manuel Camões Serra
Presidente



BIC Seguros

Safely Together

BIC SEGUROS S.A.

Registered Office: Rua Ngola M'Bandi, R/C, Distrito da Maianga, Luanda - Angola
Phone: +244 923 120 900



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