

Index

Preface and Acknowledgements	2
Introduction	3
Sector Review	3
Monetary and Macro-economic analysis	3
Aggregate Analysis	5
Aggregate assets	5
Balance sheet structure	6
Deposits	6
Loans	7
Profitability	7
Efficiency	8
Analysis of the impact of Qualitative Factors on the Business	9
Environment	9
Results	9
Description of the indicators - Notes	12
Banking Sector Ranking	14
Dimension and Profitability	15
Strenght and Quality Loan Indicators	16
Operating Indicators	17
Growth	18
Operating Indicators (Leasing)	19

Preface and acknowledgements

Continuing with our instructive and informative mission initiated six years ago, the Mozambican Banking Association (AMB) in partnership with KPMG Auditores & Consultores S.A, presents its sixth joint effort edition of the Banking Survey in Mozambique with the analysis relating to the 2006 financial year.

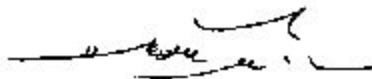
2006 was characterized by the noteworthy profitability increase in the Mozambican banking sector in a scenario of increasing interest rates, which demonstrates the effects of other factors in the micro and macro economic levels and the decreasing tendencies for foreign currency co-participation due to the Law 05/GGBM/2005 of May 2005, allied to the Circular 03/DSB/2005 and Law 07/GGBM/2005.

It is important to observe the appointment of the new Governor for the Bank of Mozambique on July 27, 2006.

From the regulatory angle, the strong performance of the Central Bank in its role as a supervisory and regulatory entity of the sector, having issued, among other normatives, Notice 03/GGBM/2006, sets the introduction of bills and coins of the new Metical family.

This survey is prepared based on information resulting from the questionnaires specifically prepared for the financial institutions sent to the operations of the banking sector. This document contains only the information received from those institutions that formally accepted to participate in the survey. No alterations have been made to the information presented by each institution, only a minor adjustment for the purpose of standardizing the criteria for analysis of the information received.

We are grateful, once again, to the Bank of Mozambique, regulatory entity of the financial sector of Mozambique, and to all the financial institutions participating in the survey, providing the necessary information without which our survey would not have been possible.



Dr. Hermenegildo Maria Cepeda Gamito
Presidente da Associação Moçambicana de Bancos



Introduction

2006 was a year of many changes in the national banking system sphere, where one can emphasize the election of the new Governor for the Bank of Mozambique on July 27, 2006, after 15 years of the prior management. In 2006 the introduction of bills and coins of the new Metical family, which at the end of the year had substituted around 90% of the old bills and coins.

The Bank of Mozambique emphasized the control of the Interbank Monetary Market, with prominence to the exclusive resource to indirect instruments for the control of the monetary supply, improvement of the instruments for evaluating the risks of the financial sector and the gradual reduction of the transitory measures introduced in 2005.

With reference to the performance of the operators of the banking sector, the profitability of the sector registered in 2006 an actual growth of 135% compared to 2005, due to the increase of the macro economic aggregates, prudent actions of the Central Bank on the interest and exchange rate levels, as well as improvements in the administration of the banks.

Sector Review

After the approval of the Law introducing the new Metical Family (MTn) in 2005, the year 2006 was especially characterized by the introduction of the new Metical Family bills and coins. In this manner, it was the responsibility of the authority of the Governor of the Bank of Mozambique to decide on the characteristics and the facial value of the Metical bills and coins.

The Central Bank of Mozambique, in its role as regulator entity of the financial services sector, issued several notices and circulars, the most important being:

- **CIRCULAR N° 01/OIP/2006**, regulates the alteration of the "ISO" code of the Metical;
- **CIRCULAR N° 02/OIP/2006**, regulates bank procedures to be observed on June 30 2006;
- **CIRCULAR N° 03/OIP/2006**, introduces the procedures on the abbreviation of the Metical;
- **NOTICE N° 01/GGBM/2006**, confirms representatives of the partners and creditors of the CREDICOOP liquidation commission;
- **NOTICE N° 02/GGBM/2006**, updates the Notice n° 6/ GGBM/2005, dated May 25, establishing the minimum procedures to be observed in the import and export processes for goods and services;
- **NOTICE N° 03/GGBM/2006**, marks the introduction of the new Metical family bills and coins;
- **NOTICE N° 04/GGBM/2006**, alters the Check Standardization Rules, approved by Notice n.º 8/GGBM/99, of June 1: and
- **NOTICE N° 05/GGBM/2006**, adjusting the criteria for adherence of the commercial banks to the Interbank Exchange Market (MCI).

Monetary and Macro-economic Analysis

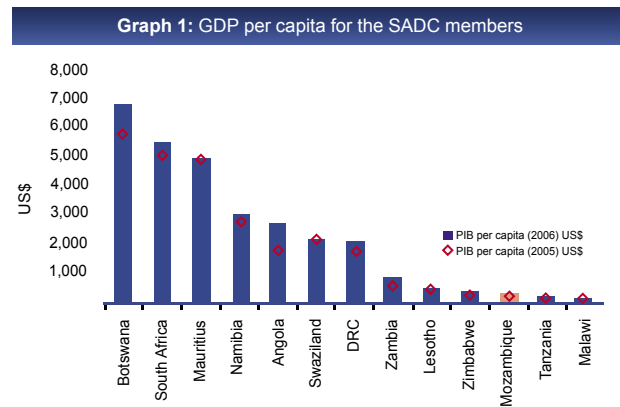
The Governments Social and Economic Plan (PES) for 2006 defined an economic annual growth of 8.00%, average Gross Domestic Product growth in the last 10 years. Nevertheless, the balance of the PES reveals that the GDP growth was larger than foreseen, maintaining the level of 9.60%. This increase was mainly due to the combined growth of difference sectors of the economy which, jointly, reached an actual growth of 9.20% in 2006, representing an acceleration of 0.80 percentage points in relation to 2005. The following sectors contributed largely to the global development, although other sectors also registered positive growths in relation to 2005, with the exception of the fishing sector:

- Agricultural sector (11.10%), due to favorable climatic conditions;
- Construction sector (23.60%), due to the increase of investments in the public sector with emphasis to the construction of bridges over the rivers Zambezi in Caia, Limpopo between Guijá and Chokwé as well as Lugela in Zambezi, as well as other works for the amplification of the EN1, rehabilitation of dams and other public buildings (schools and hospitals); and
- The transport and communication sector (21.20%), as a result of the registered increase in the offer of communication, air transportation and road cargo transportation.

On an international level, China was the country with the greatest GDP growth, having reached a rate of 10.00%, followed by the New Emerging Markets and Africa, with growths of 7.30% and 5.40%, respectively.

Japan, on the other hand, was the country registering the greatest percentage variation in growth (1.90%), reaching 2.7%, the largest since 2001, caused, mostly, by the increase in private business, net increase in exportation and reduction of unemployment.

In Europe, the countries under the Euro zone reached an average GDP growth rate of 2.40% in 2006, originated by the reduction in unemployment and dynamics of the economy as a whole. In the African Continent, the economic growths of South Africa, Libya and Egypt generated a positive economic increase of 5.40% in 2006 for the continent as a whole, against the 5.00% verified in 2005.



Source: <http://en.wikipedia.org/wiki/>; <http://www.imf.org>

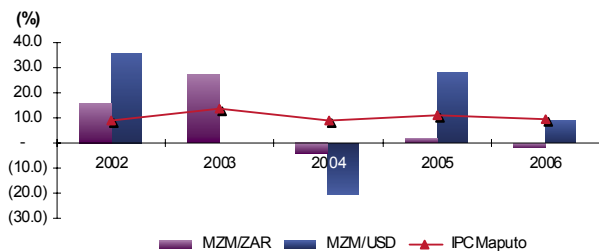
In 2006, the inflation measured by the accumulated variation of the consumer price index (IPC) in Maputo (Base: December 2004=100), was maintained at a level of 9.37%, after a two digit level (14.00%), registered in 2005. The rate of 9.37% verified in 2006 can be explained due to the following factors:

- The drought that affected some productive zones at the end of 2005, determined a reduction in the offer of cereals and oil fruits, aggravated by the flooding of the productive fields in Maputo in the beginning of 2006 and by the tomato virus which affected production in Chokwé;
- The increase in the prices of some food products from South Africa, causing an important influence in the consumer price index in the city of Maputo;
- Increase in the price of oil in the international market, reaching a historic level of 78.00 USD per barrel, and the consequent impact on the domestic prices of fuel and derivatives by-products;
- Depreciation of the Metical at the end of 2005, associated to the instability of the Metical in early 2006, resulting in the increase in the price of some imported goods, with an important influence in the consumption capacity of the Mozambicans; and
- Speculation tendencies in the price formation by certain economic agents, which characterized the festive phase.

In 2006, the Metical compared to the main currencies transacted in the MCI, especially the U. S. Dollar, Rand and Euro, was much more stable than in 2005. This behavior was determined by the intervention of the Bank of Mozambique in the MCI.

With regards to the exchange of the main currencies, the metical depreciated 9.00% against the U.S. Dollar, against the U.S. Dollar, establishing the exchange rate at 25.74 Meticaís per dollar. In relation to the Rand, the Metical observed an appreciation of 1.70% establishing an exchange rate of 3.68 Meticaís per Rand.

Graph 2: Evolution of IPC and annual average exchange rates



Source: KPMG Mozambique

In general all the Interbank Monetary Market instruments observed increases when compared to 2005, with emphasis to the liquidity exchange rates between banks and Standing Borrowing Facility (FPA)/ Standing Deposit Facility (FPD), with increases of 9 p.p. and 6 p.p., respectively, for rates of 15.98% and 13.00% (see Table 1).

The statistics of the Bank of Mozambique reveal that this behavior was due to:

- Low dynamism of the liquidity exchange between banks;

- Increase in the average amount of FPA/FPD; and
- A tendency for decreasing investments in Treasury Bills.

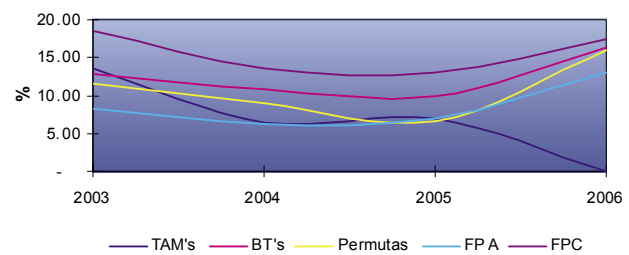
Table 1: Interbank Money Market operations

	MT Dec/03	Average interest rate (%) in Dec (%)	MT Dec/04	Average interest rate (%) in Dec (%)	MT Dec/05	Average interest rate (%) in Dec (%)	MT Dec/06	Average interest rate (%) in Dec (%)
TAM's	9,256.00	13.53	32,327.00	6.40	7,682.00	7.00	(a)	(a)
BT's	5,931.50	12.93	9,804.00	10.90	130,516.00	10.00	10,094.00	16.33
Permutas	19,894.50	11.53	24,822.00	9.00	36,362.00	6.69	29.62	15.98
FPA	19,141.00	8.25	74,568.00	6.25	68,373.00	6.97	137.72	13.00
FPC	16,789.50	18.50	1,883.00	13.50	36,657.60	13.00	70.72	17.50

(a) No TAM's were issued during the year

Source: Bank of Mozambique - Statistical Bulletin (March, May, September and December 2006), Annual Report of the Bank of Mozambique 2006

Graph 3: Interbank Money Market interest rates



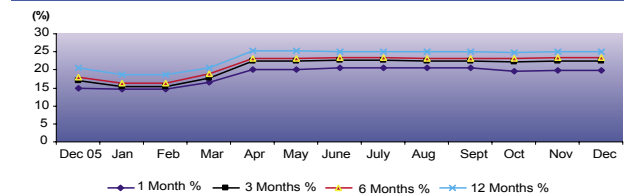
Source: Bank of Mozambique - Statistical Bulletin (March, May, September and December 2006), Annual Report of the Bank of Mozambique 2006

The increase in the bank liquidity ratio was also observed in 2006, due mostly to:

- Injection by the State of 10,460 million Meticaís to the banking system;
- Loan in the amount of 2,108 million Meticaís in the accounts of the commercial banks; and
- Maturity of the FPD, which guaranteed a return to the banking system of 328 million Meticaís.

The MAIBOR (Maputo Interbank Offered Rate) also accompanied the tendencies of the main MMI instruments, with special emphasis to the 90 day MAIBOR which observed the largest increase in comparison to 2005 (around 7.00%), maintaining a level of 22.38%.

Graph 4: Monthly evolution of MAIBOR



Source: Bank of Mozambique

Approximately MT 15,000 million were granted as loans to the industrial and commercial sectors in 2006, due to the predominance of these sectors in the general growth of the GDP. Up to the end of November, the loans to the economy were of around 27,136 million Meticaís, an increase of about 34.00% compared to the same period in 2005.



Table 2: Average annual interest rates

Maturity	December			
	2006 (%)	2005 (%)	2004 (%)	2003 (%)
30 days	23.65	20.33	23.05	26.88
60 days	22.41	18.84	22.97	28.76
90 dias	24.15	20.36	23.31	27.94
180 days	24.53	21.48	25.01	32.45
1 year	23.22	19.20	23.67	28.54

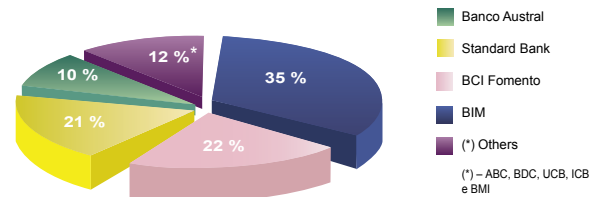
Source: Bank of Mozambique

Average annual borrowing rates

Maturity	December			
	2006 (%)	2005 (%)	2004 (%)	2003 (%)
30 days	8.81	5.71	6.69	9.12
60 days	9.41	5.37	7.80	8.62
90 dias	9.58	6.57	8.39	11.18
180 days	11.23	7.61	9.09	10.91
1 year	12.37	8.52	9.90	12.26

Source: Bank of Mozambique

Graph 5: Compartition of banks in the aggregate assets in 2006



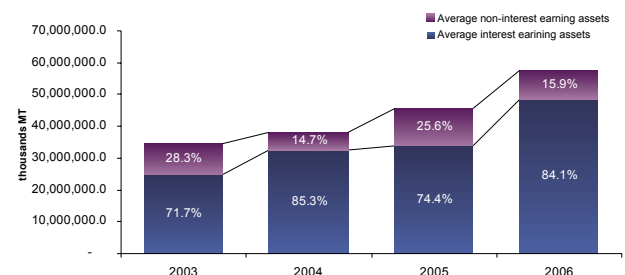
Source: KPMG Mozambique

In relation to the “ranking” of the banks on a decreasing order of asset value in 2006, emphasis is to the BIM which maintained its leadership in the sector, followed by BCI Fomento and Standard Bank. The top three positions in 2005 were maintained the same in 2006.

Benchmarking the five largest banks in South Africa, with increased assets in 2006 of between 8.1 and 27.2%, Mozambique is in third place, with a growth of 22.8%.

An analysis of the structure of the average growth in the last four years demonstrates that the banks have been gradually applying their funds in assets generating profits (graph 6).

Graph 6: Structure of average assets 2003 - 2006



Source: KPMG Mozambique

The risk weighted asset, determined by the application of risk factors in different classes of assets, recorded in 2006 a significant increase in the order of 33% towards 44% in 2005. This increase is mainly associated to the greater desire of the banks for investments with greater returns (associated to greater risks), as is the case of the loans granted to companies and private entities and non investment in zero risk assets such as Treasury Bills and Treasury Bonds. Nevertheless, once the shareholders’ equity registered an increase below the weighted average, the ratio of solvency reduced from 13.4% in 2005 to 12.5% in 2006.

The 0.9% reduction in solvency means a reduction in financial resources without risk to absorb any potential loss in the business, nevertheless, despite the negative evolution of the ratio, it continues above the minimum required of 8% as per Notice no 06/GBM/2007 over prudent ratios and limits.

Aggregate Analysis

Aggregate Assets

The aggregate assets of the banking sector registered by the end of 2006 a balance of MT 63,668,595 thousand compared to MT 51,851,065 thousand registered in 2005, expressing a growth of 23% compared to 31% in the same period of the prior year. Among other reasons, the growth in aggregate assets was due to the following factors:

- Actual growth of the GDP in the order of 9.2% and consequent expansion of the deposits of clients in 22% (17% in actual terms). The growth in economy generated a greater demand for loans.
- Depreciation of the Metical in relation to the U.S. Dollar of 8.9%, increasing the contra currency value in metical for assets denominated in foreign currency, especially the loans granted and deposits held with correspondent banks abroad. The slow-down of the depreciation of the Metical against the U.S. Dollar in 2006 should be noted as well as the slight appreciation towards the South African Rand, resulting in a moderate exchange impact, contrary to 2005, where the depreciation was of 27.9% against the U.S. Dollar.
- Continuous profit increase in 2006, translated into increase in the availability of funds in the banks.

The assets of the four largest banks in the sector presented a high concentration level and well consolidated in relation to the aggregate assets of the system. In 2002, the concentration level was of 93%, falling to 91% in 2005, and going to 92% in 2006, as demonstrated below:

Balance Sheet Structure

The average interest earning assets increased their co participation in the total assets in 2006 to 84.1% towards 76.8% recorded in 2005, congruent to the increase of the average non-interest earning assets. This increase was especially due to the increase in loans (final 2006 balance) in 24% and reinforcement in applications with correspondent banks in 43% (final 2006 balance), from reimbursements received from investments in Government securities, such as Treasury Bonds or Treasury Bills, which reduced their co participation of 26% in 2005 to 18% in 2006, as a consequence of the large volume of these instruments up to the end of 2006.

Despite the increase in client deposits, which requires greater obligatory reserves, the co participation of the non-interest earning assets, composed of cash on hand and at the Central Bank in order to comply with the minimum statutory reserves, accrued interest receivable, fixed and intangible assets, reduced in 2006 to 15.9% (2005: 23.2%) due to the increase in loan and applications in banks corresponding to a ratio relatively superior to the non-interest bearing assets, reflecting a more efficient administration of the assets and liabilities in order to assure more profitability of own capital and non-interest bearing liabilities and at the same time, assuring compliance to the applicable standards of the banking sector.

In relation to the structure of average liabilities, an increase is verified in co participation of average liabilities bearing interest including term deposits and deposits with prior notice. This increase is explained, fundamentally, by: (i) by the representative titles of sales operations with re-purchase agreements, which had a growth of 46% in 2006; (ii) consigned resources with an increase of 19% in 2006; and (iii) subordinate loans which increased in 52% in an equal period against 2005 (Annual Report of the Bank of Mozambique: December 2006).

Table 3: Structure of assets and liabilities

	2006	2005	2004
	%(Average assets)		
Other interest earning assets remunerados	44.3 %	38.5 %	33.6 %
Loans and advances	39.8 %	38.3 %	40.7 %
Other non-interest earning assets	15.9 %	23.2 %	25.7 %
Total	100 %	100 %	100 %
	Source of assets		
Shareholders' funds	9.3 %	8.8 %	9.4 %
Liabilities except deposits	11.2 %	11.0 %	10.5 %
Deposits from customers	79.5 %	80.2 %	80.11 %
Total	100 %	100 %	100 %
	%(Passivos médios)		
Other interest bearing liabilities	39.94 %	25.2 %	51.1 %
Term deposits	25.57 %	23.5 %	24.0 %
Interest bearing liabilities	34.50 %	51.3 %	24.9 %
Total	100 %	100 %	100 %

Source: KPMG Mozambique

Deposits

The deposits of the system recorded in 2006 a nominal balance of MT 50,632,933 thousand against MT 41,588,244 thousand in 2005, representing a growth of 22% (2005: 30%), in line with the evolution of the monetary supply measured by the M2, which expanded MT 7,126 million (25.8%) in 2006. Considering the effects of inflation (9.4%) and exchange depreciation of MT/USD (8.9%) in 2006, the deposits in the system recorded an actual growth of 7.6%.

The structure of deposits by maturity and by currency suffered marginal alterations. Both the spot deposits as well as term deposits, in local and foreign currency, increased in 22% against 2005. Due to the increase in deposits by maturity and by currency having been in the same proportion (22%), the structure of deposits in terms of comparison was maintained the same in relation to the prior year (see table 4).

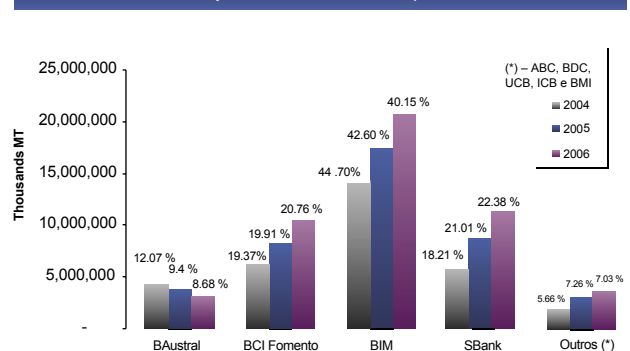
Table 4: Structure of deposits in 2006

	2006	2005	2004
	%(of total deposits)		
Demand deposits	70.9 %	70.9 %	72.9 %
Fixed deposits	29.1 %	29.1 %	27.1 %
Total	100 %	100 %	100 %
	%(of total deposits)		
Local currency	52.1 %	52.3 %	51.3 %
Foreign currency	47.9 %	47.7 %	48.7 %
Total	100 %	100 %	100 %

Source: KPMG Mozambique

With reference to the market share for deposits, the four largest banks maintained their positions in 2006, nevertheless, during the last three years it has been noticed that the market share of BIM and Banco Austral are yielding in favor of Standard Bank, BCI Fomento and niche banks. It should be observed that aggregate deposits of the four largest banks in the sector increase in 2006 at a superior rate, (2006: 22% and 2005:28%) in relation to the niche banks, (2006: 18% and 2005: 67%), breaking a tendency verified in 2005, with superior growth rates by the niche banks.

Graph 7: Market share - Deposits



Source: KPMG Mozambique



Loans

In 2006, the loans and advances slowed-down with an increase of 22% against the 62% registered in 2005, going from a balance of MT 20,540,678 in 2005 to MT 25,108,963 thousand in 2006. This increase is in line with the increase in client deposits, since these are 80% responsible for funding the assets and with the Government's social and economic program for 2006, which planned an expansion of the credit to the economy in the order of 22%. Expurgating the inflationary and exchange effects over the credit in foreign currency, the credit to the economy registered an approximate actual increase of 9% in 2006, close to the real GDP.

The increase in loans and advances is associated to (1) the strong search for loans, by companies for cash financing and for investments, as well as from private entities, for consumption and acquisition of real property; (ii) appreciation of the U.S. Dollar in relation to the Metical, which is translated into an increase of the counter value of loans in foreign currencies when evaluated to the Central Bank exchange as of December 31, 2006, superior to the historic exchange registered in the same period of 2005; and (iii) increase in acceptable risk investment projects with greater returns.

Since the loans had a slightly higher increase than the deposits, the conversion ratio of deposits to loans increased marginally in 1%, to 50% in 2006 (2005: 49%). In comparison to other emerging economies, Mozambique is distant from countries with higher conversion ratios of deposits to loans (table 5).

Table 5: Conversion rate of deposits to loans

Country	Loans/ Deposits (%)
Mozambique	50.2
Czech Republic	51.5
Poland	67.4
Turkey	75.6
Mexico	94.1
Hungary	97.1
Brazil	100.4
Argentina	119.7
Chile	123.5
Average	86.6

Source: KPMG; "Emerging Markets Banking Equity Research 2006"

The co participation of the credit in foreign currency maintained its tendency towards reduction by dropping in 2006 to 37% against 50% registered in 2005 (2004: 58%). This tendency is a result of the impact of Law 05/GGBM/2005 issued in May 2005, allied to Circular 03/SDB/2005 which determines the obligatory to set up provisions on the act of granting foreign currency loans to non-exporters.

The quality of the loan advances registered significant improvement, reflected in the (i) drop of the ratio of bad debts in relation to the total loan advances from 3.03% in 2005 to 2.78% in 2006; (ii) drop in the ratio of specific provisions over the total credit in 2.4%, from 5.55% recorded in 2005 to 3.341% in 2006; and (iii) drop in the ratio of general provisions over the total credit in the amount of 0.55%, from 2.38% registered in 2005 to 1.87% in 2006.

Among the various factors associated to the improvement in the quality of loans advanced, the following are emphasized:

continuous policy for prudent and judicious credit assessment, monitoring carefully warning signs, write-offs of bad debts, recover bad debts and restructure the bad and doubtful debts by reinforcing guarantees or clearing the interest past due. BIM which in 2005 occupied the seventh ranking, is the leader of the sector with the best quality in loan advances, 1.29%, evaluated by the ratio of non-performing loans and bad debts over total advances, followed by ABC with 1.38% (2005: 0.34% in the first place) and Standard Bank maintains the third position with 1.55% (2005: 0.91%), as per graph 8 below.

Graph 8: Ratio of non-performing loans and doubtful debts/ total



Source: KPMG Mozambique

Profitability

In 2006, the banking sector registered a profitability of 145% by reaching net profits of MT 2,302,809 thousand against MT 940,581 thousand registered in 2005 (2004: MT 572,760 thousand). The operating profit (profit before taxes and extraordinary items) increased even further to MT 2,436,081 in 2006, against MT 950,028 thousand in 2005, reflected in an increase of 156%. Considering the effect of inflation during the year, the net profits increased 136%.

The elevated levels of profitability reached in 2006 were determined by the following factors:

- Significant 24% increase of loans granted to clients, resulting in an increase of the financial margin in the range of 63% against 22% in 2005. Emphasizing that the ratio of the financial margins over income from interest was a constant 72% in both years.
- Increase in the interest rates of reference with impact on the increase of the local banking spread from 6.47% in 2005 to 8.01% in 2006, allied to an efficient administration of the margins. The scenario of continuous increase of the interest rates, both in the local market as well as in the international market, due to the constant high reviews of the interest rates, has favored the increase of revenue from interest from applications maintained with the correspondent banks and loans;
- Conversion of the foreign currency loans to local currency in compliance with Law 05/GGBM/05, allied to Circular 03/DSB/2005 as mentioned in the Loan item. The loans in local currency are remunerated at the higher interest rates compared to the foreign currency loan rates;
- 30% growth in the non-interest income explained by the strong exchange activities between the banks and clients, derived on the one hand from the strong intervention of the Central Bank on the Interbank Exchange Market in the supply of foreign currency with the aim of regulating the market liquidity and efficient administration of the assets and liabilities in foreign currency by the banks, and on the other hand, diversification of the services and

financial products, increase in credits such as letters of credit issued to clients reflecting the increase in revenue from commissions;

- Recovery of doubtful debts;
- Improvement in the management and control of costs reflected in the continuous improvement of the efficiency ratio (operating costs over total income) from 69% in 2005 to 57% in 2006. In 2006, operating costs recorded only a 23% against 17% in 2005, despite the significant increase in banking activities; and
- Improvement in evaluation processes and continuous monitoring of loans with impacts on the credit quality, translated into a lower requirement of making provisions for loans with signs of impairment, and
- Significant increase in some forms of loans with more dilated intermediation margins, as is the case of leasing and consumer credit, the latter with very low rates of loss.

The influence of the above factors was reflected in greater return on average shareholders' equity (ROAE) in 2006 of 47.73% against 21.54% in 2005. The return on average assets (ROAA) also increased from 2.06% in 2005 to 3.99% in 2006 (table 6).

Table 6: Return on Average Equity and Average Assets (ROAE and ROAA)

Financial institution	2006		2005		2004	
	ROAE	ROAA	ROAE	ROAA	ROAE	ROAA
BIM	65.19	5.17	25.02	1.87	16.70	1.30
SB	41.68	3.83	32.82	3.16	26.00	2.40
BDC	47.89	6.65	23.42	3.47	(21.30)	(4.10)
BCI	22.96	4.09	22.69	2.27	15.20	1.60
UCB	14.45	2.18	7.34	1.13	19.50	5.00
ABC	28.23	4.28	23.78	3.47	22.90	3.70
BA	2.10	0.13	10.13	0.80	10.40	0.80
ICB	11.95	2.57	(4.59)	(1.28)	14.20	4.00
BMI	(20.70)	(3.57)	(185.75)	(4.61)	(80.00)	(8.20)
Sector	47.73	3.99	21.54	2.06	14.40	1.50

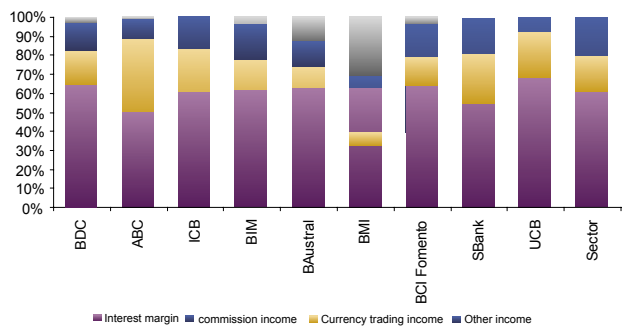
Source: KPMG Mozambique

BIM occupied the top position in the ranking of the most profitable banks measured by ROAE (2005: second position) followed by BDC (2005: fourth position) and the third place of the Standard Bank, which in 2005 was in first place.

In relation to the efficiency in the use of assets to generate income, BDC maintained its position of leadership in the market with 6.65% (2005: 3.47%, first position), followed by BIM with 5.17% (2005: 1.87%, fifth position), and in the third position ABC with 4.28% (2005: 3.47%, second position).

Co-participation of the financial margins over the total income had 6% increase from 55% in 2005 to 61% in 2006, which reflects that the income for the year were greatly generated by loans, investments and applications, contrary to the tendencies verified in prior years, of greater co-participation of the non-interest income.

Graph 9: Structure of total income in 2006



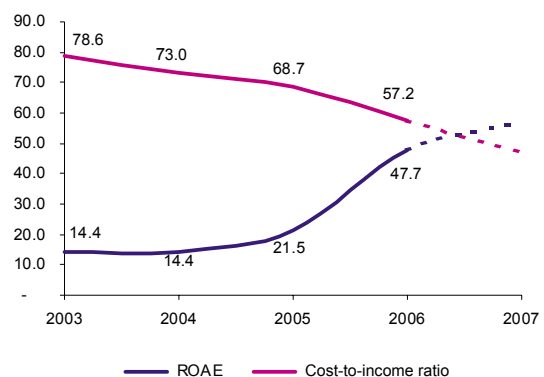
Source: KPMG Mozambique

Efficiency

The efficiency ratio measured by the operating costs over the total income recorded a decrease of 11.49% going from 68.71% in 2005 to 57.22% in 2006. This tendency is a result of the better use of financial resources in assets of acceptable risks and greater return, allied to a better administration and control of operating costs. Observe that despite operating costs having been recorded at an increase of 23% in 2006 against 17% in 2005, the total income doubled, from 26% in 2005 to 49% in 2006.

Analyzing the historic tendencies of efficiency ratios and ROAE, it is possible to observe that the market inclines towards a desirable situation represented by the traced line from the point in which the return on equity is above the efficiency ratio (graph 10).

Graph 10: Growth of ROAE and cost-to-income ratio



Source: KPMG Mozambique

Comparatively, the banking sector in Mozambique presents a highly efficient ratio compared to African countries represented by the largest banks of Sub-Saharan Africa (table 7).



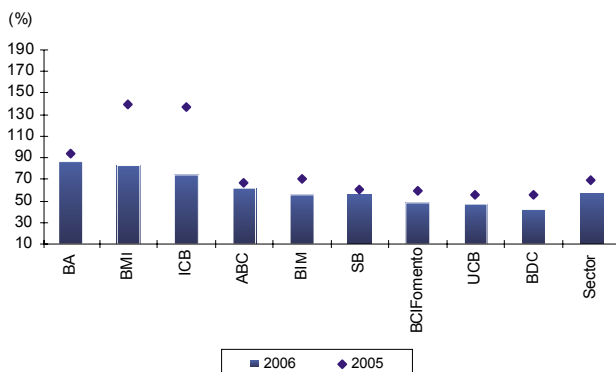
Table 7: Cost-to-income ratio for african countries

Country	Operating costs/ total income (%)	Country	Operating costs/ total income (%)
1. Sudan	13.70 - 56.44	13. Tanzania	44.20 - 60.00
2. Nigéria	24.77 - 75.00	14. Senegal	44.57 - 61.22
3. Zimbábwe	25.00 - 37.09	15. Botswana	48.86 - 79.21
4. Angola	27.64 - 44.36	16. Moçambique	50.20
5. South Africa	31.77 - 95.94	17. Malawi	54.07
6. Ethiopia	31.88 - 45.45	18. Benin	55.81
7. Mauritan	36.85 - 46.12	19. Gabon	56.39
8. Cameroon	37.27 - 49.97	20. Namíbia	57.00
9. Uganda	41.00 - 54.11	21. Zâmbia	61.00 - 75.00
10. Gana	41.30 - 67.01	22. Togo	62.50
11. Eritrya	42.30	23. Cape Verde	71.42
12. Kenya	44.11 - 81.00	24. Ivory Coast	74.55

Source: The Banker Awards 2006. The Banker, December 2006

At the ranking level, the leaders of the sector maintained the same, with the BDC in first place with 42.06% (2005: 55.89%), followed by UCB with 47.60% (2005: 56.14%) and in third place, BCI Fomento, with 47.73% (2005: 58.77%), as per graph 11.

Graph 11: Cost-to-income: operating costs/ total income per bank (2006)



Source: KPMG Mozambique

Analysis of the influence of qualitative factors on the business environment

Description of the qualitative indicators

This chapter refers to a statistical sensitivity analysis of different specific qualitative factors among the operators of the banking sector. The qualitative factors are grouped into four large groups:

I. Main developments in the banking environment

(i) Increase of regulatory requirements, (ii) impact of AIDS, (iii) Increase in competition, and (iv) Restrictive segment.

II. Weaknesses of the banking environment

(i) Under-regulated, (ii) Over-regulated, (iii) Weak legal environment, (iv) Weak accounting environment, (v) Underdeveloped capital and monetary markets, (vi) Access to capital, (vii) Opportunities for asset growth, (viii) Corporate governance, (ix) Risk management competence, (x) Crime/corruption, and (xi) asset/liability mismatch.

III. Challenges faced in routine operations

(i) Political, (ii) Regulators, (iii) Economic/relating to market, (iv) Social (demographic, expectations), (v) Technological, (vi) Qualification and competence and (vii) Legal

IV. Critical Success Factors

(i) Profit growth, (ii) Return on equity (iii) Return on assets, (iv) Other profitability measures, (v) Market share, (vi) Customer satisfaction, (vii) Innovation, (viii) and (ix) Breadth of product/services.

The scale used to measure the level of satisfaction was the following:



Results

The bank operators were requested to attribute scales to each qualitative factor with impact on the banking environment. A scale of 1 is attributed to less important factors and a scale of 5 to factors considered important.

The graphs below demonstrate the scales attributed to the qualitative factors with impact over the banking environment in 2006 and 2005 determined by the simple average of the scales attributed to each factor by each bank.

The average scales for each factor do not necessarily indicate that there is a consensus among operators, the average was determined for effects of simplifying the analysis and due to the fact that it makes sense to maintain the analysis of each factor in an aggregated manner.

Main developments in the banking environment

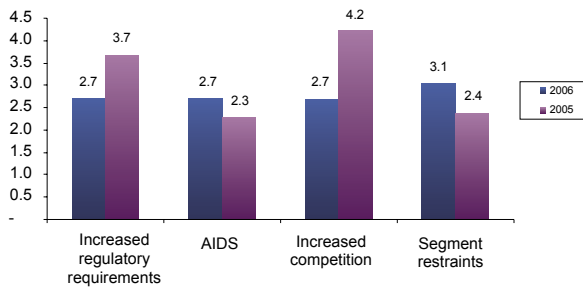
This year the operators attributed greater importance to the restrictive segments as the main development with impact over the banking environment (graph 12). According to the operators, the restrictive segments permit to secure better clients, through the permanent and integrated offer of personalized products and services that attend to the requirements of the clients of the segment.

The impact of the remaining developments such as increase in regulatory requirements, HIV (AIDS) and increase in competition relating to the banking environment is perceived with less importance.

In comparison to 2005 the reduction of the scale for increase in regulatory requirements from 3.7 in 2005 to 2.7 in 2006 is a reflex of a presumed satisfaction of the operators in relation to the level of supervision and regulatory standards for the sector.

The impact of the increase in competition in the banking sector had the largest drop, from 4.2 in 2005 to 2.7 in 2006. According to the operators, the competition has a negative short term impact and positive long-term impact, due to the offer of better products and financial services to clients.

Graph 12: Main development in the banking environment



Source: KPMG Mozambique

Weaknesses in the banking environment

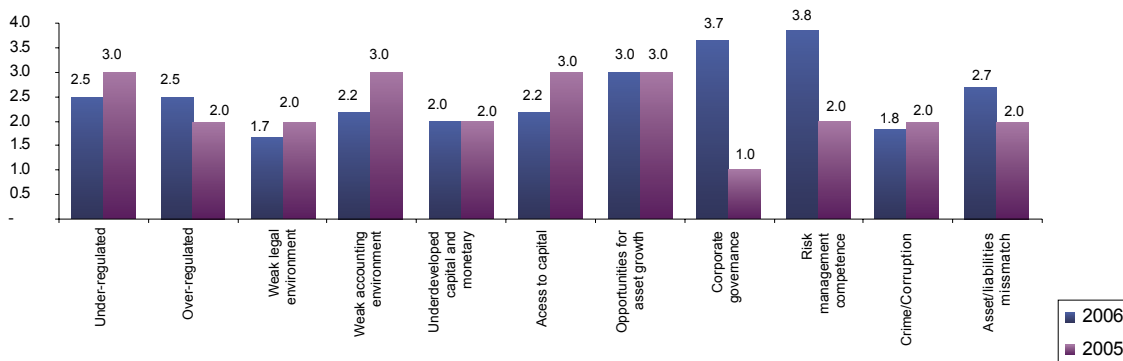
Risk management was considered as a negative factor of greatest influence over the business in the sector (graph 13).

In comparison to 2005, the reduction in the scale for increase in regulatory items, from 3.7 in 2005 to 2.7 in 2006, reflects a relative satisfaction of the operators towards the level of supervision and regulatory standards for the sector.

The weak fiscal environment has, from the point of view of the operators, less importance over the banking sector, therefore, a scale of 1.7 was given, the lowest in the group of negative factors.

A greater concern from the bank operators was observed with reference to corporate governance, from a scale of 1 in 2005, to 3.7 in 2006 (the second largest after risk management).

Graph 13: Major weaknesses in the banking environment

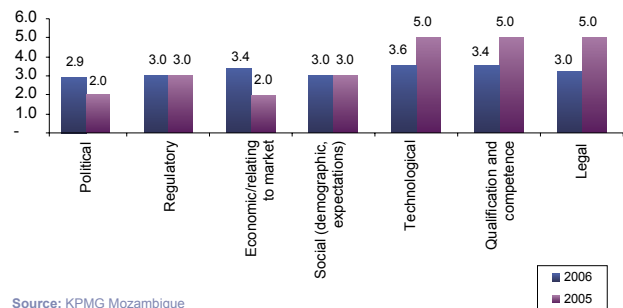


Source: KPMG Mozambique

Impact of the challenges faced in routine operations

Technological factors, qualification and competence were considered the greatest challenges in 2006, in relation to the remaining qualitative factors. The use of electronic banking is growing for verifying balance, bank transfers, payment using POS's, among other operations requiring information technology and more advanced information. The innovation associated to the diversification of financial products and services, permits a clear differential towards the competition and to the satisfaction of the actual necessities of the clients. The expectation is that this factor will be maintained in the leadership of the challenges for the next few years with the opening of the economy to the regional market of Southern Africa.

Graph 14: Challenges faced in routine operations



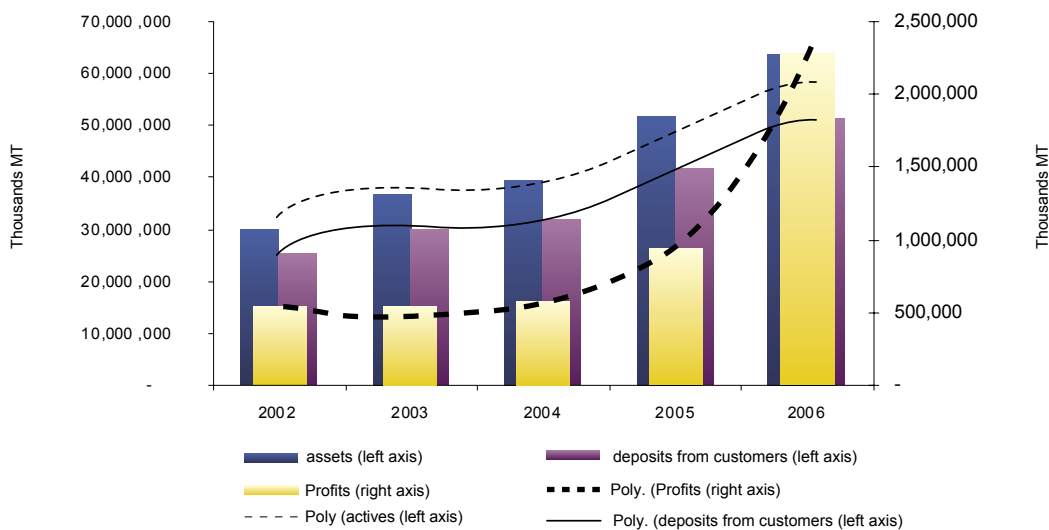
Source: KPMG Mozambique



Critical success factors

Success in the banking environment of Mozambique is measured by the satisfaction of the clients and return on capital. These factors are considered of greatest importance compared to other factors as per graph 16. Maintaining client satisfaction as a critical factor of success for the second consecutive year is intrinsically related to the fact that 80% of the assets are financed by client deposits, and in this manner the main source of funding for the bank to generate profits that, in turn, remunerate the shareholder equity in the bank. It is important to observe the strong correlation between client deposits, volume of assets and net results (graph 15).

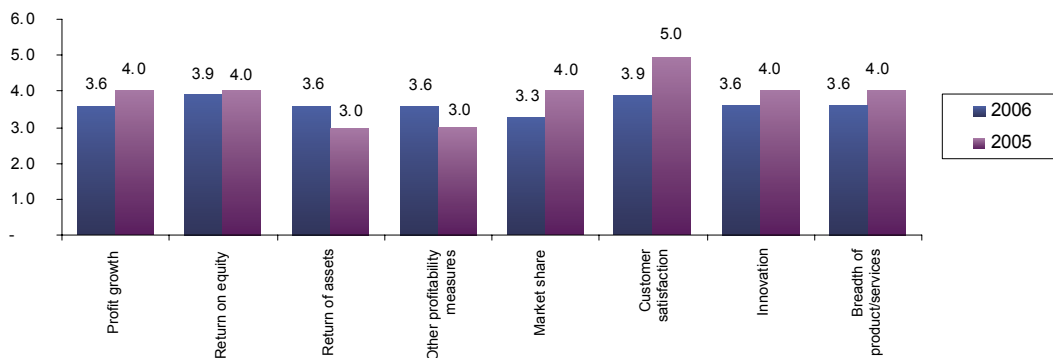
Graph 15: Positive correlation between assets, deposits from customers and profits (2002 - 2006)



Source: KPMG Mozambique

The remaining qualitative factors registered marginal variations in 2006 compared to 2005. Other measures of profitability refer to financial margins, efficiency ratios, profit per share, operational efficiency and financial efficiency and have been used alternatively and/or jointly with the factors described in graph 16.

Graph 16: Critical success factors



Source: KPMG Mozambique

Description of the Indicators-Notes

1. Return on Average Equity (ROAE)

Net income after tax for the financial year 2006, divided by the average shareholders' funds (see note 14), expressed as a percentage.

2. Return on Average Assets (ROAA)

Net income after tax for the financial year 2006, divided by the average total assets (see note 4), expressed as a percentage.

3. Return on Risk Weighted Assets

Net income after tax for the financial year 2006, divided by the average risk weighted assets (see note 36), expressed as a percentage.

4. Average total assets

Total assets (see note 11) for the financial year 2006 plus total assets for the financial year 2005, divided by two.

5. Net interest Income

Compared interest and income (see note 33) less compared interest and cost (see note 34).

6. Non interest Income

Total net income (after deduction of respective costs) not included under income net of interest.

7. Total income

Net income from interest (see note 5) plus other income (see note 6)

8. Profit before taxes

Net income before taxes but after extraordinary items and income from associated companies.

9. Taxation

Total direct and indirect taxes charged as per income statement.

10. Net Profit /(Loss)

Net income after taxes, but before dividends and transfer to reserves.

11. Total assets

Includes acceptances and repurchase agreements but excludes guarantees and other non-equity accounts.

12. Number of employees

Number of full time employees.

13. Number of branches

Total amount of branches used for raising deposits, excluding ATM's, but including agencies.

14. Number of ATM's

Number of automatic teller machines.

15. Shareholders' funds

Share capital and share premium plus distributable and non-distributable reserves.

16. Capital adequacy ratio

Calculated in accordance with the Central Bank standards at the end of the financial year.

17. Advances

Loan includes debtors and acceptances but before general and specific provisions.

18. Advances

Total loan (see note 17) for the current year plus the prior year, divided by two.

19. Charge for bad doubtful accounts doubtful debts leverage advances

Allowance for accounts past due and doubtful accounts for the financial year, divided by average loan (see note 18).

20. General provisions/advances

General provisions for loans with the balance divided by the total loan (see note 17).

21. Specific provisions / advances

Specific provisions for loan with the balance divided by the total loan.



22. Increase in total assets

Percentage of asset variance (see note 11) of the financial year 2006 in relation to the prior year.

23. Increases in advances

Percentage of total asset variance (see note 17) of the financial year 2006 in relation to the prior year.

24. Interest margin interest

Percentage of variance of net income from interest (see note 5) for the financial year 2006, in relation to the prior year.

25. Increase in profit

Percentage of variance of income before taxes (see note 8) for the financial year 2006, in relation to the prior year.

26. Increase in profit

Percentage of the variance of net income (see note 10) for the financial year 2006, in relation to the prior year.

27. Operating Expenditure

Total costs, excluding interest costs and allowance for doubtful accounts.

28. Profit before taxes and before, debit charges.

Profity before taxes and before cost of allowance for doubtful accounts for the financial year.

29. Total assets earning interest.

Total assets earning interest.

30. Total liabilities bearing interest

Total liabilities bearing interest.

31. Average assets earning interest

Total assets earning interest in the current year plus the prior year, divided by two.

32. Average liabilities bearing interest

Total liabilities bearing interest for the current year plus those of the prior year, divided by two.

33. Interest income

Total income earned from loans and other interest earned on investments.

34. Interest expencidure

Total cost of interest on deposits and loans obtained.

35. Interest spread

Difference between the interest rate earned on average assets earning interest (interest income/average assets earning income) and the interest rate paid over liabilities bearing interest (cost of interest / liabilities bearing interest).

36. Total risk weighted assests

Total risk weighted assets by level of risk, according to the standards defined by the Bank of Mozambique

37. Avarage risks wheighted assets

Total risk weighted assets (see note 36) for the current year plus the prior year, divided by two.

38. Non-Perforfermonig advances

Total overdue and doubtful accounts for which it is not prudent to loan income in the income statement.

39. Overdue and doubtful accounts / total loan

Overdue and doubtful account defined above divided by the total loan.

40. Specific provisions / overdue and doubtful accounts

Specific provisions divided by the loan past due.

41. Average shareholder's funds

Average shareholders' equity (see note 15) for the financial year plus the prior year, divided by two.

Banking Sector Ranking

Ranking		Financial institution	MMZM	
2006	2005	Total assets (MMZM)	2006	2005
1	1	Banco Internacional de Moçambique	24,670,763	20,097,072
2	2	BCI FOMENTO	14,038,177	11,001,033
3	3	Standard Bank	3,379,746	10,258,166
4	4	Banco Austral	6,353,686	5,731,545
5	6	African Banking Corporation	1,641,505	1,079,394
6	7	Banco de Desenvolvimento e Comércio	1,535,110	952,116
7	5	União Comercial de Bancos	1,214,791	2,158,684
8	9	Banco Internacional de Comércio	444,414	267,808
9	8	Banco Mercantil e de Investimentos	390,403	305,247
Loans (MMZM)				
1	1	Banco Internacional de Moçambique	10,780,971	8,837,623
2	2	BCI FOMENTO	7,666,881	5,577,511
3	3	Standard Bank	3,119,533	1,763,562
4	5	Banco Austral	1,262,493	1,048,335
5	7	Banco de Desenvolvimento e Comércio	923,584	640,724
6	4	União Comercial de Bancos	872,883	1,738,418
7	6	African Banking Corporation	525,850	730,770
8	9	Banco Internacional de Comércio	138,511	74,416
9	8	Banco Mercantil e de Investimentos	118,257	129,319
Deposits (MMZM)				
1	1	Banco Internacional de Moçambique	20,835,941	17,717,412
2	2	Standard Bank	11,329,944	8,739,039
3	3	BCI FOMENTO	10,510,073	8,281,839
4	4	Banco Austral	4,395,812	3,830,888
5	7	Banco de Desenvolvimento e Comércio	1,090,746	652,319
6	6	African Banking Corporation	1,047,988	881,236
7	5	União Comercial de Bancos	845,337	1,001,195
8	9	Banco Internacional de Comércio	320,768	187,722
9	8	Banco Mercantil e de Investimentos	256,324	296,594
Net profit (loss) (MMZM)				
1	1	Banco Internacional de Moçambique	1,156,492	343,577
2	3	BCI FOMENTO	512,003	223,009
3	2	Standard Bank	452,300	274,631
4	6	Banco de Desenvolvimento e Comércio	82,696	27,530
5	5	African Banking Corporation	58,244	29,779
6	6	União Comercial de Bancos	36,709	17,885
7	7	Banco Internacional de Comércio	9,162	(2,977)
8	4	Banco Austral	7,609	39,908
9	9	Banco Mercantil e de Investimentos	(12,406)	(12,761)
Reeturn on average equity (%)				
1	5	Banco Internacional de Moçambique	65.2	22.7
2	2	Banco de Desenvolvimento e Comércio	47.9	25.0
3	3	Standard Bank	41.7	23.8
4	1	African Banking Corporation	28.2	32.8
5	4	BCI FOMENTO	23.0	23.4
6	6	União Comercial de Bancos	14.5	10.1
7	8	Banco Internacional de Comércio	11.9	(4.6)
8	7	Banco Austral	2.1	7.3
9	9	Banco Mercantil e de Investimento	(20.7)	(185.7)



Dimension and Profitability

Name of Institution	Year	Dimension										Profitability	
		Total Assets (MMZM)	Weight assets (MMZM)	Total advances (MMZM)	Total deposits (MMZM)	Shareholders funds (MMZM)	Nº Em-employees	Nº of counters	Nº ATMs	Operating profit before tax (MMZM)	Net profit / (-) loss (MMZM)		
Banco Internacional de Moçambique	2006	24,670,763	13,451,718	10,480,971	20,835,941	2,099,033	1,386	76	191	1,143,660	1,156,492		
	2005	20,097,072	8,852,287	8,837,623	17,717,412	1,448,784	1,386	76	192	318,505	343,577		
BCI Fomento	2006	14,038,177	8,057,118	7,666,881	10,510,073	1,348,452	637	38	67	519,909	512,003		
	2005	11,001,033	6,547,277	5,577,511	8,281,839	1,026,007	549	35	62	213,860	223,009		
Standard Bank	2006	13,379,746	316,571	3,119,533	11,329,944	1,130,155	524	23	27	537,727	452,300		
	2005	10,258,166	3,442,993	1,763,562	8,739,039	1,039,988	416	27	21	308,090	274,631		
Banco Austral	2006	6,353,686	1,512,446	1,262,493	4,395,812	361,360	704	48	71	30,668	7,609		
	2005	5,731,545	1,303,776	1,048,335	3,830,888	447,687	698	48	63	39,908	39,908		
Uniao Comercial de Bancos	2006	1,214,791	549,899	872,883	845,337	267,803	49	1	0	53,677	36,709		
	2005	2,158,684	984,043	1,738,418	1,001,195	240,215	40	1	0	21,165	17,885		
Banco de Desenvolv. e Comércio	2006	1,535,110	951,373	923,684	1,090,746	214,013	72	5	9	87,967	82,696		
	2005	952,116	723,122	640,724	652,319	131,317	68	5	5	25,515	27,530		
African Banking Corporation	2006	1,641,505	683,186	525,850	1,047,988	274,492	37	2	0	63,362	58,244		
	2005	1,079,394	473,227	730,770	881,236	138,094	31	1	0	34,356	29,779		
Banco Mercantil e de Investimento	2006	390,403	210,582	118,257	256,324	119,383	59	2	1	(7,976)	(12,406)		
	2005	305,247	153,019	129,319	296,594	489	50	2	1	(12,894)	(12,761)		
Banco Internacional de Comércio	2006	444,414	165,472	138,511	320,768	82,048	56	3	0	7,087	9,162		
	2005	267,808	62,513	74,416	187,722	71,294	50	2	0	1,523	(2,977)		
AGGREGATED	2006	63,668,595	29,898,365	25,108,963	50,632,933	5,896,739	3,524	198	366	2,436,081	2,302,809		
	2005	51,851,065	22,542,257	20,540,678	41,588,244	4,543,875	3,288	197	344	950,028	940,581		

Strength and Quality Loan Indicators

Name of Institution	Year	Total assets/ Shareholders funds (x)	Shareholders funds/ liabilities (%)	Net advances deposits (%)	Capital adequacy (%)	Provision for bad debts/Total avara- ge advances (%)	General provision/ advances total (%)	Specific provision/ advances (%)	Total provision advances (%)	Bad debts advances (%)	Specific provision/ bad debts (%)
Banco Internacional de Moçambique	2006	11.75	9.30	50.35	17.10	0.91	2.21	2.68	4.89	1.29	208.10
	2005	13.87	7.77	44.97	12.30	2.82	2.08	9.85	11.93	3.74	263.60
BCI Fomento	2006	10.41	10.63	70.11	10.08	1.25	2.09	3.74	5.83	2.95	126.60
	2005	10.72	10.29	64.84	10.51	2.83	4.20	3.72	7.92	3.63	102.48
Standard Bank	2006	11.84	9.23	27.14	9.40	0.77	0.58	1.42	2.00	1.55	91.58
	2005	9.86	11.28	20.06	14.18	1.19	0.82	0.57	1.39	0.91	63.16
Banco Austral	2006	17.58	6.03	26.40	22.53	8.79	0.65	8.09	8.74	12.53	64.55
	2005	12.80	8.47	27.01	30.87	0.74	0.73	0.57	1.30	0.84	67.78
Uniao Comercial de Bancos	2006	4.54	28.28	99.96	34.50	2.41	1.11	3.19	4.30	4.93	64.72
	2005	8.99	12.52	172.79	21.73	0.65	1.04	0.49	1.53	1.39	35.02
Banco de Desenvolv. e Comércio	2006	7.17	6.20	81.41	16.42	4.47	1.67	3.86	5.52	1.75	220.95
	2005	7.25	16.00	97.26	17.55	0.99	3.11	0.98	4.09	1.51	64.75
African Banking Corporation	2006	5.98	20.08	49.48	30.84	0.81	2.03	1.38	3.42	1.38	100.00
	2005	7.82	14.67	82.65	18.44	0.49	1.04	0.34	1.38	0.34	100.00
Banco Mercantil e de Investimento	2006	3.27	44.05	36.40	18.01	0.45	1.85	21.10	22.95	36.74	57.44
	2005	624.23	0.16	35.69	0.27	1.79	1.78	18.15	9.93	15.87	114.37
Banco Internacional de Comércio	2006	5.42	22.64	40.44	48.00	2.31	1.97	6.36	8.33	5.14	123.71
	2005	3.76	36.28	36.31	89.56	1.15	0.93	8.40	19.33	14.24	59.00
AGGREGATED	2006	10.80	10.21	48.53	1.21	1.59	1.85	3.30	5.15	2.75	120.08
	2005	11.41	9.61	46.65	14.33	2.27	2.38	5.55	7.93	3.03	183.48



Operating Indicators

Name of Institution	Year	Operating Indicators									
		Rentabilidade dos fundos próprios médios (ROAE) (%)	Rentabilidade dos activos próprios médios (ROAA) (%)	Outras receitas operacionais / Activos totais médios (%)	Custos operacionais / receitas totais (%)	Spread de Juros (%)	Outras receitas operacionais / receitas totais (%)	Custos totais operacionais / Totais activos	Receitas totais / Totais activos médios (%)		
Banco Internacional de Moçambique	2006	65.19	5.17	4.68	55.75	9.79	38.23	6.72	12.24		
	2005	25.02	1.87	4.54	70.00	3.87	43.53	7.21	10.42		
BCI Fomento	2006	22.96	4.09	3.82	47.73	5.25	35.74	5.10	10.69		
	2005	22.69	2.27	3.09	58.77	5.47	36.16	5.03	8.56		
Standard Bank	2006	41.68	3.83	4.76	55.43	5.39	45.01	5.86	10.57		
	2005	32.82	3.16	5.19	60.54	5.39	55.30	5.68	9.38		
Banco Austral	2006	2.10	0.13	4.85	86.11	10.69	37.16	11.25	13.06		
	2005	10.13	0.80	5.78	92.38	6.58	48.22	11.20	12.12		
Uniao Comercial de Bancos	2006	14.45	2.18	2.76	47.60	0.22	31.76	4.14	8.69		
	2005	7.34	1.13	1.80	56.14	0.57	31.02	3.25	5.79		
Banco de Desenvolv. e Comércio	2006	47.89	6.65	5.59	42.06	8.52	35.72	6.58	15.65		
	2005	23.42	3.47	5.48	55.89	7.11	42.11	7.27	13.01		
African Banking Corporation	2006	28.23	4.28	6.77	61.32	8.28	49.91	8.32	13.56		
	2005	23.78	3.47	7.88	67.05	6.31	55.99	9.44	14.08		
Banco Mercantil e de Investimento	2006	(20.70)	(3.57)	10.62	82.58	6.29	67.92	12.91	15.63		
	2005	(185.75)	(4.61)	2.84	139.81	17.27	28.69	13.85	9.91		
Banco Internacional de Comércio	2006	11.95	2.57	4.34	74.65	3.78	50.28	8.12	10.87		
	2005	(4.59)	(1.28)	3.15	137.08	7.25	51.10	8.58	6.26		
AGGREGATED	2006	47.73	3.99	4.57	57.22	8.01	39.22	6.67	11.66		
	2005	21.54	2.06	4.45	68.71	6.47	44.74	6.03	9.95		

Growth

Name of institution	Year	Growth					Change in net profit (%)
		Change in total assets (%)	Change in advances (%)	Change in deposits (%)	Change in operating profit before tax (%)		
Banco Internacional de Moçambique	2006	22.76	21.99	17.60	259.07	236.60	
	2005	20.42	62.42	23.89	21.89	70.39	
BCI Fomento	2006	27.47	42.78	26.72	143.11	129.59	
	2005	27.14	45.47	33.85	57.51	67.51	
Standard Bank	2006	30.43	76.89	29.65	74.54	64.69	
	2005	43.53	3.69	50.04	82.57	62.74	
Banco Austral	2006	10.85	20.43	14.75	(23.15)	(80.93)	
	2005	33.39	56.77	(0.78)	21.07	21.07	
Uniao Comercial de Bancos	2006	(43.73)	(49.79)	(15.57)	153.61	105.25	
	2005	112.95	142.92	73.02	(61.37)	(61.29)	
Banco de Desenvolv. e Comércio	2006	61.23	44.15	68.21	244.77	200.39	
	2005	49.55	71.02	45.56	(210.46)	211.37)	
African Banking Corporation	2006	52.08	(28.04)	18.92	84.43	95.59	
	2005	69.79	157.03	81.81	26.00	18.71	
Banco Mercantil e de Investimento	2006	27.90	(8.55)	(13.58)	(38.14)	(2.78)	
	2005	23.13	40.76	75.01	(26.61)	(27.66)	
Banco Internacional de Comércio	2006	65.95	86.13	70.87	365.33	(407.76)	
	2005	34.83	38.89	44.24	(78.26)	(140.50)	
AGGREGATED	2006	22.79	23.70	21.75	156.42	144.83	
	2005	31.18	61.83	29.99	46.81	64.22	



Operating Indicators (Leasing)

Name of institution	Year	Size							Profitability	
		Total assets (MMZM)	Weighted assets (MMZM)	Total advances (MMZM)	Shareholders funds (MMZM)	Nº employees	Nº counters	Operating profit before tax (MMZM)	Net profit / (-) loss (MMZM)	
BCI Fomento	2006	765,414	397,364	659,000	83,107	4	1	7,119	5,920	
	2005	493,748	238,751	442,499	77,187	4	1	1,853	1,853	
AGGREGATED	2006	765,414	397,364	659,000	83,107	4	1	7,119	5,920	
	2005	493,748	238,751	442,499	77,187	4	1	1,853	1,853	

