

2013

Annual Report



BANCO INTERNACIONAL
DE S. TOMÉ E PRÍNCIPE



**BANCO INTERNACIONAL
DE S. TOMÉ E PRÍNCIPE**

DESDE SEMPRE · PARA SEMPRE

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MAIN INDICATORS

Departure of the fifteen Turkish kings led by Muradas, the head of Admiral Balão's troops, leading the embassy to Emperor Charlemagne, proposing the trade of his son Ferrabraz for the 5 Christian knights held during the Battle of the Five.

"Auto de Floripes"

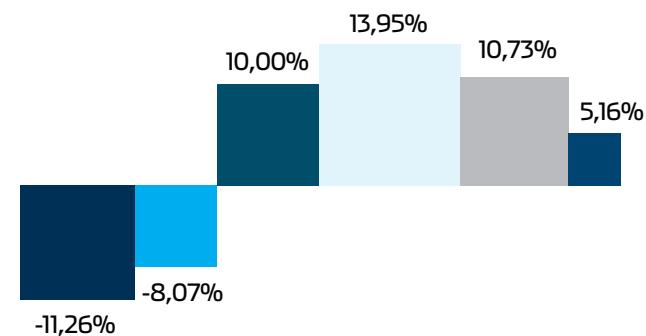
Street theater in the autonomous region of Príncipe

Thousands of Dobras		2013	2012	Δ%
Balance				
Net assets		1.815.084.292	1.723.912.768	5,29%
Net credit		692.310.779	752.658.478	-8,02%
Clients resources		1.471.385.047	1.389.221.128	5,91%
Net position		283.745.299	269.830.119	5,16%
Earnings				
Financial margin		120.004.093	100.479.029	19,43%
Additional margin		71.812.880	65.906.119	8,96%
Bank product		191.816.971	166.385.147	15,28%
Operation results		87.640.865	74.871.627	17,05%
Earnings before taxes		42.129.487	37.203.565	13,24%
Net earnings		30.373.443	27.430.440	10,73%
Ratios				
ROE		9,96%	9,48%	0,48pp
ROA		1,51%	1,44%	0,07pp
Financial margin /Assets		6,45%	5,70%	0,76pp
Additional margin/Bank product		37,44%	39,61%	-2,17pp
Cost-to-Income		63,22%	65,07%	-1,85pp
Equity/Assets		15,26%	15,30%	-0,04pp
Transformation Ratio		49,18%	56,59%	-7,41pp
Due credit/Total credit		7,00%	3,91%	3,08pp
Due credit coverage		237,21%	346,03%	-108,82pp
No. of employees		147	129	13,95%
No. of agencies		11	10	10%
(Credit + Deposits) / Agency		198.965.180	216.441.354	-8,07%
(Credit + Deposits) / Employee		14.888.551	16.778.400	-11,26%

**+ 13,95%
Employees**



**+ 10%
Agencies**



- (Credit + Deposits) / Employees
- (Credit + Deposits) / Agencies
- Nº of Agencies
- Nº of Employees
- Net Result
- Total Equity



2.

MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE COMMITTEE

Arrival of the Christian Ambassador to the court of Admiral Balão with a message from Emperor Charlemagne.

"Auto de Floripes"
Street theater in the autonomous region of Principe

Speech on the Occasion of the Inauguration of New Headquarters of BISTP

We fulfil today, Mr. President of the Republic, a unique stage in the history of the International Bank. In this year 2013, when we complete 20 years of our activity, we will in a moment, inaugurate our new headquarters, adjacent and connected to the existing one, as you will have the opportunity to observe, with a design concept that we believe will mark a new paradigm of architecture in São Tomé and inspire other developers, public and private, to continue with this epistemological break in public buildings architecture.

However, upon completing the 20 years of BISTP last March, 3, allow me to briefly remember the history of these past 20 years.

As in other countries in the current CPLP, central banks played hybrid functions, with monetary authority and commercial banking. The paradigm has changed in the early 90s because it made no sense that a single entity would perform seemingly contradictory functions.

In the particular case of STP, it was in 1992 that the then National Bank of STP became the current Central Bank, with unique functions of regulation and supervision, and their business functions were transferred to the BISTP, which started its activity, as mentioned, on March 3, 1993.

We are therefore the younger brother, almost a twin, of the Central Bank, whose board of directors here present, I address our most fraternal and warm greetings.

During these 20 years, the history of BISTP mixed with the history of the country.

Although today we act in a highly competitive banking market, where we compete with 7 other commercial banks, our friends, originating from different continents, for many years we have been alone, supporting all players in the São Tomé economy, capturing household and companies savings and lending these same deposits to various economic agents, public and private, individual or corporate.

We are and we will always be a Bank of São Tomé, from the people and to the people of São Tomé.

We belong here.

We are deeply committed to the challenge of, by providing the most modern services and the best savings solutions to our depositors and channelling judiciously these savings, lending to those in need, contributing to the development of the national economy and we are side by side with the authorities to overcome the greatest challenge faced by economic policy, which is the improvement of the populations lives and the fight against poverty.

As I said before, we belong here. Our 150 employees belong here.

Sirs,

In the second half of our life as an institution, that is, the last 10 years, we no longer operate in a monopoly. We share, as I said, with 7 more competitors that we respect, this banking market, whose size and dynamism are the reflections of national economy. We have succeeded, both in the first half, operating alone, and in the second half, in competition, in adapting ourselves to the challenges of our time.

Fortunately, two-thirds of the banked population continues to choose us. And the fact that our market share is the highest in all indicators reveals that the path chosen by our shareholders and carried out by the Board of Directors is correct.

The challenge is therefore to stay ahead of our time. To continue coordinating modernity with conservatism, rigor with innovation, discretion with professionalism.

Without forgetting our nature.

As in fact our nature is clearly institutional. It is the institutional nature of our 3 shareholders.

And who are those 3 shareholders? Firstly, the São Tomé state, the founding shareholder who notwithstanding the different governments in the past 20 years, has wisely preserved its position in BISTP, granting to the Bank and public-private osmosis that is relevant for our reputation and operation.

Secondly, and now by seniority, the Caixa Geral de Depósitos (CGD). Also a founding shareholder of BISTP, CGD is the largest bank in Portugal, the only one held by the Portuguese State, with an international presence in over 20 countries and in 5 continents. CGD, realising the relevance of BISTP in São Tomé's economy, has increased, along these 20 years, the percentage of its share in the bank.

Finally, having been the last to be admitted to our share capital, we have the largest bank in Angola: the Banco Angolano de Investimentos, known as BAI. Created in 1997, BAI, although with a disperse share capital, has famous shareholders, such as Sonangol, and is the leader of the large Angolan bank system. In addition to being present in all provinces in Angola, BAI is also present in other countries, such as Portugal, Cape Verde and South Africa.

So, we cannot overlook our institutional nature. Conservative, solid and accurate. But also modern and innovative.

We belong here.

Our three shareholders and united by the same language, spoken by Camões, by Alda do Espírito Santo and by Pepetela; by the same cultural values and by CPLP. Our shareholders are brothers, in blood and tradition.

Mr. President of the Republic, Your Excellences,
We have arrived here, after 20 years, filled with aspirations and challenges. Our 10 branches, our 2 customized branches, our 4 buildings where central services operate, our Media Library, so active in the promotion of São Tomé's art and culture, are not enough. Our 50 000 clients and 150 employees are not enough. We want more, to better serve.

This year, in addition to start using this new building, with a project by Architect António Polainas, present here and to whom I would like to show my appreciation for this inspiring idea, we will open more branches and continue to renew the older ones, to maintain a quality and homogeneous offer.

In technology terms, the future will bring plenty of novelties. For many of our 50 000 clients, coming to the bank will almost become obsolete. Not because we do not like to see them but rather because we will be present in their homes and offices in a more marked way, through the information technologies.

But when they do visit us, they will find a modern, inviting bank. A bank with the best national professionals, many of them working in this sector for over 20 years.

In the autonomous region of Príncipe, where we arrived in 1996, we will strengthen our physical presence with a larger building in the city of Santo António, thus promoting regional economy and better serving the Island inhabitants, which progress is remarkable in the last few years. The island will also welcome a media library.

Your Excellences,

It was with great emotion that I spoke of our brilliant past, honoured here by the presence of so many former directors, both national and foreigner, arriving from such distinct countries such as Portugal, Cape Verde and Nigeria. I bow to the relevant part of our history they wrote and would like to pay them this simple homage.

But it was also with emotion that I presented the future, shared with my colleagues from the Board of Directors of BISTP and ratified by the Shareholders. A future that will do justice to the name of the Banco Internacional. A future where BISTP will leave its national borders and will assist in the regional integration of the country, making it a place, not for trading slaves, as it happened 500 years ago, but a trading post for services, mainly the in sub-region and preferably in countries that are new to the CPLP.

Emotions from the past, emotions for the future, longing for the future.

Almost mysteriously, I forget the present. But the present is here, today, where we will share with you the wonders of this new building that will be at the service of our clients and of the population in general. When you visit our top lounge using our panoramic lift you will see that this is in fact an historical milestone.

To make it possible, we would first like to show our appreciation to the shareholders for their vision for the future that they have shared with the Bank directors. But I would also like to thank, on behalf of the Board, to all national authorities who were directly or indirectly involved in this project, mainly the Public Works Department and the City Hall of Água Grande, the construction company Soares da Costa, our interior designers and image consultants, the brilliant 37 DESIGN, our employees, particularly our marketing and logistics departments, but also all inspectors and consultants.

We hope with this building to help the country capturing more foreign investment and more partnerships.

To give more credit to the national banking sector and the economy. Because we belong here.

Finally, thank you very much for coming and for believing in us.

Since the beginning and forever.

Thank you very much.

São Tomé, May 29, 2013

João Cristóvão

Chairman of the Executive Committee

3.

MAIN REFERENCES

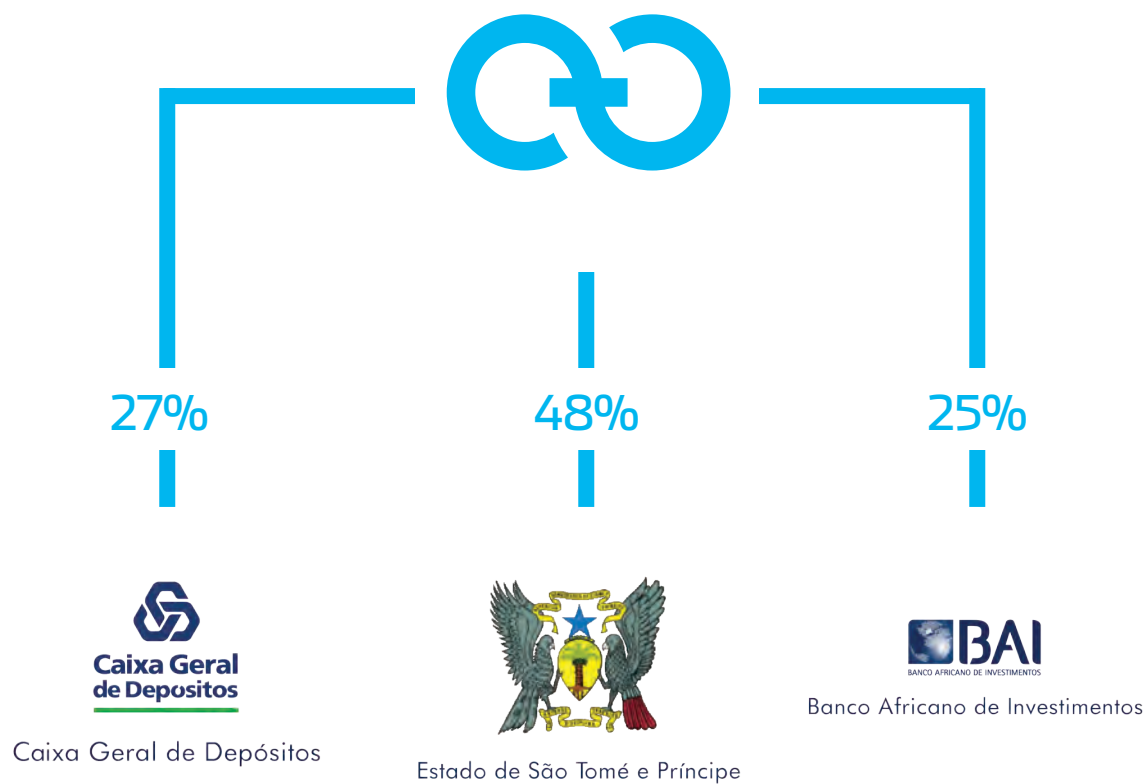
Floripes, the only woman in the story and its main character, is the daughter of Aldmiral Balão, King of the Moors. She is standing in the balcony of her father's Castle accompanied by one of her maids, happy to find Guy de Bourgogne, with whom she'll marry against her father's will.

"Auto de Floripes"

Street theater in the autonomous region of Príncipe



3.1. Shareholders' Structure



3.2. Governing Bodies

General Meeting Table

José Lourenço Soares
Chairman
Ana Silveira
Secretary
Mário Barber
Secretary

Board of Administration

Adelino Castelo David
Chairman
João Carlos Aguiar Cristóvão
Member
Acácio Elba Bonfim
Member
Lucamba Magalhães
Member
Daniel Chambel Serras
Henriques Fernandes
Member

Executive Committee

João Carlos Aguiar Cristóvão
Chairman
Acácio Elba Bonfim
Executive Director
Lucamba Magalhães
Executive Director

Audit Committee

João Barata da Silva
Chairman
Idalino Rita
Member
Victor Cardoso
Member

3.3. Activity Milestones

MARCH 2013

On March 3, 2013, BISTP celebrated its 20th anniversary. Those 20 years of intense financial activity, strong commitment to economic and social development of S. Tomé and Príncipe and great achievements, were forged based on unwavering determination to offer products and services with international quality standard. And to celebrate this historical milestone, an event was planned encompassing sports activities and celebration with employees.

APRIL 2013

The Banco Central (BCSTP) took control of the Island Bank, a Nigerian capital bank, due to several abnormalities detected in the management of this financial institution. All governing bodies of said bank were suspended and a BCSTP team was designated to take the necessary measures to protect the interest of the clients and prevent bankruptcy of the bank. From the different irregularities detected in this Nigerian capital private bank, the following stand out: evident drop regarding bank liquidity management and concealment of information from BCSTP, in addition to the difficult market penetration.

MAY 2013

The new head office and the new head office agency were inaugurated. The construction of this new head office is an integrant part of a business model strategy adopted by the Board and ratified by shareholders with the purpose of renewing the image and reinforcing the brand, strengthening the market leadership position, geographical expansion and diversification of business areas, narrowing of proximity and trust ties with the clients, relentless search for excellence in the offer of products and services.

AUGUST 2013

The new law on the prevention and fight against money laundering and terrorism financing was approved. The new legal instrument proposed by the Government to the parliament is the result of demands from international partners, namely the World Bank and the IMF. A revision of the former law became urgent as the former was short in terms of the prevention and fight against money laundering.

OCTOBER 2013

Following the adoption of the law on the prevention and fight against money laundering and terrorism financing, the International Financial Action Group (IFAG) decided to eliminate São Tomé and Príncipe from the black list of countries at risk regarding money laundering and terrorism financing.

NOVEMBER 2013

The BISTP inaugurated a branch at the Hospital Dr. Ayres de Menezes. This new branch is the result of a cooperation protocol between the BISTP and the main hospital in the country and will allow responding to the needs of employees, patients and family members, as well as those of economic agents located close to that hospital.



3.4. Strategy and Business Model

After 20 years of intense activity and great challenges, overcome with brilliance, despite numerous obstacles imposed by market developments, such as increased competition and strong national and international unfavourable and unpredictable economic fluctuations, BISTP remains true to its founding principles of rigor, transparency, prudence and solidity, but with an ever-growing and renewed ambition to better serve their customers and create value for its shareholders.

BISTP continues to put customer satisfaction at the heart of all its strategic policy. This strategic approach philosophy results from the full conviction that the success achieved throughout these twenty years comes from trust customers have placed in us, a result of the values that we have built and preserved in the development of our business, such as financial strength, rigor, professionalism, and the ability to efficiently respond to the needs and aspirations of clients. These values have become a creative satisfaction factor, enhancing customer loyalty and attracting new customers.

After having successfully achieved its strategic objective of a bank of proximity, implemented through a comprehensive plan to expand the ATM and branches network at various strategic points of the country, and the introduction of e-banking, today, with 11 branches across the country, the BISTP has the ambition to proudly reinforce its status as a bank of proximity, but directing its strategy towards “Excellence” around three main axes (namely Commercial, Human and Information System) in order to achieve efficiency in each of these axes, responding and fulfilling the goal of complete customer satisfaction.

The ideal of the pursuit of excellence in each strategic area can be summarized as follows:

Commercial Excellence:

The market dynamics and the growing diversity of demands in the same clients segment has guided BISTP towards a more proactive and differentiated commercial policy, not limited to the offer of financial products and services of a more traditional and homogeneous nature, but rather giving relevance to the specificity of their needs when creating new products and services, as well as the volatility of such client categories in the same segment. It is noteworthy that BISTP has already taken steps, differentiating within the same segment two client categories, namely medium and high rent clients – “Middle-Upper market” – creating a more reserved branch with a customized service, and low rent clients, who can go to the different branches prepared for general service. With regards to offering effective financial solutions that correspond to the aspirations and needs of the clients, BISTP has sought to improve the skills of its commercial team, both in the retail segment (private segment) and in the corporate segment (companies and institutions), providing training and specific actions with the purpose of looking for new businesses, innovative products and services that consider the specific needs of each client category. In this process, the marketing action has a relevant role in the promotion and dissemination of the benefits that the offered products can bring, thus intensifying the advertising campaigns for the products.

The search for commercial excellence aims at granting to products and services a more efficient nature when responding to the needs of the client, and such efficiency must also be easily perceived by the client.

Human resources excellence:

It is undisputable that the key to BISTP success derives from the professionalism of the 147 women and men that clearly take the company's values as theirs, creating a dynamic, heterogeneous and solid team. Considering the relevance of human resources in the achievement of goals, and considering also the strategy and challenges faced by the bank, the GRH has also guided its recruiting policy focusing on the younger generations, holding a degree, to reinforce its professional team and aiming at enhancing the dynamics and versatility within the institution.

Continuous training is at the heart of GRH actions. The constant need for increasing qualifications and updating knowledge of professionals is fundamental for banking activity, given the constant, and often deep, changes occurring in this sector. This is why BISTP strives to continuously provide its professionals with more specific and updated knowledge with the purpose of making them the best.

As motivating factors for the 147 employees, we highlight the career plan, internal mobility and performance assessment that allow each employee to achieve his/her professional fulfilment within the institution and which can also serve as incentive messages channels for behaviours and actions in line with the bank goals.

The investment made by BISTP in its human resources derives from the firm conviction that reaching goals cannot be separated from preparation excellence, as well as the level of satisfaction of its professionals.

Excellence of the information system

The constant search for the excellence of the information system has included updating of the applications systems, increasing of security regarding data storage, improvement of conditions for accessing accounts and providing greater autonomy to clients when performing different banking operations through their accounts.

- System security: to ensure continuity of the activity in case of fault or anomaly of the computer system, the capacity of the central system (production) of the data backup system and Exchange email backup system have been increased.
- Improvement of the applications system: the purchase of the “Banca 3G” solution using a more advanced issue of the current applicational system provides, for users, a simpler and more user-friendly handling of the operations.
- Commercial: soon the look of the website will be changed, making it more interactive and user-friendly. Likewise, E-banking will have more options available such as different operations, providing clients with more modern tools that will grant them more autonomy regarding online banking.

It should be noted that social and environmental responsibility are also as relevant to BISTP as achieving each strategic axle. And that is why BISTP has been very active, throughout these years, providing financial support to charities (for the promotion of social inclusion), cultural and sports institutions, as well as institutions promoting environment protection.

BISTP board considers that the goals defined for the following years are feasible taking into account the clear vision regarding the path to be taken by the Bank in the future, the knowledge and experience gathered from the market in São Tomé and the human resources values to be leveraged for fulfilling each goal. Counting mainly with the unconditional support of its solid shareholders structure, BISTP board strongly believes that it will be possible, whilst developing the bank activities, to reach these goals and continue to create value for its shareholders.

3.5. Geographical presence and distribution channel

Throughout the last 20 years, the geographical setting of BISTP has developed greatly with the expansion of its network of branches and terminals (ATM and POS) throughout the country.

This large expansion plan carried out along the years aimed at fulfilling the Bank strategic goal of proximity. Nowadays, BISTP has a strong and visible presence in the national market. And BISTP proudly acknowledges that realization of that strategy has allowed it to achieve the intended title of proximity bank, supported by a network of 11 agencies, 12 ATM (45% of the market share) and E-banking. This strategy has greatly reinforced its position as undisputed market leader.

Shortening of the distance between the bank and its clients, both physically and virtually, was a catalysing element in enhancing the relations between the bank and its clients.

In the Água-Grande district, where the capital is located, the main economic activities take place, gathering some 40% of the entire population. BISTP is present with 7 branches in several strategic points of the city, opened as per the following chronological order: head office branch: 1993, Mercado Branch: 1995, Alfândega branch: 2007, Sé branch: 2008, Miramar branch: 2008, Geovane branch: 2009, Vila Maria branch: 2009).

In the autonomous region of Príncipe, BISTP is represented by a branch created in 2000. The significant increase of clients in that region, and the relevant growth evidenced by the region, make the renovation of that branch necessary, aiming at creating a wider and more modern space, capable of providing a more pleasant environment for our clients.

The branch network expansion plan continued in 2012 with the opening of the Santana branch, the first BISTP outside the capital. In 2013, the 11th branch of BISTP was inaugurated at the Hospital centre, serving hundreds of people that daily visit the space, as well as the economic agents located in the surrounding area.

The positive effects of this expansion are reflected by the increase in the number of clients and the high deposit (around 70%) and credit (around 45%) share.

Although expansion is no longer the main strategic goal, BISTP still intends to reinforce its geographical presence seeking to be present in each district of the country.



4.

MACRO-ECONOMIC AND FINANCIAL FRAMEWORK

The troops of Emperor Charlemagne
in front of the Christians Castle, ready
to face the Moors army.

“Auto de Floripes”
Street theater in the autonomous region of Principe

4.1. International Context

In 2013, according to the IMF and the World Bank, world economy started a transition phase with an uneven evolution between the economies of the more developed countries, that started to show some signs of recovery, albeit fragile, and that of emerging countries, which economic growth has been slowing down progressively. Overall, world economy has grown 2.4% and this slight increase is due to the deceleration of the emerging economies that became, during the last years, the main drive of world economy, and to the weak growth of the advanced economies. The World Bank foresees some improvement for 2014, stimulated by the recovery of advanced economies and the growth of 5.3% over 4.8% in 2013 of the emerging economies. The World Bank thus expects a growth of 3.2% for 2014.

ECONOMIC AND MONETARY UNION - EUROZONE

The signs of recovery are visible in the countries at the heart of the Eurozone and these signs can be reinforced if the companies and consumers decide to increase their expenses. Countries around the Eurozone, despite the budgetary effort and the draconian austerity policy implemented, still evidence major difficulties in re-launching the relevant economies, given the strong drop in internal consumption that is not compensated by the good progress these countries had in terms of exports.

The large difficulties felt by the peripheral countries in re-launching economic growth, deriving from austerity policies that have greatly depressed consumption and increased unemployment (in April, a new record of 12.2% of active population was reached, amounting to 19.4 million unemployed), contributed for the Eurozone to continue under an enormous pressure from the markets, despite the shy signs of growth recovery. In the second quarter of 2013, the economic activity in the Eurozone recorded a slight increase of 0.3% regarding

the 1st quarter, supported by increase in private consumption and exports, thus reinforcing the trend for growth recovery and consequently the end of the recession faced by the Eurozone countries in the last 6 semesters.

Average annual inflation rate was 1.4%, slightly below that from 2012 (2.5%). Prices in the Eurozone were affected by the increase in the prices of electricity, tobacco and restaurants, whereas telecommunications, fuel, transports and medical services recorded a decrease in price.

It should be noted that the risks and uncertainties still wavering over the Eurozone are due mainly to the fragility of its banking system and particularly the quality of the assets presented by European Banks. The market pressure, especially over the Eurozone peripheral countries will continue, if measures are not taken to clean the quality of the assets and recapitalize the banks.

UNITED STATES OF AMERICA

The economy in the USA has grown gradually over the quarters in 2013, reaching an annual GDP of 1.9%, slightly below that from the previous year (2.3%). That growth was encouraged by the increase in consumption expenditure, exports and fixed investments from residents and non-residents. Unemployment rate reached 6.7% in December, the lowest since October 2008 (6.8%), translating a significant improvement not only for the country's economy but also regarding its social-economic setting. The United States economy ended in 2013 with an annual average inflation rate of 1.5%.

It should be noted that the monetary policy of the USA and the political battles of the country regarding the debt ceiling are one of the main risks and uncertainties threatening world economy. A sudden end from the Central American Bank (FED) monetary stimuli would be a "threat" for world economy as this could lead to an increase in long-term interest

rates for the developed and under development countries, causing also an increase in the financial capital volatility of the emerging economies.

Therefore, the monetary evolutions and policies of FED are at the centre of the markets attention for the future.

EMERGING ECONOMIES

In 2013, the economy of emerging countries has decelerated significantly. Such deceleration was caused mainly by the reduction in growth, instability of financial and exchange rate markets as consequence of the monetary policies announced by FED, and the social conflicts.

The Brazilian economy grew 2.3%, less 0.2% that the IMF forecast (2.5%) which had already been reduced from 3% to 2.5%. The IMF estimated a growth of 2.3% for 2014.

Chinese economy, the second largest in the world, increased 7.7% in 2013. Being very close to the result recorded for 2012 (7.8%), when Chinese GDP was the lowest since 1999. This evolution of Chinese GDP confirms the gradual deceleration of the country economy as it exhausts the model of strong growth based on investment focused on exports.

With the drop of demand from developed countries, impact was felt by Chinese exports. In June 2013, exports and imports dropped for the first time since the beginning of the Chinese economy dynamization process. On the other hand, during the first semester of 2013, investments were reduced and the manufacturing sector growing rate also dropped. As in any other economy, if exports and investments drop, there is just one drive that can be used to support growth: internal market. And that "drive" is precisely the focus of the new strategy of president Xi Jinping.

The growth of Russia decreased 1.3% compared to 3.4% from the previous year.

Economy in India grew 4.7% in the last quarter of 2013.

During the next years, the emerging economy will be under a strong pressure deriving, on one hand, from the drop in exports, as result of a smaller demand from more advanced countries, and on the other hand the increase in financial capital volatility regarding FED monetary policy.

AFRICA

In 2013, sub-Saharan Africa grew 4.7%, motivated by the strengthening of the internal market and by foreign investment, not only in traditionally benefited sectors, such as oil, gas and mining, but also in non-extracting sectors. Forecasts for the region are of some 5.3% in 2014.

According to the World Bank, in many countries in the region, governmental incentive programs for investment in infrastructures to increase exports capacity have benefited local economy. The Gross Fixed Capital Formation (GFCF) grew 7.3% last year, which evidences the increase in the ability to produce and the trust of the entrepreneurs. Continuous deceleration of inflation in some countries, pushed by the reduction in food prices, the changes in monetary policies and added to the increase of 6.2% in remittances, should contribute for increase in internal consumption.

The World Bank has however warned for the unemployment and poverty indexes that are still high in the region and may negatively impact consumption level. Other internal factors, such as increase of public debt, lack of safety caused by conflicts and climate shocks can also have a negative effect on the economy.

Regarding the Portuguese-Speaking African Countries, Angolan and Mozambican economies are the most relevant. Angola's GDP kept within the region's average, increasing 5.1% and growing to 8% in 2014, with a forecast of 7.3% and 7% for the two following years. In Mozambique, political conflicts, started in October, have not stopped the GDP from

achieving 7%, with prospects of achieving 8.5% this year and in 2015.

Three aspects may be deemed as risk factors for the growth of African economy within the next few years: deceleration of world economy, which reduces exports and aid flows from direct foreign investment; the significant drop in the price of raw materials for exporters, as is the case of Angola that is still quite dependent on oil; and finally the internal risks and the capital flow setback. As response to such risks, it is recommended that African countries should focus on stable macroeconomic and financial policies and be conservative in creating debts. Growth in African economy should remain solid but slow.

4.2. National context

Economical and financial adversities felt by the world, and by São Tomé and Príncipe in particular, led governmental and monetary authorities to persecute a budgetary and monetary policy that was quite conservative, encouraging macroeconomic balance whilst allowing deceleration of inflation and reinforcement of exchange rate reserves.

Retractions of external investment led the economic activity in 2013 to be moderate. The country found it difficult to obtain the external resources to finance the State General Budget (SGB). Impact of world crisis still affects negatively the São Tomé economy, making 2013 a particularly difficult year, particularly regarding realization of several public and private investment projects.

As a result of this setting, Gross Domestic Product grew only 4%, the same value recorded for 2012, but under the forecasts that indicated 4.5%.

This deceleration of economic activity in 2013 also reflects a deceleration in consumption by economic agents, contributing for a reduction of pressure on prices. Inflation rate recorded in 2013 was 7.1%, being the lowest for the last 20 years. According to the Central Bank, this continuous drop of inflation rate is largely due to the exchange rate policy, based on fixed parity with Euro, and also the conservative budgetary policy that have contributed for a greater stability of national currency.

Regarding tax policy, it should be highlighted that the difficulty in raising external financial resources led the government to intensify control of tax revenues collection, creating an increase of tax revenues of 29.31% compared to 2012, based on the increase in the number of tax payers and recovery of significant tax debts.

Despite a negative original budgetary balance, the conservative management of the budget has allowed the negative budgetary balance to account for 2.48% of GDP, as result of the applied program.

Commercial foreign exchange is still unbalanced. Import volume in 2013 was 45.9% of GDP compared to 47.8% in 2012. Main imports relate to consumption goods. Exports remain inexpressive, accounting only for 2.2% of GDP in 2013, compared to 2.4% in 2012.

Import/export coverage ratio was 4.6 compared to 4.8 in 2012.

External debt stock increased 7.6%, reaching around 229 million USD.

Despite the relative scarcity of external funding, there was a significant reinforcement of exchange rates reserves reaching some 5.5 months of imports, falling within the 5-6 months of imports recommended for low income countries, raw material exporters and with fixed-exchange rate regimes. These values were the highest for the last 3 years. It is relevant to note that the monetary authority has some 7.2 million USD deposited at the national Oil Account and 25 million Euros in an emergency credit line with Portugal to support this exchange rate policy if necessary.

Announcement of departure of the French company TOTAL from block 1 in the joint area of São Tomé and Príncipe and Nigeria, stating the lack of oil in commercial quantities and that the small quantities available are in very deep areas, with a high exploration cost, represents a serious economic and financial setback for the country that had planned for 2015 the beginning of the oil exploration phase. With this unexpected departure from TOTAL, authorities must continue to depend on donations and funding in highly concessional conditions for several years.

Regarding growing uncertainty around the schedule and volume of oil production, IMF points towards the need to implement a gradually restrictive budgetary policy and reduce the size of the bank system (reduction in the number of banks), in order to increase efficacy, profitability and resiliency of the system, as well as promote more actively the development

of primal non-oil sectors, particularly tourism, agriculture and fishing.

Regarding the bank sector, it is relevant to note that in the current economic context of S. Tomé and Príncipe and considering discouraging news regarding oil exploration, commercial banks will have to adapt to the new reality and those who have entered the market attracted mainly by oil perspectives will have to change their business strategy and strengthen their balances using even additional recapitalization.

In 2013, banks assets accounted for some 69.30% of GDP, being lower than in 2012 (76.9%). Total deposit increased 13% and its weight on GDP increased to 37.02%, against the 36.74% recorded for the previous year.

Credit portfolio, representing 43.89% of total assets in 2012, decreased to 37.07%, evidencing a less expansionist policy from banks highly justified by default credit increase, which reached around 23% of the entire granted credit portfolio, against 20% in 2012.

The transformation ratio amounted to 73% against 92% in 2012. Banks equity suffered a degradation of around 25%, evidencing an accumulation of negative results from banks this year. But the liquidity ratio, at 51%, and the solvability ratio at 20.6%, remained above the regulatory value, respectively 20% and 12%.

Net result for the sector was negative at STD -81,115 millions. These indicators reflect a year (2013) highly marked by a credit reduction regarding the economy, a consequence of a more restrictive policy from banks, deriving from an unfavourable economic context, and increase of credit risks due to default credit, in addition to a tendency of fast decline from the equity/assets ratios weighed by the credit risk.

Smaller institutions, with a weak market penetration level, have felt more deeply the negative effects of the current context, a fact that has forced the Central Bank of S. Tomé and Príncipe (BCSTP), after the onsite inspection carried out

by the banks inspection authority for all market commercial banks, to take control over the Island Bank (a private bank with Nigerian capital). The reasons for the intervention by the Central Bank over this institution concern the high level of default credit, in addition to several irregularities, namely the evidenced drop in the bank liquidity and the withholding of information from BCSTP. Measures were then taken to invert this negative scenario and ensure stability of the financial system and protect the deposits from clients in this bank.

It was in this context, marked by uncertainty and adversity, that BISTP has developed its activity of financial intermediation, always seeking to adjust its policy and actions to the market contexts. A more prudent management of assets and liabilities enforced by the BISTP during this fiscal year has negatively affected credit that dropped around -4.51%, whereas deposits from clients increased moderately (5.91%). The reserves kept at the Central Bank increased significantly 27.99% and contributed for total bank assets to increase 5.30%.

Net result had also a positive evolution, increasing 10% regarding 2012 and contradicting the sector trend.



5.

MAIN BUSINESS AREAS

Emperor Charlemagne, King of the Christians, sending his first embassy to Admiral Balão, King of the Moors, proposing the return of the Holy Relics (the subject of the war) to him and imposing his conversion to Christianity.

"Auto de Floripes"

Street theater in the autonomous region of Principe

5.1. Retail Banking: Private clients

The retail segment has been a market niche fundamental for BISTP throughout these years and in 2013 amounted to 59% of total deposits from clients and 54% of total credit granted. The relentless search for efficiency regarding satisfaction of demands from this sector has helped achieving a higher loyalty from current clients and attraction of new ones and consequently a consolidation of BISTP leadership in this segment.

DEPOSITS:

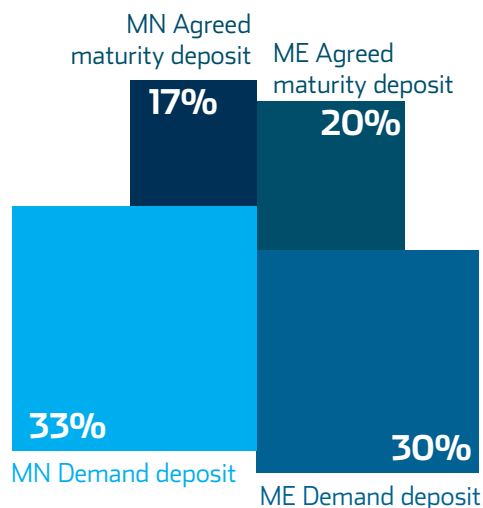
In 2013 the economical activity level was slow and competition was high at liquidity capture with the offer of interesting payback rates. Notwithstanding the aggressive policy of competition regarding business capture, and although BISTP presented a reduced prediction of its liability rates, considering the slow economical activity, clients deposits for this segment had a moderate increase of 6%, supported by the strong increase of demand deposits, whereas deposits with agreed maturity had a drop of -16%, being partially explained by the departure of some deposits to other banks.

In 2013, the weight of deposits with agreed maturity in this segment was 37% against 47% in 2012, whereas demand deposits represented 63% against 53% in 2012.

Regarding the currency portfolio, there was a balance between national currency and foreign currency, weighting 50% each.

BISTP seeks to offer a diversified range of banking products and services with the purpose of providing a professional response to the specific needs of the different elements in this segment. As such, and aiming at improving follow-up of clients and responding effectively to their needs, the segment was divided into two categories, i.e., Medium-High Income Clients and Low Income Clients. Clients in the low income category are catered by the different branches throughout the country ready for mass service. Medium-High Income Clients

have a specific branch, dedicated to a more customized service and offer of products and services specific for a very demanding range of clients. With the creation of this branch, BISTP is fulfilling its intention of being an elite bank.

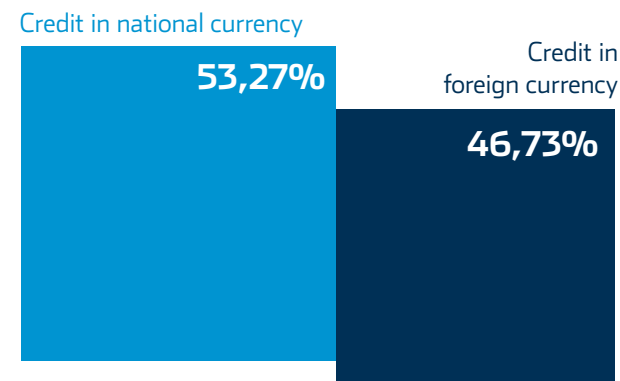


CREDIT:

The adoption of a slightly expansionary credit policy, more prudential, and more suited to changing economic conditions, was at the base of the reduction of credit in this segment (-4.38%).

Regarding the evolution of credit for currency, there was a disparate evolution of credit in national currency and foreign currency. Credit in national currency experienced a moderate growth of around 2.06%, bringing the credit weight in MN for 46.73% of total loans in this segment, against 42.33% in 2012. The credit in foreign currency had a fall in the order of -14.59% over the year 2012, but still has a weight of 53.97% of total loans in this segment.

Concerning the composition of the portfolio by currency, the major challenge currently lies in increased credit weight in national currency in order to better balance with composition of customer deposits (source of funds).



5.2. Corporate Banking: Companies and Institutions

This will always be a very important segment for BISTP, despite the slow development and little promotion of the business environment. The weak dynamics of companies owes much to the increasingly lower level of public and private investment.

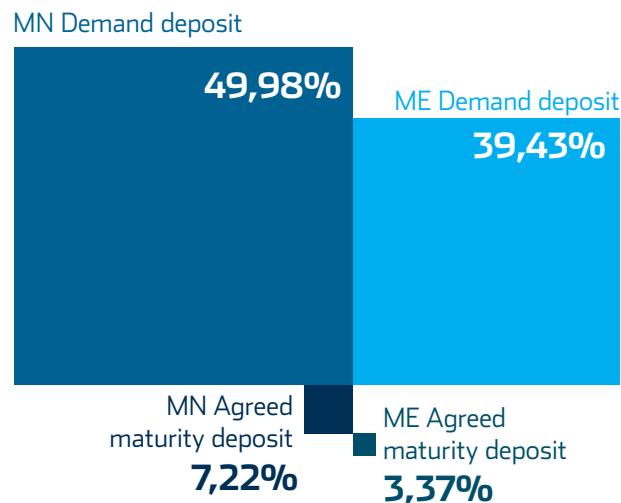
BISTP has been gaining a better position in this segment, enhancing its status as main partner of the companies in the development of their activities in the Sao Tome market. For BISTP, strengthening position in this segment is of vital importance in view of the good prospects of future growth that is foreseen for the companies based in the domestic market, if the country becomes an oil producer and is able to implement the project of making of Sao Tome and Principe a service platform for the Gulf of Guinea.

DEPOSITS

The volume of deposits for this segment met in 2013 a moderate growth of around 6.53%, supported by growth in 19% of demand deposit, while agreed maturity deposits fell by -44%, and this fall due in part to downward revision of deposit rates. The agreed maturity deposits weight in this segment changed from 20% in 2012 to 11% in 2013, and the demand deposit increased from 80% to 89% in 2013.

As regards the composition of the deposit currency, the deposit in local currency represents 57% of total deposits compared to 51% in 2012.

It is noteworthy that, although the BISTP has reduced its liabilities rate of return, the volume of deposits has increased.



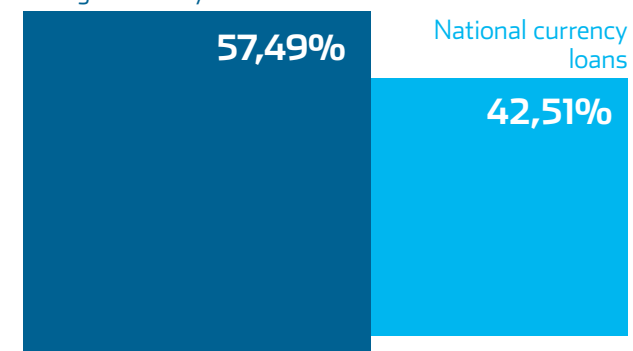
LOANS

The loan portfolio of this segment had a very marginal drop in the order of -0.43%. Despite the weak economic activity, and the adoption of a little expansionary credit policy in general, the BISTP has given special attention to this segment, offering financing solutions more appropriate to the context and situation of each company, likely to allow these last, even in an environment marked by many adversities, develop their activities and streamline the economy.

In 2013, loans in the national currency grew by 66.92% over the year 2012, while foreign currency loans fell by -23.31%. Given the strong credit growth in national currency, its weight on the total credit in this segment increased to 57.44% against 25.36% in 2012.

This clear preference for the granting of credit in national currency results from BISTP's wish to establish a greater balance between the resources source composition and the application thereof, but also seeks to strengthen the confidence of economic agents in the national currency.

Foreign currency loans



6.

HUMAN RESOURCES

Christian knights guarding the castle
of Emperor Charlemagne.

"Auto de Floripes"

Street theater in the autonomous region of Principe



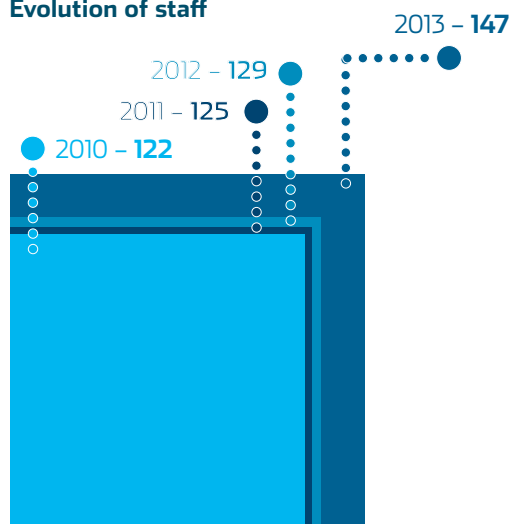
The year 2013 was marked by the strengthening and adjustment of integrated management policies of human resources, maintaining as strategic lines the direct support to the business areas, recognition of merit and potential, improvement of professional and personal conditions of employees.

It should be noted the remarkable contribution from readjustment of the recruitment and training policy. In terms of recruiting, the focus of concern was primarily for the enhancement of skills and rejuvenation of the staff, articulated with the training policy, guided by the strengthening of the training process and paradigm shifts both in terms of procedures and of business.

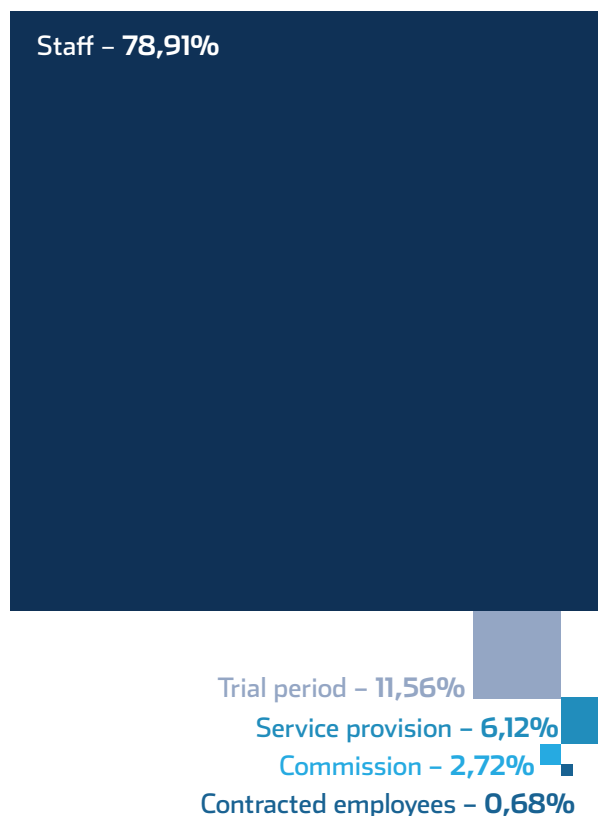
6.1. Distribution by contract type

In 2013, the BISTP's staff was composed of 147 employees, of which 4 are on commission, 17 under fixed-term contract, 10 under a service provision regime and 116 being full members of the staff.

Evolution of staff



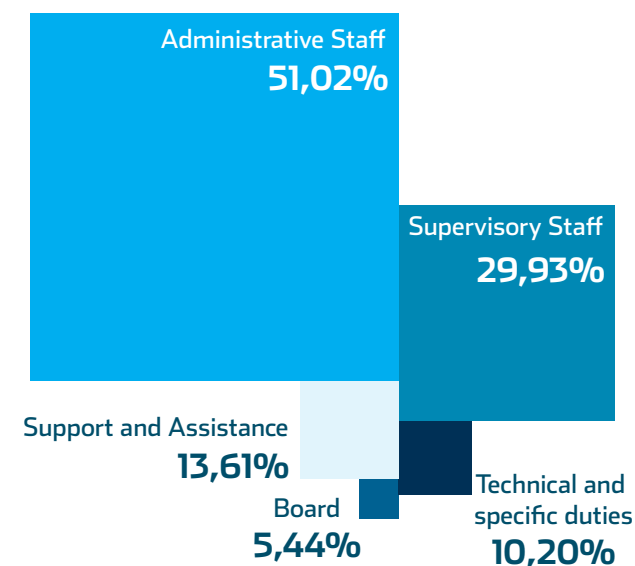
Distribution by contract type



6.2. Functional Distribution

According to the new Career Plan, the administrative staff remains the professional group with the largest number of employees (71) and represented 48.30% of the total staff. Admission of young graduates as strategy adopted in the recruitment process allowed the reinforcement of the technical staff which together with employees with supervisory duties, accounted for about 31.97% of the staff. The least represented professional group continued to be board, with 8 elements, representing approximately 5.44% of the total staff.

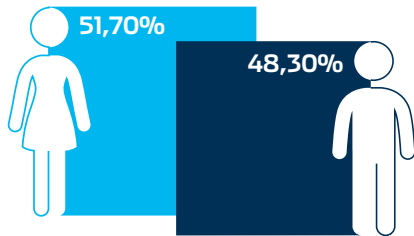
Number of employees by Functional Group



6.3. Distribution according to gender

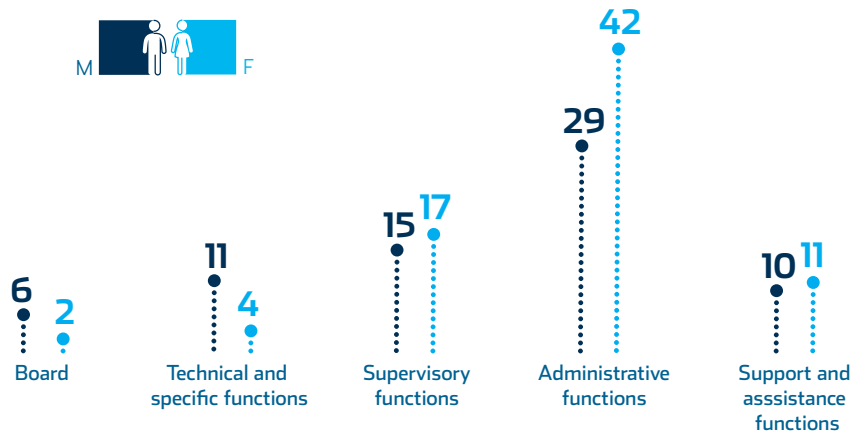
In terms of gender, there remains a tendency to increase the number of women (76 female employees and 71 male). This distribution evidences a slight increase in the feminization rate (51.70%)

Distribution by gender



As shown in Diagram below, there is a remarkable difference in gender, in the administrative staff group.

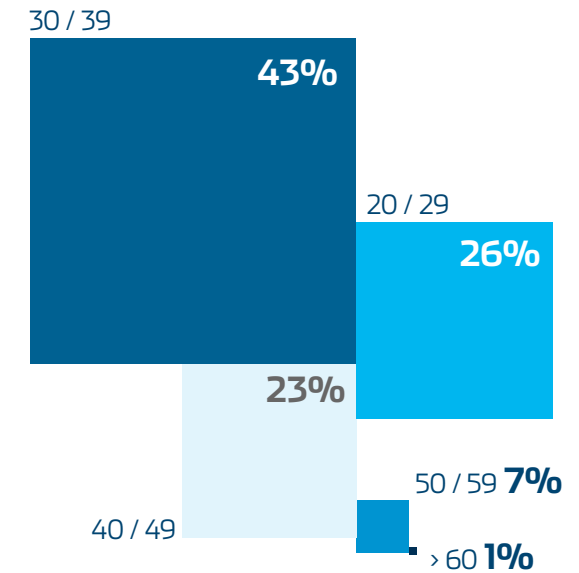
Functional Group by Gender



6.4. Distribution by age

The age group with the largest number of employees is 30-39 years, a similar situation to the same period in 2013, accounting for 43% of the staff of BISTP

Staff by Age Group



6.5. Distribution by seniority

At BISTP, seniority of 74.15% of employees is “up to 5 years”.

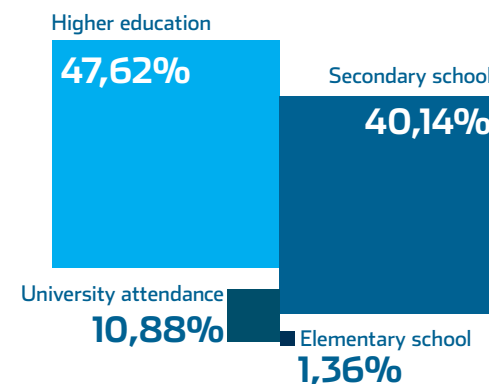
Distribution by Seniority



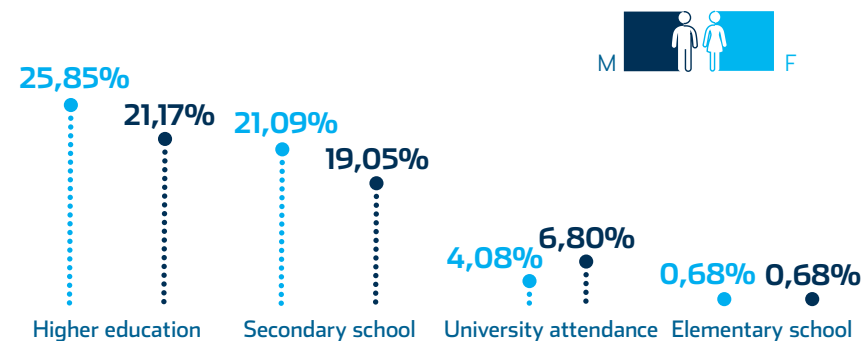
6.6. Distribution by level of education

The strong commitment of BISTP in hiring graduates in recent years allowed the increase in the employee education level. Thus, in 2013 the number of employees with Higher Education qualifications reached 47.62% of the total workforce of the Bank.

Distribution by level of education



Distribution of Education level by Gender



7

SOCIAL RESPONSIBILITY

The fifteen Turkish kings going into battle.

“Auto de Floripes”

Street theater in the autonomous region of Principe



The policy of support and sponsorship of the Banco Internacional de S. Tomé e Príncipe in 2013 continued to give priority to projects associated with issues such as social solidarity, education, sports and culture.

SOCIAL SOLIDARITY

Social Solidarity is one of the main pillars of the BISTP operation; the support granted shall mainly cover non-governmental organizations whose main objective is the social reintegration of children and youth at risk, combating social exclusion and poverty. In this sense, the BISTP continued its partnership with the Fundações de Lares e Familiares para Crianças e Jovens – Novo Futuro and the Fundação da Criança e da Juventude, with a monthly financial donation. These partnerships are aimed at the development of actions intended for children and disadvantaged and at-risk youth, buying school supplies, as well as the development of leisure, educational, cultural and civic actions.

Also in 2013 in the field of Social Solidarity, BISTP granted financial support to the Fundação Ajudar sem Abrigo, which aimed to make school holidays more educational to children in need.

EDUCATION

Aware that education is a key aspect of a corporation, the BISTP financially supported some actions related to this area. Among them, is the organization of the 2nd edition of the National Mathematics Olympics in the Polytechnic Institute (ISP), which aims to promote the teaching of mathematics as a tool contributing to the improvement of teaching quality. BISTP granted once again a Merit Scholarship to the Best Senior Student of the Instituto Diocesano de Formação, aiming, with this action, to motivate the dedication and commitment of students in academic studies.

BISTP also supported the Fundação Formação e Desenvolvimento, giving its contribution to the education of deaf in Sao Tome and Principe, thus revealing its interest in the education of that marginal sector in the Sao Tome population.

SPORTS

In sports, BISTP once again sponsored the main cycling event at national level “A Volta do Cacau”, one of the biggest sporting events of international character in Sao Tome and Principe.

BISTP supported Gacos Angola in the realization of a football tournament allusive to the 3rd of February. It also sponsored the Organizing Committee of 2nd Batizado e Troca de Corda de Capoeira in Sao Tome; the Sao Tome Taekwondo Federation, in order to represent STP in the Spanish Open; the Sao Tome Federation of Karate with their travel to the Karate Championship in Central Africa and the Sao Tome Chess Federation.

CULTURE

In the cultural sector, the Banco Internacional de São Tomé e Príncipe continued the promotion and publishing of Sao Tome authors, welcoming the launch of these in its media library. Among the projects funded and presented in the media library, stand out “Arquitetura de São Tomé e Príncipe” by the architect Joana Malheiro, the novel “No dia de São Lourenço – O Encanto de Auto de Floripes” by Goretti Pina, “ O percurso da Ilha do Príncipe” by Silvestre de Barros Umbelina and the book “ Cabo Verde e São Tomé e Príncipe: Empreendedorismo com fator de desenvolvimento e transformação social “.

Furthermore, in support of the culture, there is the support of BISTP to the rehabilitation of Espaço Teia D’ Arte, dedicated to promoting Sao Tome and Principe culture, and also the sponsorship of the 7th International Biennial of Sao Tome and Principe.

Other major supports granted in 2013 include

- Sponsorship of the Awards ceremony for graduate students at the University Lusíadas;
- Support to NGO “Galo Canta” for the realization of the TEDx Conference - to promote the sharing of ideas and deep discussion on topics from various fields, from technology, entertainment, science to business and development;
- Financial support for carrying out the activity related to the Month of Culture in Prince Island, which aims at promoting Cultures gathering.

8.

FINANCIAL ANALYSIS

Guarim, the smallest in the story, councillor of Oliveiros, the noble Count of the Christian court.

"Auto de Floripes"

Street theater in the autonomous region of Principe



8.1 Balance Sheet Elements

Like 2012, the year 2013 was also marked by a reduced level of economic activity, showing the negative effects of the financial crisis. This context, particularly difficult for families, small businesses and companies, marked by lack of liquidity, imposed on financial institutions, and BISTP in particular, a larger prudence in the development of its activities, in order to minimize credit risk, usually growing in times of crisis. Accordingly, the BISTP has adopted a lending policy aimed at short-term and lower risk operations, to strengthen the monitoring process, and increased its effort in credit recovery.

The increase in prudence level was also extended to the management of term deposit rate of return and resulted in the downward revision of these borrowing rates.

It was in this very uncertain context and still strongly marked by the consequences of the recent financial crisis that BISTP developed its financial intermediation activity within the prudential limits that this activity requires, particularly in a weak economic growth and strong level of competition scenario.

Thus, in 2013, despite the unfavourable situation, BISTP total assets experienced a growth of 5.3% over the year 2012, supported by strong growth in reserves with the Central Bank.

The volume of loans to customers registered a contraction of -4.51%, which in absolute terms represents a decrease of -40 995 million compared to the year 2012. The negative evolution of this item reflects the credit policy adopted by BISTP, more adjusted to the situation, and that is oriented towards a more careful and conservative granting of loans, focusing on operation not exceeding 5 years.

Regarding the quality of the portfolio, and despite the efforts made in terms of recovery, there was a further deterioration of the portfolio, with overdue loans growing at 70.96%, reflecting the increasing degree of economic and financial difficulty of businesses and families, and that has conditioned the fulfilment of their obligations towards the bank. The weight of overdue loans over total loan portfolio increased to 7% against 3.91% in 2012.

The increase of 52.21% in the heading “Investments in Credit Institutions” is explained essentially by the transference (in arrears) of the values that were applied in investment securities to term deposit bonds. This change of nature of the financial instruments is due to the increasing volume of international transfers, which forces to have increasingly shorter-term availability. This is why shorter-term applications and easily deployable have been privileged to the detriment of investment securities and obligations that are longer term. Thus, there was a sharp drop in the securities portfolio at -36.08%.

Reserves in Central Bank experienced a growth of about 27.99% over the year 2012. This development of the reserves is explained by customer deposits growth seen over the years, by a contractive credit policy and also by limitations on access to foreign exchange coverage imposed by BCSTP. It should be noted that the surplus of reserves in BCSTP has reached historical values.

Despite weak investment and economic growth, ongoing intensification of competition between banks in the resources capturing area, and the downward revision of our liabilities remuneration rates, customer deposit maintained its solid growth trend, with positive developments in the order of 5.59% over the year 2012. This performance in resources capturing, despite measures to reduce rates, is explained by the image of strength, accuracy and confidence that the bank conveys to its customers. This evolution is also the result of a greater proximity to the bank established with the client, through their branch networks, which have been a key factor to loyalty.

The continued growth of the deposit portfolio contrasted with the fall of the loan portfolio resulted in the reduction in the transformation ratio, which dropped to 49.18% in 2013 against 56.59% in 2012.

8.2 Components of the Profit and Loss Accounts

In addition to the amounts achieved with the recovery of some credits in litigation, the increase in spread to 19.43% is justified largely by a more prudential management of deposit rates from January 2013, which resulted in reducing these rates.

The additional margin experienced a moderate improvement of 8.89%, a result of the pricing improvement and a certain increase in volume activity.

The overall product activity recorded an increase of about 15.28%, driven by the good evolution in spread and additional margin.

Operational Costs increased to 13.84%, due on one hand to the increase in expenses with staff to 17.19%, justified by the increase of new employees to respond to the growth in the number of branches in different regions of the country and reinforcement of some bank areas and, on the other hand, to increase of the heading “Supplies and Services from Third Parties” to 10.69% associating partially costs related to building and inauguration of the Hospital branch.

Although the gross operating income evidenced a strong growth, increase in supply, due to the deterioration of the loan portfolio and the implementation of the NAP 07/2010, did not allow the achievement of a more significant result. However, the net result improved 10% over the year 2012, allowing this time to improve the profitability ratio.

9

PROPOSAL FOR APPROPRIATION AND DISTRIBUTION OF RESULTS

King Galafre, governor of Mantible bridge, the only access in the border between the enemy courts (Christians vs Moors). The man that warns the Moors in situations of danger with his strong trumpet.

"Auto de Floripes"

Street theater in the autonomous region of Principe



The Board of Directors proposes, taking into account the legal and statutory provisions, that the net result of STD 30,373,443,386.35 (Thirty thousand, three hundred seventy-three million, four hundred forty-three thousand, three hundred eighty-six folds and thirty-five cents), for the year 2013 to be appropriated as follows:

Legal reserves	10%	3.037.344.338,64
Free reserves	30%	9.112.033.015,91
Shareholders	60%	18.224.066.031,81
Net result	100%	30.373.443.386,35

10.

FINANCIAL STATEMENTS

Soldiers of Admiral Balão ready to fight against the Christian Ambassador, after the order for arrest by the Admiral.

"Auto de Floripes"

Street theater in the autonomous region of Principe



10.1. Balance Sheet

	2013	2012	Δ%
Paid Assets	1.578.852.005.217,02	1.505.755.912.443,26	4,85%
Demand deposits at Central Bank	461.164.954.895,99	360.302.382.142,19	27,99%
Applications in Credit Inst.	169.785.223.043,03	111.546.267.534,00	52,21%
In the country			
Abroad	169.785.223.043,03	111.546.267.534,00	
Loans for Clients	868.683.895.156,00	909.972.709.612,07	-4,54%
Normal (Internal and External)	804.572.258.120,00	869.355.890.526,28	-7,45%
Loans and Interest overdue	60.555.859.016,00	35.421.092.971,35	70,96%
Interest to be received from loans	4.958.644.020,00	6.197.491.624,44	-19,99%
Deferred income	1.402.866.000,00	1.001.765.510,00	40,04%
Applications in Bonds	79.217.932.122,00	123.934.553.155,00	-36,08%
Public debt			
Other issuers	79.217.932.122,00	123.934.553.155,00	-36,08%
Gross Paid Assets	1.578.852.005.217,02	1.505.755.912.443,26	4,85%
Provisions	176.373.116.594,27	157.314.231.681,31	12,12%
Net paid assets	1.402.478.888.622,75	1.348.441.680.761,95	4,01%
Not paid assets			
Tangible and Intangible Assets	253.447.317.023,33	183.781.678.232,85	37,91%
Accumulated amortizations	74.422.582.000,00	57.372.666.277,00	29,72%
Availabilities	213.737.056.253,92	225.608.952.901,94	-5,26%
Settlement accounts	1.859.746.000,00	1.641.684.950,51	13,28%
Other assets	17.983.866.100,00	21.811.437.429,75	-17,55%
Net assets	1.815.084.292.000,00	1.723.912.768.000,00	5,29%

	2013	2012	Δ%
RESOURCES			
Foreign Paid Resources	1.479.035.908.170,21	1.401.717.209.350,56	5,52%
Debit towards credit institutions		0,00	
Deposits		0,00	
Clients deposits	1.471.385.046.547,67	1.389.221.128.204,69	5,91%
Demand deposits	1.080.979.061.549,04	880.523.576.910,71	22,77%
Agreed Maturity Deposits	390.405.984.998,63	508.697.551.293,98	-23,25%
Creditors and other resources	7.650.861.622,54	12.496.081.145,87	-38,77%
Non-paid Resources	52.303.085.159,97	52.365.439.292,10	-0,12%
Other demands	2.029.756.423,71	2.110.776.185,25	-3,84%
Subordinated liabilities		0,00	
Provisions	23.414.794.894,66	23.414.794.194,54	0,00%
Settlement accounts	26.858.533.841,60	26.839.868.912,31	0,07%
LIABILITIES	1.531.338.993.330,18	1.454.082.648.642,66	5,31%
Capital	150.000.000.000,00	150.000.000.000,00	0,00%
Reserves + Results brought forward	103.371.855.283,47	92.399.679.234,23	11,87%
Result for the year	30.373.443.386,35	27.430.440.123,11	10,73%
EQUITY	283.745.298.669,82	269.830.119.357,34	5,16%
Liabilities and Equity	1.815.084.292.000,00	1.723.912.768.000,00	5,29%

10.2. Profit and Loss Accounts

	2013	2012	Δ%
Interest and Similar Income	148.229.581.056,45	134.622.715.135,20	10,11%
From availabilities			
From applications in Credit Inst.	2.327.632.542,18	1.939.755.969,61	20,00%
From internal and external credit	135.831.854.483,07	124.240.566.834,25	9,33%
From negotiable bonds and investment	3.031.704.311,00	4.711.081.052,66	-35,65%
From overdue credit and interest			
From Swap interest			
Other interest and similar income	7.038.389.720,20	3.731.311.278,68	88,63%
Interest and Similar Costs	28.225.489.475,89	34.143.687.197,33	-17,33%
From Resources from Credit Inst.			
From Deposits	28.225.435.220,57	34.143.572.122,19	-17,33%
From Bonds			
From other resources			
Deposit Guarantee Fund			
From Swap interest			
Other interest and similar costs	54.255,32	115.075,14	-52,85%
Spread	120.004.091.580,56	100.479.027.937,87	19,43%

	2013	2012	Δ%
Other Profits	784.976.758.502,25	790.096.363.519,01	-0,65%
Bonds income			
Commissions received	61.297.842.702,49	56.031.361.097,92	9,40%
Profit from financial operations	710.955.829.477,40	725.969.266.967,70	-2,07%
Other Operation Profits	12.723.086.322,36	8.095.735.453,39	57,16%
Other Costs	713.163.878.941,15	724.190.244.039,39	-1,52%
Paid commissions	3.778.521.733,40	2.762.917.139,10	36,76%
Losses from Financial Operations	702.337.102.228,89	717.189.585.070,55	-2,07%
Others	7.048.254.978,86	4.237.741.829,74	66,32%
Additional Margin	71.812.879.561,10	65.906.119.479,62	8,96%
Banking Product	191.816.971.141,66	166.385.147.417,49	15,28%
Operational Costs	104.176.106.284,73	91.513.520.514,31	13,84%
Costs with staff	51.871.216.337,86	44.261.417.477,21	17,19%
Supplies and services from 3rd Parties	52.304.889.946,87	47.252.103.037,10	10,69%
Operation Cash-Flow	87.640.864.856,93	74.871.626.903,18	17,05%
Amortizations	17.099.702.632,00	16.757.355.057,00	2,04%
Net Provisions	28.411.674.874,58	20.910.707.037,11	35,87%
Created provisions	53.670.888.462,12	77.855.071.412,55	-31,06%
Reposition and cancellation of provisions	25.259.213.587,54	56.944.364.375,44	-55,64%
Earnings before Taxes	42.129.487.350,35	37.203.564.809,07	13,24%
Provision for Taxes	11.756.043.964,00	9.773.124.685,96	20,29%
Net Income	30.373.443.386,35	27.430.440.123,11	10,73%

11.

NOTES TO THE PROFIT AND LOSS ACCOUNTS



"Auto de Floripes"
Street theater in the autonomous region of Principe

INTRODUCTION

Banco Internacional de São Tomé e Príncipe, S.A.R.L. (hereinafter also designated as “Bank” or “BISTP”) was incorporated by public deed dated March 3, 1993.

The Bank dedicates to obtaining resources from third parties as deposits or others which are then applied, along with its own resources, to loans, deposits in São Tomé and Príncipe Central Bank, applications in credit institutions, purchase of bonds and other assets, for which it is duly authorized. The Bank further provided other banking services, having for that purpose at December 31, 2013 a national network with 11 branches located in the city of São Tomé (10) and the Island of Príncipe (1).

2. BASIS FOR PRESENTATION AND SUMMARY OF MAIN ACCOUNTING POLICIES

2.1. Basis for presentation

Financial statements were prepared on the assumption of continuity of operations, based on the books and records kept by the bank pursuant to the principles established in the Accounting Plan for Financial Institutions (Plano de Contas para Instituições Financeiras - PCIF), as per the Permanent Application Standard no. 5/09, of July 9, issued by the São Tomé and Príncipe Central Bank. The PCIF, which became effective on January 1, 2010, represents an approach to the International Financial Reporting Standards (IFRS), with an encompassing set of adaptations to the São Tomé reality.

Through communication from the São Tomé and Príncipe Central Bank, dated December 3, 2010 and which guidelines were extended in new communications dated November 21, 2012 and November 28, 2013, the following exceptions were approved for the provisions of PCIF for the years 2012 and 2013, respectively:

- deferral of commissions associated to credit was made pursuant to the linear method rather than effective rate;
- portfolio bonds were recorded at the acquisition cost, therefore not being applied the concept of fair value when being valued;

- provisions for loans granted were determined based on rules foreseen in NAP no. 7/2007, not being calculated the imparity as per IAS 39;
- presentation of disclosures according to IFRS 7 – “Financial instruments: Disclosures” will only become mandatory after implementation of the above provisions.

It was also clarified that international accounting standards not foreseen in PCIF are not mandatory. Notwithstanding this, the Central Bank allows the bank to apply IFRS in full provided procedures adopted are disclosed in the notes to the accounts and properly validated by the Banking Supervision Body.

2.2. Accounting Policies

The most significant accounting policies used when preparing the financial statements are as follows:

a) Year specialization

Income and costs are registered considering the validity period of the operations, pursuant to the year specialization accounting principle, being registered when they are due, regardless of the time they are paid or received.

b) Conversion of balance and transactions in foreign currency

Financial statements for the bank in December 31, 2013 are presented in São Tomé and Príncipe Dobras, with assets and liabilities in other currencies being converted to the national currency based on the purchase exchange rate published by the São Tomé and Príncipe Central Bank at the time, following the provisions of the Permanent Application Standard no. 5/09, of July 9.

Upon enforcement of the Permanent Application Standard no. 17/09 of December 31, by the São Tomé and Príncipe Central Bank, exchange rate parity with Euro (EUR) was defined as of January 1, 2010, with the exchange rate being defined at 1 Euro/24,500 São Tomé and Príncipe Dobras (STD). At 31

December 2013 and 2012, exchange rate regarding USD was as follows:

	2013	2012
1 USD	17.775,52 STD	18.584,54 STD

Foreign currency operations are recorded according to the multi-currency principles being each operation registered considering the relevant currency. Assets and liabilities in foreign currency are converted to STD at the purchase exchange rate published by the São Tomé and Príncipe Central Bank on a daily basis.

Costs and profits related to exchange rate differences are registered in the profit and loss accounts for the year they occur, under the heading “Earnings from Exchange Rate Revaluation”.

Pursuant to the Permanent Application Standard no. 11/07, of December 26 by the São Tomé and Príncipe Central Bank, the Bank created in 2008 a provision for exchange rate devaluation for its equity before the Euro, for the period between March 1 and December 31, 2008, amounting to mSTD 361,831. Impact of the equity update vis-a-vis the Euro in 2009 originated an increase of the provision to mSTD 1,904,626 (Note 15). Use of this provision can only be authorized for increasing equity.

According to the Permanent Application Standard no. 5/09, financial institutions that have their equity in foreign currency are authorized to create a provision for exchange rate risk, intended to maintain the value of their equity. It is also authorized that financial institutions create a provision for revaluation of fixed assets. These two provisions are intended exclusively to be integrated in the institutions equity upon approval by the São Tomé and Príncipe Central Bank.

c) Provisions for credit risk

As defined in PCIF, credit provisions must temporarily correspond to the highest value of the regulatory and impairment provisions. As detailed in Note 2.1, regarding the years 2013 and 2012, the São Tomé and Príncipe Central Bank authorized that imparity was not calculated.

As such, the Bank calculated the provisions for credit risk according to the provisions of Permanent Application Standard no. 7/07, of August 6, issued by the São Tomé and Príncipe Central Bank.

Pursuant to this standard, the Bank classifies credit operation by increasing order of risk, as per the following categories:

- a) Normal
- b) Under supervision
- c) Below normal
- d) Doubtful credit
- e) Loss

Classification of credit operations to the same client, for creation of provisions purpose, is made to the category that shows the higher risk, being independent of guarantees associated to each operation.

Credit overdue is classified following the risk categories considering the time elapsed from the date it became due with minimum provisioning levels being calculated as per the following table:

At 31 December 2013 and 2012, the Bank used a percentage of 5% and 2.5% for creating provisions for the category “Normal” and for guarantees provided, respectively.

Interest due, as well as loans under forced recovery are fully provisioned. In addition, specific provisions have been registered for situations that are deemed more difficult regarding credit recovery, including restructured credit.

Category	Normal	Under Supervision	Below Normal	Doubtful Loss	Loss
Provision %	2%	10%	25%	50%	100%
Time elapsed since it became due	Up to 30 days	From 30 to 89 days	From 90 days to 180 days	From 180 days to 360 days	More than 360 days

The Board deems that be above referred provisions are fully deductible for income tax purposes as they are inherent/indispensable to achieve new profits subject to tax. In addition, the nature of registered provisions results from the standards issued by the São Tomé and Príncipe Central Bank following the right allocated to the latter by the Law of Financial Institutions.

d) Auctioned Goods

Buildings and other assets auctioned for recovery of overdue loans are registered under the heading “Other assets – Application by credit recovery” (Note 9), at their auctioned price, plus any possible costs related to legal files. At 31 December 2013 and 2012, the Bank has registered provisions for these assets according to their portfolio maturity.

e) Tangible and Intangible Assets

Tangible fixed assets purchased until 1998 are registered at their acquisition cost, being revalued according to the legislation in effect. Later additions to tangible fixed assets are registered at their acquisition cost. Depreciation is calculated using the constant quota method by twelfths according to the amortization rates defined in Law 5/93, of August 10, which correspond to the following estimated useful life:

	Useful life years
Own buildings	50
Equipment	
Furniture and material	8
Machinery and tools	2 - 10
Computer equipment	3 - 4
Inner facilities	8 - 20
Transport materia	4

Intangible fixed assets correspond mainly to costs with acquisition, development or preparation for use of software applied in the Bank activities. These assets are depreciated using the constant quota method by twelfths for a period of three years.

Costs associated to equity, including costs with capital increase, are registered directly as a deduction from equity, not affecting the year result.

f) Bonds portfolio

According to PCIF, bonds must be classified into categories according to the nature of the financial instruments and the Bank’s intention upon their purchase. This standard further establishes that part of the instruments is accounted at their fair value. However, as defined in Note 2.1, in 2013 and 2012 the bank was authorized by the Central Bank to keep the bonds registered at their acquisition cost.

As BISTP intends to retain the bonds in its portfolio until their maturity date, the Bank did not register any provisions for possible capital losses resulting from devaluation of bonds, except in cases where issuers have recovery problems.

At 31 December 2013 and 2012, investments in securities correspond to Cash Bonds issued by Caixa Geral de Depósitos, S.A. and are registered at their acquisition cost. Positive or negative difference between the acquisition cost and the nominal value of the bonds, corresponding to premium or discount at the time of the purchase, is registered as cost or profit between the date of acquisition and the due date. Inter-

est deriving from these bonds are registered under “Bonds and other securities” (Note 7).

g) Financial Assets

At 31 December 2013 and 2012, the heading “Financial Assets” corresponds to the share of the Bank in the “Sociedade Gestora de Pagamentos Automáticos de São Tomé e Príncipe”. Financial assets are registered at their acquisition cost being created provisions in case capital losses are determined.

h) Taxes

The Bank is subjected to Income Tax under a regular rate of 25%, as foreseen in art. 81 of the Tax Code, enacted by Law 16/2008, of December 31.

In addition to the value established for tax, stamp duty is added at a regular rate of 6%, as detailed under “Other operation results” in the profit and loss account.

No deferred taxes are registered.

i) Retirement pensions

Law 1/90, of May 8, regulating the Social Security system for São Tomé and Príncipe, foresees the allocation of retirement pensions to all workers contributing to Social Security and who reach an age deemed normal for ending their professional activity (57 or 62 years old, i.e., women and men, respectively). Value of those pensions is calculated based in Art. 59 and 67 of said Law. According to Art. 99, contribution rates for this system are 6% for the employer and 4% for workers. In addition to these contributions, the Bank did not take any further responsibility for retirement benefits for its employees.

However, as it is expected that a retirement pension complement may be added to that received from Social Security, the Bank has registered for 2008 a provision for pensions under the heading “Provisions for risks and charged” in the liabilities sections, which in December 31, 2013 and 2012 amounted to mSTD 21,510,168 (Note 15).

This provision was defined based on an estimate with the assumption that the complement will correspond to 20% of the

salary at the time of retirement, being updated on an yearly basis.

j) Seniority grants

The Bank undertook to pay the seniority grants corresponding to one or two months wages for employees working for the bank for 15 and 30 years, respectively. Seniority grants are registered along the employees’ time of service under the heading “Costs to be paid”, being registered in results under the heading “Costs with staff” (Note 24).

k) Commissions

According to PCIF, commissions charged by the Bank when granting loans must be deferred and registered under profits using the effective rate method, regardless of the moment these commissions are charged or paid. As detailed in note 2.1, in 2013 and 2012 the Bank was authorized by the Central Bank to defer these commissions using the linear method.

Commissions associated to guarantees provided, documentary credit and card anuity are subject to linear deferral along the corresponding time period.

Commissions for services provided are registered as profit along the period the service is provided or one, if corresponding to a compensation for a single action.

3. CASH AND AVAILABILITIES AT CENTRAL BANK

At 31 December 2013 and 2012, this heading was detailed as follows:

	2013	2012
Cash		
National bills and coins	17.102.494	24.110.788
Foreign bills and coins estrangeiras		
- Euros	15.583.653	15.043.996
- US Dollars	11.688.951	23.567.464
- Other currency	1.892.334	1.491.146
	46.267.432	64.213.394
Demand deposits in Central Bank São Tomé e Príncipe (BCSTP)		
National bills and coins	391.381.187	330.270.052
Foreign bills and coins estrangeiras		
- Euros	47.508.658	18.945.682
- US Dollars	22.275.110	11.086.648
	461.164.955	360.302.382
	507.432.387	424.515.776

Demand deposits in BCSTP in national currency are intended to comply with the provisions of maintaining minimum cash reserves.

At 31 December 2013 and 2012, minimum cash reserves are updated by applying percentages of 18% and 21%, respectively over selected liabilities in national and foreign currency regarding the month before the two months that start the maintenance period regarding permanent Application Standard no. 18/2011, of August 17, from the São Tomé and Príncipe Central bank.

These deposits are not interest-bearing.

4. ON SIGHT AVAILABILITIES OVER CREDIT INSTITUTIONS

At 31 December 2013 and 2012, this heading was detailed as follows:

	2013	2012
Cheques to collect:		
Abroad	11.141.277	5.645.803
In the country	-	92.035
	11.141.277	5.737.838
Bonds to collect in the country	25.645.589	1.750
Demand deposits abroad:		
Caixa Geral de Depósitos (Note 17):		
Head office (Lisboa)	64.030.863	99.088.455
E-banking	21.590.307	14.614.101
French Office	3.908.966	249.699
Banco Comercial Português	32.136.936	16.545.730
Banco Santander Totta	4.621.859	800.092
Banco Angolano de Investimentos – Angola (Note 17)	3.792.417	2.731.129
Banco Caixa Geral Totta Angola	369.482	16.404.095
BNP Paribas	-	4.409.411
Other Credit institutions	230.716	812.686
	130.681.546	155.655.398
Other availabilities	1.212	573
	167.469.624	161.395.559

At 31 December 2013 and 2012, the heading “Bonds to collect in the country” is comprised of bonds from the Treasury Department, provided by this institution to the Bank for settling its liabilities. These amounts were settled in full to the São Tomé and Príncipe Central Bank in early January of the relevant subsequent year.

5. OTHER CREDITS OVER CREDIT INSTITUTIONS

At 31 December 2013 and 2012, this heading corresponds to term deposits which can be detailed as follows by currency and interest rate:

2013					
	Interest rate	Amount in currency	Amount mSTD	Interest to receive	Total amount
In US Dollars (USD)					
Banco Angolano de Investimentos - Angola (Note 17)	2,100%	4.000.000	98.000.000	672.280	98.672.280
Banco Comercial Português	0,550%	4.000.000	71.102.080	10.863	71.112.943
			169.102.080	683.143	169.785.223
2012					
	Interest rate	Amount in currency	Amount mSTD	Interest to receive	Total amount
In US Dollars (USD)					
Banco Angolano de Investimentos - Angola (Note 17)	4,550%	3.000.000	55.753.620	-	55.753.620
Banco Comercial Português	2,100%	3.000.000	55.753.620	39.028	55.792.648
			111.507.240	39.028	111.546.268

At 31 December 2013 and 2012, term deposits are detailed as follows, according to their maturity:

	2013			2012		
	Amount in STD	Interest to receive	Total amount	Amount in STD	Interest to receive	Total amount
Up to three months	71.102.080	10.028	55.792.648	55.753.620	39.028	55.792.648
3 to 6 months	-	-	-	55.753.620	-	55.753.620
Six months to one year	98.000.000	672.280	98.672.280			
Total	169.102.080	683.143	169.785.223	111.507.240	166.420	111.546.268

6. CREDITS OVER CLIENTS

At 31 December 2013 and 2012, this heading is detailed as follows:

	2013	2012
Due credit:		
National currency		
Commercial discounts	9.451.423	6.503.044
Loans	331.443.409	267.532.288
Current account credit	9.625.582	19.559.094
Overdraft in demand deposits	26.314.968	12.292.716
	376.835.382	305.887.142
Foreign currency:		
Commercial discounts	6.162.691	18.701.973
Loans	346.557.196	423.555.529
Current account credit	53.792.025	110.317.293
Overdraft in demand deposits	21.224.964	10.893.954
	427.736.876	563.468.749
Total due credit	804.572.258	869.355.891
Overdue Loans and Interest:		
National currency:		
Capital	8.445.098	6.748.681
Interest	2.082.069	2.197.759
	10.527.167	8.946.440
Foreign currency:		
Capital	43.370.791	19.901.931
Interest	6.657.901	6.572.721
	50.028.692	26.474.652
Total due credit and interest	60.555.859	35.421.092
Total credit granted	865.128.117	904.776.983
Interest to receive from granted credit	4.958.644	6.131.492
Deferred income	(1.402.866)	(1.001.766)
	868.683.895	909.906.709
Provisions for granted credit (Note 15)	(176.373.116)	(157.314.231)
	692.310.779	752.592.478

At 31 December 2013 and 2012, provisions for granted credit include mSTD 59,179,559 and mSTD 53,285,000, respectively, for clients classified under "Normal" (Note 2.2 c)).

At 31 December 2013 and 2012, composition of credit and relevant provisions for the classes foreseen in Permanent Application Standard no. 7/2007, of August 6, by the São Tomé and Príncipe Central Bank, can be detailed as follows:

2013

Class	Active	Overdue			Total Credit	Provisions		
		Capital	Interest	Total		Regulatory	Economic	Total
Normal	723.521.744	-	-	-	723.521.744	40.193.709	18.985.850	59.179.559
Under supervision	28.540.746	-	-	-	28.540.746	3.900.743	10.827.706	14.728.449
Below normal	19.702.430	1.182.709	990.767	2.173.476	21.875.906	6.447.462	2.832.257	9.279.719
Doubtful credit	10.164.136	784.298	910.236	1.694.534	11.858.670	9.479.394	1.224.341	10.703.735
Loss	22.643.202	7.368.383	6.838.967	14.207.350	36.850.552	36.850.552	-	36.850.552
Forced recovery credit	-	42.480.499	-	42.480.499	42.480.499	42.480.499	-	42.480.499
	804.572.258	51.815.889	8.739.970	60.555.859	865.128.117	139.352.359	33.870.154	173.222.513
Bank guarantees	-	-	-	-	126.024.087	3.150.603	-	3.150.603
	804.572.258	51.815.889	8.739.970	60.555.859	991.152.204	142.502.962	33.870.154	176.373.116

2012

Class	Active	Overdue			Total Credit	Provisions		
		Capital	Interest	Total		Regulatory	Economic	Total
Normal	759.645.758	-	-	-	759.845.758	38.540.815	14.744.185	53.285.000
Under supervision	44.128.518	-	-	-	44.128.518	2.846.885	4.113.838	6.960.723
Below normal	13.342.858	843.054	469.471	1.312.525	14.655.383	2.769.731	6.506.960	9.276.691
Doubtful credit	19.710.305	1.893.451	1.842.605	3.736.056	23.446.361	9.074.671	12.545.978	21.620.649
Loss	32.328.452	8.706.340	6.458.404	15.164.744	47.493.196	37.305.451	9.768.401	47.073.852
Forced recovery credit	-	15.207.767	-	15.207.767	15.207.767	15.207.767	-	15.207.767
	869.355.891	26.650.612	8.770.480	35.421.092	904.776.983	105.745.320	47.679.362	153.424.682
Bank guarantees	-	-	-	-	155.581.979	3.889.549	-	3.889.549
	869.355.891	26.650.612	8.770.480	35.421.092	1.060.358.962	109.634.869	47.679.362	157.314.231

To overcome some situations where more significant difficulties are foreseen regarding overdue or restructured debt collection, at 31 December 2013 and 2012, additional provisions were created for credit granted amounting to mSTD 33,870,154 and mSTD 47,679,362, respectively

At 31 December 2013 and 2012, composition of clients' credit portfolio by activity sector was as follows:

	2013			2012		
	Active credit	Overdue credit	Total	Active credit	Overdue credit	Total
Companies						
Trade	227.355.475	10.711.947	238.067.422	156.497.603	7709064	164.206.667
Constructions	51.344.587	1.378.738	52.723.325	85.300.128	1.114.989	86.415.117
Services	41.253.567	436.290	41.689.857	58.675.309	5.000.424	63.675.733
Industry	18.538.449	-	18.538.449	44.899.414	-	44.899.414
Turism	10.601.086	191.752	10.792.838	19.119.654	-	19.119.654
Agricultural	13.082.720	-	13.082.720	13.718.772	-	13.718.772
Forced recovery credit	-	25.171.693	25.171.693	-	2.972.377	2.972.377
	362.175.884	37.890.420	400.066.304	378.210.880	16.796.854	395.007.734
Private						
Housing	265.992.023	732.456	266.724.479	278.870.754	1.701.605	280.572.359
Consumption	95.536.401	3.210.292	98.746.693	125.679.651	3.946.476	129.626.127
Commerce	66.526.715	1.325.402	67.852.117	68.416.463	561.805	68.978.268
Car	14.341.235	88.484	14.429.719	18.176.499	178963	18.355.462
Agricultural	-	-	-	1.644	-	1.644
Forced recovery credit	-	17.308.805	17.308.805	-	12.235.389	12.235.389
	442.396.374	22.665.439	465.061.813	491.145.011	18.624.238	509.769.249
	804.572.258	60.555.859	865.128.117	869.355.891	35.421.092	904.776.983

7. BONDS AND OTHER SECURITIES

At 31 December 2013 and 2012 this heading was detailed as follows:

2013							
	Currency	Currency acquisition cost (Euro)	Interest Rate	Due date	Amount in mSTD	Interest to receive	Total
BAI Deposit certification (Note 17)	USD	3.000.000	Fixed	29-05-2014	53.326.560	1.130.521	54.457.081
CGD 2009/2019 Anniversary (Note 17))	EUR	1.000.000	Variable	11-05-2019	24.500.000	260.851	24.760.851
					77.826.560	1.391.372	79.217.932
2012							
	Currency	Currency acquisition cost (Euro)	Interest Rate	Due date	Amount in mSTD	Interest to receive	Total
Securities CGD-Cxa, Taxa Mix JUL-2013 (Note 17)	EUR	4.000.000	Variable	27-07-2013	98.000.000	1.048.056	99.048.056
CGD 2009/2019 Anniversary (Note 17)	EUR	1.000.000	Variable	11-05-2019	24.500.000	386.497	24.886.497
					122.500.000	1.434.553	123.934.553

At 31 December 2013 and 2012, based on valuing estimates provided by Caixa Geral de Depósitos, fair value of the portfolio debt securities issued by this institution was below the balance value in mSTD 4,155,200 and mSTD 6,793,726, respectively. As detailed in Note 2.2 f), these capital losses were not registered as the Bank intends to keep these securities up to their maturity and the Board considered that there was no impairment risk.

8. FIXED ASSETS

Movement in these headings during the fiscal years ended december 31 2013 and 2012 was as follows:

	Balance at 31-12-2011			Acquisitions	Year depreciations	Deductions			Transferals	Balance at 31-12-2013		
	Gross Assets	Accumulated depreciations	Net assets			Gross Assets	Accumulated depreciations	Net assets				
Tangible fixed assets												
Own buildings	57.634.153	(14.137.890)	43.496.263	40.342.459	(4.256.841)	-	-	24.941.770	122.918.382	(18.394.731)	104.523.651	
Furniture and material	19.333.729	(5.827.719)	13.506.010	5.856.166	(2.793.899)	-	-	1.048.692	26.238.587	(8.621.618)	17.616.969	
Machinery and tools	16.984.619	(8.535.401)	8.449.218	2.767.347	(3.294.107)	-	-	2.481.506	22.233.472	(11.829.508)	10.403.964	
Computer equipment	13.121.345	(8.393.142)	4.728.203	345.173	(2.623.680)	-	-	350.125	13.816.643	(11.016.822)	2.799.821	
Inner facilities	6.447.133	(2.189.763)	4.257.370	994.693	(773.047)	13.125	(138)	370.606	7.799.307	(2.962.672)	4.836.635	
Transport material	7.317.215	(5.749.980)	1.567.235	5.108.974	(1.356.863)	557.519	(49.650)	-	11.868.670	(7.057.193)	4.811.477	
Safety equipment	2.392.003	(656.438)	1.735.565	398.355	(250.144)	-	-	-	2.790.358	(906.582)	1.883.776	
Other equipment	611.366	(91.448)	519.918	-	(68.754)	-	-	-	611.366	(160.202)	451.164	
Art assets	783.659	-	783.659	202.125	-	-	-	-	985.784	-	985.784	
	124.625.222	(45.581.781)	79.043.441	56.015.292	(15.417.335)	570.644	(49.788)	29.192.699	209.262.569	(60.949.328)	148.313.241	
Intangible fixed assets												
Software	14.359.471	(11.735.730)	2.623.741	284.200	(1.682.368)	-	-	-	14.643.671	(13.418.098)	1.225.573	
Others	55.156	(55.156)	-	-	-	-	-	-	55.156	(55.156)	-	
	14.414.627	(11.790.886)	2.623.741	284.200	(1.682.368)	0	0	0	14.698.827	(13.473.254)	1.225.573	
Fixed assets in progress												
Intangible fixed assets	-	-	-	1.565.991	-	-	-	-	1.565.991	-	1.565.991	
Own buildings	33.912.247	-	33.912.247	10.561.737	-	-	-	(24.941.770)	19.532.214	-	19.532.214	
Furniture and material	2.248.543	-	2.248.543	248.582	-	-	-	(1.048.692)	1,448,433	-	1,448,433	
Machinery and tools	4,607,838	-	4,607,838	1,400,741	-	-	-	(2,481,506)	3,527,073	-	3,527,073	
Computer equipment	350.125	-	350.125	-	-	-	-	(350.125)	-	-	-	
Inner facilities	370.606	-	370.606	159.740	-	-	-	(370.606)	159.740	-	159.740	
Safety equipment	312.470	-	312.470	-	-	-	-	-	312.470	-	312.470	
	41.801.829	-	41.801.829	13.936.791	-	-	-	(29.192.699)	26.545.921	-	26.545.921	
Financial Assets												
SPAUT	2.940.000	-	2.940.000	-	-	-	-	-	2.940.000	-	2,940,000	
	183.781.678	(57.372.667)	126.409.011	70.236.283	(17.099.703)	570.644	(49.788)	-	253.447.317	(74.422.582)	179.024.735	

	Balance at 31-12-2011					Deductions			Balance at 31-12-2012		
	Gross Assets	Accumulated depreciations	Net assets	Acquisitions	Year depreciations	Gross Assets	Accumulated depreciations	Transfer-rals	Gross Assets	Accumulated depreciations	Net assets
Tangible fixed assets											
Own buildings	52.423.912	(10.479.085)	41.944.827	5.050.991	(3.658.805)	-	-	159.250	57.634.153	(14.137.890)	43.496.263
Furniture and material	18.270.217	(3.543.352)	14.726.865	714.389	(2.313.447)	139.595	(29.080)	488.718	19.333.729	(5.827.719)	13.506.010
Machinery and tools	15.104.001	(5.665.923)	9.438.078	1.880.618	(2.869.478)	-	-	-	16.984.619	(8.535.401)	8.449.218
Computer equipment	11.738.791	(5.705.880)	6.032.911	1.335.846	(2.687.262)	-	-	46.708	13.121.345	(8.393.142)	4.728.203
Inner facilities	4.783.707	(1.623.514)	3.160.193	1.663.426	(566.249)	-	-	-	6.447.133	(2.189.763)	4.257.370
Transport material	6.655.715	(4.677.741)	1.977.974	661.500	(1.072.239)	-	-	-	7.317.215	(5.749.980)	1.567.235
Safety equipment	1.831.753	(455.122)	1.376.631	479.395	(201.316)	-	-	80.855	2.392.003	(656.438)	1.735.565
Other equipment	468.331	(24.392)	443.939	143.035	(67.056)	-	-	-	611.366	(91.448)	519.918
Art assets	735.884	-	735.884	47.775	-	-	-	-	783.659	-	783.659
	112.012.311	(32.175.009)	79.837.302	11.976.975	(13.435.852)	139.595	(29.080)	775.531	124.625.222	(45.581.781)	79.043.441
Intangible fixed assets											
Software	13.290.722	(8.414.227)	4.876.495	1.068.749	(3.321.503)	-	-	-	14.359.471	(11.735.730)	2.623.741
Others	55.156	(55.156)	-	-	-	-	-	-	55.156	(55.156)	-
	13.345.878	(8.469.383)	4.876.495	1.068.749	(3.321.503)	0	0	0	14.414.627	(11.790.886)	2.623.741
Fixed assets in progress											
Own buildings	8.147.512	-	8.147.512	25.923.985	-	-	-	(159.250)	33.912.247	-	33.912.247
Furniture and material	488.718	-	488.718	2.248.543	-	-	-	(488.718)	2.248.543	-	2.248.543
Machinery and tools	1.174.277	-	1.174.277	3.433.561	-	-	-	-	4.607.838	-	4.607.838
Computer equipment	46.708	-	46.708	350.125	-	-	-	(46.708)	350.125	-	350.125
Inner facilities	-	-	-	370.606	-	-	-	-	370.606	-	370.606
Safety equipment	393.325	-	393.325	-	-	-	-	(80.855)	312.470	-	312.470
	10.250.540	-	10.250.540	32.326.820	-	-	-	(775.531)	41.801.829	-	41.801.829
Financial Assets											
SPAUT	2.940.000	-	2.940.000	-	-	-	-	-	2.940.000	-	2.940.000
	138.548.729	(40.644.392)	97.904.337	45.372.544	(16.757.355)	139.595	(29.080)	-	183.781.678	(57.372.667)	126.409.011

At 31 December 2013 and 2012, fixed assets in progress regarding own buildings correspond mainly to cost with acquisition and works carried out in future facilities of the Bank at the City of São Tomé.

At 31 December 2013 and 2012, the heading “Financial Assets – SPAUT” refers to a share of 8%, corresponding to 120 stocks, with Sociedade Gestora de Pagamentos Automáticos de São Tomé e Príncipe (SPAUT), with a share capital of mSTD 36,750,000.

9. OTHER ASSETS

At 31 December 2013 and 2012, this heading is detailed as follows:

	2013	2012
Applications by credit recovery	25.207.297	24.806.292
Advancements – Cash advance	462.646	678.846
Suppliers	238.536	110.508
Others	2.486.601	574.908
	28.395.080	26.170.554
Provision for other assets (Note 15)	(10.411.214)	(4.359.117)
	17.983.866	21.811.437

At 31 December 2013 and 2012, the heading “Applications by credit recovery” refers to buildings received by BISTP as pledge for overdue loans, which were registered at the credit value plus default interest at the time of auction.

At 31 December 2013 and 2012, detailing of Bank buildings portfolio, by order of antiquity, is as follows:

Year of purchase	Balance at 31-12-2011	Movement in 2012			Balance at 31-12-2012	Movement in 2013			Exchange revaluation	Balance at 31-12-2013
		Acquisitions	Associated Costs	Sales		Acquisitions	Associated Costs	Sales		
Before a 2008	2.791.064	-	-	-	2.791.064	-	-	-	-	2.791.064
2008	3.367.320	-	-	(1.367.532)	1.999.788	-	-	(1.999.788)	-	-
2009	151.306	-	615	(151.921)	-	-	-	-	-	-
2012	-	19.769.559	245.881	-	20.015.440	-	-	(901.837)	(67.823)	19.045.780
2013	-	-	-	-	-	2.881.596	488.858	-	-	3.370.454
Total	6.309.690	19.769.559	246.496	(1.519.453)	24.806.292	2.881.596	488.858	(2.901.625)	(67.823)	25.207.298

At 31 December 2013 and 2012, the Bank registered provisions amounting to mSTD 7,889,554 and mSTD 4,290,904, respectively, To overcome capital losses related to these build-

ings. These provisions are calculated considering the time elapsed since the buildings became part of the bank assets.

10. ASSETS ADJUSTMENT ACCOUNTS

At 31 December 2013 and 2012, this heading is detailed as follows:

	2013	2012
Earnings to receive		
Other commissions	51.164	66.000
Costs with deferred cost:		
Insurances	579.086	665.050
Advertising campaign	420.421	184.035
Software licenses	419.993	423.732
Rents	109.515	148.543
Other costs	269.092	209.671
	1.798.107	1.631.031
Other assets adjustment accounts:		
Others	10.475	10.655
	1.859.746	1.707.686

At 31 December 2013 and 2012, the heading “Costs with deferred cost – advertising campaign” refers to sponsoring of a TV show in 2014 and 2013, respectively.

11. CLIENTS DEPOSITS

At 31 December 2013 and 2012, this heading was detailed as follows:

	2013	2012
Demand deposits from locals		
National currency		
Autonomous bodies and private companies	273.967.911	188.105.814
Private individuals	283.643.199	200.753.904
State bodies and public companies	29.920.737	21.570.800
	587.531.847	410.430.518
Foreign currency		
Autonomous bodies and private companies	219.587.239	227.546.766
Private individuals	240.688.590	205.546.549
State bodies and public companies	20.084.157	18.694.935
	480.359.986	451.788.250
Demand deposits from non-locals		
Foreign currency	13.087.229	18.304.809
Total demand deposits	1.080.979.062	880.523.577
Term deposits from locals		
National currency		
Private individuals	144.553.583	202.678.523
Autonomous bodies and private companies	45.028.261	81.688.168
	189.581.844	284.366.691
Foreign currency	194.086.366	199.665.102
Term deposits from non-locals:		
Foreign currency	450.930	14.153.419
National currency	2.035.501	3.496.166
	2.486.431	17.649.585
Interest to be paid for clients term deposits	4.251.345	7.016.173
Total term deposits	390.405.986	508.697.551
Total deposits from clients	1.471.385.048	1.389.221.128

At 31 December 2013 and 2012, term deposits from clients were detailed as follows for currency structure and average interest rate:

	2013		2012	
	Interest rate	Amount in mSTD	Interest rate	Amount in mSTD
São Tomé e Príncipe Dobras (STD)	8,13%	195.115.339	11,55%	293.835.482
US Dollars (USD)	2,55%	136.126.961	4,04%	150.443.275
Euros (EUR)	1,46%	59.023.398	2,27%	63.560.011
Sterling Pounds	1,20%	140.288	1,16%	858.783
		390.405.986		508.697.551

At 31 December 2013 and 2012, term deposits from clients are detailed as follows according to residual maturity dates:

	2013			2012		
	Capital	Interest	Total	Capital	Interest	Total
Up to 3 months	242.846.894	2.615.383	245.462.277	373.517.929	5.240.150	378.758.079
3 to 6 months	105.870.397	1.254.875	107.125.272	72.664.747	1.093.556	73.758.303
6 months to one year	37.437.350	381.087	37.818.437	55.498.702	682.467	56.181.169
	386.154.641	4.251.345	390.405.986	501.681.378	7.016.173	508.697.551

At 31 December 2013 and 2012, demand deposits from clients are not interest-bearing.

12. RESOURCES FROM OTHER ENTITIES

At 31 December 2013 and 2012, this heading is detailed as following:

	2013	2012
National currency	3.680.328	2.015.907
Foreign currency	246.694	6.867.624
	3.927.022	8.883.531

At 31 December 2013 and 2012, balance of the headings “National currency” and “Foreign currency” correspond to certified cheques and accounting overdrafts in demand deposit accounts abroad (Note 17), respectively..

13. OTHER LIABILITIES

At 31 December 2013 and 2012, this heading was detailed as follows:

	2013	2012
Creditors:		
Bond for credit operations	1.307.439	1.525.334
Bond for opening of documentary credits	1.555.750	1.543.500
Suppliers	652.839	202.954
Cheques and payments	-	123.489
Other creditors	207.811	217.269
Stamp duty over banking operations	927.764	685.680
Tax withheld at source regarding capital income	676.615	454.669
Consumption tax	347.135	219.253
Other taxes and duties	51.795	489.597
Tax withheld at source regarding independent work	26.447	21.951
Contribution for Social Security	-	223.827
Other liabilities	-	15.805
	5.753.595	5.723.328

14. LIABILITIES ADJUSTMENT ACCOUNTS

At 31 December 2013 and 2012, this heading was detailed as follows:

	2013	2012
Costs to be paid		
Holidays and holidays allowance	6.562.855	5.633.117
Productivity allowance	4.404.562	3.300.000
Seniority allowance	905.983	801.703
Other costs to be paid	4.076.880	4.237.074
	15.950.280	13.971.894
Income with deferred profit		
Loans and credits in current account	4.495.610	4.501.840
Guarantees and sureties granted	526.840	262.321
	5.022.450	4.764.161
Other adjustment accounts		
Compensation for payment system	1.501.772	5.565.595
Income tax to be paid (Note 19)	4.384.033	2.538.218
	26.858.535	26.839.868

Productivity allowance paid in the years 2013 and 2012, concerning previous years, totalled mSTD 3,716,839 and mSTD 3,222,336, respectively.

At 31 December 2013 and 2012, the balance for the heading "Income with deferred profit – loans and credits in current account" refers to deferral of commissions associated to credit operations.

At 31 December 2013 and 2012, the balance for the heading "Other adjustment accounts – Compensation for payment system" refers to the balance to be paid regarding compensation of automatic payment system which became effective in 2011.

15. PROVISION

Movement for provisions for the years ended in December 31, 2013 and 2012 was as follows:

	2013				
	Balance at 31-12-2012	Net provision	Use	Exchange rate differences and others	Balance at 31-12-2013
Provisions for granted credit (Note 6)	157.314.231	21.575.039	(303.250)	(2.212.904)	176.373.116
Retirement and survivor's pension (Note 2,2,i)	21.510.168	-	-	-	21.510.168
Other assets (Note 9)	4.359.117	6.836.636	(774.787)	(9.752)	10.411.214
Other provision (capital depreciation)	1.904.626	-	-	-	1.904.626
	27.773.911	6.836.636	(774.787)	(9.752)	33.826.008
	185.088.142	28.411.675	(1.078.037)	(2.222.656)	210.199.124
	2012				
	Balance at 31-12-2011	Net provision	Use	Exchange rate differences and others	Balance at 31-12-2012
Provisões para crédito concedido (Nota 6)	144.000.900	20.361.659	(5.460.564)	(1.587.764)	157.314.231
Pensões de reforma e sobrevivência (Nota 2.2.i)	21.510.168	-	-	-	21.510.168
Outros ativos (Nota 9)	4.608.984	549.048	(799.207)	292	4.359.117
Outra provisão (depreciação do capital)	1.904.626	-	-	-	1.904.626
	28.023.778	549.048	(799.207)	292	27.773.911
	172.024.678	20.910.707	(6.259.771)	(1.587.472)	185.088.142

As detailed in note 2.2 i), the Bank presented in December 31, 2013 and 2012, a provision for granting to its employees (this liability is yet to be formalized) a complement to their retirement pension, corresponding to 20% of the salary in effect at the time of retirement. For calculating liabilities with retirement pensions to be paid and past services from active staff regarding 31 December 2009, the used the following possibilities and technical bases:

According to the calculation made by the bank, regarding 31 December 2009, liabilities for past services at that date amounted to mSTD 21,510,168 and this calculation was not updated for the subsequent years.

Mortality table	WHO
Technical rate	12%
Salary increase rate	10%
Pension increase rate	7%
Regular age for retirement:	
Men	62 years old
Women	57 years old

16. MOVEMENT OF NET POSITION

Movement in the net position headings for 31 December 2013 and 2012 was as follows:

	Reserves						Net income for the year	Total
	Capital	Legal	Revaluation	Revaluation Exchange rate Outras	Others	Total		
Balance at 31-12-2011	150.000.000	10.932.451	892.214	45.834.537	23.823.817	81.483.019	27.291.650	258.774.669
Distribution of net income for the year 2011								
Integration in reserves	-	2.729.165	-	-	8.187.495	10.916.660	(10.916.660)	-
Distribution of dividends	-	-	-	-	-	-	(16.374.990)	(16.374.990)
Net income for the year	-	-	-	-	-	-	27.291.650	27.291.650
Balance at 31-12-2012	150.000.000	13.661.616	892.214	45.834.537	32.011.312	92.399.679	27.430.440	269.830.119
Distribution of net income for the year 2012								
Integration in reserves	-	2.743.044	-	-	8.229.132	10.972.176	(10.972.176)	-
Distribution of dividends	-	-	-	-	-	-	(16.458.264)	(16.458.264)
Net income for the year	-	-	-	-	-	-	30.373.443	30.373.443
Balance at 31-12-2013	150.000.000	16.404.660	892.214	45.834.537	40.240.444	103.371.855	30.373.443	283.745.298

Capital

At 31 December 2013 and 2012, the Bank share capital is represented by 150,000,000 shares with a nominal value of 1,000 STD, fully subscribed and paid.

According to the accounting policy detailed in Note 2.2 e), administrative fees incurred by the Bank with the capital increase occurred in 2009, but which were paid in 2011, were registered as reserve consideration.

At 31 December 2013 and 2012, the shareholders' structure of the Bank detailed by number of shares is as follows:

		%
State of São Tomé e Príncipe	72.000.000	48,00%
Caixa Geral de Depósitos	40.500.000	27,00%
Banco Angolano de Investimentos - Angola	37.500.000	25,00%
	150.000.000	100,00%

Legal Reserves

According to line a), art. 23 of the Memorandum of Association of BISTP, the Bank must create a legal reserves fund up to the amount of its share capital. For that purpose, the Bank transfers annually to this reserve a minimum of 10% of the net income from the previous fiscal year. This reserve can only be used for covering accumulated losses, when all other reserves have been exhausted, or for incorporation into the share capital.

Revaluation reserve

This reserve results from revaluations of the tangible fixed assets made in previous years and framed within the previously effective legislation, which covered revaluation of fixed assets by application of exchange rate devaluation coefficients. Revaluation reserve balance at 31 December 2013 and 2012,

amounting to mSTD 892,214, results from revaluations made from the bank up to the fiscal year of 1998. Upon enforcement of the Account Plan for Financial institutions (PCIF), pursuant to Permanent Application Standard no. 5/09, of July 9, issued by the São Tomé and Príncipe Central Bank, this revaluation has taken an optional nature and can only be used for capital increase (Note 2.2 b)).

Exchange rate revaluation reserve

Following the provisions of Permanent Application Standard no. 1/02, of January 10, revoked by Permanent Application Standard no. 28/11, of December 30, in order to retain part of the generated profit in national currency as result of exchange rate devaluation, the Bank started updating net assets in foreign currency. The amounts from monthly exchange rate revaluations in terms of exchange rate situation were registered in a special exchange rate revaluation reserve, included in the Bank own assets, but which did not affect the results for the fiscal year. This reserve cannot be distributed and can only be used for capital increase. As of March 2008, with the enforcement of Permanent Application Standard no. 11/07, of November 26, issued by the São Tomé and Príncipe Central Bank, revaluation of exchange rate situation in foreign currency started to be registered in the results for the fiscal year. The amount related to revaluation of exchange rate situation in foreign currency for the period between January 1 and February 28, 2008, amounted to mSTD 14,461,183. For the year 2009, mSTD 137,454,000 were integrated in capital within the scope of the capital increase undertaken by the Bank.

17. BALANCES AND TRANSACTIONS WITH SHAREHOLDERS

At 31 December 2013 and 2012, the main balances and transactions with shareholders Grupo Caixa Geral de Depósitos and Banco Angolano de Investimentos are as follows:

	2013	2012
On sight availabilities over credit institutions (Note 4)		
Grupo Caixa Geral de Depósitos	89.530.136	113.952.255
Banco Angolano de Investimentos - Angola	3.792.417	2.731.129
Other credits over credit institutions (Note 5)		
Grupo Caixa Geral de Depósitos	98.672.280	-
Banco Angolano de Investimentos - Angola	-	55.753.620
Bonds and other securities (Note 7)		
Grupo Caixa Geral de Depósitos	24.760.852	123.934.553
Banco Angolano de Investimentos - Angola	54.457.083	-
Resources from other entities (Note 12)		
Grupo Caixa Geral de Depósitos	246.694	6.867.624

18. OFF-BALANCE HEADINGS

At 31 December 2013 and 2012, these headings were detailed as follows:

	2013	2012
Guarantees provided and other possible liabilities		
Guarantees and sureties provided	126.024.087	155.581.979
Open documentary credits	15.231.672	36.723.555
	141.255.759	192.305.534
Liabilities for service provision:		
Collection of values - abroad	6.917.890	4.238.989
Deposit and keeping of values	1.360.000	1.640.000
	8.277.890	5.878.989

19. TAXES

At 31 December 2013 and 2012, balances regarding income tax were defined as follows:

	2013	2012
Earnings before tax		
Adjustments	42.129.487	37.203.565
Salaries and other remunerations to be paid (Art. 30, no. 3, line c))	929.739	416.646
Performance allowance to be paid (Art. 30, no. 3, line c))	1.104.562	77.664
Seniority allowance to be paid (Art. 30, no. 3, line c))	104.280	163.925
Amortizações não dedutíveis (Art. 40º, nº 1, alínea e))	1.073.990	619.706
Insurances, repair and maintenance of light vehicles (art. 30, no. 2)	501.258	413.095
Fuel for vehicles (Art. 30, no. 2)	430.713	422.792
Representation costs (Art. 31, no. 3)	750.146	-
Taxable income	47.024.175	39.317.393
Income tax (25% rate)	11.756.044	9.773.125
Excess tax estimate from previous years	-	56.223
	11.756.044	9.829.348
Payments on account	(7.372.011)	(7.291.130)
Tax to be paid (Note 14)	4.384.033	2.538.218

For the years 2013 and 2012, anticipated payment of tax duty, amounting to mSTD 453,388 and mSTD 153,256, respectively, were reflected in the heading "Other operation results" in the profit and loss accounts (Note 23),

Tax authorities have the opportunity to review the tax position of the Bank for a period of five years and this may result, due to different interpretations of tax legislation, in any corrections to the taxable income for the years 2009 to 2013. Given the nature of any corrections that may be made, it is not possible to quantify them at this time, however, the Bank's Board of Directors believes that any additional payments that may result from these reviews will not be significant to the financial statements.

20. FINANCIAL MARGIN

For the years ended in 31 December 2013 and 2012, these headings were detailed as follows:

	2013	2012
Interest and similar profits		
Credit granted	136.607.908	124.538.301
Bonds and other securities	3.031.704	4.711.081
Applications in credit institutions abroad	2.328.453	1.945.418
Commissions associated to credit operations	6.248.357	3.427.915
Others	13.159	-
	148.229.581	134.622.715
Interest and similar costs		
Deposits from clients	28.225.436	34.143.572
Others	54	115
	28.225.490	34.143.687

21. EARNINGS AND CHARGES FROM SERVICES AND COMMISSIONS

For the years ended in 31 December 2013 and 2012, these headings were detailed as follows:

	2013	2012
Income from services and commissions		
Transfer commissions	29.967.074	23.119.794
Guarantees and sureties commissions	8.142.637	19.766.136
Intervention commission	1.509.209	1.297.389
Risk commission	1.463.974	1.050.183
Collection commission - effects	18.524	31.738
Other commissions	20.196.425	10.766.121
	61.297.843	56.031.361
Charges with services and commissions:		
Card maintenance	2.123.059	1.612.335
Banking services provided for third parties	469.400	284.508
Service fees	737.253	263.035
Other commissions	448.809	603.039
	3.778.521	2.762.917

The heading "Income from services and commissions – Risk commission" refers to the fees charged on cash advance operations and cashing checks with immediate coverage

22. EARNINGS FROM EXCHANGE RATE REVALUATION

For the years ended in 31 December 2013 and 2012, this heading was detailed as follows:

	2013		
	Losses	Profit	Net
Earnings on bills and coins	(10.415.675)	10.984.538	568.863
Currency earnings	(691.921.427)	699.971.291	8.049.864
	(702.337.102)	710.955.829	8.618.727
	2012		
Earnings on bills and coins	(13.610.591)	16.295.604	2.685.013
Currency earnings	(703.578.994)	709.673.660	6.094.666
	(717.189.585)	725.969.264	8.779.679

23. OTHER OPERATION RESULTS

For the years ended in 31 December 2013 and 2012, this heading was detailed as follows:

	2013	2012
Other operation profits		
Provision of miscellaneous banking services	5.267.815	3.592.505
Reimbursement of banking expenses	2.590.795	2.712.971
Capital gains from fixed assets sale	84.439	39.612
Recovery of bad debts	104.973	1.076.480
Others	4.675.065	674.166
	12.723.087	8.095.734
Other operation costs		
Contributions and donations	(3.440.903)	(2.859.283)
Taxes and duties	(1.657.845)	(1.109.000)
Others	(2.133.520)	(269.455)
	(7.232.268)	(4.237.738)
	5.490.819	3.857.996

At 31 December 2013, balances for the headings "Other operation profits/costs – Other" include mSTD 3,866,469 and mSTD 1,767,452, respectively, for outstanding movements in bank reconciliation for demand deposit accounts with corresponding corresponding accounts previous to the fiscal year of 2008.

24. COSTS WITH STAFF

For the years ended in 31 December 2013 and 2012, this heading was detailed as follows:

	2013	2012
Payment os management and supervisory bodies	6.829.258	6.829.132
Payment of staff	37.474.237	31.863.426
Productivity allowance	4.821.401	3.072.336
Mandatory social charges	1.738.423	1.472.081
Optional social charges	551.315	624.075
Seniority allowances (Nota 2.2.j))	256.831	197.704
Others	199.752	202.663
	51.871.217	44.261.417

At 31 December 2013 and 2012, the bank employed 147 and 129 employees respectively.

For the years ended in 31 December 2013 and 2012, the heading "Costs with staff - Others" includes mSTD 134,738 and mSTD 184,953 referring to the employees celebration party held for the fiscal years of 2013 and 2012, respectively.

25. GENERAL ADMINISTRATIVE COSTS

For the years ended in 31 December 2013 and 2012, this heading was detailed as follows:

	2013	2012
Communications	6.445.500	6.683.195
Water, power and fuel	6.016.333	5.264.205
Advertising	5.014.076	2.933.516
Conservation and repair	4.774.775	3.152.779
Travels and representation	4.583.411	4.732.326
Rents and leases	4.064.428	3.823.607
Forms and current consumption material	3.031.943	3.445.073
Computer services	2.222.439	2.165.637
Security and surveillance	2.212.760	2.203.788
Surveys and consultations	1.460.489	1.120.386
Others	12.478.733	11.727.591
	52.304.887	47.252.103

26. BALANCE PER CURRENCY

At 31 December 2013 and 2012, balance per currency of the Bank was structured as follows:

	2013					
	National Currency	EUR	Foreign Currency		Total	Total
			USD	Others		
Cash and availabilities at Central Bank	408.483.681	63.092.311	33.964.061	1.892.334	98.948.706	507.432.387
On sight availabilities over credit institutions	25.646.428	32.278.067	106.474.316	3.070.813	141.823.196	167.469.624
Other credits over credit institutions	-	98.672.280	71.112.943	-	169.785.223	169.785.223
Credits over clients	345.625.726	278.152.794	69.189.732	-	347.342.526	692.968.252
Bonds and other securities	-	24.760.849	54.457.083	-	79.217.932	79.217.932
Tangible fixed assets	148.313.241	-	-	-	-	148.313.241
Intangible fixed assets	1.225.573	-	-	-	-	1,225.573
Fixed assets in progress	26.545.921	-	-	-	-	26.545.921
Financial assets	-	2.940.000	-	-	2.940.000	2.940.000
Other assets	7.642.146	9.224.088	1.117.632	-	10.341.720	17.983.866
Adjustment accounts	796.775	812.605	160.535	38.666	1.011.807	1.808.582
Total assets	964.279.491	509.932.994	336.476.302	5.001.813	851.411.110	1.815.690.601
Deposits:						
On sight	587.531.847	249.663.244	241.022.068	2.761.903	493.447.215	1.080.979.062
Term or pre-notification	195.115.651	59.023.450	136.126.600	140.285	195.290.335	390.405.986
Resources from otehr entities	3.680.328	201.261	45.433	-	246.694	3,927.022
Other liabilities	2.068.756	3.380.982	303.857	-	3.684.839	5,753.595
Adjustment accounts	21.231.775	5.616.909	593.696	-	6,210.605	27,442.380
Provisions for risks and charges	-	-	-	-	-	-
Provision for retirement pensions	21.510.168	-	-	-	-	21,510.168
Other provisions	1.904.626	-	-	-	-	1,904.626
Total liabilities	833.043.151	317.885.846	378.091.654	2.902.188	698.879.688	1.531.922.839
Net assets / (liabilities)	131.236.340	192.047.148	(41.615.352)	2.099.625	152.531.422	283.767.762

2012

	National Currency	EUR	Foreign Currency		Total	Total
			USD	Others		
Cash and availabilities at Central Bank	354.380.840	33.989.678	34.654.112	1.491.146	70.134.936	424.515.776
On sight availabilities over credit institutions	93.968	41.692.979	117.754.654	1.853.958	161.301.591	161.395.559
Other credits over credit institutions	-	-	111.546.268	-	111.546.268	111.546.268
Credits over clients	283.710.030	376.843.070	92.105.367	11	468.948.448	752.658.478
Bonds and other securities	-	123.934.553	57.282.786	-	123.934.553	123.934.553
Tangible fixed assets	79.043.441	-	-	-	-	79.043.441
Intangible fixed assets	2.623.741	-	-	-	-	2.623.741
Fixed assets in progress	41.801.829	-	-	-	-	41.801.829
Financial assets	-	2.940.000	-	-	2.940.000	2.940.000
Other assets	9.125.275	11.034.054	1.652.108	-	12.686.162	21.811.437
Adjustment accounts	439.943	815.998	385.744	-	1.201.743	1.641.686
Total assets	771.219.067	591.250.332	358.098.253	3.345.115	952.693.701	1.723.912.768
Deposits						
On sight	410.430.518	239.421.384	228.484.994	2186.680	470.093.059	880.523.577
Term or pre-notification	293.835.482	63.560.011	150.443.275	858.783	214.862.069	508.697.551
Resources from otehr entities	2.015.907	6.867.624	-	-	6.867.624	8.883.531
Other liabilities	2.123.889	2.420.391	1.179.043	-	3.599.439	5.723.328
Adjustment accounts	20.566.184	5.655.748	617.939	-	6.273.684	26.839.868
Provisions for risks and charges	-	-	-	-	-	-
Provision for retirement pensions	21.510.168	-	-	-	-	21.510.168
Other provisions	1.904.626	-	-	-	-	1.904.626
Total liabilities	752.386.774	317.925.158	380.725.251	3.045.463	701.695.875	1.454.082.649
Net assets / (liabilities)	18.832.293	273.325.174	(22.626.998)	299.652	250.997.826	269.830.119

12.

OPINION OF THE EXTERNAL EDITOR & REPORT AND OPINION FROM THE SUPERVISORY BOARD

Shields and swords, Moorish weapons used for defending from Christian attacks, often used to decapitate the enemy.

"Auto de Floripes"

Street theater in the autonomous region of Principe





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RELATÓRIO DE AUDITORIA

(Montantes expressos em milhares de Dobras de São Tomé e Príncipe – mSTD)

Introdução

1. Auditámos as demonstrações financeiras anexas do Banco Internacional de São Tomé e Príncipe, S.A.R.L., (adiante igualmente designado por “Banco”), as quais compreendem o Balanço em 31 de Dezembro de 2013, que evidência um total de mSTD 1.815.084.292 e capitais próprios de mSTD 283.745.298, incluindo um resultado líquido de mSTD 30.373.443, as Demonstrações dos resultados e de origem e aplicação de fundos no exercício findo naquela data e o correspondente Anexo (Notas 1 a 26).

Responsabilidade do Conselho de Administração pelas Demonstrações Financeiras

2. O Conselho de Administração do Banco é responsável pela preparação e adequada apresentação destas demonstrações financeiras, de acordo com os princípios contabilísticos geralmente aceites em São Tomé e Príncipe para o sector bancário, e pelo controlo interno que determine ser necessário para assegurar a preparação de demonstrações financeiras isentas de distorção material devido a fraude ou erro.

Responsabilidade do Auditor

3. A nossa responsabilidade consiste em expressar uma opinião independente sobre estas demonstrações financeiras com base na nossa auditoria, a qual foi conduzida de acordo com as Normas Internacionais de Auditoria. Estas normas exigem que cumpramos requisitos éticos e que planeemos e executemos a auditoria para obter segurança razoável sobre se as demonstrações financeiras estão isentas de distorção material.
4. Uma auditoria envolve executar procedimentos para obter prova de auditoria acerca das quantias e divulgações constantes das demonstrações financeiras. Os procedimentos seleccionados dependem do julgamento do auditor, incluindo a avaliação dos riscos de distorção material das demonstrações financeiras devido a fraude ou erro. Ao fazer essas avaliações do risco, o auditor considera o controlo interno relevante para a preparação e adequada apresentação das demonstrações financeiras pela entidade a fim de conceber procedimentos de auditoria que sejam apropriados nas circunstâncias, mas não com a finalidade de expressar uma opinião sobre a eficácia do controlo interno da entidade. Uma auditoria inclui também avaliar a adequação das políticas contabilísticas usadas e a razoabilidade das estimativas contabilísticas efectuadas pelo Conselho de Administração, bem como avaliar a apresentação global das demonstrações financeiras.
5. Consideramos que a prova de auditoria que obtivemos é suficiente e apropriada como base para a nossa opinião de auditoria com reservas.

Bases para a Opinião com Reservas

6. A partir do exercício de 2008, o Banco passou a registar uma provisão para encargos com pensões de reforma dos seus empregados, que em 31 de Dezembro de 2013 e 2012 ascendia a mSTD 21.510.168 (Notas 2.2. i) e 15). Este valor corresponde a uma estimativa do Conselho de Administração do Banco do valor actual de benefícios a conceder, os quais não foram formalmente definidos ou atribuídos até à data de emissão deste relatório. A estimativa do valor actual de benefícios a conceder não foi actualizada desde 31 de Dezembro de 2009.

“Deloitte” refere-se ao Deloitte Touche Tohmatsu Limited, uma sociedade com sede registada em Inglaterra, e a sua rede global de membros, incluindo o Deloitte & Associados, SROC S.A., a qual é uma entidade legalmente independente em Portugal.

Neste Relatório de Auditoria, Deloitte & Associados, SROC S.A. refere-se ao Deloitte & Associados, SROC S.A., a qual é uma entidade legalmente independente em Portugal.

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Opinião

7. Em nossa opinião, excepto quanto aos efeitos do assunto descrito no parágrafo 6 acima, as demonstrações financeiras referidas no parágrafo 1 acima apresentam de forma apropriada, em todos os aspectos materialmente relevantes, a posição financeira do Banco Internacional de São Tomé e Príncipe, S.A.R.L. em 31 de Dezembro de 2013, bem como o resultado das suas operações e a origem e aplicação dos seus fundos no exercício findo naquela data, em conformidade com os princípios contabilísticos geralmente aceites em São Tomé e Príncipe para o sector bancário (Nota 2).

Ênfase

8. Conforme divulgado na Nota 2.1 do Anexo, a partir de 2010 o Banco adoptou o Plano de Contas para as Instituições Financeiras (PCIF) na preparação das demonstrações financeiras, tendo obtido do Banco Central de São Tomé e Príncipe autorização para não aplicar um conjunto de políticas contabilísticas definidas no PCIF.

Lisboa, 8 de Julho de 2014

Deloitte & Associados, SROC S.A.

RELATÓRIO E PARECER DO CONSELHO FISCAL

Senhores Accionistas

1. INTRODUÇÃO

No desempenho das funções que lhe estão atribuídas pela Lei Bancária, em geral, e pelos Artigos 20º e 21º dos Estatutos do Banco Internacional de São Tomé e Príncipe (BISTP), examinámos o Relatório e Contas do Conselho de Administração, com vista à emissão de parecer sobre os documentos de prestação de contas anuais, designadamente o balanço, as demonstrações financeiras e os resultados obtidos relativos no exercício findo em 31 de Dezembro de 2013.

Como a fiscalização do Banco compete, para além das entidades de supervisão da actividade bancária, ao Conselho Fiscal e a um Revisor Oficial de Contas – Deloitte & Associados, SROC S.A., examinámos o Relatório desta entidade que autentica a veracidade e conformidade das demonstrações financeiras do BISTP, as quais compreendem o Balanço e as demonstrações dos resultados das operações e origem e aplicação de fundos, em todos os aspectos materialmente relevantes, que, de acordo com as Normas do Banco Central de São Tomé e Príncipe e com os princípios contabilísticos aplicáveis, apresentam de forma verdadeira e apropriada, em todos os aspectos materialmente relevantes, a posição financeira do Banco.

O Conselho Fiscal constatou que o Relatório de Auditoria da Deloitte aponta uma reserva quanto à provisão para encargos com pensões, que vem constando dos relatórios do auditor externo desde 2009, por os Accionistas ainda não terem deliberado sobre o assunto, referindo como ênfase a prorrogação da autorização que o BISTP obteve do Banco Central para não aplicar um conjunto de políticas contabilísticas definidas no PCIF, nomeadamente o diferimento linear das comissões associadas a operações de crédito, a valorização da carteira de títulos e o cálculo de provisões para riscos de crédito, em substituição do cálculo de imparidades nos termos das IAS 39, bastante mais gravosas em termos financeiros.

O Conselho Fiscal, no âmbito das suas competências e tendo em consideração o modelo de governação adoptado pelo BISTP, acompanhou a evolução mensal da actividade e fiscalizou regularmente os actos de gestão do Conselho de Administração e da Comissão Executiva, acedendo às actas das reuniões realizadas por estes órgãos e à documentação que suporta as decisões tomadas, tendo solicitado e obtido cabal resposta a todas as dúvidas suscitadas no decurso da análise efectuada.

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2. APRECIÇÃO DO RELATORIO E CONTAS

O Relatório e Contas emitido pelo Conselho de Administração descreve de forma detalhada, clara e fundamentada a forma como decorreu a gestão do BISTP ao longo do exercício de 2013, sendo de realçar a evolução positiva da margem financeira e da margem complementar, tendo o produto bancário atingido o montante de 191.816 milhões STD (+15,3%) e os Resultados líquidos 30.373 milhões STD (+10,7%). Contudo, o Conselho Fiscal manifesta a sua preocupação com o elevado crescimento das operações de crédito em incumprimento e em contencioso, mas destaca o significativo crescimento das provisões de cobertura dos riscos de crédito (+12,1%).

A estrutura de custos revela um acentuado crescimento (13,8%), nomeadamente os custos com o pessoal devido ao crescimento orgânico e correspondente aumento do quadro de pessoal. O Banco manteve a sua política de solidariedade social, apoiando organizações e eventos no desenvolvimento de acções de carácter lúdico, pedagógico, cultural e cívico no combate à pobreza e exclusão social.

3. PARECER

Tudo devidamente ponderado e como corolário do antes exposto de forma sucinta, o Conselho Fiscal emite o seu parecer favorável à aprovação do Relatório e Demonstrações Financeiras do Conselho de Administração respeitantes ao exercício de 2013, bem como a proposta de aplicação de Resultados.

Finalmente, desejamos manifestar ao Conselho de Administração e aos serviços do BISTP o nosso agradecimento pela colaboração com que nos distinguiram ao longo do mandato que agora termina.

S.Tomé e Príncipe, 19 de Setembro de 2014

O Conselho Fiscal

(João Manuel Barata da Silva)

(Idalino Lopes dos Ramos Rita)

(Victor Manuel Faria Cardoso)

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