

Standard Chartered to Win Angola License in 2013, Lopes Says
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By Colin McClelland and Manuel Soque

Aug. 21 (Bloomberg) -- Standard Chartered Plc will probably be awarded a banking license in Angola by the end of the year, allowing it to compete with local and Portuguese banks in Africa's second-biggest oil producer, a central bank official said.

The application "has to be approved by the council of ministers," Antonio Andre Lopes, vice-governor of the Banco Nacional de Angola, said today in an interview in his offices in Luanda, the capital. "We have been receiving a lot of proposals from local and foreign investors to create new banks."

Angola, which already has 23 lenders operating in the country, is trying to boost lending and banking services in a market where only 26 percent of people have bank accounts. Financial services companies already operating in the southern African nation include Johannesburg-based Standard Bank Group Ltd, Banco Espirito Santo SA and local banks including Banco BIC SA and Banco Angolano de Investimentos SA.

Other foreign lenders have expressed interest in obtaining Angolan banking licenses, Lopes said, declining to be more specific. By the end of the year two more local banks will get licenses, he said. An investment banking license will be given to a state-owned company, he said.

Standard Chartered already has a representative office in Angola and has set up a joint venture with a state-owned insurance company. The London-based lender, with operations in 16 African countries, plans to invest \$100 million in the continent over the next three years, Diana Layfield, the head of Standard's Chartered's African operation, said in an interview in Cape Town in May.

Robust Banks

It currently operates in 16 African countries, according to its website. Sarah Lindgreen, a London-based spokeswoman, said Peter Sands, the company's chief executive officer, in February said Standard Chartered in February signed an agreement to form a bank in a venture with Angolan state-owned insurance company ENSA. She declined to comment further.

Lopes said the central bank will let market forces dictate whether banks consolidate, while it will create a capitalization fund to help banks comply with a minimum capital requirement of \$25 million.

"The Angolan system is robust, notwithstanding the

existence of bad credit” and a fall in profits, he said. Deposits and lending have increased and the central bank expects 30 percent of Angolans to have bank accounts by year end, he said.

‘Long Way’

The central bank in the last three months approved regulations to improve corporate governance, including requirements for compliance departments appointed by shareholders and a separation of executive and oversight roles, he said. External auditing rules have been put in place and the central bank wants local lenders to comply Basel II regulations, he said.

In order to boost lending the central has reduced reserve requirements to 15 percent of foreign currency holdings from 20 percent, he said. Local currency asset requirements have been kept at 15 percent.

The government is also trying to subsidize loans for small businesses through the Angola Invests program.

“Of course we still have a long way to go,” he said. “We are not happy with the situation.”

Angola plans to start a stock exchange in 2016 and Lopes expects banks to trade on the bourse, Lopes said. A secondary bond market will probably start next year, he said.

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