



**BANCO BPI, S.A.**

Publicly held company

Head Office: Rua Tenente Valadim, no. 284, Porto, Portugal

Share capital: €1 293 063 324.98

Registered in Oporto C.R.C. and corporate body no. 501 214 534

**INFORMATION**

Banco BPI, S.A. informs about the translation of letter from the Board of Directors addressed to Unitel, S.A. on the 5<sup>th</sup> of January 2016

Lisbon, 6 January 2016

Banco BPI, S.A.

*This document is a translation of a document originally issued in Portuguese.  
In the event of any inconsistency the Portuguese version shall prevail.*

**UNITEL, SA**

Dear Sirs

**Dr. Diogo Santa Marta**

Complexo Unitel Luanda-Sul

Sector 22 Via C3

Talatona, Luanda

Angola

Board of Directors

Lisbon, 5 January 2016

**Re: Banco de Fomento Angola, SA**

We acknowledge receipt of your letter dated 31 December 2015, in which you present a firm proposal for the purchase and sale of shares representing 10% of Banco de Fomento Angola, SA's (BFA) share capital and for the revision of the shareholder agreement relating to BFA.

We would like to recall that Banco BPI's Board of Directors, at its meeting of 30 September 2015, after having learnt about the manifestation of interest presented by HoldFinance - Sociedade de Investimentos, SA in acquiring a minority stake in BFA's share capital, deliberated the following (we quote the text of the announcement made on that date): "(...) without prejudice to the continuation of the proceedings of the aforementioned Demerger operation, the Board of Directors showed its availability to receive and analyse a proposal that materializes the mentioned expression of interest, as well as proposals from other entities that would allow achieving a solution for the situation mentioned in the first paragraph.<sup>1</sup>".

Banco BPI's Board of Directors bears in mind that at the London meeting of 30 October referred to in your letter, Unitel presented in their general lines the three structures you mentioned. It would seem important for us to recall, apropos those you refer to as solutions (ii) and (iii), the following:

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<sup>1</sup> The situation of overcoming the large exposures limit which the Bank outlined in the announcement to the market on 16 December 2014

- a) As concerns solution (ii), that is, the realisation of an “economic” demerger operation.

This solution translated into (i) in the formation of a company (holding company) in which, in the first instance, Banco BPI would own 100% of the share capital, and which would be the holder of the shareholdings that form part of the economic unit which is projected to be spun off in the simple demerger process already disclosed to the market and (ii) in the subsequent opening up of the Holding Company’s share capital via, for example, distribution of its shares, as a dividend *in specie*, to the shareholders of Banco BPI. The solution entailed, however, besides these two steps, and because Unitel so wished, the entering into between Banco BPI and/or CaixaBank, SA and/or Santoro Finance -Prestação de Serviços, SA and/or other Banco BPI shareholders, before the aforesaid opening up of the capital and, therefore, still at a time when the Holding Company was a closed company, of agreements with a view to ensuring that Santoro Finance - Prestação de Serviços, SA would hold after the said opening up of that Holding Company’s capital, on a par with CaixaBank, SA, 34% of the respective share capital.

Just as it did with respect to the possibility of a simple demerger operation accompanied by agreements such that the company resulting from the demerger be born with the abovementioned capital structure (the “*simple demerger with recomposition of the share capital*” mentioned by yourselves), the CMVM, within the aforementioned context, was also of the opinion that the said “economic” demerger could not advance without implications in terms of the origination of an obligation and the launching of a compulsory takeover bid;

- b) As regards solution (iii), that is, the realisation of an IPO by BFA

This was a solution that the Executive Committee of Banco BPI’s Board of Directors deemed to be very interesting, with Banco BPI having in fact proposed the possibility that a portion of the capital to be sold be divided on a parity basis between BFA’s two shareholders. It transpires that, not only was there uncertainty as to whether the European Central Bank (ECB) would accept this alternative as an adequate means of resolving the issue of overcoming the large exposures limit which the Bank outlined in the announcement to the market on 16 December 2014, but also after consulting the investment banks that are advising Banco BPI in this matter, it was concluded that this was not achievable within the period that Banco BPI has for resolving the aforementioned issue.

The Board of Directors of Banco BPI wishes to underline the constructive character which has marked the dialogue held concerning the solutions mentioned in paragraphs a) and b) above since the London meeting of 30 October last year. However, in view of the background and circumstances described above, Banco BPI’s Board of Directors has reached the conclusion none of them was the adequate means for resolving the question of overcoming the large exposures limit for which the Bank has to implement a solution within the period laid down for this purpose by the ECB.

In line with the position set out in 30 September last year, the Board of Directors of Banco BPI will now analyse the proposals presented by you, and will transmit its position on these as soon as such analysis is completed.

Yours faithfully

Fernando Ulrich  
*(Deputy-Chairman)*

José Pena do Amaral  
*(Director)*