

SUPERVISORY BOARD ADVISORY REPORT

1. In compliance with the legal and regulatory provisions, namely Article 441(g) of the Companies Act (Law 1/04 of 13 February), Article 17(5) of the Financial Institutions Framework Law (Law 12/2015 of 17 June), Article 2(1) of the Regulations of the Audit Board of Banco de Fomento Angola, S.A approved on 21 June 2014, it is the responsibility of the Audit Board to issue an opinion on the Report and Accounts of Banco de Fomento Angola, S.A, for the financial year 2019, presented by the Board of Directors.
2. *It is the responsibility of the Board of Directors of BANCO DE FOMENTO ANGOLA S.A. to present the financial statements for the 2019 financial year, namely the Management Report and the Financial Statements for the financial year 2019 (Report and Accounts 2019).*
3. It is the responsibility of the Supervisory Board to verify the information contained in the financial statements, in order to issue a professional and impartial opinion based on its supervisory activity.
4. The Supervisory Board appraised the financial statements, which comprise the balance sheet as at 31 December 2019 showing a total of 2,195,058,036 thousand Kwanzas and total equity of 462,205,902 thousand Kwanzas, including a positive net profit for the year of 1119,940,192 thousand Kwanzas the income statement and other comprehensive income, the statement of changes in equity and the cash flow statement for the year ended on that date and the notes attached to the financial statements.

5. The Supervisory Board has taken note of the report from the External Auditors regarding the financial statements for the 2019 financial year, in which there is a reservation due to disagreement between the legal benchmark established by Banco Nacional de Angola/ Associação Angolana de Bancos (relating to the 2018 financial year) and the understanding of the external auditors, as presented below:
 - a. At the end of 2018, the Angolan Banking Association ("ABANC") and Banco Nacional de Angola ("BNA") expressed an interpretation that the full requirements of IAS 29- Financial Reporting in Hyperinflationary Economies were not met for the year ended 31 December 2018. Consequently, the Bank's management decided to continue not to apply the provisions of IAS 29 to its financial statements as at 31 December 2018. At that date the accumulated inflation rate over the last three years exceeds 100%, regardless of the index used, which is an objective quantitative condition that leads us to consider, in addition to the existence of other conditions provided for in IAS 29, that the functional currency of the Bank's financial statements as at 31 December 2018 corresponds to the currency of a hyperinflationary economy. Under these circumstances, the Bank should have presented its financial statements as at 31 December 2018 in accordance with the provisions of IAS 29. Although Angola is not considered a hyperinflationary economy with reference to 31 December 2019, the Bank should present the comparative financial information with reference to 31 December 2018 in accordance with the provisions set out in IAS 29. However, we have not obtained sufficient information to allow us to accurately quantify the effects of this situation as at 31 December 2018, which we understand to be material under the headings of Other reserves and retained earnings and Net profit for the year. The cumulative impacts of IAS 29 on the financial statements for the year ended 31 December 2019 were considered immaterial as the largest impact at 31 December 2018 relates to monetary items, which represent the vast majority of the items on the Bank's balance sheet.

6. In accordance with the above and taking into consideration the work carried out, this Supervisory Board proposes:
- a) The approval of the financial statements for the 2019 financial year with the reservation presented in the external audit report.
 - b) The approval of the Management Report for the 2019 financial year and the proposed appropriation of profits contained therein.
7. We wish to express our gratitude for the collaboration provided by the Board of Directors and all the staff of Banco de Fomento Angola, S.A.

Luanda, on 30 April 2020

THE SUPERVISORY BOARD



Ari Nelson Correia Brandão
Chartered Accountant no. 20120120
(President)



Rodrigo Aguiar Quintas
(Vice-president)



Valdir de Jesus Lima Rodrigues
(Member)