



## Dear Shareholders:

We are pleased to inform you that during the 2018 fiscal year, Inversiones Atlántida has continued to achieve its goals satisfactorily, advancing with its regional expansion and developing its financial companies to increase market share and improve operating margins. During this period, we proceeded in alignment with our new strategic plan, which was prepared for the 2018-2022 period, and based on five pillars: Corporate Governance, Quality, Efficiency, Technological Innovation, and Human Capital.

In accordance with Corporate Governance best practices, in the 2018 Shareholders General Assemblies, changes were made to our Corporate Bylaws, addressing not only the current regulations for operation, but also best practices which allow us to define the central role of the Board of Directors in the management of each company, establish the organizational structure, maximize value for shareholders, and create a culture of informational transparency in our relations with shareholders, investors, clients, employees, and other stakeholders.

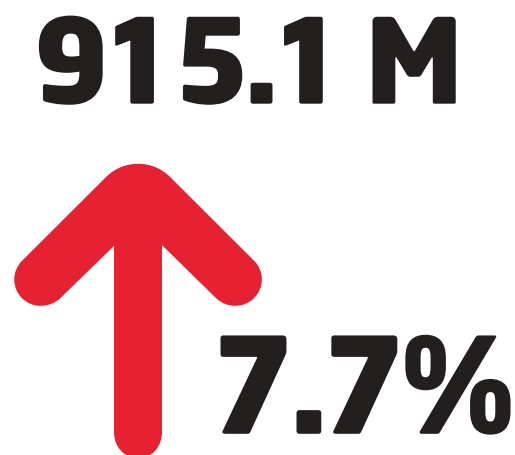
At the same time, we unified our corporate brand strengthening the group's positioning as one of the most reliable and prestigious in the country. The name "ATLÁNTIDA" is now a common element of distinction and impact among most Invatlan companies. ACRESA is now LEASING ATLÁNTIDA; CREDITLAN, is now SERVICIOS ATLÁNTIDA; and, SONIVAL, is now CASA DE BOLSA ATLÁNTIDA.



In El Salvador, we continue to strengthen our local financial conglomerate through AFP Confía; Banco Atlántida El Salvador; Atlántida Capital, Gestora de Fondos de Inversión; Atlántida Securities, Casa de Bolsa; Atlántida Vida, Seguro de Personas. The trust and acceptance that we have received from both the authorities and the general public reassure an optimism regarding the future of these companies, which ended the 2018 fiscal year with positive results which exceeded our expectations.

In Nicaragua, we are completing all prior requirements for an opening to the public, preparing the facilities and systems to our approach of service. We are confident that the social and political problems which are affecting our Nicaraguans will soon reach the peaceful solution that we all hope for.

The financial results for the Grupo Financiero Atlántida in 2018 can be summarized as follows: Net Earnings of L.915.1 million, with the growth of 7.7% over the results achieved in 2017, and which translates into Earnings per Share of L.30.76. These figures indicate a Return on Equity (ROE) of 10.5% and a Return on Assets (ROA) of 7.3%. The total value of assets of INVATLAN compared to the previous year has continued to grow and reached the amount of L.12,487.3 million, which represents an increase of L.915.1 million, equivalent to 7.9% growth. This growth is the result of the effective management of permanent investments and cash equivalents, which represent approximately 95% of all of the total assets.



The evaluation of our results and management is reflected in the Risk Rating of B+, with a Stable Outlook, issued by the international firms Standard & Poor's, and Fitch Ratings.

**Risk Ratings**

**B+** **FitchRatings**  
Stable Outlook

We want to emphasize that it is our goal, as well as that of our Managers, Directors, and Employees, to continue making our best efforts towards the growth of our business units, convinced that through strengthening the Group, our businesses would grow, and along with them our families and our country will benefit.

I wish to express our thanks to each one of our shareholders for the confidence placed in this Board of Directors and our profound recognition of all the human capital, our employees, who through their efforts, dedication, and professionalism, have placed our Group in a leadership position through the availability of innovative financial products to meet the needs of our clients.

With the highest degree of enthusiasm, and working together as a unit, we will face the new challenges of the year 2019, continuing our path of growth, expansion, and improvement of Grupo Financiero Atlántida, and maintaining our position as the most important Financial Group in Honduras.

Sincerely,

**Guillermo Bueso Anduray**  
President

# Relevant Figures

In millions of Lempiras



Years	Total Assets	Investments and Productive Assets	Equity
<b>2014</b>	5,981	5,835	5,953
<b>2015</b>	7,870	7,741	6,494
<b>2016</b>	8,291	6,911	7,107
<b>2017</b>	11,572	9,250	7,956
<b>2018</b>	12,487	11,250	8,746

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Years	Earnings	Return on Equity (ROE)	Return on Assets (ROA)
<b>2014</b>	598	10.0%	10.0%
<b>2015</b>	541	8.3%	6.9%
<b>2016</b>	730	10.3%	8.8%
<b>2017</b>	849	10.7%	7.3%
<b>2018</b>	915	10.5%	7.3%

**The following presents a summary of the Group performance and the most relevant figures for the subsidiary businesses of Inversiones Atlántida, S.A.**



## 1. Results of the Operation

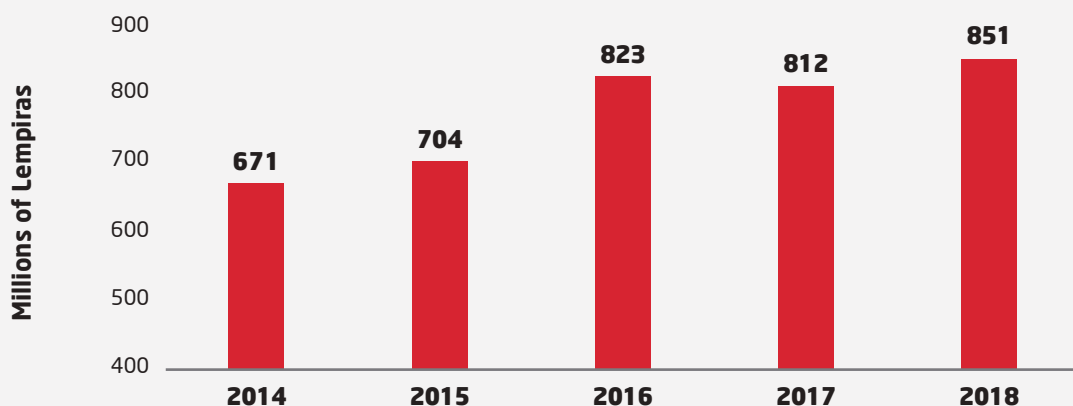
In 2018, the operating results of Banco Atlántida were satisfactory, supporting their common financial management approach based on prudence and best practices in financial markets. In this way, the Bank was positioned as one of the top banks in terms of capital, deposits, assets, and loans within the National Banking System.

Over the course of the year, the financial management of Banco Atlántida resulted in earnings of L.851 million, 4.8% greater than the previous year. These results were the product of an improvement in the brokerage margin, which showed growth of 11.0% with respect to the previous year, accompanied at the same time by increased financial income, which was the greatest factor in the total increase of financial income for the Bank, with 79.5% of the total, and reaching a total amount of L.6,725 million, an increase of 7.4% over the year 2017.

These results produced a Return on Equity (ROE) of 10.6% and a Return on Assets (ROA) of 1.0%, while the corresponding figures for the previous year were 12.1% and 1.1%, respectively. This result is due to an increase in real assets, combined with a reduction in the asset interest rate, and resulting in percentages which were below the average for the financial system in Honduras, which achieved an ROE of 11.5% and a ROA of 1.1%, as of December 2018.

## Net Earnings

Source:  
Banco Atlántida

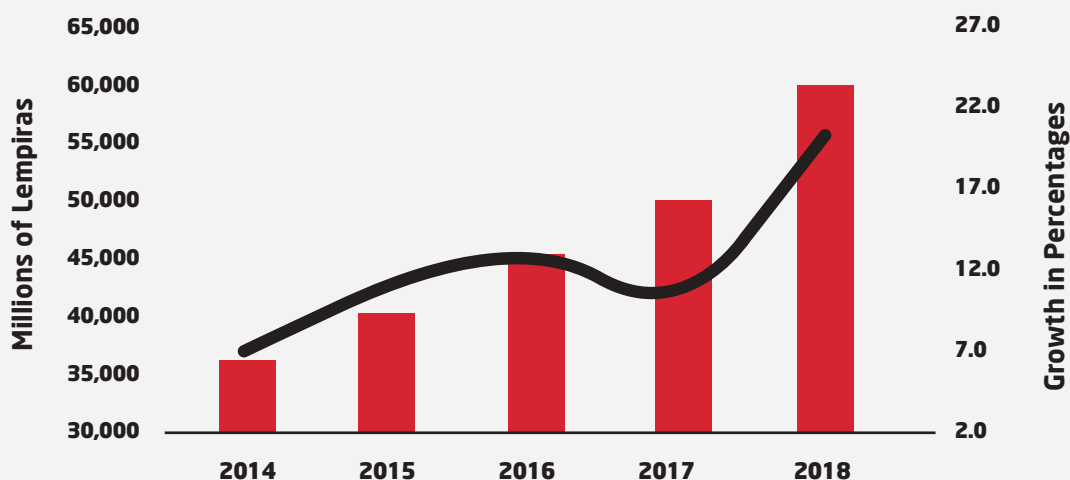


Throughout the year, the Board of Directors of the Central Bank of Honduras (BCH) maintained unchanged the Monetary Policy Rate (TPM) at 5.5%, as well as the reserve requirements for national currency (17%) and foreign currency (24%). Banco Atlántida maintained investments with the BCH which at the end of the year totaled L.2,333 million, and as a result contributed to the improved earnings for the period.

## 2. Loans and investments

At the end of the fiscal year and based on the strategy for the allocation of loans, positive results were achieved, with a total of L.60,928 million in the credit portfolio, an increase of L.9,800 million over the previous year, representing a growth of 19.3% in the loan portfolio over the close of 2017. The growth during this current year allowed the Bank to be positioned among the best performing lending institutions in the country, with a market share of 19.7%.

## Credit Portfolio: Amount and Growth



Amount Growth

Source:  
Banco Atlántida



Banco Atlántida maintains its traditional diversification of loans in a variety of sectors of productive and service activities.

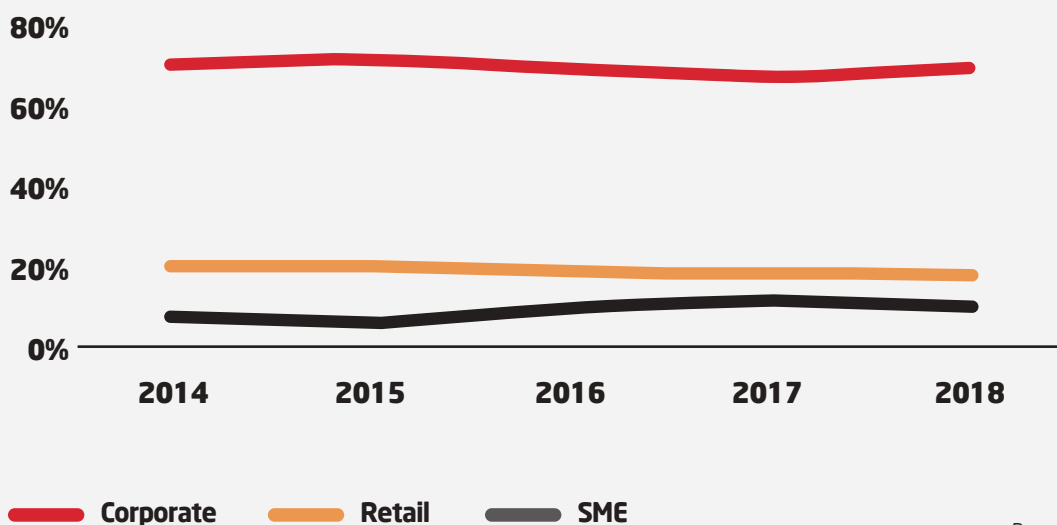
The balance of the loan portfolio is distributed among several different economic sectors, where the Bank can find increased dynamism and lower risk; with the highest concentration in the Service Sector, with 25.8%, Commercial and Consumption, with 23.8%, Real Estate with 15%, Industry and Export Activities, with 14.7%; while the Farming and Agri-Business Sector represents 8.8%.

The Honduran financial system has been historically based on loans in five crucial economic sectors. As of December 2018, 83.3% of all loans issued by the system were distributed in the following sectors: real estate, with 22.7%, consumption, with 20.4%, services, with 14.3%, commerce, with 15.1%, and industry, with 10.7%; Banco Atlántida plays a major role in the national economy as they maintain a significant participation in the provision of credit for the principal economic activities as follows: in the service sector they had a 29.7% market share, for industry, 20.4%, for real estate, 18.2%, for commerce, 13.2%, and for consumption, 12.2%.

Loans for the commercial and consumer sectors in national currency are 33.0%, and in foreign currency, they are 3.5% of the corresponding portfolio, for a total average of 23.8%.

A segmentation based on the type of banking service shows that 71.4% corresponds to Corporate Banking; while 18.3% is for Retail Banking, and the remaining 10.3% is for SMEs; each of these three showed significant growth with percentages of 21.7%, 12.8%, and 15.1%, respectively.

### Structure of Loans by Banking Sector

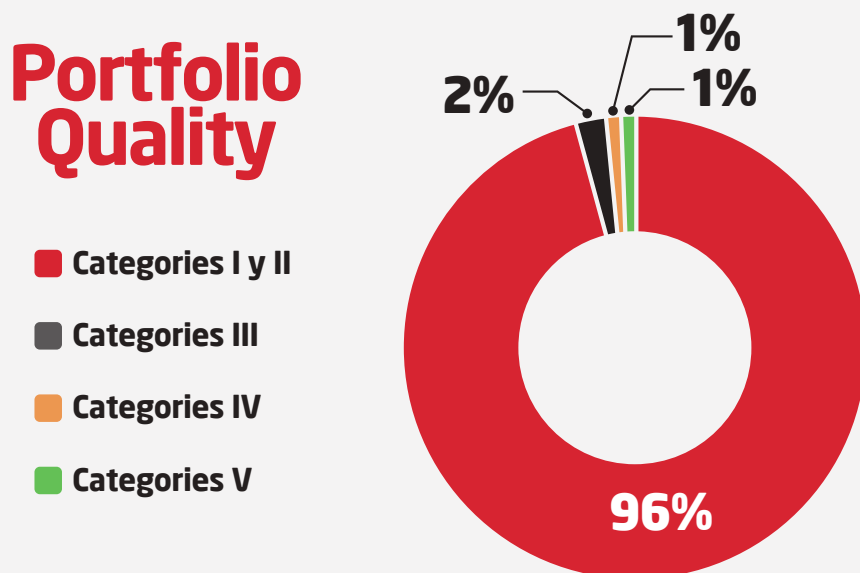


Source:  
Banco Atlántida

Also, the quality of assets has been consistently strengthened, maintaining a manageable level of default, which was 2.37% in December 2018. The amount of "past-due" loan portfolio was only 1.0% of the total. The reserve is established at L.1,950 million to cover doubtful loans and interest which cover 342% of the "past-due" loan portfolio, including those currently being contested in the courts, equivalent to more than 2.3 times the portfolio of classified bad debt.

Classification for Portfolio Categories I and II represent 96% of the total portfolio, while those in Category III have been reduced to 2%. Category IV has been reduced to 1%, while Category V has maintained its level at 1%.

The risk ratio is 5.4% and is fully covered.

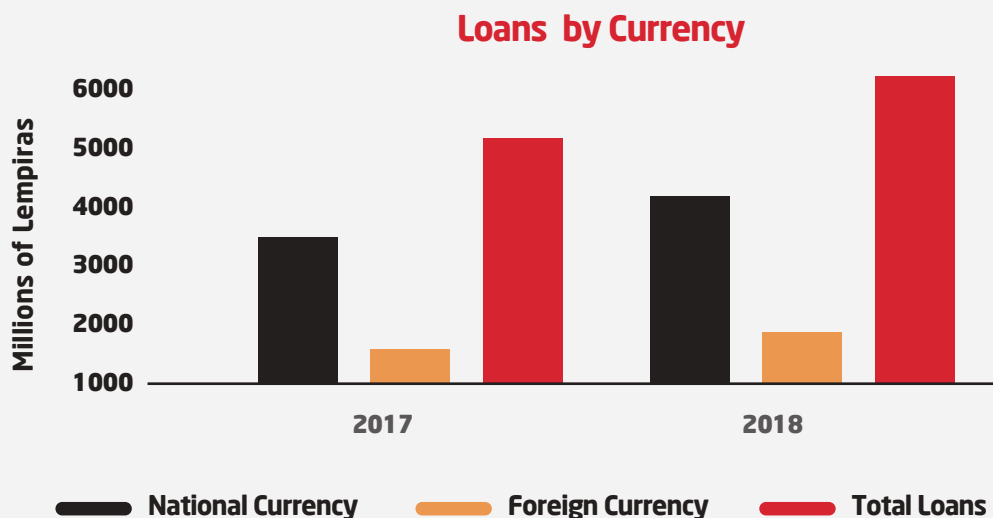


At the end of the fiscal year in December 2018, loans issued to related parties totaled L.1,702 million, equivalent to 2.8% of the total credit portfolio and 19.1% of the Bank's own resources, representing a reduction of 1.6% below the amount registered at the end of the previous year, which was 20.7%. It should be highlighted that the Bank maintains a favorable position since the limit established by The Regulator is 30%.

In terms of the overall default of the Bank's portfolio, as of the end of the year, it was 2.4%, which was lower by 0.3pp than the 2.7% registered at the end of 2017. This reduction is primarily the result of the lower level of default on the part of corporate clients, which is derived from the positive management results seen in the Northern, Atlantic Region, and the Central South Region.

The issuance of loans has shown a notable increase, both in national currency as well as foreign currency. In 2018, the loan portfolio in national currency increased over the previous year by L.6,485 million and by L.3,351 million in foreign currency; which is the equivalent of 18.3% and 21.5%, respectively.

Source:  
Banco Atlántida



#### Investments:

The investments of Banco Atlántida in monetary instruments of the Central Bank of Honduras and the Ministry of Finance are maintained to support the management of monetary policy, by means of Open Market Operations (OMO); investments in these instruments were L.8,013 million as of the close of 2018 and compared to 2017 this represented a slight reduction of 3.5%.

In local currency, the investments were L.6,676 million, equivalent to 81.1%, placed mostly in Bills with the BCH, Guaranteed Securities from the Central Government and Compulsory Investments, with an average return of 5.4%.

In foreign currency, the investments were L.1,559 million, equivalent to 18.9%, channeled through compulsory investments with an average annual return of 2.9%.

### 3. Liquidity Position

Banco Atlántida continues to enjoy the confidence of its clients who consider it to be the safest guardian for their deposits.

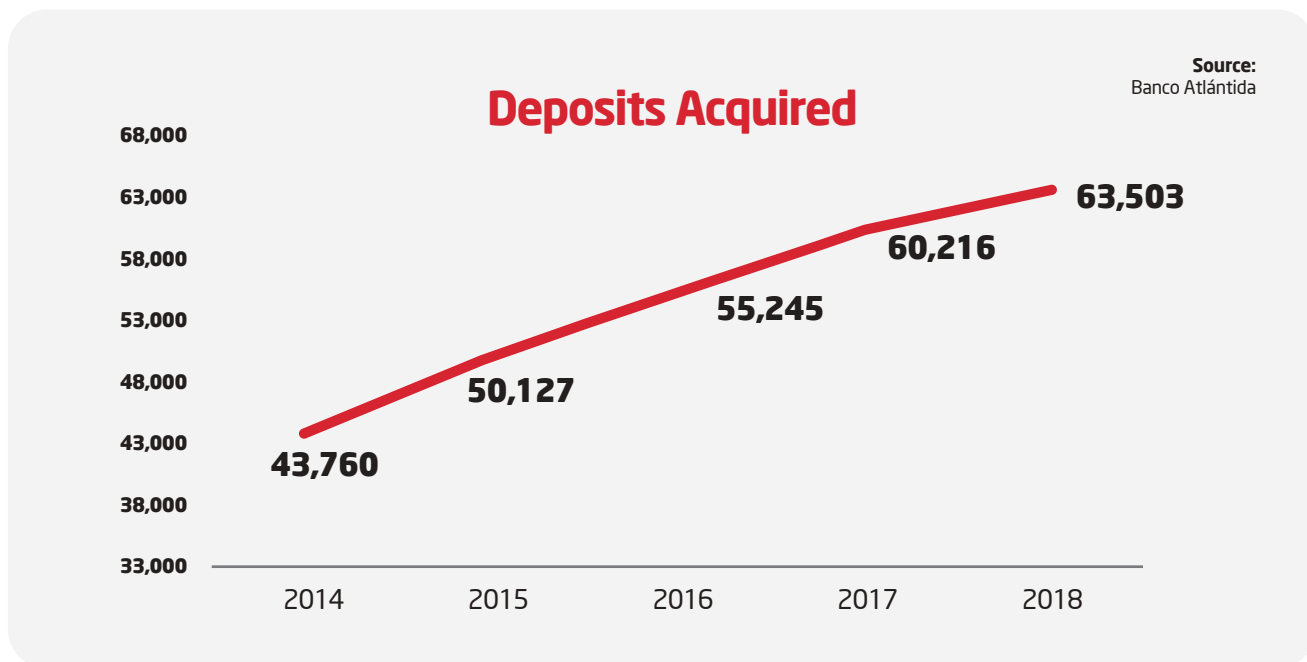
The percentage ratio of liquid assets to deposits achieved was 33.0%, less than in 2017; and the reduction of the ratio was due to an increase in the portfolio of deposits and loans, which banking business part that generates profits from resources; and likewise this shows broad coverage and support for the existing deposits, since it complies with the regulations in terms of matching the maturity of the operations of assets and liabilities, as well as maintaining a strong liquidity position to meet the needs of the public.

In this sense, the Assets and Liabilities Committee (ALC), has the goal of maintaining the profitability of the Bank, through the management of productive assets, as well as the structural positions of interest and exchange rates, and the overall liquidity of the institution.

During the final months of 2018, the banking system demonstrated lower levels of liquidity, and Banco Atlántida is not exempt from this systemic reduction in liquidity levels, which was primarily the result of an increase in the demand for real estate and consumer credit; nevertheless, the system achieved a 7.4% growth over 2017. Based on the liquidity indicator, composed of the sum of all cash and cash equivalents plus liquid investments and loans to financial institutions, divided by the amount of public deposits; as well as, loans from financial institutions, the indicator for December 2018 was slightly higher by 2.2% than that of 2017, as these results were 46.4% and 44.2%, respectively.

## 4. Deposits and Obligations

The image of integrity, confidence, and solidity projected by Banco Atlántida, supported by attractive interest rates allowed for a 5.5% growth on deposits representing L.63,503 million, which is to say L.3,288 million more than the previous year. The market share of total resources acquired reached a level of 19.6%.

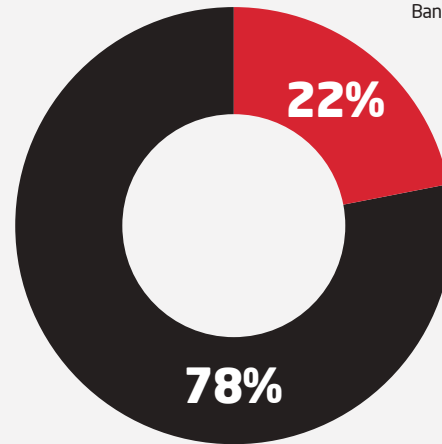


The growth of deposits ratifies the broad coverage and footprint of the Bank throughout the country; and even more, the preference and confidence of Hondurans for the institution, which has been demonstrated over a period of 105 years, reflecting the solidity, solvency, and safety, associated with the Bank's image of integrity.

Savings deposits increased by 6.4%, representing 49.6% of the total deposits of the Bank to achieve a market share of 22.0%.

## Market Share of Savings Deposits

- Banco Atlántida
- Other Banks

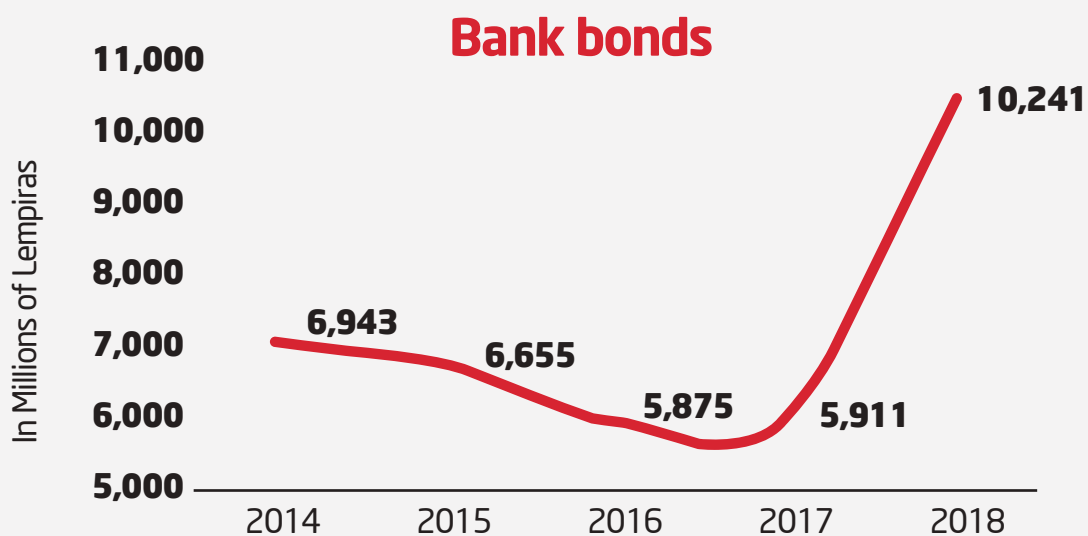


Source:  
Banco Atlántida

### Bank Bonds

Increased utilization of lines of credit in Foreign Banks, as well as repurchase agreements in the BCH and loans with National Banks, generated an increase in bank bonds, closing the year 2018 in the amount of L.10,241 million, an increase of L.4,330 million over the close of 2017.

These bonds include 66.1% for loans entered in local currency, explicitly earmarked to finance loans in the productive and housing sectors, while the remaining 39.9% is in foreign currency and are the result of financing obtained from Correspondent Banks and Multilateral Credit Organizations, with whom excellent relations have been established focusing on financing commercial operations and renewable energy projects.



Source:  
Banco Atlántida

## 5. Equity Position

In 2018, the total amount of paid-in capital reached L.7,500 million, an increase of L.1,000 million, or 15.4% above the level in 2017. The growth is the result of the consistent internal generation of capital from shareholders due to the capitalization of earnings.

The capital adequacy ratio on risk-weighted assets (RORWA) was 12.4%, which is higher than the minimum legal requirement of 10%.

At the same time, the capital and capital reserves for 2018 totaled L.8,918.5 million, representing an increase of L.1,346.7 million, or 17.8% above the previous year. It should be emphasized that with this level of capitalization, the Bank has been able to finance a more significant growth proportion in the businesses and productive sectors of the country. In addition, with the new increase in capital, the Bank can increase the number of credit facilities for its clients.

The book value of shares at the end of 2018 was L.237.8; while the paid-in capital of Banco Atlántida showed a market share of 25.0%, making it the Bank with the greatest amount of paid-in capital in the National Financial System.

### Capital

As of December 31st, balances in millions of Lempiras

Source:  
Banco Atlántida

	2017		2018		Difference	
	Balance	Structure	Balance	Structure	Total	%
Paid-in Capital	<b>6,500</b>	<b>85.9</b>	<b>7,500</b>	<b>84.1</b>	<b>1,000</b>	<b>15.4</b>
Capital Reserves	<b>1,071</b>	<b>14.1</b>	<b>1,419</b>	<b>15.9</b>	<b>348</b>	<b>32.4</b>
<b>Total</b>	<b>7,571</b>	<b>100.0</b>	<b>8,919</b>	<b>100.0</b>	<b>1,348</b>	<b>17.8</b>

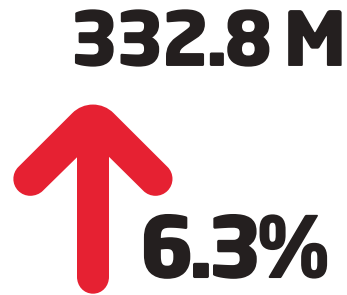
## 6. Dividends

Following the uninterrupted track record of payment of dividends to its shareholders, the Bank distributed L.500 million in dividends, complying in this way with the earnings distribution policy achieved to its shareholders.

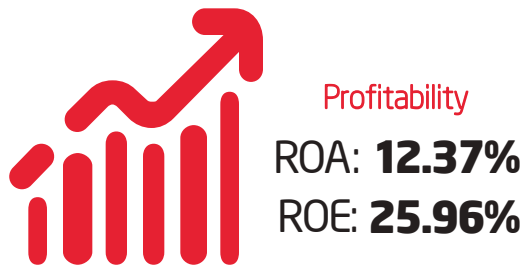


**In 2018, Seguros Atlántida continues to demonstrate its strength and financial solidity, consolidating its position as the leader in the insurance market of Honduras.**

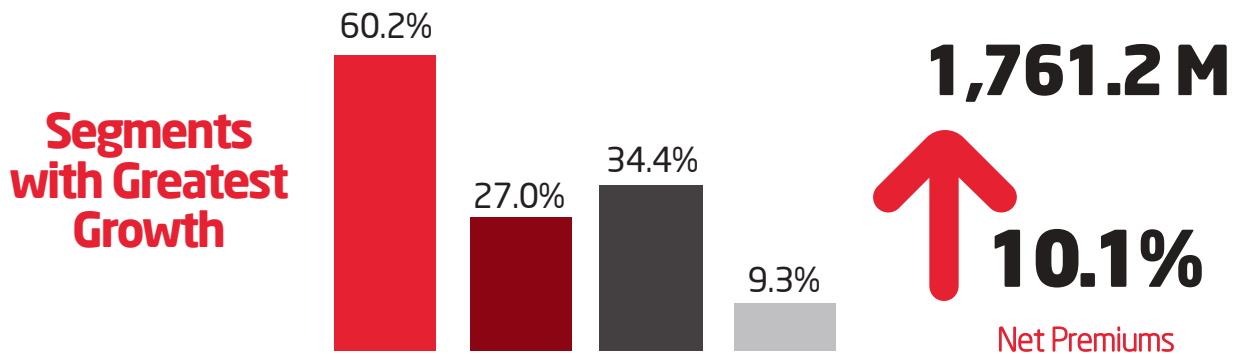
Net earnings at the close of 2018 were L.332.8 million, an increase of 6.3% over 2017; this was despite all of the challenges that we faced as a company during 2018, including the competition in rates and coverage and the remnants of the damages resulting from the political/social disturbances at the end of 2017.



The relevant profitability results for Return on Equity (ROE) and Return on Assets (ROA) in 2018 were 25.96% and 12.37%, respectively, while the index of Operating Efficiency is 30.3%, which is an outstanding result in the Honduran market and the region.



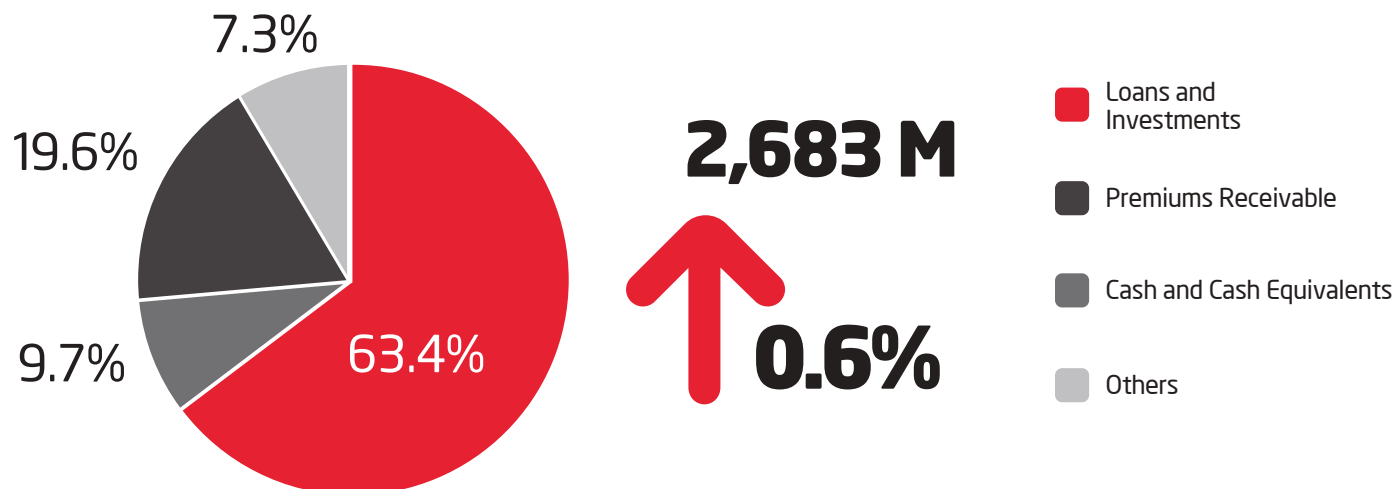
In 2018, the underwriting of net premiums was L.1,761.2 million, which represents a growth of 10.1% regarding the previous year, with the segments of most considerable growth over 2017 being: Personal Accident Coverage, with 60.2%, Health and Hospitalization Policies, with 27.0%, Miscellaneous, with 34.4%, and Automobile Insurance segment, with 9.3%.



- Personal Accidents
- Health and Hospitalization
- Miscellaneous
- Automobiles



Seguros Atlántida has total assets of L.2,683 million, of which L.1,698 million stand out and are currently committed to loans and investments, L.260 million are cash and cash equivalents, and L.526 million represent premiums receivable.



Liabilities totaled L.1,403 million, with the highest concentration in current risk reserves and losses in the amount of L.957 million.

In terms of equity, something that stands out is the increase in capital from an amount of L.700 million in 2017 to L.850 million in 2018, remaining the company with the greatest amount of capital in the insurance sector in Honduras.

# Relevant Figures

In millions of Lempiras



Years	Total Assets	Loans and Investments	Equity	Earnings
<b>2014</b>	2,195	1,492	1,353	134
<b>2015</b>	2,448	1,142	981	232
<b>2016</b>	2,629	1,200	1,068	289
<b>2017</b>	2,666	1,350	1,347	313
<b>2018</b>	2,683	1,698	1,280	333

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Years	Underwriting and Policy Reserves	Return on Equity (ROE)	Return on Assets (ROA)
<b>2014</b>	486	11.50%	6.05%
<b>2015</b>	530	24.99%	9.99%
<b>2016</b>	613	27.08%	11.00%
<b>2017</b>	609	23.21%	11.90%
<b>2018</b>	682	26.01%	12.40%

Source:  
Invatlan



# AFP Atlántida

## Pension and Severance Payments

Administradora de Fondos de Pensiones Atlántida (AFP), showed positive profitability in 2018, which was the result of an increased volume of resources under administration and significant growth in the principal balance-sheet accounts. The total assets were L.833.3 million, an increase of L.104.9 million, equivalent to 14.4%, over 2017.



The most relevant account within Total Assets was that of Investments, with a total of L.430.5 million, which represents 51.7% of all assets, followed by the Loans Receivable from Affiliates with a total of L.323.5 million, representing 38.8%, which taken together represent a total of L.754.0 million, which represents 90.5% of total assets which are generating financial products for AFP.

Total liabilities showed a decrease of 9.0%, which is the result of normal business activities, where AFP did not register any obligations that generated financial expenses other than those regular on-going expenses which are short-term and related to the operation of the business.



he improvement in results in 2018 was evident for AFP Atlántida, which recorded net earnings of L.132.3 million, an increase of 6.0% over the results recorded in the previous year of L.124.8 million. It should be noted that during the 2018 fiscal year, AFP established reserves for an amount of L.7.0 million, which was recorded as an expense to increase the total reserve amount in compliance with the requirements of the Law.

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The results obtained were primarily due to average income from business operations provided by the commissions charged for managing the individual accounts which make up the pension fund and through the financial products generated by the investment portfolio and the personal loan portfolio provided to the affiliates of the Fund.

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The number of affiliates in 2018 was 112,602, with an increase of 5.2%, maintaining the rhythm of growth and sustained in relation to the target market which, in general, are significant contributors to the Pension Fund.



In 2018, AFP Atlántida continued its commitment to improving its organizational structure, reviewing and updating the investment policy, and implementing new controls, to improve the area of investments and their technology platform and business area, to strengthen the quality control processes for services provided to its affiliates.

During their twenty-first year of operations which begins in 2019, AFP intends to surpass the results achieved in 2018 and continue to grow following the strategic plan for the five-year period 2018-2022. To this end, they have established an income and expenses budget tied to increased commitments to the generation of higher operating income levels not only in the commercial business segment but also in the segments of individuals and family groups.

# Relevant Figures

In millions of Lempiras



Pension and Severance  
Payments

Years	Total Assets	Equity	Earnings
<b>2014</b>	384,191	355,945	78,516
<b>2015</b>	513,222	482,426	105,015
<b>2016</b>	632,700	596,114	110,791
<b>2017</b>	728,421	627,900	124,803
<b>2018</b>	833,285	730,232	132,332

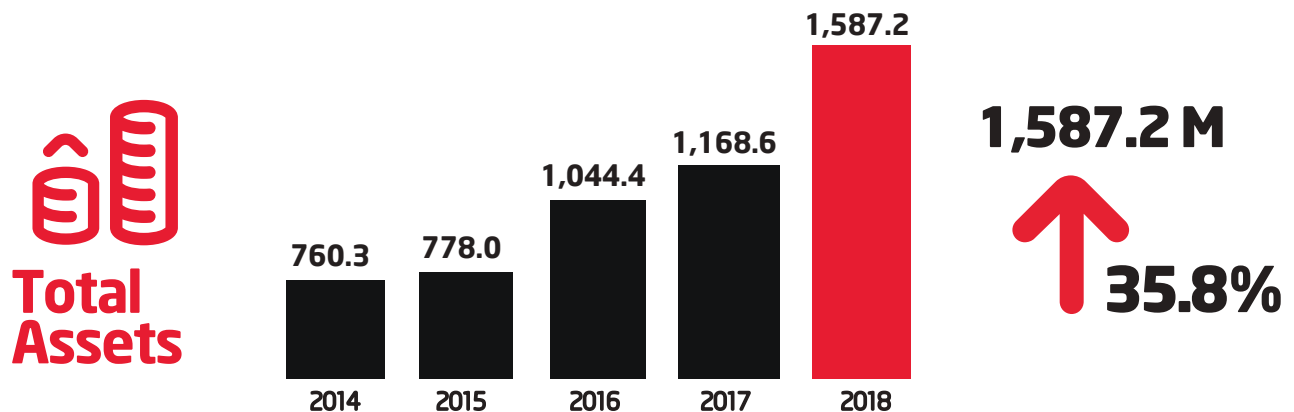
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Years	Underwriting and Policy Reserves	Return on Equity (ROE)	Return on Assets (ROA)
<b>2014</b>	22.1%	49,506	4,885,929
<b>2015</b>	21.8%	55,087	6,452,881
<b>2016</b>	18.6%	103,378	7,954,920
<b>2017</b>	18.2%	107,003	9,662,124
<b>2018</b>	18.1%	112,602	11,916,320

Source:  
Invatlan



At the end of 2018, Leasing Atlántida, previously known as Arrendamientos y Créditos Atlántida (ACRESA), closed the year with L.1,587.2 million in assets representing growth of 35.8% over the previous period. Within those assets, the most important account is the Financial Leasing portfolio, which reached an amount of L.1,063.4 million, representing 67.0% of the total.



## Brand Renovation



The level of purchases of assets which were then assigned under Financial Leasing during 2018 was L.667.5 million, representing a growth of 21.1% over the previous year, as a result of expansion achieved in the client base, of improvement in the market in the interior of the country, and importantly, of repeat business from current clients, all resulting from the constant search for ways to improve our services for pre- and post- sales activities.



**667.5 M**

**↑ 21.1%**

Purchase of  
Assets for  
Leasing

As a result of management initiatives in the Financial Leasing activity, the portfolio of contracts grew by 33.9%, from an amount of L.809 million to a total of L.1,083.1 million.



**1,364.1 M**

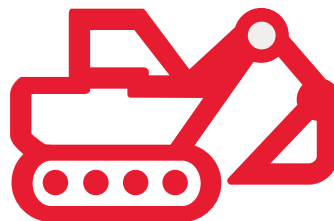
**↑ 27.9%**

Contracts

By type of equipment, the purchase of assets assigned under Leasing contracts was primarily in vehicles (57%), in industrial machinery and equipment (25%), in medical and other equipment respectively (9%).



**57%**



**25%**



**9%**

Loan activity is carried out primarily in support of Financial Leasing, as it becomes a means of facilitating the availability of resources for our clients for overseas purchases of equipment and machinery of their choice which, once they have been nationalized and installed, are converted into Leasing operations; as of the end of the period, the loan portfolio was in the amount of L.265.2 million, doubling the amount which was recorded at the end of 2017.

Fixed term deposits from the public are the essential funding source for the operations provided by Leasing Atlántida and in 2018 continued to be the fundamental pillar for growth, with the portfolio increasing by 30.5% at the end of the period, with a total of L.1,031.1 million.

Due to the growth achieved by Leasing Atlántida, the earnings obtained during the year were higher than those recorded in the previous period, rising from L.48.1 million in 2017, to L.51.1 million in 2018, for a Return on Equity (ROE) of 12.9%.



## Relevant Figures

In millions of Lempiras



Years	Total Assets	Loan Portfolio	Asset Purchases
<b>2014</b>	760.3	659.6	186.7
<b>2015</b>	778.0	739.6	308.1
<b>2016</b>	1,044.4	876.7	417.0
<b>2017</b>	1,168.6	1,066.9	551.0
<b>2018</b>	1,587.2	1,364.1	667.5

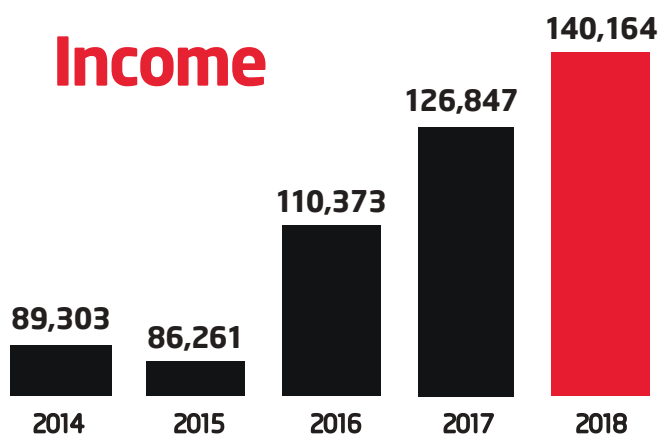
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Invatlan





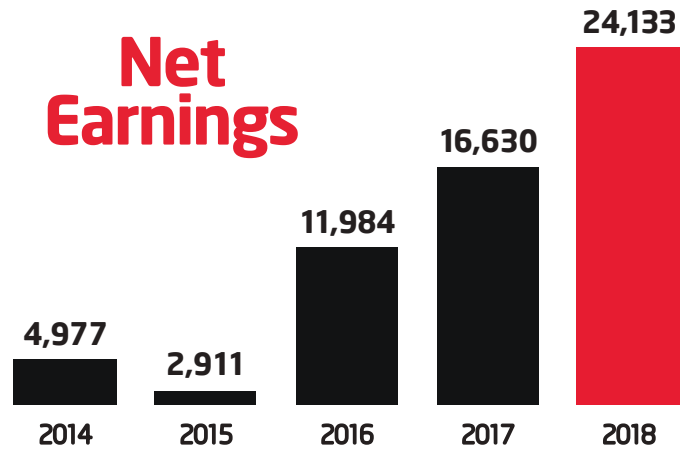
In 2018, COALSA continued to consolidate its position in the warehousing market in the country, because of its expansion program and investments in infrastructure during the past few years, which has allowed it to continue as the leader in the warehousing market within the country.

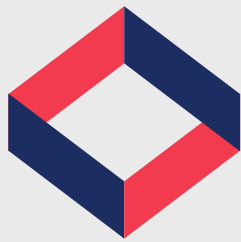
The volume of income as of the close of 2018 was L.140.2 million, representing growth of 10.5% over the previous year. The total equity reached L.383.4 million, and net earnings were L.24.1 million.



During 2018, COALSA improved the quality of its productive assets, its solvency, and its liquidity. The investment activities carried out required increased financing, which was obtained under favorable market conditions. Due to limitations in the regulation of activities with related parties, the sources of financing are sources outside of the Financial Group.

The Return on Equity (ROE) achieved by COALSA in 2018 was 6.3%, while the Return on Assets (ROA) was 4.1%. For 2019, the investment program will continue, including facilities in the northern zone of the country, rolling stock, information/interactive systems, and other complementary tools; this will allow COALSA to provide more and better services in a comprehensive form and the diversification of other logistics services which will help to consolidate the growth of the business and therefore improve income levels through complementary and value-added activities.





**atasa**®  
Almacén Temporal Atlántida S.A.

During 2018, ATASA continued its growth stage by consolidating one of its principal services as the logistics operator of the Document Management Service for the Retail Banking area of Banco Atlántida; which resulted in very positive levels of performance, which sparked the interest of other areas of the Bank, including among those: Contingent Assets, Cash Management, Corporate Banking, and Human Resources.

The first phase of the Paz Barahona Historical was begun and completed, and a new activity was begun in transportation and Courier Services, and CRM.

At the close of the period, income for ATASA rose to L.20.7 million, achieving net earnings of L.3.7 million. For the 2019 period, there are plans to implement the CRM Project for Banco Atlántida, and the second phase of the Paz Barahona Historical, as well as serving other businesses within the Financial Group with a variety of logistics services, all of this to consolidate the growth of the company.



During 2018, the name and the corporate image were changed from SONIVAL to Casa de Bolsa Atlántida, to achieve the complete integration of the identity of the Grupo Financiero Atlántida.

The stock exchange activity in 2018, as in previous years, was mainly characterized by volumes of government securities because the Central Bank of Honduras (BCH) manages its monetary policy through the approach of Open Market Operations (OMO) as its principal instrument, and therefore Casa de Bolsa Atlántida remained as one of the primary contributors, with a market share of 45.2%, with transactions in a total amount of L.210.2 million for terms greater than one day, which represented a reduction of 34.8% from the volume handled in 2017.

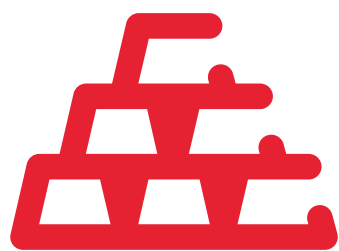
Income for 2018 was L.6,305 thousand, a 19% increase over the amount achieved in 2017. It should be highlighted that 87.2% of the income was the result of stock market commissions, while 12.8% was from interest received on the Bank's investments.

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## Brand Renovation



Expenses for 2018 totaled L.4,734 thousand, which was 12% greater than the previous year. The total income, less the amount for costs, resulted in Net Earnings of L.1,290 thousand, which was 46.6% greater than what was achieved in 2017.



Earnings

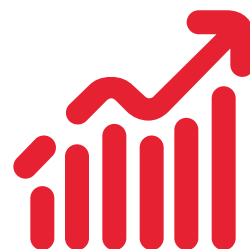
**1,290 thousands**  
**↑ 46.6%**

The assets managed by Casa de Bolsa Atlántida in 2018, totaled L.12,344 thousand, an increase of 14.4% over those of 2017. Current Liabilities, on the other hand, totaled L.547 thousand, and Equity was L.11,796 thousand, an increase of 12.3% over 2017 so that the 2018 period ended with a Return on Equity (ROE) of 12.3%.



Total Assets

**12,344 thousands**  
**↑ 14.4%**



ROE

**12.3%**



The Shareholders Assembly, in 2018, decided to change the name of “Corporación de Créditos Atlántida, S.A” to “Servicios Atlántida, S.A (SESA)”, with its primary goal being the following: “Recruiting, selecting, hiring, and managing qualified personnel for its only client, Banco Atlántida, S.A.”

In 2018, SESA hired 255 employees to provide services to the different areas of the Bank. To provide follow-up on the behavior and performance of the SESA personnel within the Bank, as of July, 3 Service Coordinators were named for the different Regional Offices.

SESA provided support for the Bank in the migration of ATMs to accept credit and debit cards using chip technology, jointly with the Costa Rican firm, Euronet, both in terms of the issuing business as well as in terms of the acquiring business.



**255** | **New Employess  
for the Bank**

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## Brand Renovation



Before the migration, SESA aids the credit card area, in cleaning up the database to reduce costs and supports the Bank in operational issues with VISA and MasterCard brands.

SESA administration continued with the implementation of the International Financial Reporting Standards (IFRS), as required by Law.

At the end of the year, 2018, the total assets of SESA were L.22.3 million, with liabilities closing at L.5.7 million, while the total Equity was reduced in the amount of L.0.1 million, resulting in Net Income of L.16.6 million, and achieving Net Earnings of L.2.9 million.



At the close of 2018, the assets of INFATLAN were L.57.9 million, with an annual increase of 19.5%. The growth reflects improvements in the account for Investments and Banks. Similarly, liabilities increased by 42.1% in the areas of Accounts Payable and Income Taxes.

Equity book value was a total of L.45.0 million and generated net earnings of L.4.6 million. These results were influenced by income from information services provided and financial income.

Regarding activities carried out during 2018, work continued in the development of information applications aligned with the strategy of expansion of Grupo Financiero Atlántida, and Banco Atlántida. Similarly, work continues updating technology, especially the introduction of the new management platform for ATMs, the launch of a new platform for bank agents, and improvements in the platform for the Bank's Call Center. The processes related to the projects' implementation was improved through the creation of a Project Office, in alignment with the methodology used by the Project Office of the Bank. The installed processing and storage capacity of the information management equipment has also been increased.

Equipment for processing Point-of-Sale (POS) transactions has also been improved, along with security for services exposed to the Internet, the efficiency of electrical usage for the Data Center, strengthening the networks in Bancatlan Plaza in Tegucigalpa and Bancatlan Tower in San Pedro Sula, through improved security equipment, along with updating the infrastructure in the Contact Center of Banco Atlántida.

# Appendixes



# Inversiones Atlántida

Balance Sheet as of December 31, 2018

Lempiras

## ASSETS

Cash and Cash Equivalents	554,320,051
Permanent Investments	11,250,471,007
Fixed Assets (Net)	58,513,271
Other Assets	611,437,934
Deferred Charges	12,581,261

**TOTAL ASSETS** **12,487,323,524**

## LIABILITIES AND CAPITAL

### Liabilities

On demand liabilities	275,450,938
Notes payable L/P	3,465,828,700
Other Liabilities	6,000
<b>TOTAL LIABILITIES</b>	<b>3,741,285,638</b>

### CAPITAL AND CAPITAL RESERVES

#### Tier One Capital

Authorized Capital	5,950,000,000
Statutory Reserves	155,343,402
Net Earnings for the Period	2,640,694,484
<b>Total Capital and Reserves</b>	<b>8,746,037,886</b>

**TOTAL LIABILITIES AND CAPITAL** **12,487,323,524**

# Inversiones Atlántida

## Income Statement as of December 31, 2018

### in Lempiras

#### INCOME

##### FINANCIAL PRODUCTS

Interest on Deposits	15,542,749
Dividends Received in Shares	697,901,794
Dividends in Cash for Contributions	616,959,715

##### SERVICE PRODUCTS

**902,220**

##### EXCEPTIONAL PRODUCTS

Miscellaneous Income	82,337,123
Exchange-Rate Variations	8,478,467

#### **TOTAL INCOME**

**1,422,122,068**

#### EXPENSES

##### ADMINISTRATIVE EXPENSES

**111,260,743**

##### FINANCIAL EXPENSES

**309,772,130**

#### **TOTAL EXPENSES**

**421,032,873**

#### **BEFORE TAX EARNINGS**

**1,001,089,195**

TAXES ON NET ASSETS	12,434,171
SINGLE TAX, 10%	43,720,228
INCOME TAX	29,833,347

#### **NET EARNINGS FOR THE PERIOD**

**915,101,450**

