5.0

Financial information

5.1. Summary of indicators

Indicators	2018	2017	Δ %
Size			
Loans and advances to customers (AOA thousand)	420,264,577	395,712,862	6%
Resources from customers and other loans (AOA thousand)	1,042,924,548	801,365,710	30%
Net assets (AOA thousand)	1,358,771,967	1,069,661,343	27%
Customers	1,336,096	1,117,610	20%
Employees	1,820	1,840	-1%
Service Points	136	139	-2%
Financial Structure			
Deposits repayable on demand/Total deposits (%)	35.9%	46.8%	-10.96 p.p.
Overdue loans ratio (%)	9.9%	7.2%	2.69 p.p.
Credit at risk (%)	15.6%	10.7%	4.91 p.p.
Credit at risk coverage ratio (%)	103.6%	96.9%	6.70 p.p.
Loan-to-Deposit ratio (%)	49.3%	55.0%	-5.73 p.p.
Income and Profitability			
Net income (AOA thousand)	27,225.087	23,828.500	14%
Total operating income (AOA thousand)	102,920	83,830	20%
Operating costs (AOA thousand)	44,036	39,542	11%
Cost-to-income (%)	42.3%	47.2%	-4.9 p.p.
Cost-to-income (%) [1]	48.6%	47.2%	1.4 p.p.
ROA (%)	2.1%	2.3%	-0.2 p.p.
ROE (%)	23.7%	22.1%	1.6 p.p.
Regulatory			
Capital adequacy ratio (%)	15.9%	12.1%	3.8 p.p.
Regulatory own funds (AOA thousand)	101,138,615	82,007,000	23%

[1] Cost-to-income – Excluding non-recurring events.

5.2. Business performance

Over recent years, the macroeconomic context, in particular in 2018, as well as the regulatory framework established, have impacted banks' business activities in different strands. In 2018, the economy showed a recessive performance for the third year in a row. In terms of prudential framework, we are witnessing the implementation of several regulations by the regulatory authority, including:

- Instructive no. 5/2018 and 10/2018 - Monetary policy, Mandatory reserves;
- Implementation of IFRS 9 and new rules for calculating the Regulatory Capital adequacy ratio;
- Instructive no. 03/2018 – Fee exemption within minimum banking services;
- Instructive no. 14/2018 relating to the remuneration of collateral deposits associated with letters of credit;
- New rules on money laundering (Instructive no. 13/2018);
- 01/2018 - Exchange rate policy: Auctions for the purchase and sale of foreign currency.

The context was also marked by low liquidity in the financial system for a substantial part of 2018. This scarcity began in the previous year, substantiated in a set of measures aimed mainly at the reduction of inflation.

On the one hand, ATLANTICO guided its business throughout the year by the achievement of objectives and goals set forth and, on the other, by the adoption of a set of policies and measures aimed at strengthening the robustness of the balance sheet, particularly with regards to impairment, exchange position, exposure to counterparties and solvency.

Net income

ATLANTICO's profit in 2018 amounted to AOA 27,225 million. Compared to 2017, profit increased by AOA 3,396 million, representing a 14% growth. As in the entire financial system, the growth contributed strongly to the Complementary Margin, and to ATLANTICO this growth was 142% compared to 2017, with particular focus on the growth in Gains / (losses) from foreign exchange differences (274%) and Fees and commission income (51%).

Total operating income

Total operating income amounted to AOA 102,920 million, representing a growth of 20% compared to 2017. The reduction in the liquidity of the financial system had an impact on the funding costs of banks. In the case of ATLANTICO, the costs of deposits and fund raising in the MMI increased by 100%. Income from loans amounted to AOA 82,477 million (+13%). Nonetheless, the significant increase in interest and charges of approximately 100% significantly influenced the performance of the Net interest income, which remained at AOA 67,229 million.

The 24% growth in Net operating income was boosted by the positive performance of the Gains / (losses) from foreign exchange differences and Fees and commission income.

In 2018, Fees and commission income amounted to about AOA 21 billion, a +51% increase over the previous year, with emphasis being place in the trade finance business, which grew by 87% (AOA 2,440 million). In addition, 2018 was marked by the diversification of additional revenues, with events related to the sale of non-current assets and capital gains in transactions with financial assets, which totaled about AOA 12 billion.

Operating costs

In 2018, Operating Costs amounted to AOA 44,036 million, representing an increase in absolute terms of AOA 4,709 million (+12%), also explained by the exchange depreciation in 2018 and by the 18.6% inflation recorded in the year.

Staff costs was the caption that grew the most in absolute terms (AOA 2,679 million), reflecting the salary adjustment and given the context of a significant loss of purchasing power. All other captions had a growth mainly associated to the exchange depreciation.

Effectiveness

The Cost-to-income ratio, including non-recurring events, reached 48.6%, representing a deviation of 1.4 p.p. against the previous year.

It should be noted that in terms of effectiveness, ATLANTICO has successfully implemented a cost optimization program with a special focus on the following initiatives implemented in 2018:

- Renegotiation and de-indexation of lease agreements to the USD;
- Implementation of a new operating model on the maintenance and repairing of buildings;
- Optimization of property, plant and equipment;
- Renegotiation of the cleaning contract;
- Optimization of costs with physical and static security.

With the exchange rate effect being excluded, these measures had a positive impact in 2018 of over AOA 700 million in cost optimization, with the purpose of significantly materializing in the coming years.

Impairment

With the worsening of overdue and at-risk loans, the country's macroeconomic and financial situation has impacted the deterioration levels of credit portfolio in the entire financial system. The Bank significantly strengthened the level of impairment losses, with a remarkable growth of AOA 17.6 billion (96%) in 2018 compared to the same period last year, with coverage ratio for loans at risk greater than 100%.

Solvency

The Capital adequacy ratio in December stood at 15.9%, reflecting an improvement of 3.8 p.p. compared to the same period and above the minimum regulatory limit of 10% set out.

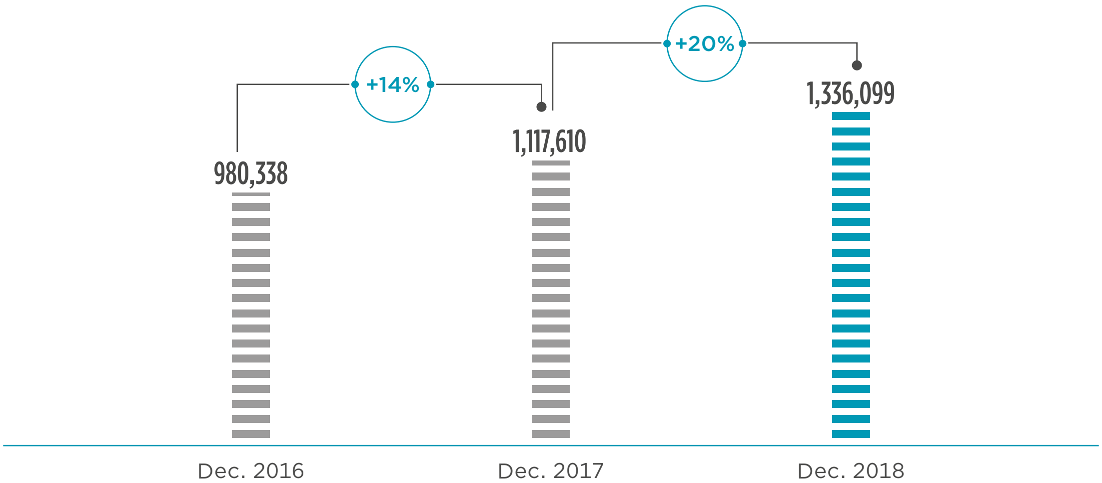
This qualitative development of solvency is mainly explained by the increase in Regulatory Own Funds resulted from the IFRS 9 implementation. Accordingly, it now regards the impairment criteria, on an exclusive basis, instead of provisions and also the reduction of large risks resulting from the strengthening of guarantees in credit processes and exposure reduction for borrowers.

5.3. Business development

5.3.1. Customers

2018 was very positive in terms of attracting new Customers to ATLANTICO. The Bank exceeded this year, for the first time, the 200,000 customer threshold in a single year, reflecting a growth of approximately 20% over the previous year. In addition to the great focus of business teams, this sustained rhythm relies on technological improvement, aiming for the materialization of the Bank's strategic pillar of leading as an innovative and digital bank.

Development of the number of customers



5.3.2. Service Points

In 2018 and consolidating ATLANTICO's leadership as an innovative bank and leader in digital transformation, the optimization process of the network of service points continued. ATLANTICO closed the year with less three service points than last year.

ATLANTICO's emphasis shall be reaching, digitally, most of its Customers, focusing on the transformation of the current network, through the opening of digital branches and ATM centers:

Development of Service Points

	Dec. 2018	Dec. 2017	Δ abs.	Δ %
Mass Market Branches	109	112	-3	-3%
Prestige Branches	15	15	0	0%
Corporate Branches	10	10	0	0%
Large Corporate and Institutional Branches	1	1	0	0%
Private Banking	1	1	0	0%
	136	139	-3	-2%

5.3.3. Intermediation and trade finance

ATLANTICO has currently a network of correspondent banks in four different continents, in the main geographies of trade and investment relations with Angola. This fact allows for a greater geographical coverage for international payments.

In this context, in 2018, ATLANTICO recorded a 25% growth in the trade finance business (issuance of credit letters), in line with the implementation of Notice no. 05/2018, which lays down the settlement requirement for imports and exports of goods by means of remittances or documentary credit.

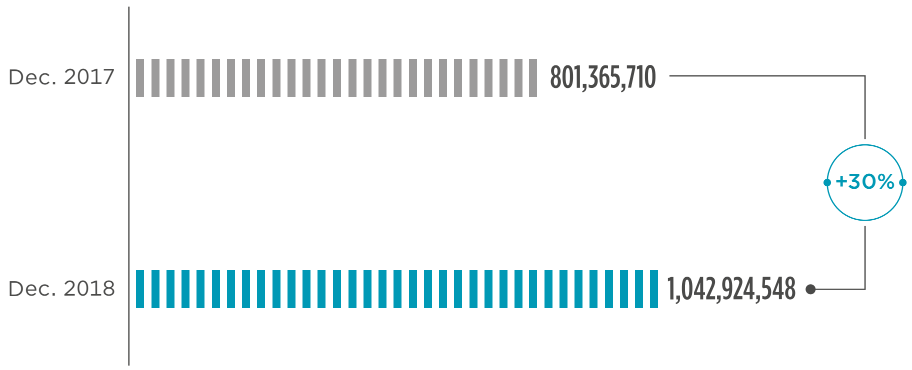
In addition, the Bank recorded a 65% annual increase in the volume of foreign payment orders for countries such as Portugal, Germany, China, the United Kingdom and South Africa.

5.3.4. Financial resources

Despite the restrictive framework adopted by the monetary policy and the cross-border impact on the financial system, ATLANTICO's deposit portfolio shows a nominal growth of 30%, largely justified by the exchange rate depreciation in the year and also by the commercial effort to further increase investment. This increase is valued as an atypical year characterized by the pressure on treasury to support volumes of national and international transfer transactions in line with the new exchange market mechanisms. Also, in 2018, the Angola Central Bank issued a set of Instructives and Notices on the functioning of the payment system, with emphasis being placed on Instructive no. 4/18 of 21 February, which guides banks to comply with payment deadlines, subject to pecuniary and administrative penalties.

Overall, investment portfolio increased by AOA 241 billion, of which about AOA 16 billion resulted from the increase in the portfolio in kwanzas, under a scenario in which the system's level of investment decreased.

Development of Deposits (AOA thousand)

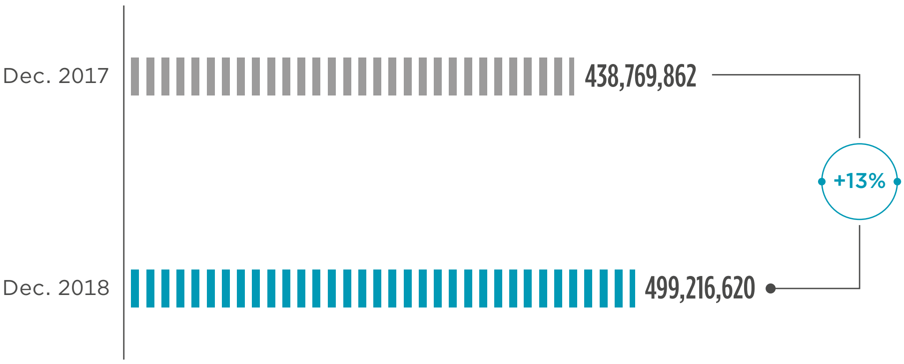


5.3.5. Granting of credit

As a result of a less favorable economic climate, the credit policy in 2018 was surrounded by a greater degree of conservatism.

In December 2018, the credit portfolio amounted to AOA 499,216,620 thousand, an increase of 13% over the previous year. This growth is explained, in large part, by the exchange depreciation and, less expressively, by an increase in the granting of new loans.

Development of credit (AOA thousand)



The conservatism adopted had essentially to do with the restriction on liquidity in national currency, which did not delivered the projected level of credit granted. On the other hand, the less positive moment in the country's economy has not allowed for the emergence of sufficiently attractive projects and/or transactions and at acceptable risk levels and mitigating risks.

5.3.6. Automatic Payment Terminals (APTs)

APTs have increasingly established itself as the outstanding form of payment for consumers of banking services in Angola. ATLANTICO's APTs grew from about 1,000 active APTs in 2008 to 62,967 in 2018. ATLANTICO's APTs grew by only 3% compared to 2017; this fact is explained by the "cleaning" process of inactive APTs, which has resulted in the cancellation of more of 2,000 APTs.

5.3.7. Deposit machines

In 2018, deposit machines increased to five, distributed in three provinces (Luanda, Huila and Zaire), representing another significant step in the implementation of ATLANTICO's digital strategy and its ambition to lead digital transformation.

Machines have shown a very positive performance involving 24/7 deposit transactions, reaching a monthly average above AOA 200 million per machine. In addition, the machines have made it possible to stimulate a new service model, focusing Employees on commercial actions.

5.4. Development of financial statements

5.4.1. Balance sheet development

Balance Sheet as at 31 December 2018 and 2017 (AOA thousand)

Description	Balance		Δ	
	Dec. 18	Dec. 17	Abs.	%
Assets				
Cash and deposits at central banks	159,372,252	133,610,160	25,762,092	19%
Loans and advances to credit institutions repayable on demand	26,739,729	4,510,199	22,202,530	492%
Financial assets at fair value through profit or loss	26,620,444	3,716,472	22,903,972	616%
Financial assets at fair value through other comprehensive income	198,119,726	n.a.	n.a.	n.a.
Financial assets available for sale	n.a.	98,155,111	n.a.	n.a.
Financial assets at amortized cost				
Debt instruments	274,968,716	n.a.	n.a.	n.a.
Loans and advances to customers	420,264,577	395,712,862	24,551,715	6%
Loans and advances to credit institutions	13,312,565	31,234,743	(17,992,178)	-57%
Financial assets held to maturity	n.a.	219,034,443	n.a.	n.a.
Other tangible assets	65,709,104	62,746,419	2,962,685	5%
Intangible assets	32,625,573	30,204,743	2,420,830	8%
Non-current assets held for sale	65,790,661	43,544,500	22,246,161	51%
Current tax assets	1,718,458	1,584,392	134,066	8%
Deferred tax assets	1,832,945	157,246	1,675,699	1066%
Other assets	71,697,217	45,450,053	26,247,164	58%
Total assets	1,358,771,967	1,069,661,343	289,110,624	27%
Liabilities and equity				
Resources from central banks and other credit institutions	160,054,580	117,181,364	42,873,216	37%
Resources from customers and other loans	1,042,924,548	801,365,710	241,558,838	30%
Financial liabilities at fair value through profit or loss	50,510	-	50,510	100%
Provisions	5,161,101	2,454,201	2,706,900	110%
Current tax liabilities	-	2,178,122	(2,178,122)	-100%
Deferred tax liabilities	862,012	746,113	115,899	16%
Other liabilities	14,679,726	17,196,793	(2,517,067)	-15%
Total liabilities	1,223,732,477	941,122,303	282,610,174	30%
Share capital	53,821,603	53,821,603	-	0%
Share premium	34,810,069	34,810,069	-	0%
Own Shares	(492,182)	(492,182)	-	0%
Other reserves and retained earnings	17,327,517	14,829,558	2,497,959	17%
Revaluation reserves	2,347,396	1,741,492	605,904	35%
Net Income	27,225,087	23,828,500	3,396,587	14%
Total equity attributable to the Bank's shareholders	135,039,490	128,539,040	6,500,450	5%
Total liabilities	1,358,771,967	1,069,661,343	289,110,624	27%

(*) Balances relating to 31 December 2017 correspond to the statutory accounts at that date. These balances are disclosed exclusively for comparative purposes and have not been restated following the adoption of IFRS 9, as at 1 January 2018, as permitted by IFRS 9 (note 35).

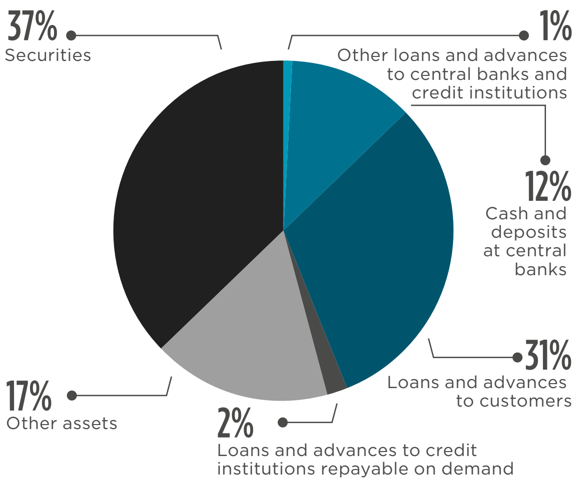
5.4.1.1. Assets structure

ATLANTICO's net assets grew 27% in 2018, reflecting an absolute increase of AOA 289,110 million compared to 2017. In addition to the increased activity, the strong growth of assets is influenced by the impact of currency depreciation on assets denominated in or indexed to the foreign currency, highlighting the growth in the following captions:

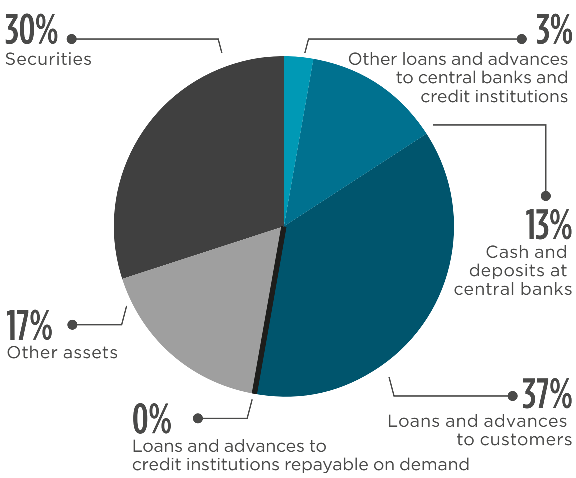
- Financial assets at fair value through other comprehensive income at 102%;
- Debt instruments at 49%;
- Financial assets at fair value through profit or loss of 616%.

In terms of Assets composition, securities became the most representative asset in the balance sheet, benefiting from the significant component in foreign currency and the purchase to Customers for various purposes, including the compliance with credit liabilities. Early redemptions of relevant loans also contributed for the strengthening of the securities' weight under assets. The graphs below show the evolution of the Assets composition in the two reporting periods:

2018



2017

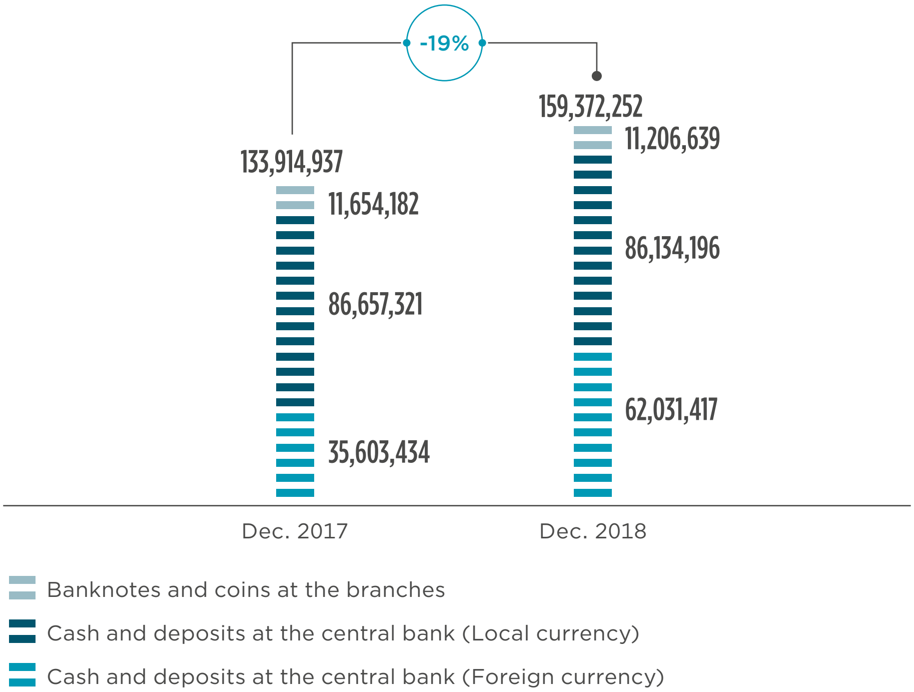


a) Cash and deposits at central banks

This caption includes banknotes and coins in branches, ATM notes, cash and deposits at the central bank and self-banking (deposit machines). Cash and cash equivalents grew by 19% in the period, influenced by the exchange rate effect, and cash and cash equivalents in local currency suffered a slight decrease as a result of:

- The Bank's participation in auctions (ATLANTICO acquired around EUR 806 million in 2018, with a market share of 7%);
- Reimbursement in Money Market transactions.

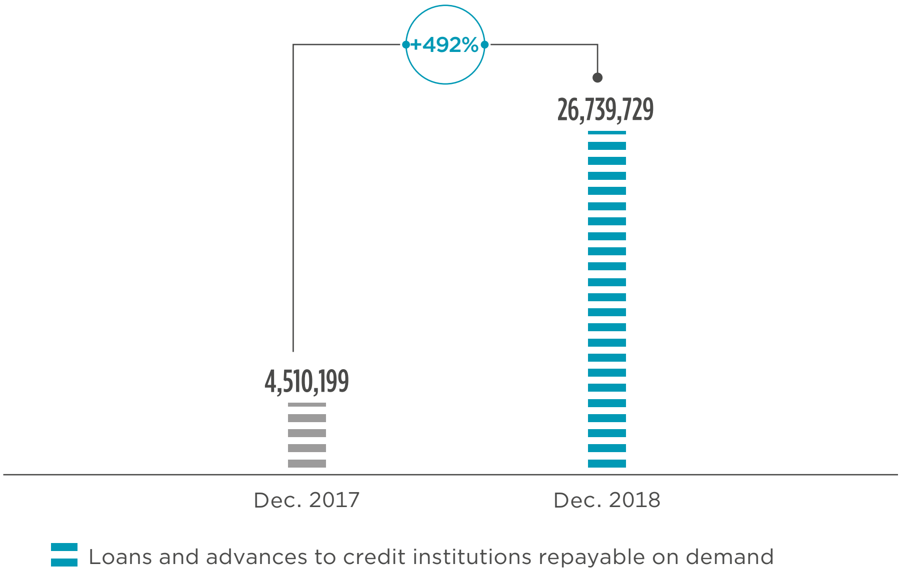
Cash and deposits at central banks (AOA thousand)



b) Loans and advances to credit institutions repayable on demand

The implementation of new rules in the exchange market allowed an improvement in the provision of foreign currency by Angola Central Bank (BNA – Banco Nacional de Angola) to meet the settlement of letters of credit, transfer operations and foreign exchange repos. This situation, coupled with the operating model for the opening of letters of credit, has allowed the Bank to strengthen collaterals with our banking correspondents. Accordingly, in 2018, cash and cash equivalents abroad grew by 492%.

Loans and advances to credit institutions repayable on demand (AOA thousand)

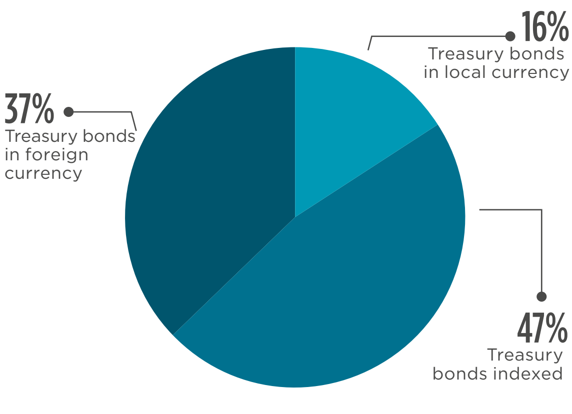


c) Securities

ATLANTICO's securities portfolio gained ground in the Bank's asset structure. In the course of 2018, this pool of assets became the largest caption of funds applications, outweighing credit. The Bank's securities portfolio is essentially comprised of treasury bonds in foreign currency, treasury bonds indexed to foreign currency and non-convertible treasury bonds. This structure results from a protection strategy of the Bank against exchange depreciation.

With respect to typology and currency, about 84% of the securities are denominated in foreign currency or indexed to the foreign currency.

Transfer of securities per currency



In 2018, the total volume of securities in the portfolio increased by about AOA 184,870 million.

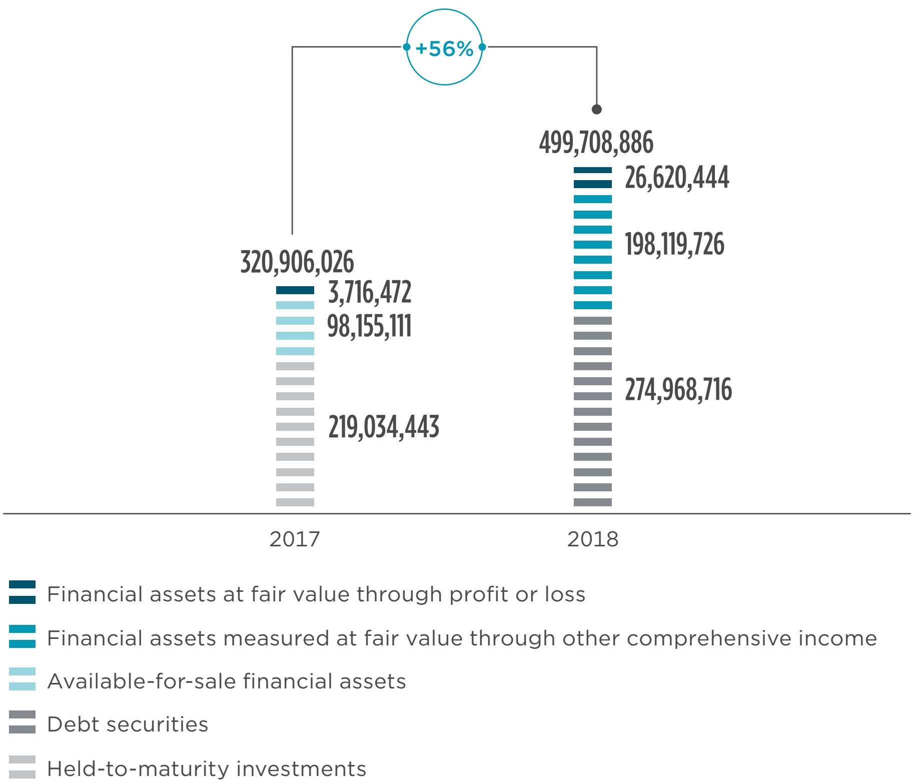
In 2018, pursuant to the new rules on exposure and foreign exchange position, we witnessed transactions with a national counterparty which consisted in the reduction of securities indexed to the US dollar and an increase in USD-denominated securities of about USD 65 million, changing the currency structure of these assets and improving the foreign exchange position and the potential for receiving maturities in US dollars.

Following the adoption of IFRS 9, the presentation of Securities has been changed. These assets shall now be classified into three categories and measurement criteria whose classification depends on the contractual cash flows and related business model. The criteria is to assess whether cash flows relate solely to the payment of principal and interest (SPPI).

Accordingly, the new categories are:
- Financial assets at fair value through profit or loss;
- Financial assets measured at fair value through other comprehensive income;
- Financial assets measured at amortized cost.

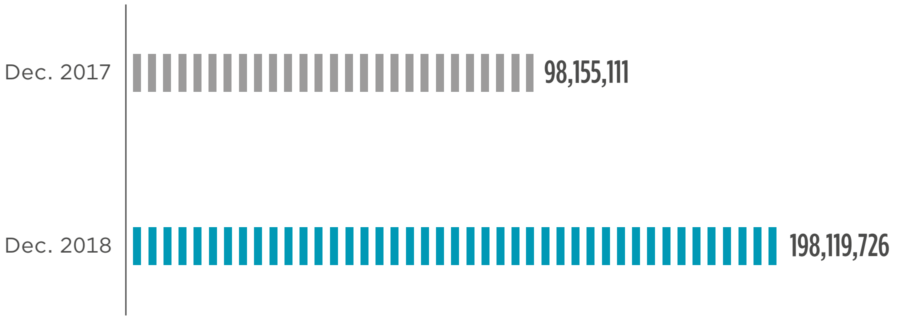
Based on the aforementioned classification, the total volume of securities in the portfolio increased by about AOA 184,870 million in 2018, reflecting a 56% positive variation against 2017, which can be fully explained by the exchange rate effect.

Securities (AOA thousand)



i. Financial assets measured at fair value through other comprehensive income
This caption includes all assets whose purpose is to hold them on the balance sheet and to benefit from the cash flows, either by their sale or by contractual flows. Available-for-sale financial assets increased by 102%, from AOA 98,155 million to AOA 198,191 million, 37% justified by the reclassification resulting from the adoption of IFRS 9 and the remainder justified by the exchange rate developments.

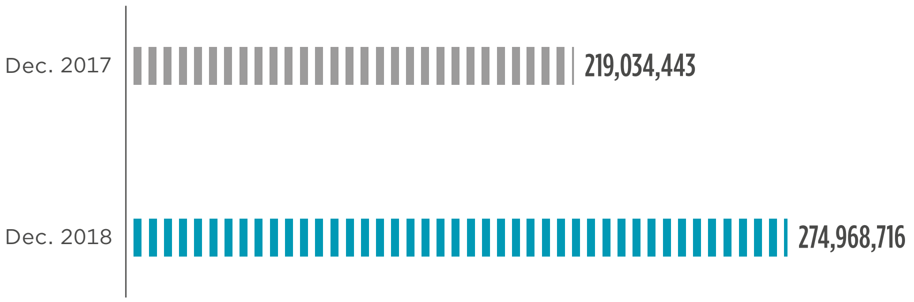
Financial assets measured at fair value through other comprehensive income
(AOA thousand)



ii. Financial assets at amortized cost – Debt instruments
Non-derivative financial assets are recognized under this caption, with fixed or determinable payments and fixed maturity, for which the Bank expects to receive contractual cash flows and hold it to maturity.

During 2018, Debt instruments recorded an increase of AOA 55,934 million, enhanced by Bonds indexed to the US dollar and Bonds issued in foreign currency, influenced by the exchange rate devaluation. In 2018, the Financial assets held to maturity amounted to AOA 274,969 million, and AOA 51 billion was reclassified to other categories under IFRS 9.

Financial assets at amortized cost – Debt securities
(AOA thousand)



+616%

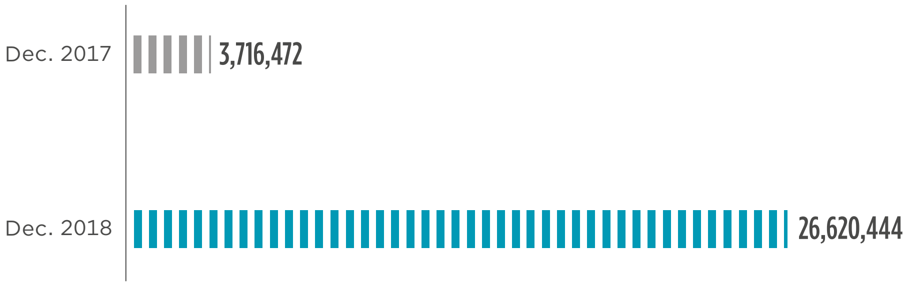
Increase of financial assets at fair value through profit or loss

iii. Financial assets at fair value through profit or loss

This category includes financial assets held for trading acquired for the ultimate purpose of trading in the short term or held as part of a portfolio of assets, usually securities, for which there is evidence of recent activities leading to short-term gains and financial assets and liabilities designated at fair value on their initial recognition.

At the end of 2018, financial assets at fair value through profit or loss amounted to AOA 26,620 million, an increase of 616% compared to 2017. This caption, mainly represented by securities, was primarily explained by derivatives (hedging forwards).

Financial assets at fair value through profit or loss (AOA thousand)



d) Loans and advances to customers

Developments in credit in 2018 was approximately 17%, that is an increase of about AOA 75,119 million. ATLANTICO was always of the opinion that the granting of credit was the core basis of its business activity and is therefore one of the main financial institutions in supporting the economy and families. In 2018, the loan portfolio amounted to AOA 513,889 million. The exchange rate impact also had a strong representation in this caption, with depreciation accounting for 96% of the total variation. The quality of the portfolio decreased slightly, which entailed an increase in impairment levels (94% over the same period last year). As to the increase in impairment, it should be noted that the application of IFRS 9 implied changes in the impairment measurement model, and the increase of AOA 41,012 million is broken down into different effects, such as:

- Transition adjustment from IAS 39 to IFRS 9, in the amount of AOA 5,208 million;
- Exchange effect in the amount of AOA 10,244 million;
- Increase in impairment due to credit deterioration in the amount of AOA 25,560 million.

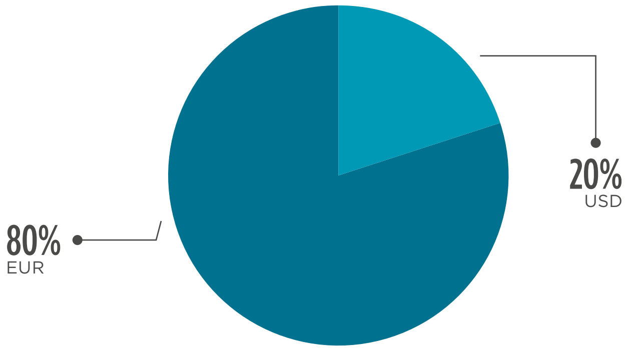
Regarding credit by currency typology, the loan portfolio is set on 75% in national currency, in line with BNA's policy that guides financial institutions to grant credit in national currency, and 25% in foreign currency represented by contracts traded in prior periods.

e) Other loans and advances to credit institutions

The amount recorded in 2018 is largely the result of foreign currency investments to collateralization with correspondent banks for issuing letters of credit (CDI).

At the end of 2018, liquidity investments were estimated AOA 13,312 million, representing a 57% decrease compared to 2017. This reduction is associated with the release of collaterals for amortization of letters of credit. The following chart highlights the distribution of these assets by currency.

Other loans and advances to credit institutions
(AOA thousand)



f) Property, plant and equipment and Intangible assets

Property, plant and equipment increased by 6% compared to 2017, due mainly to the development of tangible and intangible assets with a growth of 5% and 8%, respectively.

In 2018, ATLANTICO invested approximately AOA 7,104 million in automatic data-processing systems meeting the Bank's commitment to improve current systems and restructuring IT systems. On the other hand, in line with the digital transformation process, ATLANTICO invested AOA 1,011 million in equipment, which also contributed to the increase in this caption.

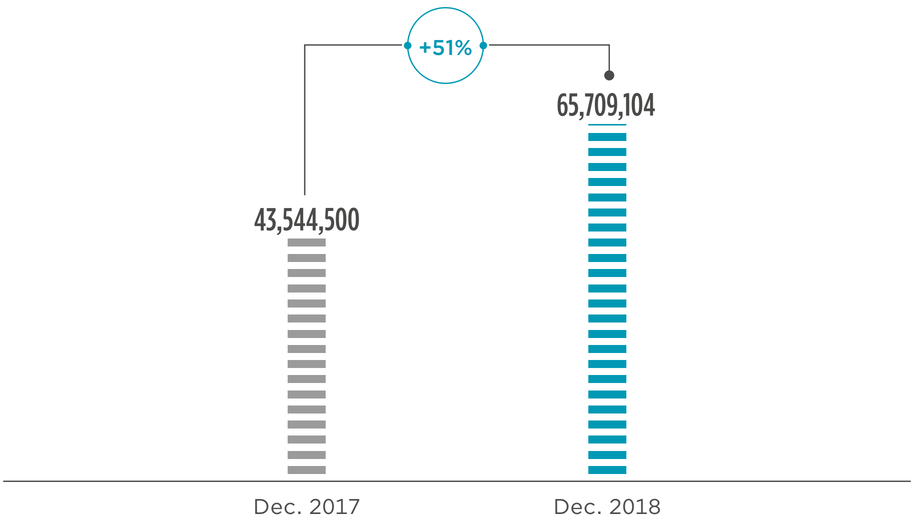
Property, plant and equipment and intangible assets (AOA thousand)

	Dec. 18	Dec. 17
Property, plant and equipment	65,709,104	62,746,419
Intangible assets	32,625,573	30,204,743
Total	98,334,677	92,951,162

g) Non-current assets held for sale

This caption is represented by real estate properties not allocated to the Bank's current operating activities. These are mainly properties received as payment and discontinued branches, available for sale. Compared to 2017, Non-current assets held for sale recorded an increase in the amount of AOA 65,790 million (51%). Notwithstanding the successful sale of some of these assets in 2018, this increase refers essentially to new assets received as payment on the recovery of a set of loans.

Non-current assets held for sale (AOA thousand)

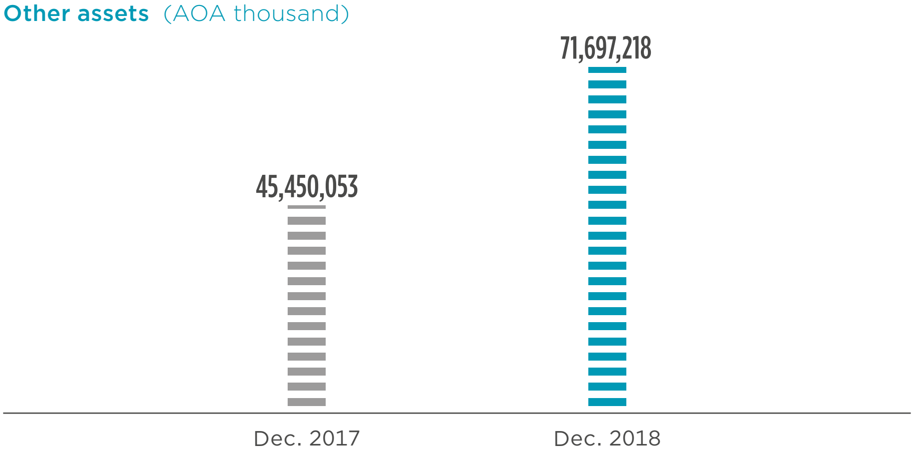


h) Other assets

Other assets contain equity elements related to receivables within the execution of preliminary sale-purchase contract agreements of assets received as a payment and advance payments made on ongoing projects.

Given that part of these contracts is denominated in foreign currency, the growth is essentially explained by the exchange variation.

Other assets (AOA thousand)



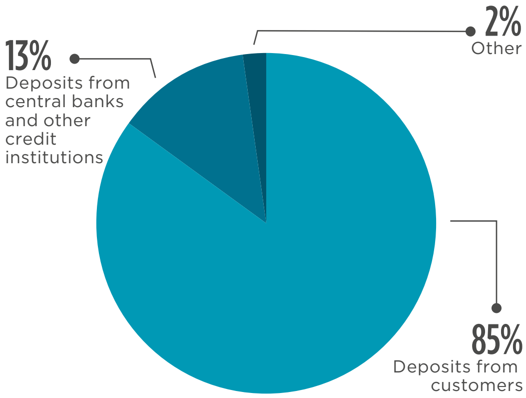
5.4.1.2. Liabilities structure

ATLANTICO's Liabilities increased 30% in 2018, which corresponds to an absolute increase of AOA 282,610 million when compared to 2017. This increase is boosted by the positive performance of Deposits from customers and Deposits from other credit institutions.

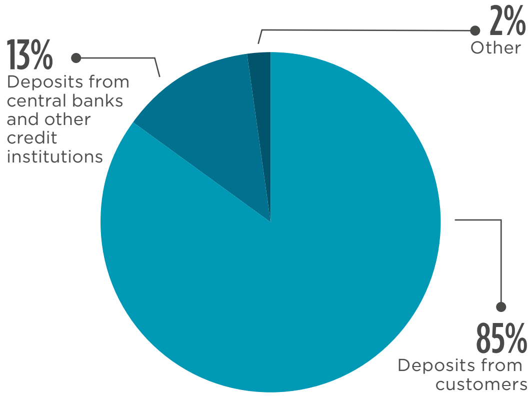
Regarding the Liabilities structure, Customer deposits are the main source of financing for the activity, representing about 85% of the Liabilities in 2018, in line with the 2017 structure. With respect to Deposits from central banks and other credit institutions, a significant increase of 1 p.p. was recorded against 2017, representing an absolute increase of AOA 42,873 million.

Liabilities structure

2017



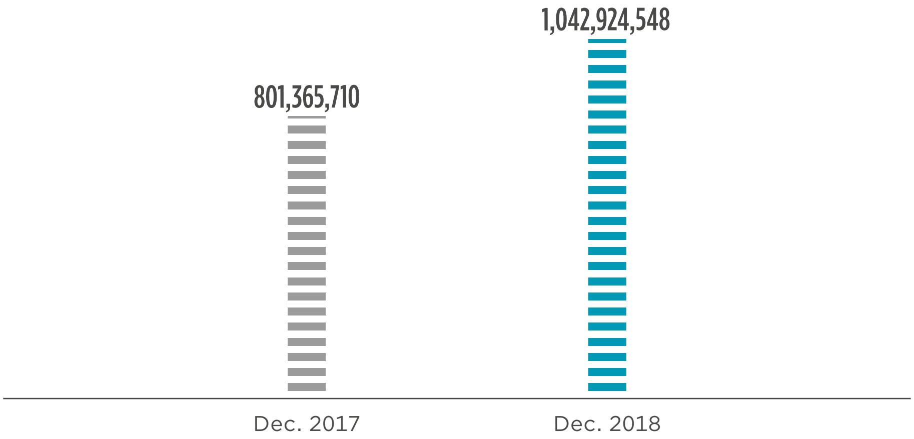
2018



a) Resources from customers and other loans

Despite the restrictive framework adopted by the monetary policy and the cross-border impact on the financial system, ATLANTICO's deposit portfolio shows a nominal growth of 30%, largely justified by the exchange rate depreciation in the year and by the commercial effort to further increase investment. This increase is valued as an atypical year characterized by the pressure on treasury to support volumes of national and international transfer transactions in line with the new exchange market mechanisms. Also, in 2018, the Angola Central Bank issued a set of Instructives and Notices on the functioning of the payment system, with emphasis being placed on Instructive no. 4/18 of 21 February, which guides banks to comply with payment deadlines, subject to pecuniary and administrative penalties.

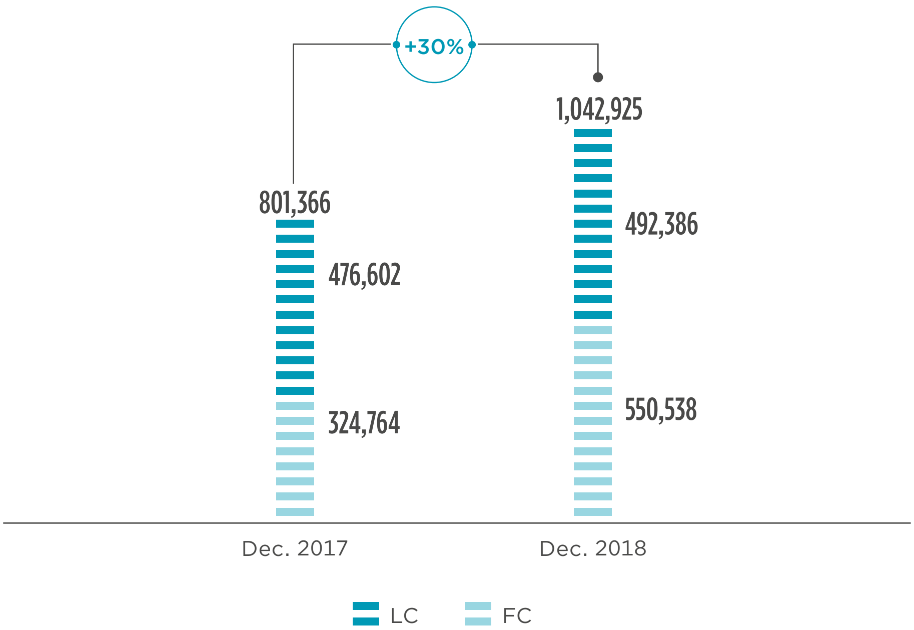
Deposits from customers (AOA thousand)



Performing an analysis to deposits by currency typology, there is a positive development in national currency in the amount of AOA 15,783 million, explained by the business performance in the commercial areas.

Foreign currency deposits recorded a negative variation of about USD 173 million, the equivalent to AOA 53,499 million. This decrease is related with the reduction of the foreign exchange backlog of foreign operations and settlement of letters of credit.

Development of deposits by currency (AOA million)



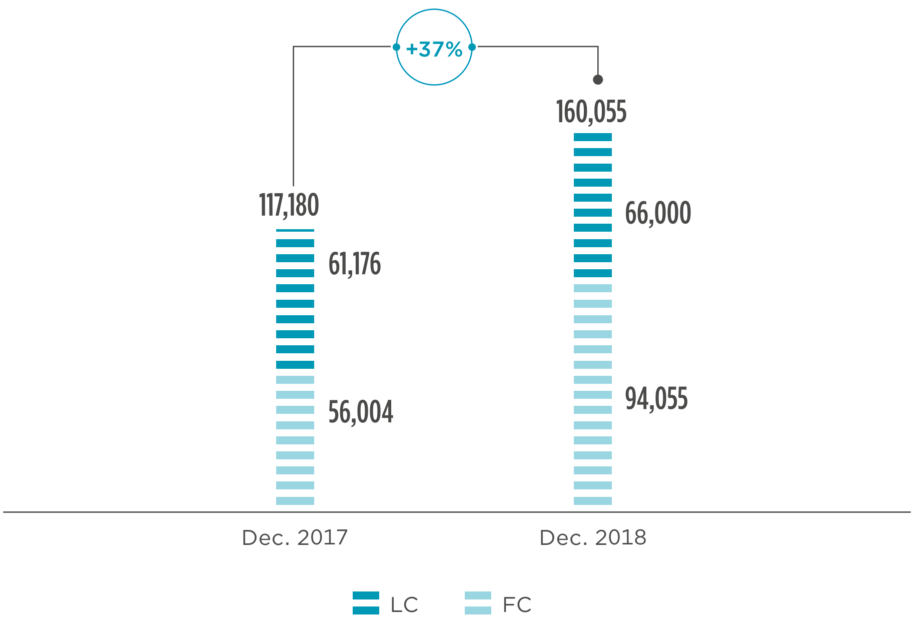
In foreign exchange terms, despite the reduction in foreign currency deposits, the depreciation of the kwanza increased the value of the deposits in the portfolio. ATLANTICO has a strong weight of deposits in USD, which have been increased through the effect of the exchange rate, which explains 95% of the increase of the year.

From the total portfolio resources at the end of the year, 59% were applied resulting in an increase of 3 p.p. compared to 2017.

b) Deposits from central banks and other credit institutions

In nominal terms, Deposits from central banks and other credit institutions recorded a 37% increase over the previous year. This increase is related with the exchange rate effect of the short-term financing lines agreed with foreign counterparties.

Deposits from central banks and other credit institutions
(AOA million)



5.4.1.3. Equity

Equity amounted to AOA 6.5 billion, recording a 5% increase. Equity is a key indicator of banks' balance soundness, with an impact on their solvency. From the regulatory perspective, there was also the positive progress of regulatory own funds, which translated into a significant increase in the Capital adequacy ratio from 12.1% to 15.9% in 2018.

5.4.2. Income statement

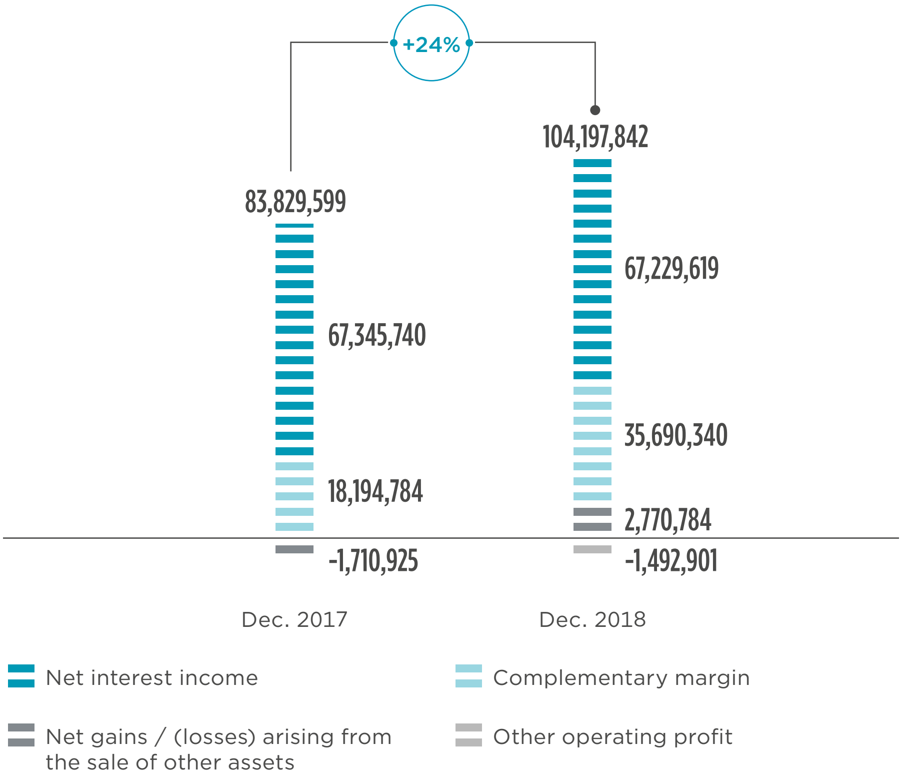
Income Statement as at 31 December 2018 and 2017 (AOA thousand)

	Dec. 18	Dez. 17	Δ abs.	Δ %
Interest and similar income	118,452,965	93,261,325	25,191,640	27%
Interest and similar expense	(51,223,346)	25,915,585	(25,307,761)	98%
Net interest income	67,229,619	67,345,740	(116,121)	0%
Gains from fees and commissions income	21,250,115	13,947,733	7,302,382	52%
Losses from fees and commissions income	(610,385)	(288,880)	(321,505)	111%
Net gains / (losses) from fees and commissions income	20,639,730	13,658,853	6,980,877	51%
Net gains / (losses) from other financial assets and liabilities at fair value through profit or loss	(1,134,897)	410,851	(1,545,749)	-376%
Net gains from financial operations	2,729,250	527,659	2,201,591	417%
Net gains / (losses) from foreign exchange	13,456,258	3,597,421	9,858,837	274%
Net gains / (losses) from financial operations	15,050,611	4,535,931	10,514,679	232%
Staff costs	(22,481,591)	(19,802,642)	(2,678,949)	14%
General and Administrative Costs	(16,946,248)	(15,380,777)	(1,565,471)	10%
Amortizations and depreciations	(4,608,577)	(4,358,686)	(249,891)	6%
Profit / (loss) from the sale of other assets	2,770,784	-	2,770,784	100%
Provisions net of reversals	(9,106,581)	(1,436,630)	(7,669,951)	534%
Impairment for loans and advances to customers net of reversals and recoveries	(24,548,370	(17,005,808)	(7,542,562)	44%
Impairment for financial assets through other comprehensive income	(200,240)	-	(200,240)	100%
Other operating income	(1,492,901)	(1,710,925)	218,024	-13%
Profit / (loss) before tax from continuing operations	26,306,235	25,845,056	461,179	2%
Income Tax	918,852	(2,016,556)	2,935,408	-146%
Current	819,529	(1,916,955)	2,736,484	-143%
Deferred	99,323	(99,601)	198,924	-200%
Net income / (loss)	27,225,087	23,828,500	3,396,587	14%

5.4.2.1. Net operating income

Compared to 2017, net operating income stood at AOA 104,198 million, representing an increase of AOA 20,368 million (+24%), sustained by the excellent performance of the complementary Margin.

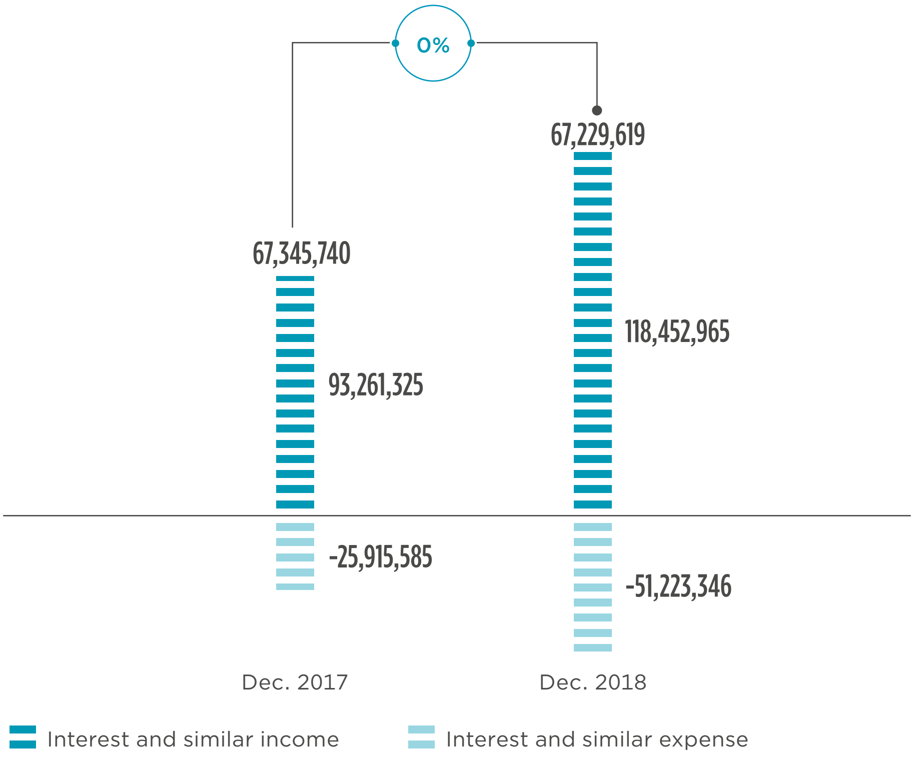
Net operating income (AOA thousand)



a) Net interest income

In 2018, Net interest income had a slight growth, remaining at AOA 67 billion, similar to that of 2017. The development in Net interest income results from the increase in interest and similar income (27%) that was offset by the significant increase (98%) in Interest and similar charges, resulting from the remuneration of deposits and taken at the Interbank Money Market (IMM).

Net interest income (AOA thousand)



Interest on loans to Customers amounted to AOA 82,445 million (+13%), a less significant increase when compared to the previous year (+29%). This increase is explained by 5.8% by the exchange rate effect and by 6.3% by the increase in interest rates, especially in national currency.

Interest and similar income (AOA thousand)

	Dec. 18	Dec. 17	Δ %
Loans	82,445,042	73,231,588	13%
Securities	35,665,300	19,824,868	80%
Investments	342,623	204,869	67%
Interest received	118,452,965	93,261,325	27%

Interest on securities contributed 63% to the increase in the Net interest income, from AOA 19,825 million in 2017 to AOA 35,665 million in 2018, due to the increase in investment in treasury bonds and the significant exchange rate effect.

Funding interest amounted to AOA 16,872 million, representing an increase of AOA 10,835 million.

Interest on deposits amounted to AOA 35,140 million, 73% above the value recorded in the same period last year (AOA 19,878 million).

The change in deposit interest at AOA 14,473 million was due to the strengthening of the national currency deposit portfolio (AOA 12,743 million) and, on the other hand, the impact of the exchange variation (AOA 2,891 million).

Funding interest amounted to AOA 16,872 million, representing an increase of AOA 10,835 million. This significant increase is related with the increase in the rate of remuneration and the increase in the volume of funds raised in national currency.

Interest and similar expense (AOA thousand)

	Dec. 18	Dec. 17	∆ %
Resources from customers and other loans	34,351,133	19,878,483	73%
Funds	6,037,102	16,872,213	-64%
Total	40,388,235	36,750,696	10%

b) Complementary Margin

The complementary Margin amounted to AOA 36,968 million representing an increase of AOA 20,484 million compared to 2017, of which 56% was explained by Fees and Commissions and 41% explained by the Net gains / (losses) from financial operations.

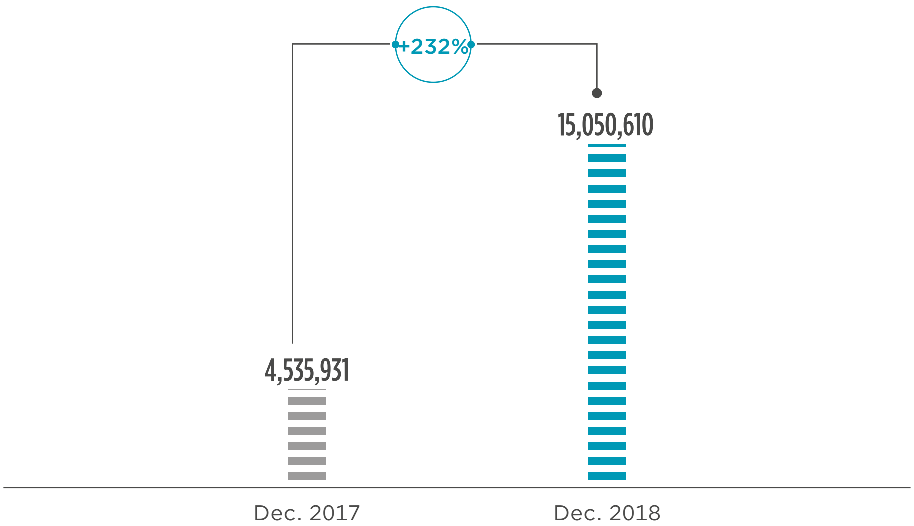
Complementary Margin (AOA thousand)

	Dec. 18	Dec. 17	∆ abs.	∆ %
Net gains/(losses) from fees and commissions income	20,639,730	13,658,853	6,980,877	51%
Net gains/(losses) from financing activities	15,050,610	4,535,931	10,514,679	232%
Net gains/(losses) from the sale of other assets	2,770,784	(1,710,925)	4,481,709	0%
Other operating income	(1,492,901)	-	(1,492,901)	0%
Complementary margin	36,968,223	16,483,859	20,484,364	124%

i. Net gains / (losses) from financial operations

In 2018, Net gains / (losses) from financial activities reached an amount of AOA 15,050 million. This caption recorded an increase of AOA 10,515 million resulting from the significant increase in revaluation results of assets and liabilities in foreign currency.

Net gains / (losses) arising from financing activities (AOA thousand)

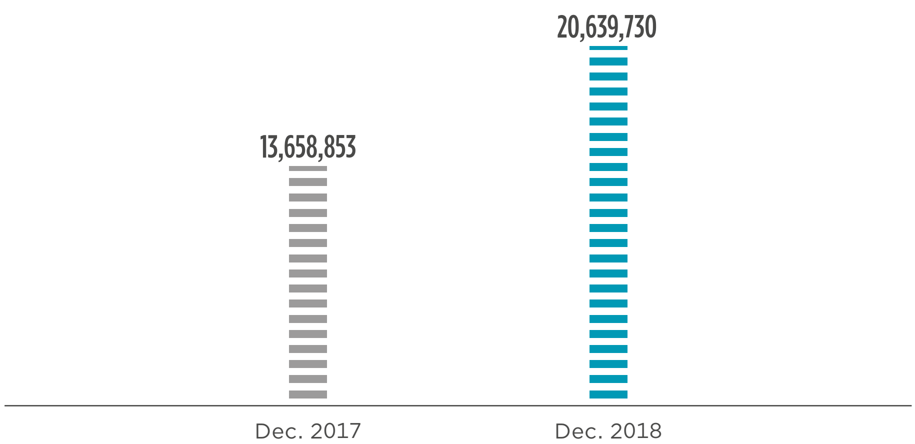


ii. Net gains/(losses) from fees and commissions income

Commissions amounted to AOA 20,639 thousand, representing a 51% growth (AOA 6,981 million) compared to the same period last year, mainly as a result of the increase in the following commissions:

- Letters of credit: AOA 2,440 million;
- Transfers: AOA 1.864 million;
- Collaterals: AOA 1.826 million.

Net gains/(losses) arising from fees and commissions (AOA thousand)

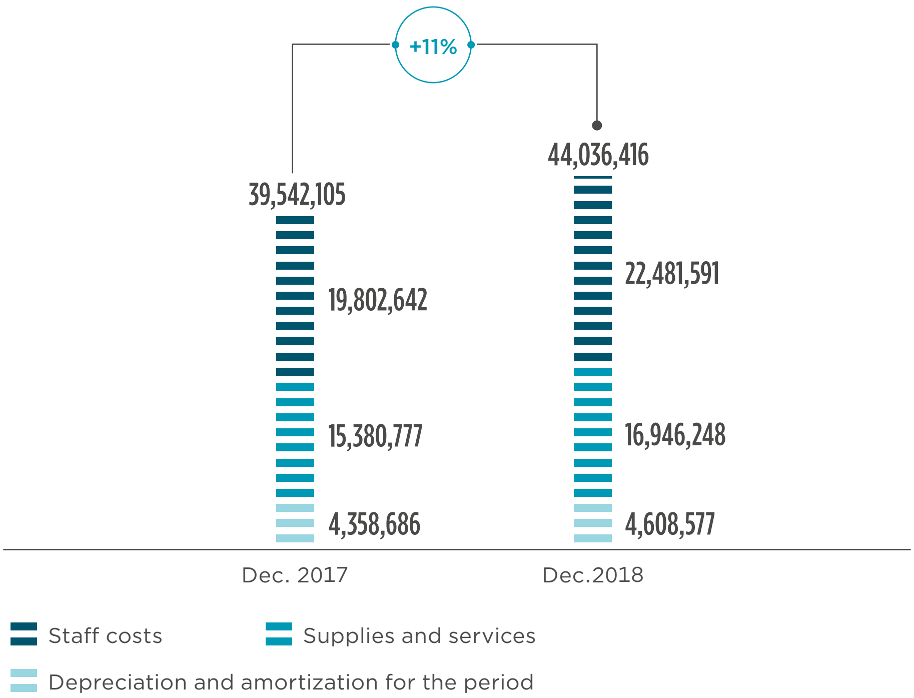


5.4.2.2. Operating costs

Operating costs reached AOA 44,036 million in 2018. This is an 11% increase compared to 2017 (+AOA 4,494 million), directly related to the increase in staff costs as it represented 51% of operating costs.

General and Administrative Costs were the second driving force behind these increases, representing 10% of Operating Costs.

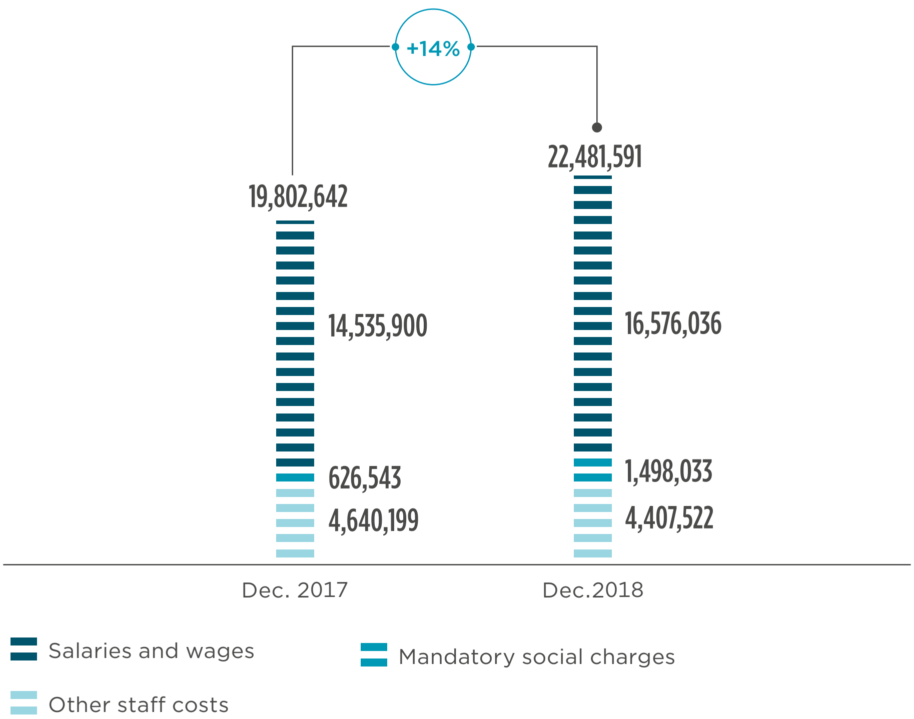
Operating costs (AOA thousand)



a) Staff costs

With an absolute growth of AOA 2,679 million in 2018, Staff costs were mainly boosted by the salary adjustment that resulted from the increase in optional charges, such as health insurance and performance bonuses. In addition to these factors, there is also a component of Staff costs indexed to foreign currency, which was also impacted by the currency depreciation that occurred.

Staff costs (AOA thousand)



b) General and Administrative Costs

In 2018, the costs with third-party supplies and services amounted to AOA 16,946 million, AOA 1,565 million (+ 10%) above the same period last year, mainly due to the increase in advisory and auditing fees in the amount of AOA 1,053 million and also rents and leases in the amount of AOA 507 million.

The exchange rate effect is one of the main drivers of the increase in these costs, since many of the advisory services are agreed in foreign currency.

The increase in costs for rents and leases (AOA 507 million) was mainly due to real estate costs whose leasing contracts are still indexed to foreign currency.

c) Depreciation and amortization

Amortization costs amounted to AOA 4,609 million, an increase of 6% over 2017. This growth reflects the investments made in the modernization of the Bank's technology park and other equipment in line with the transformation plan of ATLANTICO.

5.4.2.3. Impairment and provisions

In January 2018, IFRS 9 - Financial Instruments entered into force, replacing IAS 39 - Financial Instruments. This standard establishes new rules for the recognition of financial instruments and introduces significant changes, especially in terms of methodology for calculating impairment and regulatory capital. As a result, provisions and impairments reached a total amount of AOA 33,654 million, highlighting an increase of AOA 15,212 million (82%) compared to the same period of 2017.

The Balance Sheet and Income Statement show and increase in impairment which can be explained by the following effects:

Impairment and provisions (AOA thousand))

Increase in impairment for 2018	41,012
Transition adjustment	5,208
Exchange rate effect	10,244
Charge for the period	25,560

5.4.2.4. Income / (loss) for the period

In 2018, Net income/ (loss) reached AOA 27,225 million, an increase of 14% compared to the same period of the previous year. To this positive performance, we highlight the contribution of the complementary margin, which grew by 111% over the previous year, benefiting from a greater dynamic in terms of commissioning, foreign exchange results and disposal of assets against a background where net interest income did not evolve over 2017. In addition, it is important to mention that the strong increase in impairment and provisions as a consequence of the less favorable economic conditions experienced by companies and an increase in operating costs of 11%, influenced by the devaluation and inflation environment of 18%.

5.5. Proposal for application of profits

The proposal for application of the 2018 profits, in the amount of AOA 27,225 million, is as follows:

- Legal reserve (10%), under the terms of current legislation, in the amount of AOA 2,723 million;
- Retained earnings (90%) in the amount of AOA 24,502 million.