



# Message

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Joint message from the  
Chairman and the CEO

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## Joint message from the Chairman and the CEO

ATLANTICO 2019

**António Assis de Almeida**  
Chairman of the Board of Directors

ATLANTICO 2019

**Daniel Santos**  
Chief Executive Officer



### Dears Clients, Stakeholders and Colleagues,

Banks play an essential role in the economy and in creating prosperity. A role that we understand is beyond financial leveraging and intermediation. At ATLANTICO, we take this responsibility and work to make it happen. Similarly, the economy plays a central role in the banking industry. It is directly reflected in the life of banks, as it also happens in the lives of families and companies in general.

Accordingly, we would like to begin this message by highlighting the main events that took place in 2019 with an impact on the international and national economy, and on the lives of families and companies, and in banking.

The trade war between the United States and China was one of the most significant events of the year that had been going on since 2018 and was caused by trade deficit between the two countries, which was largely favourable to China. Given the time involved in the negotiations, some international agencies have revised downwards the growth of the world economy. An agreement was finally reached in December.

Another significant event related to the trade war was the reversal of the U.S. yield curve associated with fear of an international recession. This had an impact on long-term U.S. debt securities, which began to be traded at lower interest rates than short-term debt.

In October 2019, and three years after the referendum, the United Kingdom and the European Union finally agreed on the terms of BREXIT, which took place on 31 January 2020. This was a major event for the European Union and the United Kingdom – EU's first withdrawal since its inception.

In the Middle East, the inflammatory rhetoric between Iran and Israel, and Iran and Saudi Arabia, has fuelled fears of military escalation in the region. These events, associated with the cut in crude oil production by the OPEC countries, allowed production to be maintained at acceptable levels. Although, at the end of 2019, the price of oil fell to historical levels.

In Angola, the Central Bank released, in April, Notice 4/20 allowing banks to discount mandatory reserves against financing key sectors of the economy, promoting, this way, financing for the diversification of the economy. Around October, the Central Bank moved from a foreign exchange rate fluctuation bands policy to a free-floating policy. 2019 was also marked by the decrease in international reserves, maintaining, however, acceptable levels.

The currency depreciated due to pressure on the Kwanza and fell more than expected. In addition, restrictive measures were introduced in order to reduce the money supply in circulation, such as an additional 5 p.p. increase in mandatory reserves requirements. GDP declined mainly as a result of the 6.9% drop in oil extraction compared to the same period of the previous year.



Meanwhile, in August, the Angolan Government's commitment to the privatization program was also reaffirmed, with the publication of an ambitious list of 195 companies and share holding positions to be placed on the market.

In the sphere of ATLANTICO, we remain focused on the consolidation of the Strategic Plan "ATLANTICO 2.1", under the motto "Different for the Customer". We have made a strong investment on the improvement of our Customers experience, using digital solutions that allow remote banking operations to the scale of our more than 1.8 million Customers. We operated the soundness and upgrade of our technological platform providing it greater capacity, scalability and high availability. We launched the 100% digital account opening process.

Also in 2019, we made the soft launch of a platform for banking transactions on feature phones (\*400#) in order to simplify and bank the low-income sectors through a pilot with relevant membership rates.

Additionally, and also within the modernisation and digitalisation of banking services, we have consolidated the Direct deposits solution through the nationwide launch of more than thirty deposit machines, available 24/7 (ATLANTICO 24 hours) in 1/3 of our network, reaching 3,245 direct deposits per day, in a strong commitment with self-banking.

Despite the major challenges of a changing and contracting economy, the Bank closed 2019 with a net income of AOA 30.5 billion, a 12% increase when compared to 2018, a 23% Return on equity (ROE) and a 47% recurring Cost-to-income (CTI).

In 2019, ATLANTICO maintained a leading position in corporate and household financing and social investment. The Bank's Asset Quality Assessment (AQA) was successfully completed and we closed the year with a Regulatory solvency ratio (RSR) of 14.5%.

In terms of Governance and Internal Control System, the Bank has focused on balance sheet risk management and on strengthening tools and processes to fight money laundering (AML) and terrorist financing (TF).

In 2019, ATLANTICO strengthened its relations with international counterparties, with emphasis on the contracting of financing lines with

Commerzbank and International Finance Corporation. These financing lines allow us to provide more financial solutions to our Customers, in particular SME and women, supporting the economy's diversification process.

In 2020, our mission is to maximise the investment made in the improvement of technology for the benefit of the business, materializing, thus, ATLANTICO 2.1's central challenge of being an Universal Bank with a Digital base.

We would like to thank our Customers for the trust placed in us. As always, we will do everything we can to remain worthy of it.

The Board of Directors and the Executive Committee of ATLANTICO also express their gratitude to ATLANTICO's Stakeholders and Shareholders.

We would like to address our respect and esteem to our People, the most valuable asset of any organisation and the reason underlying any human enterprise. To all Employees and Leaders of ATLANTICO our warmest thanks for their devotion, professionalism and commitment in transforming the Bank in an era of great challenges, where change is the only constant.

We continued to invest in preparing our Employees for the challenges of the future, investing in their continuous training, a commitment we maintain for 2020.

Despite the challenges and adversities of a changing economy, in a restrictive context, in 2019, ATLANTICO made significant deliveries in terms of its transformation and business. We will continue to honour the trust of Customers and the market, contributing to the creation of value.

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## ATLANTICO, Different for the Customer. Towards 2.1