



**MANAGEMENT'S DISCUSSION  
AND ANALYSIS OF OUR  
FINANCIAL CONDITION AND  
RESULTS OF OPERATIONS  
AS OF SEPTEMBER 30, 2025**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion of our financial position and results of operations should be read in conjunction with our consolidated financial statements and other financial information related to this. Our consolidated financial statements have been prepared in accordance with Honduran banking GAAP. Our future results may vary materially from those discussed in this document due to several factors that affect our business.

### **Overview**

We are one of the largest financial services groups in Honduras and, through our subsidiaries, we offer a wide range of corporate and retail banking, insurance, pension fund management and other financial services to more than 4.8 million clients as of September 30, 2025. We were recognized as a Financial Group by the National Banking and Insurance Commission (CNBS by its acronym in Spanish) in 2012 and our main subsidiary, Banco Atlántida, was founded in 1913. We believe that our businesses benefit from important synergies of being part of a Financial Group.

Our businesses are mainly focused on three segments: (i) banks, through our subsidiaries Banco Atlántida, one of the largest banks in Honduras based on total assets as of September 30, 2025, according to data from the CNBS, Banco Atlántida El Salvador, Banco Atlántida Nicaragua, Pacific Bank in Panama, Banco Atlántida Ecuador in Ecuador and Atlantic Bank in Belize, the last one was incorporated in September 2025 (ii) insurance, through our subsidiaries Seguros Atlántida, one of the largest insurance providers in Honduras based on total assets as of September 30, 2025, according to data from CNBS; Atlántida Vida, Seguros de Personas and Seguros Atlántida El Salvador in El Salvador; Seguros Atlántida Ecuador in Ecuador and Atlantic Insurance in Belize (iii) pension fund management, through our subsidiary AFP Atlántida, the largest private pension fund manager in Honduras based on assets under management as of September 30, 2025, according to data published by our competitors, and AFP Confia, El Salvador's largest private pension fund manager based on assets under management, as of September 30, 2025, according to data from the Superintendence of the Financial System of El Salvador.

Our operations in Honduras include Banco Atlántida, Seguros Atlántida and AFP Atlántida, these entities are among the most profitable entities in the Honduran banking, insurance and pension fund management industries, according to CNBS data. As of September 30, 2025, and 2024, Banco Atlántida had a net income of L718,614 thousand and L1,157,072 thousand and a ROAE of 7.1% and 10.6%; Seguros Atlántida had a net profit of L 268,605 thousand and L 137,991 thousand and a ROAE of 25.9% and 14.6% and AFP Atlántida had a net profit of L 197,451 thousand and L168,347 thousand and a ROAE of 29.9% and 26.4%, respectively. Banco Atlántida occupies a prominent position in the local market in terms of total assets, loans and interest receivable and deposits, with market shares of 20.3%, 21.0% and 21.9%, respectively, as of September 30, 2025, according to data from the CNBS. Seguros Atlántida is one of the largest insurers in terms of gross written premiums, with a market share of 15.1% and 14.1% as of September 30, 2025, and 2024, respectively, according to CNBS data. AFP Atlántida is the largest private pension fund manager in Honduras with a 60.4% market share in terms of assets under management as of September 30, 2025.

The Group has one of the largest banking distribution networks in Honduras. As of September 30, 2025, we had 5,793 service points in Honduras, which together with our insurance distribution network and other operations in Honduras, El Salvador, Nicaragua, Panama, Ecuador and Belize added 6,431 service points as follows:

- 382 branches (179 agencies, 90 teller windows embedded within corporate client offices, 27 drive through and 86 branches related to the other business lines of the Group).
- 1,526 ATMs (559 proprietary ATMs and 967 third-party network ATMs) and
- 4,523 non-correspondent banking agents.

As of September 30, 2025, and 2024, Banco Atlántida El Salvador had net income of L136,727 thousand and L14,158 thousand and an ROAE of 5.5% and 3.5%, respectively. Banco Atlántida El Salvador's market share of 5.1%, 5.3% and 5.1%, in total assets, loans and deposits, respectively, as of September 30, 2025, according to SSF data. As of April 30, 2023, AFP CONFIA had a 51.2% market share in terms of total assets under management and 48.0% in terms of total number of clients according to SSF data. Furthermore, we have three small operations in Nicaragua (Banco Atlántida Nicaragua), Panama (Pacific Bank) and Ecuador (Banco Atlántida) and Atlantic Bank in Belize as a new incorporation.

### **Effects of changes in interest rates**

Changes in interest rates often affect, among others, the following areas of our business:

- financial margin.
- volume of loans originated.
- market value of our financial assets; and
- gains or losses from sales of loans and securities.

Increases in short-term interest rates can reduce our financial margin, which comprises most of our income. A significant portion of our subsidiaries' assets, including loans, are long-term assets. In contrast, most deposits are short-term deposits. When interest rates increase, Banco Atlántida and the other Banking Subsidiaries must pay higher interest on deposits, while accrued interest on assets does not increase as rapidly. This can cause a decrease in profits. Interest rate increases could result in adverse changes in our financial margin, thus reducing our growth rate or even resulting in decreases compared to previous periods.

Increases in interest rates can reduce the value of our financial assets. The Company owns a substantial portfolio of loans and debt securities that have both fixed and variable interest rates. The market value of security with a fixed interest rate generally decreases when prevailing interest rates increase. This may have an adverse effect on our earnings and financial condition. In addition, we may incur costs (which, in turn, could affect our results) as our subsidiaries implement strategies to reduce and mitigate future exposure to interest rates. The market value of an obligation with a variable interest rate may be adversely affected when interest rates increase due to a delay in the application of price change terms.

The assets and liabilities have been classified by Banco Atlántida’s domicile as domestic (operations in Honduras) or foreign (operations outside Honduras) and by currency denomination (*lempiras* or United States Dollar (USD)). Domestic operations include *lempiras* (local currency of our operations in Honduras) and USD-denominated assets and liabilities. Foreign operations include assets and liabilities denominated in USD. USD have been translated to *lempiras* using the exchange rate published by the Central Bank on the relevant dates. For more information, see “Exchange Rates” For the purposes of this section, U.S. dollar-denominated assets and liabilities include: (i) domestic USD, which includes all transactions conducted in Honduras or on behalf of Honduran residents in USD, and (ii) foreign USD, which includes all transactions conducted with entities outside of Honduras, such as multilateral banks and correspondents.

## Asset and Liability Rates

Given that 74.3% of our consolidated interest income for the year ended September 30, 2025, comes from Banco Atlántida, our analysis is focused on the behavior of Banco Atlántida’s interest rates. The following tables establish the weighted average interest rates of assets and liabilities in *lempiras* and USD as of September 30, 2025, December 31, 2024, and 2023, compared to the average rates of the Honduran Financial System published by the Central Bank of Honduras

### The rates of assets and liabilities in *lempiras* are as follows:

	2025	2024	2023
Assets (loans-BASA)	13.1%	8.8%	9.9%
System Average Assets Rate	14.7%	14.0%	11.4%
Liabilities (deposits-BASA)	6.1%	4.4%	3.1%
Monetary Policy Rate	5.8%	5.8%	3.0%

The Honduran banking industry generally does not set interest rates by reference to a benchmark rate; however, the weighted average interest rates on *lempira*-denominated assets and liabilities of the Honduran banking industry are slightly influenced by the minimum bid rate that the Central Bank allows for its treasury notes. This reference rate increased to 4.00% on August 5, 2024, an increment of 1.00 bp, due to the measures outlined in the Monetary Program 2024–2025, with the aim of mitigating internal inflationary pressures and preserving the country's external position. Subsequently, on October 28, 2024, the Central Bank raised the policy rate again, reaching 5.75%, reinforcing its commitment to tightening monetary conditions in response to persistent inflationary risks, and has not been modified since. Prior to these adjustments, the minimum bid rate had remained unchanged since November 27, 2020, when it was reduced to 3.00%, a decrease of 0.75 bp.

Banco Atlántida’s average interest rate on assets (loans) denominated in *lempiras* was 13.1% as of September 30, 2025, compared to 8.8% as of December 31, 2024. For the nine months ended September 30, 2025, the loan portfolio denominated in *lempiras* down 0.7% while the local financial system grew 1.2%, according to CNBS data.

Banco Atlántida's average interest rate on Lempira-denominated liabilities (deposits) increased to 6.1% as of September 30, 2025, compared to 4.4% as of December 31, 2024. As of September 30, 2025, deposits denominated in lempiras increased 9.6%, while the local financial system grew 7.6% during the same period, according to CNBS data.

**The assets and liabilities rates in USD are as follows:**

	<b>2025</b>	<b>2024</b>	<b>2023</b>
Assets (loans-BASA)	10.0%	7.2%	7.5%
System Average Assets Rate	10.9%	10.7%	9.4%
Liabilities (Deposits-BASA)	4.3%	3.6%	2.3%
System Average Liabilities Rate	3.0%	3.2%	2.4%

As of September 30, 2025, and December 31, 2024, Banco Atlántida's average interest rate on assets (loans) denominated in USD was 10.0%, and 7.2%, respectively. The loan portfolio denominated in USD grew 12.3% as of September 30, 2025, while the local financial system increased 4.4% during the same period, according to data from CNBS.

Banco Atlántida's average interest rate on liabilities (deposits) denominated in USD was 4.3% as of September 30, 2025, and 3.6% as of December 31, 2024. Deposits denominated in USD increased by 15.9% as of June 30, 2025, while deposits for the local financial system grew 9.9% during the same period, according to CNBS data.

**Effect of Family Remittances**

As of September 30, 2025, family remittances that entered Honduras were USD9,080.1 million, which represented an increase of 26.2% compared to the corresponding period in 2024, while for the previous comparative periods, they were as shown in the following table:

<b>Period</b>	<b>Amount*</b>		<b>Change %</b>
30/09/2025	9,080.1	(r)	26.2%
30/09/2024	7,194.9	(r)	5.0%
30/09/2023	6,853.7	(r)	5.7%
30/09/2022	6,483.8	(r)	20.4%

expressed in millions of USD

(p) preliminary data

(r) revised data

The income obtained by Banco Atlántida as a result of handling family remittances consisted mainly of commissions on foreign exchange transactions, fees for money orders and other related fees, as well as gains on currency exchange transactions. Banco Atlántida processed USD2,619.6 million in family remittances during the period ended September 30, 2025, 38.9% more than the corresponding period of 2024, during which USD1,886.3 million were processed. As of September 30, 2025, Banco Atlántida's market share was 28.9%, while for the corresponding period of 2024 it was 26.2%.

## **Competition**

We face intense competition in all our segments, which can materially affect our growth, market share, margins, and profitability. For more information, see “Honduras Financial Services Industry.”

## **Inflation**

A rise in inflation rates may impact on our performance mainly because all our assets are not adjusted for the effects of inflation. In addition, material increases in the inflation rate could result in lower demand for, and affect the pricing of, our services and products. Because many of our costs and expenses are fixed, we may not be able to reduce costs in the event of inflation. Increases in the rate of inflation could also negatively impact our loan portfolio.

The Honduran economy had been characterized by moderate inflation levels; as of September 30, 2025, the inflation rate stood at 4.55% remaining within the tolerance range established by the Monetary Authority of  $4.00\% \pm 1.0$  pp (4.49% and 6.13% as of June 30, 2024, and 2023 respectively). During this month, the categories that represented the greatest contribution to the monthly result were accommodation, water, electricity, gas, and other fuels; transportation; and hotels, cafeterias, and restaurants. The food and non-alcoholic beverages category moderated these contributions, showing a downward trend, the remaining categories showed moderate inflationary rates.

## **Exchange Rates**

The Group is exposed to currency risk any time an open position in a currency other than Lempiras is held. Volatility in Lempiras exchange rates could result in higher risks associated with such positions.

In addition, any devaluation or depreciation of the Lempira compared to the U.S. dollar could have a negative impact on the ability of our subsidiaries' clients to repay loans and make insurance premium payments, which in turn could have an adverse effect on our financial condition and results of operations.

The Lempira exchange rate is characterized by cyclical fluctuations in line with the export seasons of Honduras’ main agricultural commodities and the high demand for foreign currency to pay for imported goods. During 2025, given Honduras’s managed exchange-rate framework, the move has been gradual and aligned with market liquidity. The exchange rate stood at L26.1658 per US\$1.00 as of September 30, 2025, compared to L24.8381 per US\$1.00 as of September 30, 2024, according to the Central Bank of Honduras.

### Demographic trends

During the last 4 years the main demographic variables of the country have behaved as shown in the following table:

Period	Population (millions)	% Change	GDP * (USD)	% Change	Poverty rate	% Change	Unemploy- ment rate	% Change
2024	9.9	1.5%	3,758	6.4%	62.9%	-1.9%	6.1%	-0.15%
2023	9.7	1.5%	3,534	8.0%	64.1%	N/A	6.1%	-30.8%
2022	9.6	1.6%	3,272	10.0%	N/A	N/A	8.8%	3.15%
2021	9.5	1.6%	2,974	18.4%	73.6%	N/A	8.5%	-22.6%

- GDP per capita
- The source for the Poverty Rate was changed to the National Statistics Institute (INE, by its acronym in Spanish) due to lack of updated information from the World Bank. For the Unemployment Rate, the World Bank updated its database on June 5, 2025, which is why the percentages presented in the table above underwent changes, due to new data obtained to update the calculating methodology for this indicator.

### Bank loans

The growth rate of the loan portfolio of Banco Atlántida, specifically for its retail banking segment, can be attributed to low bank penetration. In terms of bank penetration, the proportion of loans (as published by the Commission) to GDP (as published by the Central Bank) was 70.5%, as of December 31, 2024. According to the Central Bank, as of December 31, 2024, the growth rate of bank loans to the private sector was 11.7%, compared to the growth rate of 18.0% and 18.9% as of December 2023 and 2022 respectively. It should be noted that the total credit granted to companies reported an interannual growth of 6.6% and to households of 17.5%. Meanwhile, credit in external currency to companies increased by 4.4% and that granted to households by 37.3%. The growth in credit to the private sector as of December 2024 was primarily due to increased demand for financing from households and businesses, driven by buoyant domestic consumption, improved economic prospects, and more accessible financial conditions. The increase in consumer and housing credit was notable, favored by stable interest rates and competition among banks. Furthermore, the expansion of financial inclusion and the use of digital channels facilitated access to credit, especially in the informal sector and non-urban regions. Part of the growth is also explained by nominal factors, such as inflation and exchange rate depreciation, which increased the total value of credit granted.

According to the Central Bank, as of September 30, 2025, the growth rate of bank loans to the private sector was 5.7%, compared to the growth rate of 22.5% and 20.3% as of September 30, 2024, and 2023 respectively. Total credit granted to businesses grew 5.7% year-over-year, and that granted to households grew 5.8%. In foreign currency, financing to businesses increased by 7.7% and that granted to households increased by 6.6%.

**Results of operations for the nine-month ended September 30, 2025, compared to the same period 2024.**

	September 30,		Change	
	2025	2024	HNL	%
Interest Income	17,214,822	12,897,401	4,317,421	33.5%
Interest expense	10,386,170	6,976,930	3,409,240	48.9%
<b>Financial profit</b>	<b>6,828,652</b>	<b>5,920,471</b>	<b>908,181</b>	<b>15.3%</b>
Loan impairment charges	1,832,973	1,640,494	192,479	11.7%
<b>Financial profit, net of impairment charges</b>	<b>4,995,679</b>	<b>4,279,977</b>	<b>715,702</b>	<b>16.7%</b>
Income from insurance activities	5,106,752	3,845,276	1,261,476	32.8%
Expenses from insurance activities	4,514,853	3,556,530	958,323	26.9%
<b>Profit from insurance activities</b>	<b>591,899</b>	<b>288,746</b>	<b>303,153</b>	<b>105.0%</b>
Services	144,242	227,744	-83,502	-36.7%
Commissions	4,720,647	4,016,106	704,541	17.5%
Leases	101,762	38,037	63,725	167.5%
Other income	424,537	399,959	24,578	6.1%
<b>Total proceeds from services</b>	<b>5,391,188</b>	<b>4,681,846</b>	<b>709,342</b>	<b>15.2%</b>
Staff-expenses	3,372,165	3,008,112	364,053	12.1%
General and administrative expenses	5,917,397	5,030,382	887,015	17.7%
Depreciation and amortization	1,011,815	749,783	262,032	35.0%
<b>Total operating expenses</b>	<b>10,301,377</b>	<b>8,788,277</b>	<b>1,513,100</b>	<b>17.2%</b>
<b>Operating income</b>	<b>677,389</b>	<b>462,292</b>	<b>215,095</b>	<b>46.5%</b>
Income from dividends	13,810	16,276	-2,466	-15.2%
Gain on sale of assets available for sale	284,072	202,597	81,475	40.2%
Gain on sale of property, plant and equipment	27,480	158,699	-131,218	-82.7%
Other income, net	815,905	1,243,075	-427,170	-34.4%
<b>Total non-operating income</b>	<b>1,141,267</b>	<b>1,620,647</b>	<b>-479,380</b>	<b>-29.6%</b>
<b>Income before income tax</b>	<b>1,818,656</b>	<b>2,082,939</b>	<b>-264,285</b>	<b>-12.7%</b>
Income tax/capital gain/net assets tax	835,018	739,797	95,221	12.9%
<b>Income before non-controlling interest</b>	<b>983,638</b>	<b>1,343,142</b>	<b>-359,506</b>	<b>-26.8%</b>
<b>Net income attributable to noncontrolling interest</b>	<b>179,992</b>	<b>225,920</b>	<b>-45,928</b>	<b>-20.3%</b>
<b>Net income</b>	<b>803,646</b>	<b>1,117,222</b>	<b>-313,578</b>	<b>-28.1%</b>

*(In thousands of L except percentages)*

Below is an analysis of the components of our consolidated statement of comprehensive results set out in the table above:

## Interest income

The following table shows the components of the income of interest for the nine months ended, September 30, 2025, and 2024:

	September 30,		Change	
	2025	2024	HNL	%
Loans	14,743,140	10,860,212	3,882,928	35.8%
Certificates, bonds and others	1,598,228	1,357,571	240,657	17.7%
Finance leasing	600,951	444,204	156,747	35.3%
Deposits	272,503	235,414	37,089	15.8%
<b>Total</b>	<b>17,214,822</b>	<b>12,897,401</b>	<b>4,317,421</b>	<b>33.5%</b>

(In Thousands of L except percentages)

Interest income increased 33.5%, or L4,317,421 thousand, for the nine months ended September 30, 2025, compared to same period of 2024, mainly due to a 35.8% increase in interest income on loans, 17.7% due to an increase in interest income on certificates and bonds and others and 35.3% due to an increase in interest income on finance leasing.

Interest income on loans increased by 35.8%, or L3,882,928 thousand, for the nine months ended September 30, 2025, compared to the same period of 2024, as a result of an increase in loans volume in local and foreign currency by 2.1% and 38.4%, respectively, which led to an increase of L2,167,212 thousand in interest income, and an increase of L1,715,716 thousand in interest income as a result of an upward trend in interest rates.

Interest income on certificates, bonds and others increased by 17.7%, or L240,657 thousand, for the nine months ended September 30, 2025, compared to the same period of 2024, due to an increase in the volume of investments which led to an increase in interest income by L279,140 thousand offset by a decrease of L38,483 thousand due to a downward trend in interest rates of local and foreign investments.

Interest in income from financial leases increased by 35.3%, or L156,747 thousand, for the nine months ended September 30, 2025, compared to the same period of 2024, due to an increase of L97,912 thousand, as a result of an increase in volume of financial leases by 19.5%, and an increase of L58,836 thousand as a result of the upward trend in interest rate.

## Interest expense

	September 30,		Change	
	2025	2024	HNL	%
Deposits	7,834,545	4,609,812	3,224,733	70.0%
Loans obtained from banks	1,608,596	1,418,596	190,000	13.4%
Bonds and guaranteed notes	943,029	948,522	-5,493	-0.6%
<b>Total,</b>	<b>10,386,170</b>	<b>6,976,930</b>	<b>3,409,240</b>	<b>48.9%</b>

(In Thousands of L except percentages)

Interest expense increased by 48.9%, or L3,409,240 thousand, for the nine months ended September 30, 2025, compared to the same period 2024, primarily due to an increase in interest expenses on deposits of 70.0%, and an increase by 13.4% in interest expenses on loans from banks.

Interest expense on deposits increased 70.0% or L3,224,733 thousand, for the nine months ended September 30, 2025, compared to the same period 2024, mainly as a result of an increase in deposits volume, which led to an increase of L1,743,223 and L1,481,510 due to an increase in interest rate.

## Loan impairment charges

	September 30,		Change	
	2025	2024		%
Loan impairment charges	1,832,973	1,640,494	192,479	11.7%
NPL ratio (1)	1.9%	2.2%	-	-
Coverage ratio (2)	111.6%	110.0%	-	-
Provision for loan losses	3,764,794	3,921,479	-156,685	-4.0%

(In thousands of L except percentages)

**Note:**

(1) The NPL ratio is calculated dividing NPLs (including refinanced NPLs) by our gross loan portfolio. (2) The coverage ratio is calculated dividing the provision for loan losses by NPLs (including refinanced NPLs).

Loan impairment charges increased by 11.7%, or L192,479 thousand, for the nine months ended September 30, 2025, compared to the same 2024, while the delinquency ratio as of September 30, 2025, and December 31 2024 was 1.9% and 2.2%, respectively, on the other hand, the NPL coverage ratio as of September 30, 2025, and December 31,2024 was 111.6%, and 110.0%, respectively.

For the nine months ended September 30, 2025, loan portfolio impairment charges were allocated as follows:

- a) Attributable to retail banking L1,698,769 thousand.
- b) Attributable to SME banking L (44,078) thousand.
- c) Attributable to corporate banking L178,282 thousand.

The provision for credit losses decreased by L156,685 thousand as of September 30, 2025, mainly due to the recognition of loan impairment charges by L1,832,973 thousand, and an increase by incorporation of Atlantic Bank Belice by L581,400 thousand, an increase by L 24,200 thousand due to exchange fluctuation effect, an increase in interest included in loans by L25,553 thousand, and an increase due to transfer from lease estimate by L2,500 thousand, partially offset by a decrease due to a portfolio charge-offs by L2,488,419 thousand, release of reserves by L149,138 thousand and transfer to foreclosed assets by L 6,255 thousand.

### Proceeds from services.

The following table presents the components of income from services for the nine months ended, September 30, 2025, and 2024:

	September 30,		Change	
	2025	2024	HNL	%
Services	144,242	227,744	-83,502	-36.7%
Commissions	4,720,647	4,016,106	704,541	17.5%
Leases	101,762	38,037	63,725	167.5%
Other income <sup>(1)</sup>	424,537	399,959	24,578	6.1%
<b>Total</b>	<b>5,391,188</b>	<b>4,681,846</b>	<b>709,342</b>	<b>15.2%</b>

*(In thousands of L except percentages)*

Other income consists of gains on the purchase/sale of foreign currency, changes in value of assets and liabilities held for sale, account management fees, gains on sale of financial assets and other (miscellaneous) income.

Proceeds from services increased by 15.2%, or L709,342 thousand, for the nine months ended September 30, 2025, compared to the same period 2024, primarily due to an increase in commissions of 17.5%.

The increase in commission income of 17.5%, or L704,541 thousand, for the nine months ended September 30, 2025, compared to the same period 2024, is mainly explained as follows:

### Commissions

Credit and debit card commissions	114,825
Other commissions	241,075
Produced by services (mainly transferances)	98,512
Trust and managements	93,775
Loan commissions	156,354
<b>Total</b>	<b>704,541</b>

*(In thousands of L)*

### Profit from insurance activities.

The following table presents the components of income from insurance activities for the nine months ended September 30, 2025, and 2024:

	September 30,		Change	
	2025	2024	(HNL)	%
Income from insurance activities	5,106,751	3,845,276	1,261,476	32.8%
Expenses from insurance activities	4,514,853	3,556,530	958,323	26.9%
<b>Profit from insurance activities</b>	<b>591,899</b>	<b>288,746</b>	<b>303,153</b>	<b>105.0%</b>

*(In thousands of L except percentages)*

Income from insurance activities increased by 105.0%, or L303,153 thousand, for the nine months ended September 30, 2025, compared to the same period September 30, 2024, mainly due to movements in the income and expenses as discussed below:

Income from insurance activities increased L1,261,476 thousand, for the nine months month ended September 30, 2025, compared to the same period of 2024, primarily due to an increase in premiums issued by 35.5% in premiums primarily due to an increase in premiums issued by Seguros Atlántida by L313,836 thousand, L173,282 thousand by Seguro Atlántida El Salvador, L68,237 thousand by Seguros Atlántida Vida and L354,951 thousand due to the incorporation of Seguros Atlántida Ecuador; an increase by L80,122 thousand in ceded reinsurance commissions, change in reserves for outstanding claims by L412,050 thousand, variation in provisional reserves by L16,383 thousand, and salvages and disaster recoveries by L22,182 thousand; partially offset by a decrease of L12,962 thousand in the variation of reserves for risk in progress; and claims recovered from foreign reinsurers by L249,057 thousand.

Expenses from insurance activities increase by L958,323 thousand, for the nine months ended September 30, 2025, compared to the same period in 2024, mainly due to an increase of L63,882 thousand in variation in reserves for risks in progress, an increase of L377,914 thousand in premiums ceded to foreign reinsurers, an increase of L131,368 thousand in insurance commissions, an increase in variation in provisional reserves by L195,574 thousand, an increase of L24,579 thousand in incurred and unreported claims expenses, an increase of by L66,705 thousand in other technical expenses and an increase in insurance premium return and cancellations by L129,174 thousand; partially offset by a decrease of L49,479 thousand in claims.

## Operating expenses

The following table presents the components of operating expenses for the nine months ended September 30, 2025, and 2024

	September 30,		Change	
	2025	2024	HNL's	%
Staff expenses	3,372,165	3,008,112	364,053	12.1%
General and administrative expenses	5,917,397	5,030,382	887,015	17.7%
Depreciations and amortizations	1,011,815	749,783	262,032	35.0%
<b>Total</b>	<b>10,301,377</b>	<b>8,788,277</b>	<b>1,513,100</b>	<b>17.2%</b>

*(In thousands of L except percentages)*

Operating expenses increased by 17.2%, or L1,513,100 thousand, for the nine months ended September 30, 2025, compared to the same period of 2024, primarily due to an increase of 12.1% in staff expenses and an increase in general and administrative expenses by 17.7%, as explained below.

Staff expenses increased by 12.1% or L364,053 thousand, for the nine months ended September 30, 2025, compared same period of 2024, mainly due to an increase in salary adjustments and headcount by L167,538 thousand; L43,141 thousand as a consequence of the incorporation FUNDESER Nicaragua; an increase by L29,653 thousand in employer contributions and an increase by L37,296 thousand in medical care for Group's employees, and an increase by L79,011 thousand in bonuses; partially offset by a decrease of L3,472 thousand in training expenses.

General and administrative expenses increased 17.7%, or L887,015 thousand, for the nine months ended September 30, 2025, compared same period of 2024, mainly due to: (i) an increase by L 353,594 thousand in miscellaneous expenses due to the increases in commission expenses by L148,392 thousand; an increase in other administrative expenses by L 94,517 thousand, an increase in loyalty programs by L38,223 thousand, and an increase in subscription by L 19,824 thousand; (ii) an increase in expenses for outsourced services by L 426,932 thousand; (iii) and an increase in expenses for taxes and contributions to the local governments by L 61,284 thousand, partially offset by a decrease in expenses for professional fees by L 19,954 thousand.

## Non-operating income (expenses)

	September 30,		Change	
	2025	2024	HNL	%
Dividend income	13,810	16,276	-2,466	-15.2%
Gain on sale of assets available for sale	284,072	202,597	81,475	40.2%
Gain on sale of property, plant and equipment	27,480	158,699	-131,218	-82.7%
Other income (expenses), net	815,905	1,243,075	-427,170	-34.4%
<b>Total</b>	<b>1,141,267</b>	<b>1,620,647</b>	<b>-479,380</b>	<b>-29.6%</b>

*(In thousands of L except percentages)*

Non-operating income (expenses) decreased by 29.6% or L479,380 thousand, for the nine months ended September 30, 2025, compared to the same period of 2024, primarily due to an increase of 40.2% in gain on sale of assets available for sale other income (expenses) net, a decrease in gain on sale of property, plant and equipment by 82.7%, and a decrease of 34.4% in other income net, as explained below.

Increase in profit on sale of assets available for sale by 40.2%, or L81,475 thousand, due to extraordinary sales in 2025.

Decrease in profit on sale of property, plant and equipment by 82.7%, or L131,218 thousand, due to sale of properties of Banco Atlantida El Salvador in 2024.

Other income (expense), net, decreased 34.4%, or L427,170 thousand, for the nine months ended September 30, 2025, compared to the nine months ended September 30, 2024, mainly due to: (i) a decrease in income from valuation of financial assets held for sale by L536,837 thousand, (ii) a decrease in other income/(expenses) net by L130,350 thousand, (iii) an increase in other financial income/expenses (net) by L32,942 thousand, (iv) an increase by L212,863 thousand, due to the fluctuation in exchange rates.

### **Income before taxes and non-controlling interest**

Income before taxes and non-controlling interest decreased 12.7% to L264,285 thousand for the nine months ended September 30, 2025, compared to L2,082,939 thousand for the same period ended 2024, as a result of the factors discussed above.

### **Income tax**

Income tax expenses increased by 12.9%, or L95,221 thousand, for the nine months ended September 2025, compared to the same period ended September 30, 2024. The effective rate of income tax was 45.9% as of September 30, 2025, compared to 35.5% as of same period ended 2024.

### **Net income**

Net income decreased 28.1% for the nine months ended September 30, 2025, compared to the nine months ended September 30, 2024. Average shareholders' equity increased 16.3% to L20,049,830 thousand, for the nine months ended September 30, 2025, compared to the year ended December 31, 2024. ROAE was 5.3% for the nine months ended September 30, 2025, compared to 8.5% for the same period of 2024.

## Liquidity and founding

Banco Atlántida represents our main source of funds, the Group's liquidity comes from deposits, loans from banks and financial institutions and debt securities.

The following table shows the main sources of funds for the Group as of September 30, 2025, and December 31, 2024:

	September 30	December 31		
	2025	2024	Change	%
Demand deposits	40,662,570	25,599,819	15,062,751	58.8%
Savings deposits	79,607,426	58,243,652	21,363,774	36.7%
Term deposits	90,346,648	79,480,638	10,866,010	13.7%
Other	2,536,348	1,929,258	607,090	31.5%
<b>Total, Deposits</b>	<b>213,152,992</b>	<b>165,253,367</b>	<b>47,899,625</b>	<b>28.9%</b>
Banks loans	27,529,695	35,921,496	-8,391,801	-23.4%
Bonds and guaranteed notes	11,185,520	12,620,751	-1,435,231	-11.4%
	<b>251,868,207</b>	<b>213,795,614</b>	<b>38,072,593</b>	<b>17.8%</b>

*(In thousands of L except percentages)*

Deposits increased 28.9% to L47,899,625 thousand as of September 30, 2025, compared to L165,253,367 thousand as of December 31, 2024, mainly due to the change in Banco Atlántida's savings deposit acquisition strategy and the incorporation of Atlantic Bank.

Bank loans were L27,529,695 thousand as of September 30, 2025, compared to L35,921,496 thousand as of December 31, 2024. Banco Atlántida has lines of credit with 17 global financial institutions with which it has had correspondent relationships. Some of its main credit line providers include IFC, US Department of Agriculture - Commodity Credit Corporation, BCIE, Citibank N.A., Wells Fargo Bank N.A. y Commerzbank AG. As of September 30, 2025, Banco Atlántida had a total amount of USD563,397 thousand (L14,743,872 thousand) in uncommitted credit lines from foreign institutions, of which USD238,512 thousand (L6,241,758 thousand) were available for use.

Bonds, and secured notes issued were L11,185,520 thousand as of September 30, 2025, compared to L12,620,751 thousand as of December 31, 2024, which represents a decrease of L1,435,231 thousand of which L350,828 thousand corresponds to a net increase of new issuances, decrease by L2,315,762 thousand of bond cancellations, an increase due to the application of the amortized cost method of L169,743 thousand and an increase due to the variation in the exchange rate of L359,960 thousand.

Through our asset and liability management policy, we seek to ensure that sufficient liquidity is available to honor deposit withdrawals, pay other liabilities at maturity, extend loans or other forms of credit to customers, pay liabilities arising from the insurance policies we issue, and meet working capital needs. The minimum amount of liquidity that our main subsidiaries are obliged to maintain depends on the reserve requirements established by the Central Bank, as well as the technical and mathematical legal reserves required by our insurance operations.

We expect deposits, loans and borrowings from banks and debt securities issued to be sufficient to meet our liquidity requirements over the next 12 months.

## Regulatory Capital

As a holding company, we are not required to maintain regulatory capital on a consolidated basis. However, in accordance with Honduran, Salvadoran, Nicaraguan, Panamanian capitalization requirements, Banco Atlántida S.A, Banco Atlántida El Salvador, Banco Atlántida Nicaragua, Pacific Bank and Banco de Miro are required to maintain specific levels of regulatory capital as a percentage of their risk-weighted assets (capital adequacy ratio for Honduras, Nicaragua and Panamá and capital fund for El Salvador). As of September 30, 2025, the required capital adequacy ratio for Honduras, Nicaragua, Panama, Ecuador and Belize was 12.25%, 10.0%, 8.0% and 9.0% and 9.0%, respectively, while the required capital fund for El Salvador was 12.0%.

The following tables show the calculation of regulatory capital for Banco Atlántida (capital adequacy ratio), Banco Atlántida El Salvador (capital fund), Banco Atlántida Nicaragua (capital adequacy ratio) and Pacific Bank (capital adequacy ratio), according to regulatory requirements:

<b>Banco Atlántida</b>	<b>September 30, 2025</b>	<b>December 31, 2024 2023</b>	
Total, level 1	10,883,001	10,392,336	9,873,988
Total, level 2	6,016,122	6,368,066	5,633,360
<b>Total, Regulatory Capital</b>	<b>16,899,123</b>	<b>16,760,402</b>	<b>15,507,348</b>
Total, Risk-weighted assets	143,504,509	137,171,296	126,123,669
<b>Regulatory capital as a percentage of risk-weighted assets</b>	<b>11.8%</b>	<b>12.2%</b>	<b>12.3%</b>
<i>(In thousands of L except percentages)</i>			

<b>Banco Atlántida El Salvador</b>	<b>September 30, 2025</b>	<b>December 31, 2024 2023</b>	
Total, level 1	131,263	117,038	92,933
Total, level 2	5,801	5,526	16,362
<b>Total, Regulatory Capital</b>	<b>125,463</b>	<b>122,564</b>	<b>109,295</b>
Total, Rick-weighted assets	1,027,724	945,059	844,220
<b>Regulatory capital as a percentage of risk-weighted assets</b>	<b>12.2%</b>	<b>13.0%</b>	<b>12.9%</b>
<i>(In thousands of USD except percentages)</i>			

<b>Banco Atlántida Nicaragua</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>2023</b>
Total, level 1	1,111,099	805,080	863,784
Total, level 2	-71,168	-63,601	-57,138
<b>Total, Regulatory Capital</b>	<b>1,039,931</b>	<b>741,479</b>	<b>806,646</b>
Total, Risk-weighted assets	2,639,160	2,474,725	2,026,662
<b>Regulatory capital as a percentage of risk-weighted assets</b>	<b>39.4%</b>	<b>30.0%</b>	<b>39.8%</b>
<i>(In thousands of córdobas except percentages)</i>			

<b>Pacific Bank (Panamá)</b>	<b>September 30 2025</b>	<b>December 31 2024</b>	<b>2023</b>
Total, level 1	29,250	29,250	29,250
Total, level 2	-1,032	-1,476	-3,286
<b>Total, Regulatory Capital</b>	<b>28,218</b>	<b>27,774</b>	<b>25,965</b>
Total, Risk-weighted assets	161,745	116,585	87,420
<b>Regulatory capital as a percentage of risk-weighted assets</b>	<b>17.4%</b>	<b>23.8%</b>	<b>29.7%</b>
<i>(In thousands of B/. except percentages)</i>			

<b>Banco Atlantida Ecuador</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>
Total, level 1	13,320	12,583
Total, level 2	(584)	727
<b>Total, Regulatory Capital</b>	<b>12,736</b>	<b>13,310</b>
Total, Rick-weighted assets	93,765	73,703
<b>Regulatory capital as a percentage of risk-weighted assets</b>	<b>13.6%</b>	<b>18.1%</b>
<i>(In thousands of USD except percentages)</i>		

<b>Atlantic Bank</b>	<b>September 30, 2025</b>
Total, level 1	134,889
Total, level 2	49,429
<b>Total, Regulatory Capital</b>	<b>184,318</b>
Total, Rick-weighted assets	1,443,763
<b>Regulatory capital as a percentage of risk-weighted assets</b>	<b>12.8%</b>
<i>(In thousands of BZ\$ except percentages)</i>	

## Commitments and contractual obligations

The Group assumes several commitments and contractual obligations that may require future payments in cash. The following table summarizes our commitments and contractual obligations as of September 30, 2025.

	Less than 30 days	From 31 to 90 days	From 91 days to 1 year	Between 1 and 5 years	More than 5 years	Total
Deposits	73,969,219	48,123,270	59,997,608	24,555,574	6,507,321	213,152,992
Bank loans	751,972	3,690,262	7,797,612	7,283,674	8,006,175	27,529,695
Bonds and guaranteed notes	412,994	52,339	7,972,389	2,830,856	52,339	11,320,917
<b>Total</b>	<b>75,134,185</b>	<b>51,865,871</b>	<b>75,767,610</b>	<b>34,670,105</b>	<b>14,565,835</b>	<b>252,003,604</b>
<b>% del Total</b>	<b>29.8%</b>	<b>20.6%</b>	<b>30.1%</b>	<b>13.8%</b>	<b>5.8%</b>	<b>100.0%</b>

*(In thousands of L except percentages)*

## Capital expenditures.

Consolidated capital expenditure decreased to L1,323,205 thousand for the nine months ended September 30, 2025, compared to L L1,837,481 thousand for same period in 2024, mainly due to a decrease in development of intangibles assets such as software and licenses in 2024.

## Off-balance sheet agreements

In the normal course of business, the Group engages in various off-balance sheet activities that carry credit, market and operating risk and are not reflected in our financial statements. These activities include commitments to extend credit that would not otherwise be accounted for as contingent loans, such as guarantees, letters of credit and loans under standby contracts, including lines of credit and syndicated loans. We provide our clients with services related to the issuance and confirmation of commercial and stand-by letters of credit and the issuance of bank guarantees. These contingent liabilities are detailed below:

	As of September 30, 2025	As of December 31, 2024
Letters of credit and idle credit documents	L 1,281,088	956,647
Securities and bank guarantees issued	6,943,096	6,093,976
Acceptance debtors	49,161	5,612
Idle credits	10,345,853	8,690,882
Other responsibilities	229,845	277,821
	<b>L 18,849,043</b>	<b>16,024,938</b>

*(In thousands of L)*

The credit risk of both on-and off-balance sheet financial instruments changes based on many factors, including the value of collateral held and other security arrangements. To mitigate credit risk, we generally determine the need for specific requirements for covenants, guarantees and guarantees on a case-by-case basis, depending on the nature of the financial instrument and the solvency of the client. We may also require letters of commitment and oral assurances. The amount and type of collateral held to reduce credit risk varies, but may include real estate, machinery, equipment, inventory, and accounts receivable, as well as cash on deposit, stocks, bonds, and other marketable securities that are generally held in our possession or by another appropriate custodian or depository. This guarantee is periodically assessed and inspected to ensure both its existence and its adequacy. Additional collateral is required where appropriate as determined by the credit committee of our subsidiaries.

### **Qualitative and quantitative disclosure on market risks**

We are exposed to risks in the ordinary course of business, particularly credit risk, liquidity risk, exchange rate risk and interest rate risk. For a discussion of how we regularly assess and manage our exposure to these risks, please see Note 4 of our consolidated financial statements as of September 30, 2025.