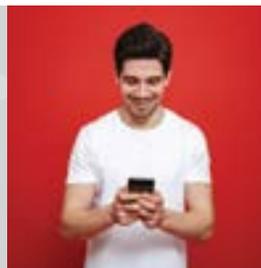


ANNUAL REPORT

2018





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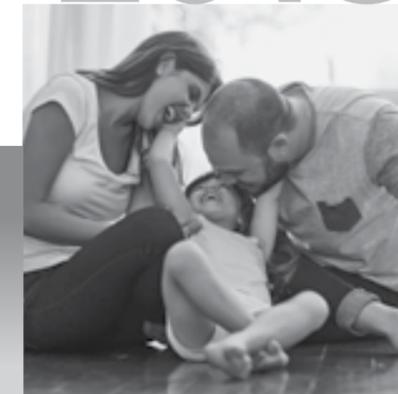




Table of Contents

HUMAN GROUP	
Board of Directors	8
List of Executives	9
CALL TO THE REGULAR GENERAL MEETING OF SHAREHOLDERS	11
LETTER FROM THE PRESIDENT	12
OUR COMMITMENT	
2018: Good growth under adverse regional conditions	16
A year of growth and reaffirmation of our strategy	18
Banco Familiar adapts to the trends	22
CORPORATE SOCIAL RESPONSIBILITY	
Our social dimension	26
FINANCIAL STATEMENTS	
Balance Sheet: Assets	32
Balance Sheet: Liabilities	33
Income Statement	34
Off-Balance and Contingent Accounts	35
Statement of Changes in Shareholders' Equity	36
Trustee's Report	37
Independent Auditors' Opinion	38
Risk Rating	40
Notes to the Financial Statements	42
ANNEXES	
Our Branches and ATMs	74



HUMAN GROUP





BOARD OF DIRECTORS

PRESIDENT:	Alberto Enrique Acosta Garbarino
FIRST VICE-PRESIDENT:	Hugo Fernando Camperchioli Chamorro
SECOND VICE-PRESIDENT:	Alejandro Laufer Beissinger
REGULAR DIRECTORS:	Alfredo Rodolfo Steinmann Rosenbaum Pedro Beissinger Baum Jorge Rodolfo Camperchioli Chamorro César Amado Barreto Otazú
ALTERNATE DIRECTORS:	Roberto Daniel Amigo Marcet Silvia María Alicia Camperchioli de Martin Héctor Fadlala Wismann
REGULAR TRUSTEE:	Juan B. Fiorio
ALTERNATE TRUSTEE:	Diana Fadlala Rezk



LIST OF EXECUTIVES

GENERAL MANAGER:	Hilton Giardina Varela
COMMERCIAL MANAGER:	Arsenio Vasconsellos Spezzini
FINANCIAL MANAGER:	Diego Balanovsky Balbuena
RISK MANAGER:	Wilson Castro Burgos
BRANCHES MANAGER:	Víctor Pedrozo
CORPORATE BANKING MANAGER:	Nery Aguirre Valiente
PERSONAL BANKING MANAGER:	Graciela Arias Ríos
DIGITAL BANKING MANAGER:	Fabio Najmanovich Campo
CONSUMPTION AND MARKETING MANAGER:	Luján del Castillo
INSURANCE BANKING MANAGER:	Yudith Bejarano
ADMINISTRATIVE MANAGER:	Gladys Velázquez Franco
OPERATIONS MANAGER:	Sandra Ester Hirschfeld Spicker
TECHNOLOGY MANAGER:	Nancy Benet de Quintana
PEOPLE AND O.D. MANAGER:	Mabel Gómez de la Fuente
TRUST FUNDS MANAGER: :	Myrian Soliz de Mendoza
INTERNAL AUDIT MANAGER:	Venancio Paredes Alarcón
COMPLIANCE MANAGER:	Oscar Daniel Fernández





CALL TO THE REGULAR GENERAL MEETING OF SHAREHOLDERS

In accordance with provisions of Article 32 of the Articles of Association, the Shareholders of BANCO FAMILIAR S.A.E.C.A. are called to the Regular General Meeting of Shareholders to be held at Carmelitas Center, Salón Hope, at Avda. Molas López y Pastor Filártiga, on April 9, 2019, at 19:00 hours. If the quorum is not met, the Meeting shall be held an hour later, with the present Shareholders, for the consideration of the following:

AGENDA

1. Appointment of a secretary for the Meeting.
2. Reading and consideration of the Board's Report, the Balance Sheet, the Income Statement and the Trustee's Report corresponding to the year that ended on December 31, 2018.
3. Proposal for Profit Distribution.
4. Capitalization of Retained Earnings.
5. Issue of Ordinary Registered Class "A" Shares for the Capitalization of Retained Earnings.
6. Delegation of the determination of any other conditions regarding the issue of shares of item 5 of the Agenda to the Board of Directors.
7. Determination of the monthly remuneration and bonuses of Members of the Board according to Article 16 of the Articles of Association.
8. Appointment of a Regular Trustee and Alternate Trustee for 2019.
9. Determination of the remuneration of the Regular Trustee.
10. Decision on the appointment of external auditors for 2019.
11. Appointment of two shareholders to sign the Minutes of the Meeting, alongside the President and Secretary of the Meeting.

Shareholders are reminded of the provisions of Article 34 of the Articles of Association, which sets out that Shareholders must deposit their shares or a bank certificate of deposit with the name of the Shareholder in the office of the Secretary of the Board of the Company at least 3 business days prior to the Meeting.

THE BOARD.



LETTER FROM THE PRESIDENT

Dear shareholders,

I am pleased to write to you to present the Annual Report for the year that ended on December 31, 2018.

Just like 2017 was a year of celebration and remembrance of the fifty years of institutional life, 2018 was a year of thought and planning for the sustainability of the bank for the coming decades.

In a moment like this in which the world is going through a period of radical changes, driven by the digital revolution which is drastically transforming the way of producing, consuming and living of people, it is fundamental to get to know, interpret and adapt to these transformations.

During the year, there were several meetings of the board and the executive team to analyze and define the guidelines for the coming years.

If we want to be a sustainable bank, we have to be a more digital bank that is in the hands of clients, an integral bank with all services for all market segments and a flexible bank able to enlarge and diminish itself according to changing economic cycles.

But 2018 was not just a year of thought and planning for the future. It was also a year of managing the present, in a Paraguayan economy that had to go through an unstable and unpredictable international environment and a very complicated regional environment.

The international environment became volatile and uncertain because the largest economy of the world, the United States, which has been the leader of globalization of markets and free trade, has changed its policy towards more protectionism and nationalism.

This change of policy has generated a trade war with China, making international markets ever more volatile and uncertain.

We have to add to this international environment of volatility, the serious economic and political crisis of our two biggest neighbors, Argentina and Brazil. Argentina has a perfect storm from which it will be difficult to emerge without significant trauma: fiscal deficit, thriving inflation, halted economy, increase of poverty and a very weak government.

Brazil has a huge fiscal deficit and a public debt in unsustainable levels, which will become difficult to revert with a fragmented and discredited political system and due to back-to-back corruption scandals.

In this complicated environment, the Paraguayan economy managed to grow around 4%, inflation is controlled at 3.2%

despite the fact that the devaluation of the guaraní was at 7%.

This economic growth is good considering the adverse environment, but it is absolutely insufficient so that our country can move forward towards development and the substantial reduction of poverty.

The 4% growth was lower than initially estimated by the Central Bank of Paraguay as only one of the three pillars of our economy had an excellent performance.

The pillar explaining the growth in 2018 was the agricultural sector, especially as to soy, which had a significant production due to significant rains and good international prices.

The second pillar is trade in bordering cities, which suffered a negative shock from May last year due to the significant devaluation of the currency of Argentina.

This shock is the cause of the claims from many corporate sectors, as sales fell significantly, especially in Encarnación and, in a lower level, in some sectors of Asunción.

The third pillar is government, which suffered a problem that arises in years of change of government: the standstill of public works and its subsequent impact on economic activities.

The financial sector is a mirror of the real economy, and in 2018, it increased the positive trend that had been seen during 2017.

The credit portfolio had a growth of 14% against 5% of the year before; defaulting was reduced around 0.30% ending at 2.20% and the level of coverage of allowances on the past-due portfolio has a slight increase compared to the year before, going from 1.32 to 1.33 times.

The profitability of the financial system grew 3%, a figure which is lower than the growth of business, mainly due to the reduction of the financial margin driven by the fall in the interest rates of credits.

In this context, Banco Familiar, in almost all indicators, had a performance above the levels of the market. Our credit portfolio grew an average of 18%, driven by the growth of the corporate credit portfolio which increased 40%.

This growth of the corporate sector is the product of the strategy of the bank towards becoming an integral bank, aiming at all segments and with all products.

A special mention shall be made to the operation of financing the Tape Porá Consortium for the widening of Route 7, for 350,000 million guaraníes.

This operation was designed by Banco Familiar creating a complex financial engineering in which several banks participate for the funding, creating a trust fund to guarantee the loans with the flows of tolls and the operation is leveraged with funds of the Financial Development Agency.

Although the bank accelerated the growth of its corporate credit portfolio, it has not neglected other segments, such as small and medium enterprises and individuals.

In this retail credit portfolio, which accounts for 90% of the clients of the bank, we had a growth of 7% thanks to the intensification of digitalization and decentralization of services.

As to defaulting, we have worked hard to adapt the flow of payment of our clients affected by the adverse exchange impact of Brazil and Argentina. Results have been encouraging, reducing the global default of the bank from 5.2% in 2017 to 4.8% in 2018.

In addition to the lower defaulting levels, the bank has increased its fund of coverage with allowances on the defaulting portfolio of 126% in 2017 to 130% in 2018. We shall remember that the policy of allowances of the bank is one of its biggest strengths, as we establish allowances above regulatory demands imposed by the Central Bank.

This makes allowances on the total credit portfolio around 6.3%, while the average of the financial system is only 2.9%.

The deposit portfolio making possible the funding of credits grew 13% in 2018, driven by a growth of demand deposits of 16% and term deposits of 10%.

With this growth, the total of demand deposits represents 58% of the total deposits of the bank, fully aligned with the goals we had when we transformed from a financial institution to a bank.

Another action that has involved a significant effort from the board and executives has been the control of expenses, seeking more efficiency in operations. Results have been encouraging as the total assets of the bank grew 26.4% while expenses only grew 2.8%.

This made for the total of expenses on the assets of the bank to be reduced from the 7.1% in 2017 to 5.8% in 2018.

But 2018 was not simply thinking and planning for the future and managing the present. We also made investments in this present to build the future of our dreams.

To make the vision of an integral bank a reality, we created an insurance company, Familiar Seguros, where the bank invested for its capitalization around 9,950 million guaraníes.

For the organization of the new company, the advisory of PricewaterhouseCoopers was hired and it is expected that the company -which will start to operate in 2019- will become a new source of income for the bank and an important diversification of its services.

To make the vision of a digital bank a reality, we invested more than 9,452 million guaraníes in technology this year, in

both hardware and software, which will allow to maintain and improve the competitiveness of the bank.

In real estate, furniture and improvements to our offices, we invested 4,762 million guaraníes, which allows to improve the quality of our places to provide a better service for clients and better work conditions to our collaborators.

In 2018, Banco Familiar did not simply plan for the future, it managed the present and made investments to improve its efficiency and competitiveness, and it also took care of its collaborators and the community

During the year, it heavily invested in training and skill-developing programs for our people. Through the use of simulators in digital platforms and attendance-based courses, there were 34,061 hours of courses, 54% of which were carried out through E-learning and 46% were attendance-based.

As part of our Corporate Social Responsibility Program, we supported several civil society organizations, both with financial resources and through the volunteering of our people. The Financial Education talks are highlighted, as they were given to more than 1,000 participants in schools, high schools and universities in 16 cities in the country.

To conclude, 2018 has been a very intense and positive year for the bank, ending the year with an income net of taxes of 141,111 million guaraníes, an amount 12% higher than in the previous year.

It is important to highlight that said income includes the 11,828 million guaraníes of allowances made for prudence reasons which are above the levels required by the Central Bank.

We are aware that the future will be very challenging, with big opportunities to understand the changes occurring and to adapt to them, but also terribly threatening to countries, companies and people that do not do it.

Banco Familiar wants to remain being a significant player in the construction of that better future, so we need to keep building that leading national bank, providing all companies and all people with adequate financial services for their needs.

That construction must be done with solid capitalization, prudent administration and the support of our highly trained and motivated people and our values of legality and ethics.

To conclude, on behalf of the board of the bank, I want to thank all of those who are making the construction of the bank of our dreams possible, our collaborators, our clients and specially our shareholders. None of these could have been possible without their support and trust.

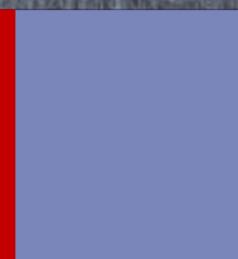
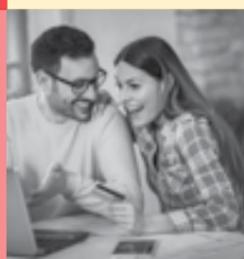
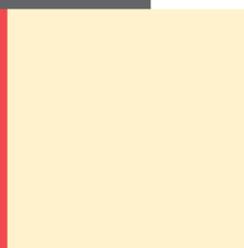
Thanks to all of you.

ALBERTO ACOSTA GARBARINO
President of the Board





OUR COMMITMENT





2018: GOOD GROWTH UNDER ADVERSE REGIONAL CONDITIONS

THE PARAGUAYAN ECONOMY GREW, ALTHOUGH LESS THAN EXPECTED, AND WAS ABLE TO FACE THE EXTERNAL SHOCKS BECAUSE IT IS SOLID AND HEALTHY.

UNCERTAIN AND VOLATILE WORLD ENVIRONMENT

Internationally, one of the most remarkable but foreseeable events was that, after years of a policy of free trade, the USA has started to protect its internal supply, taxing the import of products, specially from continental China. China, on the other hand, has reacted to that situation, also imposing duties on commodities from the USA. Even when other attached prices tend to be stable, in the short term, this situation has generated uncertainty in the markets. Latin America and those countries with relationships with continental China may get involved with a better final price to that obtained from Chicago.

The other international event, although not as foreseeable, is the change of trends in the American interest rates. This is due to the expansive fiscal policy forced due to the reduction of taxes. Although this creates a multiplying effect in the economy in the short-term, it is maybe unnecessary considering that it is operating at full levels of employment (or the rate of unemployment similar or lower than the natural unemployment rate).

Also, the reduction of taxes on the fiscal side, ends up restricting the currency policy as to keeping with the elevation of the level of its interest rate, as seen until the third trimester. The implication of an expansion in fiscal policy in this case compromises the currency policy because the economy is operating with a fiscal deficit and the level of public debt is high on its own. So, there are increases in the interest rate, aggravating the deficit and/or the ability to repay debt.

PARAGUAY IN A COMPLICATED REGIONAL ENVIRONMENT

One of the three pillars moving the Paraguayan economy is, without doubt, the commercial relationship with the regional countries, which represents more than 60% of international trade. Its main commercial partners are Argentina and Brazil.

Paraguay has a smaller economy than those countries and also has a very open economic model. There is not much of a choice in the model as the borders are permeable and more than 80% of the population live in cities that are not less than 50 km away from any of these countries.

This condition of being an open and small economy conditions it to be a "taker of prices" without much negotiating power nor objection to stronger economic or border protection imposed by its neighbors. So, the exchange shocks that occur quickly as to the currency side, impact on the competitiveness of the prices of products for real.

Sometimes these shocks play to our advantage and sometimes, against us. In 2018, the exchange shock of both countries affected the Paraguayan economy negatively due to an adverse exchange effect that reduces the purchase of Argentinians in Paraguay, which leads to Paraguayans buying from Argentina. This impacted on the internal consumption, the commercial activity of small and medium enterprises and big chains of supermarkets and stores from several fields. The decrease in economic activity of these stores impacted negatively in a chain reaction on the collection of taxes, the level of employment, the possibility of paying credits, etc.

In the case of Argentina, there were several devaluations of the peso, mainly in the months of May and August, resulting in a yearly devaluation of more than 100% in 1 year. This situation impacted negatively on the trade and internal consumption of Paraguay. From the closure of international markets, Argentina approached the International Monetary Fund so it has its financial needs covered for 2018 and 2019. However, said financial resources come with fiscal adjustments that said country must enforce in the medium term with clear effects of recession in the short term. Even if there is a question on the execution or not of the plan, in the best of cases, if executed, there will be a recession in the short term and if not, with all certainty, there will be more exchange pressure due to the uncertainty which is high on itself considering next year is an electoral year.

In the case of Brazil, the devaluation of its currency has been constant until the end of the year. With a real which is nominally more devaluated, the impact is negative for Paraguay. Towards the end of the year, with elections ended, the markets saw the team made by Bolsonaro positively, and the exchange rate was once again in levels around the exchange rate of balance in the long term, giving a breath to the Paraguayan economy although only in the last months of the year and from the Brazilian side.

PARAGUAYAN ECONOMY

The other two main pillars that dynamize the Paraguayan economy significantly are the level of agricultural production and the government.

As to agriculture, we talk about the item of soybean, of the direct effects of production and the indirect dynamizing effect of trade. Although said sector is operating at its highest level of capacity installed (all profitable and productive hectares are used), the effect that it produces in the economy is determined by external factors that we do not control: the weather, as to the profitability that may be obtained per hectare, and the international markets. In 2018, both factors: weather and price, have been played favorably, allowing the obtainment of record levels, although not very distant from historic values of previous years.

As to the government, what we discussed in the outlook for 2018 as to dynamism of infrastructure works happened. After the result of the elections was known, and the subsequent change in the government, the execution of works was slowed down causing partial cuts in the chain of payment to providers and providers of providers of the State.

We can also highlight, in addition to the three pillars mentioned above, the lesser although positive impact of the increase of the export of meat, the maquila sector and the increases of salary seen in the public sector.

Although there are several adverse issues in the aspects that dynamize the economy, the gross domestic product sees an increase around 4%, although less than initially forecast by the Central Bank of Paraguay.

It has to be mentioned that the growth was possible in the midst of the adversities as Paraguay is able to face them.

The inflation was only 3.20% despite exchange pressure and the high proportion of exchangeable goods in the economy.

The depreciation of the guarani was 7%, way below the regional currencies, although it should be mentioned that this was possible thanks to the favorable position of international reserves that favor the margin of maneuver. This situation was possible as the entire economy is operating positively, with the fiscal sector ordered, the independent monetary sector, the solid and well-controlled financial system and a private sector with a reasonable aversion to taking risks when getting debts.

FINANCIAL SECTOR

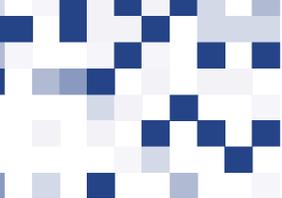
Strength and favorable trends are seen in general in the figures of the financial sector.

The same trend seen in 2017 can be seen in 2018 in the credit portfolio. The growth of 2018 was 14%, it was much more dynamic than in 2017, when we saw a growth of only 5%. The levels of quality of portfolio also have a favorable trend. Defaulting was reduced 0.30% in 2018, ending up in 2.20%. The levels of re-financing and restructuring of credit also have a slight decrease of 15.1% and 14.6%. And the level of coverage of allowances on past-due portfolio has a slight increase with respect to the previous year, going from 1.32 to 1.33 times.

As to the levels of profitability, the system increased profits in 3%, which is not a lower figure than the growth of business. Despite adjustments made in the expenses of structure, considering the growing digitalization of services, the margin, specifically the lending rate of credits which has decreased significantly, impacting with almost one point on the total credits, reflecting the situation with the high level of sophistication and competitiveness of the agents of the sector.

ECONOMIC OUTLOOK FOR 2019

The international outlook will be therefore uncertain and will clearly slow down compared to the rhythm in 2018. Regionally, we expect Brazil to recover its path of expansion but it will be seen with time if they are effectively capable of undertaking the reforms needed. As to Argentina, 2019 will be a year of transition due to the elections and it will continue with the commitment to the International Monetary Fund, which will certainly condition its financial support to that compliance. It is expected that the execution of infrastructure works that were slowed down in 2018 due to the change of government will be normalized. As to the agriculture sector, a stable level of prices and production are foreseen. Paraguayan projects, with these premises, a growth of around 3.50%, a level of inflation around 4% and a not very strong pressure as to the exchange rate, although with volatility, which shall be faced timely.



Paraguay Economic and financial indicators	2015	2016	2017	2018 (e)
Nominal GDP (Millions of USD)	36,285	36,345	39,406	39,836
GDP per capita (USD)	5,371	5,302	5,667	5,650
Total GDP Growth (%)	3.1	4.3	5.0	4.0
Inflation (%)	3.1	3.9	4.5	3.2
Nominal exchange rate variation (%)	25.4	(0.7)	(2.7)	6.6
International reserves (Millions of USD)	6,200	7,144	8,146	8,004
External debt (% of GDP)	11.0	13.3	14.2	16.1
Fiscal deficit (% of GDP)				
Financial system				
Variation per year in loans (%)	21.0	0.3	5.5	14.5
Loans/GDP (%)	41.6	40.0	40.2	44.3
Variation per year in deposits (%)	15.4	6.9	7.6	6.4
Deposits/GDP (%)	41.4	42.4	43.5	44.5
ROE (Net income / Equity, Average) (%)	21.1	18.3	18.6	17.7
Average defaulting (%)	2.6	2.9	2.8	2.5

Source: Central Bank of Paraguay

A YEAR OF GROWTH AND REAFFIRMATION OF OUR STRATEGY

2018 presented several adverse scenarios. Familiar had the opportunity to materialize and make several projects that it had been working on effectively, which has allowed it to grow above the market levels and to keep improving of the quality of the portfolio, due to the reduction of defaulting.

AS TO CREDITS:

- We had a significant growth of 18% compared to the previous year, higher than what was seen in the financial sector. The most dynamic sector has been the corporate sector, where the materialization of the use of credit lines of the majority of our clients was carried out due to our competitiveness in conditions offered. The growth seen in said portfolio was of 40%.

- We have concluded, in 2018, the rest of the operation of funding to Tape Porá, a consortium that was awarded the widening of route 7. This operation is one of the biggest projects of investment in recent years. It involves a significant financial engineering which includes the establishment of a trust fund of administration which has the interception of the flow of income from tolls existing in that route. The trust fund receives said flow first-hand and prioritizes and ensures the repayment of debt to the banks participating in the financing. Therefore, the amount financed is PYG 350 billion, which extends for 15 years, and this financing is also supported by funds of the Financial Development Agency, which made the funding for intervening banks possible.
- In 2018, there was also a supplementary agreement for

the widening of route 7, in favor of the same consortium, Tape Porá. The structuring of it has been managed during the year.

- As to the portfolio of small and medium enterprises, the credit process and technology of this portfolio was modified in 2014 after detecting that it is a sector with credit facilities and with propensity to get debts above the level of aversion of risk of Familiar. So, to face that situation, adjustments were made. In the short term, those adjustments translated into decreases in the portfolio, and the largest decrease was in 2016. In 2017, the drop was smaller, around 4%. In 2018, there were positive effects of said changes, managing a growth in the portfolio of around 7%.
- The portfolio for individuals is also supported by credits with specific allocation that allow it to face a long-term relationship with clients. We have a program determined to seek that goal through long-term financing credits; vehicles, fixed assets and housing.
- As to vehicle financing, there have been significant agreements with commercial companies working in imports of vehicles, providing options to access said goods through financing to competitive rates.
- Credits for the purchase of fixed assets are ever more recurrent in clients of Familiar, given the adaptation of credit processes, systems of guarantees and others that were consolidated in a timely manner. These Familiar credits are supported by own funds or are supported with funds from the Financial Development Agency when the conditions of eligibility of said institution allow it.
- As to housing credits in 2018, a significant agreement was executed that allows a second option for housing credit for more than 50% of the formal workforce of the country. There was an agreement signed with the Social Security Institute whereby said institute provides funds through bonds to Banco Familiar so that it can channel said resources to active contributors to said retirement fund. At the moment of execution of the agreement, this second option allowed contributors to the Social Security Institute to access housing credits at a rate of 9.50%, lower than the 11.0% rate seen at the moment. This has provided a significant drive to housing credits in general, which has led to a better standing of Familiar with respect to this type of funding instead of being a replacement of one option for another, with the final result of more monthly applications.

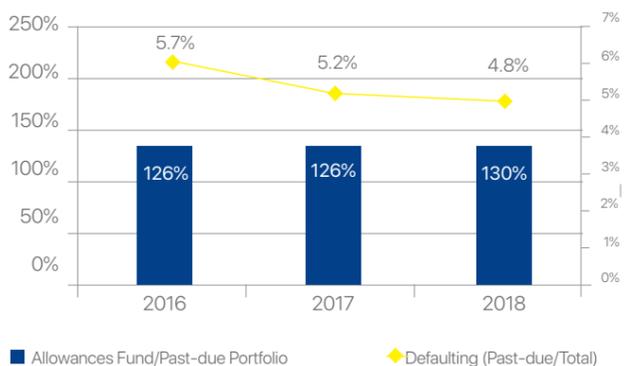
- The third and relevant portfolio for Familiar is the Retail Banking, with the known products of Consumption Credit, Credicédula, Credit Cards and Micro-companies. 90% of the clients of Familiar are part of the portfolio of this banking. There was an intensification of digitalization and decentralization of services considering that our clients require us to do so. The most concrete event as to digitalization is the credit self-service through mobiles, a channel and option that has been quickly adopted by our clients and which currently represents a significant part of the credit applications received. The decentralization of services involves mainly the signing of alliances with non-banking correspondents to facilitate transactions (mainly collection) closer to clients.

ACTIVE PORTFOLIO (Billions of PYG)



- As to defaulting, we have worked intensely to adapt the flow of payment of our clients with the deterioration seen in the first part of the year, especially due to the adverse exchange effect of Brazil and Argentina, and the decrease in payments from the State due to the government transition. We have also worked in retail banking to readapt the scoring systems and make them more assertive to certain credit sub-portfolios. In retail banking, we also did a significant job in managing the traceability of clients of the public sector who started to collect their salaries from the National Development Bank.

The policy of allowances of the Bank is a strength to be highlighted. In that way, the Bank creates allowances above the regulatory standards of our country and maintains a solid level of coverage of the past-due portfolio that is close to 130%. As to the total portfolio, Familiar has a coverage of 6.3%, more than doubling the coverage of the system, which closed at 2.9%.

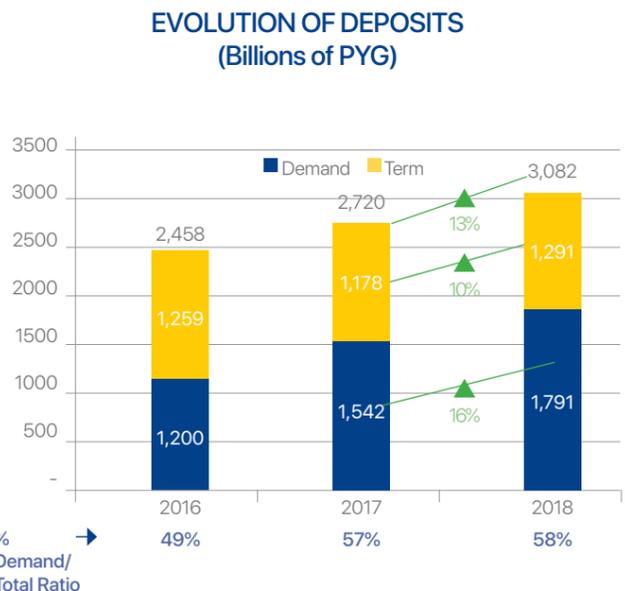


AS TO DEPOSITS

In the previous year, we saw an increase in said participation from 49% to 57%, considering a series of actions aimed at facilitating transactions to clients, services that are ever more digital through the web platform. 2018 was not exempted from the positive effects we have mentioned and the participation of demand deposits on the total increased again from 57% to 58%. We have incorporated some new things:

- We added the possibility of creating savings deposit certificates from the web platform. This means that a client only needs to come to our offices once instead of several times for one operation.
- In retail banking, we have continued with the program of financial inclusion, creating savings accounts quickly at the moment of disbursement of credits.
- After works and adjustments of several years, we have launched the Digital Account to the Paraguayan market, which is a savings account open at 100% from the cellphone or web, without the need to attend a branch or carry out additional proceedings. The service has been widely accepted and valued by the public in general, and there is a growing number of open accounts from said channel with a quick process of adoption and usage.
- Fixed-term deposits also increased, although less that proportional to the demand balance.
- It should also be mentioned that Familiar has issues Bonds

for the first time through the Exchange Market. Bonds issued for PYG 55,000 million in total were acquired by the Social Security Institute as part of an agreement for the funding of infrastructure works and funding for housing for contributors to said fund, as mentioned above.



OTHER SERVICES

*PAYMENT OF SALARIES AND TO PROVIDERS:

Banco Familiar offers very important competitive advantages to businessmen who opt to use these services. Its experience in the management of retail clients, in addition to its wide and properly located network of branches, in addition to extended schedule, provide an important added value for staffers and providers of companies, which give them benefits and satisfaction. In 2018, the number of companies serviced with payment of salaries grew 27%, reaching 372 companies, with a total of 516,284 payments of salaries and benefits during the year.

On the other hand, payments to providers were made 78,494 times for approximately 67 companies, 16% more than the previous year.

*EXCHANGES AND TRANSFERS

The service of exchanges is also highly appreciated by our clients, both individuals and companies. Thanks to the funding from remittances of Paraguayans abroad, the Bank

can provide foreign currency in a very competitive price. In 2018, there were exchange operations made for a total of 1,051 million dollars, 10% more than in 2017.

National and international transfers, on the other hand, are highly used and valued by clients. In 2018, the volume of transfers received and issued was of 1,233,861 operations, 97% more than the year before.

As an important service for clients, we have launched on the website the possibility to perform exchange and transfer operations directly through digital means, without the need to approach the bank in person and without using nor signing papers nor forms.

*PAYMENT OF FAMILY REMITTANCES:

Banco Familiar is an important supplier of the service of payment of family remittances. Nationally, approximately 12 of each 100 families or economic units receive remittances. In our portfolio of clients of loans and deposits, this index is higher, considering our base of clients in Retail Banking. So, for an important number of our clients, it is convenient to come to withdraw their remittances from abroad when they come for other banking operations. This demands us to be up to the circumstances seeking to provide an ever quicker and more competitive service. In 2018, the volume of drafts has been significant, although similar to 2017 considering that, as mentioned, the Argentina source had weaknesses in the exchange rate.

The proposal of value of the payment of family remittances is supplemented with the electronic savings account. The Paraguayan migrant abroad can manage electronically and remotely the opening of a savings account. And through said savings account, the Paraguayan migrant can: a) manage its money from the web, making payments and complying with obligations in Paraguay of the majority of services without relying on third parties, ensuring with that the good use of money and the non-theft of them, b) save in Paraguay and collect funds for when they plan their return through the electronic and remote management for the establishment of savings deposit certificates, and c) in the event of an emergency, dispose of its funds in Familiar submitting the money to the country where it is located through a self-transfer.

*INSURANCE:

En el 2018 el Banco profundizó el negocio de corredores de seguros, comercializando pólizas de automóviles, multiriesgos para el hogar y el comercio. En seis meses de operación se concretaron primas por Gs. 2.200 Millones con 1.184 clientes. Esta exitosa experiencia ha permitido sentar las bases para el nacimiento de la futura Compañía de Seguros del grupo Familiar, prevista para el primer semestre del 2019.

IMPROVEMENT IN THE RESULT CONSIDERING THE INCREASE OF THE FINANCIAL MARGIN

The income of the year is 12% higher than the income from the previous year, which can be really good considering that the total banking system grew 3% in income in the same period

Income (Millions of Guaranes)	2016	2017	2018	Changes 2018-17	Changes 2018-17, %
Financial income	576,886	564,081	612,144	48,063	8.5%
Financial costs	125,765	110,521	121,332	10,811	9.8%
Allowances	198,883	177,061	200,785	23,724	13.4%
Net Financial Margin	252,238	276,499	290,027	13,527	4.9%
Operating Expenses	250,736	261,703	269,109	7,406	2.8%
Other net operating income	114,648	126,829	139,369	12,540	9.9%
Income before taxes	116,150	141,625	160,287	18,662	13.2%
Income tax	13,725	15,658	19,176	3,518	22.5%
Net Income	102,425	125,967	141,111	15,144	12.0%

The main explanation for said increase is the increase in financial income, which was around 9% due to increase in the active portfolio of 18%. The growth of income is less than proportional to the increase in the portfolio considering higher operations in corporate credit that have lower interest rates than the average of the general portfolio.

The increase in allowances was lower than the increase seen in the portfolio. Also, the strong control of operating expenses meant an increase around 3%. The ratio of administrative expenses on Assets improved, decreasing from 7.1% to 5.8%, which implies more efficiency and competitiveness.

In general, it can be concluded that the results of the Bank have been consolidated in basically all of its lines, also creating more diversification in income, which is highly desirable and prudent.



BANCO FAMILIAR ADAPTS TO THE TRENDS

Banco Familiar takes drive and strengthens itself to face the coming years aiming at people, current or potential clients with whom we wish to have trusty links to join them in every stage of life.

Setting out and maintaining a long-term relationship with clients requires to get to know them in depth and to offer them something more than a business relationship.

We aspire to increase closeness with our clients and to improve their experience in each contact with the company, either with presence or digitally. This is why, since 2018, we have doubled up on our efforts to get to know their expectations and needs with more depth, which helps us to better understand how to adapt our offers and processes so that our service reflects their current desires as much as possible. This idea influences us to seek knowledge, to experiment and to cultivate talent.

The growing adoption of technologies is an indicator of the desire of people to solve their needs of information and transactions through digital means, the formation of the Digital Banking answers to this urgency to focus in a more focused manner on the development of our platforms with a faster speed than in prior years.

The quality of life is, today more than ever, related to the use of time, and we want to influence in a positive manner in the life of our clients by providing them the choice of using available platforms, from the cellphone or the device of their preference, as an alternative to move with an ever more chaotic traffic and making use of that time in whichever way they want in addition to covering their financial needs.

In 2018, we have invested time and resources in learning about new methodologies and implementing improvements in the web banking and the mobile app for the benefit of the experience of our users. Likewise, we have launched products of Digital Credits and Accounts, through which people can perform the entire process digitally, in a few minutes. The innovative Digital Account allows to complete the process including a transactional PIN number so that, every time that account has funds, it can be possible to perform transfers or payments online.

Through these products, there have been 12,114 credits and there has been a total of 7,633 accounts.

In this manner, our strategies have strengthened to continue to develop digital marketing and service through social networks, with the strategic goal of being where the client is, and increasing our spaces of participation, listening and interaction with digital communities with which it relates to and communicating with an ever-wider segment of people. For Banco Familiar, the participation with communities not only involves a focus on marketing, but also a contribution to taking care of the brand, providing a better experience for clients and detecting problems and trends that allow us to timely answer to the requirements of the audiences. Through these and other initiatives, we wish to keep building an emphatic, close, quick and easy bank, available whenever and however people require.

CONSTANT EVOLUTION BUT MAINTAINING THE SAME VALUES

Last year, we celebrated our first 50 years as a Familiar project and we closed our first decade as a bank. Getting to where we are, means that half a century has passed!

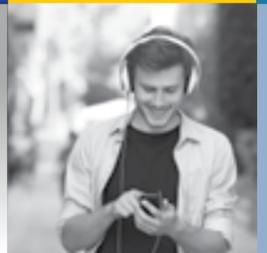
This awakens in us the challenge to remain attentive to the vertiginous changes in the world and which affect all businesses in a disruptive manner, especially those of intermediation in general. This is why digitalization and decentralization of services will remain the pillar of our strategy of processes in a transversal manner for all segments we service, for the coming years.

But it also awakens in us the challenge to remain firm with our values and principles.





CORPORATE SOCIAL
RESPONSIBILITY



OUR SOCIAL DIMENSION

INTERNAL PUBLIC AND COMMUNITY

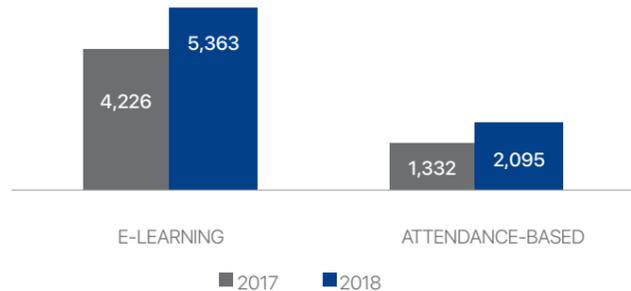
"The environment is changing very quickly, the bank is changing, we are changing in the way we connect, learn, work and set up a wide bank with integral products and services, uploaded to the digital world and able to satisfy the needs of all of our clients, but always maintaining the closeness, quality, warmth and values that characterize us".

OUR PEOPLE

TRAINING AND SKILL DEVELOPMENT PROGRAMS

The adoption of new knowledge is indispensable. To remain trained, we have invested in courses, simulators in digital platforms, workshops and integral programs on all of the fields of the business and the development of human skills, strengthening learning through e-learning platforms, not simply due to the advantages of the medium, but also in support of the digital culture.

ANNUAL COMPARISON OF NUMBER OF PARTICIPANTS IN TRAINING EVENTS



NUMBER OF HOURS INVESTED IN TRAINING EVENTS – 2018

Mode	Total hours
E-LEARNING	18,544
ATTENDANCE-BASED	15,517
GENERAL TOTAL	34,061

- We innovated with modern and ludic pedagogy such as Game Learning Platforms, in which playing and learning mix as a method of training.



- The annual version of the Leader Development Program was held with experience-based activities and e-learning including a diploma-course in Development of Successful Teams, from which 48 collaborators from all parts of the graduated.



INTERNAL COMMUNICATION PROGRAM

Another innovation was the launch of the DIGITAL PORTAL of INTERNAL COMMUNICATION, with the purpose of strengthening the identity and the sense of belonging, using technological means. This platform allows to share social information relevant for all, such as opportunities for selection, training, newly incorporated, health campaigns, IT safety and it is also a tool to perform massive surveys among our collaborators.

Through this platform, we seek to stimulate listening, information and massive participation. At the end of the year, the site had 14,000 visits.



Sites in the internal communication website

WORK QUALITY OF LIFE PROGRAM

We seek to go beyond the mere technical training. We understand the importance of taking care of the different dimensions of people as integral beings at work. Seeking to maintain the wellbeing of our collaborators during 2018, we carried out several programs and actions referred to the taking care of Physical and Mental health, such as:



Mindfulness workshops, active pause programs, permanent yoga classes, campaigns to prevent breast cancer, vaccination against the flu, among other massive campaigns. We celebrated Women's Week with competitions, talks with issues referred to health and nutrition, personal finances, rights of motherhood and breastfeeding, personal and professional image, etc. Men also had their space with talks about men's health, and in our internal communication portal, we permanently share important recommendations on integral health.



Yoga Classes



Mindfulness Workshop (Full Attention)



Financial Education: without prejudice to other cooperation activities with foundations and civil organizations, we remained focused on Financial Education in our communities. Aimed at children, adolescents and adults, our corporate volunteers provide talks in schools, high schools, universities, community centers and other places, reaching more than 1,000 participants in 2018.

The goal is to provide basic notions of healthy finances taking on issues referred to savings, over-indebtedness or family budget and also, Training of Trainers, who can replicate what they learnt in those school environments and in their daily lives.

The activities were held in 16 cities across the country.

COMMUNITY

Banco Familiar has also characterized itself for the closeness and involvement of its members with the communities through CSR actions, and thanks to corporate volunteers, mainly.

AWARD FUNDS

Through the AWARD FUNDS, our volunteers continue to lead in solidary support initiatives in their communities, not just by getting involved with different needs, but also growing in their social leadership.

Based on the program, collaborators must lead, design, present, manage and report solidary help activities mainly in issues related to childhood.

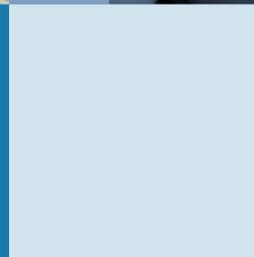


We will keep on strengthening the culture of innovation in all work spaces.

The technological means shall be the tools, but the commitment and personal leadership of each of us are the only ways to overcome the huge challenges demanded by today's work environment. This is done without taking care of and contributing to the environment in which we have an impact, so that Sustainability is the common element binding us.



FINANCIAL STATEMENTS





ASSETS	December 31, 2018	December 31, 2017
CASH AND CASH EQUIVALENTS	697,392,738,302	613,446,226,197
Cash	158,763,578,574	171,648,242,620
Central Bank of Paraguay (Note C.2)	428,218,128,193	367,596,562,080
Other financial institutions	109,988,457,032	73,860,001,085
Accounts receivables from accrued financial product (Allowances) (Note C.6)	423,831,003 (1,256,500)	341,497,952 (77,540)
PUBLIC SECURITIES (Note C.3)	502,231,301,160	344,295,344,440
CURRENT LOANS FROM FINANCIAL INTERMEDIATION - FINANCIAL SECTOR (Note C.5.1)	296,196,157,752	92,136,037,991
Placements	294,027,817,676	90,644,408,767
Accounts receivables from accrued financial products (Allowances) (Note C.6)	2,178,787,711 (10,447,635)	1,491,629,224 0
CURRENT LOANS FROM FINANCIAL INTERMEDIATION - NON-FINANCIAL SECTOR (Note C.5.2)	2,911,592,405,117	2,439,882,940,266
Loans	3,002,606,892,304	2,520,036,590,723
Public Sector Loans	1,060,912,819	0
(Revenue from valuation on hold)	(1,914,689)	0
Accounts receivables from accrued financial products (Allowances) (Note C.6)	46,495,968,814 (138,569,454,131)	41,636,545,841 (121,790,196,298)
SUNDRY LOANS (Note C.15)	28,812,752,481	25,601,439,743
PAST-DUE RECEIVABLES FROM FINANCIAL INTERMEDIATION (Note C.5.3)	91,390,493,431	83,985,353,239
Loans	151,151,958,176	138,090,842,848
(Revenue from valuation on hold)	(54,736,667)	(32,030,367)
Accounts receivables from accrued financial products (Allowances) (Note C.6)	7,210,493,647 (66,917,221,725)	6,755,849,945 (60,829,309,187)
INVESTMENTS (Note C.7)	81,092,659,991	41,059,263,487
Received goods in loan recovery	1,210,580,260	16,255,415,597
Private securities - Participation and Shares (Allowances) (Note C.6)	80,214,407,986 (332,328,255)	35,746,765,861 (10,942,917,971)
FIXED ASSETS (Note C.8)	26,504,122,273	27,819,749,952
DEFERRED AND INTANGIBLE CHARGES (Note C.9)	15,834,769,914	12,575,219,866
TOTAL ASSETS	4,651,047,400,421	3,680,801,575,181



LIABILITIES	December 31, 2018	December 31, 2017
DEBTS FROM FINANCIAL INTERMEDIATION - FINANCIAL SECTOR (Note C.13)	955,179,943,486	522,688,834,145
Central Bank of Paraguay - Guarantee Fund	3,447,920,355	3,062,416,908
Deposits - Other financial institutions (Note C.14.d)	267,756,066,942	265,234,514,806
Transactions to be settled	206,028,406,528	0
Loans from organizations and financial institutions	465,373,184,674	244,396,827,692
Accounts payable for accrued financial charges	12,574,364,987	9,995,074,739
DEBTS FROM FINANCIAL INTERMEDIATION - NON-FINANCIAL SECTOR (Note C.13)	2,894,028,202,837	2,478,544,042,631
Deposits - Private sector	2,479,520,490,592	2,168,651,831,298
Deposits - Public sector	304,717,829,111	260,165,287,085
Obligations, Debentures and Bonds Issued in the Market (Note C.17.d)	55,000,000,000	0
Other debts from financial intermediation	28,314,365,658	28,078,051,284
Accounts payable for accrued financial charges	26,475,517,476	21,648,872,964
SUNDRY DEBTS	67,307,761,887	42,060,023,383
Fiscal and corporate creditors	5,302,839,013	5,400,914,654
Other sundry debts (Note C.16)	62,004,922,874	36,659,108,729
PROVISIONS	8,924,745,859	6,758,303,411
TOTAL LIABILITIES	3,925,440,654,069	3,050,051,203,570
SHAREHOLDERS' EQUITY	725,606,746,352	630,750,371,611
Paid-Up Capital (Note B.5)	300,000,000,000	270,000,000,000
Equity Adjustments	20,322,751,086	19,377,427,386
Legal Reserve	159,474,799,097	134,281,320,197
Retained Earnings	104,698,145,128	81,124,229,526
Earnings from the Fiscal Year	141,111,051,041	125,967,394,502
For Legal Reserve	28,222,210,208	25,193,478,900
Net to be Distributed	112,888,840,833	100,773,915,602
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,651,047,400,421	3,680,801,575,181

FINANCIAL INCOME

FINANCIAL INCOME	December 31, 2018	December 31, 2017
FINANCIAL INCOME	574,187,208,476	533,501,759,222
From Current Loans from Financial intermediation in the Financial Sector	15,988,934,738	9,716,976,855
From Current Loans from Financial intermediation in the Non-financial Sector	523,094,698,842	488,286,466,068
From Past-due Receivables from Financial intermediation	12,012,177,561	11,885,994,452
From Revenues and Difference of Prices of Public Securities	23,091,397,335	23,612,321,847
FINANCIAL LOSSES	(121,813,436,285)	(114,645,122,361)
From Debts – Financial sector	(35,449,492,736)	(32,937,704,463)
From Debts – Non-financial Sector	(86,113,494,177)	(78,207,697,895)
From Assets and liabilities valuation in foreign currency - net (Note G.2)	(250,449,372)	(3,499,720,003)
FINANCIAL RESULT BEFORE ALLOWANCES - INCOME	452,373,772,191	418,856,636,861
ALLOWANCES	(201,330,892,529)	(177,519,247,710)
Establishment of allowances (Note C.6)	(210,893,067,688)	(190,516,925,587)
Cancellation of allowances (Note C.6)	9,562,175,159	12,997,677,877
FINANCIAL RESULT AFTER ALLOWANCES - INCOME	251,042,879,662	241,337,389,151
RESULT FROM SERVICES	101,576,138,708	95,145,795,012
Income from services	153,085,247,610	137,269,632,525
Losses from services	(51,509,108,902)	(42,123,837,513)
GROSS RESULT – INCOME	352,619,018,370	336,483,184,163
OTHER OPERATING INCOME	109,950,425,249	96,118,578,654
Income from exchange operations	16,741,457,330	16,008,423,444
Others	93,147,545,372	77,140,001,160
From Assets and liabilities valuation in foreign currency - net (Note G.2)	61,422,547	2,970,154,050
OTHER OPERATING LOSSES	(307,872,681,495)	(295,021,603,763)
Remunerations to staff and social security charges	(141,007,002,425)	(137,976,711,361)
General expenses (Note H)	(148,069,217,949)	(136,698,204,761)
Depreciations of fixed assets (Note C.8)	(7,521,247,327)	(8,013,190,906)
Amortization of deferred charges (Note C.9)	(6,639,777,163)	(7,138,791,421)
Others	(4,635,436,631)	(5,194,705,314)
NET OPERATING RESULT – INCOME	154,696,762,124	137,580,159,054
EXTRAORDINARY RESULTS	5,589,973,143	4,044,833,720
Extraordinary income	6,612,921,279	5,120,496,038
Extraordinary losses	(1,022,948,136)	(1,075,662,318)
INCOME FROM THE FISCAL YEAR BEFORE INCOME TAX	160,286,735,267	141,624,992,774
INCOME TAX (Note G.4)	(19,175,684,226)	(15,657,598,272)
NET INCOME FROM THE FISCAL YEAR	141,111,051,041	125,967,394,502
NET INCOME PER COMMON SHARE (Note E)	5,575	5,850

The accompanying notes A to L are an integral part of these financial statements.

CONTINGENT ACCOUNTS AND OFF-BALANCE ACCOUNTS

CUENTAS DE CONTINGENCIA Y ORDEN	December 31, 2018	December 31, 2017
Contingent accounts (Note F)	268.213.168.442	162.952.326.665
Off-balance accounts (Note F)	1.919.475.257.232	1.615.489.376.857

CASH FLOW FROM OPERATING ACTIVITIES

ESTADOS DE FLUJO EFECTIVO	December 31, 2018	December 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Collected interest and other financial income	662,022,601,862	609,478,865,235
Paid interest and other financial expenses	(99,266,808,637)	(108,289,574,792)
Income from collected services and other sundry income	159,086,758,343	142,843,565,989
Payments to providers and employees	(307,235,334,144)	(295,834,843,757)
Income tax payment	(16,021,526,244)	(13,452,058,543)
Net variation of the public and private securities portfolio	(157,935,956,720)	27,372,261,691
Net variation of term placements in other financial entities	(202,935,799,914)	31,668,394,380
Net increase of loans granted to clients of the financial sector and non-financial sectors	(676,348,830,725)	(544,008,253,759)
Net increase of deposits received from clients of the financial sector and non-financial sectors	321,977,022,727	318,384,865,037
Net cash flow from regular operating activities	(316,657,873,452)	168,163,221,481
Extraordinary net income	1,111,159,353	1,819,915,423
Net cash flow from operating activities	(315,546,714,099)	169,983,136,904
CASH FLOW FROM INVESTMENT ACTIVITIES		
Paying-up of capital in cash - Familiar Seguros	(9,950,000,000)	0
Dividends collected Bancard	4,478,813,790	2,224,918,297
Purchase of fixed assets and deferred charges	(17,879,797,996)	(7,113,277,215)
Net cash flow from investment activities	(23,350,984,206)	(4,888,358,918)
CASH FLOW FROM FINANCIAL ACTIVITIES		
Net variation of loans received from other financial entities	419,098,168,608	(79,046,075,614)
Interests from loans received	(19,540,000,089)	(14,342,993,502)
Financial bonds issued	55,000,000,000	0
Payment of dividends	(47,320,000,000)	(40,200,000,000)
Net cash flow from financial activities	407,238,168,519	(133,589,069,116)
Increase–Decrease – net of cash	68,340,470,214	31,505,708,870
Result from the variation of availabilities	15,607,220,851	(6,851,372,403)
Variation of allowances over cash	(1,178,960)	14,035,033
CASH AT THE START OF THE YEAR	613,446,226,197	588,777,854,697
CASH AT THE END OF THE YEAR	697,392,738,302	613,446,226,197

The accompanying notes A to L are an integral part of these financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Concept	Paid-Up Capital	Equity Adjustments (Revaluation Reserve)	Legal Reserve	Retained Earnings	Result from the fiscal year	Total
BALANCE AS OF DECEMBER 31, 2016	240,000,000,000	17,873,513,721	113,796,332,915	69,384,280,398	102,424,936,410	543,479,063,444
- Capitalization of earnings (a)	30,000,000,000	0	0	(30,000,000,000)	0	0
- Profit transfer	0	0	0	102,424,936,410	(102,424,936,410)	0
- Establishment of legal reserve (a)	0	0	20,484,987,282	(20,484,987,282)	0	0
- Distribution of dividends in cash (a)	0	0	0	(40,200,000,000)	0	(40,200,000,000)
- Establishment of revaluation reserve	0	1,503,913,665	0	0	0	1,503,913,665
- Net Income of the Year	0	0	0	0	125,967,394,502	125,967,394,502
BALANCE AS OF DECEMBER 31, 2017	270,000,000,000	19,377,427,386	134,281,320,197	81,124,229,526	125,967,394,502	630,750,371,611
- Capitalization of earnings (b)	30,000,000,000	0	0	(30,000,000,000)	0	0
- Profit transfer	0	0	0	125,967,394,502	(125,967,394,502)	0
- Establishment of legal reserve (b)	0	0	25,193,478,900	(25,193,478,900)	0	0
- Distribution of dividends in cash (b)	0	0	0	(47,200,000,000)	0	(47,200,000,000)
- Establishment of revaluation reserve	0	945,323,700	0	0	0	945,323,700
- Net Income of the Year	0	0	0	0	141,111,051,041	141,111,051,041
BALANCE AS OF DECEMBER 31, 2018	300,000,000,000	20,322,751,086	159,474,799,097	104,698,145,128	141,111,051,041	725,606,746,352

(a) Approved in the Meeting of Shareholders dated March 27, 2017 (Minutes No. 44).

(b) Approved in the Meeting of Shareholders dated April 10, 2018 (Minutes No. 45).

TRUSTEE'S REPORT




TRUSTEE'S REPORT CORRESPONDING TO THE FISCAL YEAR THAT ENDED ON DECEMBER 31, 2018 OF BANCO FAMILIAR S.A.E.C.A.

TO THE SHAREHOLDERS OF BANCO FAMILIAR S.A.E.C.A., GATHERED IN REGULAR GENERAL MEETING OF SHAREHOLDERS ON APRIL 9, 2019

Dear Messrs.,

In compliance with the mandate given to me as **REGULAR TRUSTEE**, I have supervised the direction and management of Banco Familiar S.A.E.C.A. during the fiscal year of 2018.

In order to verify the internal system of control and the financial statements, and in compliance with the legal obligations for Financial and Publicly-Traded Institutions, the Board hired the services of the independent external audit firm **DELOITTE & TOUCHE-PARAGUAY**.

According to the opinion of the aforementioned auditors dated February 26, 2019, the **BALANCE SHEET** and the **INCOME STATEMENT** are a reasonable representation, in all significant aspects, of the financial position of Banco Familiar Sociedad Anónima Emisora de Capital Abierto as of December 31, 2018, and the results of its operations from the year that ended on said date, in accordance with regulations of the Central Bank of Paraguay.

It is my opinion that:

- 1) **THE REPORT OF THE BOARD** is a reasonable representation of the relevant facts of the company during the year 2018;
- 2) **THE EXTERNAL AUDIT** has been performed in accordance with generally accepted standards in the area;
- 3) **THE FINANCIAL STATEMENTS** presented by the Board and verified by external auditors are a reasonable representation of the economic and financial position of the company.

Sincerely,



Dr. Juan Florio
Regular Trustee



AUDITORS' OPINION



Deloitte & Touche - Paraguay
Avda. Brasil 757
Asunción
Paraguay
Tel : +(595) 21 237 5000
www.deloitte.com/py

INDEPENDENT AUDITORS' OPINION

Messrs. President and Members of the Board of
Banco Familiar Sociedad Anónima Emisora de Capital Abierto
Asunción, Paraguay

1. Identification of the financial statements subjected to audit

We have audited the attached financial statements of Banco Familiar Sociedad Anónima Emisora de Capital Abierto (hereinafter referred to as "Banco Familiar S.A.E.C.A." or "the Company", indistinctly) that include the general balance sheet as of December 31, 2018, the income statement, statement of changes in shareholders' equity and cash flow statement for the fiscal year that ended on that day, as well as a summary of the significant accounting policies and other explanatory information included in notes A to L (notes B, C and F describe the main accounting policies used in the preparation of attached financial statements).

The figures and other information corresponding to the year ended on December 31, 2017 are an integral part of the aforementioned financial statements and are presented with the purpose of them being interpreted exclusively with respect to the figures and other information of the current year.

2. Responsibility of the Board and the Management of the Company with respect to the financial statements

The Board and the Management of the Company are responsible for the reasonable preparation and presentation of the financial statements in accordance with the standards, regulations and accounting provisions set out by the Central Bank of Paraguay and, in all aspects not regulated by them, with the current financial information standards in Paraguay, as well as for the internal control that the Board of the Company deems needed to make it possible to prepare these financial statements free from significant errors.

3. Responsibility of auditors

It is our responsibility to express an opinion on said financial statements based on our audit. We have carried out our exam in accordance with the current Audit Standards in Paraguay, issued by the Council of Public Accountants of Paraguay, with the standards of independent audit set by the Superintendency of Banks by Resolution SB SG No. 313/01 dated November 30, 2001 and the basic standards for external audit of financial statements set out by the National Securities Commission. Said standards require us to comply with ethical requirements, as well as to plan and execute the audit with the purpose of being reasonably assured that the financial statements are free from significant errors.

An audit involves performing procedures, substantially on selective basis, to obtain audit evidence on the figures and other information disclosed in the financial statements. The selected procedures, as well as the valuation of risks of significant errors in the financial statements, depend on the professional judgment of the auditor. By doing risk assessment, the auditor considers the relevant internal control for the preparation and reasonable presentation of the financial statements by the Company to design the audit procedures that are adequate based on the circumstances and not with the purpose of expressing an opinion on the effectiveness of the internal control of the Company. An audit also includes an assessment on the appropriate application of accounting regulations and the reasonability of the estimations made by the Board and the Management of the Company, as well as an evaluation on the general presentation of the financial statements.

We believe that the evidence we gathered was enough and appropriate for the foundation of our audit opinion.

4. Opinion

In our opinion, the financial statements mentioned in the first paragraph of this report are a reasonable representation, in all significant aspects, of the financial position of **Banco Familiar Sociedad Anónima Emisora de Capital Abierto** as of December 31, 2018, as well as the income statement, the statement of changes in shareholders' equity and the cash flow statement corresponding to the year ended on that day, in accordance with the standards, regulations and accounting provisions set out by the Central Bank of Paraguay, and in all aspects not regulated by them, with the current financial information standards in Paraguay.

5. Other issues

The financial statements corresponding to the year ended on December 31, 2017 were audited by other independent professionals, who have issued a report with a favorable opinion without objections or exceptions, dated February 23, 2018.

Asunción, February 26, 2019.

Deloitte & Touche - Paraguay
Registry CNY N° AE 021

Ricardo A. Fabris
Partner

018 Deloitte & Touche Paraguay

Solvency Trend	Oct 2018 Apy Strong (+)	Mar 2019 A+py Stable
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Continued unless otherwise stated

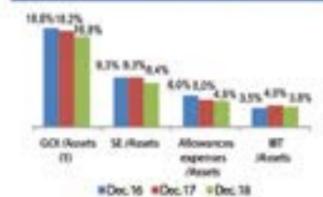
Financial Summary

In billions of guaraníes of each period

	Dec. 16	Dec. 17	Dec. 18
Total Assets	3,370	3,681	4,651
Net total placements	2,228	2,566	3,040
Liabilities receivable	2,827	3,050	3,805
Equity	543	621	726
Gross operating income (GOI)	822	842	705
Allowances expenses	199	178	201
Support expenses (SE)	300	327	340
Income before taxes (BT)	118	142	160

Source: Financial information prepared by Feller Rate on the basis of the Statistical Bulletin of the Central Bank of Paraguay unless otherwise stated.

Relevant indicators



(1) Indicators on average total assets

Capital adequacy

	Dec. 16	Dec. 17	Dec. 18
Liabilities receivable / Capital and reserves	7.6 vs	7.2 vs	8.2 vs
Effective equity (RWAC) (2)	20.1%	19.9%	18.3%

Source: Statistical Bulletin of the Central Bank of Paraguay and Banco Familiar S.A.E.C.A. (2) RWAC: risk weighted assets and contingencies

Individual credit profile

Main Assessed Factors	Weak	Moderate	Adequate	Strong	Very strong
Business profile					
Capacity of generation					
Equity support					
Risk profile					
Funding and liquidity					

Other factors considered in the rating

The rating does not consider another factor additional to the Individual Credit Profile.

Analyst: **Andrea Guilméz Brunet**
andrea.guilméz@feller-rate.com
(562) 2757 0472

Basis

The upgrade in the rating of Banco Familiar S.A.E.C.A. is based on its successful implementation of its business strategy, with favorable impacts on operating efficiency and on the advancement of diversification of its businesses. The change of classification also incorporates a strong capacity to generate results, even in periods of slower growth of the economy.

On the other hand, the rating maintains a strong activity in its traditional sector of retail banking with a focus on segments with higher relative risk. It faces the challenge of keeping with the advancement in new products and segments with controlled risk levels.

Banco Familiar is a niche bank. Its traditional business is granting loans to people with medium and low income and small and medium enterprises. This is done through a complete network of branches which is supplemented by alternative channels. As of the end of 2018, the entity continued advancing in its market share, reaching 3.4% of net placements of the system of banks and financial institutions.

The strategy of Familiar for the next periods is to keep covering the corporate banking segment with the purpose of continuing strengthening its competitive position and the diversification of its portfolio in a highly competitive scenario in the industry. The institution also aims to promote its alternative channels to keep improving its efficiency.

In the period under analysis, the operating margin of Familiar was affected by a higher pressure in financial spreads and high levels of competition, in addition to the regulatory change regarding credit cards. Also, the advancement in corporate banking implies lower operating margins, which are compensated with less expenses in risk and supplementary businesses. Finally, it shall be mentioned that the rhythm of growth of total assets of the bank has been higher than the rhythm of growth of the gross operating result, which also explains the decreasing trend in the margin. Despite all of these, as of December 2018, the yearly operating result on average total assets was high (16.9%), and it kept its advantage compared to the system (6.9%).

The efficiency has provided a positive trend, reflected in an average supporting expense indicator on total assets of 8.4% compared to the 9.3% indicator as of December 2017.

The allowances expenses, in relative terms, are higher than in other banks due to the segment it targets. However, the ratios related to expenses for credit risks have had a decreasing trend in the recent years due to the better behavior of the credit portfolio, in accordance with the management's actions and the context of the industry. By the end of 2018, the indicator of allowances expenses on average total assets reached 4.8%. Also, the bank has kept an adequate coverage of allowances, which was 1.3 times the portfolio with defaulting of more than 60 days at the same day.

The returns of the institution are maintained in high levels and above the average of the industry, driven by controlled expenses for credit risks and supporting expenses. As of December 2018, the income before taxes on average total assets was 3.8%, higher than the 2.3% registered in the industry. The activity of the bank has been supported by an adequate policy of retention of profit. The index of effective equity on risk weighted assets and contingencies was 18.5% as of December 2018, maintaining some margin as to the regulatory limit of 12%.

UNDERLYING FACTORS FOR CLASSIFICATION

Strengths

- > Niche bank with a significant participation in the retail segment, wide base of clients and record.
- > High operating margins compensate the support expenses.
- > Proactive management of credit risk.
- > Good level of coverage of allowances on past-due portfolio.

Risks

- > Concentration of its operations in the retail segment, although with less proportion than in previous years.
- > There is still an intensive structure in support expenses.
- > Sources of funding concentrated in deposits, although atomized.





NOTES TO THE FINANCIAL STATEMENTS CORRESPONDING TO THE YEAR ENDED ON DECEMBER 31, 2018

PRESENTED COMPARATIVELY WITH THE PREVIOUS YEAR
(DESIGNATED IN GUARANIES)

A. CONSIDERATION BY THE MEETING OF SHAREHOLDERS

These financial statements of Banco Familiar Sociedad Anonima Emisora de Capital Abierto (hereinafter referred to as "Banco Familiar SAECA" or "the Institution") will be studied by the next Regular Meeting of Shareholders to be held in 2019, within the term established by Article 32 of the Articles of Association and in accordance with provisions of the Paraguayan Civil Code.

The financial statements corresponding to the fiscal year of 2017 were approved by the Regular Meeting of Shareholders held on April 10, 2018, according to Minutes of the Meeting No. 45.

B. BASIC INFORMATION ON THE FINANCIAL INSTITUTION

B.1. Legal Nature

The Institution was established as a Corporation on January 21, 1992. Presidential Decree No. 13239 dated April 14, 1992 recognized its legal personality and approved its Articles of Association. It began operations on July 1, 1992, performing activities allowed for financial institutions in accordance with Paraguayan law and provisions set out by the Central Bank of Paraguay.

The Articles of Association were amended on December 15, 1995 for the Institution to become a publicly traded company, and again on July 17, 2008 to become a bank. On November 17, 2008, Board Resolution No. 2, Act No. 95 of the Central Bank of Paraguay approved the conversion of Financiera Familiar S.A.E.C.A. into a Bank and granted the license to operate as Banco Familiar Sociedad Anonima Emisora de Capital Abierto, which began operations under that name on January 1, 2009.

The Institution performs all the operations that are allowed to commercial banks in accordance with Paraguayan laws and provisions set out by the Central Bank of Paraguay and the Superintendency of Banks. On December 20, 2011, Banco Familiar S.A.E.C.A. acquired 100% of the shares of Brios S.A. de Finanzas, widening its commercial activities. On May 2, 2012, the merger by absorption of this Company was done.

Resolution SS.SG No. 053/14 dated September 1, 2014, issued by the Superintendency of Insurance, registered Banco Familiar S.A.E.C.A. in the Registry to operate as an insurance broker, under license No. 062. On August 17, 2018, according to Resolution SS.SG No. 200/18, the Superintendency of Insurance renewed the validity of the license until August 17, 2020.

As of December 31, 2018, the Institution had fifty-six customer service offices in Paraguay.

B.2. Basis for the preparation of the financial statements

These financial statements have been prepared in accordance with the accounting standards, regulations and instructions set out by the Central Bank of Paraguay and the Superintendency of Banks, and in issues not regulated by them, with the current financial information standards in Paraguay.

The balances included in the financial statements have been prepared based on historical costs, except for foreign currency accounts and fixed assets, as explained in sections c.1 and c.8 of Note C, and do not integrally acknowledge the effects of inflation on the patrimonial and financial position of the Institution, on the results of its operations and on cash flows. According to the Consumer Price Index (CPI) published by the Central Bank of Paraguay, the cumulative inflation of the years 2018 and 2017 was 3.20% and 4.51%, respectively.

(i) Relevant accounting policies:

In addition to the aforementioned in other notes to the financial statements, the following relevant accounting policies have been considered:

- Cash and cash equivalents has been assessed in its face value in Guaranies, net of allowances set out by the Central Bank of Paraguay according to longstanding applicable regulation in force for clearing accounts.
- The criteria to determine losses from bad loans and prepayments, as well as those that are not accruing interests, are general criteria set out by the Central Bank of Paraguay; and
- According to current financial information standards in Paraguay, the financial instruments must be valued and exposed in the general balance sheet with their reasonable value, defined as the amount for which it can be exchanged for an asset or used to cancel a debt between knowledgeable and willing parties in an ordinary transaction, considering that the Institution is a continuing business. The Board estimates that the reasonable values of said financial instruments are equivalent to their corresponding accounting value in books as of December 31, 2018 and 2017.

(ii) Estimations:

The preparation of these financial statements requires the Board and the Management of the Institution to perform some estimations and assumptions that affect the balances of assets and liabilities, the exposure of contingencies and the acknowledgement of income and expenses. The assets and liabilities are acknowledged in the financial statements when it is likely that future economic benefits flow from or to the Institution and that the accounts have a cost or value that can be reliably assessed. If in the future, these estimations and assumptions, which are based on the best judgment of the Board and the Management as of the date of these financial statements, were to be modified regarding the current circumstances, the original estimations and assumptions will be adequately changed in the date of said changes. The main estimations related to the financial statements are referred to allowances on assets and doubtful loan risks, depreciations of fixed assets, amortization of deferred charges, allowances for lawsuits against the Institution and allowances to cover other contingencies.

(iii) Comparative information:

The financial statements as of December 31, 2018 and the complementary information related to them, are presented in a comparative manner with the corresponding statements and complementary information corresponding to the fiscal year that ended on December 31, 2017. With the sole purpose of getting an adequate comparability, there have been certain reclassifications in the balance sheet and the cash flow statement as of December 31, 2017 and there is additional information in the notes to the financial statements.

B.3. Branches abroad

As of December 31, 2018 and 2017, the Institution does not have branches abroad.

B.4. Participation in other companies

As of December 31, 2018 and 2017, the Institution kept a participation in the share capital of Bancard S.A. and a participation in the share capital of Familiar Seguros S.A.

The participation in Familiar Seguros S.A. refers to the initial deposit for the formation of the Company. As of the date of issue of these financial statements, the registration in the Superintendency of Insurance is being dealt with.

The shares are valued at acquisition cost (see Note C .7). The data on said Companies is as follows:

As of December 31, 2018:				
Company	Share Capital	Face Value Guaranies	Accounting value Guaranies	% of participation
Bancard S.A.	135,450,000,000	9,675,000,000	9,675,000,000	7.14%
Familiar Seguros S.A.	10,000,000,000	9,950,000,000	9,950,000,000	99.50%
Total	145,450,000,000	19,625,000,000	19,625,000,000	

As of December 31, 2017				
Company	Share Capital	Face Value Guaranies	Accounting value Guaranies	% of participation
Bancard S.A.	135,450,000,000	9,675,000,000	9,675,000,000	7.14%
Total	135,450,000,000	9,675,000,000	9,675,000,000	



B.5. Composition of the capital and characteristics of the shares

The composition of the paid-up capital per types of shares as of December 31, 2018 and 2017, is as follows:

Subscribed and paid-up shares as of December 31, 2018				
Type of Shares	No. of votes per share	Value per share	Number	Total
Ordinary Registered Class "A" Shares	5 (five)	10,000	24,000,000	240,000,000,000
Preferred Registered Class "A" Shares	None	10,000	3,000,000	30,000,000,000
Preferred Registered Class "B" Shares	None	10,000	3,000,000	30,000,000,000
Total			30,000,000	300,000,000,000

Subscribed and paid-up shares as of December 31, 2017				
Type of Shares	No. of votes per share	Value per share	Number	Total
Ordinary Registered Class "A" Shares	5 (five)	10,000	21,000,000	210,000,000,000
Preferred Registered Class "A" Shares	None	10,000	3,000,000	30,000,000,000
Preferred Registered Class "B" Shares	None	10,000	3,000,000	30,000,000,000
Total			27,000,000	270,000,000,000

As explained in note D, the level of capital held as of the end of the period of the financial statements is above the legal minimum capital required by the Central Bank of Paraguay for banks.

B.6. Composition of shares according to circular SB.SG. No. 00224/2018

Shareholder	Percentage of participation in votes	Nationality or country of incorporation
Alberto Enrique Acosta Garbarino	3.62%	Paraguayan
Alejandro Daniel Laufer Beissinger	1.50%	Paraguayan
Alexis Manuel Emiliano Frutos Ruiz	0,51%	Paraguayan
Alfredo Rodolfo Steinmann Rosenbaum	6.17%	Paraguayan
Ana Elizabeth Fadlala de Del Valle	1.16%	Paraguayan
Celia Ismajovicz de Steinmann	1.50%	Paraguayan
César Amado Barreto Otazú	1.24%	Paraguayan
Chulamit Estrella Cohenca de Ardití	0.27%	Paraguayan
Daniel Beissinger Plate	0.29%	Paraguayan
Diana Fadlala Rezk	1.34%	Paraguayan
Fabián Ari Laufer Beissinger	1.01%	Paraguayan
Gabriel Laufer Beissinger	1.08%	Paraguayan
Graciela Fadlala Rezk	1.34%	Paraguayan
Grisel María Aurora Camperchioli de Obelar	4.39%	Paraguayan
Gudrun Margrete Wismann de Fadlala	2.29%	Paraguayan
Héctor Fadlala Wismann	2.29%	Paraguayan
Hugo Fernando Camperchioli Chamorro	4.39%	Paraguayan
Irene Steinmann de Ardití	2.55%	Paraguayan
Jaime Laufer	1.61%	Argentina
Jorge Rodolfo Camperchioli Chamorro	4.39%	Paraguayan
Lucía Aurora Chamorro de Camperchioli	4.39%	Paraguayan
María Del Pilar Frutos de Elizeche	0.51%	Paraguayan
Pedro Beissinger Baum	3.97%	Paraguayan
Rossana María Beatriz Camperchioli Chamorro	4.39%	Paraguayan
Samuel Ardití Palombo	5.59%	Paraguayan
Sergio Samuel Beissinger Loy	0.29%	Paraguayan
Silvia María Alicia Camperchioli de Martín	4.39%	Paraguayan
Sonia Fadlala de Gallagher	1.34%	Paraguayan
Víctor Fadlala Rezk	1.34%	Paraguayan
Wilma Patricia Frutos Ruiz	0.51%	Paraguayan
Wylma Inés Ruiz Vda. De Frutos	5.44%	Paraguayan
Otros	24.90%	
Total	100.00%	

B.7. List of Directors of the Board and Executives

As of December 31, 2018 and 2017, the List of Directors of the Board and Upper Management is as follows:

Board	
President	Alberto Enrique Acosta Garbarino
First Vice-President	Hugo Fernando Camperchioli Chamorro
Second Vice-President	Alejandro Laufer Beissinger
Regular Directors	Alfredo Rodolfo Steinmann Rosenbaum Pedro Beissinger Baum Jorge Rodolfo Camperchioli Chamorro César Amado Barreto Otazú
Alternate Directors	Roberto Daniel Amigo Marcet Silvia María Alicia Camperchioli de Martín Hector Fadlala Wismann
Regular Trustee	Juan B. Fiorio
Alternate Trustee	Diana Fadlala Rezk

Upper Management	
General Manager	Hilton Giardina Varela
Commercial Manager	Arsenio Vasconsellos Spezzini
Financial Manager	Diego Balanovsky Balbuena
Risks Manager	Wilson Castro Burgos
Branches Manager	Víctor Pedrozo
Corporate Banking Manager	Nery Aguirre Valiente
Personal Banking Manager	Graciela Arias Ríos
Digital Banking Manager	Fabio Najmanovich Campo
Consumption and Communications Manager	Luján del Castillo Cordero
Insurance Banking Manager	Yudith Bejarano
Administrative Manager	Gladys Velázquez Franco
Operations Manager	Sandra Hirschfeld Spicker
Technology Manager	Nancy Benet de Quintana
People and Organizational Development Manager	Mabel Gómez de la Fuente
Trust Funds Manager	Myrian Soliz de Mendoza
Internal Audit Manager	Venancio Paredes Alarcón
Compliance Manager	Oscar Daniel Fernández

C. INFORMATION RELATED TO THE MAIN ASSETS AND LIABILITIES

C.1.Valuation of foreign currency and exchange position

The assets and liabilities in foreign currency are valued at the exchange rate as of the end of the fiscal years of 2018 and 2017, as reported by the Exchange Desk of the Department of International Operations of the Central Bank of Paraguay, which do not differ significantly from those in the free exchange market:

Currency	December 31, 2018 (*)	December 31, 2017 (*)
U.S. Dollar	5,960.54	5,590.47
Euro	6,831.97	6,680.05
Argentine Peso	157.92	299.36
Real	1,539.55	1,692.08

(*) Guaranies per unit of foreign currency.

The differences in exchange from fluctuations in exchange rates, between the dates of execution of operations and their liquidations and valuation as of the end of the fiscal year, are presented in the results of each fiscal year. The position of changes as of December 31, 2018 and 2017 is as follows:

Description	December 31, 2018		December 31, 2017	
	Dollars	Guaranies	Dollars	Guaranies
Total Assets in foreign currency	149,215,021.11	889,402,101,930	125,637,925.87	702,375,055,438
Total Liabilities in foreign currency	(147,045,640.27)	(876,471,420,658)	(124,344,965.40)	(695,146,798,720)
Net Position in foreign currency	2,169,380.84	12,930,681,272	1,292,960.47	7,228,256,718

As of December 2018 and 2017, the net position in foreign currency did not exceed the position limit established by the Central Bank of Paraguay as stated in Resolution No. 7, Act No. 12, dated April 30, 2007 and its modifications in Resolution No. 11, Act No. 66 dated September 17, 2015.

C.2. Deposits in the Central Bank of Paraguay

The deposits in the Central Bank of Paraguay as of December 31, 2018 and 2017, are as follows:

Description	December 31, 2018		December 31, 2017	
	Foreign Currency	Local Currency	Foreign Currency	Local Currency
Required reserve – PYG	0	225,240,638,503	0	195,692,020,261
Required reserve – USD	17,167,738.68	102,328,993,112	15,623,026.29	87,340,059,783
Special reserve Resolution 1/131	0	1,045,798,526	0	593,200,000
Required reserve – Early redemption USD	58,800.00	350,479,752	232,353.58	1,298,965,718
Sub-total (*)	17,226,538.68	328,965,909,893	15,855,379.87	284,924,245,762
Current account – PYG	0	5,388,290,496	0	649,474,103
Current account – USD	10,144,721.99	60,468,021,210	9,305,629.44	52,022,842,215
Sub-total	10,144,721.99	65,856,311,706	9,305,629.44	52,672,316,318
Deposits for Monetary Operations	0	33,395,906,594	0	30,000,000,000
Sub-total	0	33,395,906,594	0	30,000,000,000
Total	27,371,260.67	428,218,128,193	25,161,009.31	367,596,562,080

(*) See also section a) of note c.11.

C.3. Public securities

Public securities acquired by the Institution are valued at their cost value plus accrued revenue to be collected at the end of every period. It should be noted that the Management's intention is to keep the securities until their maturity. The Board and the Management of the Institution estimate that the calculated amount does not exceed its likely value of execution.

The securities in the portfolio as of December 31, 2018 and 2017 are composed as follows:

Unlisted public securities issued	December 31, 2018		December 31, 2017	
	Capital Value	Capital plus Interest Value	Capital Value	Capital plus Interest Value
Treasury Bonds (*)	203,609,000,000	203,209,375,161	32,384,150,000	30,441,371,702
Letters of Monetary Regulation (**)	310,500,000,000	299,021,925,999	325,000,000,000	313,853,972,738
Total	514,109,000,000	502,231,301,160	357,384,150,000	344,295,344,440

(*) As of December 31, 2018, it includes bonds received from yielding operations for the amount of PYG 185,500,000,000.

(**) Including letters of monetary regulation with restricted availability, maintained by the Central Bank of Paraguay, which guarantee operations made through the SIPAP for the value of PYG 239,680,000,000 and 255,000,000,000 as of December 31, 2018 and 2017, respectively. As of December 31, 2018, it also includes letters of monetary regulation received from yielding operations for the amount of PYG 20,500,000,000.



The schedule for maturity of public securities in the portfolio as of December 31, 2018 and 2017 is as follows:

Capital plus interest value:

Period	December 31, 2018	December 31, 2017
2017	0	50,000,000,000
2018	0	203,476,910,192
2019	450,130,271,968	85,246,355,572
2020	52,101,029,192	5,572,078,676
Total	502,231,301,160	344,295,344,440

C.4. Assets and liabilities with adjustment clause

As of December 31, 2018 and 2017, there are no assets nor liabilities with capital adjustment clause. The loans from Financial Agency for Development [Agencia Financiera de Desarrollo (AFD)] and Oikocredit, financial bonds issued and certain loans granted (with funds from the AFD and with funds from financial bonds issued) include contractual clauses of eventual adjustments of annual interest rates.

C.5. Loan portfolio

Loan risk is controlled by the Management of the Institution, mainly through the evaluation and analysis of individual transactions, for which certain aspects clearly defined in the loan policies of the Institution are considered, such as: proven ability to pay and indebtedness of the debtor, loan concentration of economic groups, individual limits to grant loans, evaluation of economic sectors, calculable guarantees and the requirement of a working capital, in accordance with market risks.

The loan portfolio has been valued at face value plus accrued interest, net of allowances, which have been calculated in accordance with Resolution 1, Act 60 of the Board of the Central Bank of Paraguay dated September 28, 2007 and its subsequent amendments, for which:

- Debtors are classified in the following groups: (i) big debtors; (ii) medium and small debtors; (iii) personal –consumer and housing- debtors; and (iv) microcredits.
- Debtors have been classified in six risk categories based on the evaluation and rating of the ability to pay of a debtor or a group of debtors composed of related people, in respect to its total debts. Since January, 2012, an amendment of Resolution 1/2007 from the Central Bank of Paraguay requires the first category (category 1) to be sub-classified in three sub-categories for the purposes of the calculation of allowances.
- Accrued interests from current loans classified in the lower-risk categories "1" and "2" have been assigned to revenues in their whole. Non-collected accrued interests as of the date of end of the period from past-due loans and/or current loans classified in categories higher than "2" have been considered income until their default, have been fully provisioned.
- Earnings from valuation and non-collected accrued interests from debtors with past-due loans and/or current loans classified in categories "3", "4", "5" and "6" are kept on hold and are recognized as earning at the moment of collection.

e) Allowances have been established to cover eventual losses that may arise from the non-recovery of the portfolio, following the methodology included in the aforementioned Resolution 1/2007, considering its amendments and complementary rules.

f) As of December 31, 2018 and 2017, the Institution keeps generic allowances on its loan risks portfolio, distributed as follows:

- Generic allowances on the loan portfolio, net of specific allowances according to requirements set by the aforementioned Resolution No. 1/2007.
- Additional generic allowances for the portfolio of the Retail Banking based on a model of expected loss, authorized by the Superintendency of Banks on January 12, 2017, and;
- Additionally, voluntary generic allowances have been set according to provisions of the Board of the Institution.

g) Bad loans that are discharged from the assets, in the conditions established in the applicable regulation of the Central Bank of Paraguay in the subject, are registered and exposed as off-balance accounts.

C.5.1. Current loans to the financial sector

This item includes short-term placements in local financial institutions in national and foreign currency, as well as short-term loans granted to local financial institutions.

Current loans to the financial sector as of December 31, 2018 and 2017 are as follows:

According to the type of product:

Accounts	December 31, 2018	December 31, 2017
Fixed-term loans	57,180,922,216	49,549,162,191
Amortizable loans	4,179,050,110	3,806,029,264
Checks Discounts – Documents	114,476,422	0
Placements in Financial Institutions	31,288,493,066	38,780,846,535
Repurchase operations	203,443,663,573	0
Allowances	(10,447,635)	0
Total	296,196,157,752	92,136,037,991

According to the risk category:

As of December 31, 2018

Risk category	Accounting balance before allowances	Guarantees for allowances	Allowances		Accounting balance after allowances
			Minimum %	Established	
Category 1	292,027,555,278	0	0	0	292,027,555,278
Category 1a	4,179,050,109	4,179,050,109	0.5	4,179,050,109	4,168,602,474
Total	296,206,605,387	4,179,050,109		4,179,050,109	296,196,157,752

As of December 31, 2017

Risk category	Accounting balance before allowances	Guarantees for allowances	Allowances		Accounting balance after allowances
			Minimum %	Established	
Category 1	92,136,037,991	0	0	0	92,136,037,991
Total	92,136,037,991	0	0	0	92,136,037,991

C.5.2. Current loans to the non-financial sector

Current loans to the non-financial sector as of December 31, 2018 and 2017 are as follows:

According to the type of product:

Accounts	December 31, 2018	December 31, 2017
Non-adjustable fixed-term loans	504,772,547,910	309,917,548,886
Non-adjustable amortizable loans	1,986,312,557,411	1,862,137,781,865
Credits used in Checking Account – Overdraft	10,818,010,157	7,754,039,377
Debtors from use of Credit Cards	145,589,013,769	126,866,584,652
Discounted deferred checks	112,111,243,639	68,698,557,305
Loans with administered resources – Agencia Financiera de Desarrollo (AFD)	235,973,853,622	143,528,143,253
Housing loans with funds of the Social Security Institution (IPS)	6,622,255,865	0
Discounted documents	468,322,750	1,133,935,385
Debtors from accrued financial products	46,495,968,814	41,636,545,841
Income from valuation on hold	(1,914,689)	0
Allowances	(138,569,454,131)	(121,790,196,298)
Total	2,911,592,405,117	2,439,882,940,266

According to the risk category:

As of December 31, 2018

Risk Category	Accounting balance before allowances (a)	Guarantees for allowances	Allowances		Accounting balance after allowances
			Minimum % (b)	Established	
Category 1	2,547,743,680,640	288,380,772,385	0	(170,751,229)	2,547,572,929,411
Category 1a	387,925,968,138	66,751,110,494	0.5	(1,143,520,492)	386,782,447,646
Category 1b	99,267,628,505	19,330,392,808	1.5	(1,188,662,947)	98,078,965,558
Category 2	10,597,463,276	0	5	(454,810,860)	10,142,652,416
Category 3	2,312,246,368	0	25	(451,165,274)	1,861,081,094
Category 4	1,962,709,246	0	50	(715,373,889)	1,247,335,357
Category 5	100,946,773	0	75	(75,751,864)	25,194,909
Category 6	251,216,302	0	100	(251,216,302)	0
Generic allowances (c)				(134,118,201,274)	(134,118,201,274)
Total	3,050,161,859,248	374,462,275,687		(138,569,454,131)	2,911,592,405,117

As of December 31, 2017

Risk Category	Accounting balance before allowances (a)	Guarantees for allowances	Allowances		Accounting balance after allowances
			Minimum % (b)	Established	
Category 1	2,084,508,631,995	240,229,416,219	0	(440,021,604)	2,084,068,610,391
Category 1a	345,314,146,606	34,621,775,426	0.5	(1,086,551,208)	344,227,595,398
Category 1b	110,790,571,217	15,886,319,322	1.5	(1,194,006,021)	109,596,565,196
Category 2	7,857,631,795	0	5	(374,771,099)	7,482,860,696
Category 3	2,013,663,194	0	25	(511,641,908)	1,502,021,286
Category 4	4,084,774,398	0	50	(1,481,179,705)	2,603,594,693
Category 5	1,270,491,535	0	75	(960,942,661)	309,548,874
Category 6	5,833,225,824	11,882,340,031	100	(5,833,225,824)	-
Generic allowances (c)				(109,907,856,268)	(109,907,856,268)
Total	2,561,673,136,564	302,619,850,998		(121,790,196,298)	2,439,882,940,266

(a) Including capital and interest (net of revenue from valuation on hold).

(b) For debtors without calculable guarantees, the percentage is applied on the total risk (cash debt plus contingent debt). For other debtors, the allowance is calculated in two ways, including the guarantees only for the second segment. (c) This amount includes generic allowances in accordance with requirements of Resolution SB.SG. No. 1, Act No. 60 dated September 28, 2007, allowances for internal models of expected loss for the portfolio of Retail Banking and additional allowances defined by the Board of the Institution.

C.5.3. Past-due loans to the financial and non-financial sectors

Past-due loans to the financial and non-financial sectors as of December 31, 2018 and 2017 are as follows:

As of December 31, 2018

Risk Category	Accounting balance before allowances (a)	Guarantees for allowances	Allowances		Accounting balance after allowances
			Minimum % (b)	Established	
Category 1	0	0	0	0	0
Category 1a	509,125,631	0	0.5	(258,057)	164,636,763
Category 1b	2,625,298,981	0	1.5	(61,451,093)	2,663,156,809
Category 2	38,599,481,802	5,014,349,811	5	(3,517,041,877)	32,139,075,177
Category 3	43,595,763,157	2,067,117,948	25	(11,650,034,549)	29,834,602,662
Category 4	20,501,504,893	1,202,174,662	50	(9,092,421,759)	8,284,549,735
Category 5	43,094,682,377	1,007,093,022	75	(25,441,829,591)	8,077,770,678
Category 6	9,381,858,315	1,813,399,699	100	(11,066,272,261)	2,821,561,415
Generic allowances (c)				0	0
Total	158,307,715,156	11,104,135,142		60,829,309,187)	83,985,353,239



As of December 31, 2017

Risk Category	Accounting balance before allowances (a)	Guarantees for allowances	Allowances		Accounting balance after allowances
			Minimum % (b)	Established	
Category 1	0	0	0	0	0
Category 1a	164,894,820	0	0.5	(258,057)	164,636,763
Category 1b	2,724,607,902	0	1.5	(61,451,093)	2,663,156,809
Category 2	35,656,117,054	3,250,992,269	5	(3,517,041,877)	32,139,075,177
Category 3	41,484,637,211	2,444,072,518	25	(11,650,034,549)	29,834,602,662
Category 4	17,376,971,494	1,969,850,954	50	(9,092,421,759)	8,284,549,735
Category 5	33,519,600,269	234,799,740	75	(25,441,829,591)	8,077,770,678
Category 6	13,887,833,676	2,821,561,412	100	(11,066,272,261)	2,821,561,415
Generic allowances (c)				0	0
Total	144,814,662,426	10,721,276,893		(60,829,309,187)	83,985,353,239

(a) Including capital and interest (net of profit from valuation on hold).

(b) For debtors without calculable guarantees, the percentage is applied on the total risk (cash debt plus contingent debt). For other debtors, the allowances are calculated in two ways, including the guarantees only for the second segment.

(c) This amount includes generic allowances in accordance with requirements of Resolution SB.SG. No. 1, Act No. 60 dated September 28, 2007 of the Central Bank of Paraguay and additional allowances defined by the Board of the Institution.

C.6. Allowances for direct and contingent risks

Periodically, the Board and the Management of the Institution make, in accordance with rules of credit valuation established by the Superintendency of Banks of the Central Bank of Paraguay and criteria and policies of the Institution, reviews and analysis of the loan portfolio for the purposes of adjusting the allowances for doubtful accounts. All allowances necessary to cover eventual losses over direct and contingent risks have been established, in accordance with the requirements of Resolution No. 1, Act No. 60 of the Board of the Central Bank of Paraguay dated September 28, 2007 and its subsequent modifications and the criterion of the Board and the Management of the Institution.

Changes in the allowances accounts of the fiscal years that ended on December 31, 2018 and 2017 are as follows:

As of December 31, 2018

Concept	Balance as of the start of the period	Establishment of allowances in the period	Execution of allowances in the period	Cancellation of allowances in the period	Variation from Valuation in foreign currency	Balance as of the end of the period
Cash and cash equivalents	(77,540)	(1,256,500)	0	77,272	268	(1,256,500)
Current loans from financial intermediation – Financial sector	0	(10,447,635)	0	0	0	(10,447,635)
Current loans from financial intermediation – Non-financial sector	(121,790,196,298)	(25,281,480,921)	9,920,967	8,498,541,521	(6,239,400)	(138,569,454,131)
Sundry loans (Note c.15)	(3,722,472,554)	(930,770,324)	349,868,048	80,549,133	(134,914,370)	(4,357,740,067)
Past-due loans from financial intermediation – Financial and non-financial sectors	(60,829,309,187)	(183,675,970,653)	177,614,993,246	0	(26,935,131)	(66,917,221,725)
Investments	(10,942,917,971)	(947,529,016)	10,625,243,732	932,875,000	0	(332,328,255)
Contingencies (*)	(146,674,997)	(45,612,639)	0	50,132,233	0	(142,155,403)
Total	(197,431,648,547)	(210,893,067,688)	188,600,025,993	9,562,175,159	(168,088,633)	(210,330,603,716)

(*) These allowances are included in the item "Provisions" in Liabilities.

Al 31 de diciembre del 2017

Concept	Balance as of the start of the period	Establishment of allowances in the period	Execution of allowances in the period	Cancellation of allowances in the period	Variation from Valuation in foreign currency	Balance as of the end of the period
Cash and cash equivalents	(14,112,573)	(77,540)	0	14,111,655	918	(77,540)
Current loans from financial intermediation – Non-financial sector	(118,993,700,889)	(15,639,337,246)	985,526	12,851,862,303	(10,005,992)	(121,790,196,298)
Sundry loans (Note c.15)	(3,290,970,187)	(727,986,335)	133,174,588	104,168,278	59,141,102	(3,722,472,554)
Past-due loans from financial intermediation – Financial and non-financial sectors	(55,671,061,366)	(163,713,700,586)	158,534,800,065	6,593,209	14,059,491	(60,829,309,187)
Investments	(1,305,467,757)	(10,300,366,049)	662,915,835	0	0	(10,942,917,971)
Contingencies (*)	(32,159,598)	(135,457,831)	0	20,942,432	0	(146,674,997)
Total	(197,431,648,547)	(190,516,925,587)	159,331,876,014	12,997,677,877	63,195,519	(197,431,648,547)

(*) These allowances are included in the item "Provisions" in Liabilities.

C.7. Investments

The Investment item includes the possession of capital securities issued by the national private sector and private debt securities. The investments are valued according to their nature, in accordance with valuation standards set forth by the Central Bank of Paraguay (the lower value that arises from comparing its historical cost and its market value or estimated execution value).

Additionally, this item includes awarded or received goods in discharge of receivables. These goods are valued at the lowest of the following values: valuation value, award value and balance of the debt immediately before the award, in accordance with provisions of the Central Bank of Paraguay. For goods that exceed the established terms set forth by the Central Bank of Paraguay regarding their possession, allowances are established pursuant to provisions of Resolution No. 1, Act 60 of September 28, 2007 of the Board of the Central Bank of Paraguay and its modifications. After three years of possession, the goods are provisioned in their whole.

The investments of the Institution are detailed as follows:

As of December 31, 2018

Concept	Accounting balance before allowances	Allowances	Accounting balance after allowances
Received goods in discharge of receivables	1,210,580,260	(171,115,925)	1,039,464,335
Investments in Bancard S.A. (Note B.4) (*)	9,675,000,000	0	9,675,000,000
Investments in Familiar Seguros S.A. (Note b.4) and (Note C.12)	9,950,000,000	0	9,950,000,000
Investments in securities issued by the national private sector	60,161,212,330	(161,212,330)	60,000,000,000
Income from securities issued by the private sector	428,195,656	0	428,195,656
Total	81,424,988,246	(332,328,255)	81,092,659,991

As of December 31, 2017

Concept	Accounting balance before allowances	Allowances	Accounting balance after allowances
Received goods in discharge of receivables	16,255,415,597	(10,781,705,641)	5,473,709,956
Investments in Bancard S.A. (Note B.4) and (Note C.12) (*)	9,675,000,000	0	9,675,000,000
Investments in securities issued by the national private sector	25,875,212,330	(161,212,330)	25,714,000,000
Income from securities issued by the private sector	196,553,531	0	196,553,531
Total	52,002,181,458	(10,942,917,971)	41,059,263,487

(*) For its stake in investments in Bancard S.A., the Institution received as of December 31, 2018 and 2017, dividends in cash for PYG 4,478,813,790 and PYG 2,224,918,297, respectively; which are part of the balance of "Extraordinary Income". Additionally, in 2017, the Institution received dividends in shares for PYG 1,680,000,000, which represent 1,680 registered shares.

C.8. Fixed assets

The amounts of fixed assets are revalued according to the variation of the Consumer Price Index published by the Central Bank of Paraguay (see Note b.2). The net increase in the revaluation reserve for the year ended in December 31, 2018 and 2017, was of PYG 945,323,700 and PYG 1,503,913,665, respectively and is shown in the account "Adjustments to the Shareholders' Equity" in the Statement of Changes in Shareholders' Equity of the Institution.

The improvements or additions are included, while the maintenance and repairs that do not increase the value of the assets nor their useful life are charged to the results of the fiscal year they are incurred. The depreciations are calculated starting from the month after their incorporation to the estate of the Institution, through monthly charges to results based on a lineal method in the estimated months of useful life. As of December 31, 2018 and 2017, the residual value of the goods, considered as a whole, does not exceed its recoverable value.

The composition and variation of fixed assets for the years that ended on December 31, 2018 and 2017 are as follows:

Accounts	Acquisition Value				
	Balance at the start of the year	Bought	Sold and adjustments	Revaluation	Balance at the end of the year
Real Estate – Buildings	4,694,028,854	0	0	91,955,255	4,785,984,109
Real Estate – Land	3,146,122,105	1,424,440,000	0	114,614,053	4,685,176,158
Furniture	17,833,251,485	181,746,901	(15,506,105)	183,571,833	18,183,064,114
Machines and equipment	28,520,422,028	570,214,548	1,535,700	336,849,596	29,429,021,872
Facilities in owned property	3,343,758,547	81,850,326	813,789	13,666,788	3,440,089,450
IT equipment	39,056,504,764	3,002,270,279	0	204,666,175	42,263,441,218
Transport	848,208,351	0	0	0	848,208,351
Total as of December 31, 2018	97,442,296,134	5,260,522,054	(13,156,616)	945,323,700	103,634,985,272
Total as of December 31, 2017	94,965,271,446	1,273,250,009	(300,138,986)	1,503,913,665	97,442,296,134

Accounts	Depreciation					
	Annual rate %	Balance at the start of the year	From the fiscal year	Sold / adjustments	Cumulative as of the end of the fiscal year	Net value at the end of the fiscal year
Real Estate – Building	2.5	(1,820,427,121)	(126,022,518)	0	(1,946,449,639)	2,839,534,470
Real Estate – Land	0	0-	0	0	0	4,685,176,158
Furniture	10	(12,182,073,435)	(1,444,030,012)	15,279,999	(13,610,823,448)	4,572,240,666
Machines and equipment	10	(18,147,409,633)	(2,417,518,991)	(1,535,700)	(20,566,464,324)	8,862,557,548
Facilities in owned property	10	(2,930,894,885)	(96,531,752)	(813,789)	(3,028,240,426)	411,849,024
IT equipment	25	(33,693,532,757)	(3,437,144,054)	0	(37,130,676,811)	5,132,764,407
Transport	20	(848,208,351)	0	0	(848,208,351)	0
Total as of December 31, 2018		(69,622,546,182)	(7,521,247,327)	12,930,510	(77,130,862,999)	26,504,122,273
Total as of December 31, 2017		(61,909,399,950)	(8,013,190,906)	300,044,674	(69,622,546,182)	27,819,749,952

According to banking legislation, the financial institutions that work in Paraguay are forbidden from granting fixed assets as guarantee except those affected supporting operations of financial leasing and to the Central Bank of Paraguay.

C.9. Deferred charges

The deferred charges as of December 31, 2018 and 2017 are as follows:

As of December 31, 2018

Concept	Net initial balance	Bought / Sold (net)	Amortization - use in the fiscal year	Net balance as of December 31, 2018
Improvements and installations in leased real estate (*)	6,763,365,699	2,506,484,876	(3,710,025,668)	5,559,824,907
Intangible	4,770,301,449	6,450,491,925	(2,929,751,495)	8,291,041,879
Sub-total	11,533,667,148	8,956,976,801	(6,639,777,163)	13,850,866,786
Desktop utilities and others	1,041,552,718	3,662,525,247	(2,720,174,837)	1,983,903,128
Sub-total	1,041,552,718	3,662,525,247	(2,720,174,837)	1,983,903,128
Total	12,575,219,866	12,619,502,048	(9,359,952,000)	15,834,769,914

As of December 31, 2017

Concept	Net initial balance	Bought / Sold (net)	Amortization - use in the fiscal year	Net balance as of December 31, 2018
Improvements and installations in leased real estate (*)	10,771,008,950	967,236,117	(4,974,879,368)	6,763,365,699
Intangible	4,992,690,266	1,941,523,236	(2,163,912,053)	4,770,301,449
Sub-total	15,763,699,216	2,908,759,353	(7,138,791,421)	11,533,667,148
Desktop utilities and others	969,050,457	2,931,267,853	(2,858,765,592)	1,041,552,718
Sub-total	969,050,457	2,931,267,853	(2,858,765,592)	1,041,552,718
Total	16,732,749,673	5,840,027,206	(9,997,557,013)	12,575,219,866

(*) The Institution amortizes improvements and installations in leased estate lineally considering a useful life of 5 years.

C.10. Subordinated liabilities

As of December 31, 2018 and 2017, there are no subordinated liabilities.

C.11. Limitations to the free availability of assets and equity and any other property right restriction

In general, there are no restricted availability goods nor property right restrictions, except for:

a) Required Reserve:

The account Central Bank of Paraguay as of December 31, 2018 and 2017 includes the sums of PYG 328,965,909,893 and PYG 284,924,245,762, respectively, corresponding to restricted availability accounts, kept in said bank in concept of required reserve.

b) Guarantees in the Central Bank of Paraguay:

As of December 31, 2018 and 2017, Letters of Monetary Regulation for the value of PYG 239,680,000,000 and PYG 255,000,000,000, respectively, are restricted as Guarantees in compliance with the General Regulation of Payment Systems (SIPAP).

c) Statutory Reserve:

According to Article 27 of Law 861/96, financial institutions must have a minimum reserve equivalent to one-hundred percent (100%) of their capital or more, to be established with annual transfers of at least 20% of the net income of each fiscal year.

Article 28 of said Law sets out that statutory reserve resources will be automatically applied to cover losses in the fiscal year. In the following years, the total income must be directed to the statutory reserve until reaching its minimum required value, or the highest value since its establishment.

At any moment, the amount of the reserve can be increased with cash infusions.

d) Monetary Correction of Capital:

According to Law 5787/16, "Of Modernization and Strengthening of Regulations Governing the Functioning of the Paraguayan Financial System", financial institutions must update their capital annually, considering the Consumer Price Index as calculated by the Central Bank of Paraguay. The updated value of the minimum capital for the year of 2018 was PYG 52,257,000,000, according to Circular SB SG N° 00005/2018. The updated value of the minimum capital for 2017 was PYG 50,000,000,000, according to Circular SB SG N° 00005/2017.

The paid-up capital of the Institution as of December 31, 2018 and 2017 (Note b.5) is above the legal minimum required as of said dates.

e) Distribution of profits:

According to provisions of Law 861/96 "General of Banks, Financial Institutions and other Credit Institutions", financial institutions can distribute their profits after the approval of their annual financial statements audited by the Superintendency of Banks within 120 days of the end of the fiscal year. If the Superintendency does not refer to the statements within said term, profits can be distributed.

f) Dividends of preferred shares:

Preferred Registered Class "A" and "B" Shares pay preferred annual dividends on the face value of each share, which shall be determined by the annual rate of inflation as measured by the Central Bank of Paraguay, to which 6% (six percent) shall be added. For the calculation, the valuation of annual inflation corresponding to the end of each year will be considered, setting a minimum rate of 12% and a maximum rate of 20%.

The number of shares for each class is detailed in Note b.5. The dividends to be paid for Preferred Registered Class "A" and "B" Shares amount to PYG 7,200,000,000 as of December 31, 2018 and are deducted from the retained earnings after their approval by the respective Meeting.

C.12. Guarantees pledged in respect to liabilities

The financial obligations contracted to the foreign institution Oikocredit are guaranteed with instruments from the loan portfolio of Banco Familiar S.A.E.C.A. for the value of USD 6,646,211 and USD 6,859,482 for 2018 and 2017, respectively; these amounts cover at least 150% of the balance of the debts to said Institution as of December 31, 2018 and 2017.

To guarantee the obligations with Bancard S.A. and/or Visa International and/or Mastercard and/or participating establishments that could arise from its condition of issuer of credit cards and for balances arising from transactions with ATMs of users, Banco Familiar S.A.E.C.A. pledged a guarantee on part of the shares of Bancard S.A. it owns in favor of Bancard S.A. for an amount of PYG 6,619,800,000 for 2018 and 2017, respectively.

C.13. Distribution of loans and obligations from financial intermediation according to their maturity

As of December 31, 2018

Concept	Remaining term to maturity					Total
	Up to 30 days	31-180 days	181 days-1 year	More than 1 year to 3 years	More than 3 years	
Current loans from financial intermediation - Financial sector (*)	230,930,426,715	44,255,040,192	15,760,709,475	5,249,981,370	0	296,196,157,752
Current loans from financial intermediation - Non - financial sector (*)	341,351,698,584	1,180,721,857,014	716,760,691,673	470,637,823,130	202,120,334,716	2,911,592,405,117
Total Current Loans	572,282,125,299	1,224,976,897,206	732,521,401,148	475,887,804,500	202,120,334,716	3,207,788,562,869
Obligations from financial intermediation - Financial sector	286,284,132,957	209,564,942,790	117,064,242,710	155,606,711,090	186,659,913,939	955,179,943,486
Obligations from financial intermediation - Non - financial sector	1,779,420,054,552	256,223,861,387	334,494,780,623	458,969,483,984	64,920,022,291	2,894,028,202,837
Total Obligations	2,065,704,187,509	465,788,804,177	451,559,023,333	614,576,195,074	251,579,936,230	3,849,208,146,323

(*) Amounts net of provisions

As of December 31, 2017

Concept	Remaining term to maturity					Total
	Up to 30 days	31-180 days	181 days-1 year	More than 1 year to 3 years	More than 3 years	
Current loans from financial intermediation - Financial sector (*)	12,150,939,024	53,864,166,291	20,127,253,217	5,993,679,459	0	92,136,037,991
Current loans from financial intermediation - Non - financial sector (*)	266,543,315,315	973,209,134,851	630,584,340,347	380,658,137,510	188,888,012,243	2,439,882,940,266
Total Current Loans	278,694,254,339	1,027,073,301,142	650,711,593,564	386,651,816,969	188,888,012,243	2,532,018,978,257
Obligations from financial intermediation - Financial sector	77,232,804,290	129,801,341,066	73,762,566,508	98,537,403,733	143,354,718,548	522,688,834,145
Obligations from financial intermediation - Non-financial sector	1,530,170,899,378	284,683,854,294	268,375,137,380	364,450,987,706	30,863,163,873	2,478,544,042,631
Total Obligations	1,607,403,703,668	414,485,195,360	342,137,703,888	462,988,391,439	174,217,882,421	3,001,232,876,776

(*) Amounts net of provisions



C.14. Concentration of the portfolio and the obligations from financial intermediation

a) Concentration of the portfolio by number of clients – Financial sector

Number of clients	Amount and percentage of the portfolio as of December 31, 2018			
	Current (*)	%	Past-due (*)	%
10 Biggest Debtors	293,026,533,059	99%	0	0%
Other Debtors	3,180,072,328	1%	0	0%
Total	296,206,605,387	100%	0	0%

Number of clients	Amount and percentage of the portfolio as of December 31, 2017			
	Current (*)	%	Past-due (*)	%
10 Biggest Debtors	87,012,796,777	94%	0	0%
Other Debtors	5,123,241,214	6%	0	0%
Total	92,136,037,991	100%	0	0%

b) Concentration of the portfolio by number of clients – Non-financial sector

Number of clients	Amount and percentage of the portfolio as of December 31, 2018			
	Current (*)	%	Past-due (*)	%
10 Biggest Debtors	269,101,084,290	9%	8,467,335,408	5%
Next 50 Biggest Debtors	452,471,931,929	15%	7,509,640,652	5%
Next 100 Biggest Debtors	236,011,754,937	8%	6,045,181,991	4%
Others	2,092,577,088,092	69%	136,285,557,105	86%
Total	3,050,161,859,248	100%	158,307,715,156	100%

Number of clients	Amount and percentage of the portfolio as of December 31, 2017			
	Current (*)	%	Past-due (*)	%
10 Biggest Debtors	192.997.485.042	8%	8.386.935.682	6%
Next 50 Biggest Debtors	329.043.664.220	13%	8.907.119.230	6%
Next 100 Biggest Debtors	160.765.741.599	6%	6.914.819.058	5%
Others	1.878.866.245.703	73%	120.605.788.456	83%
Total	2.561.673.136.564	100%	144.814.662.426	100%

(*) Amounts considered in this table include balances of capital, interests and income from valuation on hold before allowances.

c) Concentration of obligations by financial intermediation

The balance is comprised as follows:

Financial sector	As of December 31, 2018	As of December 31, 2017
Central Bank of Paraguay	3,447,920,355	3,062,416,908
Demand deposits	38,088,782,515	40,579,676,476
Accounts Payable for Securities Purchased with Future Sale	206,028,406,528	-
Checking accounts	27,737,055,346	24,874,750,723
Savings deposit certificates	201,930,229,081	199,780,087,607
Operations pending compensation	1,158,952,427	501,269,105
Loans from local financial institutions	73,842,160,000	22,361,880,000
Loans from foreign financial institutions	84,639,668,000	48,469,374,900
Loans from financial institutions – AFD	305,732,404,247	173,064,303,687
Creditors for accrued financial charges	12,574,364,987	9,995,074,739
Total Financial Sector	955,179,943,486	522,688,834,145

Non-financial sector	As of December 31, 2018	As of December 31, 2017
Deposits – Private Sector		
Checking accounts	797,259,779,899	754,514,480,609
Demand deposits	730,749,965,040	654,801,678,024
Loans for documents to compensate	27,388,759,300	18,269,984,952
Drafts and transfers to be paid	1,678,490,934	2,438,141,817
Obligations with participating establishments in the credit card system	2,014,365,658	1,778,051,284
Savings deposit certificates	922,443,495,419	738,627,545,896
Total Deposits – Private Sector	2,481,534,856,250	2,170,429,882,582

Deposits – Public Sector	2018	2017
Checking accounts	2,307,544,612	3,412,825,317
Demand deposits	170,489,204,499	58,571,521,768
Savings deposit certificates	131,921,080,000	198,180,940,000
Bonds issued in the market	55,000,000,000	0
Sundry loans in the country	26,300,000,000	26,300,000,000
Total Deposits – Public Sector	386,017,829,111	286,465,287,085
Creditors for accrued financial charges	26,475,517,476	21,648,872,964
Total non-financial sector	2,894,028,202,837	2,478,544,042,631

d) Concentration of deposits by number of clients

Balance as of December 31, 2018

Number of depositors	Financial sector	%	Non-financial sector (*)	%
10 Biggest Depositors	174,770,755,640	65%	590,646,688,034	21%
Next 50 Biggest Depositors	85,120,827,901	32%	398,955,942,772	14%
Next 100 Biggest Depositors	7,864,483,401	3%	302,140,393,100	11%
Others	0	0%	1,492,495,295,797	54%
Total	267,756,066,942	100%	2,784,238,319,703	100%

(*) Including deposits from the private and public sectors.

Balance as of December 31, 2017

Number of depositors	Financial sector	%	Non-financial sector (*)	%
10 Biggest Depositors	192,705,025,742	73%	483,291,532,078	20%
Next 50 Biggest Depositors	67,112,192,890	25%	380,319,056,647	16%
Next 100 Biggest Depositors	5,417,296,174	2%	254,661,231,326	10%
Others	0	0%	1,310,545,298,332	54%
Total	265,234,514,806	100%	2,428,817,118,383	100%

C.15. Sundry loans

The composition of sundry loans as of December 31, 2018 and 2017 is as follows:

Concept	December 31, 2018	December 31, 2017
Accounts receivable – Pronet	5,876,722,309	4,027,007,005
Accounts receivable – Netel	1,852,193,373	1,135,219,145
Accounts receivable – Trust funds	3,849,899,342	3,196,678,157
Accounts receivable – Bancard	151,581,700	104,720,000
Prepaid expenses	10,183,429,548	10,751,327,180
Prepayment for the purchase of assets and services	3,134,101,978	1,599,740,955
Other national taxes	61,882,050	118,877,105
Recoverable expenses	0	3,397,000
Compensation claimed for accidents	0	46,201,833
Prepayments to staff	0	5,185,867
Sundry – Remittances receivable	278,093,795	1,538,910,199
Sundry – Accounts receivable from related parties (Note K)	3,489,719,309	2,673,690,195
Sundry – Rental collateral	754,761,609	731,720,386
Sundry – Others	3,538,107,535	3,391,237,270
Allowances (*)	(4,357,740,067)	(3,722,472,554)
Total	28,812,752,481	25,601,439,743

(*) The allowances were established in accordance with valuation standards set forth by the Central Bank of Paraguay, see Note c.6.

C.16. Other sundry debts

Other sundry debts are composed as follows:

Concept	December 31, 2018	December 31, 2017
Management checks payable	11,265,411,260	9,573,663,633
Insurance payable	6,965,613,767	5,374,768,422
Suppliers	8,279,654,271	2,521,839,125
Remittances payable	4,000,942,620	3,004,764,555
Seizures payable	3,479,884,069	3,427,282,272
Accounts payable - Familiar establishments	0	3,600,000
Bonuses payable	12,500,000,000	11,276,819,230
Accounts payable for exchange operations – Central Bank of Paraguay	12,413,500,000	0
Sundry	3,099,916,887	1,476,371,492
Total	62,004,922,874	36,659,108,729

C.17. Obligations or debentures and bonds issued in the market

The item "Obligations from financial intermediation – Non-financial sector" from the balance sheet includes Financial Bonds, whose balances and details as of December 31, 2018, are as follows:

Number of Resolution of authorization	Currency of Issue	Value of program of issue (*)	Amount of issue (**)	Term to maturity	Balance as of December 31, 2018
099/2018	PYG	200,000,000,000	25,000,000,000	July 25, 2030	25,000,000,000
099/2018	PYG		30,000,000,000	July 21, 2033	30,000,000,000
Total	PYG	200,000,000,000	55,000,000,000		55,000,000,000

(*) Authorized by Resolution of the Superintendency of Banks No. SB SG 99/2018 dated July 10, 2018 and Resolution of Bolsa de Valores & Productos de Asunción S.A. No. 1767/2018 dated July 31, 2018.

The issue of this program of global issue and its series is not covered by Law No. 2334/2003 and, as a consequence, it is not secured by the Deposit Guarantee Fund.

D. SHAREHOLDERS' EQUITY

D.1. Effective equity

The limits for the operations of financial institutions are determined according to their effective equity.

The effective equity of the Institution as of December 31, 2018 and 2017 was approximately PYG 596,787 and PYG 515,089, respectively.

According to Resolution No. 1, Act No. 44 of July 21, 2011, modified by Resolution No. 3, Act No. 4 of February 2, 2012, the minimum percentage of equity that financial institutions of the country must maintain, as of December 31, 2018 and 2017, is: Level 1 (Main capital) of 8% and Level 2 (Main capital plus Supplementary capital) of 12%. As of December 31, 2018 and 2017, the Company maintained this relation in Level 1 at 13.95% and 15.61%, respectively; and in Level 2 at 18.52% and 19.89%, respectively.

D.2. Minimum capital

The minimum and indexed capital for inflation which, in compliance with provisions of the Central Bank of Paraguay, Banks operating in the national financial system must have as paid-in capital as of December 31, 2018 and 2017, is of PYG 52,257 million and PYG 50,000 million, respectively. The eventual deficit of capital of a financial institution as to the minimum capital required annually for financial institutions, must be covered before the end of the first semester of each year.

As of December 31, 2018 and 2017, the Company had a paid-in capital of PYG 300,000,000,000 and 270,000,000,000, amounts that are higher than the minimum required by Central Bank of Paraguay regulations.

In the General Meeting of Shareholders held on April 10, 2018, according to Minutes No. 45, the capitalization of profit from the previous years was approved for the amount of PYG 30,000,000,000. The change of the Articles of Association was formalized by Notarial Document No. 319 dated December 24, 2018.

E. NET PROFIT PER COMMON SHARE

The net profit per share attributable to common shareholders is determined based on the net profit of the year after deducting dividends attributed to preferred shares.

Concept	December 31, 2018	December 31, 2017
Net profit of the year	141,111,051,041	125,967,394,502
Dividends for preferred registered shares, Classes "A" and "B" (*)	(7,200,000,000)	(7,200,000,000)
Basis for the determination of the net profit per common share	133,911,051,041	118,767,394,502
Number of outstanding common shares in weighted average	23,186,301	20,301,370
Net profit per common share	5.775	5,850

(*) Dividends of preferred shares are determined according to the descriptions in note c.11. f).

F. OFF-BALANCE AND CONTINGENT ACCOUNTS

Contingencies

Contingent accounts are composed as follows:

Concepto	December 31, 2018	December 31, 2017
Receivables from granted guarantees	26,273,550,933	9,529,749,731
Balance of lines of credit to be used in credit cards	132,932,801,687	121,429,932,368
Balance of lines of credit for current accounts prepayments	53,724,958,958	31,992,644,566
Balance of lines of credit of letters of import-export	55,281,856,864	0
Total	268,213,168,442	162,952,326,665

There are no credit lines that individually exceed 10% of total assets.

Off-balance accounts

Off-balance accounts are composed as follows:

Concept	December 31, 2018	December 31, 2017
Trust funds (*)	127,432,187,446	86,886,298,842
Collaterals, mortgages, pledges and others	461,371,251,816	366,580,891,479
Insurance policies taken	20,187,528,360	18,827,897,980
Bad loans	16,299,422,341	15,906,115,958
Exchange position	12,930,681,272	7,228,256,719
Businesses abroad and Collections	436,656,524	460,517,650
Other off-balance accounts – Sundry	426,480,351,213	450,085,762,166
Other securities in custody	4,189,519,225	14,271,845,988
Other guarantees abroad	0	1,118,094,000
Sale of portfolio (**)	850,147,659,035	654,123,696,075
Total	1,919,475,257,232	1,615,489,376,857

(*) As of December 31, 2018 and 2017, the following trust funds were in force:

Type of trust fund	December 31, 2018	December 31, 2017
Guarantee and flow management trust fund	113,254,584,929	70,855,066,751
Guarantee trust fund	14,177,602,517	16,031,232,091
Total	127,432,187,446	86,886,298,842

(**) The balance reflects the amounts of capital and interests of past-due loans sold to Nexo S.A. since December of 2013, complying with Resolution SB. SG. No. 278/2013 of the Superintendency of Banks. The Institution has executed on November 1, 2012 a framework agreement without resources with said Company and a supplementary agreement is made for every sale.

G. INFORMATION RELATED TO RESULTS

G.1. Recognition of gains and losses

The Institution applied the principle of accrual to recognize income and to charge incurred expenses or costs, with the following exceptions referred to income being recognized as earnings at the moment of its receipt or collection, according to rules set forth in Resolution No. 1, Act No. 60 of September 28, 2007 of the Central Bank of Paraguay:

- a) non-collected accrued receivables from financial products ranking in categories "3", "4", "5" and "6" (see Note c.5.1.d).
- b) earnings from valuation of receivables from past-due loans.

c) future gains from forward sales of goods.

d) earnings from valuation of operations from forward sales of goods; and

e) certain commissions for banking services.

G.2. Foreign exchange differences

The foreign exchange differences corresponding to the maintenance of assets and liabilities in foreign currency are shown net in the items of the Income Statement "Valuation of assets and liabilities in foreign currency", and its composition is detailed as follows:

Concept	December 31, 2018	December 31, 2017
Earnings from financial assets and liabilities valuation in foreign currency	312,825,035,767	318,641,598,297
Losses from financial assets and liabilities valuation in foreign currency	(313,075,485,139)	(322,141,318,300)
Earnings from the exchange difference on financial assets and liabilities in foreign currency	(250,449,372)	(3,499,720,003)
Earnings from other assets and liabilities valuation in foreign currency	3,418,736,201	7,991,408,152
Losses from other assets and liabilities valuation in foreign currency	(3,357,313,654)	(5,021,254,102)
Losses from the exchange difference on the total of other assets and liabilities in foreign currency	61,422,547	2,970,154,050
(Losses) – Income resulting from the exchange difference on the total assets and liabilities in foreign currency	(189,026,825)	(529,565,953)

G.3. Contributions to the Deposit Guarantee Fund (DGF)

In accordance with Law 2334 of December 12, 2003, financial institutions are obligated to contribute quarterly to the DGF, which is managed by the Central Bank, 0.12% of the average quarterly balances of their deposit portfolio in local and foreign currency.

The amounts contributed by the Institution for the fiscal years that ended on December 31, 2018 and 2017 are PYG 13,539,223,474 and PYG 11,752,376,742, respectively. The amounts contributed by the Institution to the DGF are non-recoverable expenses and are shown in the item "General expenses" (see Note H).

G.4. Income Tax

The current Income Tax charged to the result of the fiscal year at a 10% rate is based on the accounting value before this concept, adjusted to the items the law and regulations include or exclude for the determination of the taxable net income.

The Board estimates that the effect of the deferred tax is not significant for the financial statements as a whole as of December 31, 2018 and 2017, so it has not been registered.



In accordance with the provisions of Law 125/91, modified by Law 2421/04, the distribution of profits in cash is taxed at 5%, which is registered by the Institution on the date of the meeting of shareholders in which said distribution is decided.

The charges to results for the additional income tax for the years ended on December 31, 2018 and 2017 are presented in the item Income Tax of the Income Statement.

On the other hand, in accordance with the tax code established in said laws, remitted profits to beneficiaries abroad are subjected to a withholding rate of 15% in income tax.

H. GENERAL EXPENSES

The composition as of December 31, 2018 and 2017 is as follows:

Description	December 31, 2018	December 31, 2017
Provision of services of call center, telemarketing and collection	18,338,791,477	16,865,942,432
Leases and expenses	16,260,961,945	15,681,391,477
Contributions to Deposit Guarantee Fund (see Note g.3)	13,539,223,474	11,752,376,742
Publicity, marketing and events	13,132,722,146	12,971,965,872
Card processing expenses	9,473,177,836	7,481,640,546
IT services	8,250,930,032	7,124,636,484
Commissions paid to non-banking correspondents and managers of payment networks	7,933,864,684	7,128,419,170
Security and vigilance	7,688,888,423	7,363,993,556
Paid insurance	7,215,631,551	7,185,353,117
Repairs and maintenance of property	5,654,319,105	5,163,977,182
Armored transport	5,204,357,598	5,124,871,788
Information expenses	3,898,457,582	3,466,137,280
Cleaning service	3,751,255,078	3,685,194,346
Papers and prints	3,040,393,493	3,114,459,526
Electricity	2,718,457,231	2,539,339,056
Provision of services expenses	2,678,248,486	1,079,736,295
Phone and communications	2,188,569,485	2,129,948,105
Shipping charges (courier)	1,775,513,638	1,880,649,614
Travel and representation expenses	1,708,449,589	1,934,582,582
Counsel, audit and other fees	1,291,626,169	1,739,527,743
Severance and notice to staff	1,039,746,220	1,385,326,516
Transport expenses	735,543,458	702,180,862
Other expenses	10,550,089,249	9,196,554,470
Total	148,069,217,949	136,698,204,761

I. INFLATIONARY EFFECTS

Inflationary adjustments procedures have not been applied, except for those mentioned in Note c.8.

J. RISK MANAGEMENT

The main risks managed by the Institution for the purpose of achieving its goals are:

a) Credit risks

Banco Familiar is an institution focused on the retail segment of consumers and microbusinesses. As such, the Institution has a fragmented portfolio, distributed among approximately 630,000 clients.

The general strategy of credit risk management is that the time of analysis, the items to be assessed, the evaluation-approval process and follow-up is higher as the risk involved is higher. Therefore, the strategy to be followed is adequate for the nature and characteristics of each business segment. In the retail and consumers segments, the statistic criteria of scoring are followed, based on our experience of 50 years in business that allows us to maintain a portfolio with defaulting indexes in accordance with the nature of the business and profitability.

In the segment of medium and large companies, the risks to be undertaken are assessed by executives and senior staffers for approval, through Credit Committees, established selectively in accordance with the amount of risk involved. The follow-up and monitoring of the credit risks is entrusted to an independent Risk Management and adequately organized for each business segment.

b) Financial risk

b.1) Market risk

Represented by the possibility of financial loss due to the fluctuation of prices and/or interest rates of the assets of the Bank, in the manner in which their lending and borrowing portfolios can present a mismatching of terms, currencies or indexes.

b.1.1) Interest rate risk

The Institution performs monthly controls of the structure of assets and liabilities that are sensitive to readjustments of the interest rate, in diverse terms.

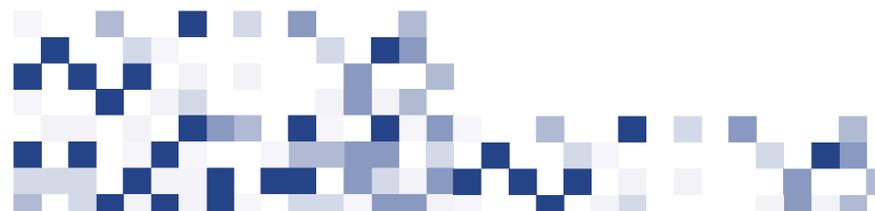
As of December 31, 2018 and 2017, all mismatches of assets and liabilities that are sensitive to interest rates are below the maximum limits recommended by the policy of Financial Risk management of the Bank.

b.1.2) Exchange rate risk

The Institution actively operates in financial intermediation, as well as in the purchase and sale of foreign currency and the purchase of checks. For that, there is a division of businesses with qualified and experienced staff in currency trading, supported by IT tools for a permanent monitoring of the business and the performance of markets.

To perform the measurement of exposure of the Institution to variations in the exchange rate, the VaR (Value at Risk) methodology is followed, in which the Financial Risks staff calculates daily the likely loss from exchange rate variations considering the foreign currency positions. The Board has set out a low and conservative VaR limit for the net position in foreign currency, limiting the risk of losses due to unfavorable changes in the exchange rate.

In the opinion of the Board and the Management, the VaR limit for the net position of foreign currency is low, limiting thereby the risk of losses due to unfavorable changes in the exchange rate.



b.2) Liquidity risk

The liquidity risk is mitigated with a very conservative policy of asset management, always maintaining a significant percentage of them as cash and highly liquid assets that allow to face extreme situations.

The monitoring of liquidity and the several associated variables to this item are managed by the Financial Risks staff, through daily and monthly reports to the Committee of Assets and Liabilities for decision-making.

As of December 31, 2018 and 2017, the levels of basic liquidity are above the recommended minimum levels for the policy, both in guaranies and dollars. As for extended liquidity, which considers in addition to net availabilities, discountable assets by the Central Bank of Paraguay (Letters of Monetary Regulation and Sovereign Bonds) through its liquidity window, the indexes are also in levels above the minimum limits recommended by the policy.

c) Operating risks

The Institution has a Unit of Operating Risks, intended to identify, measure, evaluate, supervise, control and mitigate critical operating risks to which the Institution is exposed and managing them efficiently, as well as to mitigate operating risks events, contributing to preventing and reducing the occurrence of future related losses.

The Unit executes its annual work plan that includes the review of the Model of Internal Control, the test of control in every area and the calculation of the amounts that were lost due to operating risk with the statistics of their origin and sector. This methodology allows to adequately value the risks, to prioritize them establishing their level of criticality and to develop mitigation plans. The Institution keeps a map of risks, which allows it to adequately manage them.

K. BALANCES WITH RELATED PARTIES

The balances and transactions with related parties are as follows:

As of December 31, 2018

Institution	Demand deposits	Certificate of savings account	Loans	Sundry loans	Accounts payable	Contingencies	Interests Earned	Interests Paid	Other income and outlays
Directors	6,942,327,950	91,201,006,345	145,921,023	0	0	1,252,078,977	3,453,099	6,955,589,356	8,306,686
Fundadores S.A. (a)	979,785,664	0	0	0	0	0	0	1,857,349	(135,239,183)
Nexo S.A. (b)	25,189,425,250	0	0	3,489,719,309	0	0	0	84,707,499	38,087,623,419
Ventas y cobranzas	5,723,895,270	0	0	0	104,753,70	0	0	9,810,216	(268,278,414,77)
Familiar Seguros S.A. (d)	8,037,610,960	0	0	0	0	0	0	0	40,909
Total	46,873,045,094	100,201,006,345	145,921,023	3,489,719,309	104,753,705	1,252,078,977	3,453,099	7,051,964,420	11,132,890,354

As of December 31, 2017

Institution	Demand deposits	Certificate of savings account	Loans	Sundry loans	Accounts payable	Contingencies	Interests Earned	Interests Paid	Other income and outlays
Directors	16,137,260,675	89,132,689,066	1,527,100,490	0	0	1,171,207,983	5,495,528	5,750,963,466	6,377,551
Fundadores S.A. (a)	269,926,506	0	0	0	0	0	0	2,353,377	(129,454,632)
Nexo S.A. (b)	13,406,601,379	8,000,000,000	0	2,673,690,195	0	0	0	42,533,665	31,423,187,354
Ventas y cobranzas	3,126,164,877	0	0	0	64,457,278	0	0	12,409,985	(25,241,269,704)
Total	32,939,953,437	97,132,689,066	1,527,100,490	2,673,690,195	64,457,278	1,171,207,983	5,495,528	5,808,260,493	6,058,840,570

a) Fundadores S.A. leases customer service offices and rooms to the Bank.

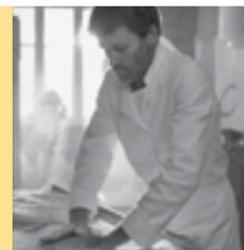
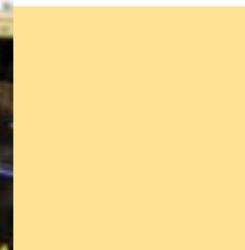
b) Nexo S.A. buys portfolio from Banco Familiar S.A.E.C.A.

c) Ventas y cobranzas S.A. provides sales services and collection arrangements to Banco Familiar S.A.E.C.A. See Note H.

d) Familiar Seguros S.A. is a company that is in the process for the authorization to operate before the Superintendency of Insurance.

L. SUBSEQUENT EVENTS

Between December 31, 2018 and the date of issuing of these financial statements, there were no significant financial or other events that would affect the structure of the estate and the results of the institution or its inclusion in the notes to the financial statements.





OUR ATMS

- **HEADQUARTERS:** Chile 1080 esq. Jejuí
- **LIDER IV:** Estrella 692 c/ O`Leary
- **CENTRO:** 25 de Mayo esq. Iturbe
- **PINOZA:** Avda. Eusebio Ayala y Bomberos Voluntarios
- **AVDA. ESPAÑA:** Avda. España 1039 c/ Washington
- **PASEO LA GALERÍA:** Avda. Santa Teresa e/ Aviadores del Chaco y Herminio Maldonado
- **VILLA MORRA:** Avda. Mcal. López esq. Cruz del Chaco
- **SAN MARTÍN:** Avda. San Martín esq. Lillo
- **ARTIGAS:** Avda. Artigas esq. Avda. Santísima Trinidad
- **TERMINAL:** Avda. Fdo. de la Mora esq. Tarumá
- **LAMBARE:** Avda. Cacique Lambaré 9035 c/ Cerro Corá
- **SHOPPING MULTIPLAZA:** Avda. Eusebio Ayala 4501 c/Capitán Román García. Bloque A (PB)
- **ACCESO SUR:** Avda. Acceso Sur 1795 esq. Calle 3
- **MARIANO ROQUE ALONSO:** Ruta Transchaco y Capitán Alliana - Shopping El Portal
- **LUQUE I:** Cerro Corá c/ C. A. López
- **LUQUE II:** Avda. De las Residentas c/ Humaitá
- **LUQUE - AEROPUERTO SILVIO PETTIROSSI:** Pasaje Juan Justo 4133 Bqueras
- **FERNANDO DE LA MORA - INGAVI:** Avda. Mcal. López c/ Ingavi
- **SAN LORENZO:** Ruta Mcal. Estigarribia y Sgto. Silva
- **SAN LORENZO II:** Julia Miranda Cueto y Saturio Ríos
- **HIPER ESPAÑA:** Ruta Mcal. Estigarribia 5522 c/ Nanawa. Km. 14
- **ITAUGUÁ:** Ruta Mcal. Estigarribia esq. Caballero
- **CAPIATÁ:** Ruta 2 Mcal. José Félix Estigarribia esq. Martin Ledezma
- **NEMBY:** Ruta Acceso Sur e/ Avda. Manuel Ortiz Guerrero y Calle Santa Rosa
- **LIMPIO:** Ruta Gral. Elizardo Aquino y Mcal. José Felix Estigarribia
- **CORONEL OVIEDO:** Tuyutí 165 c/ Blas Garay
- **CORONEL OVIEDO - MACHETAZO:** Avda. Defensores del Chaco 2237 esq. Vice Pte. Sánchez
- **VILLARRICA:** Gral. Díaz esq. Rui Díaz de Melgarejo
- **CAMPO 9:** José Asunción Flores 478 esq. Enfermeras del Chaco.
- **CAAGUAZÚ:** Bernardino Caballero esq. Juan E. O`Leary.
- **CAAGUAZÚ II:** 15 de agosto 1988 y Cristobal Colón
- **CIUDAD DEL ESTE 1:** Avda. Bernardino Caballero c/ San Fernando
- **CIUDAD DEL ESTE 2:** Calle Super Carretera esq. Las Tórtolas, Km. 4
- **CIUDAD DEL ESTE 3:** Avda. Julio César Riquelme esq. R.I. 3 Corrales
- **CIUDAD DEL ESTE 4:** Avda. Adrián Jara 352 e/ Nanawa y Boquerón
- **SANTA RITA:** Ruta VI Avda. Carlos A. López c/ Eusebio Ayala
- **HERNANDARIAS:** Mcal. Francisco Solano López c/ Chaco Boreal
- **VILLA HAYES:** Avda. Elvio de Felice (Ruta Transchaco) esq. Avda. Laudo Hayes.
- **SALTO DEL GUAIRÁ:** Avda. Paraguay 1184 esq. Mcal. López



OUR BRANCHES

ASUNCIÓN

Casa Matriz	Pettirossi
Centro	Pinozá
España	Artigas
Villa Morra	Terminal
San Martín	Shopping Multiplaza

INTERIOR CENTRAL

Caacupé	Caaguazú 2
Coronel Oviedo	Villarrica
Machetazo - Cnel. Oviedo	Campo 9
Caaguazú 1	

INTERIOR - NORTH

Villa Hayes	Horqueta
Santaní	Pedro Juan Caballero
Santa Rosa del Aguaray	Curuguay
Concepción 1	Salto del Guairá
Concepción 2	Katueté

GREATER ASUNCIÓN

Salemma Super Center	Ingavi
Lambaré	Capiatá
Mariano Roque Alonso	Itaguá
Acceso Sur	Limpio
Ñemby	Luque 1
San Lorenzo 1	Luque 2
San Lorenzo 2	

INTERIOR - EAST

Hernandarias	Ciudad del Este 3
Ciudad del Este 1	Ciudad del Este 4
Ciudad del Este 2	Santa Rita

INTERIOR - SOUTH

Carapeguá	María Auxiliadora
Encarnación	San Juan
Obligado	San Ignacio
Coronel Bogado	Pilar

