

UNIBANK S.A.

Consolidated Financial Statements

September 30, 2010 and 2009

(With Independent Auditors' Report Thereon)



Mérové-Pierre - Cabinet d'Experts-Comptables

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Independent Auditors' Report

The Board of Directors
UNIBANK S.A.:

We have audited the consolidated financial statements of UNIBANK S.A. and its subsidiaries which comprise the consolidated balance sheet as of September 30, 2010, the consolidated statements of income and of comprehensive income, changes in shareholders' equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and consistently applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.





The Board of Directors
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of UNIBANK S.A. and its subsidiaries as of September 30, 2010, and the results of their operations and their cash flows for the year then ended, in conformity with International Financial Reporting Standards.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in schedules I to V is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Merové - Pierre . Cabinet . D'Experts . Comptables

Port-au-Prince, April 22, 2011

UNIBANK, S.A.
Consolidated Balance Sheets
September 30, 2010 and 2009
(Expressed in thousands of Haitian Gourdes)

	Notes	2010	2009
ASSETS			
CASH AND CASH EQUIVALENTS	5	G 13,688,784	10,477,227
BRH (CENTRAL BANK) BONDS, net	5	1,789,603	1,796,421
INVESTMENTS	6	11,325,432	6,265,230
LONG-TERM CORPORATE INVESTMENTS	7		
Affiliated companies		2,088,808	1,587,622
Others		<u>10,114</u>	<u>10,134</u>
		2,098,922	1,597,756
LOANS	8	8,875,818	9,954,434
Impairment provision		<u>(152,750)</u>	<u>(95,043)</u>
		8,723,068	9,859,391
FIXED ASSETS			
Fixed assets, at cost	9	2,356,778	2,221,829
Accumulated depreciation		<u>(1,101,470)</u>	<u>(1,026,119)</u>
		1,255,308	1,195,710
OTHER			
Acceptances and letters of credit		559,482	398,028
Other assets	10	<u>1,777,318</u>	<u>1,732,187</u>
		2,336,800	2,130,215
		G 41,217,917	33,321,950
LIABILITIES AND SHAREHOLDERS' EQUITY			
DEPOSITS	11	35,096,321	26,878,948
LONG-TERM DEBT	12	85,702	1,141,354
OTHER			
Term bonds	13	200,169	429,648
Commitments-acceptances and letters of credit		559,482	398,028
Other liabilities	14	<u>1,802,781</u>	<u>1,377,665</u>
		2,562,432	2,205,341
SUBORDINATED DEBT	15	303,731	368,165
TOTAL LIABILITIES		G 38,048,186	30,593,808
SHAREHOLDERS' EQUITY			
Paid-in capital		1,098,060	1,097,660
Treasury shares		<u>(73,876)</u>	<u>(73,572)</u>
Paid-in capital, net	16	1,024,184	1,024,088
Retained earnings		1,482,844	1,102,550
Other reserves		<u>574,861</u>	<u>465,678</u>
Shareholders' equity attributable		3,081,889	2,592,316
to equity holders of UNIBANK		<u>87,842</u>	<u>135,826</u>
Minority interest in subsidiaries	17	3,169,731	2,728,142
		G 41,217,917	33,321,950

See accompanying notes to consolidated financial statements

UNIBANK, S.A.
Consolidated Statements of Income
Years ended September 30, 2010 and 2009
(Expressed in thousands of Haitian Gourdes,
except for net income per equivalent share)

	Notes	2010	2009
INTEREST INCOME			
Loans		G 1,175,767	1,254,344
BRH (Central Bank) Bonds, investments and deposits		<u>164,577</u>	<u>251,928</u>
		1,340,344	1,506,272
INTEREST EXPENSE			
Deposits		15,699	40,604
Long-term debt, term bonds and others		<u>82,505</u>	<u>142,263</u>
		98,204	182,867
NET INTEREST INCOME			
Impairment charge for losses on loan value	8	<u>(153,092)</u>	<u>(17,813)</u>
		1,242,140	1,323,405
		1,089,048	1,305,592
OTHER INCOME			
Commissions		941,065	996,100
Foreign exchange gain		243,735	222,813
Share of net income of non consolidated affiliates, net of income taxes	7	752,361	419,962
Loss due to the earthquake	17	(78,529)	-
Other		<u>113,555</u>	<u>59,062</u>
		1,972,187	1,697,937
NET INTEREST INCOME AND OTHER INCOME		3,061,235	3,003,529
OPERATING EXPENSES			
Salaries and other employees benefits	21	972,401	972,624
Premises and equipment		373,286	379,812
Depreciation	9	188,225	210,220
Other operating expenses		<u>607,652</u>	<u>699,528</u>
		2,141,564	2,262,184
INCOME BEFORE INCOME TAXES		919,671	741,345
INCOME TAXES - CURRENT		19	(163,905)
			(134,354)
NET INCOME		755,766	606,991
Income attributable to UNIBANK's shareholders		715,869	521,340
Income attributable to minority interest		<u>39,897</u>	<u>85,651</u>
NET INCOME		755,766	606,991
Net income per equivalent share of paid-in capital attributable to Unibank's shareholders		G	2,796
			2,029

See accompanying notes to consolidated financial statements

UNIBANK, S.A.
Consolidated Statements of Comprehensive Income
Years ended September 30, 2010 and 2009
(Expressed in thousands of Haitian Gourdes)

	Note	2010	2009
NET INCOME	G	755,766	606,991
<i>Other components of comprehensive income:</i>			
Foreign currency translation effect for foreign subsidiaries		(34,453)	49,737
Net change of unrealized gain (loss) on available-for-sale investments:			
Net change of unrealized gain on investments		34,124	7,979
Net change in fair value of available-for-sale investments transferred to statement of income		<u>(3,203)</u>	<u>(899)</u>
		<u>30,921</u>	<u>7,080</u>
Income taxes on other comprehensive income	19	(10,843)	(2,124)
		(14,375)	54,693
TOTAL COMPREHENSIVE INCOME		741,391	661,684
Total comprehensive income attributable to Unibank's shareholders		702,124	575,891
Total comprehensive income attributable to minority interest		39,267	85,793
TOTAL COMPREHENSIVE INCOME		741,391	661,684
Comprehensive income per equivalent share of paid-in capital attributable to Unibank's shareholders		2,742	2,240

See accompanying notes to consolidated financial statements

UNIBANK, S.A.

Consolidated Statement of Changes in Shareholders' Equity

Year ended September 30, 2009

(Expressed in thousands of Haitian Gourdes)

	Other reserves												Total
	Paid-in capital	Treasury shares	Paid-in surplus	Retained earnings	Legal reserve	General reserve for loan losses	Revaluation-reserve-land	Unrealized (loss) gain on investments	Translation adjustment	Total reserves	Minority interest in subsidiaries		
Balance as of September 30, and October 1st, 2008	G 1,086,204	(17,520)	-	1,037,298	98,247	77,500	24,911	(899)	59,684	259,443	86,684	2,452,109	
Statement of comprehensive income for the year:													
Net income for the year	-	-	-	521,340	-	-	-	-	-	-	85,651	606,991	
<i>Other components of comprehensive income:</i>													
Foreign translation effect for foreign subsidiaries	-	-	-	-	-	-	-	-	49,595	49,595	142	49,737	
Net change in fair value of available-for-sale investments, net of income tax	-	-	-	-	-	-	-	5,855	-	5,855	-	5,855	
Realized gain transferred to statement of income	-	-	-	-	-	-	-	(899)	-	(899)	-	(899)	
Total	-	-	-	521,340	-	-	-	4,956	49,595	54,551	85,793	661,684	
<i>Transfer of retained earnings</i>													
Transfer to legal reserve	-	-	-	(106,375)	106,375	-	-	-	-	106,375	-	-	
Transfer to general reserve for loan losses	-	-	-	(45,309)	-	45,309	-	-	-	45,309	-	-	
<i>Transactions with shareholders:</i>													
Cash dividends	-	-	-	(220,416)	-	-	-	-	-	-	(35,599)	(256,015)	
Acquisitions of shares	-	(56,052)	(101,172)	-	-	-	-	-	-	-	(1,052)	(158,276)	
Sales of shares	11,456	-	17,184	-	-	-	-	-	-	-	-	28,640	
Transfer from retained earnings	-	-	83,988	(83,988)	-	-	-	-	-	-	-	-	
Balance as of September 30, 2009	G 1,097,660	(73,572)	-	1,102,550	204,622	122,809	24,911	4,057	109,279	465,678	135,826	2,728,142	

See accompanying notes to consolidated financial statements

UNIBANK, S.A.

Consolidated Statement of Changes in Shareholders' Equity

Year ended September 30, 2010

(Expressed in thousands of Haitian Gourdes)

	G	<u>Other reserves</u>											
		Paid-in capital	Treasury shares	Paid-in surplus	Retained earnings	Legal reserve	General reserve for loan losses	Revaluations reserve land	Unrealized (loss) gain on investments	Translation adjustment	Total reserves	Minority interest in subsidiaries	Total
Balance as of September 30, 2009	G	1,097,660	(73,572)	-	1,102,550	204,622	122,809	24,911	4,057	109,279	465,678	135,826	2,728,142
Statement of comprehensive income for the year:													
Net income for the year	-	-	-	715,869	-	-	-	-	-	-	-	39,897	755,766
<i>Other components of comprehensive income:</i>													
Foreign translation effect for foreign subsidiaries	-	-	-	-	-	-	-	-	-	(33,823)	(33,823)	(630)	(34,453)
Net change in fair value of available-for-sale investments, net of income tax	-	-	-	-	-	-	-	-	23,281	-	23,281	-	23,281
Realized gain transferred to income statement of income	-	-	-	-	-	-	-	-	(3,203)	-	(3,203)	-	(3,203)
Total	-	-	-	715,869	-	-	-	-	20,078	(33,823)	(13,745)	39,267	741,391
<i>Transfer of retained earnings</i>													
Transfer to legal reserve	-	-	-	(152,494)	152,494	-	-	-	-	-	152,494	-	-
Transfer from general reserve for loan losses	-	-	-	29,566	-	(29,566)	-	-	-	-	(29,566)	-	-
<i>Transactions with shareholders:</i>													
Cash dividends	-	-	-	(212,645)	-	-	-	-	-	-	-	(87,251)	(299,896)
Acquisitions of shares	-	(304)	(596)	-	-	-	-	-	-	-	-	-	(900)
Sales of shares	400	-	594	-	-	-	-	-	-	-	-	-	994
Transfer from retained earnings	-	-	2	(2)	-	-	-	-	-	-	-	-	-
Balance as of September 30, 2010	G	1,098,060	(73,876)	-	1,482,844	357,116	93,243	24,911	24,135	75,456	574,861	87,842	3,169,731

See accompanying notes to consolidated financial statements

UNIBANK, S.A.
Consolidated Statements of Cash Flows
Years ended September 30, 2010 and 2009
(Expressed in thousands of Haitian Gourdes)

	Notes	2010	2009
OPERATING ACTIVITIES			
Net income for the year	G	755,766	606,991
Adjustments to determine net cash flows provided by operating activities:			
Share of net income of non consolidated affiliates	7	(752,361)	(419,962)
Depreciation of fixed assets	9	188,225	210,220
Impairment charge for credit loss	8	153,092	17,813
Loss due to the earthquake	17	78,529	-
Gain on fixed assets disposals		(1,064)	(5,054)
(Gain) loss on disposals of properties held for sale	10	(302)	2,590
Effect of reevaluation of impairment losses in US dollars	8	(1,235)	3,175
Changes in other assets and liabilities resulting from operating activities:			
Net increase in deposits		8,217,373	2,798,187
Decrease in BRH bonds, net		6,818	1,023,281
Collection (disbursements) of loans, net		984,466	(1,247,009)
Increase in investments, net		(5,040,124)	(1,106,150)
Changes in other assets and liabilities		480,153	(93,291)
Income taxes paid		<u>(95,002)</u>	<u>(46,722)</u>
Net cash flows provided by operating activities		4,974,334	1,744,069
INVESTING ACTIVITIES			
Acquisitions of fixed assets	9	(371,302)	(263,189)
Proceeds from fixed assets disposals		40,030	24,064
Translation adjustment – fixed assets		1,120	(1,052)
Translation adjustment for the year		(33,823)	49,595
Translation adjustment attributable to minority interest	17	(630)	142
Dividends received from non consolidated affiliates		233,333	93,333
Decrease (increase) of long-term corporate investments	7	<u>17,862</u>	<u>(387,297)</u>
Net cash flows used in investing activities		(113,410)	(484,404)
FINANCING ACTIVITIES			
(Decrease) increase in long-term debt		(1,055,652)	349,566
Decrease in term bonds and subordinated debt		(293,913)	(490,789)
Cash dividends – shareholders of Unibank		(212,645)	(220,416)
Cash dividends-minority interest		(87,251)	(35,599)
Sales of shares		994	28,640
Repurchase of shares		<u>(900)</u>	<u>(158,276)</u>
Net cash flows used in financing activities		(1,649,367)	(526,874)
Net increase in cash and cash equivalents		3,211,557	732,791
Cash and cash equivalents at beginning of year		10,714,705	9,505,034
Effect of exchange rate fluctuations on cash and cash equivalents at beginning of year		<u>(237,478)</u>	<u>239,402</u>
Cash and cash equivalents at end of year	5 G	13,688,784	10,477,227

See accompanying notes to consolidated financial statements

UNIBANK S.A.
Notes to Consolidated Financial Statements

1) ORGANIZATION

UNIBANK S.A. is a banking corporation owned by private Haitian investors. Its activities consist of all banking operations including credit and foreign exchange in Haiti and outside of Haiti, within the limits authorized by the banking laws. The official authorization, the bank license and by-laws were published in the Haitian official gazette, Le Moniteur, respectively on March 8, 1993, December 28, 1994, September 18, 1995, February 17, 1997, June 3, 2002, January 24, 2005 and June 18, 2009. The Head Office of the Bank is located at 157, rue Faubert Pétion-Ville, Haiti.

Unibank S.A. subsidiaries consolidated in these financial statements are:

- **UNIFINANCE S.A.** (Merchant/investment banking services);
- **UNICREDIT S.A.** (Consumer finance company);
- **UNICARTE S.A.** (Credit card company);
- **MICRO CREDIT NATIONAL S.A.** (Micro-finance institution);
- **UNITRANSFER S.A. (HAITI)** and **UNITRANSFER INTERNATIONAL** (Money remittance companies);
- **UNIASSURANCES S.A.** (Insurance company);
- **GROUPE FINANCIER NATIONAL S.A. (GFN S.A.)** (Management of the Group and non-banking investments);
- **GFN INTERNATIONAL ASSETS LTD.** (Non-real estate Asset management company, 2010);
- **GFN REAL ESTATE LTD.** (Real estate investment company, 2010);
- **CAPITAL CONSULT S.A.** (Consulting services);
- **SNI MINOTERIE S.A.** (Investment company);
- **SOCIETE NATIONALE D'INVESTISSEMENT (SNI) S.A.** (Investment company, 2010);
- **IMMOBILIER S.A. (IMSA)** (Real estate promotion company);
- **CENTRALE IMMOBILIERE S.A. (CISA)** (Real estate management services).

During 2010, the following subsidiaries: CISA, IMSA, Capital Consult, GFN Real Estate LTD., SNI and SNI Minoterie were transferred at cost to GFN S.A.

In 2006, Unibank shareholders created **FONDATION UNIBANK**, a non-profit philanthropic institution, with the goal of helping and participating in the development of philanthropy in Haiti. The Foundation is financed by advances and donations from UNIBANK S.A. It is not consolidated in these financial statements.

UNIBANK S.A.
Notes to Consolidated Financial Statements

2) BASIS FOR FINANCIAL STATEMENT PREPARATION

(a) Accounting framework

The consolidated financial statements of UNIBANK S.A. and subsidiaries (the Group) were prepared in conformity with International Financial Reporting Standards (IFRS).

The consolidated financial statements include the assets and liabilities as well as the results of the operations and the cash flows of UNIBANK and its subsidiaries.

Subsidiaries are entities controlled by the Group. An entity is controlled by the Group when it has the power to govern the financial and operating policies of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control has been effectively transferred to the Group. All intercompany balances and transactions are eliminated. The equity and net income attributable to minority interest in subsidiaries are shown separately in the consolidated financial statements. A list of the Group's subsidiaries is presented in **note 18**.

The consolidated financial statements were approved by the Board of Directors on March 31, 2011.

(b) Basis of measurement

These consolidated financial statements are presented on a historical cost basis, with the exception of investments available for sale (**note 6**) which are presented at fair value, and land presented at revalued amounts (**note 9**).

The methods used to measure the fair value are described in the corresponding notes.

(c) Functional and presentation currency

The consolidated financial statements are presented in Haitian Gourdes which is the Group's functional currency. The financial information reported has been rounded to the nearest thousand.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

2) BASIS FOR FINANCIAL STATEMENT PREPARATION (CONTINUED)

(d) Use of estimates and judgment

In preparing these consolidated financial statements in conformity with International Financial Reporting Standards, management must make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses of the year. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed periodically. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation and critical judgement in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are included in the following notes:

Note 3 (o)	General reserve for loan losses
Note 6	Investments
Notes 3 (e) and 8	Loans - provision for impairment
Note 9	Fixed assets
Note 10	Other assets – goodwill and valuation of properties held for sale
Note 17	Loss due to the earthquake

According to management, the consolidated financial statements were prepared on an adequate basis using fair judgment in all material respects and in accordance with the accounting policies summarized below.

3) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Group's entities. Some comparative figures were reclassified for presentation purpose only.

(a) Conversion of foreign currencies

Monetary assets and liabilities stated in foreign currencies are translated in Haitian Gourdes at exchange rates prevailing at year end. Gains and losses resulting from this translation are included in the consolidated statement of income, with the exception of the foreign exchange effect related to investments held for sale which is recognized in shareholders' equity and in the statement of comprehensive income.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Conversion of foreign currencies (continued)

Transactions in foreign currencies are translated at the exchange rate in effect at the transaction date. Gains and losses related to exchange operations are recorded in the consolidated statement of income.

The financial statements of entities incorporated outside of Haiti, Unitransfer International, GFN Real Estate LTD., GFN International Assets LTD. and SNI Minoterie S.A., expressed in US dollars, were translated in the currency of presentation of the consolidated financial statements. All assets and liabilities in foreign currency are translated in local currency at the official year-end exchange rate; revenues and expenses are translated at the average exchange rate for the year, which approximates the actual exchange rates on the dates of transactions. Translation adjustments resulting from this process are recorded directly in the translation adjustment account, a component of shareholders' equity and in the statement of comprehensive income.

The financial statements presented in schedules I to V were translated in US dollars according to the latest requirements of International Financial Reporting Standards. Under actual requirements of this standard, assets and liabilities are translated at year-end exchange rate. Net assets accounts other than net income for the year are translated at year-end exchange rates. Income and expenses are translated at the average rate of exchange. All exchange differences resulting from such translation are reflected as a separate component in shareholders' equity and in the statement of comprehensive income.

(b) Cash and cash equivalents

Cash and cash equivalents are short-term highly liquid investments which are readily convertible into known amounts of cash without notice and which are within three (3) months of maturity when acquired. These are reflected at cost.

(c) Investments

Investments are composed of foreign and local investments.

Foreign investments are composed mainly of US Treasury Bills and Federal Agency Bonds, corporate bonds and securities, and term deposits. Local investments consist of term bonds and shares issued by local companies. They are classified and measured as follows:

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Investments (continued)

Held to maturity investments

Held to maturity investments are non derivative instruments with fixed and determined payments, with fixed maturity that the Bank has the capacity and intent to hold to maturity. Held to maturity investments are recorded at amortized cost. Unrealized holding gains and losses on investments held to maturity are not recorded but are disclosed in notes to the consolidated financial statements.

Investments at fair value through profit or loss

Those foreign investments are designated by Management upon initial recognition as being at fair value through profit or loss. These investments are managed and their performance evaluated on a fair value basis consistent with the investment strategy and information is provided internally on this basis to key Management personnel. These investments are measured at fair value based upon market quotations. Gains and losses realized on sales of these investments, as well as the fluctuations in fair value are included in the consolidated statement of income.

Available for sale investments

The available for sale investments are those other than the held to maturity investments and those designated by Management as being at fair value through profit and loss. Available for sale investments are recorded at their fair value based upon market quotations. The changes in fair value of this portfolio are reflected separately as a component of shareholders' equity and in the statement of comprehensive income.

Gains and losses realized on sales of investments, as well as other than temporary decline in the value of the investments, are included in the determination of income of the year in which they occur.

(d) Long-term corporate investments

Long-term corporate investments represent long-term investments in various companies. **Affiliated companies** are those over which the Group maintains significant influence but does not control their financial and operational policies. A significant influence exists if the Group controls between 20% to 50% of voting rights of an entity. A **joint venture** is an entity where the Group shares control with another entity or Group.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Long-term corporate investments (continued)

Investments in affiliated companies and joint ventures are initially recorded at cost and are subsequently measured using the equity method. This method consists in recording the investment at cost, recognizing its share of income or loss as it is earned and reducing the investment by dividends declared or paid.

Other corporate investments with ownership of less than 20% ownership are recorded at cost.

Gain and losses realized on sales of corporate investments, as well as other than temporary declines, are included in the determination of consolidated income of the year in which they occur.

(e) Loans

Originated loans are presented at their amortized cost.

Non performing loans are those for which interest accrual has been discontinued. Non performing loans are restored to an accrual basis when principal and interest payments are current and there is no longer any doubt regarding recovery based on Management' s opinion.

Restructured loans are those for which the bank has revised the terms due to deterioration in the financial situation of the borrower. These loans are reclassified as regular loans, if the terms of the restructuring are adhered to during this period and if regular loan classification criteria are met.

Loans are written off when all restructuring and collection efforts are completed and it is unlikely that other amounts will be recovered. Recoveries of loans written off are recorded in the impairment provision in the consolidated balance sheet. Credit card and micro finance loans are written off when they are in arrears for 270 days and 180 days respectively.

At balance sheet date, the Group assesses whether there is objective evidence of impairment in the loan portfolio. A loan is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the loan and that the loss event has an impact on the future cash flows of the loan. The Group considers evidence of impairment both individually for significant loans and on a collective level for loans with similar credit risks.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Loans (continued)

The bank establishes an impairment provision on loans taking into account observable data, such as default or delinquency by a borrower, collateral value, future recovery possibilities, the financial situation of the borrower, as well as other observable data relating to a borrower or a group of borrowers that correlate with defaults in the group. This provision is also based on Management's experience and judgment.

Loans are presented net of the impairment provision. This provision is increased by the charge for impairment loss recorded in the consolidated statement of income and decreased by write-offs net of recoveries, and net of the translation adjustment resulting from the revaluation of the provision for loan losses in US dollars.

The bank meets the Central Bank's requirements on provisions as defined in Circular 87. When the required provision for loan losses in accordance with the Central Bank's regulations exceeds the estimate of impairment based on IFRS, the surplus of provision is recorded in the general reserve for loan losses reflected in shareholders' equity. **(note 3 o)**

(f) Fixed assets

Fixed assets are recorded at cost, except for land which, has been revalued and stated to fair value in accordance with International Financial Reporting Standard (no. 16). Except for land, leasehold improvements and investments in progress, depreciation is calculated based on the estimated useful life using the straight-line method. Leasehold improvements are amortized over the lease terms using the straight-line method. Investments in progress will be depreciated over their estimated useful life from the time they are put in use.

Fair value of land has been determined based on appraisals made by independent real estate appraisers. The book value has been adjusted to the average appraised market value. The revaluation surplus has been recorded, net of deferred income taxes, in the revaluation reserve-land, a separate account of shareholders' equity **note (3 p)**.

Depreciation rates applied to the main categories of fixed assets are as follows:

Buildings	2.5% - 5.0%
Furniture and equipments	20%
Computer equipments	20%
Software	20% - 100%
Leasehold improvements	10% - 20%
Vehicles	25%

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Fixed assets (continued)

Residual value, useful life and depreciation methods of the various categories of fixed assets are reviewed periodically.

Major expenses for improvements and reconditioning are capitalized, and expenses for maintenance and repairs are charged to expenses.

Gains or losses realized on disposal of fixed assets are recognized in the consolidated statement of income. When revalued land and buildings are sold, the related surplus, reflected in the revaluation reserve, is transferred to retained earnings.

During the earthquake of January 12, 2010, some buildings of the Group were seriously damaged (**note 17**). The related loss was recorded up to the book value.

(g) Properties held for sale

Properties held for sale, reflected in other assets, consist of land and buildings obtained in settlement of unpaid loans or repossessed. They are reflected at the lower of their estimated fair value or cost which is equivalent to the balance of the unpaid loans plus interest receivable at the time of default, plus recovery fees incurred by the bank.

The carrying value of these assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. In case of impairment, the carrying value is adjusted to the net realizable value which is equivalent to the estimated selling price in the normal course of business.

Fair value is estimated based on appraisals from independent real estate appraisers.

(h) Goodwill

Goodwill is reflected in other assets and represents the excess of the cost of acquisition over the fair value of the net identifiable assets acquired. Goodwill is no longer amortized and is subject to an annual impairment test. Impairment loss on goodwill is recognized in the consolidated statement of income. There is no impairment of goodwill as of the date of these consolidated financial statements.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Acceptances and letters of credit

The bank's potential liability with respect to trade acceptances and letters of credit is reflected as a liability on the consolidated balance sheet. The bank's recourse against its customers in the case of a call on these commitments is reported as an asset for the same amount.

(j) Deposits and subordinated debts

Deposits and subordinated debts are recorded at cost. The estimated fair value of these liabilities is assumed to be equal to their carrying value since the interest rates are not materially different from current market rates.

(k) Paid-in capital

Paid-in capital reported in shareholders' equity is composed of common shares. Following an Extraordinary General Assembly decision on December 5, 2008, effective as of September 30, 2008, the share capital was increased by integrating the legal reserve, the paid-in surplus and part of retained earnings as of September 30, 2008, as authorized by the Central Bank of Haïti.

(l) Paid-in surplus

The excess over par value, received or paid by the bank in capital stock transactions, is recorded in paid-in surplus. Paid-in surplus is decreased, when capital is increased or treasury shares purchased, for the excess of the purchase price over the nominal value of these shares. This surplus is charged to retained earnings when the paid-in surplus becomes nil.

(m) Treasury shares

Treasury shares represent shares repurchased by the bank at the market rate. These shares are reflected at their par value.

(n) Legal reserve

In agreement with the law on financial institutions, an amount of 10% of income before income taxes, reduced by prior years losses, if any, is transferred every year in a reserve account in order to constitute the legal reserve, until such reserve reaches a maximum of 50% of the paid-in capital. Following an Extraordinary General Assembly decision on December 5, 2008, effective as of September 30, 2008, authorized by the Central Bank, the legal reserve of UNIBANK as of September 30, 2008 was transferred to paid-in capital.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) General reserve for loan losses

The general reserve for loan losses was created by direct transfer from retained earnings and represents the excess of the provision required by the Central Bank to cover potential loan losses and the general provision for loan losses over the assessment of impairment losses based on International Financial Reporting Standards. This reserve is not subject to distribution.

(p) Revaluation reserve-land

The revaluation surplus on land is reflected in the revaluation reserve-land, a component of shareholders' equity. This surplus will be transferred to retained earnings upon disposals of the land. All revaluation losses will be recorded directly as expenses in the consolidated statement of income unless they relate to an existing revaluation surplus for the same land, in which case the revaluation loss will first be applied to the revaluation reserve-land.

(q) Interest

Interest income and expenses are accounted for using the effective interest method. Interest includes primarily interest income on loans, investments and deposits, as well as interest expense on deposits and term bonds and subordinated debt.

Interest income is accounted for on the accrual basis. However, when a loan is classified as non accrual (past due 90 days or more), interest ceases to be recognized and accrued but uncollected interest is reversed against income of the current period. Thereafter, interest payments received subsequently are recognized as revenue only if there is no doubt as to the ultimate recovery of the principal.

(r) Commissions

Commission income and expenses which are similar to service fees are recognized in income when the services are rendered.

Commissions that are material to the effective interest rate of a financial asset or liability are included in the measurement of the effective interest rate.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Income taxes

Income taxes are calculated on the consolidated income before income taxes for the year and comprise current and deferred income taxes. Current income taxes are taxes payable on the taxable income for the year using statutory tax rates and other adjustments that may affect income taxes payable. Deferred income taxes resulting from timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes are reflected in other liabilities, if any.

Income tax expense is recognized in the consolidated statement of income except to the extent that it relates to items of comprehensive income, in which case it is recorded therein. Items of comprehensive income are reflected net of tax, except for the effect of translation of foreign subsidiaries which is not subject to income taxes, because it is unlikely that the temporary difference will reverse in the foreseeable future.

The bank has recorded deferred income taxes resulting from land revaluations. The related amounts will be reversed at the sale of this land.

Under the income Tax Act, tax losses can be carried forward against future profits for a period not exceeding five years. The resulting tax benefit reported is recorded in other assets to the extent the Bank believes it can realize this asset in a timely manner.

(t) Regulatory reserve

According to the reserve requirements of the Central Bank of Haïti, as of September 30, 2010 and 2009, a minimum of 29% of liabilities in local currency and 34% of liabilities in foreign currency must be held in deposits at the Central Bank. Reserves calculated on liabilities in local currency are kept in the same currency whereas 30% of the reserve required in foreign currency is kept in local currency.

(u) Net income per equivalent share of paid-in capital

Net income per equivalent share of paid-in capital is calculated by dividing net income for the year attributable to shareholders of the bank by the weighted average of equivalent common shares outstanding during the year.

(v) New standards, amendments and interpretations not yet adopted

As of the date of these consolidated financial statements, some standards, amendments to standards, and interpretations have been issued but not yet adopted as of September 30, 2010. They have not been applied in the preparation of these consolidated financial statements and should not have a significant impact on the Group's consolidated financial statements.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT

The financial risks which the bank must manage are the following: liquidity risk, credit risk and market risk including interest rate risks, foreign exchange risk and the risk of fair value.

The Board of Directors has the ultimate responsibility to establish and oversee the Bank's risk management framework. The Board has established the following committees which are responsible for monitoring the Bank's risk management policies in their respective areas:

- ***Credit Committee:*** The Credit Committee has the authority and responsibility to approve and reject credit requests, modify credit terms and approve the limits and the credit commitments. This committee defines the Bank's credit policies, ensures credit risk management and monitors the quality of the credit portfolio.
- ***Credit Risks and Loan Review Committee:*** This committee has the authority to evaluate the degree of inherent risk and decide on the rating of credit files, the strategy, the frequency of credit account reviews, write-offs, sign-offs, and on all actions to undertake in order to protect the Bank against the risk of credit loss.
- ***Asset Liability Management Committee (ALCO):*** This Committee has put in place a prudent policy for managing liquidities, foreign exchange and interest rate risks. Within this committee, key Management personnel meets weekly to discuss financial position and decide on interest rates, foreign exchange and investments.
- ***Audit Committee:*** UNIBANK's Audit Committee is responsible for monitoring the process of preparing financial information, overseeing the efficiency of the internal control system, internal audit and risk management policies and supervising annual reporting on a consolidated basis.
- ***Compliance Committee:*** The Compliance Committee oversees that the Bank's policies and procedures are in adherence to the laws, the bank's Code of Ethics and other regulations. It is also responsible to oversee that Unibank is in compliance with the laws and ensures that appropriate anti-money laundering policies and procedures are implemented and followed.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT (CONTINUED)

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk Management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its Code of Ethics and its training programs aims to develop and maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

A. LIQUIDITY RISK

If Unibank does not have sufficient liquidity to meet its current obligations, it is then exposed to liquidity risk. Prudent and effective management of liquidity is therefore an essential element of the bank's policy to maintain market confidence and protect its capital.

To manage this risk, the Asset – Liability Management Committee – ALCO of Unibank has put in place a prudent and dynamic policy of cash management which allows the bank to have sufficient liquidity to meet its current obligations as they become due. In addition, Management closely monitors the maturity of deposits and loans as well as other resources and claims against those resources so as to ensure a proper matching between resources and obligations, while complying with the statutory requirements applicable to the bank and its subsidiaries.

The bank's cash management policy ensures constant monitoring of the bank's liquidities and a dynamic management of its short-term and long-term liquidity needs. This monitoring is performed by the Treasury Department, under close supervision of the Bank's Asset - Liability Management Committee. This committee meets weekly, and as needed, to analyze the reserve and liquidity position of the bank, to take the appropriate decisions and amend the cash management policy when necessary.

Unibank complies with the Central Bank's liquidity regulations. At September 30, it maintains the statutory reserves required by Circular 78 (**note 3 t**).

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT (CONTINUED)

A. LIQUIDITY RISK (CONTINUED)

The maturity profile of the Bank's financial liabilities based on their initial contractual maturity is as follows as of September 30:

September 30, 2010

(In thousands of gourdes)		0-3months	3-6 months	6 months- one year	More than a year	Total
Deposits (note 11):						
Demand deposits	G	16,059,706	-	-	-	16,059,706
Savings accounts		15,035,403	-	-	-	15,035,403
Term deposits		<u>2,404,931</u>	<u>617,257</u>	<u>939,237</u>	<u>39,787</u>	<u>4,001,212</u>
		<u>33,500,040</u>	<u>617,257</u>	<u>939,237</u>	<u>39,787</u>	<u>35,096,321</u>
Long- term debt (note 12)		-	-	-	85,702	85,702
Term bonds (note 13)		200,169	-	-	-	200,169
Commitments-Acceptances and letters of credit		559,482	-	-	-	559,482
Subordinated debt (note 15)		-	-	-	303,731	303,731
Other liabilities		<u>1,155,489</u>	-	-	<u>647,292</u>	<u>1,802,781</u>
		<u>1,915,140</u>	-	-	<u>1,036,725</u>	<u>2,951,865</u>
	G	<u>35,415,180</u>	<u>617,257</u>	<u>939,237</u>	<u>1,076,512</u>	<u>38,048,186</u>

September 30, 2009

(In thousands of gourdes)		0-3months	3-6 months	6 months- one year	More than a year	Total
Deposits (note 11):						
Demand deposits	G	10,252,667	-	-	-	10,252,667
Savings accounts		12,313,985	-	-	-	12,313,985
Term deposits		<u>1,101,102</u>	<u>1,488,281</u>	<u>1,722,913</u>	-	<u>4,312,296</u>
		<u>23,667,754</u>	<u>1,488,281</u>	<u>1,722,913</u>	-	<u>26,878,948</u>
Long-term debt (note 12)		1,052,696	-	-	88,658	1,141,354
Term bonds (note 13)		-	-	429,648	-	429,648
Commitments-Acceptances and letters of credit		398,028	-	-	-	398,028
Subordinated debt (note 15)		-	-	-	368,165	368,165
Other liabilities		<u>986,678</u>	-	-	<u>390,987</u>	<u>1,377,665</u>
		<u>2,437,402</u>	-	<u>429,648</u>	<u>847,810</u>	<u>3,714,860</u>
	G	<u>26,105,156</u>	<u>1,488,281</u>	<u>2,152,561</u>	<u>847,810</u>	<u>30,593,808</u>

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT (CONTINUED)**B. CREDIT RISK**

Credit risk results from the inability of a borrower to fulfill its financial or contractual obligations toward the bank.

To manage this risk, UNIBANK has put in place various policies and procedures which allow a strict and systematic monitoring of its liquidities, its investments, its loan portfolio and other assets.

The maximum exposure to credit risk relates to the following significant financial assets:

(In thousands of gourdes)	2010	2009
Cash and cash equivalents (note 5)		
Deposits with BRH and BNC	G 11,876,315	8,482,578
Deposits in foreign banks	800,600	894,260
Items in transit	<u>387,577</u>	<u>336,664</u>
	<u>13,064,492</u>	<u>9,713,502</u>
Investments		
BRH (Central Bank) bonds, net (note 5)	1,789,603	1,796,421
Foreign investments (note 6)	11,291,387	6,136,552
Local investments (note 6)	<u>34,045</u>	<u>128,678</u>
	<u>13,115,035</u>	<u>8,061,651</u>
Credit		
Loans, net (note 8)	8,723,068	9,859,391
Acceptances and letters of credit	<u>559,482</u>	<u>398,028</u>
	<u>9,282,550</u>	<u>10,257,419</u>
Other assets (note 10)		
Gourdes counter part of currencies to deliver	303,731	368,165
Taxes receivable	214,543	-
Advances to executives and managers	113,754	127,583
Interest receivable	109,955	90,443
Account receivable from related companies	97,852	290
Advance to Fondation UNIBANK	69,000	79,000
Receivable – Transfer agents	51,258	84,666
Advances to suppliers and others	47,758	32,357
Premium receivable from reinsurers	44,229	-
Dividends receivable	2,049	8,049
Receivable - DINASA	<u>-</u>	<u>292,416</u>
	<u>1,054,129</u>	<u>1,082,969</u>
Total financial assets	G 36,516,206	29,115,541

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT (CONTINUED)

B. CREDIT RISK (CONTINUED)

i. Cash and cash equivalents

Cash and cash equivalents are held at important financial institutions that the Bank considers as being solid. The financial viability of these institutions is reviewed periodically by the Asset and Liability Management Committee. As of September 30, 2010 and 2009, 91% and 87% of these cash and cash equivalents are kept at the Central Bank as reserve coverage.

Monetary policies adopted by the Central Bank of Haïti, the Federal Reserve Bank in the United States of America or other international institutions located in territories where the Bank holds financial assets, may have an impact on the Bank's activities, results or financial position.

ii. Investments

Investment risk occurs when a security loses value due to unfavorable financial performance, real or expected, of the issuer. To manage this risk, Unibank has developed and put in place policies and procedures which define clearly the nature and quality of the investments Management may select.

The main aspects of the bank's policy may be summarized as follows:

- Invest in negotiable instruments, which have superior credit ratings, are highly liquid, readily marketable and with minimal risk of capital loss.
- Invest in overseas banks and/or in investment grade securities (AAA, AA, A, BBB) such as US Treasury Bonds, or certificates of deposits issued by prime American or European banks. Corporate securities (bonds, commercial paper, asset backed securities) must be "investment grade".
- Invest in Haïti in BRH (Central Bank) bonds.
- Avoid taking positions which are speculative.
- Avoid concentration by amount and by financial institution. In that respect, limits are established by the Asset and Liability Management Committee.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT (CONTINUED)

B. CREDIT RISK (CONTINUED)

ii. Investments (continued)

The Bank considers BRH bonds, United States Government and Federal Agencies bonds as risk free. Equity instruments, investments in corporate bonds and other similar instruments are considered as moderate risk investments while having an “Investment Grade” classification. To monitor this risk, the Group invests in instruments of which they master the operational and financial mechanisms, with a return proportionate to the risks. The financial information is reviewed periodically to evaluate the viability of these investments.

iii. Credit

Credit risk is managed by the Credit Committee through the credit policy which it has defined. The Credit Committee, which includes executive officers who are members of the Board and Bank Management, meets weekly and as needed to decide on loan approval requests, renewals or amendments to existing facilities. In addition to Credit Administration, the approval process is also reinforced by the existence of a unit of control and evaluation of credit risk named “Credit Risk Management”. This unit, which reports directly to the Bank’s Management, independently reviews credit files to evaluate supporting documentation and assess credit quality and risks.

Unibank’s ability to manage credit losses is ensured through an appropriate diversification of risks, the type of guarantees obtained, sufficient shareholders’ equity and impairment provision. The guarantees required from the borrowers also constitute an important factor of risk coverage, since an important part of the portfolio of loans is covered by a lien on top quality tangible assets.

As of September 30, 2010 and 2009, the bank complies with BRH prudential regulations: Circular no. 87 on loan classification and calculation of provision for loan losses and Circular 83-4 on credit concentration which limits the credit by borrower and by economic sector to a percentage of the bank’s statutory capital requirements.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT (CONTINUED)

B. CREDIT RISK (CONTINUED)

iv. Other assets

The Bank considers the credit risk related to other financial assets as low.

v. Geographic allocation of financial risk

The geographic allocation of financial risk based on the ultimate location of assets is as follows:

(In thousand of gourdes)	2010	2009
Cash and cash equivalents		
Haïti	G 12,255,749	8,821,860
United States	420,980	591,375
Europe	205,543	142,072
Canada	176,967	151,947
Dominican Republic	<u>5,253</u>	<u>6,248</u>
	<u>13,064,492</u>	<u>9,713,502</u>
Investments		
Haïti	1,823,648	1,925,099
United States	<u>11,291,387</u>	<u>6,136,552</u>
	<u>13,115,035</u>	<u>8,061,651</u>
Credit		
Haïti	<u>9,282,550</u>	<u>10,257,419</u>
Other assets		
Haïti	1,009,900	1,082,969
Europe	<u>44,229</u>	<u>-</u>
	<u>1,054,129</u>	<u>1,082,969</u>
Total financial assets	G 36,516,206	29,115,541

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT (CONTINUED)

C. MARKET RISK

Market risk arises from price fluctuations on the market and encompasses mainly interest rate risks, foreign exchange risk and the risk of fair value of financial instruments. The Bank's objective is to manage these risks within acceptable parameters in order to be profitable and to maximize its return on investment while preserving shareholders' equity and guaranteeing deposits.

i. Interest rate risk

This risk is related to any possible incidence of interest rates fluctuations on the net income and consequently, on shareholders' equity. It results from the inability to adjust interest rates as market evolves, to the extent that net interest margin decreases significantly or becomes negative. The amount of risk is based on the importance and the magnitude of changes in interest rates, as well as the size and the maturity of the financial instruments.

In terms of interest rate management, most of the bank's credit portfolio is placed at variable interest rates, which allows the bank to adjust them, at its sole discretion, in response to market conditions. Furthermore, about 62% of the credit portfolio has a maturity of 12 months or less allowing the bank to minimize the risks of conversion between uses and resources, the objective being to reduce the unfavorable impact of a fluctuation in interest rates on the results and net position of the bank.

Fluctuations of interest rates do not have a significant effect on demand deposits (gourdes and dollars) which essentially do not bear interest, and on savings accounts (gourdes and dollars). These deposits represent respectively 46% and 43% of the total deposit portfolio of Unibank as of September 30, 2010, and 38% and 46% as of September 30, 2009, which constitutes respectively 89% and 84% of total deposits.

Moreover, the bank's management ensures an effective management of interest rates on the following portfolios:

- Loans to and deposits from the bank's customers;
- Local investments comprised of BRH bonds and interbank loans;
- Foreign investments which are adjusted as market conditions evolve;
- Long-term and subordinated debt.

The matching of interest rates applied to these portfolios is reviewed regularly by Unibank's Management who determines the appropriate position of the Bank with respect to any anticipated fluctuations in interest rates and ensures appropriate coverage of any interest rate risks.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT (CONTINUED)

C. MARKET RISK (CONTINUED)

i. Interest rate risk (continued)

At the end of the year, the interest profile on the principal financial instruments was as follows:

(In thousands of gourdes)	%		2010	%	2009
Fixed interest rate:					
Financial assets	24%	G	6,028,203	22%	4,522,182
Financial liabilities	17%		<u>4,500,832</u>	23%	<u>5,110,109</u>
Net			<u>1,527,371</u>		<u>(587,927)</u>
Variable interest rate:					
Financial assets	76%		18,852,711	78%	15,952,980
Financial liabilities	83%		<u>21,355,479</u>	77%	<u>17,572,053</u>
Net		G	<u>(2,502,768)</u>		<u>(1,619,073)</u>

Taking into account the following observations, the Bank estimates that a fluctuation of interest rates would not have a significant impact on the Group's results:

- 76% of the Bank's financial assets are at variable rates.
- 33% of financial assets at fixed rates are made of BRH Bonds which have a maximum duration of three months, and 38% of overnight deposits overseas.
- 89% of the financial liabilities at fixed rates are made of term deposits which have a maturity of less than a year.
- Variable rate financial liabilities are comprised of 70% of savings deposits and 30 % of deposits which are essentially overnight deposits.

ii. Foreign exchange risk

Foreign exchange risk results from significant matching differences between the assets and liabilities denominated in the same foreign currency, which could lead to a long or short position impacted by the changes of the gourde versus the foreign currency.

The bank's policy has always been to maintain a minimal trading position. The policy in place forbids keeping speculative positions. The bank's trading position is sold daily.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT (CONTINUED)

C. MARKET RISK (CONTINUED)

ii. Foreign exchange risk (continued)

As of September 30, 2010 and 2009, Unibank also complies with the requirement of the Central Bank which limits the portfolio of loans in US dollars to 50% of its liabilities in US dollars.

The Bank has foreign subsidiaries whose financial assets and liabilities are held in dollars.

The table below presents the breakdown by currencies of the Bank's consolidated financial assets and liabilities and of its subsidiaries as of September 30:

September 30, 2010

(In thousands of gourdes)	Gourdes	Dollars	Other currencies	Total
Cash and cash equivalents G	6,795,731	6,807,754	85,299	13,688,784
Investments and BRH bonds	1,816,987	11,298,048	-	13,115,035
Loans, net	2,831,010	5,892,058	-	8,723,068
Other assets	528,534	408,394	44	936,972
Acceptances and letters of credit	-	559,482	-	559,482
Total financial assets G	<u>11,972,262</u>	<u>24,965,736</u>	<u>85,343</u>	<u>37,023,341</u>
Deposits	12,907,356	22,108,207	80,758	35,096,321
Long-term debt	85,702	-	-	85,702
Term bonds	198,298	1,871	-	200,169
Commitments-acceptances and letters of credit	-	559,482	-	559,482
Subordinated debt	303,731	-	-	303,731
Other liabilities	756,821	1,045,960	-	1,802,781
Total financial liabilities	<u>14,251,908</u>	<u>23,715,520</u>	<u>80,758</u>	<u>38,048,186</u>
Assets (liabilities), net G	<u>(2,279,646)</u>	<u>1,250,216</u>	<u>4,585</u>	<u>(1,024,845)</u>

For every fluctuation of one gourde versus the US dollar, the foreign exchange position in US dollar converted would result in an exchange gain or loss of approximately G 31 M depending on the case.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT (CONTINUED)

C. MARKET RISK (CONTINUED)

ii. Foreign exchange risk (continued)

September 30, 2009

(In thousands of gourdes)	Gourdes	Dollars	Other currencies	Total
Cash and cash equivalents	G 5,065,727	5,340,744	70,756	10,477,227
Investments and BRH bonds	1,823,805	6,327,846	-	8,061,651
Loans, net	2,546,605	7,312,786	-	9,859,391
Other assets	376,578	815,323	184	1,193,901
Acceptances and letters of credit	-	398,028	-	398,028
Total financial assets	G <u>9,812,715</u>	<u>20,106,727</u>	<u>70,756</u>	<u>29,990,198</u>
Deposits	10,355,061	16,477,038	46,849	26,878,948
Long-term debt	88,658	1,052,696	-	1,141,354
Term bonds	257,766	171,882	-	429,648
Commitments-acceptances and letters of credit	-	398,028	-	398,028
Subordinated debts	368,165	-	-	368,165
Other liabilities	405,939	971,726	-	11,377,665
Total financial liabilities	<u>11,475,589</u>	<u>19,071,370</u>	<u>46,849</u>	<u>30,593,808</u>
Assets (liabilities), net	G <u>(1,662,874)</u>	<u>1,035,357</u>	<u>23,907</u>	<u>(603,611)</u>

For every fluctuation of one gourde versus the US dollar, the foreign exchange position in US dollar converted would result in an exchange gain or loss of approximately G 25 M depending on the case.

The foreign exchange rates for the different currencies compared to the gourde were as follows:

	2010	2009
<u>As of september 30</u>		
US Dollars	39.9405	41.7737
Euros	54.4828	61.1066
<u>Average rates for the period</u>		
US Dollars	40.1678	40.7612
Euros	54.9852	55.1199

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT (CONTINUED)

C. MARKET RISK (CONTINUED)

iii. Fair value of fixed assets and properties held for sale

With the exception of foreign investments for which the fair value is disclosed in **note 6**, the book value of financial assets and liabilities is equivalent to their fair value since their interest rates are in line with market rates.

D. CAPITAL MANAGEMENT

Capital is defined as paid-in capital, reserves, retained earnings, minority interest and foreign currency translation effects. The Bank periodically evaluates its return on capital and aims at paying reasonable dividends to its shareholders while maintaining a several capital position, so as to maintain investors, creditors and market confidence, and to sustain future development of the Group. At September 30, 2010 and 2009, the Bank is in compliance with the capital ratio requirements (Circular no. 88) of the Central Bank.

The Central Bank of Haïti (BRH) in its capacity as the regulator of all banks operating in Haïti, sets and monitors capital requirements. Banks must adhere to the following capital ratios under Central Bank circular 88:

Ratio of assets/capital - A maximum multiple of 20 times between total assets plus some qualifying off balance sheet assets, and regulatory capital.

Ratio of capital/risk-weighted assets – The ratio of capital to risk-weighted assets should not be less than 12%. Risk weighted assets comprise balance sheet and some off balance sheet assets to which specific risk weights are assigned.

Regulatory capital consists in:

- Tier 1 capital attributable to ordinary shareholders. It excludes the revaluation reserve and the general reserve for loan losses.
- Tier 2 capital consisting of subordinated debt.

As of September 30, the ratios for UNIBANK were as follows:

	2010	2009
Ratio of assets/capital (times)	13.06	12.04
Ratio of capital/risk-weighted assets	22.14%	18.96%

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(5) CASH AND CASH EQUIVALENTS AND BRH BONDS

As of September 30, cash and cash equivalents are as follows:

(In thousands of gourdes)		2010	2009
Cash	G	624,292	763,725
Deposits with BRH and BNC		11,876,315	8,482,578
Deposits in foreign banks		800,600	894,260
Items in transit, net		<u>387,577</u>	<u>336,664</u>
	G	13,688,784	10,477,227

Cash and deposits with BRH (Central Bank) and BNC (a state-owned commercial bank) are part of the cash reserve requirements on total liabilities that must be maintained in accordance with the related provisions of BRH (Central Bank) circulars. These deposits do not bear interest.

As of September 30, deposits in foreign banks represent overnight deposit accounts bearing average interest rates between 0.09% and 0.15% as of September 30, 2010 and 2009.

As of September 30, 2010 and 2009, deposits totaling G 3,452M (US\$ 86,438) and G 4,567M (US\$ 109,335) for Unitransfer International, which operates in the USA and in Canada, have been pledged to the Banking Departments of the states where it operates. These deposits bear interest at rates between 0.10% and 1.19% as of September 30, 2010, and 0.80% and 4.20% as of September 30, 2009.

As of September 30, deposits in gourdes and in foreign currencies are as follows:

(In thousands of gourdes)		2010	2009
Deposits in gourdes	G	6,795,731	5,065,727
Deposits in foreign currencies		<u>6,893,053</u>	<u>5,411,500</u>
	G	13,688,784	10,477,227

As of September 30, 2010, BRH bonds bear interest rates ranging between 0.72% and 1.50% with maturity of 28 and 91 days, and the interest rates varied between 1.80% and 3.96% as of September 30, 2009 with maturity of 28 and 91 days.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(5) CASH AND CASH EQUIVALENTS AND BRH BONDS

BRH Bonds, net are as follows:

(In thousands of gourdes)		2010	2009
Principal	G	1,790,000	1,800,000
Unearned interest		<u>(397)</u>	<u>(3,579)</u>
	G	1,789,603	1,796,421

(6) INVESTMENTS

As of September 30, investments are as follows:

(In thousands of gourdes)		2010	2009
Investments available for sale:			
Foreign investments at fair value through income (a)	G	3,554,625	2,774,291
Foreign investments at fair value through shareholders' equity (b)		5,285,286	1,599,087
Local investments (c)		<u>27,384</u>	<u>27,384</u>
		8,867,295	4,400,762
Investments held to maturity:			
Foreign investments (d)		2,451,476	1,763,174
Local investments (e)		<u>6,661</u>	<u>101,294</u>
		2,458,137	1,864,468
Total investments	G	11,325,432	6,265,230

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(6) INVESTMENTS (CONTINUED)

a) Foreign investments available for sale at fair value through income are as follows:

(In thousands of gourdes)	2010	2009
Corporate bonds:		
Fair value	G 423,242	218,687
Maturity	45 days to 48 months	1 to 38 months
Interest rate	4.29%	3.30%
US Treasury bills:		
Fair value	G 2,038,421	1,569,434
Maturity	15 days to 60 months	4 to 88 months
Interest rate	2.53%	3.10%
US Federal Agencies bonds:		
Fair value	G 1,074,511	923,156
Maturity	18 days to 47 months	1 to 58 months
Interest rate	3.43%	2.20%
Investments in shares of International credit card companies	G 18,451	63,014
Total:		
Fair value	G 3,554,625	2,774,291

b) Investments available for sale at fair value through shareholders' equity are as follows:

(In thousands of gourdes)	2010	2009
US Treasury bonds:		
Cost	G 4,425,018	995,554
Fair value	G 4,450,852	998,065
Maturity	7 days to 59 months	8 days to 43 months
Interest rate	1.20%	1.62%
US Federal Agencies bonds:		
Cost	G 825,290	597,351
Fair value	G 834,434	601,022
Maturity	6 to 43 months	1 to 56 months
Interest rate	1.82%	1.94%
Total:		
Cost	G 5,250,308	1,592,905
Fair value	G 5,285,286	1,599,087
Unrealized holding gain	G 34,978	6,182

The holding gain including the related foreign exchange effect is reported net of the related income tax in the consolidated statements of changes in shareholders' equity and totals G 24,135M and G 4,057M as of September 30, 2010 and 2009 respectively.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(6) INVESTMENTS (CONTINUED)

c) Local investments consist of corporate investments available for sale. The fair value of these investments is equivalent to cost.

d) Held to maturity foreign investments are as follows:

(In thousand of gourdes)		2010	2009
US Treasury bills:			
Cost	G	120,521	83,547
Fair value		121,058	85,731
Maturity		3 months ½ to 16 months	16 months
Interest rate		1.31%	2.16%
US Federal Agencies bonds:			
Cost	G	159,827	125,321
Fair value		160,390	125,269
Maturity		3 to 17 months	32 to 35 months
Interest rate		1.29%	3.05%
Unrealized holding gain	G	1,100	2,132
<hr/>			
Term deposits	G	2,171,128	1,554,306
Interest rate		0.21% to 2.05%	0.76% to 3.68%
Maturity		1 to 32 months	9 to 24 months
<hr/>			
Total amortized cost	G	2,451,476	1,763,174

e) Local investments held to maturity are composed of bonds in US dollars of local companies, with a fair value equivalent to cost. As of September 30, 2010 and 2009, they have maturity ranging from 90 to 180 days, and bear interest between 3.75% and 4.25%, and 3.75% to 5.00%, respectively.

As of September 30, 2010 and 2009, foreign US investments include amounts pledged as guarantee on letters of credit totaling G 4,673,637M (US\$ 117,015M) and G 2,327,021M (US\$ 55,705M), respectively.

Some investments is shares of international credit card companies have been sold during the fiscal year and resulted in a gain of G 3,886M recorded in other income.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(7) LONG-TERM CORPORATE INVESTMENTS

As of September 30, long-term corporate investments are as follows:

(In thousands of gourdes)	2010	2009
Long-term corporate investments in affiliated companies and joint ventures accounted for by the equity method	G 2,088,808	1,587,622
Other long-term corporate investments presented at cost	<u>10,114</u>	<u>10,134</u>
	G 2,098,922	1,597,756

AFFILIATED COMPANIES AND JOINT VENTURES ACCOUNTED FOR BY THE EQUITY METHOD

(In thousands of gourdes)	2010	2009
HAÏTI AGRO PROCESSORS HOLDING LTD.		
Total assets	G 1,344,863	1,986,001
Total liabilities	G 416,991	525,023
33.33% of Haiti Agro Processors Holding Ltd., Majority shareholder of Les Moulins d'Haïti S.E.M., (through SNI Minoterie)	G 51,000	51,000
Share of retained earnings and reserves to date	<u>165,504</u>	<u>289,894</u>
	G 216,504	340,894
DISTRIBUTEURS NATIONAUX S.A. (DINASA) (a)		
Total assets	G 6,365,866	5,029,576
Total liabilities	G 3,362,503	3,340,022
110,000 voting common shares held by GFN S.A. through Unifinance, representing 50% of the capital	G 375,000	275,000
Share of retained earnings and reserves to date	<u>1,126,268</u>	<u>569,364</u>
	G 1,501,268	844,364
COMPHAÏTI S.A.		
Total assets	G 131,331	106,813
Total liabilities	G 58,622	48,801
2,000 voting common shares with par value of G 500 each, held by GFN S.A. through Unifinance, representing 20% of the capital	G 1,000	1,000
Share of retained earnings and reserves to date	<u>12,137</u>	<u>8,776</u>
	G 13,137	9,776

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(7) LONG-TERM CORPORATE INVESTMENTS (CONTINUED)

AFFILIATED COMPANIES AND JOINT VENTURES ACCOUNTED FOR BY THE EQUITY METHOD (CONTINUED)

(In thousands of gourdes)	2010	2009
KEY EXPRESS (b)		
Total assets	G <u>-</u>	<u>10,743</u>
Total liabilities	G <u>-</u>	<u>8,033</u>
Ownership interest of 50% in this money remittance company	G -	4,988
Share of retained earnings and reserves to date	<u>-</u>	<u>(4,249)</u>
	G <u>-</u>	<u>739</u>
INTERNATIONAL SUNRISE PARTNERS LLP (c)		
Total assets (50%)	G <u>395,455</u>	<u>431,990</u>
Total liabilities (50%)	G <u>37,459</u>	<u>7,950</u>
Ownership interest of 50% of a real estate investment	G 387,973	387,973
Translation adjustment	(13,228)	-
Share of retained earnings and reserves to date	<u>(16,846)</u>	<u>3,876</u>
	<u>357,899</u>	<u>391,849</u>
Total investments in affiliated companies and joint ventures	G 2,088,808	1,587,622

- a) Distributeurs Nationaux S.A. (DINASA) is a joint venture between GFN S.A. through Unifinance and another group each holding 50% of the capital. The two groups exercise joint control as of September 30, 2010 and 2009.
- b) During 2010, Key Express, a company registered in Turks & Caicos in October 2005, that provided local and international transfer services, mainly to clients in the Dominican Republic and Haiti, suffered losses that adversely affected its financial position. Unitransfer International has therefore decided to dispose of this company in which it held a joint control of 50% and has recorded a loss of G 13,554 M (US\$ 337,448) in the consolidated statement of income.
- c) International Sunrise Partners LLP is a company in which GFN Real Estate Limited holds 50% with another investor that also holds 50%. Both parties exercise a joint control on this company.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(7) LONG-TERM CORPORATE INVESTMENTS (CONTINUED)

- d) Shares of income of non consolidated companies attributable to equity accounted affiliated companies and joint ventures presented in the consolidated statement of income are as follows:

(In thousands of gourdes)	2010	2009
Haïti Agro Procesors Holding Ltd.	G 108,942	223,092
DINASA	656,905	199,581
International Sunrise Partners LLP	(16,846)	3,876
CompHaiti S.A.	3,360	482
Key Express	<u>-</u>	<u>(7,069)</u>
	G 752,361	419,962

OTHER LONG-TERM CORPORATE INVESTMENTS PRESENTED AT COST

(In thousands of gourdes)	2010	2009
CORAIL S.A.		
Ownership interest of 15.37%	G 9,908	9,908
BANQUE DE L'UNION HAÏTIENNE		
400 voting common shares with par value of G 250 each	146	146
PORT INTERNATIONAL DU SUD		
20 common voting shares of class C with par value of G 3,000 each	60	60
SOCIÉTÉ NATIONALE D'INVESTISSEMENT (SNI)		
200 voting shares with par value of G 100 each (e)	<u>-</u>	<u>20</u>
Long –term corporate investments, net	10,114	10,134

- (e) During 2010, the Bank, through its subsidiary GFN S.A, acquired 80 % of the shares of SNI, through an exchange of shares of Unibank held by this company against the interest of the third party shareholders in SNI's capital. SNI is therefore consolidated in 2010.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(8) LOANS

As of September 30, loans are as follows:

(In thousands of gourdes)		2010	2009
Commercial and industrial loans	G	3,656,099	4,347,669
Overdrafts		1,839,154	2,020,037
Mortgage loans		1,320,800	1,380,280
Consumer loans		709,105	894,715
Credit card loans		453,769	586,229
Micro-entreprise loans		452,348	539,263
Loans to employees		133,228	130,390
Restructured loans (a)		<u>189,111</u>	<u>5,541</u>
		8,753,614	9,904,124
Non-performing loans		<u>122,204</u>	<u>50,310</u>
	G	8,875,818	9,954,434

(a) Following the earthquake of January 12, 2010, the Bank reviewed the terms and conditions of some loans (i.e extension of maturity, interest rates). As of September 30, 2010, these customers were up to date in payment and abode to the new terms of their loans.

As of September 30, loans in US dollars and in gourdes are as follows:

(In thousands of gourdes)		2010	2009
Loans in US dollars	G	5,972,411	7,368,362
Loans in gourdes		<u>2,903,407</u>	<u>2,586,072</u>
	G	8,875,818	9,954,434

Effective interest rates on loans are as follows:

	2010	2009
In US dollars:		
Commercial loans and consumer loans	11.15%	12.16%
Mortgage loans	10.22%	10.96%
Credit card loans	40%	40%
Restructured loans	11%	11%
In gourdes:		
Commercial loans and consumer loans	15.10%	18.18%
Mortgage loans	15.65%	19.99%
Credit card loans	40%	40%
Micro-entreprise loans	42%	46%
Restructured loans	13.33%	-
Loans to employees	8.43%	8.41%

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(8) LOANS (CONTINUED)

Unrecorded interest on non-performing loans mentioned above amount to G 21,496M and G 7,656M as of September 30, 2010 and 2009, respectively.

Except for short-term advances totaling G 399,311M and G 995,434M as of September 30, 2010 and 2009 with a maximum maturity of three months, and for mortgage loans in gourdes and dollars issued for an average period of 15 years, loans are repayable on demand.

Loans to Board members and their related companies amount to G 96,224M and G 191,313M as of September 30, 2010 and 2009 respectively. These loans bear average interest rates of approximately 8.79% and 10.05% for loans in gourdes, and of 7.80% and 8.52% for loans in US dollars, in 2010 and 2009, respectively.

The impairment provision has evolved as follows:

(In thousands of gourdes)	2010	2009
Balance at the beginning of year	G 95,043	116,213
Impairment charge for the year	153,092	17,813
Write-offs (a)	(105,395)	(61,187)
Recovery on loans written-off	11,245	19,029
Effect of revaluation of impairment loss in US dollars	(1,235)	3,175
Balance at the end of year	G 152,750	95,043

(a) Following the earthquake, Unibank and its subsidiaries had to perform write-offs during 2010 as follows:

(In thousands of gourdes)	
Micro-entreprise	G 70,426
Credit card	33,187
Others	<u>1,782</u>
	G <u>105,395</u>

Specific and general risks on the loan portfolio are covered as follows

(In thousands of gourdes)	2010	2009
Impairment provision	G 152,750	95,043
General reserve for loan losses	<u>93,243</u>	<u>122,809</u>
	G 245,993	217,852

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(8) LOANS (CONTINUED)

As of September 30, the aging of the loan portfolio is as follows:

September 30, 2010

(In thousands of gourdes)	Current	30-60 days	61-89 days	Total
<u>Current loans</u>				
Commercial and industrial loans	G 3,593,039	63,060	-	3,656,099
Micro-enterprise loans	446,226	3,686	2,436	452,348
Credit card loans	412,639	27,409	13,721	453,769
Overdrafts	1,831,804	7,259	91	1,839,154
Other loans	<u>1,944,614</u>	<u>390,240</u>	<u>17,390</u>	<u>2,352,244</u>
	G 8,228,322	491,654	33,638	8,753,614

(In thousands of gourdes)	90-120 days	121-180 days	181-360 days	Total
<u>Non-performing loans</u>				
Commercial and industrial loans	G 5,660	17,379	6,698	29,737
Micro-enterprise loans	4,849	4,740	-	9,589
Credit card loans	12,477	7,046	39,267	58,790
Overdrafts	1,643	1,876	8,235	11,754
Other loans	<u>-</u>	<u>632</u>	<u>11,702</u>	<u>12,334</u>
	G 24,629	31,673	65,902	122,204
			G 8,875,818	

September 30, 2009

(In thousands of gourdes)	Current	30-60 days	61-89 days	Total
<u>Current loans</u>				
Commercial and industrial loans	G 4,270,727	59,898	17,044	4,347,669
Micro-enterprise loans	526,712	8,822	3,729	539,263
Credit card loans	480,155	23,750	82,324	586,229
Overdrafts	2,019,121	916	-	2,020,037
Other loans	<u>2,390,415</u>	<u>7,590</u>	<u>12,921</u>	<u>2,410,926</u>
	G 9,687,130	100,976	116,018	9,904,124

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(8) LOANS (CONTINUED)

(In thousands of gourdes)	90-120 days	121-180 days	181-360 days	Total
<u>Non-performing loans</u>				
Commercial and industrial loans	G -	4,993	-	4,993
Micro-enterprise loans	5,814	6,951	135	12,900
Credit card loans	-	27,553	-	27,553
Overdrafts	-	4,069	-	4,069
Other loans	-	<u>795</u>	-	<u>795</u>
	G 5,814	44,36	135	<u>50,310</u>
				G 9,954,434

As of September 30, these loans were covered by the following guarantees:

September 30, 2010

(In thousands of gourdes)	Mortgages	Cash collateral (note 11)	Others (a)
	G <u>4,013,558</u>	<u>857,669</u>	<u>365,858</u>
Current loans	3,961,874	856,919	365,858
Non-performing loans	G 51,684	750	-

September 30, 2009

(In thousands of gourdes)	Mortgages	Cash collateral (note 11)	Others (a)
	G <u>3,808,755</u>	<u>979,685</u>	<u>330,256</u>
Current loans	3,802,654	979,685	330,256
Non-performing loans	G 6,101	-	-

(a) The other guarantees consist of foreign and local letters of guarantees, treasury bonds and pledging of shares.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(9) FIXED ASSETS

During the year, fixed assets at cost have evolved as follows:

Cost	Balance as		Earthquake of		Effect of		Balance as
(In thousands of gourdes)	30/09/09	Acquisitions	Transfers	12/01/10	Disposals	conversion	30/09/10
Land	G 134,563	-	20,014	-	-	-	154,577
Buildings	149,865	62,804	135,336	(11,381)	-	-	336,624
Furniture and equipment	430,034	50,370	24,049	(68,965)	(6,440)	(447)	428,601
Computer equipment	96,851	28,110	5,075	(21,093)	(10,604)	(746)	97,593
Software	31,906	12,560	(4,184)	-	(251)	(877)	39,154
Leasehold improvements	331,498	22,511	(13,366)	(50,486)	(586)	(581)	288,990
Vehicles	197,784	29,401	(39,771)	(5,273)	(10,680)	(163)	171,298
Investments in progress	360,733	165,546	(269,237)	(10,691)	(17,802)	-	228,549
Fully depreciated assets	<u>488,595</u>	<u>-</u>	<u>142,084</u>	<u>-</u>	<u>(17,636)</u>	<u>(1,651)</u>	<u>611,392</u>
	G 2,221,829	371,302	-	(167,889)	(63,999)	(4,465)	2,356,778

During the year, accumulated depreciation has evolved as follows:

Accumulated depreciation	Balance as		Earthquake of		Effect of		Balance as
(In thousands of gourdes)	30/09/09	Additions	Transfers	12/01/10	Disposals	conversion	30/09/10
Buildings	G 20,251	2,950	-	(6,454)	-	-	16,747
Furniture and equipment	188,241	60,037	(43,097)	(36,525)	-	(283)	168,373
Computer equipments	55,779	25,357	(22,434)	(12,134)	(179)	(540)	45,849
Software	17,646	11,181	(5,774)	-	(903)	(494)	21,656
Leasehold improvements	155,937	41,151	(31,340)	(28,302)	(125)	(248)	137,073
Vehicles	99,670	47,549	(39,771)	(1,081)	(5,858)	(128)	100,381
Fully depreciated assets	<u>488,595</u>	<u>-</u>	<u>142,416</u>	<u>-</u>	<u>(17,968)</u>	<u>(1,652)</u>	<u>611,391</u>
	G 1,026,119	188,225	-	(84,496)	(25,033)	(3,345)	1,101,470
Fixed assets, net	G 1,195,710			(83,393)			1,255,308

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(10) OTHER ASSETS

As of September 30, other assets are as follows:

(In thousands of gourdes)		2010	2009
Gourdes receivable on foreign currency			
forward contracts	G	303,731	368,165
Income tax recoverable (g)		214,543	-
Prepaid expenses		213,67	198,051
Properties held for sale (a)		165,72	172,325
Advances to directors and managers (b)		113,754	127,583
Tax credit		110,370	13,555
Interest receivable		109,955	90,443
Goodwill, net (c)		104,706	103,900
Accounts receivable from related companies		97,852	290
Advance to Fondation UNIBANK (d)		69,000	79,000
Receivables - transfer agents		51,258	84,666
Advances to suppliers		47,758	32,357
Insurance compensation receivable (e)		44,229	-
Iventories - Unitransfer Haïti		24,889	50,453
Dividends receivable		2,049	8,049
Receivable from Dinasa (f)		-	292,416
Others		103,828	110,934
	G	1,777,318	1,732,187

(a) Properties held for sale have evolved as follows:

(In thousands of gourdes)		2010	2009
Balance at the beginning of year	G	172,325	225,915
Sales for the year		(5,602)	(53,590)
Provisions for impairment loss		(1,000)	-
	G	165,723	172,325

Sales of property held for sale resulted in a gain of G 302 M in 2010, and in a loss of G 2,590 M in 2009.

(b) Advances to directors and managers are contractually amortized over a period of five years expiring in 2014.

UNIBANK S.A.
Notes to Consolidated Financial Statements

(10) OTHER ASSETS (CONTINUED)

(c) As of September 30, net goodwill is as follows:

(In thousands of gourdes)		2010	2009
Goodwill at cost:			
UNITRANSFER INTERNATIONAL	G	15,578	15,578
Exchange effect - UNITRANSFER INTERNATIONAL		<u>8,704</u>	<u>9,682</u>
		<u>24,282</u>	<u>25,260</u>
GFN REAL ESTATE LTD. ⁽¹⁾		53,695	53,695
IMSA		11,332	11,332
MICRO CRÉDIT NATIONAL		9,950	9,950
UNICRÉDIT		3,663	3,663
SNI S.A. ⁽¹⁾		<u>1,784</u>	<u>-</u>
	G	104,706	103,900

⁽¹⁾ This goodwill is the result of the acquisitions, during 2010 and 2009, of 80% of SNI S.A. and of 50% of International Sunrise Partners (ISP). The goodwill represents the excess of the acquisition price over the fair value of net assets acquired as follows:

(In thousands of gourdes)		SNI S.A.	ISP
Acquisition price	G	6,234	163,045
Net assets acquired		<u>(4,450)</u>	<u>(109,350)</u>
Goodwill	G	1,784	53,695

(d) The advance to Fondation Unibank does not bear interest. It is amortized as a donation over a maximum period of 20 years. An amount of G 10 million was recorded as donation to Fondation Unibank during 2010, and G 5 million in 2009.

(e) This amount represents a receivable from the insurers of the group following the earthquake of January 12, 2010. The receivable has been established as follows (**note 18**):

(In thousands of gourdes)		
Reimbursement receivable	G	249,544
Compensation received and deductible recorded		(9,235)
Provision for non-payment by the insurer (note 17)		<u>(196,080)</u>
	G	44,229

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(10) OTHER ASSETS (CONTINUED)

(f) This amount was received from Dinasa on October 9, 2009.

(g) During 2010, the bank submitted to tax authorities the documentation justifying the amount of G 214,453M of income taxes paid in advance on of the shares of net income from equity accounted investment. Those shares of net income earned by the bank had been incorporated in the consolidated income of the Group and had been taxed at the statutory rate of 30%. These shares should be taxed when the dividends will be effectively perceived at the rate of 20%.

Therefore, prepaid income taxes and income tax receivable totalling G 214,453M were recorded, which will be recuperated as dividends will be declared in the future by the associates.

(11) DEPOSITS

As of September 30, deposits are as follows:

(In thousands of gourdes)		2010	2009
Demand deposits:			
Gourdes	G	5,471,779	4,106,921
US dollars		10,507,169	6,098,897
Euros		<u>80,758</u>	<u>46,849</u>
	G	16,059,706	10,252,667
Savings accounts:			
Gourdes	G	6,417,628	5,149,567
US dollars		<u>8,617,775</u>	<u>7,164,418</u>
	G	15,035,403	12,313,985
Term deposits:			
Gourdes	G	1,017,949	1,098,573
US dollars		<u>2,983,263</u>	<u>3,213,723</u>
	G	4,001,212	4,312,296
Total deposits		G	35,096,321
			26,878,948
Deposits in gourdes			
		G	12,907,356
			10,355,061
Deposits in US dollars			
			22,108,207
			16,477,038
Deposits in Euros			
			80,758
			46,849
Total deposits		G	35,096,321
			26,878,948

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(11) DEPOSITS (CONTINUED)

Average interest rates on deposits are as follows:

	2010	2009
Demand deposits (overnight deposits):		
Gourdes	0.065%	0.20%
US Dollars	0.045%	0.10%
Demand deposits (Savings/Checking accounts):		
Gourdes	0.04%	0.10%
US Dollars	0.02%	0.10%
Savings accounts:		
Gourdes	0.05%	0.10%
US Dollars	0.03%	0.10%
Term deposits:		
Gourdes	0.61%	0.58%
US Dollars	0.24%	0.40%

For fiscal year 2010, the Bank has granted term deposits with maturity of more than one year amounting to G 15,901M as of September 30, 2010.

Pledged deposits amounted to G 857,669M and G 979,685M as of September 30, 2010 and 2009 (**note 8**).

Deposits from Board members and their affiliated companies amounted G 295,989M and G 294,927M as of September 30, 2010 and 2009, respectively. These deposits were received in the normal course of business and bear interest at the bank's normal interest rates.

(12) LONG-TERM DEBT

As of September 30, long-term debt is as follows:

(In thousands of gourdes)		2010	2009
Loans MCN (a)	G	85,702	88,658
Foreign loans-Unibank (b)		<u>-</u>	<u>1,052,696</u>
	G	85,702	1,141,354

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(12) LONG-TERM DEBT (CONTINUED)

- (a) Based on an agreement dated August 19, 2004, Micro Crédit National obtained from the Government of the Federal Republic of Germany, through the Haitian Government, a loan of €1,765,930, equivalent to G 88,658M at the disbursement date.

The loan in local currency bears a variable interest rate of 7.50% as of September 30, 2010 and 2009 and is to be reimbursed in 30 equal semi annual payments beginning in May 2010. Interests are payable semi-annually from May 2005.

- (b) Within the terms of established credit lines with its foreign correspondants, Unibank, as of September 30, 2009 contracted two short-term loans with respective interest rates of 3.50% and 5.75% for a period of 2 to 30 days. These loans were reimbursed in October 2009.

(13) TERM BONDS

As of September 30, term bonds, issued by Unifinance and Unicredit, in US dollars and in gourdes, are as follows:

(In thousands of gourdes)	2010	2009
Term bonds in gourdes	G 198,298	257,766
Term bonds in US dollars	<u>1,871</u>	<u>171,882</u>
	G 200,169	429,648

As of September 30, the term bonds are not transferable or convertible. Average interest rates on term bonds are as follows:

	2010	2009
Term bonds in gourdes	2.38%	1.08%
Term bonds in US dollars	1.33%	2.51%
Average maturity	1 year	1 year

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(14) OTHER LIABILITIES

As of September 30, other liabilities are as follows:

(In thousands of gourdes)	2010	2009
Cashiers checks	G 413,072	222,357
Foreign currency forward contracts (a)	299,453	384,467
Accrued expenses	212,305	200,879
Deferred income taxes (b)	347,839	6,520
Transfers payable	179,305	221,298
Dividends payable	72,898	51,932
Bonus payable	72,614	51,331
Contractual advance payable	63,786	-
Transfers payable – Unitransfer International	49,833	47,243
Interest payable	4,198	10,937
Income taxes payable	-	98,486
Guarantee deposits on letters of credit	-	10,694
Others	<u>87,478</u>	<u>71,521</u>
	G 1,802,781	1,377,665

(a) The Gourdes receivable on foreign currency forward contracts relates to contracts for the sale of currency for a total net amount of US\$ 7.5 million and US\$ 9.4 million as of September 30, 2010 and 2009, respectively, is recorded in other assets (note 10).

(b) Deferred income taxes are related to the following elements:

	2010	2009
Shares of non consolidated subsidiaries	G 332,600	-
Components of comprehensive income	10,843	2,124
Land	<u>4,396</u>	<u>4,396</u>
	G 347,839	6,520

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(15) SUBORDINATED DEBT

Unibank has issued non transferable subordinated debentures, with the following terms for a total value of G 303,731M and G 368,165M as of September 30, 2010 and 2009, respectively:

- The obligations are issued in gourdes.
- The obligations are issued for a period of 10 years but are redeemable after 5 years.
- Interest is paid monthly at an annual fixed rate for the first year and a variable rate to be reviewed semi-annually for subsequent years. The interest rate is equal to the BRH bonds rate with maturity of 91 days, increased by 1.00%.

Unibank is committed, by forward contracts, to reimburse those obligations in US dollars at maturity, at the exchange rate of issue date. As of September 30, 2010 and 2009, the effective interest rates on these contracts were 5.98% and 6.50%. The interest difference between the interest rate in gourdes and the effective interest rate in dollars, and the impact of the exchange rate fluctuation resulting from the revaluation of these contracts in US dollars are reflected in the consolidated statement of income and the counterpart is reflected in other assets and liabilities.

Unifinance acts as a broker for the issuance of the obligations, manages the debt service, and is paid by Unibank a fee of 0.25% of the amount issued.

Obligations held by Board Members, subsidiaries and related parties amounted to G 2,572M and G 15,407M as of September 30, 2010 and 2009, respectively. These subordinated obligations bear interest rates of 5.89% in 2010 and 6.01% in 2009. Fondation UNIBANK holds G100 million of obligations bearing interest at a rate of 6.02%.

(16) PAID-IN CAPITAL

By decision of the Extraordinary General Assembly held on December 5, 2008 and effective as of September 30, 2008, the authorized paid-in capital of the Bank was increased to G 2 billion, representing 500,000 shares with a par value of G 4,000 each. As authorized by the Central Bank, the par value of each share was increased by G 2,500 by integration of the legal reserve, the paid-in surplus, and part of the retained earnings.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(16) PAID-IN CAPITAL (CONTINUED)

As of September 30, the authorized and paid-in capital are as follows:

(In thousands of gourdes)	2010	2009
AUTHORIZED CAPITAL		
250,000 class A shares, with par value of G 4,000		
Each class A share has one voting right	G 1,000,000	1,000,000
250,000 class B shares, with par value of G 4,000		
Each class B share has five voting rights	<u>1,000,000</u>	<u>1,000,000</u>
	G <u>2,000,000</u>	<u>2,000,000</u>
UNPAID CAPITAL		
182,154 class A shares in 2010 and 182,237 shares in 2009	G (728,616)	(728,948)
43,331 class B shares in 2010 and 43,348 shares in 2009	<u>(173,324)</u>	<u>(173,392)</u>
	<u>(901,940)</u>	<u>(902,340)</u>
PAID IN CAPITAL		
67,846 class A shares in 2010 and 67,763 shares in 2009	G 271,384	271,052
206,669 class B shares in 2010 and 206,652 shares in 2009	<u>826,676</u>	<u>826,608</u>
	G <u>1,098,060</u>	<u>1,097,660</u>
TREASURY SHARES		
5,333 class A shares in 2010 and 5,037 shares in 2009	G (21,332)	(21,228)
13,136 class B shares in 2010 and 13,086 shares in 2009	<u>(52,544)</u>	<u>(52,344)</u>
	<u>(73,876)</u>	<u>(73,572)</u>
Net paid-in-capital	G 1,024,184	1,024,088

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(17) LOSS DUE TO THE EARTHQUAKE

The Group regrets the death of 40 of its employees following the earthquake of January 12, 2010.

Unibank S.A. and its subsidiaries have suffered considerable damage in their branch network and in several administrative buildings, including:

- Rue Capois
- Place Geffrard
- Bourdon (Network administration)
- Monseigneur Guilloux (Unitransfer)
- Martissant
- Turgeau
- Canape-Vert
- Nazon
- Capital Consult.

Losses related to the earthquake and recorded in the consolidated statement of income are as follows:

	(In thousands of gourdes)
Loss of cash	G (33,792)
Reimbursement receivable	<u>24,341</u>
Net	<u>(9,451)</u>
Net loss on fixed assets (note 9)	(83,393)
Reimbursement receivable according to the report of the adjusters	215,116
Claims pending not yet adjusted	10,464
Provision for non payment by the insurer (a) (note 10 e)	<u>(196,080)</u>
Net effect, after provision	<u>(53,893)</u>
Other losses related to the earthquake	<u>(15,185)</u>
Total net loss recorded after provision for non payment by the insurer	G <u>(78,529)</u>

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(17) LOSS DUE TO THE EARTHQUAKE (CONTINUED)

(a) Insurance claims for compensation have been produced by UNIBANK S.A. and its subsidiaries to its insurer, Groupement Français d'Assurance (GFA), for a total amount of US\$ 9,502,290. The international adjusters chosen by the insurer have proposed a reimbursement of US\$ 5,385,919, not including the pending claims remaining to be adjusted of US\$ 262,000. In addition, GFA had committed, after discussions with Management of the Bank, to make an additional payment of US\$ 332,500 on the contents of the destroyed buildings.

However, GFA thus far has paid no compensation, despite:

- The report of the international adjusters suggesting the reimbursement above;
- A legal letter dated December 13, 2010 addressed to the President and owner of GFA which has not been answered;
- A legal payment request dated January 20, 2011 sent to GFA which has also remained unanswered.

Because collectibility of these claims is not sure, Management has decided to provision these receivable in order to not overestimate its revenue. Had GFA honored its commitments and this provision not been registered, the net income of Unibank S.A. would have been G 951,846M instead of G 755,766M.

(18) SUBSIDIARIES AND MINORITY INTEREST IN SUBSIDIARIES

GROUP COMPANIES

Unibank is the parent company of the Group. Its interest in its subsidiaries is as follows:

	2010	2009
UNIFINANCE S.A.	<u>100%</u>	<u>100%</u>
UNITRANSFER USA INC.	<u>100%</u>	<u>100%</u>
UNITRANSFER S.A. (HAITI)	<u>100%</u>	<u>100%</u>
CAPITAL CONSULT S.A.	<u>100%</u>	<u>100%</u>

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(18) SUBSIDIARIES AND MINORITY INTEREST IN SUBSIDIARIES (CONTINUED)

GROUP COMPANIES (CONTINUED)

	2010	2009
UNICREDIT S.A.	<u>100%</u>	<u>100%</u>
MICRO CREDIT NATIONAL S.A.	<u>100%</u>	<u>100%</u>
UNICARTE S.A.	<u>100%</u>	<u>100%</u>
UNIASSURANCES S.A.	<u>100%</u>	<u>100%</u>
IMMOBILIER S.A. (IMSA)	<u>100%</u>	<u>100%</u>
CENTRALE IMMOBILIERE S.A.	<u>100%</u>	<u>100%</u>
SOCIETE NATIONALE D'INVESTISSEMENT S.A.	<u>100%</u>	<u>-</u>
GROUPE FINANCIER NATIONAL S.A.	<u>100%</u>	<u>100%</u>
GFN INTERNATIONAL ASSETS LTD.	<u>100%</u>	<u>-</u>
GFN REAL ESTATE LTD.	<u>100%</u>	<u>-</u>
SNI MINOTERIE S.A. (a)		
Investment through UNIFINANCE	<u>61.1%</u>	<u>60.87%</u>

(a) SNI Minoterie S.A.'s main activity is its investment of 23.3% in Les Moulins d'Haiti S.E.M.

The results and net assets of these subsidiaries are as follows:

(In thousands of gourdes)	2010	2009
UNIFINANCE S.A.		
Total assets	G <u>722,166</u>	<u>2,239,036</u>
Total liabilities	G <u>210,789</u>	<u>1,020,925</u>
Net income for the year	G <u>25,351</u>	<u>257,716</u>
Net assets	G <u>511,377</u>	<u>1,218,111</u>

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(18) SUBSIDIARIES AND MINORITY INTEREST IN SUBSIDIARIES (CONTINUED)

(In thousands of gourdes)		2010	2009
UNITRANSFER USA INC.			
Total assets	G	<u>473,814</u>	<u>503,588</u>
Total liabilities	G	<u>105,572</u>	<u>121,239</u>
Net (loss) income net for the year	G	<u>(1,216)</u>	<u>17,795</u>
Net assets	G	<u>368,24</u>	<u>382,349</u>
UNITRANSFER S.A. (HAITI)			
Total assets	G	<u>248,091</u>	<u>321,918</u>
Total liabilities	G	<u>94,395</u>	<u>146,425</u>
Net loss for the year	G	<u>(21,798)</u>	<u>(5,686)</u>
Net assets	G	<u>153,695</u>	<u>175,494</u>
UNICREDIT S.A.			
Total assets	G	<u>438,503</u>	<u>465,515</u>
Total liabilities	G	<u>341,628</u>	<u>381,104</u>
Net income for the year	G	<u>12,465</u>	<u>16,726</u>
Net assets	G	<u>96,875</u>	<u>84,410</u>
MICRO CREDIT NATIONAL S.A.			
Total assets	G	<u>590,238</u>	<u>596,702</u>
Total liabilities	G	<u>353,339</u>	<u>403,086</u>
Net income for the year	G	<u>43,282</u>	<u>67,322</u>
Net assets	G	<u>236,898</u>	<u>193,616</u>
UNICARTE S.A.			
Total assets	G	<u>568,585</u>	<u>744,841</u>
Total liabilities	G	<u>286,608</u>	<u>474,134</u>
Net income for the year	G	<u>11,271</u>	<u>39,608</u>
Net assets	G	<u>281,977</u>	<u>270,707</u>
UNIASSURANCES S.A.			
Total assets	G	<u>264,028</u>	<u>195,543</u>
Total liabilities	G	<u>77,871</u>	<u>2,343</u>
Net loss for the year	G	<u>(7,042)</u>	<u>(2,611)</u>
Net assets	G	<u>186,157</u>	<u>193,200</u>

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(18) SUBSIDIARIES AND MINORITY INTEREST IN SUBSIDIARIES (CONTINUED)

(In thousands of gourdes)	2010	2009
GFN S.A (a)		
Total assets	G <u>3,142,601</u>	<u>956,788</u>
Total liabilities	G <u>260,874</u>	<u>1,950</u>
Net income for the year	G <u>508,505</u>	<u>1,628</u>
Net assets	G <u>2,881,727</u>	<u>954,838</u>
CENTRALE IMMOBILIERE S.A.		
Total assets	G <u>108,513</u>	<u>89,810</u>
Total liabilities	G <u>31,734</u>	<u>8,182</u>
Net (loss) income net for the year	G <u>(4,848)</u>	<u>5,333</u>
Net assets	G <u>76,779</u>	<u>81,628</u>
IMMOBILIER S.A. (IMSA)		
Total assets	G <u>49,703</u>	<u>37,768</u>
Total liabilities	G <u>6,898</u>	<u>1,985</u>
Net income (loss) net for the year	G <u>7,025</u>	<u>(820)</u>
Net assets	G <u>42,805</u>	<u>35,783</u>
CAPITAL CONSULT S.A.		
Total assets	G <u>20,575</u>	<u>20,014</u>
Total liabilities	G <u>2,782</u>	<u>4,121</u>
Net income for the year	G <u>1,900</u>	<u>4,860</u>
Net assets	G <u>17,793</u>	<u>15,893</u>
SNI MINOTERIE S.A.		
Total assets	G <u>248,386</u>	<u>353,223</u>
Total liabilities	G <u>24,759</u>	<u>7,567</u>
Net income for the year	G <u>102,564</u>	<u>218,888</u>
Net assets	G <u>223,627</u>	<u>345,656</u>
SOCIETE NATIONALE D'INVESTISSEMENT S.A.		
Total assets	G <u>6,233</u>	<u>-</u>
Total liabilities	G <u>1,763</u>	<u>-</u>
Net income for the year	G <u>-</u>	<u>-</u>
Net assets	G <u>4,469</u>	<u>-</u>

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(18) SUBSIDIARIES AND MINORITY INTEREST IN SUBSIDIARIES (CONTINUED)

(In thousands of gourdes)	2010	2009
GFN REAL ESTATE LTD.		
Total assets	G <u>492,530</u>	-
Total liabilities	G <u>2,158</u>	-
Net loss of the year	G <u>(13,859)</u>	-
Net assets	G <u>490,372</u>	-
GFN INTERNATIONAL ASSETS LTD.		
Total assets	G <u>997,962</u>	-
Total liabilities	G <u>-</u>	-
Net loss of the year	G <u>(2)</u>	-
Net assets	G <u>997,962</u>	-

(a) GFN S.A. consolidates the balance sheet and the results of Centrale Immobiliere S.A., Immobilier S.A., Capital Consult S.A., SNI Minoterie, SNI S.A., GFN Real Estate Ltd. and GFN International Assets Ltd.

MINORITY INTEREST

As of September 30, minority interest in subsidiaries is as follows:

(In thousands of gourdes)	2010	2009
SNI MINOTERIE S.A.		
Minority interest of 38.90% and 39.13% in 2010 and 2009, respectively:		
Initial cost of investment	G 28,900	28,900
Decrease in interest at par value	<u>(5,119)</u>	<u>(3,050)</u>
	23,287	25,850
Share of results and reserves	64,287	109,572
Translation adjustment	<u>(226)</u>	<u>404</u>
	G 87,842	135,826

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UNIBANK S.A.
Notes to Consolidated Financial Statements

(19) INCOME TAXES

Income tax expense, including current and deferred income taxes, is calculated based on the consolidated income before income taxes and differs from the amounts computed using the statutory rates as follows:

(In thousands of gourdes)		2010	2009
Income before income taxes	G	919,671	741,345
Share of income of Unitransfer International Inc., not taxable locally		(2,259)	(24,111)
Share of income of minority interest of SNI Minoterie, not taxable locally		(39,897)	(85,651)
Dividends already taxed- SNI Minoterie		<u>-</u>	<u>(64,358)</u>
Income before income taxes, taxable locally		<u>877,515</u>	<u>567,225</u>
Income taxes using the statutory rates		263,254	170,168
Effect of items not included in taxable income:			
Difference between the impairment loss and the amount allowed for tax purposes		(13,443)	(27,175)
Transfer to legal reserve		(49,997)	(31,541)
Difference between the 30% tax rate on share of net income of affiliates, and the 20%, tax rate on declared dividends		(72,672)	-
Income taxes – Unitransfer USA		3,475	6,315
Tax paid on dividends		20,502	12,872
CFGDCT and other taxes		<u>12,786</u>	<u>3,715</u>
Income tax expense	G	163,905	134,354

The tax expense is composed of:

(In thousand of gourdes)		2010	2009
Current tax	G	18,561	134,354
Deferred tax		<u>145,344</u>	<u>-</u>
	G	163,905	134,354

During 2010 and as reported in **note 10**, changes were made to the tax treatment of the share of income from equity accounted of associates and joint ventures. Tax expense resulting from income from these companies has been deferred and will be paid when dividends are actually received.

Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(19) INCOME TAXES (CONTINUED)

Income taxes related to components of comprehensive income are as follows:

(In thousand of gourdes)		2010	2009
Unrealized holding gain on foreign investments	G	34,978	6,181
Income tax		<u>(10,843)</u>	<u>(2,124)</u>
Net holding gain	G	24,135	4,057

(20) RETIREMENT SAVINGS FOR EMPLOYEES

Beyond legal contributions to the mandatory Government Retirement Plan, the Bank and its subsidiaries contributed to the employees' retirement fund based on a variable contribution rate according to internal guidelines. This liability is supported by a savings deposit in US\$ at the rate of 5.0% and 6.5% in 2010 and 2009, respectively. The Group's contributions to this savings account for 2010 and 2009 amount to G 9,653M and G 15,161M, respectively.

(21) SALARIES AND OTHER EMPLOYEES BENEFITS

Salaries and other employees benefits are as follows:

(In thousands of gourdes)		2010	2009
Salaries	G	663,550	635,492
Employees benefits		140,572	164,762
Other employee expenses		<u>168,279</u>	<u>172,370</u>
	G	972,401	972,624

(22) TRANSACTIONS WITH RELATED PARTIES

In addition to Foundation Unibank, a non consolidated related party, the main companies related to Unibank and its subsidiaries are as follows:

- Les Moulins d'Haiti S.E.M and Haiti Agro Processors Holding of which GFN S.A. through Unifinance and SNI Minoterie owns 23.3% of the capital.
- CompHaïti of which GFN S.A. through Unifinance owns 20% of the capital.
- Distributeurs Nationaux S.A. (DINASA) of which GFN S.A. through Unifinance owns 50% of the capital.
- International Sunrise Partners of which Unibank through GFN owns 50% of the capital.
- Corail S.A. of which GFN S.A owns 15.37% of the capital.

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UNIBANK S.A.
Notes to Consolidated Financial Statements

(22) TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

The balances of the transactions with these companies are as follows:

As of September 30 (In thousands of gourdes)	2010	2009
ASSETS		
Long-term corporate investments (note 7)	G 2,088,808	1,587,622
Loans	<u>1,404,243</u>	<u>437,173</u>
	G 3,493,051	<u>2,024,795</u>
LIABILITIES		
Deposits	G 1,466,180	690,672
During the years (In thousands of gourdes)		
	2010	2009
INCOME		
Interest income	G 42,333	5,481
Interest expense	(794)	(1,500)
Other	<u>7,256</u>	<u>13,293</u>
	G 48,795	17,274

In the normal course of business, the bank provides ordinary banking services to and receives services from related parties, at conditions similar to those applied to third parties.

Loans granted to employees, and members of the Board of Directors and their related parties are reflected in **note 8**.

Deposits and subordinated debts of employees, members of the Board of Directors and their related parties are reflected in **notes 11 and 15**.

Expenses incurred with related parties are as follows:

(In thousands of gourdes)	2010	2009
Rent	G 2,483	1,807
Other	G 72,623	34,149

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(23) COMMITMENTS AND CONTINGENT LIABILITIES

In the normal course of business, the bank contracts various engagements and assumes contingent liabilities that are not reflected in the consolidated balance sheet.

- a) As of the date of the financial statements, the bank and its subsidiaries have also entered into several rental agreements. However, these agreements can generally be canceled with a six-month notice. Rental amounts to be paid over the next five years are as follows:

(In thousands of gourdes)

2011	G	72,549
2012	G	56,138
2013	G	43,913
2014	G	35,343
2015	G	26,844

- b) Letters of guarantee issued as of September 30, 2010 and 2009 amount to G 321,263M and G 322,859M respectively.
- c) As of September 30, 2010, the bank is party to claims and lawsuits. According to the evaluation of the facts to date and based upon the opinion of legal advisors, the bank does not anticipate any settlements that could materially affect its consolidated financial position nor its consolidated results.

SCHEDULE I

UNIBANK S.A.
Consolidated Balance Sheets
September 30, 2010 and 2009
(Expressed in US Dollars)

	2010	2009
ASSETS		
CASH AND CASH EQUIVALENTS	US\$ 342,729,420	250,809,168
BRH (CENTRAL BANK) BONDS, net	44,806,734	43,003,628
INVESTMENTS	283,557,589	149,980,259
LONG-TERM CORPORATE INVESTMENTS		
Affiliated companies	52,297,982	38,005,308
Others	<u>253,228</u>	<u>242,594</u>
	52,551,211	38,247,902
LOANS	222,226,015	238,294,298
Impairment provision	<u>(3,824,442)</u>	<u>(2,275,197)</u>
	218,401,573	236,019,101
FIXED ASSETS		
Fixed assets, at cost	59,007,243	53,187,270
Accumulated depreciation	<u>(27,577,780)</u>	<u>(24,563,777)</u>
	31,429,462	28,623,493
OTHER		
Acceptances, letters of credit	14,007,877	9,528,196
Other assets	<u>44,499,123</u>	<u>41,465,988</u>
	58,507,000	50,994,184
	US\$ 1,031,982,988	797,677,735
LIABILITIES AND SHAREHOLDERS' EQUITY		
DEPOSITS	878,715,117	643,441,870
LONG-TERM DEBT	2,145,736	27,322,316
OTHER		
Term bonds	5,011,683	10,285,139
Commitments – acceptances, letters of credit and guarantees	14,007,877	9,528,189
Other liabilities	<u>45,136,683</u>	<u>32,979,243</u>
	64,156,243	52,792,571
	945,017,096	723,556,757
SUBORDINATED DEBT	7,604,582	8,813,320
TOTAL LIABILITIES	952,621,678	732,370,077
SHAREHOLDERS' EQUITY		
Paid-in capital	27,492,395	26,276,341
Treasury shares	<u>(1,849,651)</u>	<u>(1,761,204)</u>
Paid in capital, net	25,642,744	24,515,137
Retained earnings	37,126,312	26,393,401
Other reserves	<u>14,392,942</u>	<u>11,147,646</u>
Shareholders' equity attributable to equity holders of Unibank	77,161,998	62,056,184
Minority interest in subsidiaries	<u>2,199,312</u>	<u>3,251,474</u>
	79,361,310	65,307,658
	US\$ 1,031,982,988	797,677,735

SCHEDULE II

UNIBANK, S.A.
Consolidated Statements of Income
Years ended September 30, 2010 and 2009
(Expressed in US Dollars)

	2010	2009
INTEREST INCOME		
Loans	US\$ 29,271,379	30,772,991
BRH Bonds, investments and deposits	<u>4,097,235</u>	<u>6,180,578</u>
	33,368,614	36,953,569
INTEREST EXPENSE		
Deposits	390,828	996,145
Long-term debt, term bonds and others	<u>2,053,996</u>	<u>3,490,146</u>
	2,444,824	4,486,291
NET INTEREST INCOME		
Impairment charge for losses on loan value	<u>(3,811,302)</u>	<u>(437,015)</u>
	27,112,487	32,030,263
OTHER INCOME		
Commissions	23,428,355	24,437,459
Foreign exchange gain	6,067,911	5,466,292
Share of net income of non consolidated affiliates, net of income taxes	18,730,445	10,476,415
Loss due to earthquake	(1,955,025)	-
Other	<u>2,827,012</u>	<u>1,293,528</u>
	49,098,697	41,673,694
NET INTEREST INCOME AND OTHER INCOME		
	76,211,184	73,703,957
OPERATING EXPENSES		
Salaries and other employees benefits	24,208,471	23,861,515
Premises and equipment	9,293,162	9,317,971
Depreciation	4,685,978	5,157,355
Other operating expenses	<u>15,127,837</u>	<u>17,179,582</u>
	53,315,448	55,516,423
INCOME BEFORE INCOME TAXES		
	22,895,736	18,187,534
INCOME TAXES - CURRENT		
	(4,080,506)	(3,296,132)
NET INCOME		
	18,815,230	14,891,402
Income attributable to the Unibank's shareholders	17,821,961	12,790,114
Income attributable to minority interest	<u>993,269</u>	<u>2,101,288</u>
NET INCOME	18,815,230	14,891,402
Net income per equivalent share of paid-in capital attributable to Unibank's shareholders		
	US\$ 70.00	49.77

SCHEDULE III

UNIBANK, S.A.
Consolidated Statements of Comprehensive Income
Years ended September 30, 2010 and 2009
 ((Expressed in US Dollars))

	2010	2009
NET INCOME	\$ 18,815,220	14,891,402
<i>Other components of comprehensive income:</i>		
Foreign currency translation effect for foreign subsidiaries	(857,727)	1,216,586
Net change of unrealized gain (loss) on available-for-sale investments:		
Net change of unrealized gain on investments	849,536	195,750
Net change in fair value of available-for-sale investments transferred to statement of income	<u>(79,740)</u>	<u>(1,992)</u>
	<u>769,796</u>	<u>193,758</u>
Income taxes on other comprehensive income	<u>(269,943)</u>	<u>(52,108)</u>
	(357,874)	1,358,236
TOTAL COMPREHENSIVE INCOME	18,457,346	16,249,638
Total comprehensive income attributable to Unibank's shareholders	17,479,772	14,128,411
Total comprehensive income attributable to minority interest	977,574	2,121,227
TOTAL NET COMPREHENSIVE INCOME	\$ 18,457,346	16,249,638
Comprehensive income per equivalent share of paid-in capital attributable to Unibank's shareholders	70.00	49.77

UNIBANK, S.A.

Consolidated Statement of Changes in Shareholders' Equity

Year ended September 30, 2009

(Expressed in thousands of US dollars)

	<u>Other reserves</u>											
	Paid-in capital	Treasury shares	Paid-in surplus	Retained earnings	Legal reserve	General reserve for loan losses	Revaluation reserve- land	Unrealized (loss) gain on investments	Translation adjustment	Total reserves	Minority interest in subsidiaries	Total
Balance as of September 30, and October 1st, 2008	US\$ 27,186,705	(438,510)	-	25,962,566	2,459,042	1,939,755	623,510	(22,503)	1,493,887	6,493,691	2,169,611	61,374,063
Statement of comprehensive income:												
Net income for the year	-	-	-	12,790,114	-	-	-	-	-	-	2,101,287	14,891,401
<i>Other components of comprehensive income:</i>												
Foreign translation effect for foreign subsidiaries	-	-	-	-	-	-	-	-	1,216,588	1,216,588	-	1,216,588
Net change in fair value of available-for-sale investments, net of income tax	-	-	-	-	-	-	-	121,611	-	121,611	-	121,611
Realized gain transferred to statement of income	-	-	-	-	-	-	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,790,114</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,611</u>	<u>1,216,588</u>	<u>1,338,199</u>	<u>2,101,287</u>	<u>16,229,600</u>
Transfer of retained earnings:												
Transfer to legal reserve	-	-	-	(2,609,717)	2,609,717	-	-	-	-	2,609,717	-	-
Transfer to general reserve for loan losses	-	-	-	(1,111,571)	-	1,111,571	-	-	-	1,111,571	-	-
Transactions with shareholders:												
Cash dividends	-	-	-	(5,407,497)	-	-	-	-	-	-	(873,345)	(6,280,842)
Acquisitions of shares	-	(1,375,131)	(2,482,065)	-	-	-	-	-	-	-	(25,810)	(3,883,006)
Sales of shares	281,052	-	421,578	-	-	-	-	-	-	-	-	702,630
Transfer from retained earnings	-	-	2,060,487	(2,060,487)	-	-	-	-	-	-	-	-
Translation adjustment	(1,191,416)	52,437	-	(1,170,007)	(170,418)	(111,462)	(27,168)	(1,992)	(94,492)	(405,532)	(120,269)	(2,834,787)
Balance as of September 30, 2009	\$ 26,276,341	(1,761,204)	-	26,393,401	4,898,341	2,939,864	596,342	97,116	2,615,983	11,147,646	3,251,474	65,307,658

See accompanying notes to consolidated financial statements

UNIBANK, S.A.

Consolidated Statement of Changes in Shareholders' Equity

Year ended September 30, 2010

(Expressed in thousands of US dollars)

		Other reserves											Total
		Paid-in capital	Treasury shares	Paid-in surplus	Retained earnings	Legal reserve	General reserve for loan losses	Revaluation reserve land	Unrealized (loss) gain on investments	Translation adjustment	Total reserves	Minority interest in subsidiaries	
Balance as of September 30, 2009	US\$	26,276,341	(1,761,204)	-	26,393,401	4,898,341	2,939,864	596,342	97,116	2,615,983	11,147,646	3,251,474	65,307,658
Statement of comprehensive income:													
Net income for the year	-	-	-	17,821,961	-	-	-	-	-	-	-	993,269	18,815,230
<i>Other components of comprehensive income:</i>													
Foreign translation effect for foreign subsidiaries	-	-	-	-	-	-	-	-	-	(842,076)	(842,076)	(15,684)	(857,760)
Net change in fair value of available-for-sale investments, net of income tax	-	-	-	-	-	-	-	-	579,565	-	579,565	-	579,565
Realized gain transferred to income statement of income	-	-	-	-	-	-	-	-	(79,735)	-	(79,735)	-	(79,735)
Total	-	-	-	17,821,961	-	-	-	-	499,830	(842,076)	(342,246)	977,585	18,457,300
<i>Transfer of retained earnings:</i>													
Transfer to legal reserve	-	-	-	(3,796,413)	3,796,413	-	-	-	-	-	3,796,413	-	-
Transfer from general reserve for loan losses	-	-	-	736,068	-	(736,068)	-	-	-	-	(736,068)	-	-
<i>Transactions with shareholders:</i>													
Cash dividends	-	-	-	(5,293,906)	-	-	-	-	-	-	-	(2,172,163)	(7,466,069)
Acquisitions of shares	-	(7,569)	(14,833)	-	-	-	-	-	-	-	-	-	(22,402)
Sales of shares	9,959	-	14,782	-	-	-	-	-	-	-	-	-	24,741
Transfer from retained earnings	-	-	51	(51)	-	-	-	-	-	-	-	-	-
Translation adjustment	1,206,095	(80,878)	-	1,265,252	246,449	130,746	27,371	7,328	115,303	527,197	142,416	3,060,082	
Balance as of September 30, 2010	US\$	27,492,395	(1,849,651)	-	37,126,312	8,941,203	2,334,542	623,713	604,274	1,889,210	14,392,942	2,199,312	79,361,310