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MÉROVÉ-PIERRE
CABINET D'EXPERTS-COMPTABLES

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UNIBANK S.A.

Consolidated Financial Satements

September 30, 2018

(With Independent Auditors' Report thereon)

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Independent Auditors' Report

The Board of Directors
UNIBANK S.A.:

Opinion

We have audited the consolidated financial statements of UNIBANK S.A. and its subsidiaries ("The Group"), which comprise the consolidated balance sheet as at September 30, 2018, and the consolidated statements of income, of comprehensive income, of changes in shareholders' equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2018, as well as its consolidated financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS).

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), as well as ethical standards applicable to the audit of financial statements in Haiti, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Observation

We draw attention to **Notes 11a and 23** to the consolidated financial statements, which describe an estimate made by Management in relation to the valuation of the foreign real estate segment classified as a non-current asset held for sale. Our opinion is not modified with respect to this matter.

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Merové-Pierre - Cabinet d'Experts-Comptables

MÉROVÉ-PIERRE - CABINET D'EXPERTS-COMPTABLES
7, rue Lechaud Bourdon
Port-au-Prince, Haïti
February 19, 2019

UNIBANK S.A.
Consolidated Balance Sheets
September 30, 2018 and 2017
(Expressed in thousands of Haitian Gourdes)

	Notes		2018	2017
ASSETS				
CASH AND DUE FROM BANKS	5	G	45,853,137	40,122,568
TERM DEPOSITS WITH BANKS	6		1,899,355	3,235,600
SECURITIES	7			
Available for sale			16,162,044	20,827,197
Held to maturity			1,751,415	1,294,786
Other securities			111,658	40,230
			18,025,117	22,162,213
INVESTMENTS IN AFFILIATED COMPANIES	8		658,986	680,115
LOANS	9		34,452,822	29,520,205
Provision for loan losses			(377,472)	(286,302)
			34,075,350	29,233,903
FIXED ASSETS, NET	10		2,571,591	2,389,655
NON-CURRENT ASSET HELD FOR SALE	11		993,216	890,788
OTHER				
Acceptances and letters of credit			304,929	544,130
Properties held for sale	12		205,454	231,581
Goodwill and other intangible assets	13		203,040	186,536
Other assets	14		3,798,201	3,431,553
			4,511,624	4,393,800
TOTAL ASSETS		G	108,588,376	103,108,642
LIABILITIES AND SHAREHOLDERS' EQUITY				
DEPOSITS	15		87,868,054	79,539,979
BORROWED FUNDS	16		2,162,842	2,388,679
NON-CURRENT LIABILITIES HELD FOR SALE	17		40,672	41,530
OTHER				
Commitments – acceptances and letters of credit			304,929	544,130
Other liabilities	18		6,326,878	7,491,986
			6,631,807	8,036,116
SUBORDINATED DEBT	19		1,171,912	1,049,869
TOTAL LIABILITIES			97,875,287	91,056,173
SHAREHOLDERS' EQUITY				
Paid-in capital, net	20		6,431,913	6,470,050
Retained earnings			2,673,189	4,580,813
Other reserves			1,346,797	737,463
Shareholders' equity of UNIBANK S.A.			10,451,899	11,788,326
Non-controlling interests	21		261,190	264,143
			10,713,089	12,052,469
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		G	108,588,376	103,108,642

See accompanying notes to consolidated financial statements, and schedules I to V for supplementary information in US dollars.

UNIBANK S.A.
Consolidated Statements of Income
Years ended September 30, 2018 and 2017
(Expressed in thousands of Haitian Gourdes, except for net income per share)

Continuing operations	**Notes**	**2018**	**2017**
INTEREST INCOME			
Loans		**G 4,035,593**	3,746,567
Bonds, investments and term deposits		**504,885**	305,827
		4,540,478	4,052,394
INTEREST EXPENSE			
Deposits		**568,212**	745,755
Borrowed funds, term bonds and others		**176,043**	262,395
		744,255	1,008,150
NET INTEREST INCOME		**3,796,223**	3,044,244
Impairment charge for credit loss	**9**	**(250,165)**	(32,544)
		3,546,058	3,011,700
OTHER INCOME (EXPENSES)			
Commissions		**2,187,987**	2,233,147
Foreign exchange gain		**1,717,844**	194,807
Insurance revenues, net of claims	**26**	**174,214**	249,677
Share of net income of non consolidated affiliates, net of income taxes	**8**	**95,538**	146,228
Dividends and other investment income		**50,280**	75,730
Underwriting commissions and other advisory fees		**14,951**	41,791
Income from real estate activities		**3,373**	95,798
Unrealized loss on securities	**7**	**(370,507)**	(102,346)
Other		**38,709**	20,401
		3,912,389	2,955,233
NET INTEREST INCOME AND OTHER INCOME		**7,458,447**	5,966,933
OPERATING EXPENSES			
Salaries and other employee benefits	**25**	**2,459,903**	2,422,944
Premises and equipments		**792,664**	741,523
Depreciation and amortization	**10, 13**	**467,761**	402,049
Other operating expenses		**1,522,495**	1,508,376
		5,242,823	5,074,892
INCOME BEFORE INCOME TAXES – CONTINUING OPERATIONS		**2,215,624**	892,041
Income taxes (Tax credit) – continuing operations	**22**		
Current income taxes (Tax credit)		**461,074**	(445,978)
Deferred income taxes		**10,820**	17,201
		471,894	(428,777)
NET INCOME FOR THE YEAR FROM CONTINUING OPERATIONS		**1,743,730**	1,320,818
Discontinued operations			
Income before income taxes from discontinued operations and assets held for sale	**23**	**4,224**	10,537,557
Income taxes – Discontinued operations – Dinasa	**23**	**-**	(1,884,223)
NET INCOME FROM DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE	**23**	**4,224**	8,653,334
NET INCOME FOR THE YEAR			
Net income attributable to shareholders of UNIBANK S.A.		**1,711,550**	9,921,492
Net income attributable to non-controlling interest		**36,404**	52,660
NET INCOME FOR THE YEAR		**G 1,747,954**	9,974,152
Total net income per equivalent share of paid-in capital attributable to shareholders of UNIBANK S.A.		**G 3,310**	19,172
Net income per equivalent share of paid-in capital from continuing operations		**G 3,373**	2,552

See accompanying notes to consolidated financial statements, and schedules I to V for supplementary information in US dollars.

UNIBANK S.A.
Consolidated Statements of Comprehensive Income
Years ended September 30, 2018 and 2017
(Expressed in thousands of Haitian Gourdes, except for comprehensive income per equivalent share)

Continuing operations	**2018**	**2017**
NET INCOME FOR THE YEAR FROM CONTINUING OPERATIONS	**G 1,743,730**	1,320,818
Components of comprehensive income:		
Foreign currency translation effect of foreign subsidiaries	**250,877**	(481,328)
COMPREHENSIVE INCOME FOR THE YEAR	**1,994,607**	839,490
Total comprehensive income attributable to shareholders of UNIBANK S.A.	**1,957,035**	786,762
Total comprehensive income attributable to non-controlling interest	**37,572**	52,728
COMPREHENSIVE INCOME FOR THE YEAR	**1,994,607**	839,490
Comprehensive income per share of paid-in capital	**3,858**	1,622
Discontinued operations		
Net income and comprehensive income for the year	**4,224**	8,653,334
Comprehensive income per equivalent share of paid-in capital	**8**	16,722
Total comprehensive income	**G 1,998,831**	9,492,824

See accompanying notes to consolidated financial statements, and schedules I to V for supplementary information in US dollars.

UNIBANK S.A.
Consolidated Statement of Shareholders' equity
Year ended September 30, 2017
(Expressed in thousands of Haitian Gourdes)

						Other reserves							
		Paid-in capital	**Treasury shares**	**Paid-in capital net**	**Retained earnings**	**Legal reserve**	**General reseve for loan losses**	**Revaluation reserve-land**	**Valuation reserve properties held for sale**	**Translation adjustment**	**Total reserves**	**Non-controlling interest**	**Total**
Balance as of September 30, 2016	**G**	**3,240,025**	**(5,312)**	**3,234,713**	**5,804,114**	**1,306,281**	**306,345**	**24,911**	**36,028**	**780,577**	**2,454,142**	**255,530**	**11,748,499**
Net income for the year		-	-	-	9,921,492	-	-	-	-	-	-	52,660	**9,974,152**
Components of comprehensive income:													
Foreign currency translation effect for foreign subsidiaries		-	-	-	-	-	-	-	-	(481,396)	(481,396)	68	**(481,328)**
Total		**-**	**-**	**-**	**9,921,492**	**-**	**-**	**-**	**-**	**(481,396)**	**(481,396)**	**52,728**	**9,492,824**
Transfers from retained earnings													
Transfer to legal reserve		-	-	-	(1,849,159)	1,849,159	-	-	-	-	1,849,159	-	**-**
Transfer to general reserve for loan losses		-	-	-	(57,582)	-	57,582	-	-	-	57,582	-	**-**
Transfer to valuation for properties held for sale		-	-	-	(13,416)	-	-	-	13,416	-	13,416	-	**-**
Transactions with shareholders:													
Dividends		-	-	-	(9,143,325)	-	-	-	-	-	-	(44,115)	**(9,187,440)**
Repurchases of shares		-	(2,188)	(2,188)	(11,764)	-	-	-	-	-	-	-	**(13,952)**
Sales of shares, net		5,000		5,000	7,538	-	-	-	-	-	-	-	**12,538**
Transfer from legal reserve to paid-in capital		3,155,440	-	3,155,440	-	(3,155,440)	-	-	-	-	(3,155,440)	-	-
Transfer from treasury shares to paid-in capital		(7,500)	7,500	-	-	-	-	-	-	-	-	-	**-**
Transfer from retained earnings to paid-in capital		77,085	-	77,085	(77,085)	-	-	-	-	-	-	-	-
Balance as of September 30, 2017	**G**	**6,470,050**	**-**	**6,470,050**	**4,580,813**	-	**363,927**	**24,911**	**49,444**	**299,181**	**737,463**	**264,143**	**12,052,469**

See accompanying notes to consolidated financial statements, and schedules I to V for supplementary information in US dollars

UNIBANK S.A.
Consolidated Statement of Shareholders' equity
Year ended September 30, 2018
(Expressed in thousands of Haitian Gourdes)

	Paid-in capital	Treasury shares	Paid-in capital net	Retained earnings	Other reserves: Legal reserve	Other reserves: General reseve for loan losses	Other reserves: Revaluation reserve-land	Other reserves: Valuation reserve properties held for sale	Translation adjustment	Total reserves	Non-controlling interest	Total
Balance as of September 30, 2017	**G 6,470,050**	**-**	**6,470,050**	**4,580,813**	**-**	**363,927**	**24,911**	**49,444**	**299,181**	**737,463**	**264,143**	**12,052,469**
Fair value adjustment - equity Insvestments **(note 7f)**	-	-	-	48,632	-	-	-	-	-	-	-	**48,632**
Balance as of September 30, 2017, adjusted	**G 6,470,050**	**-**	**6,470,050**	**4,629,445**	**-**	**363,927**	**24,911**	**49,444**	**299,181**	**737,463**	**264,143**	**12,101,101**
Net income for the year	-	-	-	1,711,550	-	-	-	-	-	-	36,404	**1,747,954**
Components of comprehensive income:												
Foreign currency translation effect for foreign subsidiaries	-	-	-	-	-	-	-	-	249,709	249,709	1,168	**250,877**
Total	-	-	-	**1,711,550**	-	-	-	-	**249,709**	249,709	**37,572**	**1,998,831**
Transfers from retained earnings												
Transfer to legal reserve	-	-	-	(305,733)	305,733	-	-	-	-	305,733	-	-
Transfer to general reserve for loan losses	-	-	-	(37,134)	-	37,134	-	-	-	37,134	-	-
Transfer to valuation reserve for properties held for sale	-	-	-	(16,758)	-	-	-	16,758	-	16,758	-	-
Transactions with shareholders												
Dividends	-	-	-	(3,241,923)	-	-	-	-	-	-	(40,525)	**(3,282,448)**
Repurchases of shares	-	(38,137)	(38,137)	(66,258)	-	-	-	-	-	-	-	**(104,395)**
Balance as of September 30, 2018	**G 6,470,050**	**(38,137)**	**6,431,913**	**2,673,189**	**305,733**	**401,061**	**24,911**	**66,202**	**548,890**	**1,346,797**	**261,190**	**10,713,089**

See accompanying notes to consolidated financial statements, and schedules I to V for supplementary information in US dollars

UNIBANK S.A.
Consolidated Statements of Cash Flows
Years ended September 30, 2018 and 2017
(Expressed in thousands of Haitian Gourdes)

	Notes	2018	2017
OPERATING ACTIVITIES			
Net income of the year		G **1,747,954**	9,974,152
Adjustments to determine net cash flows provided by operating activities:			
Share of net income of non-consolidated affiliates	8	**(95,538)**	(146,228)
Depreciation of fixed assets	10	**428,882**	370,804
Amortization of other intangible assets	13	**38,879**	31,245
Impairment charge for credit loss	9	**250,165**	32,544
Gain on disposals of fixed assets, net		**(16,117)**	-
Gain on disposals of investment properties		**(3,664)**	(1,467)
Gain on disposals of Dinasa, net of income taxes		-	(7,840,548)
Gain on disposals of properties held for sale	12	**(1,469)**	(93,327)
Effect of revaluation of impairment provision on loans in US dollars	9	**25,854**	(16,929)
Changes in other assets and liabilities resulting from operating activities:			
Net increase in deposits		**8,328,075**	15,063,986
Disbursements of loans, net		**(5,117,466)**	(3,800,428)
Decrease (increase) in investment securities		**4,185,728**	(9,909,457)
Decrease (increase) in term deposits with banks		**1,336,245**	(2,547,311)
Income taxes paid		**(1,134,381)**	(745,275)
Changes in other assets and liabilities		**(477,079)**	158,402
Net cash flows provided by operating activities		**9,496,068**	530,163
INVESTING ACTIVITIES			
(Decrease) increase in non-current assets, net of non-current liabilities held for sale		**(103,286)**	16,911,387
Acquisitions of fixed assets	10	**(682,260)**	(904,893)
Acquisitions of other intangible assets	13b	**(50,971)**	(27,891)
Proceeds from disposals of fixed assets		**91,355**	39,440
Net translation adjustment – fixed assets	10	**(3,796)**	816
Net translation adjustment – other intangible assets	13b	**(183)**	159
Translation adjustment in local currency		**249,709**	(481,396)
Translation adjustment attributable to non-controlling interest		**1,168**	68
Dividends received from affiliated companies		**63,651**	65,333
Decrease in investments – affiliated companies		**53,016**	16,333
Net cash flows (used in) provided by investing activities		**(381,597)**	15,619,356
FINANCING ACTIVITIES			
Cash dividends – shareholders of UNIBANK S.A.		**(3,135,188)**	(5,087,251)
Cash dividends – non-controlling interest	21	**(40,525)**	(44,115)
Decrease in borrowed funds		**(225,837)**	(1,546,732)
Increase in subordinated debt		**122,043**	78,155
Sales of shares		-	12,538
Repurchases of shares		**(104,395)**	(13,952)
Net cash flows used in financing activities		**(3,383,902)**	(6,601,357)
Net increase in cash and cash equivalents		**5,730,569**	9,548,162
Cash and cash equivalents at beginning of year		**36,912,177**	31,592,198
Effect of exchange rate fluctuation		**3,210,391**	(1,017,792)
Cash and cash equivalents at end of year	5	G **45,853,137**	40,122,568

See accompanying notes to consolidated financial statements, and schedules I to V for supplementary information in US dollars.

UNIBANK S.A.
Notes to Consolidated Financial Statements

1) ORGANIZATION

(a) General information

UNIBANK S.A. (www.unibankhaiti.com) is a commercial bank corporation, property of 393 investors from the Haitian private sector. Its main activities include banking, financing, credit, brokerage and foreign exchange, in Haiti and abroad, in compliance with the laws on banking. It was founded on November 20, 1992, received its official Bank License on January 18, 1993, and launched its public operations on July 19, 1993.

In Haiti as well as in foreign countries, UNIBANK S.A., directly or through its subsidiaries (**note 21**), offers banking and financial services to its individual, commercial and institutional clients, using its national and international networks of:

- branches, agencies, service kiosks, offices and authorized paying agents;
- automatic teller machines (ATM);
- electronic point-of-sale terminals (POS);
- authorized money transfer representatives in United States and Canada; and
- correspondent banks and international money transfer companies operating globally.

UNIBANK S.A. is present across the Haitian territory and also offers online banking services (UNIBANK Online). The most important lines of business UNIBANK S.A. and its subsidiaries are involved in are the following:

- Commercial and investment bank services related to all segments of the Haitian population, urban or rural, as well as of the Haitian Diaspora:
    - commercial (micro-businesses; small to middle businesses (SMEs); middle-market commercial and industrial firms; big corporations);
    - institutions (Non-Government Organizations [NGOs]; churches; credit unions; embassies; pension funds; etc);
    - retail (individuals and families).

- Insurance (property-casualty insurance; life-insurance; micro-insurance).

- Private equity investments (real estate, commercial and industrial sectors).

(Continued)

1) ORGANIZATION (CONTINUED)

(a) General information (continued)

FONDATION UNIBANK, a non-profit philanthropic organization, created on April 6, 2006 by the shareholders of UNIBANK S.A., is not consolidated in these financial statements. At its creation, it received, as a donation, a permanent and unrecoverable endowment of 100 million gourdes ($US 2.5 Million) from UNIBANK S.A. It is financed by the investment earnings from its endowment, and by the annual contributions received from UNIBANK S.A.

The main goal of FONDATION UNIBANK is to implement the corporate social responsibility policy of UNIBANK S.A., by participating in the promotion of Education; Research; Arts and Culture; Health; Sports; the Protection of the Environment; the Preservation of National Heritage; Entrepreneurship; and the Rule of Law and Civics in Haiti. The by-laws of the Foundation were published in the Official Journal of Haiti, *Le Moniteur*, number 36 of April 17, 2008.

(a) Legal information

The act of incorporation, the Bank License and the original by-laws of UNIBANK S.A. were published in the Official Journal of Haiti, *Le Moniteur*, number 19 of March 8, 1993. Thereafter, the authorized capital and the by-laws were modified several times by the shareholders (*Le Moniteur*, number 103 of December 28, 1994; number 74 of September 18, 1995; number 13 of February 17, 1997; number 43 of June 3, 2002; number 6 of January 24, 2005; number 63 of June 18, 2009; number 137 of October 4, 2011; number 62 of April 1, 2016; and number 183 of November 23, 2017).

The Head Office and legal domicile of the Bank is at 157, Faubert street, Petion-Ville, Haiti. The fiscal identification number of UNIBANK is 000-014-095-8.

(b) Supervision and Regulation

Pursuant to laws dated August 17, 1979 creating Banque de la République d'Haïti (The Bank of the Republic of Haiti - BRH) (Le Moniteur, number 72 of September 11, 1979), and May 14, 2012 bearing on banks and other financial organizations (Le Moniteur, number 4 - Special Edition of July 20, 2012), UNIBANK S.A. is regulated and supervised by the Central Bank (www.brh.net).

Regarding the fight against money laundering and the financing of terrorism (AML/CFT), UNIBANK S.A. reports to the Bank of the Republic of Haiti (BRH) and Unité Centrale de Renseignements Financiers (Central Unit for Financial Intelligence - UCREF), pursuant to the laws of November 11, 2013 sanctioning money laundering and the financing of terrorism (*Le Moniteur*, number 212 of November 14, 2013), of September 28, 2016 amending the law of November 11, 2013 (L*e Moniteur* no. Spécial 15 of October 13, 2016), and of February 21, 2001 bearing on the laundering of money from illegal drug trafficking and other serious violations (*Le Moniteur*, number 97 of December 3, 2001). UNIBANK S.A. is registered in the United States of America in compliance with the requirements of the ''USA Patriot Act'' and the ''Foreign Account Tax Compliance Act (FATCA)''.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

1) ORGANIZATION (CONTINUED)

(c) Supervision and Regulation (continued)

In reference to the fight against corruption, UNIBANK S.A., in addition to adhering to its principles of corporate governance and its Code of Ethics, complies with the information requests of the Unité de Lutte Contre la Corruption (Anti-Corruption Unit – ULCC) created by the decree of September 8, 2004 (*Le Moniteur,* number 61-Supplement of September 13, 2004) and is governed by:

- the law of March 12, 2014 on the prevention and punishment of corruption (*Le Moniteur*, number 87 of June 9, 2014);
- the Inter-American Convention against Corruption of January 1st, 2000, ratified by the decree of December 19, 2000 (*Le Moniteur*, number 57 of July 10, 2002); and
- the United Nations Convention against Corruption of October 31, 2003, ratified by the decree of May 14, 2007 (*Le Moniteur*, number 2- Special issue of June 13, 2007).

UniTransfer S.A. (Haiti) and its foreign subsidiaries are governed and supervised:

- by the BRH in Haiti;
- by the US Treasury Department (FinCEN, OFAC and IRS) and the Consumer Financial Protection Bureau (Dodd-Frank Act) at the federal level in the United States of America;
- by the Banking Departments of the 11 States where UniTransfer holds a Banking License as ''Money Transmitter'' (Florida, New York, Massachusetts, New Jersey, Connecticut, Georgia, Illinois, Louisiana, Maryland, Pennsylvania, Rhode Island);
- by the Ministry of Finance of Canada (FINTRAC) at the federal level, and by the Province of Quebec Autorité des Marchés Financiers (Financial Market Authority – AMF).

In addition to regular inspections by the aforementioned regulatory bodies, UNIBANK S.A., UniTransfer S.A., UniTransfer USA, Inc., and UniTransfer Canada, Inc. retain the services of qualified international auditors to conduct independent audits of its compliance programs against money laundering and the financing of terrorism.

(d) Scope of Consolidation

Subsidiaries of UNIBANK S.A. consolidated in these financial statements are presented in **note 21**. The principles of consolidation are presented in **note 2b.**

(Continued)

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 were approved by the Board of Directors on January 24, 2019.

(b) Basis of consolidation

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

(c) Basis of measurement

The consolidated financial statements are presented on a historical cost basis, with the exception of investments available for sale **(note 7)**, land **(note 10)**, non current assets held for sale **(note 11)**, and properties held for sale **(note 12)** which are presented at fair value, and the long-term corporate investment **(note 8)** which are presented on equity basis.

The methods used to measure the fair value are described in the corresponding **notes 3(c), (d), (f), (g) and (h).**

(d) Discontinued Operations

A discontinued operation is a component of an entity whose activities and cash flows are clearly distinct and which:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; **or**
- Is a subsidiary acquired exclusively with a view of subsequent sale.

(Continued)

2) BASIS FOR FINANCIAL STATEMENT PREPARATION (CONTINUED)

(d) Discontinued Operations (continued)

A non-current asset is classified as held for sale when its carrying amount is recovered primarily through a sale transaction rather than through continued usage, and the sale is highly probable.

The classification of the non-current asset held for sale occurs at the acquisition date or earlier if the asset meets the criteria to be classified as held for sale. At September 30, 2018 and 2017, in agreement with Management's decision to dispose of these assets, these subsidiaries which comprise the foreign real estate operations are consolidated and their financial position is presented as "**Discontinued operations/non-current asset held for sale"** and **"Non-current liabilities held for sale".** Related elements of income and expenses are presented as ''Discontinued operations'' in the consolidated income statement.

(e) 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.

(f) 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 recorded and contingent assets and liabilities, and also of 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 period affected. In particular, information about significant areas of estimation and critical judgment 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:

Notes 3 (e) and 9	Loans – provision for impairment
Note 3 (o)	General reserve for loan losses – valuation
Note 7	Securities – fair value
Note 8	Investments in affiliated companies – fair value
Notes 11 et 17	Non-current asset and liability held for sale – fair value
Note 10	Investment properties – amortization and fair value
Notes 11 et 12	Properties held for sale
Note 13	Goodwill – valuation
Note 18	Other liabilities – provisions.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

2) BASIS FOR FINANCIAL STATEMENT PREPARATION (CONTINUED)

(f) Use of estimated and judgment (continued)

It is probable that the estimate of the non-current asset held for sale based on fair value **(note 11)** will change within one year.

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.

(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

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

The consolidated financial statements presented in **schedules I to V** are translated in US dollars in accordance with IAS 21. Thus, assets and liabilities are translated at the official year-end exchange rate. Shareholders' equity is translated at the exchange rates prevailing at the balance sheet date, the income and expenses are converted at the average rate for the year. The resulting translation adjustments are separately reflected in the consolidated statement of changes of shareholders' equity.

The financial statements of entities incorporated outside of Haiti, GFN American Holdings LLC. (previously GFN Real Estate LTD.), GFN Real Estate LLC, International Sunrise Partners LLC, GFN Restaurant II LLC, GFN Assets International LTD and SNI Minoterie L.P., 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 consolidated statement of comprehensive income.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Cash and due from banks (continued)

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

(c) Securities

Securities are composed of foreign and local securities.

Foreign securities are composed mainly of US Treasury Bills, bills from emerging countries and OECD countries; US Federal Agency Bonds, corporate bonds from US companies, bonds of emerging countries and OECD countries and from Supra National Institutions (SNAT).

Local securities are composed of equity investments and corporate bonds from local private companies, and Treasury bonds.

Securities, according to IFRS, are classified and measured as follows:

Amortized cost instruments, held until maturity

Amortized cost investments are non derivative instruments with fixed and determined payments, with fixed maturity that the Bank holds for the purpose of collecting contractual cash flows. They are recorded at amortized cost, based on the effective net interest rate method and net of an impairment provision, if required. Unrealized holding gains and losses on those investments are not recorded but are disclosed in notes to the consolidated financial statements.

Fair value instruments available for sale

These available-for-sale investments are those other than amortized cost instruments. Available-for-sale investments are recorded at their fair value based upon market quotations or based on available fair value information. The changes in fair value of this portfolio are recorded in the consolidated statement of 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.

(Continued)

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Securities (continued)

The Group applies the requirements of IFRS 13 on fair value hierarchy of financial instruments, as follows:

- **Level 1** input applicable to securities available for sale are quoted prices in active markets for identical assets that the entity can access at the measurement date.

- **Level 2** input applicable to local investments are inputs other than quoted prices included within level 1 that are observable for the assets either directly or indirectly. They include quoted prices for similar assets in active markets and quoted prices for identical or similar assets in markets that are not active.

- **Level 3** input applicable to long-term corporate investments are unobservable inputs for the asset at valuation date.

(d) Investment in affiliated companies

Investments in affiliated companies 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 the voting rights of an entity.

Investments in affiliated companies 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.

Gains and losses realized on sales of corporate investments, as well as other than temporary declines in original value, 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.

Loans are classified non-performing when the payment due under the contract terms is over 90 days in arrears, and therefore interest accrual is discontinued. They 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.

(Continued)

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Loans (continued)

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 180 days.

At the consolidated 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 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.

For credit cards, Microcredit and SME portfolios, specific impairment criteria different from those of other portfolio categories are applied for each specific group based on higher risks presented by these sectors.

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 impairment provision 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 3o).**

(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 ready for usage.

(Continued)

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Fixed assets (continued)

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 3p).**

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

Buildings	2.5% - 5.0%
Furniture and equipment	20%
Computer equipment	20%
Leasehold improvements	10% - 20%
Vehicles	25%

Depreciation methods, useful life and residual value 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.

When an asset is classified as held for sale, the net results and other items of the comparative extended results are restated as if the asset met the criteria of an asset to be disposed, as of the opening balance of the comparative period.

(g) Properties held for sale - Haiti

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.

(Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Properties held for sale – Haiti (continued)

These properties are actively marketed for sale in their current state in a period usually not exceeding one year, unless there are circumstances beyond the control of the Bank. The properties that do not meet those criteria are reclassified to investment properties.

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 or sale agreements.

In accordance with banking regulations, a reserve is required on properties held for sale **(note 12)**. This reserve is established by direct transfer from retained earnings to "valuation reserve – properties held for sale'', a sub-account of shareholders' equity. This reserve is not subject to distribution.

(h) Property held for sale - USA

This property is recorded within non-current assets held for sale (**note 11**), based on management's plan to dispose of foreign real estate operations.

Investment properties represent a building held by the Bank outside of Haiti for an unspecified period, with the objective that it will have an increase in value compared to its original book value. This investment property generates rental revenue.

This building is kept at fair value and is not depreciated. The fair value will be revised at the end of each year based on appraisals carried out by independent real estate appraisers based on market conditions taking into account sales of similar properties which occurred during the year.

All increase or decrease in value resulting from a change in fair value of this investment property will be recorded, net of deferred income tax, in the consolidated statement of income. Due to the foreign fiscal residence of the subsidiaries' owners, it is not subject to deferred taxes.

Rental income and expenses related to the management of this building are recorded directly in the consolidated statement of income.

(Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Goodwill and other intangible assets

Goodwill represents the excess of cost of acquisition over the fair value of the net assets acquired. Goodwill presented in other assets is not amortized and is evaluated every year end in order to identify any impairment in value. Goodwill is subject to an annual impairment test or more frequently if events or changes in circumstances indicate an impairment. Goodwill is presented at cost less impairment. Management believes that there is no significant decrease in the book value of goodwill as of the date of these consolidated financial statements.

Goodwill is established for each acquisition and is presented in other assets if the purchase price is higher than the fair value of the net assets acquired. If the purchase price is lower than the fair value of the net assets acquired, a negative goodwill is established and is accounted for as income in the consolidated results of the year.

Softwares included in other intangible assets are amortized on a straight-line basis at rates between 20% and 100%.

(j) 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.

(k) Deposits, term obligations and subordinated debt

Deposits, term bonds and subordinated debt 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 in line with the current market rates.

(l) Paid-in capital

Paid-in capital reported in shareholders' equity is composed of common shares.

(m) 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 treasury shares are repurchased, for the excess of the repurchase price over the nominal value of these shares. This excess is charged to retained earnings after the paid-in surplus becomes nil.

(Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 August 11, 2017, effective on September 30, 2017 and, as authorized by the Central Bank, the legal reserve as of September 30, 2017 was transferred to paid-in capital.

(o) General reserve for loan losses

The general reserve for loan losses is 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 disposal 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, term obligations and subordinated debt.

Interest income is accounted for on the accrual basis. However, when a loan is classified as non-accrual (over 90 days in arrears), interest ceases to be recognized and accrued, and uncollected interest is reversed against income of the current period. Interest payments received thereafter are recognized as revenue only if there is no doubt as to the ultimate recovery of the principal. Interest income on credit cards is capitalized up to 180 days. After this period, the unpaid balance is written off.

(Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Commissions

Commission income and expenses which are assimilated to service fees are recognized as 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.

(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 assets or liabilities, as need be. The Bank has recorded in other assets the tax benefit resulting from the 2017 taxable loss. In accordance with the Income Tax Act, these losses may be carried forward in future years over a period five years.

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 income taxes, 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 Group recognizes the income tax related to the share of income of unconsolidated affiliates as a deferred tax in other liabilities. This deferred tax is increased annually by the income tax expense calculated on basis of 20% of the share of net income of these affiliates and decreased by the withholding taxes paid on dividends or upon reinvestment of earnings for an increase of capital stock.

The Group has recorded in other liabilities deferred income taxes resulting from land revaluation. The related amounts will be reversed upon the sale of the land.

(Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Regulatory reserve for deposits and other liabilities

According to the reserve requirements of the Central Bank, as of September 30, 2018 and 2017, 44% of liabilities in local currency, and 49.5% and 48% of liabilities in foreign currency respectively must be held in deposits at the Central Bank. Reserves calculated on liabilities in foreign currencies must be maintained in the same currency. As of March 2017, 5% of the foreign currency reserve must be maintained in gourdes. The rate was modified to 7.5% as of August 2018.

The reserve requirement on deposits of non financial public enterprises is 100%.

(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) Insurance

Insurance premiums are recognized as revenue over the duration of the insurance contracts, using the straight-line method. As of the balance sheet date, unearned insurance premiums are recorded as a liability in the reserve for unearned premiums. Revenue generated by insurance premiums is presented separately from commissions and net of related taxes and other charges levied on the premiums.

(w) 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, 2018. 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.

However, Management believes that the application of the amended standards IFRS 9 on Financial Instruments and IFRS 15 on Revenue from contracts with customers, effective for years beginning on or after January 1, 2018 and IFRS 16 on leases effective for years beginning on or after January 1, 2019, could have an impact on the financial statements of the Bank for the year ended September 30, 2019 and 2020 respectively. These standards, which are still subject to changes prior to their ultimate implementation date, could affect the measurement of the impairment provision for loan losses and the general reserve for loan losses, interest receivable and the presentation of some financial assets and liabilities, and recognition of some revenue and commissions.

(Continued)

(4) RISK MANAGEMENT

(a) Risk management framework

Effective risk management is fundamental to the general strategy of the Group. In all the business segments and markets in which the Group operates, Management aims to maintain a strong and disciplined risk management culture. The Directors and employees of the Group are invested with the responsibility to continuously reinforce this corporate culture based on effective risk management.

Within the Group, risks are assessed and managed according to the following four categories:

1) Financial risk, which includes credit risk, liquidity and market risk;
2) Operational risk encompassing the risk, of loss resulting from processes, human resources, and inadequate or faulty internal control systems, or from external events such as natural catastrophes or terrorist attacks;
3) Insolvency risk resulting from management of capital;
4) Other risks: strategic risk, reputational risk, insurance risk and environmental risk.

The Board of Directors and the Group Senior Management team have the responsibility and oversight of the risk management framework as well as the associated governance structure. The Group applies the three lines of defense recommended by the Basel Committee on Banking Control and Supervision namely: 1) managing the lines/segments/units of activities; 2) managing the operational risk at corporate level; 3) internal and external audit reviews.

Risk management policies of the Group are established to identify and analyze the risk to which the group is exposed, to set appropriate risk limits and controls. Risk management policies are reassessed based on market conditions and products and services offered. The Group, through its Code of Ethics and training programs, aims to develop and maintain a control environment in which all employees are aware of their roles and responsibilities.

(Continued)

(4) RISK MANAGEMENT (CONTINUED)

(b) Governance structure and risk governance

The Board of Directors has the ultimate responsibility to establish and oversee the Bank's risk management framework. Its Executive Committee, assisted with the Management Team, oversees closely the financial and non financial risks to which the bank is exposed.

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.

- ***Loan Review Committee:*** This committee has the authority to evaluate the degree of inherent risk and decide on the rating of credit facilities, 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 liquidity, foreign exchange and interest rate risks. Within this committee, key Management personnel meets weekly to discuss the Bank's financial position and decide on interest rates, foreign exchange and investments.

- ***Investment Committee:*** This committee supervises the Treasury function to ensure that the investment policy established by the Board of directors is adhered to. This committee approves all investment decisions as well as the nature and maturity of financial instruments to be acquired.

- ***Audit Committee***: UNIBANK S.A.'s Audit Committee is responsible for monitoring the process of preparing financial information, overseeing the efficiency of the internal control system, the internal audit and the 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 S.A. is in compliance with the laws and ensures that appropriate anti-money laundering and anti-terrorism policies and procedures are implemented and followed.

(Continued)

(4) RISK MANAGEMENT (CONTINUED)

(c) Capital Management

An adequate capital ratio is of foremost strategic importance against risks of insolvency of a financial institution. Adequacy of capital constitutes the first and most important line of defense of UNIBANK in managing the risk of insolvency. In addition to invested capital, the Bank uses some instruments of quasi-capital such as subordinated long-term debt and other regulatory capital allowed in the capital ratios. Within its policies and strategies, the Bank regularly assesses its capital adequacy as well as its capacity to continue to develop and sustain an adequate capital ratio so as to maintain the confidence of depositors, investors and other market constituents.

The capital adequacy of Haitian banks is regulated in accordance with the Central Bank's capital requirements (Circular No. 88). As of September 30, 2018 and 2017, the Bank is compliant with the Central Bank's requirements with respect to sufficiency of capital. Every banking institution must comply with the following two capital adequacy standards:

Ratio of assets/capital - A maximum multiple of 20 times between total assets and 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 primarily of more permanent capital, Tier I, attributable to ordinary shareholders other than revaluation reserves and general reserves for losses on loans and impairment of properties held for resale and Tier II capital, consisting mainly of subordinated debt.

As of September 30, 2018 and 2017 the Bank's ratios were as follows:

	2018	**2017**
Ratio of assets/capital	**9.87 times**	8.25 times
Ratio of capital/risk-weighted assets	**23.64 %**	30.58 %

(Continued)

(4) RISK MANAGEMENT (CONTINUED)

(d) Financial risk management

Financial risks to be managed by the Bank include cash, credit and market risks, including interest rate, foreign exchange and fair value risks.

d1) LIQUIDITY RISK

If UNIBANK S.A. 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 S.A. 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 liquidity 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 S.A. is in compliance with the Central Bank regulations in terms of liquidity. As of September 30, it maintains the regulatory cash reserve required by Circular 78 **(note 3t)**.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT (CONTINUED)

d1) 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, 2018

(In thousands of gourdes)		0-3 months	3-6 months	6 months-1yr	More than 1 yr	Total
Deposits **(note 15)**:						
Demand deposits	G	38,699,461	-	-	-	**38,699,461**
Savings account		34,156,069	-	-	108,931	**34,265,000**
Term deposits		6,972,164	6,710,024	1,210,777	10,628	**14,903,593**
		79,827,694	**6,710,024**	**1,210,777**	**119,559**	**87,868,054**
Borrowed funds **(note 16)**		75,000	934,296	-	1,153,546	**2,162,842**
Commitments: acceptances and letters of credit		304,929	-	-	-	**304,929**
Subordinated debt **(note 19)**		-	-	-	1,171,912	**1,171,912**
Other liabilities		3,778,667	-	-	2,522,975	**6,301,642**
		4,158,596	**934,296**	**-**	**4,848,433**	**9,941,325**
	G	**83,986,290**	**7,644,320**	**1,210,777**	**4,967,992**	**97,809,379**

September 30, 2017

(In thousands of gourdes)		0-3 months	3-6 months	6 months-1yr	More than 1 yr	Total
Deposits **(note 15)**:						
Demand deposits	G	33,131,921	-	-	-	**33,131,921**
Savings account		29,106,344	-	-	2,054,252	**31,160,596**
Term deposits		6,966,988	6,630,388	1,620,823	29,263	**15,247,462**
		69,205,253	**6,630,388**	**1,620,823**	**2,083,515**	**79,539,979**
Borrowed funds **(note 16)**		-	200,000	1,000,000	1,188,679	**2,388,679**
Commitments: acceptances and letters of credit		544,130	-	-	-	**544,130**
Subordinated debt **(note 19)**		-	-	-	1,049,869	**1,049,869**
Other liabilities		7,487,590	-	-	-	**7,487,590**
		8,031,720	**200,000**	**1,000,000**	**2,238,548**	**11,470,268**
	G	**77,236,973**	**6,830,388**	**2,620,823**	**4,322,063**	**91,010,247**

(Continued)

(4) RISK MANAGEMENT (CONTINUED)

d2) CREDIT RISK

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

To manage this risk, UNIBANK S.A. 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.

As of September 30, the maximum exposure to credit risk relates to the following significant financial assets:

(In thousand of gourdes)		2018	2017
Cash and due from banks (note 5)			
Deposits with BRH (Central Bank) and BNC	G	**41,662,170**	34,728,830
Deposits in foreign banks		**1,633,672**	2,637,709
Items in transit		**1,046,556**	941,704
		44,342,398	38,308,243
Term deposits with banks (note 6)		**1,899,355**	3,235,600
Securities			
Foreign investments **(note 7)**		**16,162,044**	20,827,197
Local investments **(note 7)**		**1,863,073**	1,335,016
		18,025,117	22,162,213
Credit			
Loans, net **(note 9)**		**34,075,350**	29,233,903
Acceptances and letters of credit		**304,929**	544,130
		34,380,279	29,778,033
Other assets (note 14)			
Receivable – remittance agents		**499,341**	551,464
Interest receivable		**240,865**	218,150
Premiums receivable – UniAssurances S.A.		**105,652**	89,639
Advances – suppliers and others		**52,758**	92,069
Accounts receivable – affiliated companies		**9,414**	86,864
Receivable – assets held for sale		-	186,528
Others		**263,185**	252,286
		1,171,215	1,477,000
Total financial assets	G	**99,818,364**	94,961,089

(Continued)

(4) RISK MANAGEMENT (CONTINUED)

d2) CREDIT RISK (CONTINUED)

i. Cash and due from banks

Cash and due from banks are held at important financial institutions that the Bank considers as being financially solid. The financial viability of these institutions is reviewed periodically by the Asset Liability Management Committee. As of September 30, 2018 and 2017, respectively 93% and 89% of these cash and cash equivalents are kept at the Central Bank as reserve coverage.

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

ii. Term deposits with banks

Term deposits with foreign banks are considered to be low risk financial instruments.

iii. Securities

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

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

- Invest in negotiable securities, 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 Haiti in BRH (Central Bank) bonds and in Treasury Bonds issued by the Bank of the Republic of Haiti (BRH).
- Avoid taking positions which are speculative.
- Avoid concentration by amount, by sector, by type of instrument and by financial institution. In that respect, limits are established by the Asset-Liability Management Committee.

(4) RISK MANAGEMENT (CONTINUED)

d2) CREDIT RISK (CONTINUED)

iii. Securities (continued)

The Bank considers 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.

Thus, Management considers the risk relative to BRH bonds and to Haitian Treasury bonds to be low. Management is confident that the Haitian Treasury will be able to honor its commitments within the contractual deadlines.

iv. 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 make decisions on loan approval requests, renewals or amendments to existing facilities. In addition to the Credit Administration Department, 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 independently reviews credit files to evaluate supporting documentation and assess credit quality and risks.

UNIBANK S.A.'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 loan portfolio is covered by first lien on top tangible assets.

Within the Bank's policy framework, the Bank complies as of September 30, 2018 and 2017, with BRH's prudential regulations: Circular no. 87 on loan classification and calculation of provision for loan losses, Circular no. 83-4 on credit concentration which limits credit extension by borrower and by economic sector to a percentage of the Bank's statutory capital requirements, and Circular no. 97 requiring that loans in foreign currency do not exceed 50% of liabilities in foreign currency.

v. Other assets

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

(4) RISK MANAGEMENT (CONTINUED)

d2) CREDIT RISK (CONTINUED)

Geographic allocation of financial risk

As of September 30, the geographic allocation of credit risk based on the ultimate location of assets is as follows:

(In thousands of gourdes)		2018	2017
Cash and due from banks			
Haiti	G	**42,708,726**	35,663,185
United States		**1,272,241**	2,510,923
Canada		**194,796**	85,851
Europe		**166,635**	48,284
		44,342,398	38,308,243
Term deposits with banks			
United States		**1,461,763**	2,781,600
Canada		**437,592**	454,000
		1,899,355	3,235,600
Securities			
Haiti		**1,863,073**	1,335,016
United States		**14,851,665**	19,340,568
Other (OCDE countries)		**941,490**	1,163,255
Emerging countries		**368,889**	323,374
		18,025,117	22,162,213
Credit			
Haiti		**34,380,279**	29,778,033
Other assets			
Haiti		**1,171,214**	1,477,000
Total financial assets	G	**99,818,363**	94,961,089

d3) MARKET RISK

Market risk arises from price fluctuations on the market and encompasses mainly interest rate risk, 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 depositors' assets.

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(4) RISK MANAGEMENT (CONTINUED)

d3) MARKET RISK (CONTINUED)

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 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 make the proper adjustments, at its sole discretion, in response to market conditions. Furthermore, as of September 30, 2018 and 2017 respectively, approximately 29% and 32% of the credit portfolio has a maturity of 12 months or less allowing the Bank to minimize the risks of conversion between resources and uses, 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 44% and 39% of the total deposit portfolio of UNIBANK S.A. as of September 30, 2018, and 42% and 39% each as of September 30, 2017, which constitutes respectively 83% and 81% of total deposits.

Moreover, UNIBANK S.A. ensures an effective management of interest rates on the following portfolios:

- Loans to and deposits from the Bank's customers;
- BRH bonds;
- Haitian Treasury bonds;
- Term deposits with banks;
- Local investments;
- Foreign investments which are adjusted as market conditions evolve;
- Debt, term obligations, and subordinated debt.

(4) RISK MANAGEMENT (CONTINUED)

d3) MARKET RISK (CONTINUED)

i. Interest rate risk (continued)

The adequacy of interest rates applied to these portfolios is reviewed regularly by UNIBANK's Management which 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.

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

(In thousands of gourdes)	%		2018	%	2017
Fixed interest rates:					
Financial assets	**14%**	**G**	**6,468,196**	24%	13,552,405
Financial liabilities	**27%**		**18,238,346**	30%	18,641,542
Net			**(11,770,150)**		(5,089,137)
Variable interest rates:					
Financial assets	**86%**		**47,229,074**	76%	43,414,617
Financial liabilities	**73%**		**35,592,285**	70%	44,294,099
Net		**G**	**11,636,789**		(879,482)

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

- Fixed-rate financial assets are comprised of loans (60%), term deposits with banks (28%), and BRH bonds, Treasury bonds and other local bonds (12%).
- Fixed-rate financial liabilities consist of term deposits with terms ranging from one month to more than one year (82%), borrowed funds (12%), and subordinated debt (6%).
- 88% of financial assets and 63% of financial liabilities bear interest at variable rates.
- Variable rate financial assets consist of loans (65%), available-for-sale securities (34%) and overnight deposits (1%).
- Variable rate financial liabilities are comprised of savings deposits (96%) and demand deposits (4%) which are essentially overnight deposits.

(Continued)

(4) RISK MANAGEMENT (CONTINUED)

d3) MARKET RISK (CONTINUED)

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 US dollar or other foreign currencies.

With respect to foreign exchange risk management, the policy of UNIBANK S.A. has always been to maintain the trading position within very narrow limits. The policy in place prohibits holding speculative positions. The Bank's trading position is sold daily.

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

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

September 30, 2018

(In thousands of gourdes)		Gourdes	Dollars converted in Gourdes	Other currencies converted in Gourdes
Cash and due from banks	G	15,983,334	29,647,535	222,268
Term deposits with banks		-	1,899,355	-
Securities		918,378	17,106,739	-
Loans, net		15,258,466	18,816,884	-
Acceptances and letters of credit		-	304,929	-
Other assets		386,651	784,564	-
Total financial assets		**32,546,829**	**68,560,006**	**222,268**
Deposits		31,252,501	56,424,576	190,977
Borrowed funds		2,162,842	-	-
Commitments-acceptances and letters of credit		-	304,929	-
Subordinated debt		-	1,171,912	-
Other liabilities		3,956,495	2,328,669	16,476
Total financial liabilities		**37,371,838**	**60,230,086**	**207,453**
Assets (liabilities), net	**G**	**(4,825,009)**	**8,329,920**	**14,815**

For every fluctuation of one gourde versus the US dollar, the foreign exchange position in US dollars would result in an exchange gain or loss of approximately G 119 million, as the case may be.

(Continued)

(4) RISK MANAGEMENT (CONTINUED)

d3) MARKET RISK (CONTINUED)

ii. Interest rate risk (continued)

September 30, 2017

(In thousands of gourdes)		Gourdes	Dollars converted in Gourdes	Other currencies converted in Gourdes
Cash and due from banks	G	12,505,115	27,413,938	203,515
Term deposits with banks		-	3,235,600	-
Securities		1,334,075	20,828,138	-
Loans, net		11,016,754	18,217,149	-
Acceptances and letters of credit		-	544,130	-
Other assets		605,120	871,880	
Total financial assets		**25,461,064**	**71,110,835**	**203,515**
Deposits		26,273,918	53,089,566	176,495
Borrowed funds		2,388,679	-	-
Commitments-acceptances and letters of credit		-	544,130	-
Subordinated debt		-	1,049,869	-
Other liabilities		1,187,835	6,285,011	14,744
Total financial liabilities		**29,850,432**	**60,968,576**	**191,239**
Assets (liabilities), net	**G**	**(4,389,368)**	**10,142,259**	**12,276**

For every fluctuation of one gourde versus the US dollar, the foreign exchange position in US dollars would result in an exchange gain or loss of approximately G 162 million, as the case may be.

The exchange rates of the various currencies relative to the gourde were as follows:

	2018	2017
At September 30		
US Dollars	**69.9774**	62.6900
Euros	**81.2578**	74.0808
Average rate for the year		
US Dollars	**65.7149**	65.5202
Euros	**76.5287**	72.6387

(Continued)

(4) RISK MANAGEMENT (CONTINUED)

d3) MARKET RISK (CONTINUED)

iii. Fair value of financial assets and liabilities

With the exception of investments for which the fair value is disclosed in **note 7**, the book value of financial assets and liabilities is equivalent to their fair value since their interest rates are in line with market rates.

(5) CASH AND DUE FROM BANKS

As of September 30, cash and due from banks are as follows:

(In thousands of gourdes)		2018	2017
Cash	G	**1,510,739**	1,814,325
Deposits with BRH and BNC		**41,662,170**	34,728,830
Deposits in foreign banks		**1,633,672**	2,637,709
Intems in transit		**1,046,556**	941,704
	G	**45,853,137**	40,122,568

Cash and deposits with BRH (Central Bank) and BNC (a government-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 represent 38% and 34% of assets as at September 30, 2018 and 2017, respectively, and do not bear interest.

Deposits in foreign banks represent overnight deposit accounts bearing average interest rates of 1.05% and 0.46% as of September 30, 2018 and 2017, respectively.

As of September 30, 2018 and 2017 respectively, deposits totaling G 17,777M ($US 254M) and G 23,356 M ($US 373M) of UniTransfer International, which operates in the USA and in Canada, have been pledged to the Banking Departments of the states where the Company operates. These deposits bear interest at rates between 0.10% and 0.25% as of September 30, 2018 and 2017, respectively.

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

(In thousands of gourdes)		2018	2017
Deposits in gourdes	G	**15,983,334**	12,505,115
Deposits in foreign currencies		**29,869,803**	27,617,453
	G	**45,853,137**	40,122,568

(Continued)

(6) TERM DEPOSITS WITH BANKS

Term deposits with banks are as follows:

(In thousands of gourdes)	2018	2017
Term deposits	G **1,899,355**	3,235,600
Interest rates	**0.25% to 2.50%**	0.25% to 2.50%
Maturity	**1 to 24 months**	1 to 24 months

As of September 30, 2018 and 2017, term deposits with banks include amounts pledged as security on lines of credit totaling G 1,259,593M ($US 18,000M) and G 1,128,420M ($US 18,000M) respectively. There were no drawdowns on the lines of credit as of September 30, 2018 and 2017.

(7) SECURITIES

As of September 30, securities are as follows:

(In thousand of gourdes)	2018	2017
Securities at fair value:		
Foreign debt securities at fair value with fluctuations recorded in consolidated statement of income **(a)**	G **16,162,044**	20,827,197
Amortized cost securities held to maturity		
Term contract in foreign currencies **(b)**	**944,696**	-
BRH bonds, net **(c)**	**599,154**	899,549
Haitian Treasury bonds **(d)**	**207,565**	394,296
Other local corporate bonds **(e)**	**-**	941
	1,751,415	1,294,786
Other securities available for sale:		
Shares of local compagnies **(f)**	**111,658**	40,230
Total securities	G **18,025,117**	22,162,213

The Bank measures securities at fair value using quoted prices in active markets when available, which results in a **Level 1** valuation. When not available, the Bank uses other observable data within its measurement models categorized as **Level 2**. Valuations that require the use of inputs that are not based on observable market data are considered **Level 3.**

At September 30, 2018 and 2017, securities at fair value include amounts pledged as collateral on lines of credit totaling G 11,588,327M ($US 165,160M) and G 15,487,063 M ($US 247,072M) respectively. There were no drawdowns on the lines of credit at September 30, 2018 and 2017.

(Continued)

(7) SECURITIES (CONTINUED)

September 30, 2018

Fair value Level 1

(In thousands of gourdes)		Less than 1 year	1-2 years	2-5 years	More than 5 years	Total	Interest rates
US Treasury bonds	G	1,114,698	650,083	2,118,829	66,484	**3,950,094**	**1.43%**
US Federal Agency Bonds		2,092,798	1,305,793	1,683,644	67,416	**5,149,651**	**1.41%**
US corporate bonds		948,245	1,954,532	2,767,051	82,092	**5,751,920**	**1.93%**
Treasury bills – Governments of emerging markets		-	-	59,112	-	**59,112**	**2.48%**
Corporate bonds of emerging markets		49,649	-	68,078	-	**117,727**	**1.65%**
Corporate bonds of OECD countries		-	-	86,011	-	**86,011**	**1.50%**
Supra National organizations (SNAT)		-	62,451	129,599	-	**192,050**	**1.34%**
Treasury bills of OECD countries		221,160	317,561	316,758	-	**855,479**	**1.99%**
Fair value	G	4,426,550	4,290,420	7,229,082	215,992	**16,162,044**	
Cost	G	4,442,583	4,355,054	7,508,352	226,562	**16,532,551**	
Unrealized loss	G	**(16,033)**	**(64,634)**	**(279,270)**	**(10,570)**	**(370,507)**	

September 30, 2017

Fair value Level 1

(In thousands of gourdes)		Less than 1 year	1-2 years	2-5 years	More than 5 years	Total	Interest rates
US Treasury bonds	G	2,034,803	1,776,013	1,590,483	746,681	**6,147,980**	**1.12%**
US Federal Agency bonds		877,024	4,093,875	1,870,189	186,823	**7,027,911**	**1.15%**
US corporate bonds		1,061,711	1,472,191	3,133,055	497,720	**6,164,677**	**1.68%**
Treasury bills – Governments of emerging markets		-	-	-	56,436	**56,436**	**2.48%**
Treasury bonds of emerging markets		46,444	-	63,676	-	**110,120**	**1.65%**
Corporate bonds of OECD countries		-	-	-	78,082	**78,082**	**1.58%**
Supra National organizations (SNAT)		12,550	31,173	113,095	-	**156,818**	**0.99%**
Treasury bills of OECD countries		241,725	387,235	456,213	-	**1,085,173**	**1.70%**
Fair value	G	4,274,257	7,760,487	7,226,711	1,565,742	**20,827,197**	
Cost	G	4,270,882	7,780,519	7,358,634	1,519,508	**20,929,543**	
Unrealized (loss) gain	G	**3,375**	**(20,032)**	**(131,923)**	**46,234**	**(102,346)**	

(Continued)

(7) SECURITIES (CONTINUED)

(a) Forward contract in US dollars

As part of its cash management operations, Unibank entered into a forward contract in US dollars with BRH for a period of 182 days expiring on March 7, 2019. Under the terms of this contract, Unibank provides an amount of US $ 15,000,000 to BRH at the rate of 69.2071, and in return, BRH provides to Unibank the amount equivalent to G 1,038,107M. As of September 30, 2018, the investment amounted to US $ 13,500,000 (equivalent to G 944,694,900), net of reimbursements and the liability in gourdes amounted to G 934,296 **(note 16b).**

(b) Net BRH bonds are thus established:

(In thousands of gourdes)		**2018**	**2017**
Principal	**G**	**600,000**	900,000
Unearned interest		**(845)**	(451)
	G	**599,155**	899,549

BRH bonds are valid for 7 days and 28 days maturing on October 3, 10 and 24, 2019, bearing interest of 7.33%. Bonds that are valid for 7 days, bearing interest of 6.02% as of September 30, 2017 reached maturity on October 4, 2017.

(c) Haitian Treasury bonds at amortized cost are classified as **Level 2** securities and comprise the following:

(In thousands of gourdes)		**2018**	**2017**
Treasury bonds issued by Ministry of Economy and Finance **(i)**	**G**	**136,732**	273,463
Rate		**7%**	7%
Maturity		**12 months**	24 months
Treasury bonds issued by the Ministry of Economy and Finance– PSUGO **(ii)**	**G**	**70,833**	120,833
Rate		**6%**	6%
Maturity		**18 months**	30 months
	G	**207,565**	394,296

i) Haitian Treasury bonds were issued on September 15, 2014 by the Ministry of Economy and Finance as a Public Finance management tool. Of the total amount of the G 5.7 billion issued, 50% was acquired by the Central Bank (BRH) and the other 50% by commercial banks in prorata of their regulatory reserves held at the Central Bank as of September 9, 2014. These bonds are dematerialized and will be reimbursed in equal monthly installments from the date of issuance. Interest income is recognized based upon the repayment schedule agreed between the BRH and the commercial banks. This schedule foresees that each installment will bear interest of 7% up until its maturity date. Therefore, interest income will increase over time.

(Continued)

(7) SECURITIES (CONTINUED)

Thus, the cumulative interest to be earned on these bonds totals G 137 million of which G 38 million and G 26 million were recognized respectively in 2018 and 2017.

In accordance with the provisions of the Central Bank circulars in relation to this instrument, the bonds held by a bank are considered within the mandatory reserve coverage to be maintained by the Bank.

ii) Based on an agreement signed on January 30, 2015 with the Ministry of Education, new dematerialized Treasury bonds were issued on March 4, 2015 by the Ministry of Economy and Finance to strengthen the free and mandatory ''Programme de Scolarisation Universelle (PSUGO)". These bonds are reimbursable in 60 installments as of March 30, 2015. Interests are accrued at the rate of 6% based on the reimbursement schedule agreed with the Central Bank. Cumulative interest on these bonds will equal G 38 million, of which G 6 million and G 9 million were recognized respectively in 2018 and 2017. These bonds are deductible from the Bank's liabilities, subject to the required reserves.

(e) Amortized cost securities held to maturity are composed of local bonds in US dollars issued by local companies, with a fair value equivalent to their cost, **Level 3**. As of September 2018, their maturity is 159 days and they bear interest at 3%.

(f) Other local securities consist of equity investments of local companies recorded at fair value (**Level 3**). They are available for sale.

In 2018, the value of these equity instruments was determined based on recent transactions made by these companies. Since it has not been possible to determine the effects of the fair value on prior years, the related adjustment has been recorded as an adjustment to opening retained earnings, net of deferred taxes as follows:

(In thousands of gourdes)		**Balance**	**Deferred taxes**	**Adjustment of fair value, net**
Balance at the beginning of the year	**G**	40,230	-	-
Adjustment of fair value		69,474	(20,842)	48,632
Share dividends		1,954	-	-
Balance at end of year	**G**	111,658	(20,842)	48,632

(Continued)

(8) INVESTMENT IN AFFILIATED COMPANIES

As of September 30, investments in affiliates presented on an equity basis (**Level 3**) are as follows:

(In thousands of gourdes)		2018	2017
HAÏTI AGRO PROCESSORS HOLDING LTD.			
33.33% of Haiti Agro Processors Holding Ltd., majority shareholder of LMH (through SNI Minoterie L.P.)	G	**291,667**	291,667
Share of retained earnings and reserves to date		**347,971**	366,019
	G	**639,638**	657,686
CORAIL S.A.			
Capital investment representing 15.80% of capital	G	**9,908**	9,908
Share of retained earnings and reserves to date		**9,440**	12,521
	G	**19,348**	22,429
Total investments in affiliated companies	G	**658,986**	680,115

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

(In thousands of gourdes)		2018	2017
HAÏTI AGRO PROCESSORS HOLDING LTD.			
Total assets – Les Moulins d'Haïti S.E.M. (LMH)	G	**3,520,056**	3,284,300
Total liabilities – Les Moulins d'Haïti S.E.M. (LMH)		**778,748**	465,645
Net income for the year	G	**422,653**	612,590
CORAIL S.A.			
Total assets	G	**179,414**	161,714
Total liabilities		**56,962**	19,762
Net (loss) income for the year	G	**(20,156)**	21,155

The share of income from non consolidated affiliated companies is recorded in the consolidated statement of income using the equity method as follows:

(In thousands of gourdes)		2018	2017
Haiti Agro Processors Holding Ltd.**(1)**	G	**98,619**	142,938
Corail S.A. **(note 22)**		**(3,081)**	3,290
	G	**95,538**	146,228

(1) The share of income from Haiti Agro Processors Holding Ltd. is earned through SNI Minoterie L.P., in which UNIBANK S.A. holds through GFN S.A. an interest of 61.10% as described in **note 21**.

(Continued)

(9) LOANS

As of September 30, loans are as follows:

(In thousands of gourdes)		2018	2017
Commercial and industrial loans	G	**16,636,934**	15,520,849
Mortgage loans		**5,503,272**	5,558,101
Overdrafts		**4,232,658**	2,290,729
Micro-entreprise loans		**2,757,869**	2,030,232
Consumer loan		**2,723,028**	1,561,835
Credit card loans		**1,064,482**	1,040,538
Mortgage loans – ''logement 5 étoiles'' **(a)**		**979,127**	918,398
Loans to employees		**326,967**	341,379
Restructured loans **(b)**		**83,559**	95,126
		34,307,896	29,357,187
Non-performing loans		**144,926**	163,018
	G	**34,452,822**	29,520,205

(a) An agreement was signed on December 11, 2014 between the Central Bank of Haiti and local banks to promote the residential housing sector through a program (Logement 5 étoiles). Based on this agreement, mortgage loans are extended in gourdes to middle class borrowers sensibly impacted by the earthquake of January 12, 2010. Interest rate on these loans is limited within a cap of 10% per annum and is fixed for the first 10 years. Beyond this period, variable interest rates will apply. The loans have a maximum maturity of 30 years.

Drawings from regulatory reserve funds to finance loans in the context of this program, would be honored by the Central Bank if needed for up to 30 years at an interest rate between 1% and 3%.

The Central Bank's advances to UNIBANK related to this program total G 1,114,985M and G 1,019,311 at September 30, 2018 and 2017, respectively and bear interest at a rate of 3% for 10 years **(note 16b).**

The resources in local currency used to finance this program are exempt from regulatory reserves.

In addition, based on this agreement and over the duration of the program, the sectoral exposure limit of 25% required by the prudential norms on credit concentration has been increased to 50%.

Credit and counterpart risks are borne by the lender Bank.

(Continued)

(9) LOANS (CONTINUED)

(b) As of September 30, 2018 and 2017, restructured loans were current, and compliant with the new terms.

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

(In thousands of gourdes)	2018	2017
Loans in US dollars	G **19,081,488**	18,461,020
Loans in gourdes	**15,371,334**	11,059,185
	G **34,452,822**	29,520,205

Average effective interest rates on loans are as follows:

	2018	2017
In US dollars:		
Commercial and industrial loans, and overdrafts	**9.85%**	10.79%
Mortage loans	**8.33%**	8.79%
Credit card loans	**-**	21.00%
Restructured loans	**9.43%**	8.22%
Loans to employees	**7.55%**	6.98%
In gourdes:		
Commercial and industrial loans, and overdrafts	**12.18%**	13.14%
Mortgage loans	**12.47%**	12.91%
Credit card loans	**27.00%**	25.00%
Micro-entreprise loans	**38.20%**	43.76%
Restructured loans	**23.60%**	15.87%
Loans to employees	**5.89%**	6.22%

Unrecorded interest on non-performing loans mentioned above amounts to G30,035M and G 68,841M as of September 30, 2018 and 2017, respectively.

Except for short-term advances, included in commercial and industrial loans, totaling G 672,598M and G 516,311M as of September 30, 2018 and 2017 with a maximum maturity of twelve months, and except for mortgage loans issued for an average period of 15 years, loans are repayable on demand.

(Continued)

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(9) LOANS (CONTINUED)

Loans to Board members and their related companies amount to G 1,019,748M and G 1,081,380M as of September 30, 2018 and 2017, respectively. These loans bear average interest rates of approximately 12.59% and 10.58% for loans in gourdes, and of 6.85% and 8.60% for loans in US dollars, in 2018 and 2017, respectively.

The impairment provision has evolved as follows:

(In thousands of gourdes)		2018	2017
Balance at the beginning of the year	G	**286,302**	318,413
Impairment charge for the year		**250,165**	32,544
Write-offs **(a)**		**(264,964)**	(235,242)
Recoveries on loans written-off		**80,115**	71,443
Effect of revaluation of impairment provision in US dollars		**25,854**	(16,929)
Transfer of provision – Bank of Nova Scotia		-	116,073
Balance at the end of year	G	**377,472**	286,302

(a) Loan write-offs by categories during 2018 and 2017 are as follows:

(In thousands of gourdes)		2018	2017
Micro-entreprise loans	G	**200,950**	140,761
Credit card loans		**48,432**	58,088
Mortgage loans		**7,840**	343
Consumer loans		**4,565**	9,528
Overdrafts		**1,970**	1,220
Commercial and industrial loans		**1,207**	-
Write-offs – Bank of Nova Scotia		-	25,302
	G	**264,964**	235,242

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

(In thousands of gourdes)		2018	2017
Impairment provision	G	**377,472**	286,302
General reserve for loan losses		**401,061**	363,927
	G	**778,533**	650,229

(9) LOANS (CONTINUED)

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

September 30, 2018

(In thousands of gourdes)		Current	30-60 days	61-89 days	Total
Current loans					
Commercial and industrial loans	G	16,390,302	7,388	151,823	**16,636,934**
Micro-enterprise loans		2,705,511	28,332	24,026	**2,757,869**
Credit card loans		893,145	152,109	19,228	**1,064,482**
Overdrafts		4,232,219	355	84	**4,232,658**
Other loans		9,395,500	132,150	88,305	**9,615,955**
	G	33,704,098	320,334	283,466	**34,307,898**

(In thousands of gourdes)		90-180 days	181-360 days	More than 360 days	Total
Non-performing loans					
Commercial and industrial loans	G	-	-	515	**515**
Micro-entreprise loan		67,045	-	-	**67,045**
Credit card loans		45,995	-	-	**45,995**
Overdrafts		-	-	180	**180**
Other loans		5,641	10,085	15,465	**31,191**
	G	118,681	10,085	16,160	**144,926**

September 30, 2017

(In thousands of gourdes)		Current	30-60 days	61-89 days	Total
Current loans					
Commercial and industrial loans	G	15,499,795	-	21,054	**15,520,849**
Micro-entreprise loans		1,982,866	29,365	18,001	**2,030,232**
Credit card loans		847,784	125,378	67,376	**1,040,538**
Overdrafts		2,290,471	258	-	**2,290,729**
Other loans		8,376,003	75,709	23,127	**8,474,839**
	G	28,996,919	230,710	129,558	**29,357,187**

(In thousands of gourdes)		90-180 days	181-360 days	More than 360 days	Total
Non-performing loans					
Commercial and industrial loans	G	515	1,314	-	**1,829**
Micro-entreprise loans		42,495	-	-	**42,495**
Credit card loans		42,224	-	-	**42,224**
Overdrafts		2,173	-	161	**2,334**
Other loans		13,446	9,583	51,107	**74,136**
	G	100,853	10,897	51,268	**163,018**

(Continued)

(9) LOANS (CONTINUED)

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

September 30, 2018

(In thousands of gourdes)		Mortgages	Cash collateral (note 15)	Others (a)
Current loans	G	12,118,936	2,455,269	5,056,429
Non-performing loans		50,991	-	-
	G	**12,169,927**	**2,455,269**	**5,056,429**

September 30, 2017

(In thousands of gourdes)		Mortgages	Cash collateral (note 15)	Others (a)
Current loans	G	11,461,088	2,079,107	4,628,598
Non-performing loans		98,065	-	-
	G	**11,559,153**	**2,079,107**	**4,628,598**

(a) Other guarantees consist of foreign and local letters of guarantee, treasury bonds and pledged shares.

(Continued)

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(10) FIXED ASSETS

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

Cost

(In thousands of gourdes)		Balance 30/09/17	Acquisitions	Transfers	Losses from fire damage	Disposals	Translation adjustment	Balance 30/09/18
Land	G	432,762	55,953	-	-	-	-	**488,715**
Buildings		730,594	115,018	-	-	-	-	**845,612**
Bank equipment and furniture		731,314	193,596	(84,245)	(16,117)	(6,445)	492	**818,595**
Computer equipment		203,560	58,148	(86,704)	(693)	(756)	1,374	**174,929**
Leasehold improvements		390,998	85,321	(62,576)	(661)	(729)	112	**412,465**
Vehicles		437,443	134,238	(73,895)	(2,391)	(16,965)	100	**478,530**
Investments in progress		300,409	39,986		-	(49,390)	2,461	**293,466**
Fully depreciated assets		1,652,466	-	307,420	(27,484)	(94,187)	4,047	**1,842,262**
	G	4,879,546	682,260	-	(47,346)	(168,472)	8,586	**5,354,574**

During the year, accumulated depreciation has evolved as follows:

Accumulated depreciation

(In thousands of gourdes)		Balance 30/09/17	Depreciation	Transfers	Losses from fire damage	Disposals	Translation adjustment	Balance 30/09/18
Buildings	G	117,775	26,586	-	-	(3,185)	(476)	**140,700**
Bank equipment and furniture		291,271	122,581	(84,245)	(6,517)	(1,559)	263	**321,794**
Computer equipment		102,409	79,703	(86,704)	(420)	(505)	890	**95,373**
Leasehold improvements		155,885	79,164	(62,576)	(80)	(553)	19	**171,859**
Vehicles		170,085	120,848	(73,895)	(1,046)	(5,044)	47	**210,995**
Fully depreciated assets		1,652,466	-	307,420	(27,484)	(94,187)	4,047	**1,842,262**
	G	2,489,891	428,882	-	(35,547)	(105,033)	4,790	**2,782,983**
Net fixed assets	G	2,389,655			(11,799)	(63,439)	3,796	**2,571,591**

(Continued)

(11) NON-CURRENT ASSET HELD FOR SALE

In 2017, the Group initiated a plan to sell its foreign real estate segment, owned by its foreign subsidiairies: International Sunrise Partners LLC (ISP), GFN Restaurant II LLC and GFN Real Estate LLC. These companies make up the majority ownership (60%) of a commercial complex in Florida. Based on this plan, the foreign real estate segnment was classified as non-current asset and liability held for sale for an amount of G 993,216M and G 890,788M as of September 30, 2018 and 2017, respectively.

Non-current asset held for sale

In the consolidated balance sheet, the financial assets and liabilities available-for-sale include the consolidated assets and liabilities of foreign real estate companies: International Sunrise Partners LLC; GFN Real Estate LLC and GFN Restaurant II LLC, as follows:

(In thousands of gourdes)		2018	2017
Assets			
Cash and due from banks	G	**115,034**	90,606
Assets held for sale **(a)**		**838,394**	758,701
Other assets		**39,788**	41,481
Total non-current asset held for sale		**993,216**	890,788
Liabilities			
Income taxes payable		**18,192**	21,618
Guarantee deposits		**9,712**	8,753
Accrued expenses		**4,008**	3,308
Others		**8,760**	7,851
Total non-current liability held for sale	G	**40,672**	41,530

The assets and liabilities generated gains and losses of G 4,224M and (G 509,346M) for 2018 and 2017, respectively **(note 23).**

(a) Investment properties held for sale in the United States of America have evolved as follows:

(In thousands of gourdes)		2018	2017
Balance at the beginning of the year	G	**758,701**	1,259,060
Capitalisation - construction in progress		-	48,163
Loss of value **(note 23)**		-	(506,922)
Translation effect		**88,195**	(34,453)
Sales		**(8,502)**	(7,148)
Balance at the end of the year	G	**838,394**	758,700

(Continued)

(11) NON-CURRENT ASSET HELD FOR SALE (CONTINUED)

This property is part of the asset held for sale as of September 30, 2018 and 2017. The property is rented and generated rental income and gains on sales of units of G 20,612M and G 19,346M in 2018 and 2017, respectively.

Fair value adjustment of asset held for sale in the USA

As of September 30, 2017, based on Management's decision to sell in bulk its foreign real estate segment, the fair value of the property held for sale was assessed by an independent real estate appraiser, based on the highest sale offer received through a reputable real estate brokerage firm. This estimate resulted in recognizing a loss of G 506.9 million ($US 7.7 million) recorded in the consolidated net income in 2017.

Management expects the sale to be completed within a period of approximately one year. As at September 30, 2018, there has been no indication of additional loss of value of the property held for resale and accordingly, the fair value of the property established in 2017 for $US 11.9 million (equivalent to G 838,394 in 2018 and G 758,701 in 2017), was not modified in 2018. The fair value measurement of the asset held for sale was categorized as **level 3** based on the observable data used for this estimate.

The cumulative translation effect included in the consolidated statement of shareholders' equity in relation to foreign subsidiaries classified as an asset held for sale amounts to G 250,877M and (G 481,328M), in 2018 and 2017, respectively.

Fair value hierarchy

The non-recurring basis for fair value measurement of the asset held for sale has been categorized as **Level 3**, based on the observable data used for this estimate.

Discontinued operations

On April 30, 2017, the Group completed the disposal of its subsidiary, DINASA, which was held for sale in 2016 and was classified as a non-current asset held for sale. The sale of Distributeurs Nationaux S.A. (DINASA) resulted in a gain of disposal, net of income taxes, of G 9,162,680M **(note 23)** and is reflected in the results of discontinued operations in 2017.

(Continued)

(12) PROPERTIES HELD FOR SALE

Properties held for sale have evolved as follows:

(In thousands of gourdes)		2018	2017
Balance at the beginning of the year	G	**231,581**	250,993
Sales during the year		**(16,672)**	(120,759)
Write-offs		**(13,416)**	-
Adjudications of the year		**3,961**	-
Fair value of acquired properties from Scotiabank **(a)**		-	101,347
Balance at the end of the year	G	**205,454**	231,581

(a) These properties are part of the acquisition of Scotiabank's operations and are recorded at fair value.

The sale of properties resulted in a gain of G 1,469M and G 93,327M in 2018 and 2017, respectively.

On December 3, 2013, the Central Bank of Haiti issued an interpretative note on the requirement of article 189 of the Banking Law of July 20 2012 on the establishment of an impairment provision of 20% on adjudicated properties or properties received on debt settlement. Based on the requirement of the Law, this reserve is established starting from the end of the second year following repossession. UNIBANK applied the required reserve starting on December 2015. It is reflected under the line item ''Valuation reserve – property held for sale'' in the shareholders equity. As of September 30, 2018 and 2017, properties held for sale are covered by a reserve of G 66,202M and G 49,444M, respectively. This reserve is not subject to distribution.

(13) GOODWILL AND OTHER INTANGIBLE ASSETS

As of September 30, goodwill and other intangible assets are as follows:

(In thousands of gourdes)		2018	2017
Goodwill **(a)**	G	**165,265**	161,036
Other intangible assets **(b)**		**37,775**	25,500
	G	**203,040**	186,536

(Continued)

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(13) GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

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

(In thousands of gourdes)		2018	2017
Goodwill at cost:			
SCOTIA BANK HAITI ACQUISITION	G	**96,885**	96,885
UNITRANSFER INTERNATIONAL		**24,765**	24,765
Translation effect – UNITRANSFER INTERNATIONAL		**16,886**	12,657
		41,651	37,422
IMSA		**11,332**	11,332
MICRO CREDIT NATIONAL		**9,950**	9,950
UNICREDIT		**3,663**	3,663
SNI S.A.		**1,784**	1,784
		26,729	26,729
Goodwill	G	**165,265**	161,036

(b) Other intangible assets evolved as follows:

Cost

(In thousands of gourdes)		Balance 30/09/17	Acquisitions	Transfers	Disposals	Translation adjustment	Balance 30/09/18
Software	G	122,571	50,971	(113,757)	-	3,898	**63,683**
Fully amortized assets		36,420	-	113,757	(70,922)	-	**79,255**
	G	158,991	50,971	-	(70,922)	3,898	**142,938**

Accumulated amortization

(In thousands of gourdes)		Balance 30/09/17	Acquisitions	Transfers	Disposals	Translation adjustment	Balance 30/09/18
Software	G	97,071	38,879	(113,757)	-	3,715	**25,908**
Fully amortized assets		36,420	-	113,757	(70,922)	-	**79,255**
	G	133,491	38,879	-	(70,922)	3,715	**105,163**
Intangible assets, net	G	25,500			-	183	**37,775**

(Continued)

(14) OTHER ASSETS

As of September 30, other assets were as follows:

(In thousands of gourdes)		2018	2017
Prepaid income taxes and other taxes	G	**1,748,586**	616,755
Prepaid expenses		**843,363**	834,442
Receivable – transfer agents		**499,341**	551,464
Interest receivable		**240,865**	218,150
Premiums receivable - UniAssurances S.A.		**105,652**	89,639
Advances – suppliers and others		**52,758**	92,069
Deferred income tax assets **(note 18 a)**		**21,605**	9,092
Inventories - Unitransfer Haïti		**13,432**	39,140
Accounts receivable – affiliated companies **(note 27)**		**9,414**	86,864
Advances to executives and managers **(a)**		**2,665**	3,997
Tax credit		**-**	455,124
Receivable – discontinued operations **(b)**		-	186,528
Others		**260,520**	248,289
	G	**3,798,201**	3,431,553

(a) Advances to executives and managers do not bear interest and are contractually amortized over a period of five years.

(b) This amount represents a receivable from the sale of DINASA that was paid in 2018.

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(15) DEPOSITS

As of September 30, deposits are as follows:

(In thousands of gourdes)		2018	2017
Demands deposits :			
Gourdes	G	12,883,400	9,333,150
US Dollars		25,625,084	23,622,276
Euros		190,977	176,495
	G	38,699,461	33,131,921
Savings accounts :			
Gourdes	G	12,478,103	11,101,917
US Dollars		21,786,897	20,058,679
	G	34,265,000	31,160,596
Term deposits:			
Gourdes	G	5,890,998	5,838,851
US Dollars		9,012,595	9,408,611
		14,903,593	15,247,462
Total deposits	G	87,868,054	79,539,979
Deposits in Gourdes	G	31,252,501	26,273,918
Deposits in US Dollars		56,424,576	53,089,566
Deposits in Euros		190,977	176,495
Total deposits	G	87,868,054	79,539,979

(Continued)

(15) DEPOSITS (CONTINUED)

Average interest rates on deposits are as follows:

(In thousands of gourdes)	2018	2017
Demand deposits (overnight deposits):		
Gourdes	-	2.23%
US Dollars	**0.15%**	0.15%
Demand deposits (overnight deposits):		
Gourdes	**0.04%**	0.04%
US Dollars	**0.02%**	0.02%
Savings accounts:		
Gourdes	**0.05%**	0.05%
US Dollars	**0.02%**	0.02%
Term deposits:		
Gourdes	**4.05%**	10.20%
US Dollars	**0.08%**	1.75%

Pledged deposits amounted to G 2,455,269M and G 2,079,107M as of September 30, 2018 and 2017, respectively (**note 9**).

Deposits from Board members and their affiliated companies amounted to G 2,451,481M and G 2,852,331M as of September 30, 2018 and 2017, respectively. These deposits were received in the normal course of business and bear interest at the Bank's normal interest rates.

(16) BORROWED FUNDS

Borrowed funds are as follows:

(In thousands of gourdes)		2018	2017
Advances from the Central Bank (BRH) **(a)**	G	**2,124,281**	1,144,211
Loan from the Government of the Federal Republic of Germany **(b)**		**38,561**	44,468
Short-term loans – foreign bank **(c)**		-	1,200,000
	G	**2,162,842**	2,388,679

(Continued)

(16) BORROWED FUNDS (CONTINUED)

(a) Advances from the Central Bank of Haiti are as follows:

(In thousands of gourdes)		2018	2017
Advances BRH – logement 5 Étoiles **(i)**	G	**1,114,985**	1,019,311
Forward contracts in US dollars (**ii**)		**934,296**	-
Advances BRH– PSUGO **(iii)**		**75,000**	124,900
	G	**2,124,281**	1,144,211

i) Under the terms of an agreement to promote Mortgage Loans signed between UNIBANK and the Central Bank of Haiti on December 11, 2014 for a period on 10 years, the Bank received two advances totaling G 139,937M and G 335,067M respectively in 2018 and 2017. Based on this agreement, the Central Bank is committed to advance funds to the bank at a fixed annual rate ranging from 1% to 3% payable semi-annually. The principal is repayable monthly over 10 years and 20 years for the two advances received in 2017, and over 10 years for the advances received up to September 30, 2016. The funds in gourdes used to extend credit to the bank's customers within this program are exempt from legal reserve requirements.

ii) On September 7, 2018, UNIBANK entered into a forward exchange contract with BRH for G 1,038,107M equivalent to US$ 15MM at an annual rate of 3.50%. The contract expires on March 7, 2019. As of September 30, 2018, the balance is G 934,296M (equivalent to US $ 13.5 million).

iii) On March 4, 2015, Banque de la République d'Haïti (BRH) extended a loan of G 250 million to UNIBANK. The loan is collaterized by the bonds of the Haitian Treasury **(note 7d ii).** The BRH loan bears terms identical to those of theTreasury bonds reimbursable over 60 months with interest rate of 6%.

(b) By agreement dated August 19, 2004, Micro Crédit National received from the Government of the Federal Republic of Germany, through the Government of the Republic of Haiti, a loan for € 1,765,930, equivalent to G 88,658M on the date of disbursement.

The loan denominated in local currency bears interest at a variable rate of 0.30% as of September 30, 2018 and 2017, and is reimbursable in 30 equal semi-annual installments beginning in May 2010. Semi-annual interest is paid beginning in May 2005.

(c) The short-term loans consist of funds borrowed from local banks on May 15, 2017 and July 17, 2017, bearings annual interest of 12% and 10.5%, which were reimbursed in January and May 2018.

(Continued)

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(17) NON-CURRENT LIABILITY HELD FOR SALE

Non-current liability held for sale consists of the foreign real estate segment classified as discontinued operations at September 30, 2017, based on a plan to dispose of the foreign real estate segment. This liability is described in **note 11.**

(18) OTHER LIABILITIES

As of September 30, other liabilities are as follows:

(In thousands of gourdes)		2018	2017
Contributions to employee defined contribution pension plan (**note 24**)	G	**2,522,975**	-
Cashier's checks		**912,867**	826,131
Unearned premiums – UniAssurances S.A.		**620,767**	298,661
Accrued expenses		**481,445**	478,133
Remittances payable		**335,001**	332,180
Restricted funds deposits		**309,137**	321,492
Bonus payable		**223,212**	218,155
Dividends payable		**195,538**	4,481,286
Transfers payable – Unitransfer International		**188,254**	69,059
Interest payable		**90,006**	117,696
Deferred income taxes **(a)**		**25,238**	4,396
Deferred revenue on Haitian Treasury bonds		**4,221**	9,653
Guarantee deposits on letters of credit		**242**	101,146
Others		**417,975**	233,998
	G	**6,326,878**	7,491,986

(a) Deferred income taxes are related to the following:

(In thousands of gourdes)		2018	2017
Revaluation of land	G	**4,396**	4,396
Fair value on equity investments (**note 7f**)		**20,842**	-
	G	**25,238**	4,396

(Continued)

(18) OTHER LIABILITIES (CONTINUED)

The deferred income taxes related to the share of income of non-consolidated affiliates have evolved as follows:

(In thousands of gourdes)		2018	2017
Balance at the beginning of the year	G	**(9,092)**	(9,959)
Deferred income taxes related to unconsolidated share of income **(note 22)**		**10,820**	17,201
Taxes paid on dividends received from LMH		**(23,333)**	(16,334)
Deferred tax asset **(note 14)**	G	**(21,605)**	(9,092)

Deferred income taxes asset from shares of income of subsidiaries are reflected as asset and will be deducted from deferred income taxes liability in future years.

(19) SUBORDINATED DEBT

At September 30, the subordinated debt is as follows:

(In thousands of gourdes)		2018	2017
Fondation Unibank **(note 27)**	G	**175,153**	156,913
Subordinated debt - others		**996,759**	892,956
	G	**1,171,912**	1,049,869

The subordinated debt is denominated in US dollars and is issued for a period of 10 years from 2016. The subordinated debt bears an average interest rate of 6%.

Unifinance S.A. acts as broker for the issuance of the subordinated debt and manages the debt service, and is paid by UNIBANK S.A. a fee of 0.25% of the amount issued.

(20) PAID-IN CAPITAL

As voted in an Extraordinary General Assembly on August 11, 2017 and effective on September 30, 2017, the authorized share capital of the Bank was increased to seven billion gourdes (G 7,000,000,000), representing 560,000 shares with a nominal value of G 12,500 each. The nominal value of each share was increased by G 6,250 by integration of the legal reserve and part of retained earnings as authorized by the Central Bank.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(20) PAID-IN CAPITAL (CONTINUED)

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

(In thousands of gourdes)		2018	2017
AUTHORIZED CAPITAL			
140,000 shares of **class A** with a par value of G 12,500 Each **class A** share has one voting right	G	**1,750,000**	1,750,000
420,000 shares of **class B** with a par value of G 12,500 Each **class B** share has five voting rights		**5,250,000**	5,250,000
	G	**7,000,000**	7,000,000
UNPAID CAPITAL			
10,599 shares of **class A**	G	**(132,488)**	(132,488)
31,797 shares of **class B**		**(397,462)**	(397,462)
	G	**(529,950)**	(529,950)
PAID-IN CAPITAL			
129,401 shares of **class A**	G	**1,617,512**	1,617,512
388,203 shares of **class B**		**4,852,538**	4,852,538
	G	**6,470,050**	6,470,050
TREASURY STOCK			
615 shares of **class A**	G	**(7,687)**	-
2,436 shares of **class B**		**(30,450)**	-
	G	**(38,137)**	-
SHARE CAPITAL, NET	G	**6,431,913**	6,470,050

As of September 30, 2018 and 2017, respectively, the paid-in capital includes 5,727 shares acquired by employees of the Bank. These shares bear voting rights in accordance with the by-laws of the Bank and their holders receive regularly declared dividends. According to a contract between the Bank and the employees, some restrictions on transfer of such shares shall apply for a period of five to ten years from the date of acquisition.

(Continued)

(21) SUBSIDIARIES AND NON-CONTROLLING INTEREST IN SUBSIDIAIRES

UNIBANK S.A. is the parent company of the Group. Its shareholdings in its subsidiaries grouped by sector of activities are as follows:

	2018	2017
BANKING ACTIVITIES AND SERVICES		
MICRO CRÉDIT NATIONAL S.A. (Micro-finance institution)	100%	100%
UNICARTE S.A. (Credit card company)	100%	100%
UNICRÉDIT S.A. (Consumer finance company)	100%	100%
UNIFINANCE S.A. (Merchant/investment banking services)	100%	100%
UNITRANSFER S.A. (HAITI) (Money remittance company)	100%	100%
UNITRANSFER INTERNATIONAL LTD (Money remittance company)	100%	100%
INSURANCE SERVICES		
UNIASSURANCES S.A. (Insurance company)	100%	100%
NON BANKING INVESTMENTS		
A- INVESTMENT COMPANIES		
GROUPE FINANCIER NATIONAL S.A. (Group management and non banking investments)	100%	100%
GFN INTERNATIONAL ASSETS LTD. (Non-real estate asset management company)	100%	100%
SOCIÉTÉ NATIONALE D'INVESTISSEMENT S.A. (SNI) (Investment company)	100%	100%
CAPITAL CONSULT S.A. (Consulting services)	100%	100%
SNI MINOTERIE L.P. (a) (Investment company) Holding through GFN S.A.	61.10%	61.10%
B- REAL ESTATE COMPANIES		
IMMOBILIER S.A. (IMSA) (Real Estate Promotion Company)	100%	100%
CENTRALE IMMOBILIÈRE S.A. (CISA) (Real estate management services)	100%	100%
GFN AMERICAN HOLDINGS LLC (Previoulsy **GFN Real Estate Ltd.** (Real Estate Company):	100%	100%
INTERNATIONAL SUNRISE PARTNERS LLC (Real Estate Company)	100%	100%
GFN REAL ESTATE LLC (Real Estate Company)	100%	100%
GFN RESTAURANT II LLC (Real Estate Company)	100%	100%
UNICOM USA, LLC	100%	100%
ARAGON HOLDINGS, INC.	100%	100%

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

(Continued)

(21) SUBSIDIARIES AND NON-CONTROLLING INTEREST IN SUBSIDIARIES (CONTINUED)

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

(In thousands of gourdes)		2018	2017
MICRO CRÉDIT NATIONAL S.A.			
Total assets	G	3,998,829	5,055,483
Total liabilities	G	1,225,404	2,311,303
Net income for the year	G	404,402	87,625
Net assets	G	2,773,425	2,744,180
UNICARTE S.A.			
Total assets	G	2,031,426	1,978,065
Total liabilities	G	876,398	743,634
Net income (loss) for the year	G	34,884	(74,693)
Net assets	G	1,155,028	1,234,431
UNICRÉDIT S.A.			
Total assets	G	213,772	190,601
Total liabilities	G	7,122	307
Net income (loss) for the year	G	16,356	(3,720)
Net assets	G	206,650	190,294
UNIFINANCE S.A.			
Total assets	G	859,865	979,239
Total liabilities	G	35,733	12,620
Net income for the year	G	80,402	19,923
Net assets	G	824,132	966,619
UNITRANSFER S.A. (HAITI)			
Total assets	G	1,276,217	1,223,653
Total liabilities	G	525,934	429,486
Net income for the year	G	144,282	38,004
Net assets	G	750,283	794,167
UNITRANSFER INTERNATIONAL LTD.			
Total assets	G	948,332	742,599
Total liabilities	G	247,105	130,231
Net income for the year	G	19,479	28,865
Net assets	G	701,227	612,368
UNIASSURANCES S.A.			
Total assets	G	1,467,751	1,221,363
Total liabilities	G	782,843	450,611
Net income for the year	G	99,180	70,252
Net assets	G	684,908	770,752

(Continued)

(21) SUBSIDIARIES AND NON-CONTROLLING INTEREST IN SUBSIDIARIES (CONTINUED)

(In thousands of gourdes)		2018	2017
GROUPE FINANCIER NATIONAL S.A.			
Total assets	G	3,168,779	9,041,658
Total liabilities	G	32,108	4,083,225
Net income for the year	G	66,678	8,861,393
Net assets	G	3,136,671	4,958,433
GFN INTERNATIONAL ASSETS LTD.			
Total assets	G	62,401	4,019,942
Total liabilities	G	23,000	2,049,365
Net (loss) income for the year	G	(2,303)	8,536,341
Net assets	G	39,401	1,970,577
SOCIÉTÉ NATIONALE D'INVESTISSEMENT S.A.			
Total assets	G	2,557,040	30,616
Total liabilities	G	2,523,937	-
Net income (loss) for the year	G	2,487	(537)
Net assets	G	33,103	30,616
CAPITAL CONSULT S.A.			
Total assets	G	41,865	40,624
Total liabilities	G	1,107	630
Net income (loss) for the year	G	764	(3,316)
Net assets	G	40,758	39,994
SNI MINOTERIE L.P.			
Total assets	G	684,581	688,906
Total liabilities	G	15,329	12,062
Net income for the year	G	93,584	135,374
Net assets	G	669,252	676,844
IMMOBILIER S.A. (IMSA)			
Total assets	G	164,127	159,350
Total liabilities	G	6,785	12,904
Net income for the year	G	10,896	17,153
Net assets	G	157,342	146,446

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(21) SUBSIDIARIES AND NON-CONTROLLING INTEREST IN SUBSIDIARIES (CONTINUED)

(In thousands of gourdes)		2018	2017
CENTRALE IMMOBILIÈRE S.A.			
Total assets	G	182,207	167,347
Total liabilities	G	9,211	6,355
Net income (loss) for the year	G	12,004	(3,441)
Net assets	G	172,996	160,992
GFN AMERICAN HOLDINGS LLC			
Consolidating GFN Real Estate LLC International Sunrise Partners LLC, GFN Restaurant II LLC, Unicom USA, LLC and Aragon Holdings, Inc.			
Total assets	G	1,060,035	892,673
Total liabilities	G	93,160	42,484
Net loss for the year	G	(3,492)	(509,346)
Net assets	G	966,875	850,189

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

(In thousands of gourdes)		2018	2017
SNI MINOTERIE L.P.			
Minority interest of 38.90% in 2018 and 2017			
Initial cost of investment	G	28,900	28,900
Decrease in holding at par value		(5,119)	(5,119)
		23,781	23,781
Dividends		(40,525)	(44,115)
Share of results and reserves		277,934	284,477
	G	261,190	264,143

(Continued)

(22) 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 calculated using the statutory rates as follows:

(In thousands of gourdes)		2018	2017
Continuing operations			
Income before income taxes	G	2,215,624	892,041
Share of net income not taxable locally:			
Unitransfer International		(17,930)	(38,011)
GFN Real Estate Ltd.		7,716	1,323
Non-controlling interest - SNI Minoterie		(36,404)	(52,660)
		(46,618)	(89,348)
		2,169,006	802,693
Undistributed share of income of the following affiliates taxed upon distribution:			
SNI Minoterie - 61.10%		(57,180)	(82,713)
Corail S.A. 15.80% **(note 8)**		3,081	(3,290)
		(54,099)	(86,003)
Income before income taxes, taxable locally	G	2,114,907	716,690
Income taxes based on statutory rates (30%)	G	634,472	215,007
Effect of items not included in taxable income:			
Deferred income taxes on the undistributed share of Income at the rate of 20% on dividends **(note 18 a)**		10,820	17,201
Transfer to legal reserve – continuing operations		(91,720)	(554,748)
Amortization - goodwill		(1,847)	-
Difference between the impairment loss and the amount allowed for tax purposes		(78,524)	(115,383)
Income taxes – GFN American Holdings LLC and Unitransfer USA		(1,549)	9,146
CFGDCT		242	-
Income taxes (tax credit) – continued operations	G	471,894	(428,777)

Income taxes on the undistributed share of income of affiliates presented on the consolidated basis are deferred, and the dividends are taxed when received.

(Continued)

(22) INCOME TAXES (CONTINUED)

(In thousands of gourdes)		2018	2017
Discontinued operations			
Gain on disposal of discontinued operations	G	-	9,227,431
Income taxes based on statutory rates – 15%		-	1,384,115
Other taxes		-	2,768
Income on discontinued operations	G	-	1,386,883
Total income tax expense	G	-	958,106

Income tax expense is comprised of the following:

(In thousands of gourdes)		2018	2017
Current income taxes (tax credit)	G	**461,074**	(445,978)
Income taxes on discontinued operations		-	1,386,883
Deferred income taxes **(note 18a)**		**10,820**	17,201
		471,894	958,106

Deferred income taxes are established as follows:

(In thousands of gourdes)		2018	2017
Deferred income taxes on undistributed share of net income at a rate of 20% on dividends	G	**10,820**	17,201

(23) NET INCOME FROM DISCONTINUED OPERATIONS

Net income attributable to discontinued operations is composed as follows:

(In thousands of gourdes)		2018	2017
Foreign real estate segment **(a)**	G	**4,224**	(509,346)
DINASA **(b)**		-	11,046,903
		4,224	10,537,557
Income taxes **(b)**		-	(1,884,223)
Net income from discontinued operations	G	**4,224**	8,653,334

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(23) NET INCOME FROM DISCONTINUED OPERATIONS

(a) The net income (loss) from discontinued operation (foreign real estate segment) consists of the following:

(In thousands of gourdes)		2018	2017
Income from real estate operations	G	**20,613**	19,340
Impairment on investment properties (note 11 a)		**-**	(506,922)
Other operating expenses		**(16,389)**	(21,764)
Net Income (loss), from discontinued operations/non-current asset held for sale	G	**4,224**	(509,346)

(b) The net income attributable to the discontinued operation (DINASA) as of April 30, 2017 consists of the following:

(In thousands of gourdes)		2018	2017
Income before income taxes of DINASA during the year	G	-	1,819,472
Capital gain		-	9,227,431
		-	11,046,903
Income taxes – DINASA		-	(497,340)
Income taxes on capital gain		-	(1,386,883)
		-	(1,884,223)
Net income from discontinued operations for the year **(note 11)**		-	9,162,680
Total net income from discontinued operations	G	**4,224**	8,653,334

(24) RETIREMENT SAVINGS FOR EMPLOYEES

In addition to legal contributions to the mandatory Government Retirement Plan (ONA), the Bank and its subsidiaries contribute to the employees' retirement fund based on a variable contribution rate according to internal guidelines. The employees' retirement fund is a defined contribution pension plan.

This liability is supported by a term deposit in 2018 and a savings deposit in US dollars bearing interest at the rate of 5.0% in 2017. The Group's contributions to this savings account for 2018 and 2017 amount to G 69,136M and G 46,724M, respectively. In 2018, a subsidiary of the Group manages this fund (**note 18**) which is reflected as a liability and invested in a term deposit at UNIBANK at the rate of 5%. Intercompany transactions with respect to the term deposit account are eliminated.

(25) SALARIES AND OTHER EMPLOYEE BENEFITS

Salaries and other employee benefits are as follows:

(In thousand of gourdes)		2018	2017
Salaries	G	**1,616,214**	1,509,307
Employee benefits		**514,051**	580,911
Other employee expenses		**329,638**	332,726
	G	**2,459,903**	2,422,944

(26) INSURANCE UNDERWRITING INCOME, NET OF CLAIMS

Net insurance premiums, net of claims, are derived from the operations of Uniassurances S.A.

As of September 30, net insurance premiums are as follows:

(In thousands of gourdes)		2018	2017
Insurance premiums collected	G	**526,029**	591,170
Other fees		**6,907**	4,427
Net brokerage fees		**(21,216)**	(17,108)
Reinsurance costs		**(99,894)**	(78,131)
Insurance premiums ceded to reinsurers		**(68,633)**	(122,133)
Insurance claims		**(168,979)**	(128,548)
	G	**174,214**	249,677

(27) TRANSACTIONS WITH RELATED PARTIES

In addition to the Foundation UNIBANK, an unconsolidated non-profit affiliate, the main companies related to UNIBANK S.A. and its consolidated subsidiaries to are:

- Les Moulins d'Haïti S.E.M. and Haïti Agro Processors Holding of which GFN S.A. through UNIFINANCE S.A. and SNI Minoterie L.P., owns 23.3% of the capital.

- Corail S.A. of which GFN S.A. owns 15.8% of the capital.

- Related party companies of Board members.

(Continued)

(27) TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

As of September 30

(In thousands of gourdes)		2018	2017
ASSETS			
Investments in affiliated companies **(note 8)**	G	**658,986**	680,115
Loans		**81,730**	105,029
Accounts receivable – related parties **(note 14)**		**9,414**	86,864
		750,130	872,008
LIABILITIES			
Deposits		**294,933**	491,276
Subordinated debt **(note 19)**		**175,153**	156,913
	G	**470,086**	648,189

During the years

(In thousands of gourdes)		2018	2017
INCOME			
Interest income	G	**19,186**	42,818
Other income		**6,089**	6,104
	G	**25,275**	48,922

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 of the Bank and its affiliates, and to members of the Board of Directors and their related parties are disclosed in **note 9.**

Deposits and debt of members of the Board of Directors and their related parties are reflected in **notes 15, 16 and 19**.

Expenses incurred with related parties are as follows:

(In thousands of gourdes)		2018	2017
Rent	G	**4,860**	2,907
Other services	G	**92,282**	86,925

(28) 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 consolidated financial statements, the Bank and its subsidiaries have 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)
2019	G	222,954
2020		198,484
2021		192,173
2022		154,229
2023		101,525

b) As of September 30, commitments are as follows:

(In thousands of gourdes)		2018	2017
Available credit of authorized advances in current accounts **(i)**	G	**1,896,702**	2,078,183
Standby letter of credit		**1,037,166**	640,378
Letters of guarantee		**912,243**	1,335,364
Available limits on credit cards **(ii)**		**2,312,839**	1,372,034
	G	**6,158,950**	5,425,959

(i) Authorized advances in current accounts can unconditionally be cancelled at any time by the Bank and do not carry commitment fees. They are contracted for a maximum of one year and will expire or be terminated without being utilized.

(ii) Available limits on credit cards can be unconditionally cancelled at any time by the Bank.

(29) LITIGATION

As of September 30, 2018, in the normal course of business, the Bank is engaged in litigation procedures initiated by or against it. To date, as per legal counsels' opinion, there is no exceptional situation and no judicial outcome which could have a significant adverse effect on the Group's consolidated financial statements and/or the Group's results of operations.

SCHEDULE I

UNIBANK S.A.
Consolidated Balance Sheets
September 30, 2018 and 2017
(Expressed in US Dollars)

		2018	2017
ASSETS			
CASH AND DUE FROM BANKS	$	**655,256,376**	640,015,436
TERM DEPOSITS WITH BANKS		**27,142,413**	51,612,692
SECURITIES			
Available for sale		**230,960,916**	332,225,188
Held to maturity		**25,028,298**	20,653,781
Other securities		**1,595,625**	641,729
		257,584,839	353,520,698
INVESTMENTS IN AFFILIATED COMPANIES		**9,417,125**	10,848,854
LOANS		**492,342,128**	470,891,761
Provision for loan losses		**(5,394,198)**	(4,566,952)
		486,947,930	466,324,809
FIXED ASSETS, NET			
Fixed assets, at cost		**76,518,609**	77,836,131
Accumulated depreciation		**(39,769,728)**	(39,717,524)
		36,748,881	38,118,607
DISCONTINUED OPERATIONS/NON-CURRENT ASSET HELD FOR SALE		**14,193,389**	14,209,409
OTHER			
Acceptances and letters of credit		**4,357,533**	8,679,699
Properties held for sale		**2,936,004**	3,694,063
Goodwill and other intangible assets		**2,901,514**	2,975,537
Other assets		**54,277,532**	54,738,466
		64,472,583	70,087,765
	$	**1,551,763,536**	1,644,738,270
LIABILITIES AND SHAREHOLDERS' EQUITY			
DEPOSITS		**1,255,663,318**	1,268,782,567
BORROWED FUNDS		**30,907,723**	38,103,038
NON-CURRENT LIABILITIES HELD FOR SALE		**581,223**	662,469
OTHER			
Commitments – acceptances and letters of credit		**4,357,533**	8,679,699
Other liabilities		**90,413,194**	119,508,447
		94,770,727	128,188,146
SUBORDINATED DEBT		**16,747,000**	16,747,000
TOTAL LIABILITIES		**1,398,669,991**	1,452,483,220
SHAREHOLDERS' EQUITY			
Paid-in capital, net		**91,914,139**	103,207,051
Retained earnings		**38,200,739**	73,070,865
Other reserves		**19,246,176**	11,763,656
Shareholders' equity of UNIBANK S.A.		**149,361,054**	188,041,572
Non-controlling interests		**3,732,491**	4,213,478
		153,093,545	192,255,050
	$	**1,551,763,536**	1,644,738,270

UNIBANK S.A.
Consolidated Statements of Income
Years ended September 30, 2018 and 2017
(Expressed in US Dollars)

Continuing operations		**2018**	**2017**
INTEREST INCOME			
Loans	$	**61,410,629**	57,181,860
Bonds, investments and term deposits		**7,682,962**	4,667,675
		69,093,591	61,849,535
INTEREST EXPENSE			
Deposits		**8,646,628**	11,382,058
Borrowed funds, term bonds and others		**2,678,903**	4,004,790
		11,325,531	15,386,848
NET INTEREST INCOME		**57,768,060**	46,462,687
Impairment charge for credit loss		**(3,806,821)**	(496,708)
		53,961,239	45,965,979
OTHER INCOME (EXPENSES)			
Commissions		**33,295,148**	34,083,332
Insurance revenues, net of claims		**2,651,064**	3,810,692
Foreign exchange gain		**26,140,860**	2,973,240
Share of net income of non consolidated affiliates, net of income taxes		**1,453,826**	2,231,800
Income from real estate activities		**51,327**	1,462,109
Dividends and other investment income		**765,126**	1,155,826
Underwriting commissions and other advisory fees		**227,517**	637,841
Unrealized loss on securities		**(5,638,095)**	(1,562,066)
Other		**589,036**	311,365
		59,535,809	45,104,139
NET INTEREST INCOME AND OTHER INCOME		**113,497,048**	91,070,118
OPERATING EXPENSES			
Salaries and other employee benefits		**37,432,957**	36,980,110
Premises and equipments		**12,062,161**	11,317,472
Depreciation and amortization		**7,118,025**	6,136,241
Other operating expenses		**23,168,193**	23,021,553
		79,781,336	77,455,376
INCOME BEFORE INCOME TAXES – CONTINUING OPERATIONS		**33,715,712**	13,614,742
(Tax credit) income taxes - continuing operations			
Current income tax (tax credit)		**7,016,284**	(6,806,731)
Deferred income taxes		**164,647**	262,526
		7,180,931	(6,544,205)
NET INCOME FOR THE YEAR FROM CONTINUING OPERATIONS		**26,534,781**	20,158,947
Discontinued operations			
Income before income taxes from discontinued operations and asset held for sale		**64,273**	160,829,136
Income taxes – discontinued operations		**- .**	(28,757,893)
		64,273	132,071,243
NET INCOME FROM DISCONTINUED OPERATIONS AND ASSET HELD FOR SALE		**64,273**	132,071,243
NET INCOME FOR THE YEAR			
Net income attributable to shareholders of UNIBANK S.A.		**26,045,084**	151,426,462
Net income attributable to non-controlling interest		**553,970**	803,727
NET INCOME FOR THE YEAR	$	**26,599,054**	152,230,189
Total net income per equivalent share of paid-in capital attributable to shareholders of UNIBANK S.A.	$	**50.38**	292.61
Net income per equivalent share of paid-in capital from continuing operations	$	**51.32**	38.95

UNIBANK S.A.
Consolidated Statements of Comprehensive Income
Years ended September 30, 2018 and 2017
(Expressed in US Dollars)

Continuing operations		2018	2017
NET INCOME FOR THE YEAR FROM CONTINUING OPERATIONS	$	**26,534,781**	20,158,947
Component of comprehensive income:			
Foreign currency translation effect of foreign subsidiaries		**3,817,655**	7,348,326
COMPREHENSIVE INCOME FOR THE YEAR		**30,352,436**	27,507,273
Total comprehensive income attributable to shareholders of UNIBANK S.A.		**29,780,698**	26,702,501
Total comprehensive income attributable to non-controlling interest		**571,738**	804,772
COMPREHENSIVE INCOME FOR THE YEAR		**30,352,436**	27,507,273
Comprehensive income per share of paid-in capital		**58.71**	53.15
Discontinued operations			
Net income and comprehensive income for the year		**64,273**	132,071,243
Comprehensive income per equivalent share of paid-in capital		**0.12**	255.21
Total comprehensive income	$	**30,416,709**	159,578,516

SCHEDULE IV

UNIBANK S.A.
Consolidated Statement of Changes in Shareholders' Equity
Year ended September 30, 2017
(Expressed in US Dollars)

						Other reserves							
		Paid-in capital	Treasury shares	Paid-in capital, net	Retained earnings	Legal reserve	General reserve for loan losses	Revaluation reserve-land	Valuation reserve properties held for sale	Translation adjustment	Total reserves	Non controlling interest	Total
Balance as of September 30, 2016	**$US**	**49,438,255**	**(81,062)**	**49,357,193**	**88,562,666**	**19,932,021**	**4,674,397**	**380,113**	**549,737**	**11,910,507**	**37,446,775**	**3,899,030**	**179,265,664**
Net income for the year		-	-	-	151,426,462	-	-	-	-	-	-	803,727	**152,230,189**
Components of comprehensive income:													
Foreign currency translation effect on subsidiaries		-	-	-	-	-	-	-	-	7,347,282	7,347,282	1,044	**7,348,326**
Total		-	-	-	**151,426,462**	-	-	-	-	**7,347,282**	**7,347,282**	**804,771**	**159,578,515**
Transfers to retained earnings													
Transfer to legal reserve		-	-	-	(28,222,733)	28,222,733	-	-	-	-	28,222,733	-	-
Transfer to general reserve for loan losses		-	-	-	(878,842)	-	878,842	-	-	-	878,842	-	-
Transfer to valuation reserve for properties held for sale		-	-	-	(204,764)	-	-	-	204,764	-	204,764	-	-
Transactions with shareholders:													
Dividends		-	-	-	(139,558,477)	-	-	-	-	-	-	(1,410,829)	**(140,969,306)**
Repurchases of shares		-	(33,394)	(33,394)	(179,545)	-	-	-	-	-	-	-	**(212,939)**
Sales of shares		76,312	-	76,312	115,048	-	-	-	-	-	-	-	**191,360**
Transfer from legal reserve to paid-in capital		48,159,805	-	48,159,805	-	(48,159,805)	-	-	-	-	(48,159,805)	-	-
Transfer from treasury shares to paid-in capital		(114,469)	114,469	-	-	-	-	-	-	-	-	-	-
Transfer from retained earnings to paid-in capital		1,176,507	-	1,176,507	(1,176,507)	-	-	-	-	-	-	-	-
Translation adjustment		4,470,641	(13)	4,470,628	3,187,557	5,051	251,944	17,262	34,208	(14,485,400)	(14,176,935)	920,506	**(5,598,244)**
Balance as of September 30, 2017	**$US**	**103,207,051**	-	**103,207,051**	**73,070,865**	-	**5,805,183**	**397,375**	**788,709**	**4,772,389**	**11,763,656**	**4,213,478**	**192,255,050**

SCHEDULE V

UNIBANK S.A.
Consolidated Statement of Changes in Shareholders' Equity
Year ended September 30, 2018
(Expressed in US Dollars)

						Other reserves							
		Paid-in capital	Treasury shares	Paid-in capital, net	Retained earnings	Legal reserve	General reserve for loan losses	Revaluation reserve-land	Valuation reserve properties held for sale	Translation adjustment	Total reserves	Non controlling interest	Total
Balance as of September 30, 2017	**$US**	**103,207,051**	-	**103,207,051**	**73,070,865**	-	**5,805,183**	**397,375**	**788,709**	**4,772,389**	**11,763,656**	**4,213,478**	**192,255,050**
Fair value adjustment-equity instruments		-	-	-	740,044	-	-	-	-	-	-	-	**740,044**
Balance as of September 30, 2017, adjusted		**103,207,051**	-	**103,207,051**	**73,810,909**	-	**5,805,183**	**397,375**	**788,709**	**4,772,389**	**11,763,656**	**4,213,478**	**192,995,094**
Net income for the year		-	-	-	26,045,084	-	-	-	-	-	-	553,970	**26,599,054**
Components of comprehensive income:													
Foreign currency translation effect on subsidiaries		-	-	-	-	-	-	-	-	3,799,886	3,799,886	17,769	**3,817,655**
Total		-	-	-	**26,045,084**	-	-	-	-	**3,799,886**	**3,799,886**	**571,739**	**30,416,709**
Transfers to retained earnings													
Transfer to legal reserve		-	-	-	(4,652,412)	4,652,412	-	-	-	-	4,652,412	-	-
Transfer to general reserve for loan losses		-	-	-	(565,071)	-	565,071	-	-	-	565,071	-	-
Transfer to valuation reserve for properties held for sale		-	-	-	(255,015)	-	-	-	255,015	-	255,015	-	-
Transactions with shareholders:													
Dividends		-	-	-	(49,333,150)	-	-	-	-	-	-	(616,674)	**(49,949,824)**
Repurchases of shares		-	(580,348)	(580,348)	(1,008,271)	-	-	-	-	-	-	-	**(1,588,619)**
Translation adjustment		(10,747,915)	35,351	(10,712,564)	(5,841,335)	(283,391)	(638,968)	(41,383)	(97,668)	(728,454)	(1,789,864)	(436,052)	**(18,779,815)**
Balance as of September 30, 2018	**$US**	**92,459,136**	(544,997)	**91,914,139**	**38,200,739**	4,369,021	**5,731,286**	**355,992**	**946,056**	**7,843,821**	**19,246,176**	**3,732,491**	**153,093,545**