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UNIBANK S.A.

Consolidated Financial Statements

September 30, 2016

(With Independent Auditors' Report Thereon)

Independent Auditors' Report

The Board of Directors
UNIBANK S.A.:

We have audited the consolidated financial statements of UNIBANK S.A. and its subsidiaries which comprise the consolidated balance sheet as of September 30, 2016, the consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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



The Board of Directors

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of UNIBANK S.A. and its subsidiaries as of September 30, 2016, and the consolidated results of their operations and their consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards.

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

Mercator-Pierre. Cabinet d'Experts - Comptables

Port-au-Prince, February 17, 2017

UNIBANK S.A.
Consolidated Balance Sheets
September 30, 2016 and 2015
(Expressed in thousands of Haitian Gourdes)

	Notes	2016	2015
ASSETS			
CASH AND DUE FROM BANKS	5 G	30,574,406	29,371,454
TERM DEPOSITS WITH BANKS	6	688,289	778,302
SECURITIES	7		
Available for sale		11,530,043	8,269,950
Held to maturity		684,483	853,319
Other securities		<u>38,230</u>	<u>38,230</u>
		12,252,756	9,161,499
INVESTMENTS IN AFFILIATED COMPANIES			
Affiliated companies	8	615,553	609,559
LOANS			
Provision for loan losses		<u>25,767,503</u>	22,766,095
		<u>(318,413)</u>	<u>(284,974)</u>
		25,449,090	22,481,121
FIXED ASSETS, NET			
Fixed assets, at cost	10	3,998,147	3,438,552
Accumulated depreciation		<u>(2,102,325)</u>	<u>(1,842,778)</u>
		1,895,822	1,595,774
ASSET HELD FOR SALE	11	11,772,902	2,414,729
OTHER			
Investment properties	12	1,259,060	1,012,834
Acceptances and letters of credit		336,686	153,667
Properties held for sale	13	250,993	180,140
Goodwill and other intangible assets	14	94,711	72,422
Other assets	15	<u>1,684,056</u>	<u>1,372,732</u>
		3,625,506	2,791,795
	G	86,874,324	69,204,233
LIABILITIES AND SHAREHOLDERS' EQUITY			
DEPOSITS	16	64,475,993	53,567,711
BORROWED FUNDS	17	3,935,411	5,006,129
LIABILITIES HELD FOR SALE	19	1,852,805	-
OTHER			
Commitments – acceptances and letters of credit		336,686	153,667
Other liabilities	18	<u>3,553,216</u>	<u>3,477,756</u>
		3,889,902	3,631,423
SUBORDINATED DEBT	19	971,714	130,482
TOTAL LIABILITIES		75,125,825	62,335,745
SHAREHOLDERS' EQUITY			
Paid in capital, net	20	3,234,713	3,240,025
Retained earnings		5,804,114	2,716,380
Other reserves		<u>2,454,142</u>	<u>674,940</u>
Shareholders' equity of UNIBANK S.A.		11,492,969	6,631,345
Non-controlling interests	21	<u>255,530</u>	<u>237,143</u>
		11,748,499	6,868,488
	G	86,874,324	69,204,233

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, 2016 and 2015****(Expressed in thousands of Haitian Gourdes, with the exception of net income per share)**

Continuing operations	Notes	2016	2015
INTEREST INCOME	G	3,553,509	2,979,003
Loans		<u>133,771</u>	<u>107,557</u>
Haitian Treasury bonds, investments and term deposits		3,687,280	3,086,560
INTEREST EXPENSE			
Deposits		718,492	285,424
Borrowed funds, term bonds and other		<u>200,857</u>	<u>79,092</u>
		919,349	364,516
NET INTEREST INCOME		2,767,931	2,722,044
Impairment charge for credit loss	9	<u>(65,572)</u>	<u>(207,640)</u>
		2,702,359	2,514,404
OTHER INCOME (EXPENSES)			
Commissions		1,935,655	1,630,508
Foreign exchange gain		688,218	1,111,286
Share of net income of non consolidated affiliates, net of income taxes	8	271,054	119,425
Dividends and other investments income		116,768	56,311
Insurance revenues, net of claims	26	119,450	62,501
Income from real estate activities		28,628	44,347
Underwriting commissions and other advisory fees		13,519	12,993
Unrealized gain (loss) on securities	7	19,191	(30,058)
Other		<u>36,133</u>	<u>15,633</u>
		3,228,616	3,022,946
NET INTEREST INCOME AND OTHER INCOME		5,930,975	5,537,350
OPERATING EXPENSES			
Salaries and other employee benefits	25	2,023,430	1,599,414
Premises and equipments		606,992	537,097
Depreciation	10,14	318,615	272,080
Other operating expenses		<u>1,420,377</u>	<u>981,204</u>
		4,369,414	3,389,795
INCOME BEFORE INCOME TAXES – CONTINUING OPERATIONS			
		1,561,561	2,147,555
Income taxes – continuing operations	22		
Current		126,818	482,493
Deferred		<u>32,743</u>	<u>14,430</u>
		159,561	496,923
Net income for the year from continuing operations		1,402,000	1,650,632
Discontinued operations			
INCOME BEFORE INCOME TAXES FROM DISCONTINUED OPERATIONS	23	5,408,945	287,393
Income taxes – discontinued operations	23	1,288,751	57,479
Net income for the year- from discontinued operations	23	4,120,194	229,914
NET INCOME FOR THE YEAR			
Net income attributable to shareholders of UNIBANK S.A.		5,420,360	1,835,926
Net income attributable to non controlling interest		<u>101,834</u>	<u>44,620</u>
Net income for the year	G	5,522,194	1,880,546
Total net income per equivalent share of capital paid to shareholders of UNIBANK	G	10,468	3,541
Net income per equivalent share of paid-in capital from continuing operations	G	2,511	3,098

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, 2016 and 2015
 (Expressed in thousands of Haitian Gourdes, except
 for comprehensive income per equivalent share)

Continuing operations	2016	2015
NET INCOME FOR THE YEAR FROM CONTINUING OPERATIONS	G 1,402,000	1,650,632
<i>Component of comprehensive income:</i>		
Foreign currency translation effect of foreign subsidiaries	411,319	208,092
COMPREHENSIVE INCOME FOR THE YEAR	1,813,319	1,858,724
Total comprehensive income attributable to shareholders of UNIBANK S.A	1,709,059	1,813,443
Total comprehensive income attributable to non controlling interests	104,260	45,281
COMPREHENSIVE INCOME FOR THE YEAR	1,813,319	1,858,724
Comprehensive income per share of paid-in capital	3,502	3,585
Discontinued operations		
Net income and comprehensive income for the year	4,120,194	229,914
Comprehensive income per equivalent share of paid-in capital	7,957	444
Total comprehensive income	G 5,933,513	2,088,638

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, 2015
Expressed in Haitian Gourdes

		Paid-in capital	Treasury shares	Paid-in surplus	Retained earnings	Other reserves						Non-controlling interest	Total
						Legal reserve	General reserve for loan losses	Revaluation reserve-land	Valuation reserve properties held for sale	Translation adjustment	Total reserves		
Balance as of September 30, 2014	G	2,093,492	(788)	31,734	2,287,721	693,944	285,799	24,911	-	164,253	1,168,907	211,132	5,792,198
Net income for the year		-	-	-	1,835,926	-	-	-	-	-	-	44,620	1,880,546
<i>Components of comprehensive income:</i>													
Foreign currency translation effect for foreign subsidiaries		-	-	-	-	-	-	-	-	207,431	207,431	661	208,092
Total		-	-	-	1,835,926	-	-	-	-	207,431	207,431	45,281	2,088,638
<i>Transfer from retained earnings</i>													
Transfer to legal reserve		-	-	-	(334,197)	334,197	-	-	-	-	334,197	-	-
Transfer to general reserve for loan losses		-	-	-	7,454	-	(7,454)	-	-	-	(7,454)	-	-
<i>Transactions with shareholders:</i>													
Transfer from general reserve to paid- in capital		1,028,141	-	-	-	(1,028,141)	-	-	-	-	(1,028,141)	-	-
Transfer from retained earnings to capital		127,136			(127,136)	-	-	-	-	-	-	-	-
Transfer from paid-in surplus and treasury shares to capital		(11,245)	21,476	(10,231)	-	-	-	-	-	-	-	-	-
Dividends		-	-	-	(953,388)	-	-	-	-	-	-	(19,270)	(972,658)
Repurchase of shares		-	(20,688)	(25,664)	-	-	-	-	-	-	-	-	(46,352)
Sale of shares		2,501	-	4,161	-	-	-	-	-	-	-	-	6,662
Balance as of September 30, 2015	G	3,240,025	-	-	2,716,380	-	278,345	24,911	-	371,684	674,940	237,143	6,868,488

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, 2016
Expressed in Haitian Gourdes

		Paid-in capital	Treasury shares	Paid-in capital net	Retained earnings	Other reserves						Non-controlling interest	Total
						Legal reserve	General reserve for loan losses	Revaluation reserve-land	Valuation reserve properties held for sale	Translation adjustment	Total reserves		
Balance as of September 30, 2015	G	3,240,025	-	3,240,025	2,716,380	-	278,345	24,911	-	371,684	674,940	237,143	6,868,488
Net income for the year		-	-	-	5,420,361	-	-	-	-	-	-	101,834	5,522,195
<i>Components of comprehensive income:</i>													
Foreign currency translation effect for foreign subsidiaries		-	-	-	-	-	-	-	-	408,893	408,893	2,426	411,319
Total		-	-	-	5,420,361	-	-	-	-	408,893	408,893	104,260	5,933,514
<i>Transfer from retained earning</i>													
Transfer to legal reserve		-	-	-	(1,306,281)	1,306,281	-	-	-	-	1,306,281	-	-
Transfer to general reserve for loan losses		-	-	-	(28,000)	-	28,000	-	-	-	28,000	-	-
Transfer to reserve for properties held for sale		-	-	-	(36,028)	-	-	-	36,028	-	36,028	-	-
<i>Transactions with shareholders:</i>													
Dividends		-	-	-	(946,066)	-	-	-	-	-	-	(85,873)	(1,031,939)
Repurchase of shares		-	(5,312)	(5,312)	(16,252)	-	-	-	-	-	-	-	(21,564)
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

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, 2016 and 2015
(Expressed in thousands of Haitian Gourdes)

	Notes	2016	2015
OPERATING ACTIVITIES			
Net income of the year	G	5,522,194	1,880,546
<i>Adjustments to determine net cash flows provided by operating activities:</i>			
Share of net income of non consolidated affiliates	8	(271,054)	(119,425)
Depreciation of fixed assets	10	285,645	252,691
Depreciation of other intangible assets	14	32,970	19,389
Impairment charge for credit loss	9	65,572	207,640
Gain on disposal of fixed assets		(2,944)	(5,308)
Remeasurement gain - asset held for sale	23	(2,799,441)	-
Gain on disposal of investment properties	12	(12,288)	(20,297)
Gain on disposal of properties held for sale	13	-	(178)
Effect of revaluation of impairment provision in US dollars	9	75,596	23,200
<i>Changes in other assets and liabilities resulting from operating activities</i>			
Net decrease in deposits		10,908,282	7,994,813
(Disbursement) receipts of loans, net		(3,109,137)	1,093,903
Increase in investment securities		(3,091,257)	(3,680,219)
Decrease in term deposits with banks		90,013	53,652
Income taxes paid		(522,779)	(318,071)
Changes in other assets and liabilities		(71,277)	341,906
Net cash flows provided by operating activities		7,100,095	7,724,242
INVESTING ACTIVITIES			
Increase in non-current assets held for resale, net of non-current liabilities held for resale		(4,705,927)	(57,395)
Acquisitions of fixed assets	10	(601,658)	(422,122)
Acquisitions of other intangible assets	14b	(45,050)	(19,795)
Proceeds from disposal of fixed assets		20,003	43,615
Net translation adjustment – fixed assets	10	(1,094)	(436)
Net translation adjustment – other intangible assets	14b	(2,204)	143
Translation adjustment		408,893	207,431
Translation adjustment attributable to minority interest		2,426	661
Dividends received from affiliated companies		200,164	294,170
Increase (decrease) in investments – in affiliated companies		64,896	(235,672)
Net cash flows provided by operating activities		(4,659,551)	(189,400)
FINANCING ACTIVITIES			
Cash dividends – shareholders of UNIBANK S.A.		(900,669)	(920,488)
Cash dividends - non controlling interest	21	(85,873)	(19,270)
(Decrease) increase in borrowed funds		(1,070,718)	2,428,155
Increase in subordinated liabilities		841,232	30,482
Sales of shares		-	6,662
Repurchases of shares		(21,564)	(46,352)
Net cash flows (used in) provided by investing activities		(1,237,592)	1,479,189
Net variation in cash and cash equivalents		1,202,952	9,014,031
Cash and cash equivalents at beginning of year		24,473,085	18,316,657
Effect of exchange rate fluctuation		4,898,369	2,040,766
Cash and cash equivalents at end of year	5 G	30,574,406	29,371,454

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 391 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).

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UNIBANK S.A.
Notes to Consolidated Financial Statements

1) ORGANIZATION (CONTINUED)

b) 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; and number 62 of April 1, 2016).

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.

c) 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 relative to 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 the Unité Centrale de Renseignements Financiers (Central Unit for Financial Intelligence - UCREF), pursuant to the laws of November 11, 2013 punishing 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 (*Le Moniteur* no. Spécial 15 of October 13, 2016), and of February 21, 2001 relative to 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) ».

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:

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UNIBANK S.A.
Notes to Consolidated Financial Statements

1) ORGANIZATION (CONTINUED)

c) Supervision and Regulation (continued)

- 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.

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UNIBANK S.A.
Notes to Consolidated Financial Statements

1) ORGANIZATION (CONTINUED)

d) Scope of Consolidation

Subsidiaries of UNIBANK S.A. consolidated in these financial statements are presented in **note 19**. The principles of consolidation are commented in **notes 2b and 3d**.

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.

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 February 15, 2017.

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.

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UNIBANK S.A.
Notes to Consolidated Financial Statements

2) BASIS FOR FINANCIAL STATEMENT PREPARATION (CONTINUED)

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), and investment properties (note 12), which are presented at fair value and the long-term corporate investment which are presented on equity basis.

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

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 co-ordinated 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

When an entity acquires a non-current asset exclusively with a view to its subsequent disposal, it shall classify the non-current asset as held for sale at the acquisition date only if it is available for immediate sale in its present condition and its sale must be highly probable.

At September 30, 2016, in agreement with Management's plans to dispose of DINASA, this subsidiary is consolidated and its financial position is presented under the financial statement captions "Asset held for sale" "liabilities directly associated with the asset held for sale". Elements of income and expenses associated with DINASA are presented under the caption "Discontinued operations" in the consolidated income statement.

Comparative figures related to DINASA have been restated to show discontinued operations separately from continuing operations.

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.

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UNIBANK S.A.
Notes to Consolidated Financial Statements

2) BASIS FOR FINANCIAL STATEMENT PREPARATION (CONTINUED)

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 periods 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:

Note 3 (p)	General reserve for loan losses
Note 7	securities – fair value
Note 8	Investments in affiliated companies – fair value
Note 11	Asset held for sale – fair value
Notes 3 (e) and 9	Loans - provision for impairment
Note 10	Fixed assets – depreciation and valuation
Note 12	Investment properties – fair value
Note 13	Properties held for sale - valuation
Note 14	Goodwill – valuation
Note 18	Other liabilities - provisions.

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.

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UNIBANK S.A.
Notes to Consolidated Financial Statements

3) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Group entities to all periods presented in these consolidated financial statements except for reclassifications effected to the following financial statements captions to be consistent with the current year presentation:

- Bank term deposits
- Securities
- Investments in affiliated companies
- Fixed assets
- Other intangible assets
- Other assets
- Borrowed funds
- Share of income of affiliates, net of taxes.

Elements of profit or loss associated with the Group investment in Distributeurs Nationaux S.A. (DINASA) are presented as Discontinued Operations in accordance with IFRS 5 as described in **notes 2d and 11**. The share of income of the Group of 50% in 2015 and related income taxes have been declassified from "Other revenues" and "deferred taxes", in 2015 to be presented under Discontinued Operations in accordance with the current year presentation. The results of DINASA in 2016 are consolidated and presented in summary under the caption "Discontinued Operations" in accordance with the requirements of IFRS.

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.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Conversion of foreign currencies (continued)

The financial statements of entities incorporated outside of Haïti, Unitransfer International, GFN Real Estate LTD., GFN Real Estate LLC, International Sunrise Partners LLC, GFN Restaurant II LLC 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.

b) Cash and due from banks

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 and Federal Agency Bonds, of emerging countries and countries of OECD and corporate bonds. Local securities consist of equity investments and term bonds issued by local companies and Haitian Government Treasury obligations.

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

Amortized cost instruments held-to-maturity

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

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Investments (continued)

Fair value instruments available for sale

These available-for-sale investments are those other than amortized cost instruments held-to-maturity. 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.

The Group applies the requirements of IFRS 13 on fair value hierarchy. The foreign securities available for sale are presented at fair value determined in reference to the following inputs:

- Level 1 inputs 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 inputs 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) Investments 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 voting rights of an entity. A **joint venture** is an entity where the Group shares control with another entity or Group.

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

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Investments in affiliated companies (continued)

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

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.

Non-performing loans are those for which interest accrual has been 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.

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

At balance sheet date, the Group assesses whether there is objective evidence of impairment in the loan portfolio. A loan is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the loan and that the loss event has an impact on the future cash flows of the loan.

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

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

Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Loans (continued)

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 (3p).

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.

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 (3q).

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%

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

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

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

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

3) **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

g) **Asset held for sale**

A non-current asset or disposal group shall be classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continued use.

h) **Properties held for sale**

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

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.

In accordance with banking regulations, a reserve is required on properties held for sale (**note 13**). This reserve is established by direct transfer from retained earnings to “valuation reserve – properties held for sale”, a sub-account of shareholder’s equity. This reserve is not subject to distribution.

i) **Investment properties**

Investment properties, presented in other assets, represent a building held by the Bank outside of Haiti for an unspecified period and use, 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 the sales of similar properties which occurred during the year (**note 12**).

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

3) **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

i) **Investment properties (continued)**

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 local income taxes paid for this buildings, 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.

j) **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 lime basis at rates between 20% and 100%.

k) **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.

l) **Deposits, term bonds 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.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Paid-in capital

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

n) 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.

o) 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 September 25, 2015, effective on September 30, 2015 and, as authorized by the Central Bank, the legal reserves as of September 30, 2015 was transferred to paid-in capital.

p) 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.

q) 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.

r) 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 bonds and subordinated debt.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Interest (continued)

Interest income is accounted for on the accrual basis. However, when a loan is classified as non-accrual (past due 89 days or more), 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.

s) Commissions

Commission income and expenses which are similar 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.

t) 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.

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. The deferred tax related to DINASA represents the income tax on undistributed profit which are reflected in 2016 in income taxes on discontinued operations.

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

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

3) **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

u) **Regulatory reserve**

According to the reserve requirements of the Central Bank of Haïti, a minimum of 44% of liabilities in local currency and 48% of liabilities in foreign currency must be held in non-interest bearing deposits at the Central Bank, as of September 30, 2015 and 2016. These reserves are held in the same currency as the liabilities they cover.

v) **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.

w) **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.

x) **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, 2016. 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.

4) **RISK MANAGEMENT**

(a) ***Risk Management framework***

Effective risk management is fundamental to the general strategy of UNIBANK. 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.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

4) RISK MANAGEMENT (CONTINUED)

a) Risk management framework (continued)

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

- 1) Financial risk, which include 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 of 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.

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 oversee closely the financial and non financial risks to which the bank is exposed.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

4) **RISK MANAGEMENT (CONTINUED)**

b) Governance structure and risk governance (continued)

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)

UNIBANK S.A.
Notes to Consolidated Financial Statements

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, inventors and other market constituents.

The capital adequacy of Haitian banks is regulated in accordance with the Central Bank's capital requirements (Circular No. 88). 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, Class I, attributable to ordinary shareholders other than revaluation reserves and general reserves for losses on loans and impairment of properties held for resale and Class II capital, consisting mainly of subordinated bonds.

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

	2016	2015
Ratio of assets/capital	7.35 times	10.53 times
Ratio of capital/risk-weighted assets	24.44%	19.76%

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

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 3u).

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

4) RISK MANAGEMENT (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, 2016

(In thousands of gourdes)		0-3 months	3-6 months	6 months – 1 year	More than 1 year	Total
Deposits (note 16):						
Demand deposits	G	25,299,146	-	-	-	25,299,146
Savings accounts		25,334,707	-	-	903,584	26,238,291
Term deposits		<u>7,061,677</u>	<u>1,731,200</u>	<u>4,145,679</u>	-	<u>12,938,556</u>
		<u>57,695,530</u>	<u>1,731,200</u>	<u>4,145,679</u>	<u>903,584</u>	<u>64,475,993</u>
Borrowed fund (note 17)		1,584,534	2,300,538	-	50,339	3,935,411
Commitments: acceptances and letters of credit		336,686	-	-	-	336,686
Subordinated debt (note 19)		-	-	-	971,714	971,714
Other liabilities		<u>3,548,821</u>	-	-	-	<u>3,548,821</u>
		<u>5,470,041</u>	<u>2,300,538</u>	-	<u>1,022,053</u>	<u>8,792,632</u>
	G	<u>63,165,571</u>	<u>4,031,738</u>	<u>4,145,679</u>	<u>1,925,637</u>	<u>73,268,625</u>

September 30, 2015

(In thousands of gourdes)		0-3 months	3-6 months	6 months – 1 year	More than 1 year	Total
Deposits (note 16):						
Demand deposits	G	22,325,502	-	-	-	22,325,502
Savings accounts		21,144,743	-	-	1,187,133	22,331,876
Term deposits		<u>2,884,881</u>	<u>2,875,840</u>	<u>3,149,612</u>	-	<u>8,910,333</u>
		<u>46,355,126</u>	<u>2,875,840</u>	<u>3,149,612</u>	<u>1,187,133</u>	<u>53,567,711</u>
Borrowed fund (note 17)		4,640,543	-	-	365,586	5,006,129
Commitments: acceptances and letters of credit		153,667	-	-	-	153,667
Subordinated debt (note 19)		-	-	-	130,482	130,482
Other liabilities		<u>3,291,496</u>	-	-	-	<u>3,291,496</u>
		<u>8,085,706</u>	-	-	<u>496,068</u>	<u>8,581,774</u>
	G	<u>54,440,832</u>	<u>2,875,840</u>	<u>3,149,612</u>	<u>1,683,201</u>	<u>62,149,485</u>

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.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

4) RISK MANAGEMENT (CONTINUED)

d2) CREDIT RISK (CONTINUED)

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

(In thousands of gourdes)		2016	2015
Cash and due from banks (note 5)	G	27,048,565	26,528,586
Deposits with BRH (Central Bank) and BNC		1,286,060	1,418,078
Deposits in foreign banks		640,565	494,562
Items in transit		28,975,190	28,441,226
Term deposits with banks (note 6)		688,289	778,302
Securities			
Foreign investments (note 7)		11,530,043	8,269,950
Local investments (note 7)		722,713	891,549
		12,252,756	9,161,499
Credit			
Loans, net (note 9)		25,449,090	22,481,121
Acceptances and letters of credit		336,686	153,667
		25,785,776	22,634,788
Other assets (note 15)			
Receivable – transfer agents		259,827	214,036
Interest receivable		191,435	173,339
Accounts receivable – affiliated companies		135,472	126,934
Premiums receivable – Uniassurances S.A.		128,724	121,390
Advances to suppliers and others		111,322	80,190
Advances to executives and managers		14,866	44,695
Recoverable from reinsurers – Uniassurances S.A.		1,027	1,213
Dividends receivable		-	7,127
Other		237,828	210,548
		1,080,501	979,472
Total financial assets	G	68,782,512	61,995,287

i. Cash and due from banks

Cash and due from banks are held at important financial institutions that the Bank considers as being solid. The financial viability of these institutions is reviewed periodically by the Asset Liability Management Committee. As of September 30, 2016 and 2015, respectively 90% and 92% 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 Bank holds financial assets, may have an impact on the Bank's activities, results and financial position.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

4) RISK MANAGEMENT (CONTINUED)

d2) CREDIT RISK (CONTINUED)

ii. Haitian Government Treasury Obligations

The risk associated with Haitian Government Treasury Obligations issued is considered to be low.

iii. Securities

Investment risk occurs when a security loses 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 Republic of Haiti.
- 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.

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

Thus, the Management considers the risk relative 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.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

4) RISK MANAGEMENT (CONTINUED)

d2) CREDIT RISK (CONTINUED)

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, 2016 and 2015, 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.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

4) **RISK MANAGEMENT (CONTINUED)**

d2) **CREDIT RISK (CONTINUED)**

vi. **Geographic allocation of financial risk**

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

(In thousands of gourdes)		2016	2015
Cash and due from banks			
Haiti	G	27,673,371	27,019,271
United States		1,119,829	1,165,453
Canada		78,991	84,512
Europe		<u>102,999</u>	<u>171,990</u>
		<u>28,975,190</u>	<u>28,441,226</u>
Term deposits with banks			
United States		295,068	465,452
Canada		<u>393,221</u>	<u>312,850</u>
		<u>688,289</u>	<u>778,302</u>
Securities			
Haiti		722,713	891,549
United States		9,882,320	6,970,605
OCDE		1,429,436	1,092,966
Emerging countries		<u>218,287</u>	<u>206,379</u>
		<u>12,252,756</u>	<u>9,161,499</u>
Credit			
Haiti		<u>25,785,776</u>	<u>22,634,788</u>
Other assets			
Haiti		1,080,501	979,472
Total financial assets	G	68,782,512	61,995,287

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.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

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, 2016 and 2015, about 54% 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 39% and 41% of the total deposit portfolio of UNIBANK S.A. as of September 30, 2016, and 42% each as of September 30, 2015, which constitutes respectively 81% and 83% 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;
- Haitian Treasury bonds;
- Bank term deposits;
- Local investments;
- Foreign investments which are adjusted as market conditions evolve;
- Debt, term bonds, and subordinated debt.

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.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

4) **RISK MANAGEMENT (CONTINUED)**

d3) **MARKET RISK (CONTINUED)**

i. **Interest rate risk (continued)**

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

(In thousands of gourdes)	%		2016	%	2015
Fixed interest rates:					
Financial assets	11%	G	4,292,299	13%	4,346,428
Financial liabilities	34%		<u>17,108,094</u>	34%	<u>13,860,253</u>
Net			<u>(12,815,795)</u>		<u>(9,513,825)</u>
Variable interest rates:					
Financial assets	89%		34,903,329	87%	28,612,480
Financial liabilities	66%		<u>32,526,824</u>	66%	<u>26,807,935</u>
Net		G	<u>2,376,505</u>		1,804,545

The Bank is exposed to interest rate risk. The negative spread of 3.2 billion between the net assets and liabilities at fixed rates, with asymmetrical maturities have increased the interest rate risk in 2016. Nevertheless 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 term deposits (16%), treasury bonds (16%) and loans (68%).
- 76% of fixed rate liabilities are comprised of term deposits with maturities ranging from one month to one year.
- 89% of the Bank's financial assets and 66% of financial liabilities are at variable rates.
- Financial assets at variable rates include loans (65%), available-for-sale securities (33%) and overnight deposits (2%).
- Variable rate financial liabilities are comprised of savings deposits (81%), demand deposits (17%) which are essentially overnight deposits, and 2% of borrowed funds.

ii. **Foreign exchange risk**

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

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

4) RISK MANAGEMENT (CONTINUED)

d3) MARKET RISK (CONTINUED)

ii. Foreign exchange risk (continued)

The Bank's policy has always been to maintain a minimal trading position. 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, 2016

<u>(In thousands of gourdes)</u>		<u>Gourdes</u>	<u>Dollars converted in Gourdes</u>	<u>Other currencies converted in Gourdes</u>
Cash and due from banks	G	7,143,606	23,229,659	201,141
Term deposits with banks		-	688,289	-
Securities		623,425	11,629,331	-
Loans, net		9,612,133	15,836,957	-
Acceptances and letters of credit		-	336,686	-
Other assets		<u>533,644</u>	<u>546,841</u>	<u>16</u>
Total financial assets		<u>17,912,808</u>	<u>52,267,763</u>	<u>201,157</u>
Deposits		21,681,532	42,618,985	175,476
Debt		897,286	3,038,125	-
Commitments-acceptances and letters of credit		-	336,686	-
Subordinated debt		-	971,714	-
Other liabilities		<u>1,453,954</u>	<u>2,077,786</u>	<u>17,080</u>
Total financial liabilities		<u>24,032,772</u>	<u>49,043,296</u>	<u>192,556</u>
Assets (liabilities), net	G	<u>(6,119,964)</u>	<u>3,224,467</u>	<u>8,601</u>

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 49 million, as the case may be.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

4) **RISK MANAGEMENT (CONTINUED)**

d3) **MARKET RISK (CONTINUED)**

ii. **Foreign exchange risk (continued)**

September 30, 2015

(In thousands of gourdes)		Gourdes	Dollars converted in Gourdes	Other currencies converted in Gourdes
Cash and due from banks	G	10,304,086	18,883,569	183,799
Term deposits with banks		-	778,302	-
Securities		810,156	8,351,433	-
Loans, net		9,231,389	13,249,732	-
Acceptances and letters of credit		-	153,667	-
Other assets		<u>428,802</u>	<u>550,659</u>	<u>12</u>
Total financial assets		<u>20,774,433</u>	<u>41,967,362</u>	<u>183,811</u>
Deposits		20,077,353	33,315,823	174,535
Debt		4,775,644	230,485	-
Commitments-acceptances and letters of credit		-	153,667	-
Subordinated debt		-	130,482	-
Other liabilities		<u>1,521,202</u>	<u>1,768,461</u>	<u>1,833</u>
Total financial liabilities		<u>26,374,199</u>	<u>35,598,918</u>	<u>176,368</u>
Assets (liabilities), net	G	<u>(5,599,766)</u>	<u>6,368,444</u>	<u>7,443</u>

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 122 million, as the case may be.

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

	2016	2015
<u>At September 30</u>		
US Dollars	65.5368	52.1417
Euros	73.6961	58.2319
<u>Average rates for the year</u>		
US Dollars	60.8670	48.8716
Euros	67.4046	55.6954

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

4) RISK MANAGEMENT (CONTINUED)

d3) MARKET RISK (CONTINUED)

iii. Fair value of financial assets and liabilities

With the exception of foreign 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)		2016	2015
Cash	G	1,599,216	930,228
Deposits with BRH and BNC		27,048,565	26,528,586
Deposits in foreign banks		1,286,060	1,418,078
Items in transit, net		<u>640,565</u>	<u>494,562</u>
	G	30,574,406	29,371,454

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

Deposits in foreign banks represent overnight deposit accounts bearing average interest rates of 0.02% as of September 30, 2016 and 2015.

As of September 30, 2016 and 2015 respectively, deposits totaling G 24,308M (\$US 371K) and G 17,751M (\$US 340K) 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, 2016, and 0.10 % and 0.40 % as of September 30, 2015.

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

(In thousands of gourdes)		2016	2015
Deposits in gourdes	G	7,143,606	10,304,086
Deposits in foreign currencies		<u>23,430,800</u>	<u>19,067,368</u>
	G	30,574,406	29,371,454

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

6) TERM DEPOSITS WITH BANKS

Bank term deposits are as follows:

(In thousands of gourdes)		2016	2015
Term deposits	G	688,289	778,302
Interest rate		0.6% to 1.65%	0.25% to 1.65%
Maturity	G	2 to 48 months	1 to 18 months

As of September 30, 2016 and 2015, term deposits with banks include amounts pledged as security on lines of credit totaling G 393,221 M (\$US 6,000M) and G 417,134M (\$US 8,000M) respectively. There were no drawings on the lines of credit as of September 30, 2016 and 2015.

7) SECURITIES

As of September 30, securities are as follows:

(In thousands of gourdes)		2016	2015
Available for sale securities:			
Foreign debt securities at fair value with fluctuations recognized in the consolidated statement of income(a)	G	<u>11,530,043</u>	<u>8,269,950</u>
Amortized cost investment held to maturity:			
Haitian Treasury bonds (b)		585,195	771,926
Other local corporate bonds (c)		<u>99,288</u>	<u>81,393</u>
		<u>684,483</u>	<u>853,319</u>
Other available for sale investment:			
Share of local company's equity securities (d)		38,230	38,230
Total investments	G	12,252,756	9,161,499

At September 30, 2016 and 2015, securities include amounts pledged as collateral on lines of credit totaling G 1,643,073 M (\$US 25,071M) and G 1,340,876M (\$US 25,716M) respectively. There were no drawings on the lines of credit at September 30, 2016 and 2015.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

7) SECURITIES

September 30, 2016

Fair Value Level 1

(In thousands of gourdes)		Less than 1 year	1-2 years	2-5 years	More than 5 years	Total	Interest rate
US Treasury bonds	G	33,004	132,150	534,558	67,696	767,408	0.90%
US Federal Agency bonds		394,218	757,683	2,045,808	99,675	3,297,384	1.00 %
US corporate bonds		848,271	1,862,752	2,887,256	219,250	5,817,529	1.57%
Treasury bills – Government of emerging markets		19,880	-	79,805	-	99,685	1.94%
Corporate bonds of emerging markets		-	-	118,602	-	118,602	1.76%
Corporate bonds of OECD countries		278,502	394,114	483,523	-	1,156,139	1.44%
Supra National organizations (SNAT)		39,420	26,421	140,583	-	206,424	0.84%
Treasury bills of OECD countries		-	-	66,872	-	66,872	1.97%
Fair value	G	1,613,295	3,173,120	6,357,007	386,621	11,530,043	
Cost	G	1,614,106	3,170,478	6,339,145	387,123	11,510,852	
Unrealized loss	G	(811)	2,642	17,862	(502)	19,191	

September 30, 2015

Fair value Level 1

(In thousands of gourdes)		Less than 1 year	1-2 years	2-5 years	More than 5 years	Total	Interest rate
US treasury bonds	G	78,251	53,290	132,201	-	263,742	0.63%
US Federal Agency bonds		1,429,442	706,728	552,620	-	2,688,790	0.57 %
US Corporate bonds		297,770	1,114,884	2,605,419	-	4,018,073	1.56%
Treasury bills -Government of emerging markets		-	21,780	63,529	-	85,309	1.76%
Treasury bonds of emerging markets		26,147	-	94,924	-	121,071	1.69%
Corporate bonds of OECD countries		26,326	317,685	627,390	-	971,401	1.69%
Supranational organizations (SNAT)		-	42,041	53,463	-	95,504	0.73%
Treasury bills of OECD countries		26,060	-	-	-	26,060	2.27%
Fair value	G	1,883,996	2,256,408	4,129,546	-	8,269,950	
Cost	G	1,884,005	2,265,251	4,150,752	-	8,300,008	
Unrealized loss	G	(9)	(8,843)	(21,206)	-	(30,058)	

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

7) SECURITIES (CONTINUED)

- b) Local securities held to maturity are classified as **Level 2** investment and include the following:

(In thousands of gourdes)		2016	2015
Bonds issued by Ministry of Economy and Finance (i)	G	410,195	546,926
Rate		7%	7%
Maturity		60 months	60 months
<hr/>			
Bonds issued by the Ministry of Economy and Finance - PSUGO (ii)		175,000	225,000
Rate		6%	6%
Maturity		60 months	60 months
	G	585,195	771,926

- 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.

Thus, the cumulative interest to be earned on these bonds totals G 137 million of which G 15 million and G 5 million were recognized respectively in 2016 and 2015.

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 Economics and Finance to strengthen the free and mandatory "Programme de Scholarisation Universelle (PSUGO)". These bonds are reimbursable 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 11 million and G 8 million were recognized respectively in 2016 and 2015.
- c) Local securities held to maturity are composed of bonds in US dollars issued by local companies, with a fair value equivalent to their cost, **Level 3**. As of September 2016 and 2015, they have maturity ranging from 159 to 200 days and from 180 to 720 days respectively, and bear interests at rates between 3.00% to 6.00% and between 2.50% and 6.00% in 2016 and 2015 respectively.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

7) SECURITIES (CONTINUED)

Other local securities consists of equity investment recorded at cost (Level 3). They are available for sale.

8) INVESTMENTS IN AFFILIATED COMPANIES

As of September 30, investments in affiliated companies are presented on the equity basis (Level 3) and include the following:

(In thousands of gourdes)		2016	2015
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		<u>304,748</u>	<u>302,519</u>
	G	596,415	594,186
CORAIL S.A.			
Capital investment representing 15.80% of capital	G	9,908	9,908
Share of retained earnings and reserves to date		<u>9,230</u>	<u>5,465</u>
	G	19,138	15,373
Total investments in affiliated companies and joint ventures	G	615,553	609,559

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

(In thousands of gourdes)		2016	2015
HAÏTI AGRO PROCESSORS HOLDING LTD.			
Total assets – Les Moulins d’Haïti S.E.M. (LMH)	G	<u>3,547,191</u>	<u>3,012,413</u>
Total liabilities – Les Moulins d’Haïti S.E.M. (LMH)		<u>991,126</u>	<u>465,902</u>
Net income of the year	G	1,145,524	502,970
CORAIL S.A.			
Total assets	G	<u>156,116</u>	<u>135,082</u>
Total liabilities		<u>34,989</u>	<u>37,782</u>
Net income of the year	G	23,145	15,970

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

8) INVESTMENTS IN AFFILIATED COMPANIES (CONTINUED)

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)		2016	2015
Haiti Agro Processors Holding Ltd.	G	267,289	117,360
CORAIL S.A. (note 22)		<u>3,765</u>	<u>2,065</u>
	G	271,054	119,425

- (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.

9) LOANS

As of September 30, loans are as follows:

(In thousands of gourdes)		2016	2015
Commercial and industrial loans	G	10,759,944	9,488,615
Mortgage loans		5,616,413	5,350,965
Overdrafts		3,955,770	3,669,377
Micro-enterprise loans		1,590,265	1,357,042
Consumer loans		1,349,211	1,378,640
Credit card loans		1,156,855	939,778
Mortgage loans – «logement 5 étoiles» (a)		700,485	66,226
Loans to employees		328,414	288,989
Restructured loans (b)		<u>48,309</u>	<u>18,142</u>
		25,505,666	22,557,774
Non-performing loans		<u>261,837</u>	<u>208,321</u>
	G	25,767,503	22,766,095

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

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

9) LOANS (CONTINUED)

In case a bank would have to draw from regulatory reserve funds to finance loans in the context of this program, the Central Bank will advance the funds up to 30 years at an interest rate between 1.00% and 3.00%.

The Central Bank loan to UNIBANK related to this program totaled G705,532 at September 30, 2016 and bears interest at a rate of 3% for 10 years (note 17c). 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 extended to 50%. Credit and counterpart risk are borne by the lender Bank.

- b) As of September 30, 2016 and 2015, 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)		2016	2015
Loans in US dollars	G	16,107,057	13,484,913
Loans in gourdes		<u>9,660,446</u>	<u>9,281,182</u>
	G	25,767,503	22,766,095

Average effective interest rates on loans are as follows:

(In thousands of gourdes)		2016	2015
In US dollars:			
Commercial and industrial loans, and overdrafts		11.31%	9.39%
Mortgage loans		8.55%	8.54%
Credit card loans		23.56%	24.55%
Restructured loans		10.00%	8.03%
Loans to employees		6.67%	6.73%
In gourdes:			
Commercial and industrial loans, and overdrafts		13.02%	12.14%
Mortgage loans		11.83%	10.71%
Credit card loans		27.22%	27.71%
Micro-entreprise loans		42.82%	41.29%
Restructured loans		16.58%	11.11%
Loans to employees		5.99%	6.06%

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

9) LOANS (CONTINUED)

Unrecorded interest on non-performing loans mentioned above amounts to G 29,874M and G 15,615M as of September 30, 2016 and 2015, respectively.

Except for short-term advances, included in commercial and industrial loans, totaling G 632,055 and G 374,686M as of September 30, 2016 and 2015 with a maximum maturity of three months, and except for mortgage loans issued for an average period of 15 years, loans are repayable on demand.

Loans to Board members and their related companies amount to G 1,283,202M and G 1,202,552M as of September 30, 2016 and 2015, respectively. These loans bear average interest rates of approximately 9.69% and 10.31% for loans in gourdes, and of 7.74% and 9.28% for loans in US dollars, in 2016 and 2015, respectively.

The impairment provision has evolved as follows:

(In thousands of gourdes)		2016	2015
Balance at the beginning of year	G	284,974	189,082
Impairment charge for the year		65,572	207,640
Write-offs (a)		(192,934)	(181,962)
Recovery on loans written-off		85,205	47,014
Effect of revaluation of impairment provision in US dollars		<u>75,596</u>	<u>23,200</u>
Balance at the end of year	G	318,413	284,974

(a) Loan write-offs by categories during 2016 and 2015 are as follows:

(In thousands of gourdes)		2016	2015
Micro-enterprise loans	G	112,698	127,334
Commercial loans		43,124	39,319
Credit card loans		30,797	9,533
Consumers loans		<u>6,315</u>	<u>5,776</u>
		192,934	181,962

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

(In thousands of gourdes)		2016	2015
Impairment provision	G	284,974	189,082
General reserve for loan losses		<u>278,345</u>	<u>285,799</u>
	G	563,319	474,881

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UNIBANK S.A.
Notes to Consolidated Financial Statements

9) LOANS (CONTINUED)

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

Septembre 30, 2016

(In thousands of gourdes)		Current	30-60 days	61-89 days	Total
<u>Current loans</u>					
Commercial and industrial loans	G	10,713,487	14,595	31,862	10,759,944
Micro-enterprise loans		1,563,222	15,023	12,020	1,590,265
Credit card loans		833,954	259,802	63,099	1,156,855
Overdrafts		3,955,662	104	4	3,955,770
Other loans		<u>8,026,276</u>	<u>10,264</u>	<u>6,292</u>	<u>8,042,832</u>
	G	25,092,601	299,788	113,277	25,505,666

(In thousands of gourdes)		90-120 days	121-180 days	181-360 days	Total
<u>Non-performing loans</u>					
Commercial and industrial loans	G	1,987	4,616	114,034	120,637
Micro-enterprise loans		10,689	21,386	-	32,075
Credit card loans		8,016	34,419	11,141	53,576
Overdrafts		-	-	2,784	2,784
Other loans		<u>1,014</u>	<u>4,382</u>	<u>47,369</u>	<u>52,765</u>
	G	21,706	64,803	175,328	261,837

Septembre 30, 2015

(In thousands of gourdes)		Current	30-60 days	61-89 days	Total
<u>Current loans</u>					
Commercial and industrial loans	G	9,328,825	135,553	24,237	9,488,615
Micro-enterprise loans		1,330,007	11,610	15,425	1,357,042
Credit card loans		859,439	54,549	25,790	939,778
Overdrafts		3,669,147	211	19	3,669,377
Other loans		<u>7,070,170</u>	<u>32,087</u>	<u>705</u>	<u>7,102,962</u>
	G	22,257,588	234,010	66,176	22,557,774

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

9) LOANS (CONTINUED)

(In thousands of gourdes)		90-120 days	121-180 days	181-360 days	Total
<u>Non-performing loans</u>					
Commercial and industrial loans	G	17,650	9,195	66,795	93,640
Micro-enterprise loans		10,335	19,479	-	29,814
Credit card loans		17,720	17,333	2,233	37,286
Overdrafts		29,956	7,327	392	37,675
Other loans		<u>6,175</u>	<u>155</u>	<u>3,576</u>	<u>9,906</u>
	G	81,836	53,489	72,996	208,321

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

September 30, 2016

(In thousands of gourdes)		Mortgages	Cash collateral (note 16)	Others (a)
Current loans	G	11,414,863	1,757,167	746,665
Non-performing loans		<u>170,396</u>	<u>-</u>	<u>-</u>
	G	11,585,259	1,757,167	746,665

September 30, 2015

(In thousands of gourdes)		Mortgages	Cash collateral (note 16)	Others (a)
Current loans	G	8,952,394	1,900,335	1,094,028
Non-performing loans		<u>61,160</u>	<u>-</u>	<u>-</u>
	G	9,013,554	1,900,335	1,094,028

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

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

10) FIXED ASSETS

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

(In thousands of gourdes)		Balance 30/9/15	Acquisitions	Transfers	Disposals	Translation adjustment	Balance 30/9/16
Land	G	367,467	4,959	864	-	-	373,290
Buildings		527,885	92,398	-	-	-	620,283
Bank equipment and furniture		554,336	114,109	(43,814)	(18,260)	939	607,310
Computer equipment		130,787	58,621	(12,662)	-	2,777	179,523
Leasehold improvements		309,502	37,059	(50,911)	(1,414)	-	294,236
Vehicles		265,846	125,952	(45,744)	(2,474)	93	343,673
Investments in progress		124,930	168,560	(80,743)	-	379	213,126
Fully depreciated assets		<u>1,157,799</u>	<u>-</u>	<u>233,010</u>	<u>(34,999)</u>	<u>10,896</u>	<u>1,366,706</u>
	G	3,438,552	601,658	-	(57,147)	15,084	3,998,147

During the year, accumulated depreciation has evolved as follows:

(In thousands of gourdes)		Balance 30/9/15	Acquisitions	Transfers	Disposals	Translation adjustment	Balance 30/9/16
Buildings	G	77,599	16,519	-	-	-	94,118
Bank equipment and furniture		267,012	84,713	(86,465)	(3,555)	670	262,375
Computer equipment		60,734	51,878	(30,372)	-	2,408	84,648
Leasehold improvements		147,223	58,124	(58,419)	(433)	-	146,495
Vehicles		132,411	74,411	(57,754)	(1,101)	16	147,983
Fully depreciated assets		<u>1,157,799</u>	<u>-</u>	<u>233,010</u>	<u>(34,999)</u>	<u>10,896</u>	<u>1,366,706</u>
		1,842,778	285,645	-	(40,088)	13,990	2,102,325
	G	1,595,774	-	-	(17,059)	1,094	1,895,822

11) ASSET HELD FOR SALE

At September 30, 2016, Distributeurs Nationaux S.A. (DINASA) is a consolidated subsidiary of GFN S.A. The Group acquired full control over this entity effective on October 1st 2015. Previously, at September 30, 2015, DINASA was a joint venture of the Group which held a share ownership of 50% with another investor holding the other 50%.

At September 30, 2016, based on a plan to dispose of this subsidiary and pursuant to IFRS 5, this subsidiary is classified as an asset held for sale and is consolidated from the date of effective control by the Group.

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UNIBANK S.A.
Notes to Consolidated Financial Statements

11) ASSET HELD FOR SALE (CONTINUED)

In accordance with the requirements of IFRS on Business Combination and based on the acquisition price of the additional share ownership of 50% of DINASA in 2016, the initial 50% ownership of the Group was remeasured at the date of acquisition of full control. This resulted in a remeasurement gain on the share ownership of DINASA of G 5.6 billion of which G 2.8 billion represents the surplus paid for the acquisition of the additional share ownership and G 2.8 billion represents the remeasurement gain on the Group's initial share, which is reflected as a remeasurement gain in the consolidated statement of income. The impact net of tax in the consolidated statement of income is a gain of G 2,189,952M.

The asset available for sale as reflected in the consolidated balance sheet for G 11,772,902M includes the consolidated assets of DINASA of G 6.2 billions, after elimination of intercompany balances, as well as the global remeasurement effect of 5.6 billion. The liabilities of DINASA after elimination of intercompany balances are G 1,852,805M.

12) INVESTMENT PROPERTIES

Investment properties in the United States of America are as follows:

(In thousands of gourdes)		2016	2015
Balance at the beginning of the year	G	1,012,834	910,093
Sales		(13,969)	(28,786)
Translation effect		<u>260,195</u>	<u>131,527</u>
Balance at year end	G	1,259,060	1,012,834

The investment property is valued in 2015 at US\$ 19,424,541 (equivalent to G 1,012,834), based on report of independent appraisors. This building is rented and generated rental income of G 26,375M and G 19,682M in 2016 and 2015, respectively. Units sold in these buildings generated a gain of G 12,288M and G 20,297M in 2016 and 2015, respectively.

13) PROPERTIES HELD FOR SALE

Properties held for sale have evolved as follows:

(In thousands of gourdes)		2016	2015
Balance at the beginning of the year	G	180,140	176,265
Sales during the year		-	(3,341)
Disbursements of the year for security		2,517	7,216
Repossessed properties during the year		<u>68,336</u>	<u>-</u>
Balance at the end of the year	G	250,993	180,140

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UNIBANK S.A.
Notes to Consolidated Financial Statements

13) PROPERTIES HELD FOR SALE (CONTINUED)

Sales of properties in 2015 resulted in a gain of G 178M.

On December 3, 2013, the Central Bank of Haiti issued an interpretative note of 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 requirements 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 shareholders equity. As of September 30, 2016, properties held for sale are covered by a reserve of G 36,028 which is not subject to distribution.

14) GOODWILL AND OTHER INTANGIBLE ASSETS

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

(In thousands of gourdes)		2016	2015
Goodwill (a)	G	65,698	57,693
Other intangible assets (b)		<u>29,013</u>	<u>14,729</u>
	G	94,711	72,422

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

(In thousands of gourdes)		2016	2015
Goodwill at cost:			
UNITRANSFER INTERNATIONAL	G	24,765	24,765
Exchange effect - UNITRANSFER INTERNATIONAL		<u>14,204</u>	<u>6,199</u>
		<u>38,969</u>	<u>30,964</u>
IMSA		11,332	11,332
MICRO CRÉDIT NATIONAL		9,950	9,950
UNICRÉDIT		3,663	3,663
SNI S.A.		<u>1,784</u>	<u>1,784</u>
		<u>26,729</u>	<u>26,729</u>
Goodwill	G	65,698	57,693

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

14) GOOD WILL AND OTHER INTANGIBLE ASSETS

b) Other intangible assets evolved as follows:

Costs

(In thousands of gourdes)		Balance 30/9/15	Acquisitions	Transfers	Translation adjustment	Balance 30/9/16
Software	G	74,882	45,050	(11,012)	14,491	123,411
Fully amortized assets		<u>-</u>	<u>-</u>	<u>11,012</u>	<u>-</u>	<u>11,012</u>
	G	74,882	45,050	-	14,491	134,423

Accumulated depreciation

(In thousands of gourdes)		Balance 30/9/15	Acquisitions	Transfers	Translation adjustment	Balance 30/9/16
Software	G	60,153	32,970	(11,012)	12,287	94,398
Fully amortized assets		<u>-</u>	<u>-</u>	<u>11,012</u>	<u>-</u>	<u>11,012</u>
		60,153	32,970	-	12,287	105,410
Fixed assets						
Intangible assets	G				2,204	29,013

15) OTHER ASSETS

As of September 30, other assets were as follows:

(In thousands of gourdes)		2016	2015
Prepaid expenses	G	534,273	362,988
Receivables - transfer agents		259,827	214,036
Interest receivable		191,435	173,339
Accounts receivable – affiliated companies		135,472	126,934
Premiums receivable – Uniassurances S.A.		128,724	121,390
Advances to suppliers and others		111,322	80,190
Inventories - Unitransfer Haïti		21,452	27,858
Advances to executives and managers (a)		14,866	44,695
Deferred tax asset (note 18a)		9,959	-
Prepaid income taxes		5,063	2,413
Recoverable from reinsurers		1,027	1,213
Dividends receivable		-	7,127
Others		<u>270,636</u>	<u>210,549</u>
	G	1,684,056	1,372,732

a) Advances to executives and managers do not bear interest and are contractually amortized over a period of five years expiring between 2015 and 2020.

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UNIBANK S.A.
Notes to Consolidated Financial Statements

16) DEPOSITS

As of September 30, deposits are as follows:

(In thousands of gourdes)		2016	2015
Demands deposits:			
Gourdes	G	7,062,659	7,844,455
US Dollars		18,061,011	14,306,512
Euros		<u>175,476</u>	<u>174,535</u>
	G	25,299,146	22,325,502
Savings accounts:			
Gourdes	G	9,363,677	8,629,355
US Dollars		<u>16,874,614</u>	<u>13,702,521</u>
	G	26,238,291	22,331,876
Term deposits			
Gourdes	G	5,255,196	3,603,543
US Dollars		<u>7,683,360</u>	<u>5,306,790</u>
	G	12,938,556	8,910,333
Total deposits	G	64,475,993	53,567,711
Deposits in Gourdes	G	21,681,532	20,077,353
Deposits in US Dollars		42,618,985	33,315,823
Deposits in Euros		175,476	174,535
Total deposits	G	64,475,993	53,567,711

Average interest rates on deposits are as follows:

(In thousands of gourdes)		2016	2015
Demand deposits (overnight deposits):			
Gourdes		1.59%	1.59%
US Dollars		0.15%	0.15%
Demand deposits (money market accounts):			
Gourdes		0.04%	0.04%
US Dollars		0.02%	0.02%
Savings accounts			
Gourdes		0.05%	0.05%
US Dollars		0.03%	0.03%
Term deposits:			
Gourdes		5.42%	3.88%
US Dollars		1.42%	1.34%

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

16) DEPOSITS (CONTINUED)

Pledged deposits amounted to G1,757,167M and G 1,900,335M as of September 30, 2016 and 2015, respectively (**note 9**).

Deposits from Board members and their affiliated companies amounted to G 625,202M and G 1,173,537M as of September 30, 2016 and 2015, respectively. These deposits were received in the normal course of business and bear interest at the Bank's normal interest rates.

Term deposits in 2015 include short-term notes bearing interest at average rates of 5.46% in gourdes and 2.20% in dollars US.

17) BORROWED FUNDS

Borrowed funds are as follows:

(In thousands of gourdes)		2016	2015
Short-term interbank loans (a)	G	687,248	-
Loan from the Government of the Federal Republic of Germany (b)		50,339	56,210
Advances from the Central Bank (BRH) (c)		880,532	559,376
Term obligations (d)		2,317,292	390,543
Short term interbank loans (e)		<u>-</u>	<u>4,000,000</u>
	G	3,935,411	5,006,129

a) These loans of US\$ 10,486M were contracted from a foreign bank in 2016, and reimbursed by November 16, 2016.

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

The loan, denominated in local currency, bears interest at a variable rate established at 0.30% at September 30, 2016 and 2015, and is reimbursed in 30 equal semi-annual installments beginning in May 2010. Semi - annual interest is paid beginning in May 2005.

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UNIBANK S.A.
Notes to Consolidated Financial Statements

17) BORROWED FUNDS (CONTINUED)

c) Advances from Banque de la République d'Haïti (Central Bank) are as follows:

(In thousands of gourdes)		2016	2015
Advances from BRH – residential mortgage loans (i)	G	705,532	309,376
Advances from BRH– PSUGO (ii)		<u>175,000</u>	<u>250,000</u>
	G	880,532	559,376

- i) Under the terms of an agreement on 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 396,156 and G 309,376 respectively in 2015 and 2016. 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 reimbursable at the term of the agreement over a maximum term of 30 years. The funds in gourdes used to extend credit to the bank's customers within this program are exempt from legal reserve requirements.
- ii) On March 4, 2015, Banque de la République d'Haïti (BRH) extended a loan of G 250 millions to UNIBANK. The loan is collateralized by the bonds of the Haitian Treasury (note 7bii). The BRH loan bears terms identical to those of the Treasury bonds reimbursable over 60 months with interest rate of 6%.

d) Term bonds

Term bonds issued by GFN S.A., UNIBANK S.A. and UniFinance S.A. are nominative and not convertible. At September 30, the term bonds by entity and by currency are as follows:

(In thousands of gourdes)		2016	2015
GFN S.A (d ¹) - US dollars (note 27)	G	2,300,538	-
UNIBANK S.A. – US dollars		-	230,485
Other bonds - gourdes	G	<u>16,754</u>	<u>160,058</u>
		2,317,292	390,543

Les taux moyens d'intérêts et les échéances sur ces obligations à terme sont comme suit:

(In thousands of gourdes)		2016	2015
Term bonds in gourdes	G	4.83%	5.04%
Term bonds in US dollars		5.00%	3.60%
Maximum maturity		1 year	1 year

(d¹) These term bonds are held by Board Members and related party entities and mature from February to April 2017.

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UNIBANK S.A.
Notes to Consolidated Financial Statements

17) BORROWED FUNDS (CONTINUED)

e) These short term BRH loans as of September 30, 2015 were reimbursed on October 5, 2015.

18) OTHER LIABILITIES

As of September 30, other liabilities are as follows:

<u>(In thousands of gourdes)</u>		<u>2016</u>	<u>2015</u>
Restricted fund deposits	G	831,536	700,316
Cashier's checks		478,907	566,620
Income taxes and CFGDCT		398,826	306,685
Accrued expenses		387,731	349,326
Unearned premium – UniAssurances S.A.		318,590	276,102
Bonus payable		215,982	151,874
Dividends payable		195,253	115,195
Remittances payable		186,031	293,697
Transfers payable – UniTransfer International		154,916	146,872
Interest payable		136,634	147,890
Deferred revenue on Haitian Treasury bonds		20,214	33,834
Guarantee deposits on letters of credit		10,840	12,617
Deferred income taxes (a)		4,396	186,260
Managed funds		-	32,032
Others		<u>213,360</u>	<u>158,436</u>
	G	3,553,216	3,477,756

a) Deferred income taxes are related to the following:

<u>(In thousands of gourdes)</u>		<u>2016</u>	<u>2015</u>
Share of non-consolidated subsidiaries	G	-	181,864
Revaluation-land		<u>4,396</u>	<u>4,396</u>
	G	4,396	186,260

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UNIBANK S.A.
Notes to Consolidated Financial Statements

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)		2016	2015
Balance at the beginning of the year	G	181,864	168,789
Deferred tax on remeasurement gain – Dinasa (note 22)		(171,555)	-
Deferred income taxes related to unconsolidated share of income (note 22)		32,743	14,330
Deferred income tax - Dinasa		-	57,579
Taxes paid on dividends received from LMH/Corail - 2015		<u>(53,011)</u>	<u>(58,834)</u>
Deferred tax asset (note 15)	G	(9,959)	181,864

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

19) SUBORDINATED DEBT

At September 30, the subordinated debt is as follows:

(In thousands of gourdes)		2016	2015
Fondation Unibank (note 27)	G	164,039	130,482
Subordinated debt – others		<u>807,675</u>	<u>-</u>
	G	971,714	130,482

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%.

In 2016, subordinated debt held by Board members and their related parties totaled G 65,537M.

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

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UNIBANK S.A.
Notes to Consolidated Financial Statements

20) PAID-IN CAPITAL

As voted in an Extraordinary General Assembly on September 25, 2015 and effective on 30 September 2015, the authorized share capital of the Bank was increased to three billion five hundred million gourdes (G 3,500,000,000), representing 560,000 shares with a nominal value of G 6,250 each. The nominal value of each share was increased by G 2,250 by integration of the legal reserve, additional paid-in capital surplus and a part of retained earnings as authorized by the Central Bank.

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

(In thousands of gourdes)	2016	2015
AUTHORIZED CAPITAL		
140,000 shares of class A with a par value of G 6,250		
Each class A share has one voting right	G 875,000	875,000
420,000 shares of class B with a par value of G 6,250		
Each class B share has five voting rights	<u>2,625,000</u>	<u>2,625,000</u>
	<u>3,500,000</u>	<u>3,500,000</u>
UNPAID CAPITAL		
12,061 shares of class A	(75,381)	(75,381)
29,535 shares of class B	<u>(184,594)</u>	<u>(184,594)</u>
PAID-IN CAPITAL		
127,939 shares of class A	799,619	799,619
390,465 shares of class B	<u>2,440,406</u>	<u>2,440,406</u>
	<u>3,240,025</u>	<u>3,240,025</u>
TREASURY STOCK		
523 shares of class A	(3,268)	-
327 shares of class B	<u>(2,044)</u>	<u>-</u>
	<u>(5,312)</u>	<u>-</u>
SHARE CAPITAL NET	G 3,234,713	3,240,025

As of September 30, 2016 and 2015, 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 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.

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UNIBANK S.A.
Notes to Consolidated Financial Statements

21) SUBSIDIARIES AND MINORITY INTEREST IN SUBSIDIARIES

UNIBANK S.A. is the parent company of the Group. Its share interest in its subsidiaries are as follows:

(In thousands of gourdes)	2016	2015
<u>BANKING ACTIVITIES AND SERVICES</u>		
MICRO CRÉDIT NATIONAL S.A. (Micro-finance institution)	<u>100 %</u>	<u>100 %</u>
UNICARTE S.A. (Credit card company)	<u>100 %</u>	<u>100 %</u>
UNICRÉDIT S.A. (Consumer finance company)	<u>100 %</u>	<u>100 %</u>
UNIFINANCE S.A. (Merchant/investment banking services)	<u>100 %</u>	<u>100 %</u>
UNITRANSFER S.A. (HAITI) (Money remittance company)	<u>100 %</u>	<u>100 %</u>
UNITRANSFER INTERNATIONAL LTD. (Money remittance company)	<u>100 %</u>	<u>100 %</u>
<u>INSURANCE SERVICES</u>		
UNIASSURANCES S.A. (Insurance company)	<u>100 %</u>	<u>100 %</u>
<u>NON BANKING INVESTMENTS</u>		
A- INVESTMENT COMPANIES		
 GROUPE FINANCIER NATIONAL S.A.		
(Group management and non banking investments)	<u>100 %</u>	<u>100 %</u>
 GFN INTERNATIONAL ASSETS LTD.		
(Non-real estate asset management company)	<u>100 %</u>	<u>100 %</u>
 SOCIÉTÉ NATIONALE D'INVESTISSEMENT S.A. (SNI)		
(Investment company)	<u>100 %</u>	<u>100 %</u>
CAPITAL CONSULT S.A. (Consulting services)	<u>100 %</u>	<u>100 %</u>
 DISTRIBUTEURS NATIONAUX S.A.		
(Petroleum and gas)	<u>100 %</u>	<u>100 %</u>
SNI MINOTERIE L.P. (a) (Investment Company)	<u>100 %</u>	<u>100 %</u>
Holding through GFN S.A.	<u>61.1 %</u>	<u>61.1 %</u>
B- REAL ESTATE COMPANIES		
IMMOBILIER S.A. (IMSA) (Real Estate Promotion Company)	<u>100 %</u>	<u>100 %</u>
 CENTRALE IMMOBILIÈRE S.A. (CISA)		
(Real estate management services)	<u>100 %</u>	<u>100 %</u>
GFN REAL ESTATE LTD. (Real Estate Company)	<u>100 %</u>	<u>100 %</u>
INTERNATIONAL SUNRISE PARTNERS LLC (Real Estate Company)	<u>100 %</u>	<u>100 %</u>
GFN REAL ESTATE LLC (Real Estate Company)	<u>100 %</u>	<u>100 %</u>
GFN RESTAURANT II LLC (Real Estate Company)	<u>100 %</u>	<u>100 %</u>

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

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

21) SUBSIDIARIES AND MINORITY INTEREST IN SUBSIDIARIES (CONTINUED)

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

(In thousands of gourdes)		2016	2015
MICRO CRÉDIT NATIONAL S.A.			
Total assets	G	<u>3,917,012</u>	<u>2,714,774</u>
Total liabilities	G	<u>1,860,458</u>	<u>1,628,678</u>
Net income for the year	G	<u>370,458</u>	<u>190,723</u>
Net assets	G	<u>2,056,554</u>	<u>1,086,096</u>
UNICARTE S.A.			
Total assets	G	<u>1,559,511</u>	<u>1,011,191</u>
Total liabilities	G	<u>550,387</u>	<u>451,264</u>
Net income for the year	G	<u>149,197</u>	<u>93,695</u>
Net assets	G	<u>1,009,124</u>	<u>559,927</u>
UNICRÉDIT S.A.			
Total assets	G	<u>207,305</u>	<u>164,310</u>
Total liabilities	G	<u>13,291</u>	<u>4,384</u>
Net income for the year	G	<u>34,088</u>	<u>11,071</u>
Net assets	G	<u>194,014</u>	<u>159,926</u>
UNIFINANCE S.A.			
Total assets	G	<u>1,040,731</u>	<u>838,661</u>
Total liabilities	G	<u>94,036</u>	<u>77,412</u>
Net income for the year	G	<u>185,446</u>	<u>95,936</u>
Net assets	G	<u>946,695</u>	<u>761,249</u>
UNITRANSFER S.A. (HAITI)			
Total assets	G	<u>821,022</u>	<u>819,605</u>
Total liabilities	G	<u>214,859</u>	<u>495,694</u>
Net income for the year	G	<u>132,252</u>	<u>68,685</u>
Net assets	G	<u>606,163</u>	<u>323,911</u>
UNITRANSFER INTERNATIONAL LTD			
Total assets	G	<u>784,858</u>	<u>744,958</u>
Total liabilities	G	<u>204,875</u>	<u>232,282</u>
Net income for the year	G	<u>27,229</u>	<u>24,788</u>
Net assets	G	<u>579,983</u>	<u>512,676</u>
UNIASSURANCES S.A.			
Total assets	G	<u>1,193,458</u>	<u>931,146</u>
Total liabilities	G	<u>492,958</u>	<u>380,258</u>
Net income for the year	G	<u>149,612</u>	<u>21,341</u>
+Net assets	G	<u>700,500</u>	<u>550,888</u>

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

21) SUBSIDIARIES AND MINORITY INTEREST IN SUBSIDIARIES (CONTINUED)

(In thousands of gourdes)		2016	2015
GROUPE FINANCIER NATIONAL S.A.			
Total assets	G	<u>14,668,408</u>	<u>6,218,480</u>
Total liabilities	G	<u>5,080,049</u>	<u>244,971</u>
Net income for the year	G	<u>3,314,170</u>	<u>448,029</u>
Net assets	G	<u>9,588,359</u>	<u>5,973,509</u>
GFN INTERNATIONAL ASSETS LTD			
Total assets	G	<u>1,395</u>	<u>983</u>
Total liabilities	G	<u>358</u>	<u>55</u>
Net income for the year	G	<u>108</u>	<u>6</u>
Net assets	G	<u>1,037</u>	<u>928</u>
SOCIÉTÉ NATIONALE D'INVESTISSEMENT S.A.			
Total assets	G	<u>32,461</u>	<u>7,864</u>
Total liabilities	G	<u>1,309</u>	<u>94</u>
Net income for the year	G	<u>3,383</u>	<u>243</u>
Net assets	G	<u>31,152</u>	<u>7,770</u>
CAPITAL CONSULT S.A.			
Total assets	G	<u>45,717</u>	<u>39,839</u>
Total liabilities	G	<u>2,407</u>	<u>1,672</u>
Net income for the year	G	<u>5,143</u>	<u>3,252</u>
Net assets	G	<u>43,310</u>	<u>38,167</u>
DISTRIBUTEURS NATIONAUX S.A			
Total assets	G	<u>7,216,764</u>	<u>7,105,885</u>
Total liabilities	G	<u>1,937,671</u>	<u>2,276,417</u>
Net income for the year	G	<u>1,827,826</u>	<u>574,797</u>
Net assets	G	<u>5,279,093</u>	<u>4,829,468</u>
SNI MINOTERIE L.P.			
Total assets	G	<u>712,838</u>	<u>609,087</u>
Total liabilities	G	<u>58,135</u>	<u>1,653</u>
Net income for the year	G	<u>261,783</u>	<u>114,705</u>
Net assets	G	<u>654,703</u>	<u>607,434</u>
IMMOBILIER S.A. (IMSA)			
Total assets	G	<u>143,634</u>	<u>117,625</u>
Total liabilities	G	<u>14,341</u>	<u>7,870</u>
Net income for the year	G	<u>19,537</u>	<u>15,014</u>
Net assets	G	<u>129,293</u>	<u>109,755</u>

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

21) SUBSIDIARIES AND MINORITY INTEREST IN SUBSIDIARIES (CONTINUED)

(In thousands of gourdes)		2016	2015
CENTRALE IMMOBILIÈRE S.A			
Total assets	G	<u>173,726</u>	<u>160,185</u>
Total liabilities	G	<u>9,293</u>	<u>7,995</u>
Net income for the year	G	<u>12,243</u>	<u>8,972</u>
Net assets	G	<u>164,433</u>	<u>152,190</u>
GFN REAL ESTATE LTD.			
Consolidating GFN Real Estate LLC International Sunrise Partners LLC and GFN Restaurant II LLC			
Total assets	G	<u>1,438,947</u>	<u>1,212,227</u>
Total liabilities	G	<u>39,351</u>	<u>34,123</u>
Net income for the year	G	<u>(75,378)</u>	<u>23,730</u>
Net assets	G	<u>1,399,596</u>	<u>1,178,104</u>

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

(In thousands of gourdes)		2016	2015
SNI MINOTERIE L.P.			
Minority interest of 38.90% in 2015 and 2016			
Initial cost of investment	G	28,900	28,900
Decrease in holding at par value		<u>(5,119)</u>	<u>(5,119)</u>
		<u>23,781</u>	<u>23,781</u>
Dividends		(85,873)	(19,270)
Share of results and reserves		<u>317,622</u>	<u>232,632</u>
	G	<u>255,530</u>	<u>237,143</u>

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

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 computed using the statutory rates as follows:

(In thousands of gourdes)		2016	2015
<i>Continued operations</i>			
Income before income taxes	G	<u>1,561,561</u>	<u>2,147,555</u>
Share of net income not taxable locally:			
Unitransfer International		(36,402)	(30,099)
GFN Real Estate Ltd		75,378	(23,730)
Non controlling interest - SNI Minoterie		<u>(101,834)</u>	<u>(44,620)</u>
		<u>(62,858)</u>	<u>(98,449)</u>
Undistributed share of income of the following affiliates and joint ventures (note 8):			
SNI Minoterie - 61.10%		(159,950)	(70,084)
Corail S.A. - 15.80%		<u>(3,765)</u>	<u>(2,065)</u>
		<u>(163,715)</u>	<u>(72,149)</u>
Dividends received taxed at 20%		<u>(6,233)</u>	<u>-</u>
Income before income taxes, taxable locally		<u>1,328,755</u>	<u>1,976,957</u>
Income taxes based on statutory rates (30%)		398,626	593,087
<i>Effect of items not included in taxable income:</i>			
Deferred income taxes on the undistributed share of income at the rate 20% on dividends (note 18a)		32,743	14,430
Transfer to legal reserve – continued operations		(232,688)	(100,259)
Difference between the impairment loss and the amount allowed for tax purposes		(84,682)	(31,039)
Income taxes – Unitransfer USA		9,172	5,312
CFGDCT		3,670	15,392
Other		1,995	-
Income tax expense – continued operations	G	<u>128,836</u>	<u>496,923</u>

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

22) INCOME TAXES (CONTINUED)

(In thousands of gourdes)	2016	2015
<i>Discontinued operations</i>		
Income before income taxes	G 5,408,945	287,393
Tax exemptions - DINASA	<u>(107,457)</u>	<u>-</u>
Income before income taxes, taxable locally	<u>5,301,488</u>	<u>287,393</u>
 Income taxes based on statutory rates of 30% in 2016 and 20% on dividends in 2015	 1,590,446	 57,479
<i>Effect of items not included in taxable income:</i>		
Transfer to legal reserve - Discontinued operation	(159,196)	-
Deferred income taxes - DINASA	12,204	-
Deferred income tax – remeasurement gain		
DINASA (note 18a)	(171,555)	-
CFGDCT and other	<u>47,577</u>	<u>-</u>
Income taxes – Discontinued operation	G 1,319,476	57,479
Income tax expense	<u>1,448,312</u>	<u>554,402</u>

Income tax expense is composed of:

(In thousands of gourdes)	2016	2015
Current taxes	G 1,403,365	482,493
Deferred taxes	<u>44,947</u>	<u>71,909</u>
	G 1,448,312	554,402

Income taxes related to the share of net income generated by the investments in the affiliated companies and joint ventures, recognized based on the equity method, are deferred and dividends are taxed when effectively perceived.

Deferred tax is established as follows:

(In thousands of gourdes)	2016	2015
Deferred income taxes on undistributed share of net income at the rate of 20% on dividend	G 32,743	14,330
Deferred income taxes related to DINASA	<u>12,204</u>	<u>57,579</u>
	G 44,947	71,909

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

23) INCOME TAXES FROM DISCONTINUED OPERATION

Net income attributable to the discontinued operation are as follows:

(In thousands of gourdes)		2016	2015
Income before income tax of Dinasa after elimination of intercompany transactions	G	2,609,504	287,393
Remeasurement gain (note 11)		<u>2,799,441</u>	<u>-</u>
		5,408,945	287,393
Income taxes – DINASA		679,262	57,479
Income taxes on remeasurement gain		<u>609,489</u>	<u>-</u>
		1,288,751	57,479
Net income from discontinued operations	G	4,120,194	229,914

24) RETIREMENT SAVINGS FOR EMPLOYEES

In addition to legal contributions to the mandatory Government Retirement Plan, the Bank and its subsidiaries contribute to the employees' retirement fund based on a variable contribution rate according to internal guidelines. This liability is supported by a savings deposit in US dollars bearing interest at the rate of 5.0% in 2016 and 2015. The Group's contributions to this savings account for 2016 and 2015 amount to G 39,417M and G 30,635M, respectively.

25) SALARIES AND OTHER EMPLOYEE BENEFITS

Salaries and other employee benefits are as follows:

(In thousands of gourdes)		2016	2015
Salaries	G	1,431,790	983,035
Employee benefits		314,136	297,200
Other employee expenses		<u>277,504</u>	<u>319,179</u>
	G	2,023,430	1,599,414

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

26) INSURANCE UNDERWRITING INCOME, NET OF CLAIMS

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

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

(In thousands of gourdes)		2016	2015
Insurance premiums collected	G	420,302	334,418
Other fees		3,551	4,802
Insurance premiums ceded to reinsurers		(115,411)	(110,101)
Reinsurance costs		(89,503)	(71,352)
Insurance claims		(85,557)	(88,591)
Net brokerage fees		(13,702)	(5,936)
Discounts		(230)	(739)
	G	119,450	62,501

27) TRANSACTIONS WITH RELATED PARTIES

- In addition to the Foundation, an unconsolidated non-profit affiliate, the main companies related to UNIBANK S.A. and its consolidated subsidiaries to are:
- Les Moulins d'Haiti S.E.M. and Haiti Agro Processors Holding of which GFN S.A. through UniFinance S.A. and SNI Minoterie L.P. owns 23.3% of the capital.
- Distributeurs Nationaux S.A. (DINASA) of which GFN S.A. through UniFinance S.A. owns 50% of the capital, as of September 30, 2015 and 100% in 2016.
- Corail S.A. of which GFN S.A. owns 15.8% of the capital.
- Related party companies of Board members.

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

(In thousands of gourdes)		2016	2015
ASSETS			
Investments in affiliated companies (note 8)	G	615,553	3,024,288
Loans		365,024	578,371
Accounts receivable from related parties (note 15)		135,472	126,934
	G	1,116,049	3,729,593
LIABILITIES			
Deposits	G	838,188	1,622,841
Subordinated debt (note 19)		164,039	130,482
Term bonds	G	1,002,227	1,753,323

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

27) TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

During the years

(In thousands of gourdes)		2016	2015
INCOME			
Interest income	G	46,775	118,960
Management fees		-	25,500
Other income		<u>5,609</u>	<u>25,762</u>
	G	<u>52,384</u>	<u>170,222</u>

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 of members of the Board of Directors and their related parties are reflected in **notes 16, 17 and 19**.

Expenses incurred with related parties are as follows:

(In thousands of gourdes)		2016	2015
Rent	G	2,085	1,061
Others	G	88,078	94,484

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 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)			
2017	G	160,734	
2018		121,016	
2019		93,356	
2020		83,257	
2021	G	66,177	

- b) Letters of guarantee and standby letters of credit issued as of September 30, 2016 and 2015 amount to G 1,377,229M and G 952,350M, respectively.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

29) LITIGATION

- a) As of September 30, 2016, the Bank is engaged in litigation with some of its clients. To date, as per legal counsels' opinion, there is no exceptional situation and no judicial outcome which could significantly affect the non-consolidated financial statements and/or UNIBANK's financial standing.
- b) On June 6, 2012, the Court of First Instance of Port-au-Prince in its commercial proceedings rendered an adversarial judgment, in favor of UNIBANK S.A., condemning jointly GFA Haiti S.A. and Mr. Albert Dufort, in the same capacity aforementioned, to pay to the Bank indemnities of five million nine hundred eighty thousand four hundred twenty one & 32/100 American dollars (US\$ 5,980,421.32) and punitive damages estimated at seven hundred thousand & 00/10 dollars (US\$ 700,000.00). This judgment has been confirmed by a ruling of the Court of Appeal of Port-au-Prince, on August 13, 2013 and maintained in its form and content by a ruling of the Supreme Court dated July 25, 2014. The legal counsel is ensuring the follow-up of the execution of the judgment against the corporation GFA Haiti S.A. and Mr. Albert Dufort.
- c) On March 6, 2015, the Court of First Instance of Port-au-Prince rendered an adversarial judgment in favor of UNIBANK S.A. establishing its rights and quality as owner of Habitation Lafiteau. The parties to this litigation, including the heirs of the deceased Alfred Vieux's widow born Fernande Laforest and those of the deceased Raymond Louis Roy appealed the aforementioned judgment. From July 2015, the parties including the heirs previously mentioned as well as Mr. Gilbert Bigio the occupant but not owner of Habitation Lafiteau, and UNIBANK S.A., entered into negotiations, and reached an agreement, signed on December 21, 2015 by all parties. Consequently all pending disputes between them were terminated. Following this agreement, the Groupe Financier National S.A. (GFN), an investment subsidiary of UNIBANK S.A., purchased all the shares that the GB Group held of DINASA, thus becoming the sole owner of the most important oil distribution company in Haiti. As part of the agreement to purchase DINASA, UNIBANK S.A., in return renounced the effects of the judgment of the Court of First Instance of Port-au-Prince of March 6, 2015 establishing its rights and quality as owner of Habitation Lafiteau (**notes 11 et 18**).

30) SUBSEQUENT EVENTS

- a) On December 13, 2016, UNIBANK S.A. signed an agreement to acquire the operations of Bank of Nova Scotia (Scotiabank) in Haiti. Scotiabank offers banking services through 4 branches. Regulatory approvals from the Central Bank of Haiti for the acquisition was obtained on December 28, 2016. The acquisition becomes effective when control passes to UNIBANK on February 28th, 2017.
- b) DINASA is a consolidated subsidiary of GFN S.A. designated as an "Asset Held for sale" (**note 11**), and was sold in February 2017 to the French Petroleum Group Rubis (www.rubis.fr). Rubis takes control of DINASA during the second semester of the calendar year 2017.

UNIBANK S.A.
Consolidated Balance Sheets
September 30, 2016 and 2015
(Expressed in US Dollars)

	2016	2015
ASSETS		
CASH AND DUE FROM BANKS	\$ 466,522,722	563,300,660
TERM DEPOSIT WITH BANKS	10,502,325	14,926,664
SECURITIES		
Available for sale	175,932,349	158,605,309
Held to maturity	10,444,254	16,365,395
Other investments	<u>583,336</u>	<u>733,194</u>
	186,959,939	175,703,898
INVESTMENTS IN AFFILIATED COMPANIES		
Affiliated companies	9,392,484	11,690,438
LOANS		
Provision for loan losses	<u>(4,858,540)</u>	<u>(5,465,389)</u>
	388,317,555	431,154,357
FIXED ASSETS, NET		
Fixed assets, at cost	61,006,139	65,946,303
Accumulated depreciation	<u>(32,078,554)</u>	<u>(35,341,728)</u>
	28,927,585	30,604,575
ASSETS HELD FOR RESALE		
	179,638,043	46,310,893
OTHER		
Investment properties	19,211,491	19,424,641
Acceptances and letters of credit	5,137,364	2,947,111
Properties held for resale	3,829,807	3,454,820
Goodwill and other intangible assets	1,445,162	1,388,969
Other assets	<u>25,696,325</u>	<u>26,326,906</u>
	55,320,149	53,542,447
	\$ 1,325,580,802	1,327,233,932
LIABILITIES AND SHAREHOLDERS' EQUITY		
DEPOSITS		
	983,813,566	1,027,348,770
BORROWED FUNDS		
	60,048,877	96,010,081
LIABILITIES HELD FOR SALE		
	28,271,210	-
OTHER		
Commitments – acceptances and letters of credit	5,137,364	2,947,111
Other liabilities	<u>54,217,121</u>	<u>66,698,180</u>
	59,354,485	69,645,291
SUBORDINATED DEBT		
	14,827,000	2,502,456
TOTAL LIABILITIES	1,146,315,138	1,195,506,598
SHAREHOLDERS' EQUITY		
Paid in capital, net	49,357,193	62,138,845
Retained earnings	88,562,666	52,096,106
Other reserves	<u>37,446,775</u>	<u>12,944,340</u>
Shareholders' equity of UNIBANK S.A.	175,366,634	127,179,291
Non-controlling interest	<u>3,899,030</u>	<u>4,548,043</u>
	179,265,664	131,727,334
	\$ 1,325,580,802	1,327,233,932

SCHEDULE II
UNIBANK S.A.
Consolidated Statements of Income
Years ended September 30, 2016 and 2015
(Expressed in US Dollars)

Continuing operations	2016	2015
INTEREST INCOME	\$ 58,381,537	60,955,711
Loans	<u>2,197,766</u>	<u>2,200,802</u>
Haitian Treasury bonds, investments and deposits	60,579,303	63,156,513
INTEREST EXPENSE		
Deposits	11,804,300	5,840,297
Borrowing, Bonds and Other	<u>3,299,928</u>	<u>1,618,359</u>
	15,104,228	7,458,656
NET INTEREST INCOME	45,475,075	55,697,857
Impairment charge for credit loss	<u>(1,077,309)</u>	<u>(4,248,681)</u>
	44,397,766	51,449,176
OTHER INCOME (EXPENSES)		
Commissions	31,801,393	33,363,100
Gain of change	11,306,909	22,738,893
Quotas in Affiliates unbound, net of tax	4,453,212	2,443,634
Dividends and other investments income	1,918,412	1,152,224
Insurance revenues, net of claims	1,962,482	1,278,874
Income from real estate activities	470,339	907,424
Underwriting commissions and other advisory fees	222,110	265,859
Unrealized gain (loss) on securities	315,297	(615,038)
Other	<u>593,647</u>	<u>319,880</u>
	53,043,801	61,854,850
NET INTEREST INCOME AND OTHER INCOME	97,441,567	113,304,026
OPERATING EXPENSES		
Salaries and other employee benefits	33,243,465	32,726,870
Premises and equipments	9,972,428	10,989,963
Depreciation	5,234,639	5,567,244
Other operating expenses	<u>23,335,731</u>	<u>20,077,172</u>
	71,786,263	69,361,249
INCOME BEFORE INCOME TAXES – CONTINUING OPERATIONS	25,655,304	43,942,777
Income taxes – continuing operations		
Current	2,083,531	9,872,667
Deferred	<u>537,941</u>	<u>295,260</u>
	2,621,472	10,167,927
Net income for the year from continuing operations	23,033,832	37,774,850
Transaction intended to be sold		
INCOME BEFORE INCOME TAXES PROVIDED OF THE OPERATION TO BE CEDED	88,865,000	5,880,583
Income taxes – transaction intended to be sold	21,173,239	1,176,117
Net income for the year- transaction intended to be sold	67,691,761	4,704,466
NET INCOME FOR THE YEAR		
Net income attributable to shareholders of UNIBANK S.A.	89,052,540	37,566,310
Net income attributable to non controlling interest	<u>1,673,053</u>	<u>913,006</u>
Net income for the year	\$ 90,725,593	38,479,316
Total net income per equivalent share of capital paid to shareholders of UNIBANK	\$ 171.98	72.47
Net income per equivalent share of paid-up capital continuing operations	\$ 41.25	63.39

SCHEDULE III

UNIBANK S.A.
Consolidated Statements of Comprehensive Income
Years ended September 30, 2016 and 2015
(Expressed in US Dollars)

Continuing operations	2016	2015
NET INCOME FROM THE FINANCIAL YEAR CONTINUING OPERATIONS	\$ 23,033,832	33,774,850
<i>Component of comprehensive income:</i>		
Conversion effect of foreign subsidiaries	6,757,676	4,257,931
COMPREHENSIVE INCOME FOR THE YEAR	29,791,508	38,032,781
Total Extended Results from Operations Attributable to the shareholders of UNIBANK S.A	28,078,590	37,106,247
Total Extended Results from Operations Continued attributable to the participation not giving control	1,712,918	926,534
	29,791,508	38,032,781
Full year earnings per share equivalent of paid-up capital	57.53	73.37
Transaction intended to be sold		
Net income and comprehensive income for the year	67,691,761	33,774,850
Comprehensive income per equivalent share of paid-in capital	130.72	65.15
Total comprehensive income	\$ 97,483,269	71,807,631

UNIBANK S.A.
Consolidated Statement of Changes in Shareholders' Equity
Year ended September 30, 2015
(Expressed in US Dollars)

	US\$	Paid-in Capital	Treasury shares	Paid-in surplus	Retained earnings	Other reserves						Non controlling interest	Total
						Legal reserve	General reserve for loan losses	Revaluation reserve-land	Valuation reserve properties held for sale	Translation adjustment	Total reserves		
Balance as of September 30, 2014		45,952,539	(17,297)	696,564	50,215,905	15,232,215	6,273,348	546,810	-	3,605,375	25,657,748	4,634,390	127,139,849
Net income for the year		-	-	-	37,566,310	-	-	-	-	-	-	913,007	38,479,317
<i>Components of comprehensive income:</i>													
Foreign currency translation effect for foreign subsidiaries		-	-	-	-	-	-	-	-	4,244,404	4,244,404	13,527	4,257,931
Total		-	-	-	37,566,310	-	-	-	-	4,244,404	4,244,404	926,534	42,737,248
<i>Transfer to retained earnings</i>													
Transfer to legal reserve		-	-	-	(6,838,272)	6,838,272	-	-	-	-	6,838,272	-	-
Transfer of legal reserve													
Transfer to general reserve for capital		-	-	-	152,528	-	(152,528)	-	-	-	(152,528)	-	-
<i>Transactions with shareholders</i>													
Transfer to general reserve for loan losses		22,070,487	-	-	-	(22,070,487)	-	-	-	-	(22,070,487)	-	-
Transfer to capital fund		2,438,288	-	-	(2,438,288)	-	-	-	-	-	-	-	-
Transfer paid-in capital and treasury capital		(215,671)	411,878	(196,207)	-	-	-	-	-	-	-	-	-
Cash dividends		-	-	-	(19,508,013)	-	-	-	-	-	-	394,321	(19,113,692)
Repurchase of shares		-	(423,313)	(525,147)	-	-	-	-	-	-	-	-	(948,460)
Sales shares		47,946	-	79,811	-	-	-	-	-	-	-	-	127,757
Effect of conversion of the year		(8,154,744)	28,732	(55,021)	(7,054,064)	-	(782,578)	(69,046)	-	(721,445)	(1,573,069)	(1,407,202)	(18,215,368)
Balance as of September 30, 2015	US\$	62,138,845	-	-	52,096,106	-	5,338,242	477,764	-	7,128,334	12,944,340	4,548,043	131,727,334

UNIBANK S.A.
Consolidated Statement of Changes in Shareholders' Equity
Year ended September 30, 2016
(Expressed in US Dollars)

	US\$	Paid-in Capital	Treasury shares	Net share Capital	Paid-in surplus	Retained earnings	Other reserves						Non controlling interest	Total
							Legal reserve	General reserve for loan losses	Revaluation reserve-land	Valuation reserve properties held for sale	Translation adjustment	Total reserves		
Balance as of September 30, 2015		62,138,845	-	62,138,845	-	52,096,106	-	5,338,242	477,764	-	7,128,334	12,944,340	4,548,043	131,727,334
Net income for the year		-	-	-	-	89,052,540	-	-	-	-	-	-	1,673,053	90,725,593
<i>Elements of Extended Results:</i>														
Foreign currency translation effect on subsidiaries		-	-	-	-	-	-	-	-	-	6,717,811	6,717,811	39,865	6,757,676
Total		-	-	-	-	89,052,540	-	-	-	-	6,717,811	6,717,811	1,712,918	97,483,269
<i>Transfer to retained earnings</i>														
Transfer to legal reserve		-	-	-	-	(21,461,233)	21,461,233	-	-	-	-	21,461,233	-	-
Transfer to the risk reserve credit		-	-	-	-	(460,019)	-	460,019	-	-	-	460,019	-	-
Transfer to reserve for properties held for resale		-	-	-	-	(591,914)	-	-	-	591,914	-	591,914	-	-
<i>Transactions with shareholders:</i>														
Cash dividends		-	-	-	-	(15,543,173)	-	-	-	-	-	-	(1,410,829)	(16,954,002)
Repurchase of shares		-	(87,280)	(87,280)	-	(267,001)	-	-	-	-	-	-	-	(354,281)
Translation adjustment		(12,700,590)	6,218	(12,694,372)	-	(14,262,640)	(1,529,212)	(1,123,864)	(97,651)	(42,177)	(1,935,638)	(4,728,542)	(951,102)	(32,636,656)
Balance as of September 30, 2016		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