MPA
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CABINET D'EXPERTS-COMPTABLES

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UNIBANK S.A.

Consolidated Financial Satements

September 30, 2020

(With Independent Auditors' Report thereon)

7, rue Lechaud, Bourdon, Port-au-Prince, Haïti • P.O. Box 13270, Delmas, Port-au-Prince, Haïti

UNIBANK S.A.
TABLE OF CONTENTS
SEPTEMBER 30, 2020

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Independent Auditors' Report

The Board of Directors
UNIBANK S.A.:

Opinion

We have audited the consolidated financial statements of UNIBANK S.A. and its subsidiaries ("The Group"), which comprise the consolidated balance sheet as at September 30, 2020, and the consolidated statements of income, of comprehensive income, of changes in shareholders' equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2020, as well as its consolidated financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS).

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

Basis for opinion

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

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

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

Mérové-Pierre - Cabinet d'Experts - Comptables

MÉROVÉ-PIERRE - CABINET D'EXPERTS-COMPTABLES
7, rue Lechaud Bourdon
Port-au-Prince, Haïti
March 23, 2021

UNIBANK S.A.
Consolidated Balance Sheets [1]
September 30, 2020 and 2019
(Expressed in thousands of Haitian Gourdes)

	Notes		2020	2019
ASSETS				
CASH AND DUE FROM BANKS	5	G	58,477,484	62,420,711
TERM DEPOSITS WITH BANKS, NET	6		1,303,849	1,751,000
SECURITIES, NET	7		14,269,793	19,061,720
INVESTMENTS IN AFFILIATED COMPANIES	8		606,286	703,380
LOANS	9		36,708,015	43,526,897
Provision for expected credit losses			(1,195,999)	(1,214,424)
LOANS, NET			35,512,016	42,312,473
FIXED ASSETS, NET	10		3,057,709	2,808,334
RIGHT-OF-USE ASSETS, NET	11		1,233,901	-
OTHER				
Acceptances and letters of credit			198,765	311,778
Goodwill and other intangible assets	12		150,638	155,783
Investment Properties	13		100,855	-
Properties held for sale	14		10,830	133,337
Other assets, net	15		2,295,428	3,080,642
			2,756,516	3,681,540
TOTAL ASSETS		G	117,217,554	132,739,158
LIABILITIES AND SHAREHLODERS' EQUITY				
DEPOSITS	16		94,323,691	105,703,572
BORROWED FUNDS	17		2,260,374	2,690,584
LEASE LIABILITIES	11		710,438	-
OTHER				
Commitments – acceptances and letters of credit			198,765	311,778
Other liabilities	18		7,784,878	10,193,423
			7,983,643	10,505,201
SUBORDINATED DEBT	19		935,527	1,562,766
TOTAL LIABILITIES			106,213,673	120,462,123
SHAREHOLDERS' EQUITY				
Paid-in capital, net	20		6,323,450	6,404,700
Retained earnings			2,587,334	3,505,463
Other reserves			1,834,769	2,088,234
Shareholders' equity of UNIBANK S.A.			10,745,553	11,998,397
Non-controlling interests	23		258,328	278,638
			11,003,881	12,277,035
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		G	117,217,554	132,739,158

[1] **The information presented as of September 30, 2020 takes into consideration the new standards adopted on October 1, 2019.**

The notes are an integral part of the consolidated financial statements. See the accompanying notes and schedules I to V for supplementary information in US dollars.

UNIBANK S.A.
Consolidated Statements of Income [1]
Years ended September 30, 2020 and 2019
(Expressed in thousands of Haitian Gourdes, except for net income per equivalent share)

	Notes		2020	2019
Continuing operations				
INTEREST INCOME				
Loans		G	**5,457,883**	5,261,388
Treasury bonds, BRH bonds, investments and deposits			**666,874**	496,546
			6,124,757	5,757,934
INTEREST EXPENSE				
Deposits			**780,287**	622,205
Borrowed funds, term bonds and others			**174,183**	220,838
			954,470	843,043
NET INTEREST INCOME			**5,170,287**	4,914,891
Provision for credit losses	**22**		**(598,970)**	(427,232)
			4,571,317	4,487,659
OTHER INCOME				
Commissions			**3,041,549**	2,445,575
Foreign exchange gain			**97,562**	2,804,676
Insurance underwriting income, net of claims	**28**		**388,127**	318,626
Share of net income of non-consolidated affiliates, net of income taxes	**8**		**89,572**	137,727
Dividends and other investment income			**9,061**	9,913
Underwritng commissions and other advisory fees			**68,289**	6,300
Income from real estate activities			**1,887**	5,320
Gain on foreign investments	**7**		**159,907**	12,563
Other			**67,154**	58,354
			3,923,108	5,799,054
NET INTEREST INCOME AND OTHER INCOME			**8,494,425**	10,286,713
OPERATING EXPENSES				
Salaries and other employee benefits	**27**		**3,264,661**	3,134,934
Premises and equipments			**737,150**	941,058
Lease charges	**11**		**408,733**	-
Depreciation	**10, 12, 13**		**559,520**	479,657
Other operating expenses			**2,159,997**	1,899,161
			7,130,061	6,454,810
INCOME BEFORE INCOME TAXES – CONTINUING OPÉRATIONS			**1,364,364**	3,831,903
Income taxes – continuing operations	**24**			
Current income taxes			**502,857**	963,903
Deferred income taxes			**(8,592)**	15,986
			494,265	979,889
INCOME BEFORE INCOME TAXES – CONTINUING OPERATIONS			**870,099**	2,852,014
Discontinued operations				
(Loss) income before income taxes from discontinued operation			**(88,450)**	10,769
(Tax benefit) income taxes – discontinued operations	**25**		**(25,586)**	34,086
NET LOSS FROM DISCONTINUED OPERATIONS	**25**		**(62,864)**	(23,317)
NET INCOME FOR THE YEAR – TOTAL			**807,235**	2,828,697
Net income attributable to shareholders of Unibank S.A.			**776,481**	2,774,848
Net income attributable to non-controlling interests			**30,754**	53,849
NET INCOME FOR THE YEAR – TOTAL		G	**807,235**	2,828,697
Total net income per equivalent share of paid-in capital attributable to shareholders of Unibank S.A.		G	**1,520**	5,404
Net income per equivalent share of paid-in capital from continuing operations		G	**1,703**	5,554

[1] **The information presented as of September 30, 2020 takes into consideration the new standards adopted on October 1, 2019.**

The notes are an integral part of the consolidated financial statements. See the accompanying notes and schedules I to V for supplementary information in US dollars.

UNIBANK S.A.
Consolidated Statements of Comprehensive Income [1]
Years ended September 30, 2020 and 2019
(Expressed in thousands of Haitian Gourdes, except for comprehensive income per equivalent share)

		2020	2019
CONTINUING OPERATIONS			
Net income for the year	G	**870,099**	2,852,014
Components of comprehensive income			
Foreign currency translation effect of foreign subsidiaries		**(64,523)**	244,670
Comprehensive income for the year – continuing operations		**805,576**	3,096,684
Total comprehensive income from continuing operations attributable to shareholders of UNIBANK S.A.		**793,728**	3,039,887
Total comprehensive income from continuing operations attributable to non -controlling interest		**11,848**	56,797
Comprehensive income for the year – continuing operations	G	**805,576**	3,096,684
Comprehensive income per share of paid-in capital from continuing operations	G	**1,592**	6,044
DISCONTINUED OPERATIONS			
Net loss for the year	G	**(62,864)**	(23,317)
Components of comprehensive income			
Foreign currency translation effect of foreign subsidiairies		**(551,082)**	318,953
Comprehensive results for the year – discontinued operations	G	**(613,946)**	295,636
Comprehensive income per equivalent share of paid-in capital from discontinued operations	G	**(1,214)**	577
TOTAL COMPRENSIVE INCOME	G	**191,630**	3,392,320

[1] **The information presented as of September 30, 2020 takes into consideration the new standards adopted on October 1, 2019.**

The notes are an integral part of the consolidated financial statements. See the accompanying notes and schedules I to V for supplementary information in US dollars.

UNIBANK S.A.
Consolidated Statement of Shareholders' Equity
Year ended September 30, 2019
(Expressed in thousands of Haitian Gourdes)

						Other reserves							
		Paid-in capital	Treasury shares	Paid-in capital net	Retained earnings	Legal reserve	General reserve	Revaluation reserve-land	Valuation reserve investment properties and properties held for sale	Translation adjustment	Total reserves	Non-controlling interest (note 23)	Total
Balance as of September 30,2018	**G**	**6,470,050**	**(38,137)**	**6,431,913**	**2,673,189**	**305,733**	**401,061**	**24,911**	**66,202**	**548,890**	**1,346,797**	**261,190**	**10,713,089**
Impact of IFRS 9 adoption													
Provision for expected credit losses **(note 21)**		-	-	-	(614,341)	-	-	-	-	-	-	-	**(614,341)**
Transfer from the general reserve for loan losses **(note 21)**		-	-	-	401,061	-	(401,061)	-	-	-	(401,061)	-	-
Net impact		-	-	-	(213,280)	-	(401,061)	-	-	-	(401,061)	-	**(614,341)**
Balance as of September 30, 2018, adjusted	**G**	**6,470,050**	**(38,137)**	**6,431,913**	**2,459,909**	**305,733**	**-**	**24,911**	**66,202**	**548,890**	**945,736**	**261,190**	**10,098,748**
Net income for the year		-	-	-	2,774,848	-	-	-	-	-	-	53,849	**2,828,697**
Components of comprehensive income:													
Foreign currency translation effect for foreign subsidiaries		-	-	-	-	-	-	-	-	560,675	560,675	2,948	**563,623**
Total		-	**-**	**-**	**2,774,848**	-	**-**	**-**	-	**560,675**	**560,675**	**56,797**	**3,392,320**
Transfers from retained earnings													
Transfer to legal reserve		-	-	-	(571,202)	571,202	-	-	-	-	571,202	-	**-**
Transfer to valuation reserve-properties held for sale		-	-	-	(10,621)	-	-	-	10,621	-	10,621	-	**-**
Transactions with shareholders:													
Dividends		-	-	-	(1,089,012)	-	-	-	-	-	-	(39,349)	**(1,128,361)**
Repurchases of shares		-	(27,213)	(27,213)	(58,459)	-	-	-	-	-	-	-	**(85,672)**
Balance as of September 30, 2019	**G**	**6,470,050**	**(65,350)**	**6,404,700**	**3,505,463**	**876,935**	-	**24,911**	**76,823**	**1,109,565**	**2,088,234**	**278,638**	**12,277,035**

(1) **The information presented as of September 30, 2020 takes into consideration the new standards adopted on October 1, 2019.**

The notes are an integral part of the consolidated financial statements. See the accompanying notes and schedules I to V for supplementary information in US dollars.

UNIBANK S.A.
Consolidated Statement of Shareholders' Equity
Year ended September 30, 2020
(Expressed in thousands of Haitian Gourdes)

						Other reserves							
		Paid-in capital	**Treasury shares**	**Paid-in capital net**	**Retained earnings**	**Legal reserve**	**General reserve**	**Revaluation reserve-land**	**Valuation reserve investment properties and properties held for sale**	**Translation adjustment**	**Total reserves**	**Non-controlling interest (note 23)**	**Total**
Balance as of September 30, 2019	**G**	**6,470,050**	**(65,350)**	**6,404,700**	**3,505,463**	**876,935**	-	**24,911**	**76,823**	**1,109,565**	**2,088,234**	**278,638**	**12,277,035**
Impact of classification of properties held for sale to investment properties		-	-	-	-	-	-	-	(8,996)	-	(8,996)	-	**(8,996)**
Balance as of September 30, 2019, adjusted	**G**	**6,470,050**	**(65,350)**	**6,404,700**	**3,505,463**	**876,935**	**-**	**24,911**	**67,827**	**1,109,565**	**2,079,238**	**278,638**	**12,268,039**
Components of comprehensive income:													
Net income for the year		-	-	-	776,481	-	-	-	-	-	-	30,754	**807,235**
Components of comprehensive income:													
Foreign currency translation effect for foreign subsidiaries		-	-	-	-	-	-	-	-	(596,699)	(596,699)	(18,906)	**(615,605)**
Total		-	-	-	776,481	-	-	-	-	(596,699)	(596,699)	11,848	**191,630**
Transfers from retained earnings													
Transfer to legal reserve		-	-	-	(184,032)	184,032	-	-	-	-	184,032	-	-
Transfer to valuation reserve-investment properties and properties held for sale		-	-	-	(18,066)	-	-	-	18,066	-	18,066	-	-
Transfer to the general reserve - loan losses **(note-9c)**		-	-	-	(29,830)	-	29,830	-	-	-	29,830	-	-
Transfer to the general reserve - equity investment of local companies **(note-7d)**		-	-	-	(120,302)	-	120,302	-	-	-	120,302	-	-
Transactions with shareholders													
Dividends		-	-	-	(1,189,159)	-	-	-	-	-	-	(32,158)	**(1,221,317)**
Repurchases of shares		-	(85,000)	(85,000)	(158,251)	-	-	-	-	-	-	-	**(243,251)**
Sale of shares, net		3,750	-	3,750	5,030	-	-	-	-	-	-	-	**8,780**
Balance as of September 30, 2020	**G**	**6,473,800**	**(150,350)**	**6,323,450**	**2,587,334**	**1,060,967**	**150,132**	**24,911**	**85,893**	**512,866**	**1,834,769**	**258,328**	**11,003,881**

[(1)] **The information presented as of September 30, 2020 takes into consideration the new standards adopted on October 1, 2019.**

The notes are an integral part of the consolidated financial statements. See the accompanying notes and schedules I to V for supplementary information in US dollars.

UNIBANK S.A.
Consolidated Statements of Cash Flows [1]
Years ended September 30, 2020 and 2019
(Expressed in thousands of Haitian Gourdes)

	Notes		2020	2019
OPERATING ACTIVITIES				
Net income for the year		G	**807,235**	2,828,697
Adjustements to determine net cash flows provided by operating activities:				
Share of net income of non-consolidated affiliates	**8**		**(89,572)**	(137,727)
Depreciation of fixed assets	**10**		**529,613**	445,977
Amortization of other intangible assets	**12 b**		**27,273**	33,680
Amortization of investment properties			**2,634**	-
Amortization of right-of-use assets	**11**		**383,373**	-
Provision for credit losses	**22**		**598,970**	427,232
Gain on disposal of fixed assets, net of losses related to looting			**(13,115)**	(15,864)
Write-off of assets – discontinued operations	**25 ii**		**76,307**	81,971
Loss (gain) on disposal of properties held for sale	**14**		**516**	(4,500)
Effect of revaluation of provision for expected credit losses in US dollars			**(264,977)**	156,357
Changes in other assets and liabilities resulting from operating activities:				
Net (decrease) increase deposits			**(11,379,881)**	17,835,518
Reimbursements (disbursements) of loans, net			**6,461,515**	(9,138,302)
Decrease (increase) in investment securities			**4,791,927**	(934,400)
Decrease in term deposits with banks			**447,400**	165,311
Lease liabilities			**710,438**	-
Changes in other assets and liabilities			**(1,689,315)**	4,182,673
Net cash flows provided by operating activities			**1,400,341**	15,926,623
INVESTING ACTIVITIES				
Decrease in non current assets, net of non-current liability held for sale			**-**	952,544
Acquisitions of fixed assets	**10**		**(811,618)**	(729,600)
Acquisitions of other intangible assets	**12b**		**(23,289)**	(27,946)
Proceeds from disposals of fixed assets			**25,933**	48,243
Proceeds from disposal of other intangible assets			**1,199**	-
Right-of-use assets	**11**		**(1,617,274)**	-
Investment properties	**13**		**(103,489)**	-
Net translation adjustment– fixed assets	**10**		**19,812**	(20,672)
Net translation adjustment – other intangible assets	**12b**		**(38)**	(128)
Translation adjustment in local currency			**(596,699)**	560,675
Translation adjustment attributable to non-controlling interest			**(18,906)**	2,948
Dividends received from affiliated companies			**50,510**	61,805
Decrease in investments – affiliated companies			**136,156**	31,528
Net cash flows (used in) provided by investing activities			**(2,937,703)**	879,397
FINANCING ACTIVITIES				
Cash dividends – shareholders of UNIBANK S.A.			**(1,081,787)**	(1,032,021)
Cash dividends -non controlling interest	**23**		**(32,158)**	(39,349)
(Decrease) increase of borrowed funds			**(430,210)**	527,742
(Decrease) increase in subordinated debt			**(627,239)**	390,854
Sales of shares			**8,780**	-
Repurchases of share			**(243,251)**	(85,672)
Net cash flows used in financing activities			**(2,405,865)**	(238,446)
Net (decrease) increase in cash and cash equivalents			**(3,943,227)**	16,567,574
Cash and cash equivalents at beginning of year			**75,395,441**	35,890,987
Effect of exchange rate fluctuation			**(12,974,730)**	9,962,150
Cash and cash equivalents at end of year	**5**	G	**58,477,484**	62,420,711

[1] **The information presented as at September 30, 2020 takes into consideration the new standards adopted on October 1, 2019.**

The notes are an integral part of the consolidated financial statements. See the accompanying notes 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 414 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 23**), 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);
- correspondent banks and international money transfer companies operating globally.

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

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

(Continued)

1) ORGANIZATION (CONTINUED)

(a) General information (continued)

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

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

(b) Legal information

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

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

(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 bearing on banks and other financial organizations (Le Moniteur, number 4 - Special Edition of July 20, 2012), UNIBANK S.A. is regulated and supervised by the Central Bank (www.brh.net).

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

(Continued)

1) ORGANIZATION (CONTINUED)

(c) Supervision and Regulation (continued)

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

- the law of March 12, 2014 on the prevention and punishment of corruption (*Le Moniteur*, number 87 of June 9, 2014);
- the Inter-American Convention against Corruption of January 1, 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).

Untransfer S.A (Haiti) is regulated and supervised by the BRH in Haiti.

Until they ceased operations in January 2020 (**note 25**) and turned in their Money Transmitter licenses, Unitransfer's foreign subsidiaries were regulated by:

- the BRH in Haiti;
- 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;
- the Banking Departments of the 11 States where UniTransfer held a Banking License as ''Money Transmitter'' (Florida, New York, Massachusetts, New Jersey, Connecticut, Georgia, Illinois, Louisiana, Maryland, Pennsylvania, Rhode Island);
- the Ministry of Finance of Canada (FINTRAC) at the federal level, and by the Province of Quebec Autorité des Marchés Financiers (Financial Market Authority – AMF).

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

(d) Scope of Consolidation

Subsidiaries of UNIBANK S.A. consolidated in these financial statements are presented in **note 23**. The principles of consolidation are presented in **note 2b.**

(Continued)

2) BASIS FOR FINANCIAL STATEMENTS 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) published by the International Accounting Standards Board (IASB).

The consolidated financial statements were approved by the Board of Directors on March 22, 2021.

Comparative figures

The main accounting policies described below have been applied consistently to all periods presented in the accompanying consolidated financial statements, except for the impact of the reclassification of properties held for resale as real estate investments in 2019 **(notes 13 and 14)**.

Standards, interpretations and amendments effective in the current year

IFRS 16 - Leases (effective for annual periods beginning on or after January 1, 2019). The Group adopted **IFRS 16** at the beginning of the year ended September 30, 2020, (October 1, 2019). This standard supersedes the requirements of IAS 17 and introduces significant changes in the accounting of leases, by lessees in particular. As per the requirements of IAS 17, lessees reflected their obligations under operating leases as off-balance sheet commitments and only reflected finance leases on the balance sheet. IFRS 16 requires lessees to recognize a "lease obligation" for the present value of future lease payments with an equivalent lease asset, the "rights-of-use assets" for the vast majority of leases. The standard provides an optional exemption for certain short-term and low-value leases. For lessors, the requirements remain virtually the same as under IAS 17. As defined by IFRS 16, an agreement is, or contains, a lease if the agreement transfers the right to control the use of an identifiable asset for a period in exchange for consideration.

The impact of adoption of IFRS 16 is presented in **note 11**. Other than IFRS 16, no other standard, interpretation or amendment had a material impact on the Group's consolidated financial statements.

The Group elected to apply the modified retrospective method whereby retained earnings as of October 1, 2019 are not adjusted, considering right-of-use assets are measured at present value of their lease obligations as of October 1, 2019, adjusted for prepaid rent at that date.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

2) BASIS FOR FINANCIAL STATEMENTS PREPARATION (CONTINUED)

(a) Accounting framework (continued)

Standards, interpretations and amendments effective in the current year (continued)

The following simplification options permitted by the standard have been adopted:

- Rental contracts with a residual term of less than 12 months do not result in the recognition of an asset and a liability. The related rental payments are recognized directly in the consolidated statement of net income.

- Contracts individually or amounting to less than US $ 5,000 or the gourdes equivalent of G 495,000, on an individual basis, are not considered.

- The incremental borrowing rate of 4% was used to discount the lease obligations in US dollars, and the incremental borrowing rate of 18% was used for the lease obligations in gourdes.

Standards, interpretations and amendments not yet implemented as of September 30, 2020

At the date of approval of these consolidated financial statements, certain new accounting standards, interpretation and amendments to existing standards have been issued which are not yet effective, and which the Group has not adopted early. The Group has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations. Unless stated otherwise, the impact of the changes is still being assessed by Management.

IFRS 17 – Insurance Contracts (supersedes IFRS 4) and is effective for annual periods beginning on January 1, 2023. This standard is subject to amendments prior to its effective date.

(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.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

2) BASIS FOR FINANCIAL STATEMENTS PREPARATION (CONTINUED)

(c) Basis of measurement

The consolidated financial statements are presented on a historical cost basis, with the exception of investments measured at fair value through consolidated results **(note 7)**, land **(note 10)**, which are presented at fair value, and equity securities **(note 8)** which are presented on the equity basis.

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

(d) Discontinued operations

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

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

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

On September 23, 2019, the property which constituted the main asset of the foreign real estate segment was sold. The results of this disposal are reflected in the consolidated statements under the heading "discontinued operations".

On June 7, 2019, UNITRANSFER U.S.A. INC. entered into an agent referral agreement with, RIA Télécommunication of Canada Inc. and Continental Exchange Solutions Inc. (collectively, "Ria'). The Group cedes its network of agents under agreement for the provision of money transmission services in the United States and Canada. By this transfer, the Group ceases its activities in January 2020 of direct collection and payments in the North American market and maintains those on the local market **(note 25).**

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

2) BASIS FOR FINANCIAL STATEMENTS PREPARATION (CONTINUED)

(d) Discontinued operations (continued)

Based on the resolution of the General Assembly of March 27, 2018 and the Board of Directors' resolution of August 29, 2019 setting the terms of this transfer, the Group's interest in Haiti Agro Processors Holding Ltd, IMSA, and Corail will be distributed to shareholders at a date to be determined by the Board of Directors. This transaction will take the form of dividends to the shareholders in proportion to their shareholding at book value on the effective date of the dividend. This distribution did not take effect in 2020 due to regulatory restrictions introduced by BRH, by Circular No. 115-1 dated June 30, 2020, prohibiting the distribution of dividends by the banks.

The Group also discontinued in 2020 the sale of communications services through UNICOM, a company previously consolidated in GFNAH.

(e) Functional and presentation currency

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

(f) Use of estimates and judgment

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

The estimates made by Management are based on historical data and other assumptions deemed reasonable. The main uncertainties affecting the estimates include: the determination of fair value of financial instruments, cumulative expected credit loss provisions; income taxes; the recoverable value and the book value of cash generating units in connection to the depreciation test of goodwill and other intangible assets; provisions and contingent liabilities for instance in the case of a law suit or restructuration plans.

Estimates and underlying assumptions are reviewed periodically. Revisions to accounting estimates are recognized in the period in which estimate are revised and in any future period affected.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

2) BASIS FOR FINANCIAL STATEMENTS PREPARATION (CONTINUED)

(f) Use of estimates and judgment (continued)

Consequently, actual results could be different from those estimates, which could have an impact on future consolidated financial statements of the Group. See relevant accounting principles in **note 3** for further information on the use of estimates and assumptions.

(g) Critical judgment

In preparing these consolidated financial statements in agreement with International Financial Reporting Standards, Management must exercise significant judgement with an impact on the valuation of amounts recognized in the consolidated financial statements included in the following notes:

Notes 3 (a) and 9	Loans – provision for expected credit losses
Note 3 (o)	General reserve for loan losses – valuation (2018)
Note 7	Securities – fair value
Note 8	Investments in affiliated companies – fair value
Note 10	Investment properties – amortization and valuation
Note 11	Right-of-use assets – lease obligations
Note 12	Goodwill - valuation
Note 13	Real estate investments – depreciation and valuation
Note 14	Properties held for sale
Note 15	Financial assets – provisions for expected credit losses
Note 18	Other liabilities – accrued expenses and 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.

(e) Covid-19

On March 11, 2020, the World Health Organization declared that Covid-19 had reached the global pandemic stage. Due to the increased uncertainty resulting from the unprecedented nature of the pandemic as well as the degree of complexity associated with reliable estimates, the exercice of judgment has increased even more. The expected credit losses model, under IFRS 9, is prospective and requires forecasts of future events and economics conditions be used in determining credit risk and measuring credit loss.

(Continued)

2) BASIS FOR FINANCIAL STATEMENTS PREPARATION (CONTINUED)

(e) Covid-19 (continued)

Management believes that the assessment of credit losses at the end of each reporting period terms reflects reasonable and justifiable information about past events, current circumstances, as well as forecasts of events and economic conditions. At a time of great economic uncertainty, it is very difficult to predict events and gather data to assess expected credit loss calculations. The Group applies credit experts' judgment to adjust expected credit losses when it becomes evident that risk factors and known or expected information have not been taken into account in the initial assessment process of credit losses.

3) SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

Classification and valuation of assets (IFRS 9)

On initial recognition, all financial assets are measured at fair value in the consolidated balance sheet. Subsequent to initial recognition, financial assets of the Group are measured: at amortized cost or at fair value through profit and loss, or fair value through other comprehensive income.

The Group determines the classification of debt instruments based on the characteristics of the contractual cash flows of financial assets as well as the economic model under which these assets are managed, as described below. Equity instruments are measured at fair value through profit and loss except if, at the time of initial recognition, the Group chooses to irrevocably designate an equity instrument held for purposes other than trading as measured at fair value through other comprehensive income.

At September 30, the Groupe did not designate any financial instruments as at fair value through other comprehensive income.

Characteristics of contractual cash flows

To classify a debt instrument, the Group must determine if the contractual cashflows associated with the instrument represent solely the payment of principal and interest on the outstanding principal. The principal generally represents the fair value of the financial instrument at initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs as well as profit margin. If the Group determines that the contractual cash flows associated with a debt instrument do not represent solely the payment of principal and interest, the financial instrument is classified as measured at fair value through profit and loss.

(Continued)

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (continued)

Business Model Assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management. The information considered includes:

- Management's stated policies and objectives for the portfolio and the application of those policies in practice;
- The risks which affect the performance of the business model and the strategy for managing those risks;
- How the performance of the portfolio is evaluated and reported to the Group's Management;
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activities.

A portfolio of financial assets is held within a ''Hold-to-collect'' model when Management's main objective is to hold the financial assets in order to collect contractual cash flows and not to sell them. A portfolio of financial instruments may be held within a model whose objective is both to collect contractual cash flows and to sell the financial assets; such a model is a "Hold-to-collect and sell''. The perception and sale of instruments are both essential component of Management's objectives in holding this portfolio.

Financial assets at fair value through consolidated net income

Financial assets are measured at fair value through profit and loss if they are neither held in a business model of the type "Hold-to-collect" or of the type "Hold-to-collect and sell''.

The securities instruments at fair value through profit and loss include:

i) Debt securities which are neither of the type "hold-to-collect" or of the type "hold-to-collect and sell";

ii) Debt securities which contractual cashflows do not represent solely the payment of principal and interest on the outstanding balance;

iii) Debt securities designated as at fair value through profit and loss;

iv) Equity securities held for trading; and

v) Equity securities other than those designated at fair value through other comprehensive income.

(Continued)

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (continued)

The Group's portfolio of financial instruments includes solely equity instruments held for trading and debt instruments other than those held to collect and/or sell.

Financial instruments at fair value through profit and loss are initially recorded at fair value in the consolidated balance sheet at origination date. Transaction costs and other fees associated with the financial instruments at fair value through profit and loss are recorded in expenses as incurred. Subsequently, these financial instruments are measured at fair value and the profit and losses realized and unrealized are recorded in the consolidated statement of income within financial income. Amortization of premiums and discounts, calculated based on the effective interest method, as well as interest revenues and income from dividends are recorded within interest income in the consolidated statement of income.

Financial instruments at amortized cost

Financial instruments at amortized cost include debt securities, the contractual terms of which give rise to cash flows which correspond only to principal repayments and interest payments on the principal remaining due, and which are included in an economic model of the "Hold-to-collect and sell" type. Financial instruments at amortized cost are initially recognized at fair value on the consolidated balance sheet on the settlement date, including direct marginal transaction costs. Thereafter, they are valued at amortized cost using the effective interest rate method, after deduction of value adjustments for expected credit losses. Interest income is recognized in the consolidated statement of income using the effective interest method, including the amortization of transaction costs and premiums or discounts over the expected life of the financial instrument.

Loans, Treasury bonds, BRH bonds, term deposits and other assets are financial instruments at amortized cost held by the Group.

Classification and measurement of financial liabilities (IFRS 9)

Upon initial recognition, all financial liabilities are recorded in the consolidated balance sheet at fair value included applicable transaction costs. Subsequently, financial liabilities are measured at amortized costs or at fair value through profit and loss. The financial liabilities of the Group are measured at amortized cost.

Financial liabilities at amortized cost include deposits, borrowed funds, acceptances, subordinated debts and other liabilities.

Interests on financial liabilities at amortized costs are recorded in the consolidated statement of income using the effective interest method.

(Continued)

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (continued)

Reclassifications of financial assets and liabilities (IFRS 9)

Financial assets and liabilities are not reclassified subsequent to their initial recognition, except in the period after when the Group changes its business model for managing the financial instruments. The reclassification is accounted for prospectively from the reclassification date which is the first day of the first reporting period following the change in business model. Such changes in business model and reclassifications should be very rare.

Impairment of financial assets (IFRS 9)

At the end of each reporting period, the Group applies an impairment model in **three phases** to assess the expected credit losses on all financial assets measured at amortised cost: loans, credit engagements, financial guarantees, Treasury obligations and term deposits which are not presented at fair value. The expected credit losses model incorporates forward looking information. The assessment of expected credit losses at each reporting period takes into consideration information which is reasonable and objective based on past events, actual circumstances, future forecasts and the future economic outlook. The estimates and use of prospective information require the exercise of significant judgment.

With respect to receivables reflected in other assets which are generally short term, the Group applies a simplified method which does not follow the evolution of credit risk, but records a cumulative specific provision on the basis of expected credit losses on the life of the financial instruments at each reporting date from their origination dates. The expected credit loss provision determined using the three-phase approach for the loan portfolio are not reassessed based on subsequent events which occur during the period of assessment ending at the date of approval of the consolidated financial statements as reflected in **note 2 (a).**

Specific provisions applicable to financial instruments other than loans and the financial instruments at fair value, are reassessed on the basis of subsequent events which occur during the period of assessment.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (continued)

Assessment of phases

The method of depreciation in **three phases** used to assess expected credit loss is based on the deterioration of the credit quality of a financial instrument since initial recognition.

Phase 1. If at the reporting date, the credit risk associated to financial instruments which is not credit impaired has not increased significantly from the date of initial recording, these instruments are classified at Phase 1 and an expected credit loss provision is measured and recorded at each reporting date at an amount equal to expected credit loss over the next 12 months.

Phase 2. If the credit risk associated with a financial instrument has increased significantly from the date of initial recording, the financial instruments will be classified at phase 2 and will be considered impaired. In this case, a provision for expected credit loss is assessed and recorded at each reporting date at an amount equal to the expected credit loss over the life of the financial instrument.

In subsequent periods, if the credit risk associated with the financial instrument decreases such that there is no longer a significant increase in credit risk in comparison to the credit risk at initial recording, the expected credit loss model requires that the cumulative expected credit loss provision be decreased to phase 1, equivalent to 12-month expected credit loss.

Phase 3. When one or more events with a negative impact on the future estimated cashflow from the financial instrument occur after initial recognition, the impaired financial asset is classified at phase 3 and will be considered as an asset in default. A provision equal to expected credit loss over the life of the asset continues to be recorded or the asset is written-off.

Interest income is calculated on the gross book value of financial assets classified in phases 1 and 2, and on the net book value of financial assets in phase 3.

(Continued)

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (continued)

Assessment of significant increase in credit risk

In order to determine whether there has been a significant increase in credit risk, the Bank uses an internal credit notation system and notation of credit risks recommended by the Central Bank. To measure an important increase in credit risk of a financial instrument, the Probability of Default (PD) for the next 12 months from the reporting date is compared to the Probability of Default over 12 months from the date of initial recognition. The Group includes absolute and relative values in the definition of a significant increase in credit risk and a security margin when contractual payments are in arrears more than 30 days. All financial instruments for which payments are in arrears more than 30 days are classified at **phase 2** even if other indicators do not warrant a significant increase in credit risk. The assessment of an important increase in credit risk requires the exercise of an important part of judgment.

Assessment of expected credit loss

Expected Credit Loss **(ECL)** corresponds to a weighted average probability of the present value of cash shortfalls expected over the remaining life of a financial instrument. A cash shortfall is the difference between the expected contractual cashflow at origination and the cashflow the Group expects to collect.

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of Default (PD)
- Loss Given Default (LGD); and
- Exposure at Default (EAD).

The measurement of ECL is based, as applicable, on the parameters of the risk model used by the Bank for the measurement of cumulative provisions based on IAS 39, namely the PD, LGD and EAD.

(Continued)

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (continued)

Assessment of expected credit loss (continued)

These risk parameters are adjusted based on prospective macroeconomic factors such as interest rates, expected unemployment rates, projections of Gross Domestic Product and inflation index.

The Group has the credit expertise necessary and adjusts the results from the model of expected credit loss when it becomes evident that the notation and model of credit risk do not appropriately represent the risk and other information known or forecasted.

Expected credit losses for all financial instruments are recorded in "Provision for credit losses" in the consolidated statement of income and the cumulative provision is presented in "Provision for expected credit losses", a contra account of the financial instruments at amortized cost. The cumulative allowance for ECL related to the credit risk on off balance sheet instruments is included in other liabilities in the consolidated balance sheet.

Credit-impaired financial assets on initial recognition

Upon initial recognition, the Group determines if a financial asset is credit-impaired. For financial assets which are credit impaired on initial recognition, the Group records in cumulative ''provision for expected credit losses'' the changes in the expected credit loss over the life of the asset. The Group records the changes in expected credit loss over the life of the asset in "Provision for credit losses" in the consolidated statement of income, even if the expected credit loss over the life of the asset is less than the expected cashflow estimated at initial recognition. As of September 30, 2020 and 2019 the Group did not hold any credit impaired financial asset on initial recognition.

Default

The definition of default used by the Group to assess expected credit losses and to transfer financial instruments from one phase to another is consistent with the definition used for internal credit risk management purposes. The Group considers that a financial instrument is in default when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred or that contractual payments are past due more than 90 days.

(Continued)

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (continued)

Write-offs

Loans and debt securities are written off either partially or in full when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. The financial asset in default is written off against the cumulative "Provision for Expected Credit Losses" related thereto when attempts to realize guarantees and other recourse have not been conclusive or the borrower is involved in bankruptcy or liquidation procedures and it is improbable that the balances due to the Group will be collected. With respect to credit card and micro finance loans, loans are written-off when they are over 180 days in arrear. The Bank writes-off when loans are in arrear more than 360 days.

Restructured financial assets

The terms of a financial asset may be renegotiated or modified resulting in contractual terms which have an impact on the expected cashflow from the financial asset. The accounting treatment of such modifications depend on the nature and extent of those modifications. A modification resulting from the credit risk of the borrower, such as in the case of restructuration of the debt of a financially stressed borrower, is generally treated as a modification of the original financial asset and does not result in derecognition. Advantageous conditions may include a deferral of payment, an extension of the amortization period, a reduction in interest rate, forgiveness of part of principal, debt consolidation, relief and other measures, and are intended to avoid repossession of the guarantee.

A modification for reasons other than the credit risk associated with the borrower is considered an extinction of the right to initial cash flows; consequently, the modification results in derecognition of the original financial asset and recognition of a new financial asset based on new contractual terms.

If the Bank determines that a modification does not result in derecognition, the financial asset continues to be subject to the same evaluation of a significant increase in credit risk since initial recognition as previously described. The expected cash flows arising from the modified financial asset are included in calculating the cash shortfall from the existing asset. For financial assets modified when they were measured on the basis of expected credit losses over their lives, they can revert to 12 month expected credit losses if the financial situation of the borrower is improved and the improvement can objectively be attributed to an event which occurred after the recognition of the initial impairment.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (continued)

Restructured financial assets (continued)

If the modification results in derecognition of the initial financial asset and recognition of a new financial asset, the new financial asset is classified at **phase 1** unless it is determined that the new financial asset is impaired at the time of renegotiation. For purpose of assessing a significant increase in credit risk, the date of initial recognition of the new financial asset is the date of modification.

Derecognition of financial assets

A financial asset is derecognized when rights to the contractual cashflows from the financial instrument expire or the rights to receive contractual cash flows is transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred to a third party. On derecognition of a financial asset, a gain or loss is recognized in the consolidated statement of income for the difference between the carrying amount of the asset and the consideration received.

(b) Conversion of foreign currencies

Monetary assets and liabilities stated in foreign currencies are translated in Haitian Gourdes at exchange rates prevailing at year end. Gains and losses resulting from this translation are included in the consolidated statement of income.

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

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

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Conversion of foreign currencies (continued)

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

(c) 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.

(d) Securities

Securities are composed of foreign and local securities.

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

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

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

Amortized cost instruments

Amortized cost investments are non derivative instruments with fixed and determined payments, with fixed maturity that the Bank holds for the purpose of collecting contractual cash flows. They are recorded at amortized cost, based on the effective net interest rate method and net of a provision for expected credit losses, if required. Amortized cost investments consist of term deposits, which are categorized "Term deposits with banks" in the consolidated balance sheet.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Securities (continued)

Fair value instruments through consolidated earnings

These investments are those other than amortized cost instruments. They 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.

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

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

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

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

(e) Investment in affiliated companies

Investments in affiliated companies represent long-term investments in various companies. **Affiliated companies** are those over which the Group maintains significant influence but does not control their financial and operational policies. A significant influence exists if the Group controls between 20% to 50% of the voting rights of an entity.

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

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

(Continued)

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 **(note 3p).** Management is unable to obtain fair value information on an ongoing basis in the absence of a reliable active market. Therefore, Management decided to consider the last estimated value as deemed cost of these lands.

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

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

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

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

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

(Continued)

3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Properties held for sale

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

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

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

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

In accordance with banking regulations, a reserve of 20% is required on properties held for sale. This reserve is established by direct transfer from retained earnings to “valuation reserve – properties held for sale’’, a sub-account of shareholders’ equity. This reserve is not subject to distribution.

(h) Investment properties

In 2020, the Bank reclassified the value of two repossessed properties previously classified as "Properties held for sale" to " investment properties". At the date of classification (October 1, 2019), these properties were valued at cost, adjusted for the depreciation that would have been recognized had the asset not been classified as "Properties held for sale" (IFRS 5, paragraph 27). In accordance with an alternative treatment permitted by IAS 40, these properties are reflected at amortized cost. They are depreciated on a straight-line basis at the depreciation rate of 5% of the properties owned by the Bank. The cumulative amortization expense has been recorded in retained earnings for the cumulative amortization at the date of classification and in the statement of net income for the amortization expense of the year 2020.

Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Investment properties (continued)

In accordance with the provisions of the Banking Law of 14 May 2012, these properties are subject to a 20% reserve established from retained earnings. The difference between the annual depreciation calculated at the rate of 5% and the annual regulatory reserve at the rate of 20% is reflected in a sub-account of shareholders' equity entitled "Valuation Reserve - Investment properties and properties held for sale"

(i) Goodwill and other intangible assets

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

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

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

(j) Acceptances and letters of credit

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

(k) Deposits and subordinated debt

Deposits 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)

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Paid-in capital

Paid-in capital reported in shareholders' equity is composed of common shares. Incremental costs that are directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments. Dividends are recorded against retained earnings when approved by the General Assembly of Shareholders.

(m) Paid-in surplus

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

(n) Legal reserve

In agreement with the law on financial institutions, an amount of 10% of income before income taxes, reduced by prior years' losses, if any, is transferred every year in a reserve account in order to constitute the legal reserve, until such reserve reaches a maximum of 50% of the paid-in capital.

(o) General reserve

The general reserve is created by direct transfer from retained earnings and includes as applicable the excess of the provision required by the Central Bank to cover potential loan losses on assets and the general provision for loan losses over the assessment of expected credit losses based on International Financial Reporting Standards IFRS 9. This reserve is not subject to distribution.

In application of IFRS 9, the cumulative general reserve as of September 30, 2018 was reversed to the cumulative provision for expected credit losses through retained earnings. The prudential requirements of the Central Bank are covered by the cumulative provision for expected credit losses as of September 30.

(Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Revaluation reserve-land

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

(q) Revenue from contracts with customers

Revenue from contracts with customers are recognized when the Group transfers control over the services offered to customers for amounts which correspond to the counterpart expected to be received for the services offered. Revenue related to services provided is recorded on the basis of performance obligations met at the end of the reporting period. The determination of the timing in which performance obligations are met and allocation of transaction price to performance obligations require the exercise of judgment.

r) Interest revenue

Interest revenue is accounted for using the effective interest method for all "amortized cost" financial instruments and financial instruments at "fair value through profit and loss". The effective interest method is the basis of calculation of the amortized cost of an asset and of revenue recognition in the period affected.

Per IFRS 9, the effective interest rate is the rate used for discounting the estimated future cash payments or receipts through the expected life of a financial instrument to obtain its gross carrying amount. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, except for ECL. The calculation takes into account transaction costs and fees as well as premiums and discounts.

For financial instruments which are not considered credit impaired (Phases 1 and 2), interest revenue is calculated based on the gross carrying amount of the financial instruments. For financial instruments which are credit impaired (phase 3), revenue is calculated by applying the effective interest rate to the amortized cost which represents the gross carrying amount less provision for expected credit loss.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Commissions

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.

Commission income and expenses which are assimilated to service fees are recognized as income when the services are rendered.

(t) Lease contracts

Accounting principles applied as of October 1, 2019

The Group is a lessee under a number of contracts covering its head office, branches (Unibank, Micro Crédit National and Unitransfer) and other operations.

The Bank recognizes a right-of-use asset and a lease liability for all leases with a term exceeding 12 months.

The lease liability is originally measured at the present value of future lease payments, using the Bank's incremental borrowing rate, which is the borrowing rate available to the Bank to finance similar assets in a similar economic environment and under the same terms and conditions. To determine the incremental borrowing rate, the Group uses the average historical borrowing rate of BRH of 4% in dollars, and the average rates used on the interbank market, including the discount rate used for BRH bonds, of 18% in gourdes.

Each rental payment over the term of the contract is allocated between the amortization of the lease obligation and finance charges. The lease liability is subsequently revalued to reflect any changes in the contract terms.

The lease term is the irrevocable period of the lease plus the periods covered by extension options that the lessee is reasonably certain to exercise.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Lease liabilities (continued)

The right-of-use asset is initially measured at cost, which includes:

- The amount of the lease liability,
- Payments made at the beginning of the contract,
- The associated direct costs, and
- Restructuring costs, if any.

Subsequently, the right-of-use asset is measured at cost less accumulated amortization and impairment, if any. It is also adjusted for any revaluation of the lease liability resulting from changes in the lease agreement.

The right-of-use asset is depreciated over the lesser of the life of the asset and the lease term on a straight-line basis. The amortization period used by the Group is between 4 years and 20 years.

Expenses associated with short-term rentals and contracts of insignificant value are recognized directly in the consolidated statement of net income.

Accounting principle applicable until September 30, 2019

Leases where a significant portion of the risks and rewards were retained by the lessor were classified as operating leases. Payments made under these leases were expensed on a straight-line basis over the contractual term.

(u) Income taxes

Income taxes are calculated on the consolidated income before income taxes for the year and comprise current and deferred income taxes. Current income taxes are taxes payable on the taxable income for the year using statutory tax rates and other adjustments that may affect income taxes payable. Deferred income taxes resulting from timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes are reflected in other assets or liabilities, as need be. The Bank recorded in other assets the tax benefit resulting from the 2017 taxable loss. In accordance with the Income Tax Act, these losses may be carried forward in future years over a period five years.

(Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Income taxes (continued)

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

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

The Group recognizes in other assets or liabilities, where applicable, the deferred tax resulting from the difference between the rental expense recognized for tax purposes on a straight-line basis over the life of the lease and the result from the application of IFRS 16.

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

(v) Regulatory reserve for deposits and other liabilities

According to the reserve requirements of the Central Bank, as of September 30, 2020 and 2019, 40% and 45% of liabilities in local currency, and 51% and 51.5% of liabilities in foreign currency respectively must be held in deposits at the Central Bank. Reserves calculated on liabilities in foreign currencies must be maintained in the same currency. As of Febuary 2019, 12.5% of the foreign currency reserve must be maintained in gourdes. The reserve requirement on deposits of non financial public enterprises is 100%.

(w) 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.

(Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Insurance

Insurance premiums are recognized as revenue proportionally over the period of coverage. As of the balance sheet date, unearned insurance premium is reported in liabilities which represent the portion of premium received on in force contracts that relate to periods after the balance sheet date. A single premium is charged to the customers on inception. The consideration received is deferred as a liability and recognized over the life of the contract on a straight-line basis. Revenue generated by insurance premiums is presented separately from commissions and net of related taxes and other charges levied on the premiums.

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the end of the reporting period, even if reported subsequently to the Group within the reporting deadline. The Group reserves the right to reject claims if not reported within the contractual deadline. The Group does not discount its liabilities for unpaid claims since they are generally short-term.

(y) Provisions

Provisions are recorded when the Group has an obligation (legal or implied) resulting from past events and that it is probable that a future cash outflow will be necessary to meet this obligation and that it can be reliably estimated. The timing or amount of cash outflow may be uncertain. A current obligation may be legal or implied resulting from past events, such as claims or similar past events. The provisions are not present valued since Management estimates that they will be honored or reversed in 12 months or less.

The amount recorded as provisions is revalued at each reporting date and must represent the best estimate based on the most reliable indicators considering the risks and uncertainties surrounding the obligation.

When it is assessed that it is unlikely that economic resources will be used to settle an obligation, no liability is recognized.

(Continued)

(4) RISK MANAGEMENT

(a) Risk management framework

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

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

1) Financial risk, which includes credit risk, liquidity and market risk;

2) Operational risk encompassing the risk, of loss resulting from processes, human resources, and inadequate or faulty internal control systems, or from external events such as natural catastrophes or terrorist attacks;

3) Insolvency risk resulting from management of capital;

4) Other risks: strategic risk, reputational risk, insurance risk and environmental risk.

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

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

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT (CONTINUED)

(b) Governance structure and risk governance

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

The Board has established the following committees which are responsible for monitoring the Bank's risk management policies in their respective areas:

- ***Credit Committee:*** The Credit Committee has the authority and responsibility to approve and reject credit requests, modify credit terms and approve the limits and the credit commitments. This committee defines the Bank's credit policies, ensures credit risk management and monitors the quality of the credit portfolio.

- ***Loan Review Committee:*** This committee has the authority to evaluate the degree of inherent risk and decide on the rating of credit facilities, the strategy, the frequency of credit account reviews, write-offs, sign-offs, and on all actions to undertake in order to protect the Bank against the risk of credit loss.

- ***Asset-Liability Management Committee (ALCO):*** This Committee has put in place a prudent policy for managing liquidity, foreign exchange and interest rate risks. Within this committee, key Management personnel meets weekly to discuss the Bank's financial position and decide on interest rates, foreign exchange and investments.

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

- ***Audit Committee***: UNIBANK S.A.'s Audit Committee is responsible for monitoring the process of preparing financial information, overseeing the efficiency of the internal control system, the internal audit and the risk management policies, and supervising annual reporting on a consolidated basis.

- ***Compliance Committee:*** The Compliance Committee oversees that the Bank's policies and procedures are in adherence to the laws, the Bank's Code of Ethics and other regulations. It is also responsible to oversee that UNIBANK S.A. is in compliance with the laws and ensures that appropriate anti-money laundering and anti-terrorism policies and procedures are implemented and followed.

(Continued)

(4) RISK MANAGEMENT (CONTINUED)

(c) Capital Management

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

The capital adequacy of Haitian banks is regulated in accordance with the Central Bank's capital requirements (Circular No. 88). As of September 30, 2020 and 2019, the Bank is compliant with the Central Bank's requirements with respect to sufficiency of capital. Every banking institution must comply with the following two capital adequacy standards:

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

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

Regulatory capital consists primarily of more permanent capital, Tier I, attributable to ordinary shareholders other than revaluation reserves, translation adjustment and general reserves for losses on loans and impairment of properties held for resale and Tier II capital, consisting mainly of subordinated debt.

As of September 30, 2020 and 2019 the Bank's ratios were as follows:

	2020	**2019**
Ratio of assets/capital	**10.85 times**	10.78 times
Ratio of capital/risk-weighted assets	**23.93%**	23.02%

(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 No. 78 **(note 3 v)**.

(Continued)

(4) RISK MANAGEMENT (CONTINUED)

d1) LIQUIDITY RISK (CONTINUED)

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

September 30, 2020

(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	42,478,484	-	-	-	**42,478,484**
Savings account		40,222,790	-	-	111,799	**40,334,589**
Term deposits		3,656,685	5,406,955	2,435,900	11,078	**11,510,618**
Total deposits		**86,357,959**	**5,406,955**	**2,435,900**	**122,877**	**94,323,691**
Borrowed funds **(note 17)**					2,260,374	**2,260,374**
Lease liabilities **(note 11)**		-	-	-	710,438	**710,438**
Commitments: acceptances and letters of credit		198,765	-	-	-	**198,765**
Subordinated debt **(note 19)**		-			935,527	**935,527**
Other liabilities		4,803,545	-	-	2,964,080	**7,767,625**
		5,002,310	**-**	**-**	**6,870,419**	**11,872,729**
Total	**G**	**91,360,269**	**5,406,955**	**2,435,900**	**6,993,296**	**106,196,420**

September 30, 2019

(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	46,135,269	-	-	-	**46,135,269**
Savings accounts		43,096,103	-	-	167,448	**43,263,551**
Term deposits		5,697,287	8,102,283	2,495,680	9,502	**16,304,752**
Total deposits		**94,928,659**	**8,102,283**	**2,495,680**	**176,950**	**105,703,572**
Borrowed funds **(note 17)**		1,000,000	24,667	-	1,665,917	**2,690,584**
Commitments: acceptances and letters of credit		311,778	-	-	-	**311,778**
Subordinated debt **(note 19)**		-	-	-	1,562,766	**1,562,766**
Other liabitlities		6,434,949	-	-	3,733,236	**10,168,185**
		7,746,727	**24,667**	**-**	**6,961,919**	**14,733,313**
Total	**G**	**102,675,386**	**8,126,950**	**2,495,680**	**7,138,869**	**120,436,885**

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT (CONTINUED)

d2) CREDIT RISK

Credit risk results from the inability of a borrower to fulfill its financial or contractual obligations towards the Bank. To manage this risk, UNIBANK S.A. has put in place various policies and procedures which allow a strict and systematic monitoring of its liquidities, its investments, its loan portfolio and other assets.

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

(In thousands of gourdes)		2020	2019
Cash and due from banks (note 5)			
Deposits with BRH (Central Bank) and BNC	G	**45,068,111**	52,056,434
Deposits with foreign banks		**7,897,291**	7,478,924
Items in transit		**768,549**	395,833
		53,733,951	59,931,191
Term deposits with banks, net (note 6)		**1,303,849**	1,751,000
Securities (note 7)			
Foreign investments, net		**10,924,099**	18,889,361
Local investments, net		**3,345,694**	172,359
		14,269,793	19,061,720
Credit			
Loans, net **(note 9)**		**35,512,016**	42,312,473
Acceptances and letters of credit		**198,765**	311,778
		35,710,781	42,624,251
Other assets, net (note 15)			
Receivable – remittance agents		**313,156**	722,125
Premium receivable – UniAssurances S.A.		**127,543**	249,795
Advances – suppliers and others		**79,247**	44,946
Accounts receivable – affiliated companies		**21,542**	44,197
Others		**463,294**	238,289
		1,004,782	1,299,352
Provision for expected credit losses		**(70,586)**	(52,045)
		934,196	1,247,307
Total financial assets	G	**105,952,570**	124,615,469

(Continued)

(4) RISK MANAGEMENT (CONTINUED)

d2) CREDIT RISK (CONTINUED)

i. Cash and due from banks

Cash and due from banks are held at important financial institutions that the Bank considers as being financially solid. The financial viability of these institutions is reviewed periodically by the Asset Liability Management Committee. As of September 30, 2020 and 2019, respectively 84% and 87% of these cash and cash equivalents are kept at the Central Bank as reserve coverage.

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

ii. Term deposits with banks

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

iii. Securities

Investment risk occurs when a security 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 Bank of the Republic of Haiti (BRH).
- Avoid taking positions which are speculative.
- Avoid concentration by amount, by sector, by type of instrument and by financial institution. In that respect, limits are established by the Asset-Liability Management Committee.

(Continued)

(4) RISK MANAGEMENT (CONTINUED)

d2) CREDIT RISK (CONTINUED)

iii. Securities (continued)

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

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

iv. Credit

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

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

Within the Bank's policy framework, the Bank complies as of September 30, 2020 and 2019, 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)

Geographic allocation of financial risk

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

(In thousands of gourdes)		2020	2019
Cash and due from banks			
Haiti	G	**45,836,660**	52,452,267
United States		**7,625,685**	6,902,719
Canada		**271,606**	422,345
Europe		-	153,860
		53,733,951	59,931,191
Term deposits with banks, net			
United States		**903,322**	1,193,796
Canada		**400,527**	557,204
		1,303,849	1,751,000
Securities, net			
Haiti		**3,345,694**	172,359
United States		**10,202,998**	17,171,816
Others (OCDE countries)		**670,138**	1,429,963
Emerging countries		**6,889**	203,813
		10,880,025	18,805,592
Interest receivable on foreign securities		**44,074**	83,769
		10,924,099	18,889,361
Total		**14,269,793**	19,061,720
Credit			
Haiti		**35,710,781**	42,624,251
Other assets, net			
Haiti		**670,432**	1,011,984
United States		**263,764**	235,323
		934,196	1,247,307
Total financial assets	G	**105,952,570**	124,615,469

(Continued)

(4) RISK MANAGEMENT (CONTINUED)

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.

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, 2020 and 2019 respectively, approximately 31% and 28% 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 45% and 43% of the total deposit portfolio of UNIBANK S.A. as of September 30, 2020, and 44% and 41% each as of September 30, 2019, which constitutes respectively 88% and 85% of total deposits.

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

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

(Continued)

(4) RISK MANAGEMENT (CONTINUED)

d3) MARKET RISK (CONTINUED)

i. Interest rate risk (continued)

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

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

(In thousands of gourdes)	%		2020	%	2019
Fixed interest rate:					
Financial assets	**38%**	**G**	**19,523,080**	29%	20,414,547
Financial liabilities	**23%**		**14,706,519**	28%	20,558,102
Net			**4,816,561**		(143,555)
Variable interest rates:					
Financial assets	**62%**		**32,009,253**	71%	48,790,803
Financial liabilities	**77%**		**49,736,344**	72%	53,343,317
Net		**G**	**(17,727,091)**		(4,552,514)

As of September 2020, based on the following observations, the Bank estimates that the fluctuation of interest rates would not have a significant impact on the Group's results:

- Fixed-rate financial assets are comprised of loans (76%), treasury bonds (17%) and term deposits with banks (7%).
- Fixed-rate financial liabilities consist of term deposits with terms ranging from one month to more than one year (78%), borrowed funds (16%), and subordinated debt (6%).
- 62% of financial assets and 77% of financial liabilities bear interest at variable rates.
- Variable rate financial assets consist of loans (64%), available-for-sale securities (34%) and overnight deposits (2%).
- Variable rate financial liabilities are comprised of savings deposits (82%) and demand deposits (17%) which are essentially overnight deposits and savings-checking accounts, as well as lease obligations (1%).

(Continued)

(4) RISK MANAGEMENT (CONTINUED)

d3) MARKET RISK (CONTINUED)

ii. Foreign exchange risk

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

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

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

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

September 30, 2020

(In thousands of gourdes)		Gourdes	Dollars converted in gourdes	Other currencies converted in gourdes
Cash and due from banks	G	18,878,621	39,354,434	244,428
Term deposits with banks		-	1,303,849	-
Securities		3,345,694	10,924,099	-
Loans, net		17,824,155	17,687,861	-
Acceptances and letters of credit		-	198,765	-
Other assets		482,066	452,130	-
Total financial assets		**40,530,536**	**69,921,138**	**244,428**
Deposits		35,000,999	59,083,454	239,238
Borrowed funds		2,260,374		
Lease liabilities		3,829	706,608	-
Commitments-acceptances and letters of credit		-	198,765	-
Subordinated debt		-	935,527	-
Other liabilities		5,195,629	2,568,131	3,865
Total financial liabilities		**42,460,831**	**63,492,485**	**243,103**
Assets (liabilities), net	**G**	**(1,930,295)**	**6,428,653**	**1,325**

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 98 million, as the case may be.

UNIBANK S.A.
Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT (CONTINUED)

d3) MARKET RISK (CONTINUED)

ii. Foreign exchange risk (continued)

September 30, 2019

(In thousands of gourdes)		Gourdes	Dollars converted in gourdes	Other currencies converted in gourdes
Cash and due from banks	G	18,227,665	43,895,592	297,454
Term deposits with banks		-	1,751,000	-
Securities		172,359	18,889,361	-
Loans, net		16,432,570	25,879,903	-
Acceptances and letters of credit		-	311,778	-
Other assets		461,961	785,346	-
Total financial assets		**35,294,555**	**91,512,980**	**297,454**
Deposits		29,911,608	75,517,246	274,718
Borrowed funds		2,690,584	-	-
Commitments-acceptances and letters of credit		-	311,778	-
Subordinated debt		-	1,562,766	-
Other liabilities		1,947,407	8,210,958	9,819
Total financial liabilities		**34,549,599**	**85,602,748**	**284,537**
Assets, net	**G**	**744,956**	**5,910,232**	**12,917**

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 63 million, as the case may be.

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

	2020	2019
At September 30		
US dollars	**65.9193**	93.3162
Euros	**77.2838**	101.9853
Average rate for the year		
US dollars	**99.9357**	85.1130
Euros	**111.6036**	89.4677

(Continued)

(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:

(En milliers de gourdes)		2020	2019
Cash	G	**4,743,533**	2,489,520
Deposits with BRH and BNC		**45,068,111**	52,056,434
Deposits with foreign banks		**7,897,291**	7,478,924
Items in transit		**768,549**	395,833
Total cash and due from banks	G	**58,477,484**	62,420,711

Cash and deposits with BRH (Central Bank) and BNC (a government-owned commercial bank) are part of the cash reserve requirements on total liabilities that must be maintained in accordance with the related provisions of BRH (Central Bank) circulars. These deposits represent 38% and 39% of assets as at September 30, 2020 and 2019, respectively, and do not bear interest.

As of September 30, 2020 and 2019, deposits with foreign banks comprise: money market funds with rates from 0.10% to 1.75% and 1.86% to 2.20% respectively, redeemable on demand, and overnight accounts bearing an average interest rate of 1.25%. Money market funds amount to G 5,557,000M (US$ 84M) and G 4,438,182M (US$ 48M).

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

(In thousands of gourdes)		2020	2019
Deposits in gourdes	G	**18,878,621**	18,227,665
Deposits in foreign currencies		**39,598,863**	44,193,046
	G	**58,477,484**	62,420,711

(Continued)

(6) TERM DEPOSITS WITH BANKS, NET

Term deposits with banks are as follows:

(In thousands gourdes)		2020	2019
Term deposits **(a)**	G	**1,296,962**	1,732,540
Interest receivable		**7,487**	19,309
		1,304,449	1,751,849
Provision for expected credit losses **(b)**		**(600)**	(849)
TERM DEPOSITS WITH BANKS, NET	G	**1,303,849**	1,751,000

(a) As of September 30, 2020 and 2019, term deposits with foreign banks bore interest rates ranging from 0.01% to 1.94% and 0.25% to 2.68%, and terms of 1 to 19 months, and 1 to 4 months, respectively.

As of September 30, 2020 and 2019, term deposits with banks in the United States include amounts pledged as collateral for lines of credit totaling G 1,054,209M ($US 16,000M) and G 1,679,692M ($US 18,000M), respectively. There are no drawings on these lines of credit as of September 30, 2020 and 2019.

b) The provision for expected credit losses has evolved as such:

		Phase 1	
(In thousands of gourdes)		**2020**	**2019**
Balance at the beginning of the year	G	**849**	-
Effect of implementation of IFRS 9 **(note 21)**		**-**	919
Provisions for credit losses for the year **(note 22)**		**-**	(376)
Conversion effect		**(249)**	306
Balance at the end of the year	G	**600**	849

(Continued)

(7) SECURITIES, NET

As of September 30, securities are as follows:

(In thousands of gourdes)		2020	2019
Securities at fair value with fluctuations recorded in consolidated statement of income**(a)**	G	10,880,025	18,805,592
Haitian treasury bonds, net **(b)**		3,225,392	-
BRH bonds - Haiti **(c)**		-	25,000
Total securities		14,105,417	18,830,592
Interest receivable		44,074	84,207
Total securities and interest receivable		14,149,491	18,914,799
Equity instruments – local companies **(d)**		120,302	146,921
TOTAL SECURITIES	G	14,269,793	19,061,720

Except for equity instruments classified **Level 3**, securities are classified **Level 1**.

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

As of September 30, 2020 and 2019, securities at fair value include amounts pledged as collateral on lines of credit totaling G 9,490.072M ($US 143.965M) and G 18,793.029M ($US 201.391M) respectively. There are no drawings on these lines of credit as of September 30, 2020 and 2019.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(7) SECURITIES, NET (CONTINUED)

September 30, 2020

Fair value Level 1

(In thousands of gourdes)		Less than 1 year	1-2 years	2-5 years	Total	Interest rates
US Treasury bonds	G	2,330,362	2,420,604	1,169,776	**5,920,742**	**0.96%**
US Federal Agency bonds		801,255	566,851	33,913	**1,402,019**	**1.16%**
US corporate bonds		813,230	1,429,854	637,153	**2,880,237**	**2.00%**
Treasury bills-Governments of emerging markets		-	6,889	-	**6,889**	**2.40%**
Corporate bonds of OCDE countries		49,794	288,387	65,010	**403,191**	**2.23%**
Supra National organizations (SNAT)		219,208	47,739	-	**266,947**	**1.87%**
Treasury bills of OCDE countries		-	-	-	**-**	**-**
Fair value	G	**4,213,849**	**4,760,324**	**1,905,852**	**10,880,025**	
Value at cost	G	4,201,729	4,685,132	1,833,257	**10,720,118**	
Unrealized gain	G	**12,120**	**75,192**	**72,595**	**159,907**	

September 30, 2019

Fair value Level 1

(In thousands of gourdes)		Less than 1 year	1-2 years	2-5 years	Total	Interest rates
US treasury bonds	G	4,276,192	1,457,746	2,399,386	**8,133,324**	**1.94%**
US Federal Agency bonds		870,520	1,809,808	653,469	**3,333,797**	**1.48%**
US corporate bonds		1,524,775	2,097,651	2,082,269	**5,704,695**	**2.03%**
Treasury bills-Governments of emerging markets		52,513	23,628	-	**76,141**	**2.48%**
Corporate bonds of emerging markets		32,369	85,601	9,701	**127,671**	**2.20%**
Corporate bonds of OCDE countries		252,236	117,059	348,782	**718,077**	**2.29%**
Supra National organizations (SNAT)		242,471	309,601	66,523	**618,595**	**1.76%**
Treasury bills of OCDE countires		46,664	46,628	-	**93,292**	**1.97%**
Fair value	G	**7,297,740**	**5,947,722**	**5,560,130**	**18,805,592**	
Value at cost	G	7,295,679	5,966,529	5,530,821	**18,793,029**	
Unrealized gain (loss)	G	**2,061**	**(18,807)**	**29,309**	**12,563**	

(Continued)

(7) SECURITIES, NET (CONTINUED)

(b) Treasury bills at amortized cost comprise the following:

(In thousands of gourdes)		Balance	Rate	Maturity
Treasury bills	G	3,300,000	2.59% and 5.31%	91 and 180 days
Prepaid interests		(74,608)		
Treasury bills - Haiti, net	G	3,225,392		

(c) Treasury bonds at amortized cost comprise the following:

(In thousands of gourdes)		2020	2019
Treasury bonds issued by Ministry of Economy and Finance - PSUGO	G	-	25,000
Rate		-	6%
Maturity		-	5 months
Treasury bonds - Haiti	G	-	25,000

Based on an agreement signed on January 30, 2015 with the Ministry of Education, new dematerialized Treasury bonds were issued on March 4, 2015 by the Ministry of Economy and Finance to strengthen the free and mandatory ''Programme de Scolarisation Universelle (PSUGO)''. These bonds are reimbursable in 60 installments as of March 30, 2015. Interests are accrued at the rate of 6% based on the reimbursement schedule agreed with the Central Bank. Cumulative interest on these bonds will equal G 38,125 million, of which G 3,13 million and G 2,875 million were recognized respectively in 2020 and 2019. These bonds are deductible from the Bank's liabilities, subject to the required reserves. The last outstanding coupon was redeemed on its maturity date of February 28, 2020.

(d) Equity instruments of local companies are recorded at fair value. These securities are classified at Level 3. They are recorded at fair value through profit or loss. These instruments are covered by a 100% reserve set up from retained earnings, based on the recommendation of BRH.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(7) SECURITIES, NET (CONTINUED)

In 2018, the value of these equity instruments was determined. The fluctuation of the investment as of September 30, 2020 is mainly due to the effect of foreign exchange, based on recent transactions made by these companies generally in foreign currencies. The valuation of this investment, net of deferred taxes, is as follows:

(In thousands of gourdes)		Balance	Deferred income taxes (note 18b)
Fair value at the beginning of the year	G	146,921	20,840
Adjustment of fair value/ foreign exchange effect		(26,619)	(7,983)
Fair value at the end of the year	**G**	**120,302**	**12,857**

(8) INVESTMENTS IN AFFILIATED COMPANIES

As of September 30, investments in affiliates presented on an equity basis are as follows:

(In thousands of gourdes)		2020	2019
HAÏTI AGRO PROCESSORS HOLDING LTD.			
33.33% of Haïti 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		**296,815**	397,019
	G	**588,482**	688,686
CORAIL S.A.			
Capital investment representing 15.80% of capital	G	**9,908**	9,908
Share of retained earnings and reserves to date		**7,896**	4,786
	G	**17,804**	14,694
Total investments in affiliated companies	G	**606,286**	703,380

(Continued)

(8) INVESTMENTS IN AFFILIATED COMPANIES (CONTINUED)

The interest in these companies as well as the interest in IMSA, a company consolidated in these consolidated financial statements, is held for distribution to shareholders, as described in **note 2 (a)** based on a resolution of the General Assembly of March 27, 2018.

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

(In thousands of gourdes)		2020	2019
HAÏTI AGRO PROCESSORS HOLDING LTD.			
Total assets – Les Moulins d'Haïti S.E.M. (LMH)	G	**3,129,562**	3,248,826
Total liabilities– Les Moulins d'Haïti S.E.M. (LMH)	G	**607,498**	297,315
Net income for the year	G	**370,553**	610,204
Assets, net	G	**2,522,064**	2,951,511
CORAIL S.A.			
Total assets	G	**196,118**	195,820
Total liabilities	G	**83,434**	102,820
Net (loss) income for the year	G	**19,685**	(29,453)
Assets, net	G	**112,684**	93,000

Shares of income of non-consolidated affiliated companies are presented on an equity basis in the consolidated statement of income and are allocated as follows:

(In thousands of gourdes)		2020	2019
Haiti Agro Processors Holding Ltd. **(1)**	G	**86,462**	142,381
Corail S.A. **(note 24)**		**3,110**	(4,654)
	G	**89,572**	137,727

(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 23**.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(9) LOANS, NET

As of September 30, loans are as follows:

(In thousands of gourdes)		2020	2019
Commercial and industrial loans	G	**18,991,035**	22,904,838
Mortgage loans		**3,616,817**	5,295,526
Overdrafts		**3,091,947**	5,130,716
Micro-enterprise loans		**3,113,708**	3,358,398
Consumer loans		**1,691,615**	2,218,695
Credit card loans		**1,335,710**	1,429,183
Mortgage loans – ''logement 5 Ėtoiles'' **(a)**		**1,195,198**	1,012,136
Loans to the agricultural sector **(b)**		**464,309**	-
Loans to exporting companies **(c)**		**324,857**	365,077
Loans to employees		**458,129**	397,115
Restructured loans **(d)**		**1,731,958**	768,948
		36,015,283	42,880,632
Non-performing loans – 90 days and more		**492,860**	425,722
Total loans	G	**36,508,143**	43,306,354
Interest receivable		**199,872**	220,543
TOTAL LOANS AND INTEREST RECEIVABLE		**36,708,015**	43,526,897
Provision for expected credit losses		**(1,195,999)**	(1,214,424)
TOTAL LOANS, NET	G	**35,512,016**	42,312,473

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

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

The Central Bank's advances to UNIBANK related to this program totals G 1,478,863M et G 1,300,840M as of September 30, 2020 and 2019, respectively and bear interest at a rate of 3% for 10 years **(note 17a).**

(Continued)

(9) LOANS, NET (CONTINUED)

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 sectorial exposure limit of 25% required by the prudential norms on credit concentration has been increased to 50%.

Credit and counterpart risks are borne by the lender Bank.

(b) Based on Circular no. 113 issued on September 20, 2018, the Central Bank pledged to contribute to the revival of the agriculture sector and the development of agribusiness, through a mechanism facilitating access to credit for entrepreneurs in this sector. The interest rate of these loans cannot exceed 6% per year and is fixed for the duration of the loan whether it is short or long term. In order to support this initiative, BRH committed to advancing funds to the Bank over a 10-year period at an annual interest rate of 1% or 2%. The balances of the advances granted within this program are detailed in **note 17 a ii.**

(c) Under an agreement signed on April 12, 2019, the Central Bank committed to support credit facilities in favor of export-oriented production enterprises. The interest rate of these loans cannot exceed 6% per year and is fixed for the duration of the loans granted over a period not exceeding 10 years. In order to support this initiative, BRH committed to advance funds to the Bank at a fixed annual interest rate of 2% for the duration of the 10-year agreement. The balances of the advances made under this program are detailed in **note 17 a iii**.

(d) In response to the Covid-19 pandemic and as recommended by BRH in its Circular of June 30, 2020, the Group granted a moratorium to its clients who requested a deferral of due dates. The moratorium period of six months ended on September 30, 2020 for invididuals, and of nine months on December 31, 2020 for companies. During this period, interest continues to accrue and be accrued on loans for which a payment deferral was granted. As of September 30, the balance of loans to companies covered by this moratorium granted in accordance with the requirements of Circular No. 115.1 amounts to G 3.616 billion.

In accordance with the requirements of IFRS 9, for loans with deferred payment, as well as for the entire portfolio, Management performed a risk assessment to take into account reasonable and probable information that may have an economic impact and/or result in a higher probability of default. Credit losses have been allocated accordingly.

As of September 30, 2020 and 2019, the restructured loans were current and in compliance with repayment terms.

(Continued)

(9) LOANS, NET (CONTINUED)

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

(In thousands of gourdes)		**2020**	**2019**
Loans in US dollars	G	**17,687,861**	25,879,903
Loans in gourdes		**17,824,155**	16,432,570
	G	**35,512,016**	42,312,473

Average effective interest rates on loans are as follows:

	2020	**2019**
In US dollars:		
Commercial and industrial loans, and overdrafts	**9.51%**	10.33%
Mortgage loans	**14.05%**	8.58%
Restructured loans	**7.58%**	8.47%
In gourdes:		
Commercial and industrial loans, and overdrafts	**15.86%**	16.35%
Mortgage loans	**16.24%**	12.83%
Credit card loans	**32.70%**	29.50%
Micro-enterprise loans	**34.72%**	37.59%
Restructured loans	**22.26%**	13.63%
Loans to employees	**5.87%**	5.84%

Except for short-term advances, included in commercial and industrial loans, totaling G 392,147M and G 765,134M as of September 30, 2020 and 2019 with a maximum maturity of twelve months, and except for mortgage loans issued for an average period of 15 years, loans are repayable on demand.

Loans to Board members and their related companies amount to G 565,350M and G 954,668M as of September 30, 2020 and 2019, respectively. These loans bear average interest rates of approximately 11.60% and 19.40% for loans in gourdes, and of 5.96% and 6.25% for loans in US dollars, in 2020 and 2019, respectively.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(9) LOANS, NET (CONTINUED)

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

September 30, 2020

(In thousands of gourdes)		Current	30-60 days	61-89 days	Total
Commercial and industrial loans	G	18,665,645	53,827	271,563	**18,991,035**
Micro enterprise loans		3,079,064	19,543	15,101	**3,113,708**
Credit card loans		1,176,350	93,790	65,570	**1,335,710**
Overdrafts		3,091,274	673	-	**3,091,947**
Other loans		9,113,193	216,049	153,641	**9,482,883**
	G	35,125,526	383,882	505,875	**36,015,283**

(In thousands of gourdes)		90-180 days	181-360 days	More than 360 days	Total
Commercial and industrial loans	G	1,978	22,123	45,578	**69,679**
Micro enterprise loans **(i)**		53,136	47,003	79,277	**179,416**
Credit card loanst		-	52,713	4,732	**57,445**
Overdrafts		14	-	169	**183**
Other loans		94,174	83,345	8,618	**186,137**
	G	149,302	205,184	138,374	**492,860**

(i) Pursuant to BRH's Circular, the 180-day write-off period according to the policy **(note 3a "write-off"**) has been extended for an additional period of 3 months for loans to microenterprises.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(9) LOANS, NET (CONTINUED)

September 30, 2019

(In thousands of gourdes)		Current	30-60 days	61-89 days	Total
Commercial and industrial loans	G	22,655,085	136,682	113,071	**22,904,838**
Micro-enterprise loans		3,220,673	103,268	34,457	**3,358,398**
Credit card loans		1,324,492	64,455	40,236	**1,429,183**
Overdrafts		5,118,606	1,791	10,319	**5,130,716**
Other loans		9,673,762	195,698	188,037	**10,057,497**
	G	41,992,618	501,894	386,120	**42,880,632**

(In thousands of gourdes)		90-180 days	181-360 days	More than 360 days	Total
Commercial and industrial loans	G	126,107	15,929	-	**142,036**
Micro enterprise loans		26,473	85,803	-	**112,276**
Credit card loans		17,400	10,542	4,125	**32,067**
Overdrafts		27,983	5,127	239	**33,349**
Other loans		63,518	19,777	22,699	**105,994**
	G	261,481	137,178	27,063	**425,722**

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(9) LOANS, NET (CONTINUED)

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

(In thousands of gourdes)		Mortgages	Cash collateral (note 16)	Others (a)
Current loans	G	13,564,671	1,801,980	5,721,675
Non-performing loans – 90 days and more		351,875	-	-
	G	**13,916,546**	**1,801,980**	**5,721,675**

September 30, 2019

(In thousands of gourdes)		Mortgages	Cash collateral (note 15)	Others (a)
Current loans	G	15,992,791	2,817,334	8,169,187
Non-performing loans - 90 90 days and more		249,678	-	-
	G	**16,242,469**	**2,817,334**	**8,169,187**

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

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(9) LOANS, NET (CONTINUED)

The provision for expected credit losses on loans for **the total portfolio** has evolved as follows:

(In thousands of gourdes)	**Total 2020**	**Total 2019**
Balance before the impact of implementation of IFRS 9	**G** 1,214,424	377,472
Impact of implementation of IFRS 9 **(note 21)**	-	489,733
Adjusted balance at the beginning of the year	**1,214,424**	867,205
Provision for credit losses **(note 22)**	**564,726**	514,883
Foreign exchange effect	**(225,784)**	105,014
Write-offs **(i)**	**(357,367)**	(272,678)
Balance at the end of the year	**G 1,195,999**	**1,214,424**

(i) In 2020 and 2019, write-offs by category are as follows:

(In thousands of gourdes)		**2020**	**2019**
Micro-entreprises	**G**	**243,816**	222,208
Credit cards		**97,616**	43,854
Consumer loans		**5,040**	6,101
Commercial loans		**10,895**	515
	G	**357,367**	272,678

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(9) LOANS, NET (CONTINUED)

The fluctuations of the **total loan portfolio** by phase during the year are as follows:

		Currents loans	Impaired loans	Loans in default	TOTAL
(In thousands of gourdes)		**Phase 1**	**Phase 2**	**Phase 3**	
Loans and interest receivable as of September 30, 2018	G	31,578,098	2,151,485	839,070	34,568,653
Provision for expected credit losses, adjusted		(335,974)	(40,654)	(490,577)	(867,205)
Adjusted balance as of September 30, 2018, net		**31,242,124**	**2,110,831**	**348,493**	**33,701,448**
Fluctuations of the year:					
Loans and interest receivable		6,711,290	704,258	1,542,696	8,958,244
Provision for expected credit losses		(66,575)	(43,718)	(236,926)	(347,219)
		6,644,715	660,540	1,305,770	8,611,025
Loans and interest receivable as of September 30, 2019		38,289,388	2,855,743	2,381,766	43,526,897
Provision for expected credit losses		(402,549)	(84,372)	(727,503)	(1,214,424)
Balance as of September 30, 2019, net		**37,886,839**	**2,771,371**	**1,654,263**	**42,312,473**
Fluctuations of the year:					
Loans and interest receivable		(5,910,151)	(1,241,366)	332,635	(6,818,882)
Provision for expected credit losses		5,761	(65,615)	78,279	18,425
		(5,904,390)	(1,306,981)	410,914	(6,800,457)
Loans and interest receivable as of September 30, 2020		32,379,237	1,614,377	2,714,401	36,708,015
Provision for expected credit losses		(396,788)	(149,987)	(649,224)	(1,195,999)
Balance as of September 30, 2020, net	G	**31,982,449**	**1,464,390**	**2,065,177**	**35,512,016**

As of September 30, 2020 and 2019, non-performing loans are as follows:

(In thousands of gourdes)		**2020**	**2019**
Non-performing loans - 90 days and more	G	**492,860**	425,722
Other loans **(i)**		**1,572,317**	1,228,541
	G	**2,065,177**	1,654,263

(i) Other loans are classified in Phase 3 as loans in default although not in arrears because, per Management's assessment based on the criteria described in **note 3a**, they require more provisions.

(Continued)

(9) LOANS, NET (CONTINUED)

a) The provision for expected credit losses for the **Micro finance** portfolio has evolved as follows:

(In thousands of gourdes)	Total 2020	Total 2019
Balance at the beginning of the year	**G 259,993**	112,869
Impact of implementation of IFRS 9	-	35,516
Adjusted balance at the beginning of the year	**259,993**	148,385
Provision for credit losses	**376,361**	333,816
Write-offs	**(243,816)**	(222,208)
Balance at the end of the year	**G 392,538**	**259,993**

The fluctuations of the portfolio and the provision for Micro finance by phase during the year are as follows:

(In thousands of gourdes)		Current loans Phase 1	Impaired loans Phase 2	Loans in default Phase 3	TOTAL
Loans and interest receivable as of September 30, 2018	G	2,743,421	58,117	101,895	2,903,433
Provision for expected credit losses, adjusted		(51,285)	(30,355)	(66,745)	(148,385)
Adjusted balance as of September 30, 2018, net		**2,692,136**	**27,762**	**35,150**	**2,755,048**
Fluctuations of the year:					
Loans and interest receivable		519,922	88,231	105,373	713,526
Provision for expected credit losses		(14,187)	(31,070)	(66,350)	(111,607)
		505,735	57,161	39,023	601,919
Loans and interest receivable as of September 30, 2019		3,263,343	146,348	207,268	3,616,959
Provision for expected credit losses		(65,472)	(61,425)	(133,095)	(259,992)
Balance as of September 30, 2019, net		**3,197,871**	**84,923**	**74,173**	**3,356,967**
Fluctuations of the year:					
Loans and interest receivable		(88,968)	77,714	480,144	468,890
Provision for expected credit losses		(37,336)	(73,010)	(22,200)	(132,546)
		(126,304)	4,704	457,944	336,344
Loans and interest receivable as of September 30, 2020		3,174,375	224,062	687,412	4,085,849
Provision for expected credit losses		(102,808)	(134,435)	(155,295)	(392,538)
Balance as of September 30, 2020, net	G	**3,071,567**	**89,627**	**532,117**	**3,693,311**

(Continued)

(9) LOANS, NET (CONTINUED)

b) The provision for expected credit losses for **credit card loans** has evolved as follows:

(In thousands of gourdes)		Total 2020	Total 2019
Balance at the beginning of the year	G	**52,114**	51,220
Impact of implementation of IFRS 9		-	11,801
Adjusted balance at the beginning of the year		**52,114**	63,021
Provision for credit losses		**132,021**	18,594
Foreign exchange effect		**(20,423)**	14,353
Write-offs		**(97,616)**	(43,854)
Balance at the end of the year	G	**66,096**	**52,114**

The fluctuations of the portfolio and the provision for credit card loans by phase during the year are as follows:

(In thousands of gourdes)		Current loans Phase 1	Impaired loans Phase 2	Loans in default Phase 3	TOTAL
Loans and interest receivable as of September 30, 2018	G	898,669	171,337	49,575	1,119,581
Provision for expected credit losses, adjusted		(11,164)	(2,282)	(49,575)	(63,021)
Adjusted balance as of September 30, 2018, net		**887,505**	**169,055**	**-**	**1,056,560**
Fluctuations of the year:					
Loans and interest receivable		200,726	172,414	(15,581)	357,559
Provision for expected credit losses		(2,404)	(2,271)	15,581	10,906
		198,322	170,143	-	368,465
Loans and interest receivable as of September 30, 2019		1,099,395	343,751	33,994	1,477,140
Provision for expected credit losses		(13,568)	(4,553)	(33,994)	(52,115)
Balance as of September 30, 2019, net		**1,085,827**	**339,198**	**-**	**1,425,025**
Fluctuations of the year:					
Loans and interest receivable		87,185	(184,392)	23,847	(73,360)
Provision for expected credit losses		5,876	3,990	(23,847)	(13,981)
		93,061	(180,402)	-	(87,341)
Loans and interest receivable as of September 30, 2020		1,186,580	159,359	57,841	1,403,780
Provision for expected credit losses		(7,692)	(563)	(57,841)	(66,096)
Balance as of September 30, 2020, net	G	**1,178,888**	**158,796**	**-**	**1,337,684**

(Continued)

(9) LOANS, NET (CONTINUED)

c) The provision for expected credit losses for **other loan categories** has evolved as follows:

(In thousands of gourdes)		Total 2020	Total 2019
Balance at the beginning of the year	G	**902,317**	213,383
Impact of implementation of IFRS 9		-	442,416
Adjusted balance at the beginning of the year		**902,317**	655,799
Provision for credit losses		**56,344**	162,473
Foreign exchange effect		**(205,361)**	90,661
Write-offs		**(15,935)**	(6,616)
Balance at the end of the year	G	**737,365**	**902,317**

The fluctuations of the portfolio and the provision for other loans categories by phase during the year are as follows:

(In thousands of gourdes)		Current loans Phase 1	Impaired loans Phase 2	Loans in default Phase 3	TOTAL
Loans and interest receivable as of September 30, 2018	G	27,936,008	1,922,031	687,600	30,545,639
Provision for expected credit losses, adjusted		(273,525)	(8,017)	(374,257)	(655,799)
Adjusted balance as of September 30, 2018, net		**27,662,483**	**1,914,014**	**313,343**	**29,889,840**
Fluctuations of the year:					
Loans and interest receivable		5,990,642	443,613	1,452,904	7,887,159
Provision for expected credit losses		(49,984)	(10,377)	(186,157)	(246,518)
		5,940,658	433,236	1,266,747	7,640,641
Loans and interest receivable as of September 30, 2019		33,926,650	2,365,644	2,140,504	38,432,798
Provision for expected credit losses		(323,509)	(18,394)	(560,414)	(902,317)
Balance as of September 30, 2019, net		**33,603,141**	**2,347,250**	**1,580,090**	**37,530,481**
Fluctuations of the year:					
Loans and interest receivable		(5,908,368)	(1,134,688)	(171,356)	(7,214,412)
Provision for expected credit losses		37,221	3,405	124,326	164,952
		(5,871,147)	(1,131,283)	(47,030)	(7,049,460)
Loans and interest receivable as of September 30, 2020		28,018,282	1,230,956	1,969,148	31,218,386
Provision for expected credit losses		(286,288)	(14,989)	(436,088)	(737,365)
Balance as of September 30, 2020, net	G	**27,731,994**	**1,215,967**	**1,533,060**	**30,481,021**

(Continued)

(9) LOANS, NET (SUITE)

As of September 30, 2020 and 2019, the provision for loan losses, according to the requirements of Central Bank Circular No. 87, amounted to G 767 million and G 775 million. This provision is as follows:

(In thousands of gourdes)		2020	2019
Provision for expected credit losses	G	737,365	775,051
General reserve		29,830	-
Total provision required by Circular No. 87	G	**767,195**	775,051

(10) FIXED ASSETS

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

Cost

(In thousands of gourdes)		Balance 30/09/19	Acquisitions	Transfers, net	Disposals	Translation adjustment	Balance 30/09/20
Lands	G	490,342	1,246	-	-	(1,881)	**489,707**
Buildings		934,545	4,817	-	-	(16,933)	**922,429**
Bank equipment and furniture		903,991	148,993	78,087	(21,366)	238	**1,109,943**
Computer equipment		124,196	27,862	39,609	(12,718)	838	**179,787**
Leasehold improvements		490,203	141,187	(21,663)	(112)	-	**609,615**
Vehicles		615,985	146,049	(129,950)	(2,444)	(1,807)	**627,833**
Investments in progress		361,205	341,464	(266,372)	-	-	**436,297**
Fully depreciated assets		2,056,936	-	300,289	(119,841)	3,603	**2,240,987**
	G	5,977,403	811,618	-	(156,481)	(15,942)	**6,616,598**

During the year, accumulated depreciation has evolved as follows:

Accumulated depreciation

(In thousands of gourdes)		Balance 30/09/19	Depreciation	Transfers	Disposals	Translation adjustment	Balance 30/09/20
Buildings	G	178,004	31,251	-	-	(4,813)	**204,442**
Bank equipment and furniture		378,433	157,949	(64,206)	(10,448)	748	**462,476**
Computer equipment		72,695	42,247	(46,351)	(12,709)	5,279	**61,161**
Leasehold improvements		205,099	135,221	(59,806)	(83)	-	**280,431**
Vehicles		277,902	162,945	(129,926)	(582)	(947)	**309,392**
Fully depreciated assets		2,056,936	-	300,289	(119,841)	3,603	**2,240,987**
	G	3,169,069	529,613	-	(143,663)	(3,870)	**3,558,889**
Net fixed assets	G	2,808,334			(12,818)		**3,057,709**

(Continued)

(11) RIGHT-OF-USE ASSETS / LEASE LIABILITIES

The following note reflects the financial information for the Group's contracts as a lessee. The Group does not act as a lessor.

Right-of-use assets

Right-of-use assets have evolved as follows:

Cost

(In thousands of gourdes)		
Balance as of October 1, 2019 **(i)**	G	1,493,513
Additions		123,761
Balance as of September 30, 2020	G	1,617,274

Accumulated amortization

(In thousands of gourdes)		
Balance as of October 1, 2019	G	-
Amortization		383,373
Solde as of September 30, 2020	G	383,373
Right-of-use assets, net	G	1,233,901

(i) Right-of-use assets as of October 1, 2019 include undiscounted prepayments.

Lease liabilities have evolved as follows:

(In thousand of gourdes)		USD converted	HTG	TOTAL
Balance as of October 1, 2019	G	**1,314,952**	**5,791**	**1,320,743**
Additions	G	109,084	-	**109,084**
Interests on lease liabilities		24,715	645	**25,360**
Rent payments		(324,058)	(2,606)	**(326,664)**
Foreign exchange effect on contracts in US dollars		(418,085)	-	**(418,085)**
Balance as of September 30, 2020	G	**706,608**	**3,830**	**710,438**
Short term portion		**186,578**	**797**	**187,375**
Long term portion		**520,030**	**3,033**	**523,063**
Total	G	**706,608**	**3,830**	**710,438**

UNIBANK S.A.
Notes to Consolidated Financial Statements

(11) RIGHT-OF-USE ASSETS / LEASE LIABILITIES (CONTINUED)

Lease liabilities

Undiscounted contractual payments to be made as lease liabitilies are as follows:

(In thousands)	USD	HTG	TOTAL
Less than 1 year	223,715	1,135	**224,850**
Between 1 and 2 years	189,368	1,316	**190,684**
Between 2 and 5 years	276,839	2,280	**279,119**
More than 5 years	97,571	2,470	**100,041**
Total	**787,493**	**7,201**	**794,694**

Lease expenses recognized in the consolidated statement of income are as follows:

(In thousands of gourdes)		Local contracts	Foreign affiliate	TOTAL
Interest on lease liabilities	G	24,141	1,219	**25,360**
Amortization of right-of-use assets		372,981	10,392	**383,373**
Total	G	397,122	11,611	**408,733**

The amount deductible for tax purposes in reference to rent contracts on the national geographic territory is G 334,206M, resulting in a difference of G 62,916M, giving rise to a deferred tax asset of G 18,875M (**note 15a**).

As of September 30, 2020, lease liabilities related to companies affiliated with Board Members totaled G 34,203M.

(12) GOODWILL AND OTHER INTANGIBLE ASSETS

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

(In thousands ofgourdes)		2020	2019
Goodwill **(a)**	G	**123,614**	123,614
Other intangible assets **(b)**		**27,024**	32,169
	G	**150,638**	155,783

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(12) GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

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

(In thousands of gourdes)		2020	2019
Goodwill at cost			
SCOTIA BANK HAITI	G	**96,885**	96,885
IMSA		**11,332**	11,332
MICRO CRÉDIT NATIONAL		**9,950**	9,950
UNICRÉDIT		**3,663**	3,663
SNI S.A.		**1,784**	1,784
Total goodwill	G	**123,614**	123,614

(b) Other intangible assets evolved as follows during the year:

Cost

(In thousands of gourdes)		Balance 30/09/19	Acquisitions	Transfers	Disposals	Translation adjustment	Balance 30/09/20
Software	G	64,262	23,289	(16,766)	(10,222)	654	**61,217**
Fully amortized assets		108,772	-	16,766	-	-	**125,538**
	G	173,034	23,289	-	(10,222)	654	**186,755**

Accumulated amortization

(In thousands of gourdes)		Balance 30/9/19	Amortization	Transfers	Disposals	Translation adjustment	Balance 30/9/20
Software	G	32,093	27,273	(16,766)	(9,023)	616	**34,193**
Fully amortized assets		108,772	-	16,766	-	-	**125,538**
		140,865	27,273	-	(9,023)	616	**159,731**
Intangible assets, net	G	**32,169**	**-**	**-**	**(1,199)**	-	**27,024**

(Continued)

(13) INVESTMENT PROPERTIES

In accordance with the alternative treatment permitted by IAS 40 and during the year ended September 30, 2020, the Bank transferred properties held for sale to Investment Properties at amortized cost (**note 14**). These properties have been amortized from the date of acquisition by repossession or surrender, and their cost as of September 30, 2020 is measured as follows:

(In thousands of gourdes)		Cost	Amortization October 1, 2019	Amortization of the year	Accumulated amortization	Net value
Land	G	59,826	-	-	-	**59,826**
Properties		52,658	8,996	2,633	11,629	**41,029**
Total (note 14)	**G**	**112,484**	**8,996**	**2,633**	**11,629**	**100,855**

These investmet properties are depreciated using a straight-line basis at a rate of 5% and are covered by a provision for impairment of 20% annually on such properties as required by the Central Bank. The provision is as follows:

(In thousands of gourdes)		2020	2019
Provision for impairment of investment Properties	G	**85,893**	67,827
Accumulated amortization		**11,629**	-
	G	**97,522**	67,827

(14) PROPERTY HELD FOR SALE

Properties held for sale have evolved as follows:

(In thousands of gourdes)		2020	2019
Balance at the beginning of the year	G	**133,337**	205,454
Sales during the year		**(10,023)**	(9,805)
Write-offs		**-**	(62,312)
Transfers to investment properties **(note 13)**		**(112,484)**	-
Balance at the end of the year	**G**	**10,830**	133,337

The sale of properties resulted in a gain of G 516M and G 4,500M in 2020 and 2019, respectively.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(14) PROPERTY HELD FOR SALE (CONTINUED)

On December 3, 2013, the Central Bank of Haiti issued an interpretative note on the requirement of article 189 of the Banking Law of July 20 2012 on the establishment of an impairment provision of 20% on adjudicated properties or properties received in debt settlements. Based on the requirement of the Law, this reserve is established starting from the end of the second year following repossession. UNIBANK applied the required reserve starting on December 2015. It is reflected under the line item ''Valuation reserve – properties held for sale'' in the shareholders equity. As of September 30, 2020, and 2019, properties held for sale are covered by a reserve of G 85,893M and G 76,823M respectively. This reserve is not subject to distribution.

(15) OTHER ASSETS, NET

As of September 30, other net assets were as follows:

(In thousands of gourdes)		2020	2019
Prepaid expenses	G	968,396	991,282
Receivable –transfer agents, net		313,156	722,125
Prepaid income taxes and other taxes		312,981	781,691
Premium receivable – UniAssurances S.A., net		127,543	249,795
Advances – suppliers and others		79,247	44,946
Deferred income tax assets **(a)**		70,212	24,286
Account receivable – affiliated companies, net **(note 29)**		21,542	44,197
Advances to executives and managers **(b)**		8,617	1,332
Inventory – Unitransfer Haïti		1,026	36,076
Others		463,294	236,957
		2,366,014	3,132,687
Provision for expected credit losses **(c)**		(70,586)	(52,045)
TOTAL OTHER ASSETS, NET	G	2,295,428	3,080,642

(a) The deferred income tax assets have evolved as such:

(In thousands of gourdes)		2020	2019
Income taxes on share of subsidiaries	G	51,337	24,286
Impact of implementation of IFRS 16 **(note 11)**		18,875	-
	G	70,212	24,286

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(15) OTHER ASSETS, NET (CONTINUED)

Deferred income taxes relating to the shares of non-consolidated subsidiaries have evolved as follows:

(In thousands of gourdes)		2020	2019
Balance at the beginning of the year	G	**(24,286)**	(21,605)
Deferred income taxes on share of non-consolidated subsidiaries **(note 24)**		**10,283**	15,986
Income tax paid on dividends by LMH		**(37,334)**	(18,667)
Deferred income tax assets	G	**(51,337)**	(24,286)

Deferred income tax assets relating to the share of subsidiaries will be deducted from deferred income tax credits in subsequent years.

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

(c) The provision for expected credit losses on other assets has evolved as follows:

		Phase I	
(In thousands of gourdes)		**2020**	**2019**
Balance before the impact of implementation of IFRS 9	G	**52,045**	39,320
Impact of implementation of IFRS 9 **(note 21)**		**-**	7,956
Adjusted balance at the beginning of the year		**52,045**	47,276
Provision for expected credit losses **(note 22)**		**28,354**	19,670
Write-offs		**-**	(27,339)
Foreign exchange effect		**(9,813)**	12,438
Balance at the end of the year	G	**70,586**	52,045

(Continued)

(16) DEPOSITS

As of September 30, deposits are as follows:

(In thousands of gourdes)		2020	2019
Demand deposits:			
Gourdes	G	**12,637,275**	9,826,417
US dollars		**29,601,971**	36,034,134
Euros		**239,238**	274,718
	G	**42,478,484**	46,135,269
Savings accounts:			
Gourdes	G	**16,841,691**	13,903,834
US dollars		**23,492,898**	29,359,717
		40,334,589	43,263,551
Term deposits:			
Gourdes		**5,522,033**	6,181,357
US dollars		**5,988,585**	10,123,395
	G	**11,510,618**	16,304,752
Total deposits	G	**94,323,691**	105,703,572
Deposits in gourdes	G	**35,000,999**	29,911,608
Deposits in US dollars		**59,083,454**	75,517,246
Deposits in Euros		**239,238**	274,718
Total deposits	G	**94,323,691**	105,703,572

Average interest rates on deposits are as follows:

	2020	2019
Demand deposits (overnight deposits):		
Gourdes	**0.15%**	0.15%
Demand deposits (savings-checking accounts):		
Gourdes	**0.03%**	0.03%
US dollars	**0.01%**	0.02%
Savings accounts:		
Gourdes	**0.04%**	0.05%
US dollars	**0.01%**	0.02%
Term deposits:		
Gourdes	**8.42%**	6.94%
US dollars	**0.80%**	0.26%

(Continued)

(16) DEPOSITS (CONTINUED)

Pledged deposits amounted to G 1,801,980M and G 2,817,334M as of September 2020 and 2019 **(note 9)**.

Deposits from Board members and their affiliated companies amounted to G 2,077,582M and G 2,789,878M as of September 2020 and 2019, respectively. These deposits were received in the normal course of business and bear interest at the Bank's normal interest rates.

(17) BORROWED FUNDS

Borrowed funds are as follows:

(In thousands of gourdes)		2020	2019
Advances from the Central Bank (BRH) **(a)**	G	**2,260,374**	1,690,584
Short-term loans – local banks **(b)**		-	1,000,000
	G	**2,260,374**	2,690,584

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

(In thousands of gourdes)		2020	2019
Advances BRH – ''logement 5 Étoiles '' **(i)**	G	**1,478,863**	1,300,840
Advances BRH – financing to the agricultural sector **(ii)**		**456,654**	-
Advances BRH – credit facilities to exporting companies **(iii)**		**324,857**	365,077
Advances BRH– PSUGO **(iv)**		-	24,667
	G	**2,260,374**	1,690,584

i) Under the terms of an agreement to promote mortgage loans signed between UNIBANK and the Central Bank of Haiti on December 11, 2014 for a period on 10 years, the Bank received advances totaling G 235,405M and G 229,250M respectively in 2020 and 2019. 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 monthy. The principal is repayable monthly over periods of 10 to 20 years and at maturity of 10 years for the initial advances. The bank is authorized to exclude from regulatory reserves the ressources in gourdes used to extend credit to the Bank's customers under this program.

ii) As of September 20, 2018, the Central Bank issued the Circular No. 113 in order to contribute to the revival of the agricultural sector and the development of agribusiness. In 2020, under this program, BRH granted Unibank advances totaling G 465,106M at an annual rate comprised between 1% and 2%, payable monthly over a 10-year period.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(16) BORROWED FUNDS (CONTINUED)

iii) According to the agreement of April 12, 2019 on the credit facilitation program in favor of export-oriented production companies, signed between Unibank and the Central Bank for a period of 10 years, the Bank received advances totaling G 371,265M in 2019. Under this program, BRH committed to provide cash advances as needed by the Bank at an annual interest rate of 1%, payable monthly.

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

(b) The short-term loans consist of funds borrowed from a local bank on September 23, 2019, bearing annual interest of 16.0% and 24.0%, which were reimbursed on October 21 and December 23, 2019.

(18) OTHER LIABILITIES

As of September 30, other liabilities are as follows:

(In thousands of gourdes)		**2020**	**2019**
Contributions to the defined contribution pension plan **(note 26)**	G	**2,964,080**	3,733,236
Restricted funds deposits		**1,429,499**	1,416,344
Cashier's checks		**935,173**	1,196,265
Unearned premiums – UniAssurances S.A.		**483,542**	759,395
Other allowances		**354,546**	631,976
Remittances payable		**354,329**	638,818
Accrued expenses		**276,021**	301,769
Bonus payable		**181,259**	295,909
Interest payable		**177,903**	159,125
Dividends payable		**120,524**	165,907
Provision for expected credit losses on letters of credit **(a)**		**116,766**	140,007
Transfers payable – Unitransfer International		**97,758**	260,113
Deferred income taxes **(b)**		**17,253**	25,238
Income taxes payable		**14,592**	32,855
Other		**261,633**	436,466
TOTAL OTHER LIABILITIES	**G**	**7,784,878**	10,193,423

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(18) OTHER LIABILITIES (CONTINUED)

(a) The provision for expected credit losses on letters of credit has evolved as follows:

		Phase 1	
(In thousands of gourdes)		**2020**	**2019**
Balance at the beginning of the year	G	**140,007**	-
Impact of implementation of IFRS 9 **(note 21)**		**-**	115,733
Provision for exprected credit losses **(note 22)**		**5,890**	(14,325)
Foreign exchange effect		**(29,131)**	38,599
Balance at the end of the year (note 30)	G	**116,766**	140,007

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

(In thousands of gourdes)		**2020**	**2019**
Reevaluation of land	G	**4,396**	4,396
Fair value on equity investments **(note 7d)**		**12,857**	20,842
	G	**17,253**	25,238

(19) SUBORDINATED DEBT

At September 30, the subordinated debt is as follows:

(In thousands of gourdes)		**2020**	**2019**
Fondation Unibank **(note 29)**	G	**164,996**	253,570
Subordinated debt – others		**770,531**	1,309,196
	G	**935,527**	1,562,766

The subordinated debt is denomintated in US dollars and is issued for a period of 10 years from 2016. They bore an average rate of 4.03% in 2020 and 4.58% in 2019.

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

(Continued)

(20) PAID-IN CAPITAL

As voted in an Extraordinary General Assembly on August 11, 2017 and effective on September 30, 2017, the authorized share capital of the Bank was increased to seven billion gourdes (G 7,000,000,000), representing 560,000 shares with a par value of G 12,500 each.

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

(In thousands of gourdes)		2020	2019
AUTHORIZED CAPITAL			
140,000 shares of **classe A** with a par value of G 12,500 Each **class A** share has one voting right	G	**1,750,000**	1,750,000
420,000 shares of **class B** with a par value of G 12,500 **Each class B** share five voting rights		**5,250,000**	5,250,000
	G	**7,000,000**	7,000,000
UNPAID CAPITAL			
10,499 and 10,599 shares of **class A**	G	**(131,238)**	(132,488)
31,597 and 31,797 shares of **class B**		**(394,962)**	(397,462)
	G	**(526,200)**	(529,950)
CAPITAL-ACTIONS LIBÉRÉ			
129,501 and 129,401 shares of **class A**	G	**1,618,762**	1,617,512
388,403 and 388,203 shares of **classe B**		**4,855,038**	4,852,538
	G	**6,473,800**	6,470,050
TREASURY STOCK			
710 shares of **class A in 2020 and 2019**	G	**(8,875)**	(8,875)
11,318 and 4,518 share of **class B in 2020 and 2019**		**(141,475)**	(56,475)
	G	**(150,350)**	(65,350)
SHARE CAPITAL, NET	G	**6,323,450**	6,404,700

As of September 30, 2020 and 2019, respectively, the paid-in capital includes 6,027 and 5,727 shares acquired by employees of the Bank. These shares bear voting rights in accordance with the by-laws of the Bank and their holders receive regularly declared dividends. According to a contract between the Bank and the employees, some restrictions on transfer of such shares shall apply for a period of five to ten years from the date of acquisition.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(21) IMPACT OF IMPLEMENTATION OF IFRS 9

The impact of implementation of the requirements of IFRS 9 related to depreciation of financial instruments is as follows:

(In thousands of gourdes)		Impairment provision IAS 39 as previously reflected at September 30, 2018	Adjustment for implementation of IFRS 9	Provision for expected credit losses per IFRS 9 at September 30, 2019
Balance sheet				
Term deposits with banks, net **(note 6)**	G	-	919	919
Loans **(note 9)**		377,472	489,733	867,205
Other assets **(note 15 c)**		39,320	7,956	47,276
Credit commitments – other liabilities **(note 18)**		-	115,733	115,733
TOTAL BALANCE SHEET	**G**	**416,792**	**614,341**	**1,031,133**

The reversal of general reserve for impairment is as follows:

(In thousands of gourdes)		Balance 30/9/2018 before reversal	Reversal	Balance of 30/9/2018 restated
Impact on the general reserve for impairment	**G**	**401,061**	**401,061**	**-**

Note: The effect of income taxes on the adjustments resulting from adoption of IFRS 9 has not been considered.

(22) PROVISION FOR CREDIT LOSSES

The provision for expected credit losses by balance sheet category and by type of off-balance sheet commitments is as follows:

(In thousands of gourdes)		2020	2019
Deposits with banks, net **(note 6)**	G	-	(376)
Loans **(note 9)**		**564,726**	514,883
Recovery on loans written-off		-	(92,620)
Loans, net		**564,726**	422,263
Other assets **(note 15 (c))**		**28,354**	19,670
Credit commitments – other liabilities **(note 18)**		**5,890**	(14,325)
TOTAL	**G**	**598,970**	427,232

(Continued)

(23) SUBSIDIARIES AND NON-CONTROLLING INTEREST IN SUBSIDIAIRIES

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

(In thousands of gourdes)	**2020**	**2019**
BANKING ACTIVITIES AND SERVICES		
MICRO CRÉDIT NATIONAL S.A. (Micro-finance institution)	**100%**	100%
UNICARTE S.A. (Credit card company)	**100%**	100%
UNICRÉDIT S.A. (Consumer finance company)	**100%**	100%
UNIFINANCE S.A. (Merchant/investment banking services)	**100%**	100%
UNITRANSFER S.A. (HAITI) (Money remittance company)	**100%**	100%
UNITRANSFER INTERNATIONAL LTD. (Money remittance company)	**100%**	100%
INSURANCE SERVICES		
UNIASSURANCES S.A. (Insurance company)	**100%**	100%
NON-BANKING INVESTMENTS		
A- INVESTMENT COMPANIES		
GROUPE FINANCIER NATIONAL S.A. (Group management and non banking investments)	**100%**	100%
GFN INTERNATIONAL ASSETS LTD. (Non-real estate asset management company)	**100%**	100%
SOCIÉTÉ NATIONALE D'INVESTISSEMENT S.A. (SNI) (Investment company)	**100%**	100%
CAPITAL CONSULT S.A. (Consulting services)	**100%**	100%
SNI MINOTERIE L.P. (a) (Investment company) Holding through GFN S.A.	**61.10%**	61.10%
B- REAL ESTATE COMPANIES		
IMMOBILIER S.A. (IMSA) (Real Estate Promotion Company)	**100%**	100%
CENTRALE IMMOBILIÈRE S.A. (CISA) (Real estate management services)	**100%**	100%
GFN AMERICAN HOLDINGS LLC (Previously **GFN Real Estate Ltd.** (Real estate company):		
INTERNATIONAL SUNRISE PARTNERS LLC (Real estate company)	**100%**	100%
GFN REAL ESTATE LLC (Real estate company)	**100%**	100%
GFN RESTAURANT II LLC (Real estate company)	**100%**	100%
UNICOM USA, LLC	**100%**	100%
ARAGON HOLDINGS, INC.	**100%**	100%

(a) SNI Minoterie's main activity is its investment of 23.30% in Les Moulins d'Haïti S.E.M.

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

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

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

(In thousands of gourdes)		2020	2019
MICRO-CRÉDIT NATIONAL S.A.			
Total assets	G	4,088,681	3,700,503
Total liabilities	G	1,217,869	883,453
Net income for the year	G	275,762	429,162
Net asssets	G	2,870,812	2,817,050
UNICARTE S.A.			
Total assets	G	1,539,126	1,549,958
Total liabilities	G	283,349	251,241
Net income for the year	G	58,060	197,177
Net assets	G	1,255,777	1,298,717
UNICRÉDIT S.A.			
Total assets	G	136,548	208,339
Total liabilities	G	898	18,097
Net (loss) income for the year	G	(32,591)	43,592
Net assets	G	135,650	190,242
UNIFINANCE S.A.			
Total assets	G	780,558	1,029,964
Total liabilities	G	3,230	85,551
Net (loss) income for the year	G	(64,085)	205,348
Net assets	G	777,328	944,413
UNITRANSFER S.A. (HAITI)			
Total assets	G	1,467,171	2,116,645
Total liabilities	G	398,278	1,018,558
Net income for the year	G	210,806	481,136
Net assets	G	1,068,893	1,098,087
UNITRANSFER INTERNATIONAL LTD.			
Total assets	G	615,753	1,363,385
Total liabilities	G	40,212	524,140
Net loss for the year	G	(24,168)	(83,006)
Net assets	G	575,541	839,245
UNIASSURANCES S.A.			
Total assets	G	1,320,195	2,037,699
Total lilabilities	G	637,996	1,141,863
Net (loss) income for the year	G	(63,637)	311,958
Net assets	G	682,199	895,836

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

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

(In thousands of gourdes)		2020	2019
GROUPE FINANCIER NATIONAL S.A.			
Total assets	G	2,976,670	3,714,694
Total liabilities	G	59,253	67,189
Net (loss) income for the year	G	(202,995)	171,277
Net assets	G	2,917,417	3,647,505
GFN INTERNATIONAL ASSETS LTD.			
Total assets	G	58,572	82,184
Total liabilities	G	21,480	30,407
Net (loss) income for the year	G	783	(698)
Net assets	G	37,092	51,777
SOCIÉTÉ NATIONALE D'INVESTISSEMENT S.A.			
Total assets	G	2,996,082	3,777,409
Total liabilities	G	2,964,080	3,736,324
Net (loss) income for the year	G	(9,083)	7,982
Net assets	G	32,002	41,085
CAPITAL CONSULT S.A.			
Total assets	G	37,014	51,160
Total liabilities	G	775	3,591
Net (loss) income for the year	G	(11,330)	6,812
Net assets	G	36,239	47,569
SNI MINOTERIE L.P.			
Total assets	G	706,159	721,908
Total liabilities	G	44,264	7,802
Net income for the year	G	79,060	138,431
Net assets	G	661,895	714,106
IMMOBILIER S.A. (IMSA)			
Total assets	G	152,873	194,667
Total liabilities	G	1,280	15,617
Net (loss) income for the year	G	(27,457)	21,802
Net assets	G	151,593	179,050

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

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

(In thousands of gourdes)		2020	2019
CENTRALE IMMOBILIÈRE S.A.			
Total assets	G	178,149	215,797
Total liabilities	G	5,032	16,366
Net (loss) income for the year	G	(26,314)	26,435
Net assets	G	173,117	199,431
GFN AMERICAN HOLDINGS LLC			
Total assets	G	757,448	1,185,990
Total liabilities	G	4,727	107,174
Net loss for the year	G	(14,095)	(266,040)
Net assets	G	752,721	1,078,816

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

(In thousands of gourdes)		2020	2019
SNI MINOTERIE L.P.			
Minority interest of 38.90% in 2020 and 2019			
Initial cost of investment	G	28,900	28,900
Decrease in holding at par value		(5,119)	(5,119)
		23,781	23,781
Dividends		(32,158)	(39,349)
Shares of results and reserves		266,705	294,206
	G	258,328	278,638

(Continued)

(24) INCOME TAXES

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

(In thousands of gourdes)		**2020**	**2019**
CONTINUING OPERATIONS			
Income before income taxes	G	**1,364,364**	3,831,903
Shares of net income not taxable locally:			
Unitransfer International – continuing operations		**(67,920)**	375,355
GFN Real Estate Ltd.		**(7,813)**	4,975
Non-controlling interest-SNI Minoterie		**(30,754)**	(53,849)
		(106,487)	326,481
PLUS: BRH regulatory fees		**578,762**	-
		1,836,639	4,158,384
Deferred income taxes on share of income of affiliates at the rate of 20% on dividends:			
SNI Minoterie - 61.10%		**(48,305)**	(84,581)
Corail S.A. 15.80% **(note 8)**		**(3,110)**	4,654
		(51,415)	(79,927)
Income before income taxes, taxable locally	G	**1,785,224**	4,078,457
Income taxes based on statutory rates (30%)	G	**535,567**	1,223,537
Effect of items not included in taxable income:			
Deferred income taxes on the undistributed share of income at the rate of 20% on dividends of SNI and Corail **(note 15 a)**		**10,283**	15,986
Transfer to legal reserve – continuing operations		**(55,210)**	(171,360)
Amortization – goodwill		**(1,847)**	(1,847)
CFGDCT		**13,963**	32,855
Difference between the provision for expected credit losses and the amount allowed for tax purposes		**(59,622)**	(64,681)
Income taxes – Unitransfer International - continuing operations		**51,131**	(54,601)
		494,265	979,889
DISCONTINUED OPERATIONS			
(Tax benefit) income taxes — Unitransfer International - discontinued operations		**(25,586)**	34,086
Income taxes	G	**468,679**	1,013,975

(Continued)

(24) INCOME TAXES (CONTINUED)

Income tax expense is comprised of the following:

(In thousnads of gourdes)		2020	2019
Current income taxes	G	**502,857**	963,903
Income taxes on discontinued operations **(note 25)**		**(25,586)**	34,086
Deferred income taxes		**(8,592)**	15,986
	G	**468,679**	1,013,975

Deferred income taxes are established as follows:

(In thousands of gourdes)		2020	2019
Deferred income taxes on undistributed share of net income at a rate of 20% on dividends **(note 15 a)**	G	**10,283**	15,986
Deferred income taxes on implementation of IFRS 16	G	**(18,875)**	-
		(8,592)	15,986

(25) NET INCOME FROM DISCONTINUED OPERATIONS

The discontinued operations include the foreign real estate segment and the network of agents of Unitransfer in North America.

Net income attributable to discontinued operations is composed as follows:

(In thousands of gourdes)		2020	2019
Foreign real estate segment **(i)**	G	**(21,908)**	(261,066)
UNITRANSFER **(ii)**		**(40,956)**	237,749
Net loss – discontinued operations	G	**(62,864)**	(23,317)

(i) Transfer of foreign real estate segment

Based on a disposal plan initiated in 2018 and as of September 23, 2019, le Groupe ceded its foreign real estate segment held by the real estate entities: International Sunrise Partners LLC (ISP), GFN Restaurant II LLC and GFN Real Estate LLC. These companies held an interest of 60% in a real estate condominium complex in Florida.

In 2020, the Group winded down operations of its foreign real estate segment, which resulted in a net loss of G 21,908M including rental income and other income of G 8,200M, and expenses of G 30,108M.

(Continued)

(25) NET INCOME FROM DISCONTINUED OPERATIONS (CONTINUED)

(ii) Transfer of the network of agents of Unitransfer USA and Unitransfer Canada.

On June 7, 2019, Unitransfer USA (UT USA) and Unitransfer Canada (UT Canada) entered into an agent referral agreement with RIA for the transfer of the network of agents of Canada and the United-States over an activation period of 6 months starting from July 1, 2019 for the United States and from August, 1, 2019 for Canada, subject an extension period which ended on January 2020. The results of the disposal in 2020 represent the results generated by the agent network from October 1, 2019 through January 31, 2020.

Based on this agreement, the Company will receive an amount not to exceed US$ 1.5 million for Unitransfer USA et US$ 900,000 for Unitransfer Canada, which ultimate consideration will be calculated based on the maximum amount for each territory multiplied by the quotient of the total dollar volume processed by the converted or shared agents under this agreement divided by the total dollar volume processed by all of Unitransfer's agents, each based on the volume processed during the 6-month period from June 1, 2018 through November 30, 2018. If some criteria are met, the compensation may not be less than US$ 500,000 for UT-USA and US$ 400,000 for UT-Canada. For the 5 years following the agreement, Unitransfer will be paid a share of commissions from transactions generated by the agents transferred. By this agreement, the Group ceases its operations of collection and payments of transfers in North America.

As of September 30, 2020 and 2019, Unitransfer recognized revenue in U.S. dollars or the equivalent in U.S. dollars which is included in revenue from discontinued operations:

		2020	2019	Total
UNITRANSFER - USA	**US$**	**924,000**	500,000	1,424,000
UNITRANSFER - CANADA		**498,924**	151,000	649,924
Total	**US$**	**1,422,924**	651,000	2,073,924
Equivalent in gourdes **(in thousands)**	**G**	**142,201**	55,408	197,609

(Continued)

UNIBANK S.A.
Notes to Consolidated Financial Statements

(25) NET INCOME FROM DISCONTINUED OPERATIONS (CONTINUED)

(iii) The net loss resulting from this discontinued operation (Unitransfer) for the years ended September 30, 2020 and 2019 is as follows:

(In thousands of gourdes)		**2020**	**2019**
Revenue – Transfer of operations to RIA	**G**	**160,847**	55,411
Other administration fees		**(166,550)**	-
Commissions from transfer and related services		**49,086**	783,929
Cost of services – commissions		**(33,618)**	(485,534)
Gross revenue from operations		**9,765**	298,395
Other disposal related expenses:			
Write-off of software		**-**	(35,173)
Write-off of goodwill		**(76,307)**	(46,798)
		(76,307)	(81,971)
Net (loss) revenue generated by the discontinued operations		**(66,543)**	271,835
Tax benefit (income taxes) – discontinued operations **(note 24)**		**25,586**	(34,086)
Net (loss) income from discontinued operations	**G**	**(40,956)**	237,749

(26) RETIREMENT SAVINGS FOR EMPLOYEES

In addition to legal contributions to the mandatory Government Retirement Plan (ONA), the Bank and its subsidiaries contribute to the employees' retirement fund based on a variable contribution rate according to internal guidelines. The employees' retirement fund is a defined contribution pension plan. This liability is supported by a term deposit bearing interest at the rate of 5.0%. The Group's contributions to this account for 2020 and 2019 amount to G 112,402M and G 89,396M, respectively. A subsidiary of the Group manages this fund **(note 18)** which is reflected as a liability and invested in a term deposit at UNIBANK at the rate of 5%. Intercompany transactions with respect to the term deposit account are eliminated.

(Continued)

(27) SALARIES AND OTHER EMPLOYEE BENEFITS

Salaries and other employee benefits are as follows:

(In thousands of gourdes)		2020	2019
Salaries	G	**2,210,473**	1,956,704
Employee benefits		**659,864**	742,705
Other employee expenses		**394,324**	435,525
	G	**3,264,661**	3,134,934

(28) INSURANCE UNDERWRITING INCOME, NET OF CLAIMS

Net insurance premiums, net of claims, are generated by the operations of UniAssurances S.A.

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

(In thousands of gourdes)		2020	2019
Insurance premiums collected	G	**990,358**	812,289
Other fees		**23,320**	12,357
Net brokerage fees		**(13,778)**	(22,221)
Reinsurance costs		**(176,441)**	(164,462)
Insurance premiums ceded to reinsurers		**(297,204)**	(166,739)
Insurance claims		**(138,128)**	(152,598)
	G	**388,127**	318,626

(29) TRANSACTIONS WITH RELATED PARTIES

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

- Les Moulins d'Haïti S.E.M. and Haïti Agro Processors Holding of which GFN S.A., through UNIFINANCE S.A. and SNI Minoterie L.P., owns 23.3% of the capital.
- Corail S.A. of which GFN S.A. owns 15.8% of the capital.
- Related party companies of Board members.

(Continued)

(29) TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

As of September 30

(In thousands of gourdes)		2020	2019
ASSETS			
Investments in affiliated companies **(note 8)**	G	**606,286**	703,380
Accounts receivable – related parties **(note 15)**		**21,542**	44,197
		627,828	747,577
LIABILITIES			
Deposits **(note 16)**		**567,902**	206,149
Subordinated debt **(note 19)**		**164,996**	253,570
	G	**732,898**	459,719

During the years

(In thousands of gourdes)		2020	2019
INCOME			
Interest income	G	**9,431**	17,749
Other income		**15,608**	6,814
	G	**25,039**	24,563

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

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

Deposits and debt of members of the Board of Directors and their related parties are reflected in **notes 11, 15 and 16**.

Expenses incurred with related parties are as follows:

(In thousands of gourdes)		2020	2019
Rent	G	**3,219**	4,856
Amortization of right-of-use assets and financial expenses		**45,851**	-
Other services		**96,972**	96,956
	G	**146,042**	101,812

(Continued)

(30) 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.

As of September 30, commitments and contigent liabilities are as follows:

(In thousands of gourdes)		2020	2019
Available credit on overdrafts **(i)**	G	**2,543,821**	2,180,206
Letters of guarantees		**2,887,039**	2,032,167
Available limits on credit cards **(ii)**		**4,157,885**	3,149,648
	G	**9,588,745**	7,362,021

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

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

As of September 30, 2020 and 2019, the provision for expected credit losses on credit commitments totaling G 116,766M and G14,007M respectively is presented in other liabilities **(note 18 a).**

(31) LITIGATION

As of September 30, 2020, in the normal course of business, the Bank is engaged in litigation procedures initiated by or against it. To date, as per legal counsels' opinion, there is no exceptional situation and no judicial outcome which could have a significant adverse effect on the Group's consolidated financial statements and/or the Group's results of operations.

UNIBANK S.A.
Consolidated Balance Sheets
September 30, 2020 and 2019
(Expressed in US Dollars)

		2020	2019
ASSETS			
CASH AND DUE FROM BANKS	$	887,107,172	668,916,121
TERM DEPOSITS WITH BANKS, NET		19,779,480	18,764,164
SECURITIES, NET		216,473,669	204,270,208
INVESTMENTS IN AFFILIATED COMPANIES		9,197,393	7,537,597
LOANS		556,862,935	466,445,229
Provision for expected credit losses		(18,143,386)	(13,014,071)
LOANS, NET		538,719,549	453,431,158
FIXED ASSETS, NET		46,385,644	30,094,814
RIGHT-OF USE ASSETS, NET		18,718,360	-
OTHER			
Investment properties		1,529,978	-
Acceptances and letters of credit		3,015,272	3,341,096
Properties held for sale		164,293	1,428,877
Goodwill and other intangible assets		2,285,183	1,669,409
Other assets		34,821,792	33,012,941
		41,816,518	39,452,323
TOTAL ASSETS	$	1,778,197,785	1,422,466,385
LIABILITIES AND SHAREHOLDERS' EQUITY			
DEPOSITS		1,430,896,429	1,132,746,207
BORROWED FUNDS		34,290,021	28,832,979
LEASE LIABILITIES		10,777,387	-
OTHER			
Commitments – acceptances and letters of credit		3,015,272	3,341,096
Other liabilities		118,097,100	109,235,299
		121,112,372	112,576,395
SUBORDINATED DEBT		14,192,000	16,747,000
TOTAL LIABILITIES		1,611,268,209	1,290,902,581
SHAREHOLDERS' EQUITY			
Paid-in capital, net		95,927,141	68,634,385
Retained earnings		39,250,020	37,565,421
Other reserves		27,833,561	22,378,045
Shareholders' equity of UNIBANK S.A.		163,010,722	128,577,851
Non-controlling interests		3,918,854	2,985,953
		166,929,576	131,563,804
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	1,778,197,785	1,422,466,385

UNIBANK S.A.
Consolidated Statements of Income
Years ended September 30, 2020 and 2019
(Expressed in US Dollars)

Continuing operations		**2020**	**2019**
INTEREST INCOME			
Loans	$	**54,613,942**	61,816,509
Treasury bonds, BRH bonds, investments and deposits		**6,673,034**	5,833,964
		61,286,976	67,650,473
INTEREST EXPENSE			
Deposits		**7,807,891**	7,310,346
Borrowed funds, term bonds and others		**1,742,951**	2,594,647
		9,550,842	9,904,993
NET INTEREST INCOME		**51,736,135**	57,745,480
Provision for credit losses		**(5,993,553)**	(5,019,579)
		45,742,582	52,725,901
OTHER INCOME (EXPENSES)			
Commissions		**30,435,061**	28,733,273
Foreign exchange gain		**976,243**	32,952,377
Insurance income, net of claims		**3,883,758**	3,743,566
Share of net income of non-consolidated affiliates, net of income taxes		**896,301**	1,618,171
Dividends and other investment income		**90,666**	116,464
Fees from managed portfolios and other advisory fees		**683,335**	74,023
Income from real estate activities		**18,879**	62,506
Gain (loss) on foreign investments		**1,600,096**	147,605
Other		**671,983**	685,607
		39,256,322	68,133,592
NET INTEREST INCOME AND OTHER INCOME		**84,998,904**	120,859,493
OPERATING EXPENSES			
Salaries and other employee benefits		**32,667,611**	36,832,608
Premises and equipments		**7,376,242**	11,056,569
Depreciation and amortization		**5,598,805**	5,635,533
Lease charges		**4,089,963**	-
Other operating expenses		**21,613,864**	22,313,412
		71,346,485	75,838,122
INCOME BEFORE INCOME TAXES – CONTINUING OPERATIONS		**13,652,419**	45,021,371
Income taxes - continuing operations			
Current income taxes		**5,031,809**	11,324,988
Deferred income taxes		**(85,974)**	187,815
		4,945,835	11,512,803
NET INCOME FOR THE YEAR FROM CONTINUING OPERATIONS		**8,706,583**	33,508,568
Discontinued operations			
Income before income taxes from discontinued operations		**(885,079)**	126,521
Income taxes – discontinued operations		**(256,032)**	(400,475)
(LOSS) NET INCOME FROM DISCONTINUED OPRATIONS		**(629,047)**	(273,954)
NET INCOME FOR THE YEAR - TOTAL		**8,077,536**	33,234,614
Net income attributable to shareholders of UNIBANK S.A.		**7,769,796**	32,601,932
Net income attributable to non-controlling interestS		**307,740**	632,682
NET INCOME FOR THE YEAR - TOTAL	$	**8,077,536**	33,234,614
Total net income per equivalent share of paid-in capital attributable to shareholders of UNIBANK S.A.	$	**15.21**	63.63
Net income per equivalent share of paid-in capital from continuing operations	$	**17.04**	65.40

UNIBANK S.A.
Consolidated Statements of Comprehensive Income
Years ended September 30, 2020 and 2019
(Expressed in US Dollars)

CONTINUING OPERATIONS		2020	2019
Net income for the year from continuing operations	$	**8,706,583**	33,508,568
Component of comprehensive income:			
Foreign currency translation effect of foreign subsidiaries		**(645,648)**	2,874,649
Comprehensive income for the year		**8,060,935**	36,383,217
Total comprehensive income from continuing operations attributable to shareholders of UNIBANK S.A.		**7,942,376**	35,715,905
Total comprehensive income from continuing operations attributable to non-controlling interest		**118,559**	667,312
Comprehensive income for the year		**8,060,935**	36,383,217
Comprehensive income per share of paid-in capital from continuing operations		**15.93**	71.01
DISCONTINUED OPERATIONS			
Net (loss) income and comprehensive income for the year		**(629,047)**	(273,954)
Foreign currency translation effect of foreign subsidiaries		**(5,514,366)**	3,747,397
		(6,143,413)	3,473,443
Comprehensive income per equivalent share of paid-in capital from discontinued operations		**(12.14)**	6.78
TOTAL COMPREHENSIVE INCOME	$	**1,917,522**	39,856,660

UNIBANK S.A.
Consolidated Statement of Changes in Shareholders' Equity
Year ended September 30, 2019
(Expressed in US Dollars)

		Paid-in capital	Treasury shares	Paid-in capital net	Retained earnings	Other reserves: Legal reserve	General reseve for loan losses	Revaluation reserve-land	Valuation reserve investments properties and properties held for sale	Translation adjustment	Total reserves	Non-controlling interest	Total
Balance as of September 30, 2018	**$US**	**92,459,136**	**(544,997)**	**91,914,139**	**38,200,739**	**4,369,021**	**5,731,286**	**355,992**	**946,056**	**7,843,821**	**19,246,176**	**3,732,491**	**153,093,545**
Impact of IFRS 9 adoption													
Provision for expected credit losses		-	-	-	(7,217,950)	-	-	-	-	-	-	-	**(7,217,950)**
Transfer from the general reserve for loan losses		-	-	-	4,712,095	-	(4,712,095)	-	-	-	(4,712,095)	-	-
Net impact		-	-	-	(2,505,855)	-	(4,712,095)	-	-	-	(4,712,095)	-	**(7,217,950)**
Balance as of September 30, 2018, restated	**$US**	**92,459,136**	**(544,997)**	**91,914,139**	**35,694,884**	**4,369,021**	**1,019,191**	**355,992**	**946,056**	**7,843,821**	**14,534,081**	**3,732,491**	**145,875,595**
Net income for the year		-	-	-	32,601,932	-	-	-	-	-	-	632,682	**33,234,614**
Components of comprehensive income :													
Foreign currency translation effect for foreign subsidiaries		-	-	-	-	-	-	-	-	6,587,416	6,587,416	34,629	**6,622,045**
Total		-	-	-	**32,601,932**	-	-	-	-	**6,587,416**	**6,587,416**	**667,311**	**39,856,659**
Transfers from retained earnings													
Transfer to legal reserve		-	-	-	(6,711,100)	6,711,100	-	-	-	-	6,711,100	-	-
Transfer to valuation reverve- properties held for sale		-	-	-	(124,784)	-	-	-	124,784	-	124,784	-	-
Transactions with shareholders:													
Dividends		-	-	-	(12,794,890)	-	-	-	-	-	-	(462,317)	**(13,257,207)**
Repurchases of shares		-	(319,722)	(319,722)	(686,845)	-	-	-	-	-	-	-	**(1,006,567)**
Translation adjustment		(23,124,444)	164,412	(22,960,032)	(10,413,776)	(1,682,669)	(1,019,191)	(89,035)	(247,582)	(2,540,859)	(5,579,336)	(951,532)	**(39,904,676)**
Balance as of September 30, 2019	**US$**	**69,334,692**	**(700,307)**	**68,634,385**	**37,565,421**	**9,397,452**	**-**	**266,957**	**823,258**	**11,890,378**	**22,378,045**	**2,985,953**	**131,563,804**

UNIBANK S.A.
Consolidated Statement of Changes in Shareholders' Equity
Year ended September 30, 2020
(Expressed in US Dollars)

						Other reserves							
		Paid-in capital	Treasury shares	Paid-in capital net	Retained earnings	Legal reserve	General reserve	Revaluation reserve-land	Valuation reserve investment properties and properties held for sale	Translation adjustment	Total reserves	Non-controlling interest (note 23)	Total
Balance as of September 30, 2019	**US$**	**69,334,692**	**(700,307)**	**68,634,385**	**37,565,421**	**9,397,452**	-	**266,957**	**823,258**	**11,890,378**	**22,378,045**	**2,985,953**	**131,563,804**
Impact of classification of properties held for sale to investment properties		-	-	-	-	-	-	-	(90,016)	-	(90,016)	-	**(90,016)**
Balance as of September 30, 2019, adjusted	**US$**	**69,334,692**	**(700,307)**	**68,634,385**	**37,565,421**	**9,397,452**	**-**	**266,957**	733,242	**11,890,378**	**22,288,029**	**2,985,953**	**131,473,788**
Components of comprehensive income:													
Net income for the year		-	-	-	7,769,796	-	-	-	-	-	-	307,740	**8,077,536**
Components of comprehensive income:													
Foreign currency translation effect for foreign subsidiaries		-	-	-	-	-	-	-	-	(5,970,833)	(5,970,833)	(189,181)	**(6,160,014)**
Total		-	-	-	7,769,796	-	-	-	-	(5,970,833)	(5,970,833)	118,559	**1,917,522**
Transfers from retained earnings													
Transfer to legal reserve		-	-	-	(1,841,503)	1,841,503	-	-	-	-	1,841,503	-	**1,841,503**
Transfer to the evaluation reserve on investment properties and properties held for sale		-	-	-	(180,775)	-	-	-	180,775	-	180,775	-	**-**
Transfer to the general reserve - loan losses		-	-	-	(298,496)	-	298,496	-	-	-	298,496	-	**298,496**
Transfer to the general reserve - equity investment of local companies		-	-	**-**	(1,203,791)	-	1,203,791	-	-	-	1,203,791	-	**1,203,791**
Transactions with shareholders													
Cash dividends		-	-	-	(11,899,232)	-	-	-	-	-	-	(321,787)	**(12,221,019)**
Repurchases of shares		-	(850,547)	(850,547)	(1,583,524)	-	-	-	-	-	-	-	**(2,434,071)**
Sale of shares, net		37,524	-	37,524	50,333	-	-	-	-	-	-	-	**87,857**
Translation adjustment		28,835,744	(729,965)	28,105,779	10,871,791	4,855,975	775,227	110,951	388,989	1,860,658	7,991,800	1,136,129	**48,105,499**
Balance as of September 30, 2020	**US$**	**98,207,960**	**(2,280,819)**	**95,927,141**	**39,250,020**	**16,094,930**	**2,277,514**	**377,908**	1,303,0076	**7,780,203**	**27,833,561**	**3,918,854**	**166,929,576**