MPA
MÉROVÉ-PIERRE
CABINET D'EXPERTS-COMPTABLES

+509 2813-0334 | 0335 | 0336 | 0343
administration@merove-pierre.com
www.merove-pierre.com

CAPITAL BANK, S.A.

Consolidated Financial Statements

September 30, 2021

(With Independent Auditors' Report Thereon)

CAPITAL BANK, S.A.
TABLE OF CONTENTS
SEPTEMBER 30, 2021

MPA
MÉROVÉ-PIERRE
CABINET D'EXPERTS-COMPTABLES

+509 2813-0334 | 0335 | 0336 | 0343
administration@merove-pierre.com
www.merove-pierre.com

Independent Auditors' Report

The Board of Directors
CAPITAL BANK, S.A.:

Opinion

We have audited the consolidated financial statements of CAPITAL BANK, S.A. and its subsidiaries (the Group), which comprise the consolidated balance sheet as of September 30, 2021, and the consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2021, and its consolidated financial performance and its consolidated 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 of the Group 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) together with the ethical requirements that are relevant to our audit of the financial statements in Haiti, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 consolidated 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 Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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
February 2, 2022

CAPITAL BANK, S.A.
Consolidated Balance Sheets
September 30, 2021 and 2020
(Expressed in thousands of Haitian Gourdes)

	Notes		2021	2020
ASSETS				
CASH AND CASH EQUIVALENTS	5	G	21,360,372	14,764,997
BRH BONDS, NET	6		148,583	-
FOREIGN INVESTMENTS	7		1,558,403	685,550
LOCAL INVESTMENTS, NET	8		285,468	200,596
LOANS	9		11,332,046	8,282,050
Provision for expected credit losses			(227,366)	(203,488)
			11,104,680	8,078,562
GUARANTEED-LOANS-SPECIAL FUNDS	10		4,379	4,065
FIXED ASSETS, NET	11		1,150,117	1,077,683
OTHERS				
Rights-of-use assets, net	12		486,321	424,249
Real estate development – Capital Immobilier	13		226,551	157,196
Real estate properties	14		556,825	446,466
Other assets, net	15		1,372,558	1,394,902
Acceptances			14,609	4,734
			2,656,864	2,427,547
TOTAL ASSETS		G	38,268,866	27,239,000
LIABILITIE AND SHAREHOLDERS' EQUITY				
DEPOSITS	16		28,527,426	19,748,759
OTHERS				
Loans	17		869,204	623,152
Lease liabilities	12		468,921	338,988
Special funds	10		2,726	2,709
Other liabilities	18		2,532,629	1,685,727
Commitments- acceptances			14,609	4,734
			3,888,089	2,655,310
SUBORDINATED DEBT	19		1,027,365	721,736
TOTAL LIABILITIES			33,442,880	23,125,805
SHAREHOLDERS' EQUITY				
Paid-in capital	20		810,000	810,000
Paid-in surplus			1,384	1,384
Retained earnings			2,256,556	1,885,655
Reserves			781,811	590,536
Shareholders' equity-Capital Bank			3,849,751	3,287,575
Minority interest	24		976,235	825,620
			4,825,986	4,113,195
TOTAL LIABITILITIES AND SHAREHOLDERS' EQUITY		G	38,268,866	27,239,000

The notes to the consolidated financial statements are part of these statements

CAPITAL BANK, S.A.
Consolidated Statements of Income
Years ended September 30, 2021 and 2020
(Expressed in thousands of Haitian Gourdes)

	Notes		2021	2020
INTEREST INCOME				
Loans		G	1,545,715	1,692,405
BRH bonds, investments and others			113,499	74,482
			1,659,214	1,766,887
INTEREST EXPENSE				
Deposits			282,204	404,174
Loans, subordinated debt and others			94,669	136,322
			376,873	540,496
NET INTEREST INCOME			1,282,341	1,226,391
Provision for credit losses	21		(112,384)	(79,735)
			1,169,957	1,146,656
OTHER INCOME (EXPENSES)				
Gross margin on petroleum products - CapInvest			613,614	1,159,985
Commissions			985,945	1,161,920
Operating expenses			(249,348)	(299,013)
Exchange gain			1,291,696	277,498
Unrealized gain on foreign investments			1,911	8,681
Other			27,410	109,577
			2,671,228	2,418,648
NET INTEREST INCOME AND OTHER INCOME			3,841,185	3,565,304
ADMINISTRATIVE EXPENSES				
Salaries and other employee benefits	22		1,022,128	867,647
Premises and equipments			406,773	383,030
Depreciation	11		149,738	132,432
Other administrative expenses			620,195	602,870
			2,198,834	1,985,979
INCOME BEFORE INCOME TAXES			1,642,351	1,579,325
INCOME TAXES	23		453,864	406,453
NET INCOME FOR THE YEAR		G	1,188,487	1,172,872
Net income attributable to shareholders of Capital Bank			861,172	829,851
Net income attributable to minority interest			327,315	343,021
		G	1,188,487	1,172,872
Net income per equivalent share of paid-in capital attributable to shareholders of Capital Bank		G	2,552	2,459

The notes to the consolidated financial statements are part of these statements

CAPITAL BANK, S.A.
Consolidated Statements of Comprehensive Income
Years ended September 2021 and 2020
(Expressed in thousands of Haitian Gourdes)

	Notes		2021	2020
Net income attributable to shareholders of Capital Bank		G	**861,172**	829,851
Net income attributable to minority interest			**327,315**	343,021
Net income for the year			**1,188,487**	1,172,872
Components of comprehensive income :				
Reevaluation surplus - lands and buildings	**11**		**-**	123,358
Income taxes Effect	**23**		**-**	(37,007)
Revaluation surplus of land and buildings, net			**-**	86,351
COMPREHENSIVE INCOME FOR THE YEAR			**1,188,487**	1,259,223
Comprehensive income attributable to shareholders of Capital Bank			**861,172**	916,202
Comprehensive income attributable to minority interest			**327,315**	343,021
COMPREHENSIVE INCOME FOR THE YEAR		G	**1,188,487**	1,259,223
Comprehensive income for the year per equivalent share of paid-in capital		G	**2,552**	2,715

The notes to the consolidated financial statements are part of these statements

CAPITAL BANK, S.A.
Consolidated Statement of Changes in Shareholders' Equity
Year ended September 30, 2020
(Expressed in in thousands of Haitian gourdes)

					Reserves					
		Paid-in capital	Paid-in surplus	Retained earnings	Legal reserve	Revaluation reserve-land and buildings	Reserve on real estate properties	Total reserves	Minority interest	Total
Balance as of September 30, 2019	G	810,000	1,384	1,391,526	206,274	95,545	53,337	355,156	482,825	3,040,891
Components of comprehensive income:										
Net income for the year		-	-	829,851	-	-	-	-	343,021	**1,172,872**
Transfer to legal reserve		-	-	(149,037)	149,037	-	-	149,037	-	**-**
Transfer to reserve on real estate properties		-	-	(8,957)	-	-	8,957	8,957	-	**-**
Revaluation surplus – land and buildings, net of tax		-	-	-	-	86,351	-	86,351	-	**86,351**
Transfer from reserve on real estate properties		-	-	4,577	-	(4,577)	-	(4,577)	-	**-**
Transfer from revaluation reserve-land and buildings		-	-	4,388	-	(4,388)	-	(4,388)	-	**-**
Total		**-**	**-**	**680,822**	**149,037**	**77,386**	**8,957**	**235,380**	**343,021**	**1,259,223**
Transactions with shareholders:										
Cash dividends		-	-	(185,000)	-	-	-	-	-	**(185,000)**
Capital increase costs – affiliated company		-	-	(1,693)	-	-	-	-	(226)	**(1,919)**
Total		**-**	**-**	**(186,693)**	**-**	**-**	**-**	**-**	**(226)**	**(186,919)**
Balance as of September 30, 2020	G	810,000	1,384	1,885,655	355,311	172,931	62,294	590,536	825,620	4,113,195

The notes to the consolidated financial statements are part of these statements

CAPITAL BANK, S.A.
Consolidated Statement of Changes in Shareholders' Equity
Year ended September 30, 2021
(Expressed in in thousands of Haitian gourdes)

					Reserves					
		Paid-in capital	Paid-in surplus	Retained earnings	Legal reserve	Revaluation reserve-land and buildings	Reserve on real estate properties	Total reserves	Minority interest	Total
Balance as of September 30, 2020	G	**810,000**	**1,384**	**1,885,655**	**355,311**	**172,931**	**62,294**	**590,536**	**825,620**	**4,113,195**
Components of comprehensive income:										
Net income for the year		-	-	861,172	-	-	-	-	327,315	**1,188,487**
Transfer to legal reserve		-	-	(160,151)	160,151	-	-	160,151	-	**-**
Transfer to reserve on real estate properties		-	-	(38,434)	-	-	38,434	38,434	-	**-**
Transfer from revaluation reserve-land and buildings		-	-	7,310	-	(7,310)	-	(7,310)	-	**-**
Total		-	-	669,897	160,151	(7,310)	38,434	191,275	327,315	**1,188,487**
Transactions with shareholders:										
Cash dividends		-	-	(297,129)	-	-	-	-	(176,700)	(473,829)
Capital increase costs – affiliated company		-	-	(1,867)	-	-	-	-	-	(1,867)
Total		-	-	(298,996)	-	-	-	-	(176,700)	(475,696)
Balance as of September 30, 2021	G	**810,000**	**1,384**	**2,256,556**	**515,462**	**165,621**	**100,728**	**781,811**	**976,235**	**4,825,986**

The notes to the consolidated financial statements are part of these statements

CAPITAL BANK, S.A.
Consolidated Statements of Cash Flows
Years ended September 30, 2021 and 2020
(Expressed in thousands of Haitian Gourdes)

	Notes		2021	2020
OPERATING ACTIVITIES				
Net income for the year		G	**1,188,487**	1,172,872
Adjustment to determine net cash flows provided by operating activities:				
Interest paid on lease liabilities	12		**44,648**	62,382
Depreciation of fixed assets	11		**149,738**	132,432
Amortization of rights-of-use assets	12		**134,115**	104,050
Provision for credit losses	21		**112,384**	67,288
Foreign exchange effect on financial assets			**78,854**	(75,387)
Loss on disposals of fixed assets	11		**19,686**	2,599
Change in value of real estate properties	14		**-**	(83,344)
Capital gain on foreign investments			**(1,911)**	(8,681)
Changes in assets and liabilities resulting from operating activities:				
Increase BRH bonds, net			**(148,583)**	-
Decrease in treasury bills, net			**-**	25,125
(Increase) decrease in investments			**(955,871)**	425,438
(Disbursements) repayment loan, net			**(3,175,953)**	3,006,272
Increase (decrease) in deposits			**8,778,667**	(3,657,887)
Increase in properties held for sale	14		**(111,893)**	(848)
Disbursements – real estate development– Capital Immobilier	13		**(69,355)**	(1,960)
Proceeds on sales of real estate properties			**1,534**	-
Payments on lease liabilities, net	12		**(148,612)**	(211,754)
Increase (decrease) in borrowings			**246,052**	(386,458)
Changes in other assets and liabilities			**1,484,185**	(47,000)
Income taxes paid			**(618,872)**	(473,506)
Net cash flows provided by operating activities			**7,007,300**	51,633
INVESTING ACTIVITIES				
Acquisitions of fixed assets	11		**(241,858)**	(271,759)
Net cash flows used in investing activities			**(241,858)**	(271,759)
FINANCING ACTIVITIES				
Cash dividends			**(473,829)**	(185,000)
Subordinated debt			**305,629**	(173,053)
Capital increase costs			**(1,867)**	(1,919)
Net cash flows used in by financing activities			**(170,067)**	(359,972)
Net increase (decrease) in cash and cash equivalents			**6,595,375**	(580,098)
Cash and cash equivalents at beginning of year			**10,011,577**	18,949,653
Effect of exchange rate fluctuations on cash and cash equivalents at beginning of the year			**4,753,420**	(3,604,558)
Cash and cash equivalents at end of year	5	G	**21,360,372**	14,764,997

The notes to the consolidated financial statements are part of these statements

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(1) ORGANIZATION

CAPITAL BANK, S.A. is a banking corporation owned by private investors. Its official authorization to operate was published in Le Moniteur on February 20, 1997. Its principal activity consists of banking operations in Haiti. The head office of CAPITAL BANK, S.A. is located at no. 38, Faubert Street, Petionville.

CAPITAL IMMOBILIER, S.A. is a wholly owned non-profit subsidiary of CAPITAL BANK, S.A., created on August 20, 1997. The official authorization to operate by the Ministry of Commerce was published in Le Moniteur on January 29, 1998. Its main purpose is to promote real estate transactions.

CAPINVEST S.A. is a corporation authorized to operate by a presidential decree published in Le Moniteur on June 21, 2016. It is an investment company that can take part in the capital of other companies through equities and bonds, acquire marketable securities and securities of all kinds and participate in various markets such as: foreign exchange, raw materials or metal. CAPITAL BANK, S.A. holds 51% of the share capital of this company. In 2017, CAPINVEST, S.A. began its operations mainly in the distribution of petroleum products and derivatives.

FONDATION CAPITAL BANK is a philanthropic institution founded on August 7, 2009 by the shareholders of CAPITAL BANK, S.A. Its mission is to intervene in any field contributing to improve the living conditions of the Haitian population, namely health, education, sports and culture. The financial statements of the Foundation are not consolidated in these financial statements.

These financial statements include the consolidation of the financial statements of the following companies:

- CAPITAL BANK, S.A.
- CAPITAL IMMOBILIER, S.A.
- CAPINVEST, S.A.

(2) BASIS FOR CONSOLIDATED FINANCIAL STATEMENTS PREPARATION

(a) Accounting framework

The consolidated financial statements of CAPITAL BANK, S.A. and its subsidiaries CAPITAL IMMOBILIER, S.A. and CAPINVEST, S.A. were prepared in conformity with International Financial Reporting Standards (IFRS).

The consolidated financial statements were approved by the Board of Directors on February 17, 2022.

(Continued)

(2) BASIS FOR CONSOLIDATED FINANCIAL STATEMENTS PREPARATION (CONTINUED)

(b) Basis of evaluation

The consolidated financial statements are presented on an historical cost basis, except for the following items which are carried at fair value:

- Foreign investments **(note 7)**
- Local investments, net **(note 8)**
- Land and buildings **(note 11)**
- Real estate properties **(note 14).**

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

(c) Functional currency

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

(d) Use of estimates and judgment

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

These estimates and underlying assumptions are reviewed periodically. The impact of revisions to accounting estimates is recognized in the period in which such revisions take place as well as future periods affected.

Information about significant areas of estimation and critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are included in the following notes:

Note 6 BRH bonds, net
Note 7 Foreign investments
Note 8 Local investments, net
Note 9 Loans, net

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(2) BASIS FOR CONSOLIDATED FINANCIAL STATEMENTS PREPARATION (CONTINUED)

Note 10	Special funds
Note 11	Fixed assets, net
Note 12	Right-of-use assets and lease liabilities
Note 13	Real estate development - Capital Immobilier
Note 14	Real estate properties
Note 15	Other assets, net.

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.

(d) 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 during this period, certain measures were taken by the regulator, the Central Bank, the most important being to grant, to any debtor of the system that makes the request, moratorium or the repayment of loans principal up to:

- September 30, 2020 for loans granted to individuals (circular 115-1)
- December 31, 2020 for loans granted to companies (circular 115-1)

Additional extentions:

- For loans granted under its incentive program on free zones and Real Estate Development Promotion (PDI) up to June 30, 2021.

- On current and phase 2 loans (according to the classification of the Central Bank as of June 30, 2021); up to January 31, 2022.

Management believes that it has taken the appropriate measures during this period to mitigate the risks associated with Covid-19, and has exercised adequate judgment in terms of credit management, treasury, assets and liabilities of the Bank as well as related operational risks.

The measurement of expected credit losses at each reporting period reflects reasonable and adequate information about past events, current circumstances and forecasts of events and economic conditions.

`

(Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been applied consistently to all years presented in the accompanying consolidated financial statements, except for the recovery of loans previously written off of G 12.9 million which is presented in other income instead of being presented net of provision for credit losses **(note 21).**

On October 1, 2019, the Bank adopted IFRS 16 (leases), using the modified retrospective method which allows not to restate the consolidated financial statements not be restated. The impact of the adoption of IFRS 16 on the financial position as of October 1, 2019 are described in **note 12**.

(a) Principles of consolidation

The consolidated financial statements include the assets and liabilities as well as the results of operations of Capital Bank, S.A. and its subsidiaries. Subsidiaries are companies controlled by Capital Bank. The bank holds control when it is exposed or is entitled to variable returns because of its relationship with an entity and has the ability to influence those returns because of its power over that entity. The bank is presumed to have control when it holds directly or indirectly more than 50% of the voting rights of an entity. A list of the Group's subsidiaries is presented in **note 24**.

A subsidiary is consolidated from the date on which the control over its operations is effectively transferred to the Group. Intercompany balances and transactions are eliminated in the consolidation process. The net assets and net income of the minority interest in CapInvest are presented separately in the consolidated financial statements.

(b) Conversion of foreign currency

In accordance with IAS 21, monetary assets and liabilities stated in foreign currencies are translated in Haitian gourdes at the exchange rate prevailing at year-end. Exchange gains and losses resulting from these translations 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 exchange operations are recorded in the consolidated statement of income.

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Conversion of foreign currency (continued)

The consolidated financial statements presented in **schedules I to V** were translated in US dollars according to the requirements of International Financial Reporting Standards. Under requirements of this standard, assets and liabilities are translated at the year-end exchange rate. Shareholders' equity is translated at the exchange rate prevailing at the balance sheet date. Income and expenses are translated at the average rate of exchange for the year. All exchange differences resulting from such translation are reflected as a separate component in shareholders' equity.

(c) Impairment of financial assets

In accordance with the requirements of IFRS 9, since October 1st, 2018, the Bank applies a three-stage impairment approach to measure the expected credit losses (ECL) on all debt instruments and off-balance sheet items measured at amortized cost, except accounts receivables from customers and accounts receivables from the Haitian government of CapInvest **(note 15)** for which the simplified method is applied.

Equity instruments and debt instruments held at fair value through profit or loss are not subject to impairment.

This provision for expected credit losses under IFRS 9 is based on changes in the credit quality of financial assets since initial recognition and takes into consideration a series of assumptions and credit methodologies specific to the Bank and the banking system in general, which include:

- Changes in the credit risk rating of borrowers
- The expected life of financial instruments
- The integration of forecasts
- Projections on the economic environment (ie: changes in macroeconomic conditions such as inflation, interest rates, the exchange rate of the gourde to the US dollar and Gross National Product)
- Anticipated impacts related to the Covid-19 crisis, starting in 2020 and the political and economic situation in the country in 2021.

(Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Impairment of financial assets (continued)

Management must therefore exercise significant judgment in establishing this provision for expected credit losses at each reporting date. The Central Bank's regulatory criteria which have always been in line with the internal policies of the Bank in terms of credit risks and which have the advantage of having been tested and validated are also taken into account. The adjustments required between the application of IFRS 9 and the regulatory requirements are reflected in the General reserve for loan losses **(note 3 s)**.

This provision for expected credit losses (ECL) is determined by considering the classification of financial assets in different stages as follows:

***Stage* 1** Financial assets for which the credit risk has not increased significantly (less than 31 days in arrears): BRH bonds **(note 6)**, local investments at amortized cost **(note 8)**, loans **(note 9)**, financial assets in other assets **(note 15)** and off-balance sheet commitments **(note 26)** are considered in this stage. Expected credit losses for this stage are recognized for the next 12 months.

Stage 2 Financial assets listed above for which there is a significant increase in credit risk since their initial recognition are migrated to stage 2. Financial assets (31-90 days in arrears) are included in this category. Expected credit losses for this stage are recognized over the lifetime of the financial assets.

Stage 3 Financial assets for which significant events have a negative impact on their future cash flows are considered in default. Financial assets (more than 90 days in arrears) are considered in this category. Expected credit losses for this stage are also recognized over the lifetime of the financial assets.

Financial assets that are in default and for which the Group has exhausted all available legal and other recourses are derecognized and are presented at the value of the recoverable guarantee.

If the credit risk rating of a financial instrument improves, this asset is reclassified in the stage corresponding to its new status at the reporting date. Therefore, this results in transfers of provisions from one stage to another during the year.

(Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Impairment of financial assets (continued)

Expected credit losses (ECL) by stage are calculated based on the following three factors:

- The Probability of Default (PD) for a financial asset or a category of financial assets (with similar risks) corresponding to the percentage of estimated loss.
- Exposure at default (EAD) represents the expected exposure (principal and interest), in the event of default.
- Loss given default (LGD) represents the magnitude of the likely loss taking into account the amount at recoverable guarantees.

Thereafter, expected credit losses are generally discounted at the effective interest rate of the respective financial instrument.

ECL are recorded in the provision for expected credit losses in the statement of net income **(note 21)**.

For the accounts receivable from clients and the Haitian government, CapInvest applies the **simplified method**, permitted by IFRS 9, which requires the assessment of expected credit losses over the life of the financial asset from the initiation of the credit and at each valuation date. As a practical expedient, a provision matrix is used to determine the provision for expected credit losses for these receivables. This matrix takes into account the historical default rates for each segment of the portfolio, the impact of forecast and macroeconomic conditions.

(d) Fair value

IFRS 13 establishes a fair value hierarchy to enhance the consistency and comparability for fair value measurements and disclosures. It consists of the following three levels:

- **Level 1** which includes quoted prices (unadjusted) that an entity may access at the measurement date in active markets for identical assets or liabilities. A quoted price in an active market provides the most reliable indication of fair value.
- **Level 2** are inputs for assets or liabilities, other than market prices included in **Level 1** inputs, that are observable directly or indirectly. They include prices in active and non-active markets for identical or similar assets.
- **Level 3** inputs for other assets are unobservable inputs for the asset at the measurement date. Unobservable input should be used to measure fair value only to the extent that relevant observable input is not available.

(Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Fair value (continued)

The fair value of a financial asset corresponds to the price that would be received for the sale of a financial asset or paid for the transfer of a financial liability in a normal transaction between market participants at the measurement date. IFRS 13 defines the main market as the market with the highest volume and level of activity and the most profitable market as the market that maximizes the amount that would be received, or minimizes the amount that would be paid for the transaction in question in the absence of a main market.

For stock markets, the quoted values of active markets are used **(Level 1)**. If there is no quoted price, fair value is determined using models that maximize the appreciation of observable inputs, as described in the related notes **(Level 2)**.

(e) Cash and cash equivalents

Cash and cash equivalents are reflected at amortized cost and represent amounts held in cash, deposits with BRH and BNC as mandatory reserve requirements, short-term deposits in other banks, and items in transit.

(f) Investments

Upon initial recognition, the Bank classifies the investments according to the economic model and the cash flow characteristics of each financial instrument.

Investments are therefore recorded either at amortized cost or at fair value through profit or loss, according to the categories defined by IFRS 9.

i) ***At amortized cost***. These investments include the following debt instruments: BRH bonds **(note 6)**, bonds in local institutions **(note 8)** for which the contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest. Holding these investments is part of an economic model which objective is to hold assets in order to receive contractual cash flows. These investments have a fixed maturity and are held to maturity. They are recorded at amortized cost using the effective interest method, after deduction of the provision for expected credit losses. Premiums and discounts and related transaction costs are amortized over the expected life of each instrument in interest income. Changes in value are not recognized but are disclosed in the notes to the consolidated financial statements.

Gains and losses realized on the disposal of these investments held to maturity are recognized in the consolidated statement of income in the year in which they occur.

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Investments (continued)

ii) ***Fair value through profit and loss***. These investments consist of debt instruments: United States treasury bonds, private and financial companies bonds, term deposits in foreign financial institutions **(note 7)** and equity instruments in local companies **(note 8)** which are recorded at fair value through profit and loss. These investments are generally acquired for resale or for the purpose of generating capital gain.

Transaction costs are charged directly to income statement. Interest income, dividends and changes in fair value are recorded in the consolidated statement of income as well as gains and losses realized upon disposal of these instruments.

(g) Loans

Loans are recorded at amortized cost using the effective interest method, net of the provision for expected credit losses.

Non-performing loans consist of loans in default payment for 90 days and more. Non-performing loans are considered current when principal and interest payments in arrears are paid and there is no longer any doubt regarding recovery of these loans.

Loans with moratorium are those which have received a moratorium on the repayment of principal, in accordance with the provisions taken by the Central Bank following the Covid-19 pandemic as described in **note 2 e**. These loans respect the terms of interest payments. Loans which, at the end of the moratorium, are current are reclassified in their respective categories. Loans that require more significant modifications to their terms due to the deterioration of the borrower's situation are classified as restructured loans.

Restructured loans are loans for which the Bank has revised the terms due to the deterioration in the financial situation of the borrower. When changes in loan terms do not have a material impact on contractual cash flows, the restructured loan is not derecognized. The risk of default under the modified terms is compared to the risk of default under the original contractual terms to determine whether there has been a significant increase in credit risk since initial recognition. When the modification of the terms results in the derecognition of an existing loan and the inception of a new loan, the modification date becomes the date of initial recognition of the new loan according to the impairment model. This treatment can generate a gain or a loss on derecognition.

Loans are written off against the provision for expected credit losses when all restructuring and collection efforts are completed and it is unlikely that other amounts will be recovered. Credit card and micro-credit loans are generally written off when they have been in arrears for over 180 days, except for loans that are being negotiated with clients. Recovery of loans previously written off are recorded directly in the consolidated statement of income.

(Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Loans (continued)

Management establishes a provision for expected credit losses on loans at year-end which represents an estimate of the expected credit losses on the loan portfolio at this date in accordance with **note 3 c**.

For the credit card and Microcredit portfolios, specific provisioning criteria, different from those of the order portfolio categories, are applied for each specific group in order to take into account the higher risks associated with these sectors.

The credit losses on loans reflected in the consolidated statement of income results from the difference between the provision determined above and the provision at the beginning of the year, net of write-offs, and the exchange rate effect resulting from the revaluation of the provision for expected credit losses expressed in dollars.

The Bank also meets the Central Bank’s requirements for provisions on loans as defined in Circular 87. When the required provision for loan losses in accordance with the Central Bank’s regulations exceeds the provision for loan losses reflected in the consolidated balance sheet, the provision surplus is recorded in the general reserve for loan losses in shareholders’ equity **(note 3 s)**.

(h) Fixed assets

Fixed assets are recorded at cost, except for land and buildings which have been revalued and stated at fair value in accordance with IAS 16. Except for land, leasehold improvements and investments in progress, depreciation is calculated based on the useful life using the straight-line method.

Leasehold improvements are amortized over the lesser of the expected life of the related assets or the leases terms using the straight-line method. Investments in progress are to be depreciated over their estimated useful lives from the time they are ready to be put into use.

Fair value of land and buildings was determined as of September 30, 2020 based on appraisals of independent real estate appraisers. The book values were adjusted to fair market values accordingly. The revaluation surplus was recorded, net of deferred incomes taxes, in the revaluation reserve-land and buildings, a separate account of shareholders' equity **(note 3 t)**. The buildings life duration was estimated at 25 years and they will be depreciated over that period with a residual value of 10%.

(Continued)

CAPITAL BANK, S.A.
Notes to Consolidated Financial Statements

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Fixed assets (continued)

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

Buildings	4%
Computer equipment and software	20% - 33%
Furniture and office equipment	10% - 20%
Leasehold improvements	10%
Vehicles	20%
Leasehold improvements – CapInvest	7% to 20%
Petroleum equipment	10%

Residual value, useful life and depreciation methods of the various categories of fixed assets are reviewed at each reporting period.

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

Gains or losses realized on disposals 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.

(i) Rights-of-use of assets and lease liabilities

Leases are recognized in accordance with the requirements of IFRS 16, starting October 1, 2019.

At the commencement date, the Bank records a right-of-use assets and a lease liability for qualifying leases in accordance with IFRS 16.

Initial measurement of the right-of-use asset includes the amount of the initial measurement of lease liabilities, prepaid rent payments, initial direct costs incurred by the lessee and an estimate of dismantling costs of the underlying asset, less any lease incentives. This non-monetary asset is expressed in the functional currency of the Bank and is amortized on a straight-line basis, over the expected duration of the lease.

(Continued)

CAPITAL BANK, S.A.
Notes to Consolidated Financial Statements

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Rights-of-use of assets and lease liabilities (continued)

The lease liability is initially valued at the present value of the lease payments that have not yet been paid at the initial recognition date. The lease payments are discounted using the lessee incremental borrowing rate. This monetary liability is expressed in the currency of the corresponding lease contract and is remeasured when there is a change in the lease terms, a change in the assessment of an option to purchase the underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments. The adjustment to the lease liability is recorded as an adjustment to the related right-of-use asset or is recorded in consolidated net income if the right-of-use asset has a zero balance.

In the case of variable contracts, which are valued as a function of an index, such as the exchange rate, the effect of indexation is capitalized in the right-of-use asset and amortized over the remaining term of the contract.

Depreciation of the right-of-use asset as well as the finance expense according to the effective interest rate method, relating to lease liabilities are recognized in the consolidated statement of net income.

Accounting for leases, under IFRS 16 involves judgment and requires the Bank to apply assumptions and estimates, to determine:

- That the appropriate interest rates are used to discount lease liabilities.

- That the duration of the lease contracts are adequate. The Bank must therefore assess whether it has reasonable certainty that the option to renew or terminate the contract will be exercised, taking into account certain aspects such as: the contract terms, the nature and location of the asset, the existence of significant rental improvements, and the availability of alternate locations in the same area.

(Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Properties held for sale

In accordance with IFRS 5, properties held for sale, reflected in real estate properties, consist of land and buildings repossessed in settlement of unpaid loans plus interest receivable at the time of default, plus recovery fees incurred by the Bank. They are recorded at their estimated fair value, at the date of transaction.

The Bank has established a sales program where these properties will be actively marketed in their current state for a period not exceeding one year, unless circumstances beyond the control of the Bank arise. The properties that do not meet these criteria are reclassified in investment properties.

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

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

In conformity with banking regulations, a reserve on real estate properties **(note 3 s)** is recorded in the consolidated statement of changes in shareholders' equity.

(k) Investments properties

Investment properties, reflected in real estate properties, represent land and buildings held by the Bank, and land held by the subsidiary Capital Immobilier, S.A. for an unspecified period and use, with the objective that these properties will have an increase in value compared to their original book value.

These land and buildings are kept at fair value and are not depreciated, in conformity with IAS 40. The fair values were estimated based on appraisals carried out by independent real estate appraisers.

All increases or decreases in value resulting from a change in fair value of these investment properties are recorded in the consolidated statement of income.

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Investments properties (continued)

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

In conformity with banking regulations, a reserve on real estate is recorded in the consolidated statement of changes in shareholders' equity **(note 3 u)**.

(l) Real estate development

During the fiscal year ended September 30, 2020, the Board of Directors decided to proceed with a real estate development on the property of Capital-Immobilier in Tabarre. Until September 30, 2019, this property, which was leased to third parties, was classified as a real estate investment.

Real estate development includes the costs of land, at fair value, transferred from real estate investments and infrastructure work carried out by the Company. The book value of this development is analyzed at each reporting period to determine if there is any indication of impairment. If such an indication exists, the book value is reduced to the net realizable value corresponding to the estimated selling price in the normal course of business.

(m) Acceptances

The Bank’s potential liability with respect to trade acceptances 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.

(n) Deposits, loans and subordinated debt

Deposits, loans and subordinated debt are financial liabilities which are initially measured at fair value and presented net of transaction costs directly attributable to the issuance of these instruments and then recorded at amortized cost using the effective interest rate method. The fair value of these financial liabilities is comparable to the book value, since interest rates are indexed to market rates. Interest expenses on these securities are recorded in the consolidated statement of income.

(Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Paid-in capital

Paid-in capital, reflected in shareholders' equity, is comprised of common shares. Direct costs related to the issuance of new shares are recorded, net of income taxes, in retained earnings.

Dividends on ordinary shares are recorded in retained earnings when approved by the General Assembly of shareholders.

(p) Paid-in surplus

The excess over par value received by the Bank in capital stock transactions is recorded in paid-in surplus. The excess of purchase price over the par value of treasury shares is charged to paid-in surplus, then to retained earnings when the paid-in surplus is depleted.

(q) Treasury shares

Treasury shares represent shares repurchased by the Bank and are stated at par value.

(r) 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 of each subsidiary. As authorized by the Central Bank, the legal reserve can be used to the increase paid-in capital, as approved by the Boards of the Bank and its subsidiaries.

(s) General reserve for loan losses

The general reserve for loan losses established by Management is comprised of appropriations of retained earnings and represents the excess of the provision required by the Central Bank compared to the provisions calculated according to the International Financial Reporting Standard IFRS 9.

(Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Revaluation reserve-land and buildings

The revaluation surplus on land and buildings is reflected, net of deferred tax, in the revaluation reserve-land and buildings, a component of shareholders' equity. On an annual basis, the difference between depreciation calculated on the revalued amount of buildings and depreciation calculated on the original cost is transferred to retained earnings.

All revaluation losses are recorded directly as expenses in the consolidated statement of income unless they relate to an existing revaluation surplus for the same property, in which case the revaluation loss will first be applied to the revaluation reserve-land and buildings in shareholders' equity.

This revaluation reserve is not subject to distribution and is excluded from the calculation of regulatory capital.

(u) Reserve on real estate properties

The reserve on real estate properties, required by banking regulations, is comprised of appropriations of retained earnings and represents the reserves required by BRH on real estate properties according to the Banking Law of July 20, 2012. They consist of the following:

- At the time of recording, 30% of the estimated fair value of real estate properties received as collateral payment of loans starting at the effective date of the law.

- An annual provision of 20% of the book value of the real estate property not sold after two years, up to 100%. This addition to the reserve has been considered only after December 3, 2015 according to BRH interpretation Note no. 1 dated December 3, 2015 on the application of Article 189 of the Banking Law.

This reserve is not subject to distribution and is not considered in the calculation of regulatory capital. When the Bank disposes of these properties, the reserves already booked on these assets are transferred to retained earnings.

(Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Interest

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

(w) Commissions

Commissions that are significant to the effective interest rates on financial assets and liabilities are included in the measurement of these effective interest rates.

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

(x) Income taxes

As per IAS 12, income taxes are recognized in the consolidated statement of income except for income taxes generated by items recognized in other comprehensive income or directly in equity. In those circumstances, the related income tax impact is also recorded in shareholders' equity and in the consolidated statement of comprehensive income.

Income taxes include current and deferred income taxes, when applicable. Current tax is payable on the taxable income for the year using statutory tax rates, including any 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 and/or liabilities.

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Income taxes (continued)

The Bank has recorded, in other liabilities:

- The deferred tax resulting from the revaluation of land and buildings which is annually amortized over the useful lives of the revalued buildings.

- The deferred tax on real estate purchased by the bank or held by Capital Immobilier that will be reversed upon the sale of these investments.

- The deferred tax on user-right-assets and lease liabilities which is depreciated annually over the life of the lease contracts.

- The deferred tax receivable for the temporary differences between the present value of the advances to CapInvest service stations and their nominal value. The deferred taxes receivable will be reversed with the passage of time through the recording of the increase in value of these advances until maturity.

(y) Regulatory reserve

According to the reserve requirements of the Central Bank, as of September 30, 2021 and 2020, 40% of liabilities in local currency and 51% of liabilities in foreign currencies, must be held in deposits at the Central Bank. Reserves on liabilities denominated in foreign currencies must be maintained in gourdes at the rate of 12.5%.

Starting June 2015, the reserve requirement rate for deposits of nonfinancial public enterprises is 100%.

(z) Net income per equivalent share of paid-in capital for shareholders of Capital Bank S.A.

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)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(3) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(aa) Standards, amendments and interpretations not yet adopted

As of the date of these financial statements, certain standards, modifications and interpretations have been issued but have not yet come in effect as of September 30, 2021. These standards have not been taken into account in the preparation of the consolidated financial statements of the Group. These are:

IFRS 17 – Insurance contract	Effective for years beginning on or after January 1st, 2023. IFRS 17 replaces IFRS 4.
Amendments to IFRS 10 and IAS 28 Consolidated financial statements and investments in associates and joint ventures	No effective date is determined yet by ISAB for this change that concerns the sale or contribution of assets between an investor and its associate or joint ventures.
Amendment to IAS 1	Effective for years beginning on or after January 1st, 2023 that concerns the classification of liabilities as current and non-current.
Amendment to IFRS – 3 Business combination	Effective for the years beginning on or after January 1st, 2022 in replacement of the prior conceptual framework (2018).
Amendment to IAS 16 Property plant and equipment	Effective for the year beginning on or after January 1st, 2022, that prohibits deducting from the cost of an item the proceeds from selling items produced before that asset is available for use.
Amendment to IAS 37 Provision, contingent liabilities and contingent assets	Effective for the year beginning on or after January 1st, 2022 that concerns the onerous contracts – cost of fulfilling contracts.

The Bank's Management does not expect these changes to have a material impact on the Bank's financial statements.

(Continued)

(4) RISK MANAGEMENT

Risk management is of crucial importance in the operations of the Bank.

Among the financial risks that the Bank must manage are included the risks of liquidity, credit and market risks that include foreign exchange and interest rate risks, as well as operational risks.

Money laundering risk remains crucial to the operations of the Bank. To this end, the Anti-Money Laundering Committee covers all issues related to money laundering (AML) and terrorism financing. Thus, it ensures that the operations of CAPITAL BANK S.A. are conducted in a manner consistent with the laws, rules, regulations and treaties established both nationally and internationally so that its facilities and its network are not used for criminal purposes. This committee is managed by the AML Director who answers to the Board of Directors that is kept informed, on a regular basis, of the work performed by this committee and the related department.

Reports generated from the existing software and the AML Department enable the various departments of the Bank to daily manage the risk of money laundering and thus ensure Bank's management that the anti-money laundering operational procedures are performant.

The assessment by Management of the main risks of CAPITAL BANK, S.A. is as follows:

A) LIQUIDITY RISK

The Bank is exposed to liquidity risk when it does not have, on a timely basis, the liquidity to meet all its cash commitments. Effective management of liquidity is essential to maintain the confidence of the market and protect the Bank's capital.

To manage this risk, the Bank performs daily cash surveillance through the Treasury Committee that monitors the maturities of deposits, loans, investments and subordinated debt as well as the resources and commitments to ensure proper matching between resources and commitments, while complying with the statutory requirements applicable to the Bank.

At September 30, 2021 and 2020, the Bank complies with the prudential norms of the Central Bank with regards to regulatory reserves required by Circular 111.

(Continued)

(4) RISK MANAGEMENT (CONTINUED)

A) LIQUIDITY RISK (CONTINUED)

The maturity profile of the Bank's financial liabilities is as follows as of September 30:

September 30, 2021

(In thousands of gourdes)	Current	1 -3 months	4-6 months	7 months -1 year	More than a year	Total
Deposits **(note 16)**:						
Demand deposits	G 7,254,940	-	-	-	-	7,254,940
Savings deposits - checking	5,495,207	-	-	-	-	5,495,207
Savings deposits	7,399,692	-	-	-	-	7,399,692
Term deposits	-	534,016	6,248,723	1,591,926	2,922	8,377,587
	20,149,839	534,016	6,248,723	1,591,926	2,922	28,527,426
Lease liabilities **(note 12)**	-	-	-	128,422	340,499	468,921
Loans **(note 17)**	-	316,768	16,768	33,536	502,132	869,204
Special funds **(note 10)**	-	-	-	-	2,726	2,726
Other liabilities **(note 18)**	2,186,770	198,365	-	-	-	2,385,135
Subordinated debt **(note 19)**	-	-	-	-	1,027,365	1,027,365
Commitments acceptances	-	14,609	-	-	-	14,609
	G 22,336,609	**1,063,758**	**6,265,491**	**1,753,884**	**1,875,644**	**33,295,386**

September 30, 2020

(In thousands of gourdes)	Current	1 -3 months	4-6 months	7 months -1 year	More than a year	Total
Deposits **(note 16)**:						
Demand deposits	G 4,237,111	-	-	-	-	4,237,111
Savings deposits -checking	3,603,181	-	-	-	-	3,603,181
Saving deposits	4,619,929	-	-	-	243,083	4,863,012
Term deposits	-	1,228,714	4,905,041	165,589	746,111	7,045,455
	12,460,221	1,228,714	4,905,041	165,589	989,194	19,748,759
Lease liabilities **(note 12)**	-	-	-	56,286	282,702	338,988
Loans **(note 17)**	-	12,393	12,393	24,787	573,579	623,152
Special funds **(note 10)**	-	-	-	-	2,709	2,709
Other liabilities **(note 18)**	1,271,683	264,357	-	-	-	1,536,040
Subordinated debt **(note 19)**	-	-	-	-	721,736	721,736
Commitments-acceptances	-	4,734	-	-	-	4,734
	G 13,731,904	**1,510,198**	**4,917,434**	**246,662**	**2,569,920**	**22,976,118**

(Continued)

(4) RISK MANAGEMENT (CONTINUED)

B) CREDIT RISK

Credit risk is the risk of financial loss resulting from the inability of a party to fulfill its financial and/or contractual obligations towards the Bank.

Monetary policies adopted by the Central Bank as well as the Federal Reserve of the United States and other international organizations in the territories where the Bank holds assets have an impact on the Bank's activities, its results and financial position.

This risk includes the following key financial assets:

(In thousands of gourdes)		2021	2020
Cash and cash equivalents: (note 5)			
Deposits with BRH and BNC	G	**13,967,256**	9,673,828
Deposits in foreign banks		**5,943,935**	3,688,182
Deposits in local banks		**-**	42,816
Items in transit		**266,055**	148,428
		20,177,246	13,553,254
Investments:			
BRH bonds **(note 6)**		**148,583**	-
Foreign investments **(note 7)**		**1,558,403**	685,550
Local investments **(note 8)**		**285,468**	200,596
		1,992,454	886,146
Credit:			
Loans, net **(note 9)** :		**11,104,680**	8,078,562
Guaranteed loans – special funds **(note 10)**		**4,379**	4,065
Acceptances		**14,609**	4,734
		11,123,668	8,087,361
Other assets (note 15):			
Duties and taxes to be recovered, net		**385,687**	705,309
Receivables – CapInvest customers, net		**42,680**	97,914
Advance to petroleum distributors, net		**75,260**	82,646
Receivable from customers and other, net		**112,523**	79,440
Receivable from Western Union, net		**77,226**	64,906
Security deposits, net		**14,840**	10,362
		708,216	1,040,577
Allowance for expected credit losses		**(4,216)**	(4,999)
		704,000	1,035,578
Total	**G**	**33,997,368**	**23,562,339**

(Continued)

(4) RISK MANAGEMENT (CONTINUED)

B) CREDIT RISK (CONTINUED)

i) Cash and cash equivalents

Cash and cash equivalents are held at important financial institutions that the Bank considers as being solid. The financial health of these institutions is reviewed periodically by Management. As of September 30, 2021, and 2020, 69% and 71% of these cash and cash equivalents are kept at the Central Bank and BNC, as reserve coverage.

ii) Investments

This risk arises when investment securities lose value due to poor financial performance, real or expected, of the issuer.

The Bank considers Treasury bonds, representing 7% of investments at September 30, 2021, as non-risk financial instruments. Maturity of these financial instruments is short-term and the Bank is confident that BRH will honor its commitments in due course.

The Bank considers as moderate the risk of foreign investments, which represent 78% and 77% of investments at September 30, 2021 and 2020. To manage this risk, CAPITAL BANK, S.A., and its subsidiaries invest in instruments where the Bank monitors the operational and financial aspects, with a return proportional to the risk.

The Bank considers as moderate the risk on local investments which represent 15% and 23% of investments as of September 30, 2021 and 2020. The financial information on these institutions are periodically reviewed by Management to determine the viability of these investments.

iii) Credit

To manage this risk, the Bank has set up a Credit Committee which is mandated to supervise, on an operational basis, the overall credit risk management. The Bank performs a rigorous and systematic monitoring of its loan portfolio by different mechanisms and policies. Policies that have been adopted by the Bank's credit risk management ensure a proper risk assessment and weighting of the Bank rates accordingly.

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT (CONTINUED)

B) CREDIT RISK (CONTINUED)

iii) Credit (continued)

Within its policies, the Bank is in compliance as of September 30, 2021 and 2020 with the requirements and prudential norms of Central Bank Circular no. 87 on loans classification and calculation of provisions for loan losses, and Circular no. 83-4 on credit concentration, which limits the credit, by borrower and by economic sector, to a percentage of the Bank's statutory capital.

iv) Other assets

The Bank considers the risk of non-payment on other financial assets as follows:

- For CapInvest, a low risk on duties and taxes to be recovered from the Government that are continuously monitored with the Government.

- A low risk on accounts receivable from customers that mainly represent insurance costs and notary fees paid on behalf of credit customers.

  CapInvest accounts receivable are analyzed regularly by management to identify the expected credit losses based on to a provision matrix taking into account the repayment history and the potential risks.

- A low risk on accounts receivable from Western Union representing transfer operations that are settled on short notice.

- A moderate risk on receivables and advances made to petroleum distributors.

- A low risk on security deposits, that will be reimbursed at the end of the related contracts.

(Continued)

(4) RISK MANAGEMENT (CONTINUED)

B) CREDIT RISK (CONTINUED)

iv) Other assets (continued)

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

(In thousands of gourdes)		2021	2020
Cash and cash equivalents			
Haïti	G	**14,179,165**	9,865,072
United States		**5,341,220**	3,369,038
Canada		**656,042**	318,548
Europe		**819**	596
		20,177,246	13,553,254
Investments			
United States		**1,558,403**	685,550
Haïti		**434,051**	200,596
		1,992,454	886,146
Credit			
Haïti		**11,123,668**	8,087,361
Other assets			
Haïti		**626,774**	970,672
United States		**77,226**	64,906
		704,000	1,035,578
Total financial assets	G	**33,997,368**	23,562,339

C) MARKET RISK

Market risk arises from changes in market conditions affecting prices and mainly includes foreign currency risk and interest rate risk. 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 depositors' assets.

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT (CONTINUED)

C) MARKET RISK (CONTINUED)

i) Foreign exchange risk

Foreign exchange risk results from significant matching differences between the financial assets and liabilities denominated in the same currency following unfavorable changes in the value of that currency.

Circular no. 81-6 of the Central Bank on the foreign exchange risk, which stipulates that the unconsolidated foreign exchange position at September 30, 2021 and 2020, in absolute value, must not exceed, 0.5% of net assets on a daily basis, limits the gain or loss the Bank could incur on its foreign currency position. As of September 30, the Bank is in compliance with these requirements.

As of September 30, the net positions of the Bank by currency were as follows:

September 30, 2021

(In thousands of gourdes)		Gourdes	Other currencies	Total
Cash and cash equivalents	G	4,644,436	16,715,936	**21,360,372**
Investments		183,988	1,808,466	**1,992,454**
Loans, net		4,616,667	6,488,013	**11,104,680**
Guaranteed loans-special funds		4,379	-	**4,379**
Acceptances		-	14,609	**14,609**
Other assets, net		463,618	240,382	**704,000**
Total financial assets		**9,913,088**	**25,267,406**	**35,180,494**
Deposits		7,617,027	20,910,399	**28,527,426**
Lease liabilities		389,589	79,332	**468,921**
Loans		869,204	-	**869,204**
Special funds		2,726	-	**2,726**
Subordinated debt		-	1,027,365	**1,027,365**
Acceptances		-	14,609	**14,609**
Other liabilities		1,270,615	1,114,520	**2,385,135**
Total financial liabilities		**10,149,161**	**23,146,225**	**33,295,386**
Net assets (liabilities)	**G**	**(236,073)**	**2,121,181**	**1,885,108**

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(4) MARKET RISK (CONTINUED)

C) CREDIT RISK (CONTINUED)

i) Foreign exchange risk (continued)

September 30, 2020

(In thousands of gourdes)		Gourdes	Other currencies	Total
Cash and cash equivalents	G	4,808,935	9,956,062	**14,764,997**
Investments		35,225	850,921	**886,146**
Loans, net		3,987,925	4,090,637	**8,078,562**
Guaranteed loans-special funds		4,065	-	**4,065**
Acceptances		-	4,734	**4,734**
Other assets, net		830,582	204,996	**1,035,578**
Total financial assets		**9,666,732**	**15,107,350**	**24,774,082**
Deposits		6,298,821	13,449,938	**19,748,759**
Lease liabilities		282,612	56,376	**338,988**
Loans		623,152	-	**623,152**
Special funds		2,709	-	**2,709**
Subordinated debt		-	721,736	**721,736**
Acceptances		-	4,734	**4,734**
Other liabilities		926,574	609,466	**1,536,040**
Total financial liabilities		8,133,868	14,842,250	**22,976,118**
Assets, nets	**G**	**1,532,864**	**265,100**	**1,797,964**

Net positions in foreign currencies as of September 30, 2021 and 2020 amount to US$ 21,779 and US$ 4,021 respectively. As of September 30, 2021, for every fluctuation of a gourde versus the US dollar, the currency position in US dollars would result in an exchange gain or loss of 22 million, as the case may be.

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT (CONTINUED)

C) MARKET RISK (CONTINUED)

i) Foreign exchange risk (continued)

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

		2021	2020
US dollar	G	**97.3918**	65.9193
Euro		**112.7407**	77.2838
Average rates			
US dollar	G	**82.0000**	99.0000

ii) Interest rate risk

This risk is related to the potential impact of interest rates fluctuations on net income and consequently, on net assets. It results from the inability to adjust interest rates as the market evolves, to the extent that net interest margin decreases significantly or becomes negative. The risk depends on the magnitude and the evolution of interest rate changes, and on the importance and the maturities of the related financial instruments.

The Bank maintains a close follow-up the following portfolios:

- Loans and deposits from the Bank's customers
- Local investments and BRH bonds
- Foreign investments
- Loans and subordinated debt.

The positions on these portfolios are continuously reviewed by the Treasury Committee that establishes the positioning of the Bank in light of anticipated movements in interest rates and recommends hedging the risk of unwanted or unexpected rates.

(Continued)

(4) RISK MANAGEMENT (CONTINUED)

C) MARKET RISK (CONTINUED)

ii) Interest rate risk (continued)

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

(In thousands of gourdes)	%		2021	%	2020
Fixed interest rates:					
Financial assets	**17%**	**G**	**3,113,240**	16%	1,952,295
Financial liabilities	**50%**		**(8,927,746)**	59%	(7,945,740)
Net		**G**	**(5,814,506)**		(5,993,445)
Variable interest rate:					
Financial assets	**83%**	**G**	**15,190,175**	84%	10,464,496
Financial liabilities	**50%**		**(8,892,212)**	41%	(5,584,749)
Net		**G**	**6,297,963**		4,879,747
Total interest-bearing financial assets	**100%**	**G**	**18,303,415**	100%	12,416,791
Total interest-bearing financial liabilities	**100%**	**G**	**(17,819,958)**	100%	(13,530,489)
NET		**G**	**483,457**		(1,113,698)

Based on the following observations, the Bank estimates that a fluctuation of interest rate would not have a significant impact on the future results:

- The majority of financial assets of the Bank at fixed interest rates are short-term. However, the Bank is able to adjust its risk given the composition of assets at variable rates.
- 83% of financial assets are at variable interest rates.

D) CAPITAL MANAGEMENT

Capital is defined as paid-in-capital, paid-in surplus, reserves, minority interest and retained earnings. The Bank periodically evaluates its return on capital and aims at paying a reasonable level of dividends to its shareholders, while maintaining a stable capital position to sustain its future development.

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT (CONTINUED)

D) CAPITAL MANAGEMENT (CONTINUED)

The Central Bank in its capacity as regulator of all banks operating in Haïti sets and monitors capital requirements. Banks must adhere to the following capital ratios under Central Bank Circular no. 88-1:

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

- **Ratio of capital/risk-weighted assets** – The ratio of regulatory 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 factors are assigned.

Regulatory capital essentially consists of:

- Tier 1 (Tiers 1A and 1B) capital attributable to ordinary shareholders notwithstanding the reserve on real estate and the revaluation reserve.

- Additional capital (Tier 2) composed of financial instruments with an initial duration of at least 5 years taking into consideration a gradual reduction of the instrument over the years, including the issuance premiums for these instruments; the general reserve for loan losses; the provisions for expected credit losses on loans and other assets in accordance with IFRS 9.

In 2021, following the update of Circular 88 (now 88-1), which became applicable on June 30, 2021, in addition to the minimum requirement of 12% set above, financial institutions must constitute permanently, on an individual basis and on a consolidated basis, an additional capital buffer set at 2.5% of the weighted risks which must be composed entirely of (Tier 1A capital).

Failure to comply with this requirement does not constitute a violation penalized with disciplinary measures but requires the constitution or reconstitution of this buffer when the level is not respected by limiting the distribution of profits according to a variable percentage depending on the importance of the insufficiency,

As of September 30, the ratios were as follows:

	2021	**2020**
Ratio of assets/capital	**6.8**	5.9
Ratio of capital/risk-weighted assets	**27.09%**	40.00%

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(4) RISK MANAGEMENT (CONTINUED)

D) CAPITAL MANAGEMENT (CONTINUED)

For the year 2021 :

	Bank ratio	
Ratios required	**2021**	**2020**
Minimum capital ratio of basic category 1 A **(9.25%)**	**21.3%**	N/A
Minimum capital ratio category 1 **(11.5%)**	**21.3%**	N/A
Minimum total equity capital **(14.5%)**	**27.09%**	N/A

(5) CASH AND CASH EQUIVALENTS

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

(In thousands of gourdes)		**2021**	**2020**
Cash	G	**1,183,126**	1,211,743
Deposits in BRH and BNC		**13,965,845**	9,673,828
Deposits in foreign banks		**5,943,935**	3,688,182
Deposits in foreign banks		**1,411**	42,816
Items in transit		**266,055**	148,428
TOTAL CASH AND CASH EQUIVALENTS	G	**21,360,372**	14,764,997

Cash and deposits with BRH (Central Bank) and BNC (Banque Nationale de Crédit) are part of the cash reserve requirements on total liabilities that must be maintained in accordance with the related provisions of BRH (Central Bank) circulars. These deposits do not bear interest.

As of September 30, deposits in foreign banks are as follows:

(In thousands of gourdes)		**2021**	**2020**
Non-interest-bearing deposits	G	**714,877**	369,174
Interest-bearing deposits		**5,229,058**	3,319,008
	G	**5,943,935**	3,688,182

The interest-bearing accounts are overnight deposits bearing interest of 0.1% on average at September 30, 2021 and 2020, respectively.

At September 30, 2021 and 2020, deposits with foreign banks include amounts pledged as guarantees on letters of credit totaling G 14.6 million (US$ 150 thousand) and G 21.2 millions (US$ 321 thousand), respectively.

(Continued)

(5) CASH AND CASH EQUIVALENTS (CONTINUED)

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

(In thousands of gourdes)		2021	2020
In gourdes	G	**4,644,436**	4,808,935
US dollars		**16,715,936**	9,956,062
TOTAL CASH AND CASH EQUIVALENTS	G	**21,360,372**	14,764,997

(6) BRH BONDS, NET

As of September 30, Treasury bonds are debt instruments recorded at amortized cost and are as follows:

(In thousands of gourdes)		2021	2020
BRH bonds (a)	G	**150,000**	-
Unearned interest		**(1,417)**	-
BRH bonds, net		**148,583**	-
Maturity		***November 3, 2021***	
Interest rate		***2.528%***	-
TOTAL TREASURY BONDS, NET	*G*	***148,583***	-

(a) Management did not consider it necessary to establish provisions on BRH bonds, which are very short-term treasury instruments.

(7) FOREIGN INVESTMENTS

As of September 30, foreign investments are in US dollars and are as follows:

(In thousands of gourdes)		2021	2020
Investments held to maturity, at fair value through profit or loss	G	**1,549,274**	681,397
Interest receivable		**9,129**	4,153
TOTAL FOREIGN INVESTMENTS	G	**1,558,403**	685,550

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(7) FOREIGN INVESTMENTS (CONTINUED)

These investments include the following debt instruments:

(In thousands of gourdes)		2021	2020
Bonds in financial and private companies in the United States:			
Fair value	G	1,538,340	646,130
Maturity		***2 to 10 years***	*3 months to 11 years*
Interest rates		***1.29% to 5.86%***	*1.20% à 5.25%*
Term deposits in financial institutions (a):			
Fair value	G	10,934	35,267
Maturity		***2 months***	*4 months to 2 years*
Interest rates		***1.75%***	*1.20% à 2.60%*
Total investments at fair value	G	**1,549,274**	681,397

(a) Term deposits in financial institutions are guaranteed by the Federal Deposit Insurance Corporation (FDIC).

(8) LOCAL INVESTMENTS, NET

As of September 30, local investments, net are as follows:

In thousands of gourdes)		2021	2020
Local investment at amortized cost:			
Bonds held in private companies	G	243,480	164,798
Interest receivable		9,109	2,243
		252,589	167,041
Provision for expected credit losses		(2,526)	(1,670)
TOTAL INVESTMENTS AT AMORTIZED COST, NET		**250,063**	165,371
Equity instruments		**35,405**	35,225
TOTAL LOCAL INVESTMENTS, NET	G	**285,468**	200,596

(Continued)

(8) LOCAL INVESTMENTS, NET (CONTINUED)

Bonds held in private companies include the following instruments:

(In thousands of gourdes)		2021	2020
US dollar bonds held in a Financial institution for development **(a)**	G	**48,696**	32,960
Interest rate		***3%***	*3%*
Maturity		***2 years***	*3 months*
US dollar bonds held in a commercial enterprise **(b)**	G	**194,784**	131,838
Interest rate		***6%***	6%
Maturity		***3 years***	4 years
	G	**243,480**	164,798

The provision for expected credit losses on local investments has evolved as follows:

		Stage 1 Non impaired assets	
(In thousands of gourdes)		**2021**	**2020**
Balance at beginning of year	G	**(1,670)**	(2,346)
Credit losses for the year (**note 21)**		**(58)**	(13)
Foreign exchange effect		**(798)**	689
Balance at end of year	G	**(2,526)**	(1,670)

(a) In accordance with the Law of August 30, 1982 on financial institution for development, investments in these institutions are deductible from taxable income. For 2020, the related tax effect of these deductions amounted to G 9,888 **(note 23).**

(b) This amount represents a bond issued by in E-Power S.A. According to article 34-1 of the contract between the Haitian Government and E-Power S.A., this investment is deductible from taxable income, and related interest revenue is exonerated from income tax **(note 23)**. This investment is subordinated to the rights of privileged debtors concerning the reimbursement of capital and interest as provided for in the various financial agreements. For 2021 and 2020, the effect of tax on exempt interest income amounted to G 2,946 and G 3,571 in 2021 and 2020, respectively **(note 23).**

(Continued)

(8) LOCAL INVESTMENTS, NET (CONTINUED)

Equity instruments are as follows:

(In thousands of gourdes)		2021	2020
PORT LAFITO S.A.			
66,500 class A common voting shares	G	**34,455**	34,455
HÔPITAL DU CANAPÉ VERT			
75 common shares		**750**	750
BANQUE DE L'UNION HAÏTIENNE			
80 common shares		**200**	20
	G	**35,405**	35,225

(9) LOANS

As of September 30, loans are categorized as follows:

(In thousands of gourdes)		2021	2020
Commercial loans	G	**5,542,267**	3,796,115
Overdrafts		**1,917,471**	1,257,129
Credit card loans		**962,713**	907,165
Micro-credit loans		**1,040,819**	696,641
Mortgage loans		**765,607**	418,011
Consumer loans		**185,495**	106,473
Unsecured loans to employees		**191,236**	193,868
Mortgage loans to employees		**73,229**	72,362
Restructured loans **(a)**		**77,437**	221,952
		10,756,274	7,669,716
Loans financed by BRH:			
Residential real estate projects		**150,206**	165,321
Capital Housing loans **(b)**		**323,213**	347,616
		473,419	512,937
Current loans		**11,229,693**	8,182,653
Non-performing loans		**51,911**	62,960
TOTAL LOANS	G	**11,281,604**	8,245,613
Interest receivable		**50,442**	36,437
TOTAL LOANS AND INTEREST RECEIVABLE		**11,332,046**	8,282,050
Provision for expected credit losses		**(227,366)**	(203,488)
TOTAL LOANS, NET	G	**11,104,680**	8,078,562

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(9) LOANS (CONTINUED)

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

		2021	2020
Loan in gourdes	G	**4,616,667**	3,987,925
Loan in US dollars		**6,488,013**	4,090,637
TOTAL LOANS, NET	G	**11,104,680**	8,078,562

(a) As of September 30, 2021, and 2020, restructured loans include amounts of G 47,157 and G 201,141 for the micro-credit portfolio.

(b) Capital Housing loan is a product related to the financing of middle-class mortgage loans for the construction or rehabilitation of residential buildings. In an agreement signed on December 11, 2014, the Bank of the Republic of Haiti (BRH) has pledged to support the financing of Capital Bank through this program aimed at granting housing loans in gourdes to individuals for a period not exceeding 30 years. The interest rate on these loans may not exceed 10% during the first ten years of the loans. After this period, the interest rate will be variable and revisable by Capital Bank, by mutual agreement with BRH, taking into account the prevailing interest rate on the market. Borrowings relating to these projects and the related terms and conditions are described in **note 17**.

As of September 30, 2021, and 2020, housing loans for the construction or rehabilitation of residential buildings included a loan to a related party for G 92,931 and G 105,215, respectively.

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(9) LOANS (CONTINUED)

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

September 30, 2021

(In thousands of gourdes)		Currents	1-30 days	31-60 days	61-90 days	Total
Current loans						
Overdrafts	G	1,917,350	-	110	11	**1,917,471**
Micro-credit (including restructured loans)		1,034,536	24,701	21,397	7,342	**1,087,976**
Credit card loans		739,978	136,631	50,304	35,800	**962,713**
Other loans		6,094,609	591,016	341,038	234,870	**7,261,533**
	G	**9,786,473**	**752,348**	**412,849**	**278,023**	**11,229,693**
%		**87%**	**7%**	**4%**	**2%**	**100%**

(In thousands of gourdes)		90-180 days	181-360 days	More than 360 days	Total
Non-performing loans					
Overdrafts	G	98	1,052	512	**1,662**
Micro-credit loans		18,433	1,604	-	**20,037**
Credit card loans		12,575	15,475	-	**28,050**
Other loans		2,162	-	-	**2,162**
	G	**33,268**	**18,131**	**512**	**51,911**
%		**64%**	**35%**	**1%**	**100%**

(Continued)

(9) LOANS (CONTINUED)

September 30, 2020

(In thousands of gourdes)		Currents	1-30 days	31-60 days	61-90 days	Total
Current loans						
Overdrafts	G	1,236,676	-	20,418	35	**1,257,129**
Micro-credit (including Restructured loans)		828,437	43,191	24,309	1,844	**897,781**
Credit card loans		678,323	139,988	49,967	38,887	**907,165**
Other loans		4,204,232	455,399	396,903	64,044	**5,120,578**
	G	**6,947,668**	**638,578**	**491,597**	**104,810**	**8,182,653**
%		**85%**	**8%**	**6%**	**1%**	**100%**

(In thousands of gourdes)		90-180 days	181-360 days	More than 360 days	Total
Non-performing loans					
Overdrafts	G	84	1,106	478	**1,668**
Micro-credit loans		20,429	1,697	-	**22,126**
Credit card loans		15,257	14,944	-	**30,201**
Other loans		4,201	4,764	-	**8,965**
	G	**39,971**	**22,511**	**478**	**62,960**
%		**63%**	**36%**	**1%**	**100%**

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

September 30, 2021

(In thousands of gourdes)		Mortgages	Cash collateral (note 16)	Vehicles	Other	Total
Current loans	G	**5,272,805**	**519,743**	**206,303**	**56,195**	**6,055,046**

September 30 2020

(In thousands of gourdes)		Mortgages	Cash collateral (note 16)	Vehicles	Other	Total
Current loans	G	4,430,367	282,993	180,217	38,035	4,931,612

(Continued)

(9) LOANS (CONTINUED)

Loans to Board Members and their related companies amount to G 1.2 billion and G 683.6 million respectively as of September 30, 2021 and 2020. Interest rates on these loans average 8% to 16% in 2021 and of 8% to 18% in 2020, for loans in gourdes, and interest of 5% to 16% in 2021 and 6% to 12% in 2020 for loans in dollars. The majority of these loans is secured by mortgages or pledged funds.

The average yield of the loan portfolio are as follows:

	2021	2020
Commercial loans		
Gourdes	**19%**	16%
US dollars	**9%**	11%
Overdrafts		
Gourdes	**14%**	20%
US dollars	**14%**	17%
Mortgage loans		
Gourdes	**13%**	14%
Dollars US	**10%**	13%
Capital housing in gourdes	**10%**	10%
Credit card loans in gourdes	**28%**	31%
Micro-credit loans in gourdes	**40%**	42%
Consumer loans		
Gourdes	**20%**	18%
US dollars	**11%**	17%
Loans to employees	**8%**	8%

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(9) LOANS (CONTINUED)

a) The provision for expected credit losses on **entire portfolio** evolved as follows:

(In thousands of gourdes)		Total 2021	Total 2020
Balance at beginning of year	G	**(203,488)**	(281,678)
Credit losses for the year **(note 21)**		**(113,861)**	(99,841)
Effect of change on provisions in dollars		**(35,678)**	33,819
Transfer of provision from off-balance sheet to liabilities **(note 18)**		-	46,405
Write-offs		**125,661**	97,807
Balance at end of year	G	**(227,366)**	(203,488)

The fluctuations are as follows:

(In thousands of gourdes)		Not impaired Loans Stage 1	Impaired loans Stage 2	Default loans Stage 3	Total
Balance as of September 30, 2019					
Loans and interest receivable	G	10,302,800	1,009,091	108,194	**11,420,085**
Provision		(204,978)	(37,976)	(38,724)	**(281,678)**
Total net		**10,097,822**	**971,115**	**69,470**	**11,138,407**
Variations of the year 2019-2020					
Loans and interest receivable		(3,284,532)	190,170	(43,673)	**(3,138,035)**
Provision		90,965	(4,135)	(8,640)	**78,190**
Total net		**(3,193,567)**	**186,035**	**(52,313)**	**(3,059,845)**
Balance as of September 30, 2020					
Loans and interest receivable		7,018,268	1,199,261	64,521	**8,282,050**
Provision		(114,013)	(42,111)	(47,364)	**(203,488)**
Total net	G	**6,904,255**	**1,157,150**	**17,157**	**8,078,562**

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(9) LOANS (CONTINUED)

		Not impaired loans	Impaired loans	Default loans	Total
(In thousands of gourdes)		**Stage 1**	**Stage 2**	**Stage 3**	
Variations of the year 2020-2021					
Loans and interest receivable	**G**	3,012,197	17,695	20,104	**3,049,996**
Provision		(31,256)	4,625	2,753	**(23,878)**
Total net		**2,980,941**	**22,320**	**22,857**	**3,026,118**
Balance as of September 30, 2021					
Loans and interest receivable		10,030,465	1,216,956	84,625	**11,332,046**
Provision		(145,269)	(37,486)	(44,611)	**(227,366)**
Total net	**G**	**9,885,196**	**1,179,470**	**40,014**	**11,104,680**

The provision for loan losses required under Circular 87 of the Central Bank amounts to G 209.2 million and G 171.5 million respectively as of September 30, 2021 and 2020. This provision is covered by the following financial statement captions:

(In thousands of gourdes)		**2021**	**2020**
Balance sheet amount **(above)**	**G**	**227,366**	203,488
Off-balance sheet amounts **(note 27)**		**40,272**	35,558
Total provision	**G**	**267,638**	239,046

As of September 30, 2021 and 2020, default loans include :

		2021	**2020**
Non-performing loans	**G**	**51,911**	62,960
Other loans		**32,714**	1,561
	G	**84,625**	64,521

The other loans are classified in stage 3 although they are current because in management's judgment, based on the criteria described in **note 3c** they require larger provisions.

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(9) LOANS (CONTINUED)

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

(In thousands of gourdes)		Total 2021	Total 2020
Balance at beginning of the year	G	**(88,911)**	(175,839)
Reversals (credit losses) for the year		**(20,696)**	31,235
Effect of change on provisions in dollars		**(35,678)**	16,772
Write-offs		**9,645**	10,861
Off balance sheet provision transfer to liabilities		**-**	28,060
Balance at end of year	G	**(135,640)**	(88,911)

The fluctuations are as follows:

		Not impaired Loans	Impaired loans	Default loans	TOTAL
(In thousands of gourdes)		**Stage 1**	**Stage 2**	**Stage 3**	
Balance as of September 30, 2019					
Loans and interests receivable	G	8,874,712	660,112	30,074	9,564,898
Provision		(156,599)	(12,106)	(7,134)	(175,839)
Total net		**8,718,113**	**648,006**	**22,940**	**9,389,059**
Variations of the year 2019-2020					
Loans and interests receivable		(3,407,260)	282,480	(17,880)	**(3,142,660)**
Provision		90,367	(7,173)	3,734	**86,928**
Total net		**(3,316,893)**	275,307	(14,146)	**(3,055,732)**
Balance as of September 30, 2020					
Loans and interest receivable		5,467,452	942,592	12,194	**6,422,238**
Provision (i)		(66,232)	(19,279)	(3,400)	**(88,911)**
Total net	G	**5,401,220**	**923,313**	**8,794**	**6,333,327**

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(9) LOANS (CONTINUED)

		Not impaired loans	Impaired loans	Default loans	TOTAL
(In thousands of gourdes)		**Stage 1**	**Stage 2**	**Stage 3**	
Variations of the year 2020-2021					
Loans and interest receivable	**G**	2,763,291	20,803	20,285	**2,804,379**
Provision		(40,866)	(2,570)	(3,293)	**(46,729)**
Total net		**2,722,425**	18,233	16,992	**2,757,650**
Balance as of September 30, 2021					
Loans and interest receivable		8,230,743	963,395	32,479	**9,226,617**
*Provision **(i)***		(107,098)	(21,849)	(6,693)	**(135,640)**
Total net	**G**	**8,123,645**	**941,546**	**25,786**	**9,090,977**

As of September 2021 and 2020, loans in default include:

		2021	2020
Non-performing loans	G	**3,825**	10,633
Other loans		**28,654**	1,561
	G	**32,479**	12,194

The other loans classified in **phase 3** although they are up to date because in management's judgment based on the criteria described in **note 3c**, they require larger provisions.

(i) During the year ended September 30, 2021 and 2020, the Bank granted significant moratoria to 5% (G 542 million) and 11% (G 714 million) of the portfolio because of the economic situation related to political unrest and Covid-19. Additional provisions for credit losses have been recorded on this portfolio

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(9) LOANS (CONTINUED)

c) The provision for expected credit losses on **micro credit loans** evolved as follows:

In thousands of gourdes)		Total 2021	Total 2020
Balance at beginning of the year	**G**	**(80,093)**	(44,039)
Credit losses for the year		**(53,593)**	(97,135)
Effect of change on provisions in dollars		-	12,493
Write-offs		**83,780**	48,588
Balance at end of year	**G**	**(49,906)**	(80,093)

The fluctuations are as follows :

(In thousands of gourdes)		Not impaired loans Stage 1	Impaired loans Stage 2	Default loans Stage 3	TOTAL
Balance as of September 30, 2019					
Loans and interests receivable	G	794,612	21,287	27,184	**843,083**
Provision		(18,031)	(6,386)	(19,622)	**(44,039)**
Total net		**776,581**	**14,901**	**7,562**	**799,044**
Variations of the year 2019-2020					
Loans and interests receivable		77,880	(6,540)	(5,058)	**79,362**
Provision		(21,270)	(13,014)	(1,770)	**(36,054)**
Total net		**56,610**	**(6,474)**	**(6,828)**	**43,308**
Balance as of September 30, 2020					
Loans and interests receivable		872,492	27,827	22,126	**922,445**
*Provision **(i)***		(39,301)	(19,400)	(21,392)	**(80,093)**
Total net	G	**833,191**	**8,427**	**734**	**842,352**

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(9) LOANS (CONTINUED)

(In thousands of gourdes)		Not impaired loans Stage 1	Impaired loans Stage 2	Default loans Stage 3	TOTAL
Variations of the year 2020-2021					
Loans and interests receivable	G	187,528	2,993	1,971	**192,492**
Provision		16,548	8,402	5,237	**30,187**
Total net		**204,076**	**11,395**	**7,208**	**222,679**
Balance as of September 30, 2021					
Loans and interests receivable		1,060,020	30,820	24,097	**1,114,937**
*Provision **(i)***		(22,753)	(10,998)	(16,155)	**(49,906)**
Total net	G	**1,037,267**	**19,822**	**7,942**	**1,065,031**

(i) During the year ended September 30, 2020, the Bank granted significant moratoria to 24% (G 221 million) of the portfolio because of the economic situation related to political unrest and Covid-19. Additional provisions for credit losses have been recorded on this portfolio.

As of September 30, 2021 and 2020, defaulted loans consist exclusively of non-performing loans.

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(9) LOANS (CONTINUED)

d) The provision for expected credit losses for the **credit card** evolved as follows:

(In thousands of gourdes)		Total 2021	Total 2020
Balance at beginning of the year	**G**	**(34,484)**	(61,800)
Credit losses for the year		**(39,572)**	(33,942)
Effect of change on provisions in dollars		**-**	4,555
Write-offs		**32,236**	38,358
Transfert de provision hors bilan au passif		**-**	18,345
Balance at end of year	**G**	**(41,820)**	(34,484)

The fluctuations are as follows:

(In thousands of gourdes)		Not impaired loans Stage 1	Impaired loans Stage 2	Default loans Stage 3	TOTAL
Balance as of September 30, 2019					
Loans and interests receivable	**G**	633,476	327,692	50,936	**1,012,104**
Provision		(30,348)	(19,484)	(11,968)	**(61,800)**
Total net		**603,128**	**308,208**	**38,968**	**950,304**
Variations of the year 2019- 2020					
Loans and interests receivable		44,847	(98,850)	(20,735)	**(74,738)**
Provision		21,869	16,051	(10,604)	**27,316**
Total net		**66,716**	**(82,799)**	**(31,339)**	**(47,422)**
Balance as of September 2020					
Loans and interests receivable		678,323	228,842	30,201	**937,366**
Provision		(8,479)	(3,433)	(22,572)	**(34,484)**
Total net	**G**	**669,844**	**225,409**	**7,629**	**902,882**

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(9) LOANS (CONTINUED)

(In thousands of gourdes)		Non-performing loan	Impaired loans	Default loans	TOTAL
		Stage 1	Stage 2	Stage 3	
Variations of the year 2020- 2021					
Loans and interests receivable	G	61,648	(6,101)	(2,151)	**53,396**
Provision		(6,939)	(1,206)	809	**(7,336)**
Total net		**54,709**	**(7,307)**	**(1,342)**	**46,060**
Balance as of September 30, 2021					
Loans and interests receivable		739,971	222,741	28,050	**990,762**
Provision		(15,418)	(4,639)	(21,763)	**(41,820)**
Total net	G	**724,553**	**218,102**	**6,287**	**948,942**

As at September 20, 2021 and 2020, defaulted loans consist exclusively of non-performing loans.

(10) GUARANTEED LOANS - SPECIAL FUNDS

Capital Bank manages some mortgage loans granted by the Employee Pension Fund of Telecommunications of Haiti (TELECO) to its members. Management fees, representing a percentage of the effective interest rate on these loans are levied by the Bank.

(Continued)

(11) FIXED ASSETS, NET

Fixed assets, at cost, have evolved as follows:

Cost

(In thousands of gourdes)		Balance as of 09/30/20	Acquisitions	Transfers	Disposals (b)	Balance as of 09/30/21
Land	G	50,463	-	-	-	**50,463**
Buildings		227,709	-	-	-	**227,709**
Computer software		85,402	9,301	-	(14,493)	**80,210**
Furniture and office equipment		231,420	26,408	4,068	(36,032)	**225,864**
Installations		117,794	2,555	2,417	(16,607)	**106,159**
Computer equipment		75,190	28,190	-	(9,794)	**93,586**
Vehicles		58,330	4,255	-	(4,312)	**58,273**
Leasehold improvements- CapInvest		121,601	1,039	2,003	-	**124,643**
Petroleum equipment		320,070	6,672	35,278	-	**362,020**
Investment in progress **(a)**		127,264	163,438	(43,766)	-	**246,936**
	G	**1,415,243**	**241,858**	**-**	**(81,238)**	**1,575,863**

Accumulated depreciation has evolved as follows:

(In thousands of gourdes)		Balance as of 09/30/20	Depreciation of the year	Disposals	Balance as of 09/30/21
Buildings	G	-	8,198	-	**8,198**
Computer software		60,458	18,925	(14,487)	**64,896**
Furniture and office equipment		105,056	37,603	(25,393)	**117,266**
Installations		48,018	11,475	(8,820)	**50,673**
Computer equipment		45,242	13,724	(9,306)	**49,660**
Vehicles		26,200	10,771	(3,494)	**33,477**
Leasehold improvements – CapInvest		15,069	14,062	-	**29,131**
Petroleum equipment		37,517	34,980	(52)	**72,445**
	G	**337,560**	**149,738**	**(61,552)**	**425,746**
FIXED ASSETS, NET	**G**	**1,077,683**		**19,686**	**1,150,117**

(a) Ongoing investments include advances on the implementation of new software as well as improvements of new branches, and construction work at gas stations.

(b) Disposals include losses of G 14 million on the Madeline – Cap-Haitien branch following the looting of this branch in July 2021. The Bank estimates that it will recover G 24 million in replacement value of these assets **(note 15)**.

(Continued)

(11) FIXED ASSETS, NET (CONTINUED)

As at September 30, the net book value of land and buildings excluding the effect of revaluation is as follows:

In thousands of gourdes)		2021	2020
Land	G	**46,963**	46,963
Transfers to real estate investments		**(46,130)**	(46,130)
		833	833
Buildings		**10,833**	11,721
	G	**11,666**	12,554

(12) RIGHTS-OF-USE ASSETS AND LEASE LIABILITIES

Rights-of-use assets

The application of IFRS 16 as disclosed in **note 3i** is applicable from October 1st 2019 on spaces leased by the Bank for its administrative offices, its branches and CapInvest network of branches and gas stations.

Rights-of-use assets have evolved as follows :

(In thousands of gourdes)

Balance as of September 30, 2019	G	662,111
Indexation on variable contracts		(133,812)
Balance as of September 30, 2020		**528,299**
Indexation on variable contracts		116,974
Additions and adjustments of contracts		79,213
Balance as of September 30, 2021	G	**724,486**

Accumulated amortization

(In thousands of gourdes)

Balance as of October 1, 2019	G	-
Amortization		104,050
Balance as of September 30, 2020		**104,050**
Amortization for the current year		134,115
Balance as of September 30, 2021	G	**238,165**
Rights of use assets, net September 30, 2020	G	**424,249**
Rights of use assets, net September 30, 2021	G	**486,321**

(Continued)

(12) RIGHTS-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Lease liabilities

Lease liabilities in US dollars and gourdes equivalent have evolved as follows :

(In thousands of gourdes)		
Balance as of October 1, 2019	**G**	662,110
Interest on lease liabilities		62,382
Indexation – variable contracts		(133,812)
Foreign exchange effect on contracts in US dollars		(39,938)
Rent payments		(211,754)
Balance as of September 30, 2020	**G**	**338,988**
Interest on lease liabilities		44,648
Indexation – variable contracts		116,973
Foreign exchange effect on contracts in US dollars		37,711
Rent payments		(148,612)
Addition and adjustments contracts		79,213
Balance as of September 30, 2021	**G**	**468,921**

Undiscounted contractual payments to be made for lease liabilities are as follows :

(In thousands of gourdes)		Contracts in gourdes	Equivalent in gourdes contracts in dollars	Total
1 year	G	141,955	15,709	**157,664**
Between 2 years and 5 years		360,375	64,911	**425,286**
More than 5 years		60,763	73,609	**134,372**
Total	**G**	**563,093**	**154,229**	**717,322**

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(12) RIGHTS-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Lease expenses recognized in the consolidated statement of income, under the premises, and equipment caption are as follows :

(In thousands of gourdes)		**2021**	**2020**
Depreciation of rights-of-use assets	G	**134,115**	104,050
Interest on lease liabilities		**44,648**	62,382
		178,763	166,432
Expenses recognized on leases were the underlying asset is of low value		**3,071**	1,910
Total accounting expenses	G	**181,834**	168,342

Tax expenses differ from accounting expense as follows

(In thousands of gourdes)		**2021**	**2020**
Accounting expenses	G	**178,763**	166,432
Tax expense		**144,855**	154,885
Difference		**33,908**	11,547
Deferred tax **(note 23)**	G	**10,300**	3,586

(13) REAL ESTATE DEVELOPMENT – CAPITAL IMMOBILIER

The real estate development includes land and building improvements in Tabarre. They are as follows:

(In thousands of gourdes)		**2021**	**2020**
Balance at the beginning of the year	G	**157,196**	-
Addition of the year		**69,355**	1,960
Transfers from real estate properties **(note 14)**		**-**	155,236
Balance at end of the year	G	**226,551**	157,196

In 2020, the Board of Directors decided to make a real estate development on this property, hence the classification of this asset as such.

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(14) REAL ESTATE PROPERTIES

As of September 30, real estate properties include:

(In thousands of gourdes)		2021	2020
Properties held for sale	G	**111,933**	-
Investments properties:			
Investments properties – other	G	**127,441**	128,975
Investments properties acquired by the bank		**254,764**	254,764
Investments properties – Capital Immobilier		**62,687**	62,727
Total investment properties	G	**444,892**	446,466
TOTAL REAL ESTATE INVESTMENTS	G	**556,825**	446,466

Properties held for sale have evolved as follows:

(In thousands of gourdes)		2021	2020
Balance at beginning of year	G	-	75,733
Addition of the year		**111,933**	-
Transfer to real estate properties – other		-	(75,733)
Balance at end of year	G	**111,933**	-

Investment properties have evolved as follows:

(In thousands of gourdes)		2021	2020
Balance at beginning of the year	G	**128,975**	53,751
Transfer from properties held for sale		-	75,733
Sales of the year		**(1,534)**	-
Unrealized loss for the year		-	(509)
Balance at end of the year	G	**127,441**	128,975

Sales in 2021 generated losses of G 85 thousand.

(Continued)

(14) REAL ESTATE (CONTINUED)

Investment properties, acquired by the Bank are as follows:

(In thousands of gourdes)		2021	2020
Balance at beginning of the year	G	**254,764**	132,623
Transfer from fixed assets **(note 11)**		-	67,482
Addition of the year		-	54,659
Balance at end of the year	G	**254,764**	254,764

Investments in properties held by Capital Immobilier evolved as follows:

(In thousands of gourdes)		2021	2020
Balance at beginning of the year	G	**62,727**	187,921
Transfer to the real estate development **(note 13)**		-	(155,236)
Capital gain for the year		-	29,194
Addition of the year		**(40)**	848
Balance at end of the year	G	**62,687**	62,727

Taxes resulting from capital gain on investment properties acquired by the Bank in 2020 of G 16,978 and on investments held by capital immobilier of G 8,758, are deferred **(note 23)**. There are no reserves on these investments.

Real estate properties, net of general reserves as required by BRH, are as follows:

(In thousands of gourdes)		2021	2020
Investment properties	G	**444,892**	446,466
Less reserve – 20%		**(32,645)**	(27,791)
Less reserve – 30%		**(34,503)**	(34,503)
Total reserves		**(67,148)**	(62,294)
Balance at end of year, net	G	**377,744**	384,172
Properties held for sale	G	**111,933**	-
Less reserve - 30%		**(33,580)**	-
Balance at end of year, net	G	**78,353**	-
Total real estate properties	G	**556,825**	446,466
Total reserve 20%		**(32,645)**	(27,791)
Total reserve 30%		**(68,083)**	(34,503)
Reserves on real estate properties		**(100,728)**	(62,294)
Balance at end of year	G	**456,097**	384,172

(Continued)

(14) REAL ESTATE (CONTINUED)

Reserves on Real estate properties, have evolved as follows:

(In thousands of gourdes)		2021	2020
Reserve 30%			
Balance at beginning of the year	G	**34,503**	34,655
Reversal on sales of the year		**33,580**	-
Adjustment on previous balances		**-**	(152)
Balance at end of year	G	**68,083**	34,503
Reserve 20%			
Balance at beginning of the year	G	**27,791**	18,682
Reserve of the year		**6,388**	9,109
Reversal on sales of the year		**(1,534)**	-
Balance at end of year	G	**32,645**	27,791
Total reserves	G	**100,728**	62,294

(15) OTHER ASSETS

As of September 30, other assets are as follows:

(In thousands of gourdes)		2021	2020
Duties and taxes receivable – petroleum products, net	G	**385,687**	705,309
Receivable from customers		**88,716**	79,440
Receivable- Western Union		**77,226**	64,906
Advance to petroleum distributors **(a)**		**75,260**	82,646
Receivable from customers – CapInvest		**42,680**	97,914
Receivable – insurance claim		**23,807**	-
Security deposits		**14,840**	10,362
		708,216	1,040,577
Provision for expected credit losses		**(4,216)**	(4,999)
		704,000	1,035,578
Stocks and materials- petroleum products		**532,403**	242,426
Prepaid expenses and others		**91,488**	79,739
Stationery and office supplies		**28,566**	30,539
Deferred income taxes **(note 23)**		**16,101**	6,620
		668,558	359,324
TOTAL OTHER ASSETS, NET	G	**1,372,558**	1,394,902

(a) Advances to petroleum distributors are presented at their net present value, based on future cash flows at the marginal borrowing rate estimated over the period of these advances. Financial costs, net of the exchange effect for an amount of G 2,636 and G 3,328 as of September 30, 2021 and 2020, resulted in deferred taxes of G 819 and G 1,034 respectively **(note 23)**.

(Continued)

(15) OTHER ASSETS (CONTINUED)

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

		Not impaired Stage 1	
(In thousands of gourdes)		**2021**	**2020**
Balance at beginning of the year	G	**(4,999)**	(10,870)
Foreign exchange effect		**(680)**	(765)
Reversals for the year **(note 21)**		**1,463**	6,636
Balance at end of year	G	**(4,216)**	(4,999)

(16) DEPOSITS

As of September 30, deposits are as follows:

(In thousands of gourdes)		**2021**	**2020**
Demand deposits			
Current accounts:			
Gourdes	G	**2,268,186**	1,326,137
US dollars		**4,986,754**	2,910,974
		7,254,940	4,237,111
Savings deposits – checking:			
Gourdes		**1,175,445**	729,221
US dollars		**4,319,762**	2,873,960
		5,495,207	3,603,181
Savings deposits:			
Gourdes		**2,195,612**	1,829,400
US dollars		**5,204,080**	3,033,612
		7,399,692	4,863,012
Term deposits:			
Gourdes		**1,977,785**	2,414,063
US dollars		**6,399,802**	4,631,392
		8,377,587	7,045,455
TOTAL DEPOSITS	G	**28,527,426**	19,748,759
Deposits in gourdes	G	**7,617,028**	6,298,821
Deposits in US dollars		**20,910,398**	13,449,938
TOTAL DEPOSITS	G	**28,527,426**	19,748,759

(Continued)

(16) DEPOSITS (CONTINUED)

As of September 30, pledged deposits are as follows:

(In thousands of gourdes)		2021	2020
Deposits in gourdes	G	**37,284**	4,150
Deposits in US dollars		**482,459**	278,843
TOTAL (note 9)	**G**	**519,743**	282,993

Average rates of interest on deposits are as follows:

(In thousands of gourdes)	2021	2020
Demand deposits (overnight)		
Gourdes	**0.60%**	0.19%
US dollars	**0.15%**	0.24%
Savings deposits - check		
Gourdes	**0.04%**	0.03%
US dollars	**0.06%**	0.06%
Savings deposits **(a)**		
Gourdes	**0.01%**	0.02%
US dollars	**0.13%**	0.20%
Term deposits		
Gourdes	**6.68%**	8.80%
US dollars	**2.13%**	3.72%

Deposits from Board Members of the Bank and their affiliated companies amount to G 2.3 billion and G 2.9 billion respectively as of September 30, 2021 and 2020.

(Continued)

(16) DEPOSITS (CONTINUED)

(a) As of September 30, 2021 and 2020, savings deposits include G 271 million and G 243 million of retirement related to pension fund contracts with companies for the benefit of their employees, as well as the retirement plan for the Group employees. The interest rates are revised according to market conditions.

The Bank and its subsidiaries contribute to employees' retirement savings accounts at a fixed contribution rate of 2% of gross salary. These contributions are invested in savings deposits in US dollars, remunerated at fixed rates of 3.50% in 2021 and 2020. The contributions, for the years 2021 and 2020, amount to G 10.4 million and G 9.5 million. The balances of these savings deposits in US dollars as of September 30, 2021 and 2020 are US$ 2,541 and US$ 2,389, respectively.

(17) LOANS

As of September 30, loans are as follows:

(In thousands of gourdes)		**2021**	**2020**
Loans BRH :			
Loans BRH – Capital Housing	G	**340,122**	384,128
Loans BRH – Capital Housing– real estate projects		**229,082**	239,024
Total LOANS BRH	G	**569,204**	623,152
Interbank loan in gourdes	G	**300,000**	-
Maturity		**December 7, 2021**	-
Interest rate		**12%**	-
TOTAL LOANS	G	**869,204**	623,152

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(17) LOANS (CONTINUED)

As of September 30, Loans in gourdes represent borrowings from Bank of the Republic d'Haiti (BRH), to finance the « Capital Housing Program » **(note 9)**. They are presented as follows:

Sector	Amount approved (G millions)	Date of approval	Date of maturity	Balance as 09/30/21 (G thousands)	Balance as 09/30/20 (G thousands)	Interest rates 2021	Interest rates 2020	Monthly payment (G thousands)
Loan Capital Housing	95.5	June 2015	June 2025	**35,647**	45,152	3%	3%	792
	74.0	September 2015	September 2025	**29,600**	37,000	3%	3%	617
	87.6	March 2016	March 2026	**39,411**	48,169	3%	3%	730
	34.2	June 2017	May 2027	**19,649**	23,066	3%	3%	285
	31.6	March 2017	April 2032	**22,148**	24,257	3%	3%	176
	22.8	February 2018	February 2038	**18,717**	19,858	3%	3%	95
	26.8	December 2014	June 2038	**22,435**	23,774	3%	3%	112
	49.1	October 2018	October 2038	**41,940**	44,395	3%	3%	205
	14.2	March 2015	March 2039	**12,416**	13,126	3%	3%	59
	32.2	June 2019	July 2039	**24,962**	28,183	1%	1%	268
	19.3	July 2019	July 2039	**17,276**	18,245	3%	3%	81
	15.0	October 2019	October 2038	**13,517**	14,265	3%	3%	62
	11.0	August 2020	August 2020	**10,104**	10,638	3%	3%	44
	17.0	September 2020	September 2040	**16,150**	17,000	3%	3%	71
	17.0	September 2020	September 2040	**16,150**	17,000	3%	3%	71
				340,122	384,128			
Loan Capital Housing-real estate projects								
	350.0	March 2017	June 2031	**170,625**	175,000	3%	3%	1,458
	68.2	March 2017	January 2032	**58,457**	64,024	3%	3%	464
				229,082	239,024			
Total loans - BRH				**569,204**	**623,152**			

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(18) OTHER LIABILITIES

As of September 30, other liabilities are as follows:

(In thousands of gourdes)		2021	2020
Cashiers' checks and certified checks	G	**535,771**	438,635
Transfers payable		**437,787**	198,942
Payable to the Haitian Government – petroleum products		**371,489**	72,178
Unclaimed deposits		**221,110**	189,823
Income taxes payable		**198,365**	264,357
Salaries and benefits payable		**158,366**	90,441
Deferred income taxes **(note 23)**		**147,494**	149,687
Deposits on prepaid credit card		**79,471**	49,604
Interest payable		**45,820**	31,474
Provision for expected credit losses on off-balance sheet commitments **(a) (note 27)**		**40,272**	35,558
Duties and taxes payable		**4,293**	7,454
Other		**292,391**	157,574
TOTAL OTHER LIABILITIES	G	**2,532,629**	1,685,727

(a) The provision for expected credit losses on off-balance sheet commitments (guarantees) is recorded in other liabilities and has evolved as follows:

		Not impaired assets Stage 1	
(In thousands of gourdes)		**2021**	**2020**
Balance at the beginning of the year	G	**(35,558)**	(2,607)
Transfer of the provision on off-balance sheet commitments **(note 9)**		**-**	(46,405)
Foreign exchange effect		**(4,786)**	96
Reversal of credit losses for the year **(note 21)**		**72**	13,358
Balance at end of year	G	**(40,272)**	(35,558)

(Continued)

(19) SUBORDINATED DEBT

As of September 30, subordinated debt is as follows:

(In thousands of gourdes)		2021	2020
Subordinated debt issued by Capital Bank S.A. :			
Amount	G	-	19,776
Interest rate		-	*8.00%*
Maturity		-	*2025*
Amount	G	**5,844**	208,225
Interest rate		***5.5%***	*5.00% - 6.00%*
Maturity		***2026***	*2026*
Amount	G	**9,739**	6,592
Interest rate		***4%***	*4%*
Maturity		***2027***	*2027*
Amount	G	**24,348**	16,480
Interest rate		***4.5% - 5.5%***	*4.5% - 5.5%*
Maturity		***2028***	*2028*
Amount	G	**265,880**	179,960
Interest rate		***5.5% - 6.00%***	*5.5% - 6.00%*
Maturity		***2029***	*2029*
Amount	G	**151,931**	125,905
Interest rate		***6.00%***	*6.00%*
Maturity		***2030***	*2030*
Amount	G	**326,144**	-
Interest rate		***5.5% - 6.00%***	-
Maturity		***2031***	-
TOTAL SUBORDINATED DEBT ISSUED BY CAPITAL BANK	**G**	**783,886**	556,938
Subordinated debt issued by CapInvest S.A.			
Amount	G	**243,479**	164,798
Interest rate		**6.00%**	6.00%
Maturity		**2029**	2029
TOTAL SUBORDINATED DEBT ISSUED BY CAPINVEST	**G**	**243,479**	164,798
TOTAL SUBORDINATED DEBT	**G**	**1,027,365**	721,736

Subordinated debts with related parties amount to G 342,872 and G 240,605 respectively as of September 30, 2021 and 2020.

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(20) PAID-IN CAPITAL

As of September, authorized and paid-in capital is composed of the following:

(In thousands of gourdes)		2021	2020
Authorized and paid-in capital			
112,500 class A share with 5 voting rights	G	**270,000**	270,000
225,000 class A share with 1 voting right		**540,000**	540,000
TOTAL AUTHORIZED AND PAID-IN CAPITAL	G	**810,000**	810,000

The par value of class A and B shares is G 2,400.

(21) PROVISION FOR CREDIT LOSSES

The (provision) reversal for expected credit losses are as follows:

(In thousands of gourdes)		2021	2020
Loans **(note 9)**	G	**(113,861)**	(99,841)
Treasury bonds, net		**-**	125
Local investments, net **(note 8)**		**(58)**	(13)
Other assets **(note 15)**		**1,463**	6,636
Off-balance sheet **(note 18)**		**72**	13,358
TOTAL PROVISION FOR CREDIT LOSSES	G	**(112,384)**	(79,735)

(22) SALARIES AND OTHER EMPLOYEE BENEFITS

Salaries and other employee benefits are as follows:

(In thousands of gourdes)		2021	2020
Salaries	G	**554,424**	497,934
Social benefits		**334,213**	260,119
Payroll taxes		**40,316**	36,856
Contributions to the retirement savings plan		**10,398**	9,449
Other employee expenses		**82,777**	63,289
TOTAL SALARIES AND EMPLOYEE BENEFITS	G	**1,022,128**	867,647

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(23) INCOME TAXES

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

(In thousands of gourdes)		2021	2020
Income before income taxes	G	1,642,351	1,579,324
Income taxes based on statutory rate (30%)		492,705	473,797
Effect of items considered in taxable income:			
Difference between provisions for expected credit losses for tax purpose and provision reflected in the financial statements		(28,426)	(9,868)
Transfer to legal reserve **(a)**		(61,673)	(58,989)
Tax exempt investments **(note 8)**		-	(9,888)
Tax exempt interest on investments **(note 8)**		(2,946)	(3,571)
Territorial taxes and others		54,204	14,972
TOTAL INCOME TAXES	G	453,864	406,453

(a) The impact of the transfer to the legal reserve was calculated on transfers of Capital Bank and its subsidiaries totaling G 205,576 and G 196,632 in 2021 and 2020 respectively.

Tax expense includes:

(In thousands of gourdes)		2021	2020
Current taxes	G	465,538	428,321
Deferred income taxes:			
Lease contracts		(10,300)	3,586
Advances to gas stations		819	(1,034)
Unrealized gain on real estate investments Acquired for the bank **(note 14)**		-	(16,978)
Unrealized gains on real estate investments held by real estate capital		-	(8,758)
Amortization of surplus on land and buildings		(2,193)	1,316
Total deferred taxes		(11,674)	(21,868)
TOTAL INCOME TAXES	G	453,864	406,453

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(23) INCOME TAXES (CONTINUED)

As of September 30, deferred income taxes assets reflected in **note 15** are as follows:

(In thousands of gourdes)		2021	2020
Advances to gas stations :			
Balance at the beginning of the year	G	3,034	4,068
Financial costs net, currency effect **(note 15)**		(819)	(1,034)
		2,215	3,034
Lease contracts:			
Balance at the beginning of the year		3,586	-
Effect of the difference between accounting depreciation expense and interest on lease liabilities **(note 12)**		10,300	3,586
Balance at the end of the year		13,886	3,586
TOTAL DEFERRED TAX ASSETS (NOTE 15)	G	16,101	6,620

As at September 30, deferred tax accounts payable reflected in **note 18** are as follows:

(In thousands of gourdes)		2021	2020
Lands and buildings:			
Balance at the beginning of the year	G	80,324	46,595
Depreciation of the year		(2,193)	(1,316)
Transfers to real estate investments – acquired by the bank		-	(1,962)
Effect of revaluation surplus of the year **(note 11)**		-	37,007
Balance at end of year	G	78,131	80,324
Real estate investments held by Capital Immobilier			
Balance at beginning of the year	G	50,423	41,665
Unrealized gain for the year **(note 14)**		-	8,758
Balance at end of year	G	50,423	50,423
Real estate investments acquired by the Bank			
Balance at beginning of the year	G	18,940	-
Transfers from lands and buildings		-	1,962
Unrealized gain for the year **(note 14)**		-	16,978
Balance at the end of the year	G	18,940	18,940
TOTAL DEFERRED TAX LIABILITIES (NOTE 18)	G	147,494	149,687

(Continued)

(24) GROUP COMPANIES AND MINORITY INTEREST

The parent company of the Group is Capital Bank. Capital Bank's interest in its subsidiaries is as follows as of September 30, 2021 and 2020.

Capital Immobilier, S.A.	100%
CapInvest, S.A.	51%

The operations of the subsidiaries are summarized as follows:

(In thousands of gourdes)		2021	2020
CapInvest, S.A.			
Total assets	G	**3,796,011**	2,304,326
Total liabilities	G	**1,803,693**	619,387
Net assets	G	**1,992,318**	1,684,939
Net income for the year	G	**667,989**	700,043
Capital Immobilier, S.A.			
Total assets	G	**599,398**	518,869
Total liabilities	G	**62,965**	52,506
Net Assets	G	**536,433**	466,363
Income (loss), net for the year	G	**72,738**	(69,950)

As of September 30, 2021 and 2020, the minority interest (49%) in the subsidiary CapInvest, S.A., is as follows:

(In thousands of gourdes)		2021	2020
Investment at acquisition cost	G	**490,000**	343,000
Interest in retained earnings		**337,234**	379,044
Interest in legal reserve		**149,001**	103,576
TOTAL MINORITY INTEREST	G	**976,235**	825,620

(25) TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, the Bank provides banking services to and receives services from related parties to the Board of Directors. These transactions are carried out at conditions similar to those applied to third parties.

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(25) TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Loans granted to employees and Board Members of the Bank and their related companies as well as its subsidiaries are disclosed in **note 9.**

Deposits and subordinated debt relating to the Members of the Board of Directors of the Bank and its subsidiaries and related companies are disclosed in **notes 16 and 19**.

Expenses incurred with related parties are as follows:

(In thousands of gourdes)		**2021**	**2020**
Local costs, materials and furniture	**G**	**103,705**	127,221
Other expenses		**117,276**	105,003
TOTAL	**G**	**220,981**	232,224

In addition, the Bank made purchases of fixed assets from companies related to members of the Board of Directors totaling G 11,335 and G 12,110 for the financial years 2021 and 2020. Following the looting of the Madeline Branch, the Bank estimates a reimbursement of G 24 million from the insurance company in compensation for damages.

(26) COMMITMENTS AND CONTINGENT LIABILITIES

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

As of September 30, amounts outstanding in respect of commitments are as follows:

(In thousands of gourdes)		**2021**	**2020**
Guarantee and letters of credit	**G**	**255,253**	244,796
Provisions for expected credit losses		**(4,625)**	(8,054)
Guarantees and letters of credit, net	**G**	**250,628**	236,742
Unused credit lines :			
Unused credit lines on overdraft **(a)**	**G**	**1,231,750**	1,625,320
Unused credit lines on credit cards		**1,378,706**	1,525,090
Total unused credit lines		**2,610,456**	3,150,410
Provision for expected credit losses		**(35,647)**	(27,504)
Total unused credit lines, net	**G**	**2,574,809**	3,122,906
Total off-balance sheet commitments, net	**G**	**2,825,437**	3,359,648

(Continued)

CAPITAL BANK, S.A.

Notes to Consolidated Financial Statements

(26) COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

(a) These amounts bear no commitment fees. They are not necessarily representative of credit risk as many of these arrangements are contracted for a limited period of time, usually less than one year, and could expire or be terminated without being used.

The provision for expected credit losses on off-balance sheet commitments is as follows:

(In thousands of gourdes)		**2021**	**2020**
Provision on guarantees and letters of credit	**G**	**(4,625)**	(8,054)
Provisions on unused credit lines		**(35,647)**	(27,504)
	G	**(40,272)**	(35,558)

At September 30, 2021, the Bank deals with some pending litigation cases brought by or against some customers. The evaluation of the facts to date, in the opinion of the legal counsels, indicates that the positions taken by the Bank are well founded. It is not anticipated that any settlement could materially affect its consolidated financial position or its consolidated results.

As of the date of the consolidated financial statements, the Bank has also entered in annual rental agreements not subject to IFRS 16 application for an amount to G 60 thousand and for CapInvest, storage rent commitments of approximately US$ 1.2 million.

SCHEDULE I

CAPITAL BANK, S.A.
Consolidated Balance Sheets
September 30, 2021 and 2020
(Expressed in thousands of US dollars)

		2021	2020
ASSETS			
CASH AND CASH EQUIVALENTS	US$	219,324	223,986
BRH BONDS, NET		1,526	-
FOREIGN INVESTMENTS		16,001	10,400
LOCAL INVESTMENTS		2,931	3,043
LOANS		116,355	125,639
Provision for expected credit losses		(2,334)	(3,087)
		114,031	122,552
GUARANTEED LOANS-SPECIAL FUNDS		45	62
FIXED ASSETS, NET		11,809	16,349
OTHERS			
Right-of-use assets, net		4,993	6,436
Real estate development – Capital Immobilier		2,326	2,385
Real estate properties		5,717	6,773
Other assets		14,094	21,160
Acceptances		150	72
		27,280	36,826
TOTAL ASSETS		392,937	413,218
LIABILITIES AND SHAREHOLDERS' EQUITY			
DEPOSITS		292,914	299,590
OTHERS			
Loans - BRH		8,925	9,453
Lease liabilities		4,815	5,142
Special funds		28	41
Other liabilities		26,004	25,573
Commitments - acceptances		150	72
		39,923	40,281
SUBORDINATED DEBT		10,549	10,949
TOTAL LIABILITIES		343,385	350,820
SHAREHOLDERS' EQUITY			
Paid-in capital		8,317	12,288
Paid-in surplus		14	21
Retained earnings		23,170	28,606
Reserves		8,027	8,958
Shareholders' equity - Capital Bank		39,528	49,873
Minority interest		10,024	12,525
TOTAL SHAREHOLDERS' EQUITY		49,552	62,398
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	US$	392,937	413,218

SCHEDULE II

CAPITAL BANK, S.A.
Consolidated Statements of Income
Years ended September 30, 2021 and 2020
(Expressed in thousands of US dollars)

		2021	2020
INTEREST INCOME			
Loans	US$	18,850	17,095
BRH bonds, investments and others		1,384	752
		20,234	17,847
INTEREST EXPENSE			
Deposits		3,441	4,083
Loans, subordinated debt and others		1,155	1,377
		4,596	5,460
NET INTEREST INCOME		15,638	12,387
Provision for credit losses		(1,370)	(805)
		14,268	11,582
OTHER INCOME			
Gross margin on petroleum products – CapInvest		7,483	11,717
Commissions		12,024	11,737
Operating expenses		(3,041)	(3,020)
Exchange gain		15,752	2,803
Unrealized gain on foreign investments		23	88
Others		335	1,107
		32,576	24,432
NET INTEREST INCOME AND OTHER INCOME		46,844	36,014
ADMINISTRATIVE EXPENSES			
Salaries and other employee benefits		12,465	8,764
Premises and equipments		4,961	3,869
Depreciation		1,826	1,338
Other administrative expenses		7,563	6,090
		26,815	20,061
INCOME BEFORE INCOME TAXES		20,029	15,953
INCOME TAXES – CURRENT		5,535	4,106
NET INCOME FOR THE YEAR	US$	14,494	11,847
Net income attributable to shareholders of Capital Bank		10,502	8,382
Net income attributable to minority interest		3,992	3,465
Net income for the year		14,494	11,847
Net income per equivalent share of paid-in capital	US$	31	25

CAPITAL BANK, S.A.
Consolidated Statements of Comprehensive Income
Years ended September 2021 and 2020
(Expressed in thousands of US dollars)

		2021	2020
Net income attributable to shareholders of Capital Bank	US$	**10,502**	8,382
Net income attributable to minority interest		**3,992**	3,465
Net income for the year		**14,494**	11,847
Components of comprehensive income :			
Surplus of reevaluation lands and buildings		-	1,246
Effect of income taxes		-	(374)
Revaluation surplus of land and buildings, net		-	872
COMPREHENSIVE INCOME OF THE YEAR		**14,494**	12,719
Comprehensive income attributable to shareholders of Capital Bank		**10,502**	9,254
Comprehensive income attributable to minority interest		**3,992**	3,465
COMPREHENSIVE INCOME FOR THE YEAR		**14,494**	12,719
Comprehensive income for the year per equivalent share of paid-in capital	US$	**31**	27

CAPITAL BANK, S.A.
Consolidated Statement of Changes in Shareholders' equity
Year ended September 30, 2020
(Expressed in thousands of US dollars)

				Reserves					
	Paid-in capital	Paid-in surplus	Retained earnings	Legal reserve	Revaluation reserve-land and buildings	Revaluation reserve on real estate	Total reserves	Minority interest	Total
Balance as of September 30, 2019	US$ 8,680	15	14,912	2,210	1,024	572	3,806	5,174	32,587
Components of comprehensive income for the year:									
Net income for the year	-	-	8,382	-	-	-	-	3,465	**11,847**
Transfer to legal reserve	-	-	(1,505)	1,505	-	-	1,505	-	-
Transfer to reserve on real estate properties	-	-	(90)	-	-	90	90	-	-
Land and buildings revaluation surplus, net of tax	-	-	-	-	872	-	872	-	**872**
Transfer from real estate investment reserve	-	-	46	-	-	(46)	(46)	-	-
Transfer from revaluation reserve-land and buildings	-	-	44	-	(44)	-	(44)	-	-
Total	-	-	6,877	1,505	828	44	2,377	3,465	12,719
Transactions with shareholders:									
Cash dividends	-	-	(1,869)	-	-	-	-	-	**(1,869)**
Capital increase costs – affiliated company	-	-	(17)	-	-	-	-	(2)	**(19)**
Total	-	-	**(1,886)**	-	-	-	-	**(2)**	**(1,888)**
Translation adjustment	3,608	6	8,703	1,675	771	329	2,775	3,888	18,980
Balance as of September 30, 2020	US$ 12,288	21	28,606	5,390	2,623	945	8,958	12,525	62,398

CAPITAL BANK, S.A.
Consolidated Statement of Changes in Shareholders' equity
Year ended September 30, 2021
(Expressed in thousands of US dollars)

					Reserves					
		Paid-in capital	Paid-in surplus	Retained earnings	Legal reserve	Revaluation reserve-land and buildings	Revaluation reserve on real estate	Total reserves	Minority interest	Total
Balance as of September 30, 2020	**US$**	**12,288**	**21**	**28,606**	**5,390**	**2,623**	**945**	**8,958**	**12,525**	**62,398**
Components of comprehensive income for the year:										
Net income for the year		-	-	10,502	-	-	-	-	3,992	**14,494**
Transfer to legal reserve		-	-	(1,953)	1,953	-	-	1,953	-	-
Transfer to reserve on real estate properties		-	-	(469)	-	-	469	469	-	-
Transfer from revaluation reserve-land and buildings		-	-	89	-	(89)	-	(89)	-	-
Total		-	-	**8,169**	**1,953**	**(89)**	**469**	**2,333**	**3,992**	**14,494**
Transactions with shareholders:										
Cash dividends		-	-	(3,624)	-	-	-	-	-	**(3,624)**
Capital increase costs – affiliated company		-	-	(23)	-	-	-	-	(2,155)	**(2,178)**
Total		-	-	(3,647)	-	-	-	-	(2,155)	**(5,802)**
Translation adjustment		**(3,971)**	**(7)**	**(9,958)**	**(2,050)**	**(833)**	**(380)**	**(3,264)**	**(4,338)**	**(21,538)**
Balance as of September 30, 2021	**US$**	**8,317**	**14**	**23,170**	**5,293**	**1,701**	**1,034**	**8,027**	**10,024**	**49,552**