annual report 2014

THE POWER OF one

Republic Bank Limited

At Republic Bank, we understand that a successful financial institution is like a well-oiled machine, effectively functioning through a carefully coordinated system. Within our banking halls, day to day, the positive energy of our committed staff drives our efficient service delivery. That energy, sound policies and a forward focus all work in tandem, ensuring that we give only our best to our fellow staff, our customers and our stakeholders. They are the ones for whom we have made it our mission to provide personalised, up-to-date and competitively-priced financial services. Together, they create the force that drives our will to succeed. As we add another chapter to our 178 year-long history, we will persevere in our focus, keeping a close eye on the needs of our publics as we build successful societies, from within our walls to our communities and our region

VISION

Republic Bank,
the Caribbean Financial Institution of Choice
for our Staff, Customers and Shareholders.
We set the Standard of Excellence
in Customer Satisfaction,
Employee Engagement, Social Responsibility and
Shareholder Value,
while building successful societies.

MISSION

Our mission is to provide Personalised,
Efficient and Competitively-priced
Financial Services
and to implement Sound Policies,
which will redound to the benefit
of our Customers, Staff, Shareholders
and the Communities we serve.

VALUES

Customer Focus,
Integrity,
Respect for the Individual,
Professionalism and
Results Orientation.

Table of Contents

Notice of Meeting

ANNUAL MEETING

NOTICE is hereby given that the Forty Fourth Annual Meeting of Republic Bank Limited will be held at the Ballroom of the Hilton Trinidad and Conference Centre, Lady Young Road, Port of Spain on Monday December 15, 2014 at 9:30 a.m. for the following purposes:-

1 To receive the Audited Financial Statements of the Company for the year ended September 30, 2014 and the Reports of the Directors and Auditors thereon.

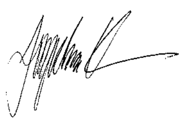
2 To take note of the Dividends paid for the twelve-month period ended September 30, 2014.

3 To elect Directors.

4 To re-appoint the Auditors, Ernst & Young and to authorise the Directors to fix their remuneration.

5 Any other business.

By order of the Board



JACQUELINE H.C. QUAMINA
Corporate Secretary

November 5, 2014

NOTES

Persons Entitled to Notice

In accordance with Section 110(2) of the Companies Act Chap. 81:01, the Directors of the Company have fixed November 17, 2014 as the Record Date for the determination of shareholders who are entitled to receive notice of the Annual Meeting. A list of such shareholders will be available for examination by shareholders at the Office of the Registrar during usual business hours.

PROXIES

Shareholders of the Company entitled to attend and vote at the Meeting are entitled to appoint one or more proxies to attend, and in a poll, vote instead of them. A proxy need not be a shareholder. Any instrument appointing a proxy must be received at the Registrar's Office not less than 48 hours before the Meeting. Shareholders who return completed proxy forms are not precluded, if subsequently they so wish, from attending the Meeting instead of their proxies and voting in person. In the event of a poll, their proxy votes lodged with the Registrar, will be excluded.

DIVIDEND

A final dividend of $3.00 declared for the financial year ended September 30, 2014 will be payable on December 1, 2014 to shareholders at the close of business on November 17, 2014.

DOCUMENTS AVAILABLE FOR INSPECTION

No service contracts were granted by the Company or Subsidiary Companies, to any Director or Proposed Director of the Company.

Corporate Information

DIRECTORS

Chairman

RONALD F. deC. HARFORD, *CMT, FCIB, FIBAF, FCABFI, LLD*

Managing Director

DAVID DULAL-WHITEWAY, *BSc (Mgmt. Studies), MBA, CGA*

Deputy Managing Director

NIGEL M. BAPTISTE, *BSc (Econ.) (Hons.), MSc (Econ.), ACIB*

Executive Director

DERWIN M. HOWELL, *BSc (Elec. Eng.) (Hons.), MSc (Tele. Systems), Executive MBA, MIET, MIEEE, C.Eng.*

SHAZAN ALI, *BSc (Mechanical Eng.)*

DAWN CALLENDER, *FCCA, CPA, MBA*

TERRENCE W. FARRELL, *LLB, PhD*

ALISON LEWIS, *BA (Econ. and Mgmt.)*

WILLIAM P. LUCIE-SMITH, *MA (Oxon), FCA*

RUSSELL MARTINEAU, *CMT, SC, LLM (Lond.)*

CHRISTIAN E. MOUTTET, *BA (Business Admin. and Political Science)*

CHANDRABHAN SHARMA, *BSc (Eng.), MSc, PhD*

GREGORY I. THOMSON, *BSc (Math and Physics), MBA*

KRISTINE THOMPSON, *B.Comm., MBA*

CORPORATE SECRETARY

Corporate Secretary

JACQUELINE H.C. QUAMINA, *LLB, MA, MBA*

Assistant Secretary

NIGEL M. BAPTISTE, *BSc (Econ.) (Hons.), MSc (Econ.), ACIB*

REGISTERED OFFICE

Republic House
9-17 Park Street, Port of Spain
Trinidad and Tobago, West Indies

GROUP HEAD OFFICE

Republic House
PO Box 1153
9-17 Park Street, Port of Spain
Trinidad and Tobago, West Indies
Tel: (868) 625-4411, 623-1056
Fax: (868) 624-1323
Swift: RBNKTTPX
Email: email@republictt.com
Website: www.republictt.com

REGISTRAR

Trinidad and Tobago Central Depository Limited
10th Floor, Nicholas Tower
63-65 Independence Square
Port of Spain
Trinidad and Tobago, West Indies

ATTORNEYS-AT-LAW

Pollonais, Blanc, de la Bastide & Jacelon
Pembroke Court
17-19 Pembroke Street
Port of Spain
Trinidad and Tobago, West Indies

J.D. Sellier & Company
129-131 Abercromby Street
Port of Spain
Trinidad and Tobago, West Indies

Hobsons
Hobsons Court
13-17 Keate Street
San Fernando
Trinidad and Tobago, West Indies

AUDITORS

Ernst & Young
5-7 Sweet Briar Road
St. Clair
Port of Spain
Trinidad and Tobago, West Indies

Consolidated Financial Summary

All figures are in thousands of Trinidad and Tobago dollars ($'000)

	2014 $'000	2013 Restated $'000	2012 Restated $'000	2011 $'000	2010 $'000
Total assets	59,371,516	57,612,365	51,626,290	47,146,600	45,902,101
Advances	27,095,407	25,235,517	23,317,199	21,866,285	21,847,038
Customers' deposits	43,770,760	42,098,310	37,090,139	33,072,441	31,494,569
Stated capital	704,871	649,932	628,150	596,492	590,406
Equity	8,746,323	8,516,034	8,510,350	7,084,365	6,791,036
Actual number of shares in issue	161,663	161,111	160,929	160,605	160,595
Weighted average number of shares - diluted	161,467	160,768	159,776	158,842	160,609
Profit after taxation and non-controlling interest	1,193,390	1,151,021	1,158,968	1,121,527	993,874
Dividends based on the results of the financial year	686,865	683,527	683,950	642,420	570,112
Dividends paid during the year	685,251	683,028	642,819	586,172	542,811
Dividend per share based on the results of the financial year	$4.25	$4.25	$4.25	$4.00	$3.55
Dividend per share paid during the year	$4.25	$4.25	$3.65	$3.65	$3.38
Earnings per share (basic)	$7.42	$7.18	$7.27	$7.06	$6.19
Return on average assets	2.10%	2.16%	2.48%	2.52%	2.43%
Return on average equity	14.33%	14.33%	15.48%	16.17%	15.30%

Group Financial Calendar

DIVIDEND PAYMENTS

Final dividend for year ended September 30, 2014	December 2014
Dividend for half year ending March 31, 2015	May 2015

RESULTS

Publication of results for first quarter to December 31, 2014	February 2015
Publication of results for half year to March 31, 2015	May 2015
Publication of results for third quarter to June 30, 2015	August 2015
Publication of results for year ending September 30, 2015	November 2015
Report and Accounts mailing	November 2015
Annual Meeting	December 2015

> The Group's profitability for 2014 increased by $42.4 million or 3.7% over the restated profit for 2013. The growth in average assets and average equity however outpaced/matched this growth in profits, resulting in a decrease in the Return on Assets (ROA) from 2.16% in 2013 to 2.10% in 2014 though the Return on Equity (ROE) remained constant at 14.33%.

Board of Directors

RONALD F. deC. HARFORD
CMT, FCIB, FIBAF, FCABFI, LLD

Chairman,
Republic Bank Limited

DAVID DULAL-WHITEWAY
BSc (Mgmt. Studies), MBA, CGA

Managing Director,
Republic Bank Limited

NIGEL M. BAPTISTE
BSc (Econ.) (Hons.), MSc (Econ.), ACIB

Deputy Managing Director,
Republic Bank Limited

DERWIN M. HOWELL
BSc (Elec. Eng.) (Hons),
MSc (Tele. Systems), Executive MBA,
MIET, MIEEE, C.Eng.

Executive Director,
Republic Bank Limited

SHAZAN ALI
BSc (Mechanical Eng.)

Chairman and
Chief Executive Officer,
TOSL Engineering Limited

DAWN CALLENDER
FCCA, CPA, MBA

Director, Finance and
Risk Management,
Power Generation Company
of Trinidad and Tobago

TERRENCE W. FARRELL
LLB, PhD

Consultant

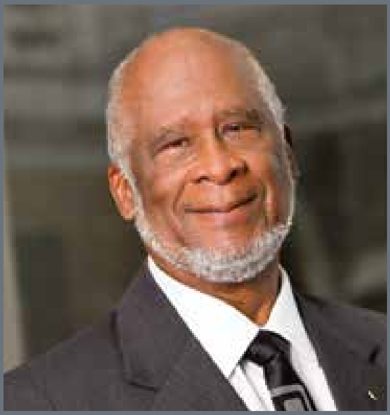
ALISON LEWIS
BA (Econ. and Mgmt.)

Consultant

WILLIAM P. LUCIE-SMITH

MA (Oxon), FCA

Retired Chartered Accountant



RUSSELL MARTINEAU

CMT, SC, LLM (Lond.)

Senior Counsel

CHRISTIAN E. MOUTTET

BA (Business Admin. and Political Science)

Chief Executive Officer, Victor E. Mouttet Limited

CHANDRABHAN SHARMA

BSc (Eng.), MSc, PhD

Deputy Dean, Faculty of Engineering, The University of the West Indies

KRISTINE THOMPSON

B. Comm., MBA

Consultant

GREGORY I. THOMSON

BSc (Math and Physics), MBA

Consultant

Board of Directors

RONALD F. deC. HARFORD, (69)

Ronald F. deC. Harford, Chairman of Republic Bank Limited since 2003, is a Fellow of the UK Chartered Institute of Bankers, the Institute of Banking of Trinidad and Tobago and the Caribbean Association of Banking and Finance. The former managing director of the Republic Bank Group, Mr. Harford retired from the Bank in 2005 after 42 years of service.

Mr. Harford is also the Chairman of Republic Bank (Barbados) Limited, (formerly Barbados National Bank Inc.), Republic Bank Trinidad and Tobago (Barbados) Limited, and Republic Bank (Grenada) Limited.

External appointments

Mr. Harford is the Chairman of The University of the West Indies (UWI) Development and Endowment Fund and the Campaign Cabinet for Habitat for Humanity Trinidad and Tobago. He is also the Deputy Chairman of the Arthur Lok Jack Graduate School of Business – UWI; a Director of Caribbean Information and Credit Rating Services Limited and a former Director of the Grenada Industrial Corporation. He is a past President of the Trinidad & Tobago Red Cross Society, having served that body for over two decades, and a past President of the Bankers Association of Trinidad and Tobago.

Mr. Harford is a founding Director of the Trinidad and Tobago Debates Commission and led the private sector funding that enabled the Commission to be established and hold a successful political debate on Local Government.

DAVID DULAL-WHITEWAY, (58)

David Dulal-Whiteway, Managing Director of Republic Bank Limited, was appointed to this position in 2005. He has been a banker for over 20 years. He is a graduate of The University of the West Indies (UWI) and The University of Western Ontario. He is also a member of the Certified General Accountants of Canada (CGA).

He sits on the Boards of Republic Bank (Cayman) Limited, Republic Bank Trinidad and Tobago (Barbados) Limited, HFC Bank (Ghana) Limited and other companies in the Group.

External appointments

Mr. Dulal-Whiteway is the Chairman of The Foundation for the Enhancement and Enrichment of Life (FEEL), a non-profit organisation.

NIGEL M. BAPTISTE, (48)

Nigel M. Baptiste, Deputy Managing Director of Republic Bank Limited, was first appointed to the Board in 2005, as Executive Director. He is a First Class Honours Graduate of The University of the West Indies, an Associate of the Chartered Institute of Banking in England and a graduate of the Stonier Graduate School of Banking in the United States of America.

Mr. Baptiste serves on the Boards of Republic Bank (Guyana) Limited, Republic Bank (Cayman) Limited, HFC Bank (Ghana) Limited and other entities within the Republic Bank Group.

DERWIN M. HOWELL, (52)

Derwin M. Howell was appointed an Executive Director of Republic Bank Limited in 2012. He sits on the Boards of Republic Bank (Guyana) Limited, Republic Bank (Grenada) Limited and Republic Bank (Barbados) Limited within the Republic Bank Group. Mr. Howell is a First Class Honours graduate in Electrical Engineering and was also awarded an Executive Masters in Business Administration, from the University of the West Indies. He also holds a MSc in Telecommunications Systems from the University of Essex and is a graduate of the Harvard Business School Advanced Management Program (AMP). He is a Member of the Institute of Electrical and Electronic Engineers (MIEEE), a Member of the Engineering Council of the United Kingdom (Chartered Engineer) and a Member of the Institution of Engineering and Technology (MIET).

External appointments.

Mr. Howell is the Chairman of Habitat for Humanity Trinidad and Tobago.

SHAZAN ALI, (67)

Shazan Ali, joined the Board of Directors in 2010. He is the Chairman and Chief Executive Officer of TOSL Engineering Limited. He has a wealth of experience in the energy industry and spent the last 34 years developing TOSL Engineering into a world-class operation with interests in the wider Caribbean, the Guianas and Sub-Saharan Africa.

External appointments.

Mr. Ali is the Deputy Chairman of the Trinidad and Tobago Local Content Chamber (TTLCC) and a Council Member of the Energy Chamber of Trinidad and Tobago (ECTT). In these roles, he aims to fashion a more pro-active energy services sector that will redound more financial benefits to the Trinidad and Tobago economy.

DAWN CALLENDER, (57)

Dawn Callender joined the Board of Directors in 2011. She heads the Corporate Strategy Function at the Power Generation Company of Trinidad and Tobago (Powergen). She also holds the position of Director of Finance and Risk Management she has worked in the UK, US and Zimbabwe in the fields of business management, strategic financial management and implementation of business systems. With over ten years of experience at the executive management level, Ms. Callender is a Fellow of the Association of Chartered Certified Accountants (UK) and a Certified Public Accountant. She holds an MBA from Henley Management College in the UK and has research interest in the fields of strategy and leadership.

External appointments

Ms. Callender is a Director of Trinidad Dry Dock Company Limited.

TERRENCE W. FARRELL, (61)

Terrence W. Farrell is Principal of Farrell Law and Mediation which provides legal advice as well as mediation and arbitration services. He is also the Principal Consultant of Terrayanna Investments Limited, which provides business development and strategy consulting services. In 2008, he was appointed to the Board of Directors of Republic Bank Limited. He is also a Director on the Board of Eastern Caribbean Financial Holdings Limited in which Republic Bank Limited has a 20% shareholding. Dr. Farrell is a former Deputy Governor of the Central Bank of Trinidad and Tobago. Within the private sector, he has held senior executive positions at Guardian Holdings Limited and One Caribbean Media Limited (Group Chief Executive Officer). He studied Economics at the University of the West Indies, and at the University of Toronto where he obtained his PhD in 1979. He also holds an LLB (London) degree as well as the LEC (Hugh Wooding Law School). He is a Fellow of the Institute of Banking and Finance of Trinidad and Tobago. He has published several scholarly articles in Economics, written a book on Central Banking in Trinidad and Tobago, and co-edited a book on Caribbean Monetary Integration. His latest book, The Under-Achieving Society: Development Policy and Strategy in Trinidad and Tobago, 1958-2008 was published by UWI Press in 2013.

External appointments

Dr. Farrell is Chairman of CREDI, the Catholic tertiary education institute.

ALISON LEWIS, (60)

Alison Lewis was appointed to the Board of Directors in 2014. She was a governor of the Heritage and Stabilisation Fund. She has worked as an Advisor in the office of Executive Director World Bank and as Permanent Secretary of the Ministry of Finance. Over the last two decades, Ms. Lewis sat on several Boards of Directors, including those of the Central Bank of Trinidad and Tobago and the Sovereign Wealth Funds Group.

WILLIAM P. LUCIE-SMITH, (63)

William P. Lucie-Smith is a retired Senior Partner of PricewaterhouseCoopers Trinidad where he headed its Corporate Finance and Recoveries practice. He joined the Board of Directors of Republic Bank Limited in 2005. A Chartered Accountant by profession, Mr. Lucie-Smith holds an MA in Philosophy, Politics and Economics from Oxford University. He has extensive experience in mergers and acquisitions, valuation and taxation.

External appointments

Mr. Lucie-Smith currently serves as a Non-Executive Director on a number of Boards including Massy Holdings Ltd. and Sagicor Financial Corporation.

RUSSELL MARTINEAU, (69)

Russell Martineau joined the Board of Directors in 1999. He has been Senior Counsel since 1993 and is a member of the Bar in England and Wales, Barbados, Antigua, St. Lucia, St. Vincent, Grenada, Dominica and Trinidad and Tobago. He is Chairman of the A.N.R. Robinson Library, Museum and Ethics Centre; a former Attorney General of Trinidad and Tobago; a former President of the Law Association of Trinidad and Tobago. In August 2012, Mr. Martineau was awarded the Chaconia Medal (Gold) by the Government of Trinidad and Tobago for his meritorious contribution to the field of law.

External appointments

Mr. Martineau is a member of the Board of Directors of Caribbean Finance Company Limited.

Board of Directors

CHRISTIAN E. MOUTTET, (48)

Christian E. Mouttet joined the Board of Directors of Republic Bank Limited in 2009. Mr. Mouttet has extensive experience in the areas of finance and marketing at an executive level and holds a Bachelor of Arts Degree with a double major in Business Administration and Political Science from Wagner College, New York.

External appointments

Mr. Mouttet is Chief Executive Officer of the Victor E. Mouttet Limited Group. He is also Chairman of Prestige Holdings Limited and a Director of Agostini's Limited.

CHANDRABHAN SHARMA, (58)

Prof. Chandrabhan Sharma joined the Board of Directors in 1997. He is a professor (Energy Systems) in the Department of Electrical and Computer Engineering and Deputy Dean, Faculty of Engineering, the University of the West Indies, St. Augustine. He is the leader of the Energy Systems Group in the Faculty of Engineering and heads the Centre for Energy Studies at the Engineering Institute. He is a Fellow of the Association of Professional Engineers of Trinidad and Tobago (APETT) and Chairman of the Institute Electrical and Electronic Engineers' Committee (IEEE) on Global Accreditation Activities.

External appointments

Prof. Sharma is a member of the Board of Directors of Tricon.

KRISTINE THOMPSON, (43)

Kristine Thompson joined the Board of Directors in 2011. She is an Independent Consultant and Entrepreneur. She is heavily involved in project development, particularly in the energy sector, and has extensive experience in the fields of finance, private equity, mergers and acquisitions and general management. The early years of her career were spent in management consulting with the Boston Consulting Group (BCG) where she advised Fortune 500 companies, with stints at BCG's Toronto, New York, Buenos Aires and Melbourne offices. She then headed the business development function at Guardian Holdings for many years. She holds a Bachelor of Commerce degree from Queen's University in Canada and a Master's Degree in Business Administration from the Harvard Business School.

External appointments

Mrs. Thompson currently acts as Chairman of Trinidad and Tobago's investment promotion agency, InvesTT, and serves as a Non-Executive Director on the Boards of the Caribbean Communications Network (CCN) and the Arthur Lok Jack Graduate School of Business.

GREGORY I. THOMSON, (62)

Gregory I. Thomson has over 35 years of experience in Banking and Finance. He was the Deputy Managing Director of Republic Bank Limited for seven years and retired from this postion in 2012. Mr. Thomson joined the Board of Directors in 2014. Mr. Thomson holds a Bachelor of Science Degree in Mathematics and Physics from The University of the West Indies and a Master of Business Administration (MBA) degree from the University of Western Ontario, Canada.

Directors' Report

Your Directors have pleasure in submitting their Report for the year ended September 30, 2014.

FINANCIAL RESULTS AND DIVIDENDS

The Directors report that the Group's profit after taxation and minority interest for the year ended September 30, 2014 amounted to $1.19 billion.

The Directors have declared a dividend of $3.00 per share for the year ended September 30, 2014. A half-year dividend of $1.25 per share was paid on May 29, 2014 making a total dividend on each share of $4.25 (2013: $4.25).

Set out below are the names of the Directors and Senior Officers with an interest in the Company as at September 30, 2014 together with their connected parties and our ten largest shareholders.

DIRECTORS AND SENIOR OFFICERS

Director/Senior Officer	Shareholding	Connected Party Shareholding
Shazan Ali	11,212	
Nigel M. Baptiste	14,527	
Dawn Callender	Nil	
David J. Dulal-Whiteway	63,390	5,000
Terrence Farrell	1,100	
Ronald F. deC. Harford	4,574	
Derwin M. Howell	37,347	
Alison Lewis	Nil	
William P. Lucie-Smith	Nil	7,500
Russell Martineau	Nil	1,000
Christian E. Mouttet	Nil	5,000
Chandrabhan Sharma	1,000	
Kristine Thompson	Nil	
Gregory I. Thomson	15,917	
Jacqueline Quamina	24,037	2,702
Charles A. Mouttet	26,949	
Vijai Ragoonanan	17,495	
Parasram Salickram	7,230	
Anthony Subero	6,191	

There has been no change in these interests occurring between the end of the Company's year and one month prior to the date convening the Annual Meeting.

Directors' Report

10 LARGEST SHAREHOLDERS

Shareholder	Ordinary Shares	%
CLICO Trust Corporation Ltd.	40,072,299	24.79
National Insurance Board	29,104,942	18.00
CLICO Investment Bank Ltd. (In liquidation)	16,196,905	10.02
Trintrust Limited	14,922,619	9.23
First Company Limited	13,191,640	8.16
Colonial Life Insurance Company Ltd.	11,786,000	7.29
RBTT Trust Limited	5,983,649	3.70
First Citizens Trust & Merchant Bank Ltd.	4,408,625	2.73
Trinidad & Tobago Unit Trust Corporation	2,624,640	1.62
Guardian Life of the Caribbean Ltd.	2,020,559	1.25

DIRECTORS

In accordance with By-law No. 1, Paragraph 4.4, Nigel M. Baptiste, Dawn Callender and Terrence Farrell retire from the Board by rotation and being eligible offer themselves for re-election for a term expiring at the close of the third annual meeting following this appointment.

Alison Lewis was appointed a Director on July 1, 2014 to fill the casual vacancy created by the retirement of Stephen Pollard on June 30, 2014. Likewise, Gregory I. Thomson was appointed a Director on August 1, 2014 to fill the casual vacancy created by the retirement of W. H. Pierpont Scott on July 31, 2014. In accordance with By-law No. 1, Paragraph 4.4.5 both Ms. Lewis and Mr. Thomson, having been appointed since the last meeting, retire from the Board and being eligible, offer themselves for re-election for a term expiring at the close of the third annual meeting following this appointment.

COMMUNITY INVOLVEMENT

Corporate Social Responsibility – The Power to Make a Difference – 2014

Through our flagship programme, the Power to Make a Difference, the Bank has steadily met our commitment to alleviating social ills by collaborating with Non-governmental and Community-based Organisations to address the problems in a structured manner.

The Programme is executed in five-year phases, each of which involves a deepened focus on a particular societal need. At the beginning of the new five-year phase (2014-2018), in order to more effectively address the root cause of the problems that exist, we placed our main focus on the area of literacy.

Literacy is a basic human need and human right to knowledge. It gives one the ability to make decisions and to control the affairs of one's own life, economically, socially and politically. It is also the first step in the life-long earning process of any adult. Life without literacy is one without hope, security and freedom.

Through collaborations with the Trinidad and Tobago National Commission for UNESCO, with their 'Leading for Literacy' initiative; Habitat for Humanity and their financial literacy training modules; various school upgrades and other initiatives, our broadened focus has extended to literacy as an autonomous set of skills; as something applied, practiced and situated; as a learning process and as text. The Adult Literacy Tutors Association (ALTA), for example, has implemented 'Reading Circles' through which they provide free literacy instruction to adults. The Bank has sponsored over 15 Reading Circles throughout the Nation, thus far.

Our Corporate Volunteerism programme has given Republic Bank employees, themselves, the opportunity to roll up their sleeves and invest 'sweat equity', working alongside communities in order to improve facilities and enhance the general quality of life.

With an investment of $100 million over the next five years, Republic Bank remains committed to deepening the relationships that we have forged with various community and charitable organisations throughout this twin island Republic, as together, we strive to provide a positive way forward for our citizens.

AUDITORS

The retiring Auditors, Ernst & Young have expressed their willingness to be re-appointed and a resolution to that effect will be proposed at the Annual Meeting.

By order of the Board

JACQUELINE H.C. QUAMINA
Corporate Secretary

Chairman's Review

RONALD F. deC. HARFORD

RESULTS

I am pleased to report on another successful year for the Republic Bank Group. Profit attributable to shareholders for 2014 was $1.19 billion, an increase of $23.4 million or 2% from the prior year, a good performance given the challenging economic climate in which we operate. In accordance with IAS 19 – Employee Benefits (Revised), the Group was required to restate its 2013 profits downwards by $18.97 million, resulting in an adjusted year on year growth of 3.7%.

The core operations in Trinidad and Tobago and Guyana continued on their growth path but overall profitability in Guyana remained flat in 2014 due to increased loan loss provisions for loans to the sugar industry. The performances of Barbados and Grenada continue to be hampered by subdued economic conditions. The Grenada operations recorded a small profit, after a loss in 2013, while the contribution from Barbados declined after accounting for one-off adjustments.

As reported previously, we continue to pursue avenues to amicably resolve the takeover of HFC Bank Ghana, which is now the subject of a legal challenge.

Based on these results, the Board of Directors has declared a final dividend of $3.00 (2013: $3.00), which brings the total dividend for the fiscal year to $4.25, in line with 2013. This final dividend will be paid on December 1, 2014 to all shareholders of record at November 17, 2014.

GLOBAL

In the wake of a weaker than expected first quarter economic growth, the prospects of a solid rebound going into the second half of 2014 looked good. However, the protracted challenges faced by many countries, both individually and collectively, combined with still-fragile economic recoveries, produced yet another round of lower-than-expected growth performances, and triggered a wave of downward forecast revisions. Despite varying levels of growth among its members, developed countries are collectively forecasted to expand by

1.8% in 2014. Developing countries, many of which appear to be settling back to growth levels lower than the pre-crisis boom and post-crisis recovery, are expected to grow by 4.4% this year. The October edition of the International Monetary Fund's (IMF) World Economic Outlook, forecasts that the world economy will expand by 3.3% this year and 3.8% in 2015, both downward revisions from April's forecasts.

New geo-political developments such as the disruption in the Middle East caused by Islamic State Militants and the spread of the Ebola virus, if not checked, could contribute to much smaller growth in 2015.

TRINIDAD AND TOBAGO

The domestic economy is estimated to have grown by 1.9% in 2014, up marginally from 1.7% in 2013. This performance was primarily based on increased activity in both the energy and non-energy sectors, which themselves experienced divergent fortunes. While growth in the non-energy sector accelerated to 2.5% in 2014, up from 1.6% in the previous year, energy sector growth slowed to 1%, compared to 1.6% in 2013.

The estimated 1% expansion of the energy sector in 2014 occurred in the context of high oil and gas prices. The performance of the non-energy sector improved in 2014, driven by a 3% expansion of the services sub-sector, which offset the third successive contraction of the manufacturing sector.

Having maintained an accommodative policy stance for four years, the Central Bank of Trinidad and Tobago increased the 'Repo' rate by 25 basis points to 3% in September 2014. The move was influenced in part, by the increasing likelihood of a US policy rate increase by the middle of 2015. This expectation has made US dollar denominated assets even more attractive relative to assets denominated in the local currency. As a result, the Central Bank responded to the need to protect the local economy against capital flight by pushing up domestic interest rates.

With the global demand for oil constrained by fragile growth and global supply currently booming, oil prices have been trending down since June 2014. Several forecasters expect oil prices to average between US$75 and US$80 per barrel during the first half of 2015. If this occurs, growth of the domestic energy sector is likely to be curtailed. Production is expected to remain flat during the year, with no significant increase in output. The domestic economy is projected to grow by 2.1% in 2015.

BARBADOS

The year 2014 was indeed another challenging one for the Barbados economy. Latest official data released by the Central Bank of Barbados revealed economic activity remained stagnant during the first nine months of 2014. The non-tradable sector grew marginally by 0.3% during the period while the tradable sector fell marginally by 1.2%. Tourism, the country's main driver of growth, recorded only modest gains during the period, while high deficits on the fiscal and current accounts have kept Barbados in a difficult position. The rate of unemployment was estimated at 13.2% during the first half of the year, while anemic demand kept inflationary pressures subdued, at 1.7%. The IMF anticipates the economy will contract by 0.6% in 2014.

> Notwithstanding the challenging economic conditions, high public debt, and significant financial fragilities which exist especially in the tourism dependent economies in which we operate, the Group is expected to continue to perform satisfactorily.

Barbados' tourism sector remained flat between January and September 2014, growing by only 0.1%. However, this represents an improvement from the 2% shrinkage that occurred during the same period in 2013. Weak tourism revenues have contributed significantly to the pressure placed on the country's foreign currency reserves, which grew slightly to US$532.9 million (14.7 weeks of import cover) in September 2014, compared to US$508.2 million for the same period in 2013, but remains below the US$572.1 million recorded at the end of 2013.

Government's fiscal accounts are constrained by high debt and deteriorating fiscal deficit. At the end of the fiscal year in March 2014, the deficit reached 12.5% of GDP, up from 8.8%. The Central Bank revealed that public debt stood at 109.2% of GDP as at September 2014.

Economic activity is expected to be constrained by tight fiscal measures adopted by the country. Although the tourism sector is expected to improve, as the world economy improves, revenue streams are likely to see marginal recovery in 2015. The IMF predicts the economy will register growth of 0.5% in 2015.

GRENADA

Considering the difficult economic and fiscal conditions facing Grenada, its 2013 performance was better than expected. Despite weak performances by most key sectors, the economy grew by an estimated 1.5%, driven largely by some US$80 million of work undertaken on the Sandals Resort International during the year, as well as increased enrolment at the country's off-shore medical school, St. George's University, Grenada's largest private employer.

Grenada's debt to GDP ratio stood at 109.8% at the end of 2013, while its fiscal balance for that fiscal year was estimated to be -3.7%.

After months of discussions, in June, Grenada secured an extended credit facility (ECF) arrangement with the IMF. The three-year programme will see US$21.7 million disbursed to the authorities in tranches, once performance criteria are met. The government is also seeking to resolve its almost two-year old default on US$193 million of bonds, and has been meeting regularly with its creditors.

Grenada's outlook for the next six months can be described as tentatively encouraging as some key conditions that currently appear hopeful, carry downside risks. The tourism and agriculture sectors are expected to improve steadily, with several agriculture sub-sectors benefitting from favourable weather conditions. Unemployment will remain high and consumer demand low, resulting in only a marginal increase in inflation. The economy is expected to expand by 1.1% in 2014.

GUYANA

The IMF estimates growth of 3.3% for the Guyanese economy in 2014, marking the ninth successive year of economic expansion for the country. While this is commendable, it represents a notable decrease from the 5.2% that characterised 2013. The impetus for growth was provided primarily by the agriculture sector, with rice and sugar production increasing during the year.

The minority government and the opposition party have not found a mutually acceptable position on several key policy initiatives. This is evidenced by the failure to pass the Anti-Money Laundering and Countering the Financing of Terrorism (Amendment) Bill (AML/CFT). As a result of not meeting the agreed timelines in its Action Plan, Caribbean Financial Action Task Force (CFATF) recognises Guyana as a jurisdiction with significant AML/CFT deficiencies, and has called on Members to implement further counter-measures to protect their financial systems from the ongoing money laundering and terrorist financing risks emanating from Guyana. The consequences of these measures are still being experienced as the financial sector continues to adapt to different operating circumstances imposed by correspondent banks.

Guyana is expected to experience upbeat economic activity in 2015, based on the strong performance of the agriculture sector, in particular rice. Growth will also be experienced in manufacturing and the services sector. Overall, economic activity is expected to expand by 3.8% in 2015. However, the agricultural sector remains vulnerable to flooding and other weather-related risks, while a prolonged slump in gold prices could curtail new investment in that industry.

OUTLOOK

Notwithstanding the challenging economic conditions, high public debt, and significant financial fragilities which exist especially in the tourism dependent economies in which we operate, the Group is expected to continue to perform satisfactorily.

Gradual recovery in the world economy has improved the prospects for the economies of the Caribbean. This recovery in the tourism dependent economies could be impacted by the vulnerability of the region to weather related disasters, heightened travel fears or restrictions if the Ebola Virus outbreak in West Africa becomes pandemic.

I make special mention of Mr. Stephen Pollard and Mr. W. H. Pierpont Scott who retired from the Board of Directors during the year and thank them for their wise counsel and guidance over the six and five years, respectively, that they served on the Board. I also extend a warm welcome to their replacements, Ms. Alison Lewis and Mr. Gregory I. Thomson.

I thank my fellow directors for their stewardship, the management and staff for their commitment and dedication in these challenging times and our customers and shareholders for their continued support and loyalty.

Managing Director's Discussion and Analysis

DAVID DULAL-WHITEWAY

INTRODUCTION

For the year ended September 30, 2014, Republic Bank Limited recorded profit attributable to equity holders of the parent of $1.19 billion, an increase of $23.4 million or 2% from the prior period. For comparative purposes the 2013 profit has been restated to reflect the retrospective adoption of International Accounting Standard No. 19 – Employee Benefits (Revised) - (Refer to Note 2.3 (i) pages 57 to 61 of the succeeding Financial Statements). This led to an $18.97 million reduction in the previously reported 2013 profits, resulting in an adjusted year on year growth of 3.7%. Total Group assets stood at $59.4 billion at September 30, 2014, an increase of $1.8 billion or 3.1% over the prior period.

The improved financial performance for the Group is reflective of improved profitability in Trinidad and Tobago and Grenada, alongside a flat performance in Guyana and a lower contribution from Barbados after one-off adjustments at the consolidated level.

Profitability for our operations in Trinidad and Tobago increased by $89 million or 9.8%. This was driven by growth in non-interest income and augmented by gains on the sale of available for sale investments and improved returns on our 40% investment in HFC Bank (Ghana) Limited. These improvements were somewhat offset by a $185 million impairment of Goodwill on our investment in Republic Bank (Barbados) Limited, booked in accordance with the requirements of International Financial Reporting Standards.

While our Guyana subsidiary performed commendably throughout the year, an increase in loan loss provisions arising out of the bank's exposure to the sugar industry in the last quarter of the financial year resulted in a flat performance.

Although challenging economic conditions continue to prevail in Grenada and Barbados, our Grenada subsidiary managed to turn their 2013 loss of $18.2 million into a small profit of $2.3 million in 2014 – a turnaround of $20.5 million - due to a reduction in the investment impairment expense, which had negatively impacted profits in 2013. The profitability in Barbados reflects a one-off adjustment at the consolidated level in 2014 which resulted in a decline of $20 million or 36% from the amount reported in 2013.

The Board of Directors has declared a final dividend of $3.00 per share for the year ended September 30, 2014. When added to the interim dividend of $1.25 per share, this brings the total dividend for the year to $4.25 per share. At a closing share price of $121.61 per share, this equates to a dividend yield of 3.49%, which together with capital appreciation of $11.57 during the fiscal, represents a total return of 14.38% to our shareholders.

The Bank continues to maintain a strong capital base, reflected in a tier I and II capital adequacy ratio of 25.77%, well in excess of the 8% minimum requirement. This excess capital will allow us to continue to explore our expansion strategy in the Caribbean and in selected countries in Africa that meet our risk profile.

The following is a detailed discussion and analysis of the financial results of Republic Bank Limited. This should be read in conjunction with the audited financial statements, contained on pages 49 to 115 of this report. All amounts are stated in Trinidad and Tobago dollars.

Results of Operations: Highlights

All figures are in TT$ Millions	2014	2013 Restated	Change	% Change
Financial Position				
Total assets	**59,371.5**	57,612.4	1,759.1	3.1%
Total advances	**27,095.4**	25,235.5	1,859.9	7.4%
Total investments	**8,260.4**	8,131.0	129.3	1.6%
Total deposits	**43,770.8**	42,098.3	1,672.4	4.0%
Total equity	**8,746.3**	8,516.0	230.3	2.7%

Financial Position

The Group's total asset base grew from $57.6 billion in 2013 to $59.4 billion at September 30, 2014, an increase of $1.8 billion or 3.1%. This growth in assets was largely driven by an increase of $1.9 billion or 7.4% in advances and an increase of $129.3 million or 1.6% in investments.

While deposits continue to grow this year, by 4% over the prior period, the rate of growth has decelerated when compared to the 14% deposit growth experienced in 2013. Throughout the year, we utilised our excess cash reserves to finance the growth in interest earning assets which resulted in a $891.9 million decline in balances Due from Banks.

Total equity increased by $230.3 million to $8.7 billion at September 30, 2014 as the Group continued to build capital resources to support future expansion.

Loans and advances

The non-performing loans (NPL's) to gross loans ratio, at 3.5% reflects a decline of 20 basis points from the 3.7% recorded in 2013. This is reflective of the improved quality of the loan portfolio in Trinidad and Tobago. Total loan provision is 40.2% of total NPL's, up from 37.2% in 2013. In order to achieve at least 100% provision for non-performing loans, the policy of the Group is to provide for these loans by specific and inherent risk provisions which are charged to the income statement and by a general contingency reserve which is charged directly to equity. When combined, total specific and general provisions represent 106.1% of NPL's at September 30, 2014.

Loans and Advances

All figures are in TT$ Millions	2010	2011	2012	2013	2014
Performing Loans	21,481	21,477	22,928	24,640	**26,513**
Non-performing Loans (NPL's)	995	732	778	948	**974**
Gross loans	22,475	22,209	23,707	25,589	**27,487**
Loan Provision	(628)	(343)	(390)	(353)	**(391)**
Net Loans	21,847	21,866	23,317	25,236	**27,095**
Contingency Reserve	422	455	453	654	**642**
Non-performing Loans to Gross Loans	4.4%	3.3%	3.3%	3.7%	**3.5%**
Loan provision as a % of NPL's	63.2%	46.8%	50.0%	37.2%	**40.2%**
Provision and Contingency Reserves as a % of NPL's	105.6%	109.0%	108.2%	106.2%	**106.1%**

Income Statement

All figures are in TT$ Millions	2014	2013 Restated	Change	% Change
Profitability				
Net interest income	**2,218.1**	2,180.7	37.4	1.7%
Other income	**1,487.0**	1,256.6	230.4	18.3%
Share of profits/(loss) of associated companies	**49.1**	(60.3)	109.5	181.5%
Operating expenses	**(1,811.0)**	(1,673.6)	(137.3)	-8.2%
Employee benefits pension and medical contribution	**(65.5)**	(38.3)	(27.3)	-71.2%
Goodwill impairment expense	**(185.0)**	–	(185.0)	-100.0%
Investment impairment expense	**(4.1)**	(53.0)	48.9	92.3%
Loan impairment expense	**(119.9)**	(57.1)	(62.8)	-110.1%
Profit before taxation	**1,568.7**	**1,554.9**	**13.8**	**0.9%**
Taxation	**(339.0)**	(377.1)	38.1	10.1%
Profit after taxation	**1,229.7**	**1,177.9**	**51.8**	**4.4%**
Non-controlling interest	**(36.3)**	(26.8)	(9.5)	-35.3%
Profit attributable to equity holders of the parent	**1,193.4**	**1,151.0**	**42.4**	**3.7%**

Income Statement

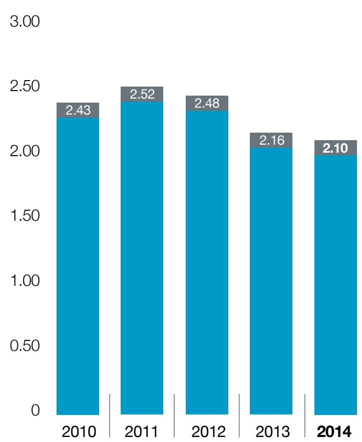
The Group's profitability for 2014 increased by $42.4 million or 3.7% over the restated profit for 2013. The growth in average assets and average equity however outpaced/matched this growth in profits, resulting in a decrease in the Return on Assets (ROA) from 2.16% in 2013 to 2.10% in 2014 though the Return on Equity (ROE) remained constant at 14.33%.

Despite the declining interest rate environment, driven by increased liquidity and competition in the financial services industry, net interest income increased by $37.4 million or 1.7% in 2014, mainly due to increases in the loans and investments portfolios. The net interest margin declined from 4% to 3.79%. This margin may rebound in the coming year as the Central Bank of Trinidad & Tobago seeks to curb inflationary and exchange rate pressures by increasing the 'Repo' rate from 2.75% to 3% in September 2014, the first increase since September 2012.

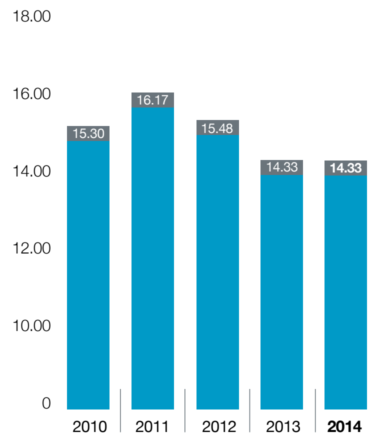
Other income for the Group was $1.49 billion, an increase of $230.4 million or 18.3%, all due to gains from the sale of available for sale investments. Our investment in HFC Bank (Ghana) Limited continues to reap benefits, contributing $43.3 million to Group's profits.

Core operating expenses increased by $137.3 million or 8.2% over the prior year, resulting in a deterioration in the efficiency ratio, from 53.7% in 2013 to 55% in 2014.

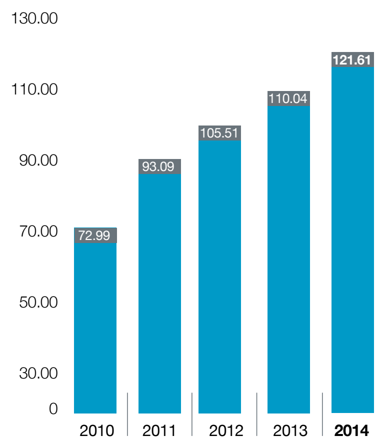
Return on Assets (%)



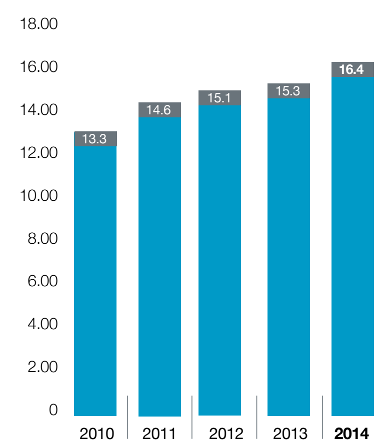
Return on Equity (%)



Share Price ($)



Price/Earnings Ratio



ANALYSIS OF PERFORMANCE BY TERRITORY

Total Assets

Country (TT$ Millions)	2014	2013 Restated	Change	% Change
Trinidad and Tobago	**46,093**	43,253	2,841	6.6%
Barbados	**8,270**	8,824	(554)	-6.3%
Cayman/Guyana/Eastern Caribbean (EC)	**9,178**	9,529	(351)	-3.7%
Inter-company eliminations	**(4,170)**	(3,994)	(178)	-4.4%
Total	**59,372**	**57,612**	**1,759**	**3.05%**

Total assets

Total assets for the Group increased by $1.8 billion or 3% in 2014, driven by growth in Trinidad and Tobago where assets increased by $2.8 billion or 6.6%, due to an improved loan and investment portfolio. This growth was partially negated by a declining asset base in all other territories. A maturing investment portfolio and a dearth of attractive new investment opportunities resulted in a $554 million or 6.3% decline in the Barbados asset base. The $351 million decline in assets in the Cayman/Guyana/Eastern Caribbean region was driven mainly by Cayman and Guyana, where our Cayman asset base was negatively impacted by a declining deposit base and maturing investments. A decline in the deposit base of the Guyana operations resulted in the use of excess cash to fund business growth, leading to a decline in balances Due from Banks.

Total Loans and Advances

Country (TT$ Millions)	2014	2013	Change	% Change
Trinidad and Tobago	**19,336**	17,572	1,764	10.0%
Barbados	**4,578**	4,540	39	0.9%
Cayman/Guyana/Eastern Caribbean (EC)	**3,181**	3,124	57	1.8%
Total	**27,095**	**25,236**	**1,860**	**7.4%**

Total loans and advances

Total loans and advances for the Group increased by 7.4% in 2014 compared to growth of 8.2% in 2013. This reflects the net effect of a 10% growth in Trinidad and Tobago, which is on par with the 10.2% growth achieved in 2013, and moderated growth of 0.9% and 1.8% in the other territories, compared to growth of 1.2% and 8.4% in 2013. The weakened performance in the other territories is a consequence of the challenging economic conditions in Barbados and Grenada, with the Group seeking to manage its risk exposure in both countries.

Managing Director's Discussion and Analysis

Loans and Advances 2014

(TT$ Millions)	Trinidad and Tobago	Barbados	Cayman/Guyana Eastern Caribbean	Total
Performing Loans	19,280	4,233	3,001	**26,513**
Non-performing Loans (NPL's)	239	496	239	**974**
Gross loans	19,519	4,728	3,239	**27,487**
Loan Provision	(183)	(150)	(59)	**(391)**
Net Loans	19,336	4,578	3,181	**27,095**
Contingency Reserve	194	367	81	**642**
Non-performing Loans to Gross Loans	1.2%	10.5%	7.4%	**3.5%**
Loan provision as a % of NPL's	76.4%	30.3%	24.5%	**40.2%**
Provision and Contingency Reserves as a % of Non-performing loans	157.5%	104.3%	58.3%	**106.1%**

The improvement in the Group's NPL to Gross Loans ratio, from 3.7% in 2013 to 3.5% in 2014 is driven by an improved ratio in Trinidad and Tobago (from 1.4% in 2013 to 1.2% in 2014) and Barbados (from 11.7% in 2013 to 10.5% in 2014). This was negated somewhat by an increased ratio in the Cayman/Guyana/Eastern Caribbean region, where the NPL ratio increased from 4.7% in 2013 to 7.4% in 2014, fuelled by provisions for the sugar industry in Guyana and exposure to defaulted debts in Grenada.

The lower level of provision as a percentage of NPL's in the subsidiaries is due to the high levels of collateral held, which reduced the loan provision required.

Net Interest Income

Country (TT$ Millions)	2014	2013	Change	% Change
Trinidad and Tobago	**1,571**	1,502	69	4.6%
Barbados	**300**	347	(47)	-13.6%
Cayman/Guyana/Eastern Caribbean	**347**	332	13	4.0%
Total	**2,218**	**2,181**	**35**	**1.6%**

Net interest income increased by $35 million or 1.6% in 2014. This was led by Trinidad and Tobago, where 70.9% of the Group's net interest income was earned despite sliding interest rates, mainly due to increases in the loans and investments portfolios. Net interest income in Barbados declined by $47 million or 13.6% due to a one-off adjustment, while the Cayman/Guyana/Eastern Caribbean region experienced growth of 4.0%, driven by the improved performance in Guyana.

Effective management of interest rate spreads will continue to be a key focus for the Group in the upcoming financial year as Central Banks worldwide may start to relax their accommodative monetary policies.

Operating Expenses

(TT$ Millions)	2014	2013 Restated	Change	% Change
Total operating expenses	**2,065.6**	1,764.9	300.6	17.0%
Less pension costs	**(65.5)**	(38.3)	(27.3)	-71.2%
Less investment impairment expense	**(4.1)**	(53.0)	48.9	92.3%
Less goodwill impairment expense	**(185.0)**	–	(185.0)	-100.0%
Core operating expenses	**1,811.0**	**1,673.6**	**137.3**	**8.2%**
Trinidad and Tobago	**1,518.1**	1,236.2	282.0	22.8%
Barbados	**325.1**	302.0	23.1	7.6%
Cayman/Guyana/Eastern Caribbean	**233.4**	246.0	(12.6)	-5.1%
Inter-company eliminations	**(11.1)**	(19.3)	8.2	42.5%
Total	**2,065.6**	**1,764.9**	**300.6**	**17.0%**

Core operating expenses increased by $137 million or 8.2%. Apart from normal inflationary increases in the costs incurred to run the operations of the Group, this increase was also due to expenses incurred to implement regulatory and compliance requirements as well as to pursue strategic opportunities.

CAPITAL STRUCTURE

Capital adequacy ratio

	2014	2013
Republic Bank Limited	**25.77%**	27.60%
Republic Finance and Merchant Bank Limited	**133.32%**	87.00%
Republic Bank (Cayman) Limited	**20.83%**	15.46%
Republic Bank (Grenada) Limited	**15.80%**	15.60%
Republic Bank (Guyana) Limited	**22.16%**	17.86%
Republic Bank (Barbados) Limited	**16.02%**	21.12%
Atlantic Financial Limited	**67.95%**	77.63%

The Group's policy is to diversify its sources of capital, to allocate capital within the Group efficiently and to maintain a prudent relationship between capital resources and the risk of its underlying business. Capital adequacy is monitored by each member of the Group, employing techniques based on the guidelines developed by the Basel Committee on Banking Regulations and Supervisory Practice (the Basel Committee), as implemented by the respective Central Banks for supervisory purposes. The risk-based capital guidelines require a minimum ratio of core capital (Tier I) to risk-weighted assets of 4%, with a minimum total qualifying capital (Tier II) ratio of 8%. Core (Tier I) capital comprises mainly of shareholders' equity.

All of the companies within the Group have capital ratios which are significantly higher than the regulatory requirement. The Group has maintained a historical dividend payout ratio of between 40% and 60% of net earnings. The payout ratio this year is 57.5% compared to 58.4% in 2013.

The strong capital base means the Group is well positioned to fund its future expansion activities.

OUTLOOK

We expect economic conditions to continue to be challenging in the approaching year despite the forecast of slow recovery in the world economy, which is expected to improve the prospects for the economies of the Caribbean. Barring any unexpected event, we are confident that the current level of profitability will remain stable.

While the 2014 fiscal was challenging for all entities within the Group, we were able to improve our profitability due to the loyalty and dedication of the management and staff across the Group. I thank each of them for their outstanding service to the organisation.

The performance of the Bank’s acquisition of 40% of HFC Bank (Ghana) Limited in 2013 was in accordance with our expectation. We are in the process of working through the legal issues surrounding the mandatory takeover bid for the remaining shares.

I also thank the Board of Directors for their sound guidance. Finally, I thank each and every customer and shareholder of this Bank, for your belief in us and your continued loyalty.

The Board of Directors has reviewed and adopted the Managing Director's Discussion and Analysis at the Meeting of November 5, 2014.

RONALD F. deC. HARFORD

ALISON LEWIS

DAVID DULAL-WHITEWAY

WILLIAM P. LUCIE-SMITH

NIGEL M. BAPTISTE

RUSSELL MARTINEAU

DERWIN M. HOWELL

CHRISTIAN E. MOUTTET

SHAZAN ALI

CHANDRABHAN SHARMA

DAWN CALLENDER

KRISTINE THOMPSON

TERRENCE W. FARRELL

GREGORY I. THOMSON

Group Profile

EXECUTIVE MANAGEMENT

Managing Director
DAVID DULAL-WHITEWAY, *BSc (Mgmt. Studies), MBA, CGA*

Deputy Managing Director
NIGEL M. BAPTISTE, *BSc (Econ.) (Hons.), MSc (Econ.), ACIB*

Executive Director
DERWIN M. HOWELL, *BSc (Elec. Eng.) (Hons.), MSc (Tele. Systems), Executive MBA, MIET, MIEEE, C.Eng.*

Group General Counsel/Corporate Secretary
JACQUELINE H.C. QUAMINA, *LLB, MA, MBA*

General Manager, Commercial and Retail Banking
GLORIA ANTHONY, *ACIB, MBA*

General Manager, Corporate and Investment Banking
ROOPNARINE OUMADE SINGH, *BSc (Econ.), MSc (Econ.), MBA*

General Manager, Corporate Operations and Process Improvement
FARID ANTAR, *ACIB, ACIS*

General Manager, Electronic Channels and Payments
ANTHONY WONG, *Dip. (Mgmt.), MBA*

General Manager, Group Marketing and Communications
MICHELLE PALMER-KEIZER, *Adv. Dip. (Marketing Mgmt.), MABE*

General Manager, Human Resources
ANNA-MARÍA GARCÍA-BROOKS, *Dip. (Mass Media and Comm.), Dip. (Business Mgmt.), MBA*

General Manager, Information Technology Management
ALDRIN RAMGOOLAM, *Dip. (Business Mgmt.), BSc (Computer Science)*

General Manager, Internal Audit
ANTHONY C. SUBERO, *Dip. (Business Mgmt.), LIDPM, MBA*

General Manager, Planning and Financial Control
PARASRAM SALICKRAM, *FCCA, ACMA, CGMA, CIMA*

General Manager, Risk Management
VIJAI RAGOONANAN, *CA, BSc (Mgmt. Studies), MSc (Acct.)*

General Manager, Special Projects (On Secondment)
ROBERT LE HUNTE, *BA (Econ.), MSc (Acct.), CA, MBA*

General Manager, Treasury
CHARLES A. MOUTTET, *ACIB*

General Manager, Wealth Management
KAREN YIP CHUCK, *Dip. (Business Admin.), ACIB, BSc (Econ.) (Hons.) MBA, CIA*

HEAD OFFICE DEPARTMENTS

Administration

Administration Manager
WENDY ANNE BOSSE, *BSc (Mgmt. Studies) (Hons.), AICB*

Assistant Manager, Administration
PETER ANTHONY

Branch Support Services

Manager
VALINI RAJBALLIE, *ACIB*

Business Systems and Process Improvement

Manager, Group Business Systems and Process Improvement
ANTONIA DICKSON-FREDERICK, *Dip. (Bkg.), BSc (Accounting)*

Manager, Group Projects
SERAFIN GONSALVES, *BSc (Business Mgmt.)*

Centralised Credit Unit

Credit Manager
GRACE WEI, *Dip. (Business Mgmt.), ACIB, BSc (Financial Mgmt.)*

Commercial and Retail Banking

Regional Sales Manager (North)
SURESH SUPERSAD, *Dip. (Business Mgmt.)*

Regional Sales Manager (East/Central/Tobago)
ANNETTE WATTIE, *Dip. (Business Mgmt), ACIB*

Regional Sales Manager (South)
FAROOK HOSEIN

Manager, Customer Care and Support Centre
PETER ADAM, *Dip. (Business Mgmt.)*

Compliance

Senior Manager
KIMBERLY ERRIAH, *LLB (Hons.), LEC, MBA*

Manager, Investigations and Reporting
SUSAN WILLIAMS, *Dip (Business)*

Manager, Regulatory Monitoring
ETHELBERT PAUL, *B.Comm. (Finance)*

Manager, Risk Rating and Due Diligence
CHARLOTTE SAHADEO-BELLEMARE, *Dip. (Marketing), Dip. (Bkg.), Dip. (Business Mgmt.), BA (French and Spanish)*

Assistant Manager, Investigations and Reporting
SUELAN DE SORMEAUX, *BSc (Mgmt.), MSc (Mgmt.)*

Corporate Operations and Process Improvement

Senior Manager, Corporate Operations and Process Improvement
MICHAEL WALCOTT, *BA (Accounting)*

Manager, Regional Operations
GILLIAN PIERRE, *Dip (Business Mgmt.)*

Economic Intelligence Unit

Economist
AMAR RAMLOGAN, *BSc (Econ.), MSc (Econ.), MBA*

Group Marketing and Communications

Manager, Group Corporate Communications
TISHA LEE, *B. Comm. (Marketing)*

Manager, Market Intelligence and Segments
SHAZARD MOHAMMED, *BSc (Econ.) (Hons), PGD Marketing*

Marketing Manager, Product Development, Deposits and Investments
LISA Mc CARTHY, *BA (Marketing)*

Marketing Manager, Product Management
SHEDLEY BRANCHE, *BSc (Mgmt.) (Hons.), MBA*

Human Resources

Senior Manager, Special Projects
CORRINE BROWN, *BSc (General), MBA*

Senior Manager, Human Resources
HILTON HYLAND, *Dip. (Business Mgmt.), MBA*

Industrial Relations Manager
GISELLE ESTRADA, *MBA*

Manager, Group Employee and Industrial Relations
PRESTON GEORGE, *BSc (Sociology), LLB, EMBA*

Assistant Manager, Employee and Industrial Relations
SOMERS JULIEN, *BSc (Gov't and HR), MSc (Human Resources)*

Manager, Compensation and Benefits
ADDISON MITCHELL, *BSc (Computer Science and Mgmt.), HND (Computer Studies)*

Manager, HRIS
EMERSON DIXON, *Dip. IMIS*

Manager, Manpower Planning
ANNELEISE THOMAS, *BSc (Sociology with HR Mgmt.)*

Manager, Training and Organisation Development
JONELLE SALINA, *Dip. (Financial Mgmt.), BSc (Mgmt. with Psychology), MBA*

Internal Audit

Senior Manager, Internal Audit
AMRAL KHAN, *BSc (Mgmt. Studies) (Hons.), MBA*

Manager, IT Audits
JOYCE RAMKUMAR, *BSc (Information Systems), ADMIS*

Manager, Professional Practices
FARINA KARIM-RAGBIR, *Dip. (Business Mgmt.)*

Manager, Corporate Activities, Audits
JAGNATH MOONIAN, *FCCA, CRMA*

Manager, Internal Audit
ELIZABETH DEEN, *Dip. (Banking), Cert. Accounting (Tech A)*

Manager, Commercial and Retail Banking Audits
SEAN Mc MILLAN, *FCCA, AAT, MBA*

Manager, Finance Audits
NASEEM ALI-LOPEZ, *ACCA*

Legal and Centralised Securities Unit

Manager, Legal Services
AYANNA Mc GOWAN, *LLB (Hons.), LEC*

Manager, Legal Services/Centralised Securities Unit
JANELLE BERNARD, *LLB (Hons.), LEC, MBA*

Group Profile

Manager, Legal Services
JOEL CHADHA, *PgDip. (Law), BA (Business Finance), MBA*

Manager, Legal Services (Compliance)
ANDREA DE MATAS, *LLB, LEC*

Loan Delivery Centre
Manager
CHANDRA GHURAN, *Dip. (Bkg.), Dip. (Business Mgmt.), MBA*

Assistant Manager
WILMA WILLIAMS, *Dip. (Marketing), Dip. (Bkg.), ALLC*

Operational Risk
Manager, Business Continuity
KAMAL SONNYLAL, *CBCP, MBA*

Manager, Corporate Security
TERRENCE A.M. BUTCHER, *Dip. (CFAFD)*

Manager, IT Security
ADESH RAMPAT, *BSc (Electronic Eng.), Pg.D. (MIS)*

Manager, IT Security
BRIAN KESHWAH, *BSc (Computing)*

Planning and Financial Control
Senior Manager
MARSHA McLEOD-MARSHALL, *FCCA*

Manager, Finance - Bank
SURSATEE (VASHTI) BOODRAM, *FCCA*

Manager, Finance - Group
JOY INNISS, *FCCA*

Manager, Business Performance Management
LANA RAMROOP, *BSc (Electrical and Computer Eng.)*

Manager, Strategic Initiatives
CATHERINE SHEPHERD, *MSc (Library Sc), BA (Sociology and History)*

Portfolio Management
Project Manager
NATHASHA SHAKIRA SMITH-CEDENO, *BSc (Computer Sc. Mgmt.)*

Premises
Senior Manager
MARK BISHOP, *Dip. (Business Mgmt.), BSc (Civil Eng.), BSc (Hydraulic Eng.)*

Project Manager
VALERIE KELSICK, *BSc (Civil Eng.), MBA (Finance and Int. Business), MAPETT (Reg. Eng.)*

Assistant Manager
MARVIN SINANAN, *BSc (Civil Eng.)*

Risk Management
Senior Manager
DENNIS KURBANALI, *ACIB, MBA*

Manager
HELEN GONSALVES

Credit Manager
KALAWATEE BICKRAMSINGH, *Dip. (Financial Mgmt.), ACCA, MBA, CMA,CA, AICB (Hons.)*

Special Projects
Assistant Country Manager (On Secondment)
DAVI SAMAROO-SINGH, *BSc (Econ.)*

General Manager, Retail Banking (On Secondment)
SUSAN TORRY, *Dip. (Business Mgmt.), BSc (Industrial Studies) (Hons.), ACIB, LLB*

Corporate Controller (On Secondment)
HAMANT LALLA, *FCCA, MBA (Finance)*

SPECIALIST OFFICES

Electronic Channels and Payments Division
Centre Manager
KWAME BLANCHFIELD, *BA (History and Government)*

Operations Manager
SANDRA BAHADURSINGH, *Dip. (Business Mgmt.)*

Credit Manager
SANDRA DOPSON, *Dip. (Business Mgmt.)*

Manager, IT
SHARON LUCKY-DURBAL, *BSc (Info. Systems and Mgmt.), MBA*

Manager, Electronic Channels and Payments
MARSHA O'NEAL, *BSc (Sociology and Mgmt. Studies), MBA*

Foreign Exchange Centre (Forex)/Group Treasury

Senior Manager, Treasury
DAVID ROBINSON, *BA, CFA*

Manager, Foreign Exchange and Dealing
COURTNEY BUCKRADEE, *Dip. (Business Mgmt.)*

Acting Manager, Forex
SUSAN MONSEGUE, *BSc (Mgmt.)*

Trinidad Representative, (Republic Bank Cayman)
NAJETTE ABRAHAM, *Dip. (Business Mgmt.)*

Information Technology Management Division

Assistant General Manager
DENYSE RAMNARINE, *BSc (Computer Science and Physics), MSc (Telecom.), Dip. (Business Mgmt.)*

Senior Manager, Technology Advancement
MARLON PERSAD, *BSc (Computer Science), MSc (Computer Science)*

Manager, Data Centre Services
JUDITH PUNCH-WAFE, *Dip (Business Mgmt.), Dip. (HR Mgmt.), ACCA*

Manager, End User Services
JUDY DHORAY, *BSc (Maths/Computer Science), MSc (Computer Science), MBA*

Manager, Information Reporting and Data Management
KIRAN RAMLAKHAN, *BSc (Computer Science and Mgmt.), MSc (Computer Science)*

Manager, Production Support
DARRYL HEADLEY, *BSc (Computing)*

Project Manager/IT Governance
BRENT CABRERA, *Dip. (Computer Systems Design), MSc (Strategic Business IT), IMBA*

Manager, Technology Deployment
NEAL MOTILAL, *Tech. Dip. (Telecom. Eng.)*

Manager, Technology Infrastructure
JOHN CORBIN

Manager, Application Support
LISA NORVILLE, *BSc (Computer Studies)*

Project Manager
ROBERT SHARPE, *Dip. (Business Mgmt.)*

TRUST SERVICES DIVISION AND WEALTH MANAGEMENT LIMITED

Trust Services

Senior Manager, Trust Services
ENA DALCHAN-MAHABIR, *ACCA*

Manager, Trust Services
COURTNEY INNISS, *BSc (Mgmt.)*

Investment Manager
CARLA KELSHALL, *BSc (Econ. and Maths) (Hons), CFA, Associate of Society of Actuaries,(ASA), Dip. Actuarial Techniques (DAT)*

Operations Manager
JO-ANN RAGOO-KHALAWAN, *BSc (Mgmt. Studies)*

Marketing Manager
BRENDON HOWELL, *BSc (Acct.) (Hons.), CFA, MBA*

Project Manager
SABATRY RAMNATH, *BSc (Computing) (Hons.)*

Wealth Management

Head
STEVE ROBERTS, *BSc (Mgmt. Studies) (Hons.)*

Investment Manager
BALDATH RAMKISSOON, *BSc (Mgmt.), MBA*

CORPORATE AND INVESTMENT BANKING

Corporate Business Centre – East/Central

Regional Corporate Manager
ANTHONY CLERK, *Dip. (Business Mgmt.), AIBAF, EMBA*

Corporate Manager
RAMISH MAHARAJ, *Dip. (Business Mgmt.), ACIB, MBA*

Corporate Manager
VAUGHN WELSH, *Dip. (Bkg.), ACIB, MBA*

Credit Manager
SHAEEN GHOURALAL, *Dip. (Financial Mgmt.)*

Group Profile

Credit Manager
SHAWN MOSES, *BSc (Mgmt. Studies and Econ.)*

Credit Manager
JOHN FORD

Corporate Business Centre - North
Assistant General Manager, Corporate and Investment Banking
ANTHONY JORDAN, *BSc (Mgmt. Studies), ACIB, EMBA*

Corporate Manager
DEREK MOHAMMED, *Dip. (Business Mgmt.), ACIB*

Corporate Manager
JIMMY CEDENO, *BSc (Mgmt. Studies), EMBA*

Corporate Manager
ANDRE CROSBY, *MBA*

Corporate Manager
BRIAN ALLEYNE, *BA (Econ.), CFA*

Corporate Manager
ADRIAN RILEY, *BSc (Acct.), MBA (Finance)*

Corporate Manager
LISA MARIA MORRIS, *BSc (Econ. with Acct.), MBA*

Credit Manager
KRIS CHELWIN, *BSc (Acct.), MBA (Finance)*

Corporate Business Centre – South
Regional Corporate Manager
RICHARD SAMMY, *BSc (Mgmt. Studies) (Hons.), MBA*

Corporate Manager
IAN LEONARD, *BSc (Mgmt. Studies) (Hons.)*

Corporate Manager
PARBATIE KHAN, *Dip. (Business Mgmt.), ACIB, MBA*

Corporate Manager
RAWLSTON SINGH, *Dip. (Bkg.)*

Credit Manager
CHARMAINE KHAN, *Dip (Bkg.)*

Corporate Business Centre – Support Unit
Credit Manager
EUGENE LEE

Investment Banking
Regional Manager, Investment Banking
RIAH DASS-MUNGAL, *BSc (Acct.), FCCA*

Investment Manager, Investment Banking
JOHN PETER CLARKE, *BA (Hons.), MA*

BRANCH SALES NETWORK

Branch Sales Manager
Arima
CHERYL HARRILAL, *Dip (Business Mgmt.), MBA*

Centre City, Chaguanas
NIRMALA SEETARAM-HARRILAL, *Dip. (Bkg.) (IBAF)*

Cipero Street
DAVE MANSINGH, *Dip. (Bkg.), ACIB*

Couva
GABRIELLE DINDAYAL

Diego Martin/Glencoe
NYCRISHA BELGRAVES, *BSc (Mgmt. Studies)*

Ellerslie Court
ANDREA KURBANALI, *Dip. (Financial Mgmt.)*

Gulf View
KEITHAN WESTON, *AIBAF*

Harris Promenade
KAREN Mc SWEEN, *BSc (Bkg. and Finance), Dip. (Financial Mgmt.) (Acting)*

High Street
ROOPMIN RAMKISSOON-RAMDEO, *ACIB*

Independence Square
KAREN TOM YEW-JARDINE, *BSc (Mgmt.), MBA (Finance), LLB*

Long Circular Mall
DEBRA CARRINGTON

Marabella

DESNI-ANN KHAN

Mayaro/Rio Claro

JEMMA PERSAD, *Dip. (Bkg.)*

Park Street/Hilton

SHANTIE RAMOUTAR, *ACIB, MBA*

Penal

WENDY ANN JOSEPH, *Dip. (Business Mgmt.), AICB, MBA*

Pointe-a-Pierre

MARSHA LEE WING-GOPAUL, *Cert (Banking) IBAF*

Point Fortin

JEMMA RAMPERSAD

Princes Town

CLEOPATRA JOSEPH-CHARLES, *Dip. (Business Mgmt.), Cert. Fin. Advisors (IBAF), MBA*

Promenade Centre

INGRID MCKENZIE

Sangre Grande

LATISHA DE GANNES, *BSc (Mgmt.) (Hons.), Dip. (Bkg.) (IBAF)*

San Juan

RICHARD MC LETCHIE, *Dip. (Financial Mgmt.)*

Siparia/Fyzabad

TARAWATIE MOHAMMED

Tobago

ANNETTE LEWIS-WILLIAMS, *ACCA*

Area Manager

ALLISON COOPER, *Dip. (Business Mgmt.)*

Tragarete Road

RHONDA JOSEPH-WALTERS, *Dip. (Bkg.)*

Trincity

DIANE RAGHOO

Tunapuna West/East

JENNIFER GANESS, *Dip. (Business Mgmt.)*

U.W.I.

MARIA FRASER

Valpark/Grand Bazaar

GEETA HARRICHARAN, *Dip. (Bkg.), BSc (Banking and Finance)*

Westmall

BRAD TOM YEW, *BSc (Marketing), MBA (Finance)*

Woodbrook

NADINE ALEXANDER, *BSc (Banking and Finance) (Hons.)*

SUBSIDIARIES

Republic Bank (Barbados) Limited

Managing Director and Chief Executive Officer

IAN R. DE SOUZA, *Dip. (Mgmt.), BSc (Econ.), MBA, CMA, CA, CIRA*

Republic Bank (Cayman) Limited

Managing Director

GISELLE BUSBY, *BSc (Mgmt. Studies), MBA*

Republic Bank (Grenada) Limited

Managing Director

KEITH A. JOHNSON, *BSc (Accountancy), MBA, AICB*

Republic Bank (Guyana) Limited

Managing Director

JOHN N. ALVES, *FICB*

Republic Finance and Merchant Bank Limited

Manager, Finance and Administration

OMARWATEE LACKHAN, *FCCA, CA*

Republic Securities Limited

Chief Executive Officer

GODFREY GOSEIN, *BSc (Ind. Mgmt.), MBA*

Executive Management

FARID ANTAR

General Manager,
Corporate Operations
and Process Improvement

GLORIA ANTHONY

General Manager,
Commercial and
Retail Banking

ANNA-MARÍA GARCÍA-BROOKS

General Manager,
Human Resources

ROBERT LE HUNTE

General Manager,
Special Projects
(On Secondment)

CHARLES A. MOUTTET

General Manager, Treasury

ROOPNARINE OUMADE SINGH

General Manager,
Corporate and
Investment Banking

MICHELLE PALMER-KEIZER

General Manager,
Group Marketing and
Communications

JACQUELINE H.C. QUAMINA

Group General Counsel/
Corporate Secretary

ALDRIN RAMGOOLAM

General Manager,
Information Technology
Management

VIJAI RAGOONANAN

General Manager,
Risk Management

PARASRAM SALICKRAM

General Manager,
Planning and
Financial Control

ANTHONY SUBERO

General Manager,
Internal Audit

ANTHONY WONG

General Manager,
Electronic Channels
and Payments

KAREN YIP CHUCK

General Manager,
Wealth Management

Subsidiaries

IAN R. DE SOUZA

Dip. (Mgmt.), BSc (Econ.), MBA, CMA, CA, CIRA

Managing Director and Chief Executive Officer, Republic Bank (Barbados) Limited

GISELLE BUSBY

BSc (Mgmt. Studies), MBA

Managing Director, Republic Bank (Cayman) Limited

KEITH A. JOHNSON

BSc (Accountancy), MBA, AICB

Managing Director, Republic Bank (Grenada) Limited

JOHN N. ALVES

FICB

Managing Director, Republic Bank (Guyana) Limited

GODFREY GOSEIN

BSc (Ind. Mgmt.), MBA

Chief Executive Officer, Republic Securities Limited

REPUBLIC BANK (BARBADOS) LIMITED

One of the longest serving banks in Barbados, Republic Bank (Barbados) Limited has been in existence for over 30 years. Formerly Barbados National Bank Inc. (BNB), it boasts one of the largest ABM networks on the island and ten conveniently located branches. The Bank offers an array of financial services such as personal, commercial, lending, premium, corporate and investment banking. Its wholly-owned subsidiaries, Republic Finance & Trust (Barbados) Corporation and Republic Funds (Barbados) Limited, offer funds management, lease financing and merchant banking services.

Registered Office

Independence Square, Bridgetown, Barbados, West Indies

Tel: (246) 431-5999

Fax: (246) 429-2606

Swift: BNBABBBB

E-mail: info@republicbarbados.com

Website: www.republicbarbados.com

Managing Director and Chief Executive Officer

IAN R. DE SOUZA, Managing Director and Chief Executive Officer of Republic Bank (Barbados) Limited, has been a banker for more than 30 years. He is a graduate of The University of the West Indies (UWI), a Certified Management Accountant and a Certified Insolvency and Restructuring Advisor.

REPUBLIC BANK (CAYMAN) LIMITED

Republic Bank (Cayman) Limited is a private bank offering a comprehensive wealth management service to clients in the Caribbean region and beyond. This service includes banking in most currencies, investment management and formation of private investment holding companies and trustee services.

Republic Bank (Cayman) Limited continues to be a strong contributor to the Group's profits and allows the network to offer a full range of Offshore Wealth Management Services to its clients.

Registered Office

Suite #308, Smith Road Centre, 150 Smith Road, P.O. Box 2004, KY1-1104, George Town, Grand Cayman

Tel: (345) 949-7844

Fax: (345) 949-2795

Managing Director

GISELLE BUSBY, Managing Director of Republic Bank (Cayman) Limited, has been a banker for 20 years and has extensive knowledge and experience in the areas of Trust and Asset Management, Treasury and Corporate Finance. Ms. Busby holds a BSc in Management Studies from the University of the West Indies and a MBA from the University of Manchester.

REPUBLIC BANK (GRENADA) LIMITED

Incorporated on October 12, 1979, Republic Bank (Grenada) Limited is one of the leading banks in Grenada with six branches and 11 ABMs. The Bank is currently the market share leader in assets, loans and deposits. In 2008, at a listing ceremony in Grenada, Republic Bank (Grenada) Limited became the first Grenadian corporation to list its shares on the Eastern Caribbean Securities Exchange (ECSE).

At September 30, 2014, Republic Bank (Grenada) Limited's equity base stood at US$33.9 million and asset base at US$299.3 million.

Registered Office

P.O. BOX 857 Grand Anse, St. George Grenada, West Indies

Tel: (473) 444-BANK (2265)

Fax: (473) 444-5501

Swift: NCBGGDGD

E-mail: info@republicgrenada.com

Website: www.republicgrenada.com

Managing Director

KEITH A. JOHNSON, Managing Director of Republic Bank (Grenada) Limited, is a career banker with over 30 years of experience. In 2009, he was seconded to his current role from Republic Bank (Guyana) Limited. Mr. Johnson holds an Executive Master's Degree in Business Administration (MBA) from The University of the West Indies (UWI) (Cave Hill), a BSc in Accountancy from the University of Guyana, and is an Associate of the Institute of Canadian Bankers.

REPUBLIC BANK (GUYANA) LIMITED

Established in 1836, Republic Bank (Guyana) Limited is one of Guyana's longest-serving institutions and is a recognised leader in the provision of financial services. Over the past year, the Bank has concentrated on growing its lending portfolio, with particular emphasis on SME Lending. The Bank also offers an assortment of personal, commercial and corporate banking services ranging from every day banking to lending and trade finance.

At September 30, 2014, Republic Bank (Guyana) Limited's equity base stood at US$66 million and asset base at US$627 million.

Registered Office

Promenade Court, 155-156 New Market Street,
North Cummingsburg, Georgetown, Guyana

Tel: (592) 223-7938-49
Fax: (592) 233-5007
SWIFT: RBGL GYGG
E-mail: email@republicguyana.com
Webite: www.republicguyana.com

Managing Director

JOHN N. ALVES, Managing Director of Republic Bank (Guyana) Limited, has been a banker for 40 years. He has extensive experience in many areas of banking including Administration, Operations, Information Technology, Customer Service, Internal Audit and Credit. He has previously served as Corporate Secretary of the Bank as well as Executive Director. Mr. Alves is a Fellow of the Institute of Canadian Bankers (FICB).

REPUBLIC SECURITIES LIMITED

Republic Securities Limited is a full-service stockbroking firm that trades on the local stock exchange and has execution capabilities for international stocks on the New York Stock Exchange. The company provides investment advisory services and specialises in financial planning, portfolio management and retirement planning.

Registered Office

2nd Floor, Promenade Centre, 72 Independence Square,
Port of Spain, Trinidad and Tobago, West Indies

Tel: (868) 623-0435
Fax: (868) 623-0441
Email: rslinfo@republictt.com
Website: www.rsltt.com

Chief Executive Officer

GODFREY GOSEIN, Chief Executive Officer of Republic Securities Limited, is a Registered Stockbroker with the Securities and Exchange Commission and the Trinidad and Tobago Stock Exchange. He has been involved in the Trinidad and Tobago capital market for over 25 years. He sits on the boards of the Trinidad and Tobago Stock Exchange and the Securities Dealers Association of Trinidad and Tobago. He is a graduate of The University of the West Indies (UWI) and holds an MBA from the Arthur Lok Jack Graduate School of Business.

the power of one serving many

Clockwise from top left:

Ms. Marilyn Morrison, music teacher at the Eternal Light Community Vocational School, coaches her students as they utilise the newly constructed music room.

Primary School students at the Making the Switch forum in Tobago reaffirm their commitment to value themselves and not succumb to peer pressure.

A young golfer practices his chip at the Republic Bank Caribbean Junior Golf Open.

Les Coteaux dramatists act out a scene at the Republic Bank sponsored presentation at the Tobago Heritage Festival.

Deputy Managing Director, Nigel Baptiste and his team of Republic Bank managers mix concrete at the Habitat for Humanity Leader's Build 2014.

Students of the recently refurbished San Raphael R.C. Primary School.

The Power to Make a Difference

The late Nigerian lawyer, Obafemi Awolowo, expressed it best when he said, *"In honest hands, literacy is the surest and the most effective means to true education."* Globally and regionally, the disparities between literacy levels are reason for concern, and in recognising that fact, Republic Bank chose to place a particular focus on the rarely acknowledged issue of literacy. When we formally pledged our support toward national empowerment and the building of successful societies, through our Power to make a Difference programme, we did so with the knowledge that this one group, with one focus, with one collective power could leave a positive and indelible mark on this Region.

In focusing that energy on the issue of literacy, we envisioned a Nation of highly literate and educated people who could harness their powers to make a difference toward the successful future of our society. There are so many, who have never read a book, who can understand a person's words, when they have been spoken, but not when they have been written. And with the World moving at such an accelerated, technological pace, we believe that we cannot afford to sit back and hope that those who are still illiterate will somehow find their way.

It is our belief that there is value in every human life and everyone has the ability to make a valuable contribution to society. This belief has guided the growth of our Programme, which has a four-pillar scope – the Power to Learn, the Power to Care, the Power to Succeed and the Power to Help. Our hope, as we firmly move ahead in realising the Programme's goals, is other corporate organisations will deepen their focus on social responsibility – creating a positive movement that will redound to the benefit of the Nation and the Region.

We have, as time has passed, built invaluable relationships with numerous non-governmental organisations (NGOs) and community-based organisations (CBOs), working side by side with them to help transform the shape and face of communities, while unlocking the potential of those residing within the communities. The experience has been educational, fulfilling…and humbling.

Under the **Power to Learn,** we took our focus to the schools, putting steps in place, wherever we could, to help young people receive the education that they deserved. A child's learning environment plays an important role in their ability to absorb the information they are given. A leaky roof, broken desks, unstable floors…all these create an uncomfortable environment, and an uncomfortable student is an unfocussed student. This year, we were able to ensure that scores of students could function under suitable conditions. With contributions toward St. Theresa Girls' R.C. School, the girls now have an activity centre and the School is now able to facilitate workshops geared toward extra-curricular activities. The students at St. Mary's Mucurapo Boys' R.C. School have seen their classrooms and School ground undergo many upgrades. Aranguez Tackveeyatul Islamic Association Primary School students will be able to study in their library or computer room in their new wing. These types of initiatives are especially important to us because they allow us to create educational inroads for students – the future of our nation. They are a tangible reflection of our focus on youth development through education. Since 2002, we have worked with the Butler Institute of Lifelong Learning (BILL) – an institute that has been instrumental in improving literacy standards in the country. In partnering with them, we have seen many improvements in the performance of the students in Primary School children across the Nation.

Literacy, however, is not an issue solely related to our young people. There is a deficit in the older generations of our society as well. Our longstanding partnership with the Adult Literacy Tutors Association (ALTA) has facilitated literacy instruction for hundreds of citizens, with adult literacy classes and ALTA's Reading Circles. The Trinidad and Tobago National Commission for UNESCO (United Nations Education Science and Cultural Organisation), upon realising that well directed training of principals is critical to the reduction of literacy, embarked on a training programme for primary school teachers across Trinidad and Tobago. The three-pronged programme focuses on leadership skills for the principal, instructional skills for the teacher and parenting skills for the home. We supported the Parenting for Literacy Intervention leg of the Programme, which trained approximately 4,000 parents. We see our investment as an opportunity to create a new generation of fully literate citizens; it is a chance for us to help improve the flow of communication between parents and children; it is an opportunity to improve family relations and it is an opportunity for our children to develop sound reasoning skills which will help them come to more amicable solutions when faced with challenges.

Under the **Power to Care,** we have worked with those, whose disabilities have made them outcasts, and we have had the humbling experience of realising that though they may have challenges, their abilities are what have made them special. During the time that we have partnered with the Autistic Society of Trinidad and Tobago, we have gained a greater understanding of the need for an institution to facilitate autistic children and their parents and caregivers. Raising an autistic child is a mammoth task, and it is our hope that through our support of the Autistic Society, that each day another parent will wake up with a stronger grasp as they prepare a new day with their autistic child. It is our hope they will have the patience to work with their son or daughter day after day, through the training that is offered at the Society. It is our hope that our Nation will achieve a greater awareness of the Spectrum, removing many of the attached stigmas.

According to the World Health Organisation, more than 30% of cancers could be prevented by modifying or avoiding key risk factors including: tobacco use; being overweight or obese; low fruit and vegetable intake; physical inactivity and alcohol use. Statistics have shown, however, that many citizens are not aware that certain cancers are preventable and that early detection can result in more effective treatment and a longer lifespan. We believe knowledge is power and the more our citizens know about the types of cancers that affect them, the risk factors and preventative measures available, the more empowered they would be to resist the disease. Our focus on cancer awareness and detection has increased with each year. Through our partnership with the Trinidad & Tobago Cancer Society we took up the challenge to increase awareness, as far and as wide as we could. Our annual Edufest programme for Secondary Schools and our extension of the programme into the Primary school arena, allowed us to educate our youth so they can make the right choices and understand that early detection is critical. Cancer is more than a diagnosis. It changes the lives of its victims, their families and their friends in more ways than one can imagine. We know only too well that simply wanting things to improve is not sufficient and it is necessary to take a stand and do something about it. Our partnership with The Breast Cancer Support Group brought a clearer understanding of the effects of this disease and we were happy to offer support to those who have survived this disease. The fight against the scourge is an ongoing one, but it is one that we are determined to continue.

Our focus on the **Power to Help**, this year, saw us working with Bridge of Hope to build Olive's House, a Senior Citizens Home. We previously supported Bridge of Hope's haven for abandoned, orphaned and abused children and have seen the great benefits redound to those who were a part of it. Olive's House is another step toward building the Sangre Chiquito Community and we chose to support it because it allows for interaction between youth and the elderly. We understand that there are priceless, intangible tidbits of wisdom that our youth can gain from our elder citizens. Our contribution was directed at the Home's Multipurpose Hall, which includes a lounge, entertainment area, kitchen, pantry, hair salon, therapeutic massage centre and games area. The Nation needs centres like these for its overall advancement – centres that focus on both the young and elderly of our society. A Nation's youth is its future but there must be an example for them to follow and a past from which they can learn so that they may avoid the same mistakes and make the 'good' better.

Shelter is one of the basic needs for human beings and there are many who are forced to worry, daily, that they will very soon be without that bare necessity. Through our partnerships with Habitat for Humanity, however, that worry has been eliminated for many. In the last year, we have worked with Habitat for Humanity to provide six financial literacy training sessions for 175 people, with the aim of helping them learn to financially support themselves. Four new homes have been built in Trinidad, with another under construction in Tobago. Nine homes have undergone major structural renovations. We will continue to work with Habitat for Humanity, focusing on making life just that much easier for one more family at a time.

The CREDO Foundation for Hope and Justice was established by members of the Holy Faith Sisters and partners in 1993, and operates four Drop-in centres. In 2007, a fire destroyed the third floor of the 19 Nelson Street CREDO Centre, which catered to boys in the street and the Nelson Street area. The Foundation members set out to create a new facility at 24 Nelson Street, and it is this centre toward which we directed our support. The Centre is designed to offer Drop-in Recreational, Training and

> We see our investment as an opportunity to create a new generation of fully literate citizens; it is a chance for us to help improve the flow of communication between parents and children; it is an opportunity to improve family relations and it is an opportunity for our children to develop sound reasoning skills which will help them come to more amicable solutions when faced with challenges.

The Power to Make a Difference

2014 RECIPIENTS

- Adult Literacy Tutors Association
- AIDS Hotline
- Autistic Society of Trinidad and Tobago
- Butler Institute of Labour and Learning
- Caribbean Amateur Junior Golf Championship
- Cotton Tree Foundation
- CREDO Foundation for Hope and Justice
- Diabetes Association
- Dyslexia Association
- Emancipation Support Committee
- Eshe's Learning Centre
- Eternal Light Vocational School
- Foundation for the Enhancement and Enrichment of Life (F.E.E.L.)
- Fountain for Human Development
- Families in Action
- Family Planning Association of Trinidad and Tobago
- Fatima College
- Habitat for Humanity Trinidad and Tobago
- Helen Bhagwansingh Diabetes Education Research and Prevention Institute
- Hope of a Miracle Foundation
- In Full Flight!
- John Hayes Memorial Kidney Foundation
- Life Line
- Living Water Community
- Love Movement - Jean Marc Tardieu
- Love Movement Youth Outreach Programme
- Loveuntil Foundation
- Memphis Pioneers Athletic Club
- Mt. Carmel Generalate/Novitiate
- NALIS
- National Carnival Bands Association (NCBA)
- Olive's House
- Paralympic Organization of Trinidad and Tobago
- Post SEA Vision and Values
- President's Award Foundation
- Rape Crisis Society
- Rebirth House Drug Rehabilitation Centre
- Republic Bank Exodus
- Republic Bank Laventille Netball League
- Republic Bank National Agriscience Primary School Competition
- Republic Bank Trinidad and Tobago Jr. Golf Open
- Republic Bank/UWI World of Work
- Republic Bank National Youth Football League
- Salvation Army
- Sanatan Dharma Maha Sabha
- San Rafael R.C. School
- Scout Association of Trinidad and Tobago
- Servol Limited
- Society de Les Amantes de Jesus - Villa Assumpta
- St. Ann's/Cascade Motivational Programme
- St. Francis R.C. Church
- St. Jude's School for Girls
- St. Michael's School for Boys
- St. Theresa's Girls' R.C. School
- St. Vincent de Paul Society
- St. Vincent de Paul Society (Tobago)
- Swaha Social Services
- Tackveeyatul Islamic Association
- The Breast Centre
- Transplant Links Community
- Trinidad and Tobago Association in Aid of the Deaf
- Trinidad and Tobago Blind Welfare Association
- Trinidad and Tobago Cancer Society
- Trinidad and Tobago Coalition Against Domestic Violence
- Trinidad and Tobago National Commission for UNESCO
- Trinidad and Tobago Red Cross Society
- Vision on Mission
- YMCA Tobago Sporting Facility
- Youth Business of Trinidad and Tobago
- YTEPP Limited

Educational activities to the young boys and men of the area. It is no secret that there are many disenfranchised boys and young men in our nation and they need guidance and help. Our support of CREDO – the only organisation that offers drop-in services to boys on the street and in the Nelson Street area – is one of the ways that we have been able to offer that much needed guidance and help.

We believe a nation is doomed if it ceases to remember and understand its past. Our commitment to culture and cultural development, therefore, stems from our overarching vision of preserving history and traditions for future generations. Under the **Power to Succeed,** we partnered with Hero Film Limited, to create a documentary on the life of the late Justice Ulric Cross. We saw it as an opportunity to encourage all those who view it to understand the importance of remembering where we, as a nation, came from so that we could have a stronger hold on where we are going. The film takes a look into an important part of our Nation's history, emphasizing the power of the human mind, while demonstrating that through education one can cross any boundary. The story of Justice Cross' life is a shining example of how one person's seemingly insignificant choice to do the right thing can greatly affect others. We at Republic Bank hold great store in this belief, that each of us has the power to make a positive difference.

In keeping with our mandate to promote national traditions and cultures as well as support the empowerment of our citizens through various forms of education, one of which is music, we also renewed our partnership with Republic Bank Exodus Steel Orchestra. Our association with the Steel Pan art form and Republic Bank Exodus Steel Orchestra began decades ago, with a shared belief that there are great benefits to be gained, intrinsically and nationally, when one becomes involved with one's community through music. With every new group of pannists they train, the Orchestra is increasing the level of music literacy in our nation. The Steel Pan is our nation's birthright and Republic Bank Exodus, through its local and regional commitment to the art, is harnessing the power of that birthright and preserving a national legacy.

As we move into another year of the programme, we are energised, having seen the smiles, the peace and the comfort in the many lives that have been affected by the Power to make a Difference. We have become even more determined, having witnessed the power of one voice, one group and one focus. We vow to keep steady this focus, with an added push to literacy, guided by the ever true understanding that literacy leads to education and education is power.

Corporate Governance

INTRODUCTION

The Republic Bank Group is committed to maintaining the highest standards of corporate governance. To this end, we continuously monitor and update as necessary our internal systems in order to ensure our standards reflect best international practice tailored to the specific needs of the Bank. In this regard Republic Bank Limited welcomes the launch of the Trinidad and Tobago Corporate Governance Code ('the Code'). The Code was developed through a partnership of the Caribbean Corporate Governance Institute, the Trinidad and Tobago Chamber of Industry and Commerce and the Trinidad and Tobago Stock Exchange. Republic Bank is fully supportive of the principles of good governance as espoused in the Code.

The Board of Directors exercises leadership, enterprise, integrity and good judgment in guiding the Bank to achieve continuing growth and prosperity. The Board will act in the best interests of the Bank and its stakeholders guided by a philosophy that is based on transparency, accountability and responsibility. The Bank's values and standards are set to ensure that obligations to its shareholders, employees, and customers are met. Our ethics and operating principles reminds us that at Republic Bank we are and strive to continue to be a Bank with the highest standards of ethical conduct. Integrity and the trust of our customers are the cornerstone of our business. The Governance framework seeks to put a structure in place to help guide Directors, management and staff and we constantly seek to improve and strengthen this. One of the tools we have made available to our employees, as we strengthen and improve this frame work, is whistle blowing. To this end we have contracted an international firm with which employees can communicate anonymously should they suspect that something untoward is taking place.

The Board provides entrepreneurial leadership to management within a framework of prudent and effective controls that enables risk to be assessed and managed. The Board sets the Bank's strategic aims, ensuring that the necessary financial and human resources are in place for the Bank to meet its objectives. The Board also reviews management's performance against agreed metrics.

The role of the Board of Directors includes the following key responsibilities:

- Setting the Strategic aims and reviewing and approving corporate strategy
- Selecting, compensating and monitoring and where necessary replacing key executives and overseeing succession planning
- Ensuring the company has the appropriate organisational structure in place to achieve its objectives
- Reviewing and approving systems of risk management and internal compliance and control, codes of conduct and legal compliance
- Monitoring the effectiveness of corporate governance practices and updating organizational rules and policies in step with industry changes
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures
- Ensuring the integrity of accounting, financial and non-financial reporting

Our Board of Directors comprises 14 Directors: 11 are Non-Executive Directors and 3 are Executive Directors. The Chairman is a Non-Executive Director. Mr. Russell Martineau is the Senior Independent Director.

This balance of Non-Executive Directors to Executive Directors ensures that the Board is able to exercise independent judgment with sufficient management information to enable proper and objective assessment of issues facing the Bank. The Non-Executive Directors reflect a diverse cross-section of the professional and business community and are all highly respected, independent individuals with a wealth of experience in their respective fields. Discussion at Board meetings is therefore rich with the combined wisdom of the individuals, as well as reflective of their varied backgrounds.

Non-Executive Directors do not participate in performance-based incentive plans, their remuneration consists solely of cash. The Board Chairman and Directors are paid fees and Committee Chairmen and Members are paid an additional fee for each Committee on which they serve. Executives who are Directors are not paid fees.

The Executive Directors ensure that at Board meetings, Directors have access to the best possible banking, management and financial advice during their deliberations. Each Executive Director has his own particular strength reflective of his professional experience, and this ensures the Board has a clear perspective on all matters on which decisions are required. Careful planning and a commitment to ensuring there is always an excellent group of managers to maintain continuity and seamless succession, has always been a priority of the Board.

Our Board of Directors meets formally every month, while Special Board meetings are called as the need arises. During this fiscal year seventeen (17) meetings were scheduled:-

Corporate Governance

Director		Board - 11 Meetings Special Board - 6 Meetings Attendance	Eligible to Attend
Shazan Ali		15	17
Nigel M. Baptiste		14	17
Dawn Callender		12	17
David Dulal-Whiteway		16	17
Terrence Farrell		15	17
Ronald F. deC. Harford		16	17
Derwin M. Howell		17	17
William P. Lucie-Smith		11	14
Russell Martineau		12	14
Christian E. Mouttet		12	14
Chandrabhan Sharma		15	17
Kristine Thompson		17	17
Alison Lewis	(New Appt. 1/7/14)	2	3
Gregory Thomson	(New Appt. 1/8/14)	2	2
* Stephen Pollard		13	14
* William Harold Pierpont Scott		10	15

* Retired Directors

The Managing Director has explicit authorities and responsibilities that are documented and approved by the Board of Directors and reviewed as and when necessary.

The international environment and legislative and regulatory demands are becoming increasingly complex and challenging causing us to constantly review our systems and make use of technology to ensure that compliance is robust and negative impact on our legitimate customers minimal.

The Board of Directors considers that the quality, skills and experience of Directors enhance the Board's effectiveness, and the collective Board is required to have a core set of skills and experience identified to effectively provide the Bank with appropriate leadership and guidance given the risks and opportunities facing the Republic Bank Group.

The Bank is mindful that the Board must reflect the business, social, economic and cultural environment of the Bank's customers. It is also critical that the Directors must have sufficient time available to devote to the performance of their Board duties.

In 2013 for the first time, the Board had Independent Consultants perform an evaluation to assess the Board's strengths and areas for improvement and to provide recommendations for improving its effectiveness. The exercise was detailed and involved a review of documentation, an on-line questionnaire and analysis of the Board Agendas and papers as well as personal interviews. The findings revealed that the Board is hard working and well-functioning and the areas identified for enhancement are being examined by the Board for possible improvements.

During the fiscal year, on-going Director education focused on anti-money laundering – all Directors completed the on-line training program that the Bank utilises and attended a program conducted by the Florida International Bankers Association. The Board also participated in the Directors Education Accreditation Program of the Institute of Chartered Secretaries of Canada. The Board is committed to continuing to source similar sessions and in identifying other areas of training that will enhance Directors knowledge and improve their effectiveness.

At the Annual Meeting, one-third of the Directors retire and may offer themselves for re-election. At the upcoming Annual Meeting, Nigel Baptiste, Dawn Callender and Terrence Farrell retire from the Board by rotation and being eligible, have offered themselves for re-election. On July 1, 2014, Alison Lewis filled the casual vacancy created by the retirement of Stephen Pollard who served as a Director of Republic Bank Limited diligently for five and half years. On August 1, 2014, Gregory Thomson filled the vacancy created by the retirement of W.H. Pierpont Scott who served the Republic Group with distinction and dedication for 20 years as a Director on the Board of Republic Bank Limited and its subsidiaries. In accordance with the Company's By-law, both Ms. Lewis and Mr. Thomson will retire from the Board and being eligible, have offered themselves for re-election. The Board recommends that all the nominees be re-elected.

The Board of Directors has access to the advice of the Group General Counsel/Corporate Secretary, as well as the Bank's External Counsel, including advice on any matter concerning his or her role as a Director.

The Board of Directors complies with the Model Code for Securities Transaction by Insiders of Listed Companies issued by the Trinidad and Tobago Stock Exchange Limited. Strict guidelines are provided by the Bank for the occasions when it may be perceived that Directors and Officers have special knowledge, and dealing in the Bank's shares during these occasions is prohibited. The purchase or sale of shares by an insider requires the prior written consent of the Corporate Secretary, and transactions are tabled for the information of the Board of Directors.

The Board this year also adopted a disclosure policy designed to provide for accurate, timely and balanced disclosure of all material matters concerning the company.

The Board is committed to facilitating the ownership rights of all shareholder groups, including minority shareholders and institutional investors. Provision is made for shareholders to have the opportunity to engage with the company and participate effectively in Annual and Special Meetings through the provision of proxies. External Auditors and members of Senior Management and the Board are available at meetings with shareholders to respond to shareholder questions.

The Bank's strategies, policies, agreed management performance criteria and business plans are defined and measurable in a manner which is precise and tangible both to the Board and Management. The Bank's affairs are subject to comprehensive assessment against accurate and relevant information, both financial and non-financial as appropriate, obtainable from the Bank's internal reporting systems as well as external sources, so that informed assessment can be made of issues facing the Board. To this end, the following committees have been established:-

AUDIT COMMITTEE

This Committee meets quarterly to review the financial reporting process, the system of internal control, management of financial risks, the audit process, the Bank's process for monitoring compliance with laws and regulations and its own code of business. Four (4) meetings were held this fiscal.

The Committee comprises:-

Directors		Attendance
William P. Lucie-Smith - Chairman		4
Dawn Callender		3
Ronald F. deC. Harford		3
Russell Martineau		3
Alison Lewis	(New Appt. 1/7/14)	1
Gregory Thomson	(New Appt. 1/8/14)	nil
* Stephen Pollard		2
* William Harold Pierpont Scott		3

* Retired Directors

CREDIT COMMITTEE

This Committee meets twice monthly, or as necessary, to approve or decline credit proposals over the limit of the Executive Directors and on the classification of accounts and we advise that 19 meetings were scheduled for the fiscal year. Attendance by Directors at these meetings is rotated.

The Committee comprises:

- Two Executive Directors
- Three Non-Executive Directors, one of whom shall be the Chairman of the Bank and who shall also be the Chairman of the Committee provided he is able to attend and the other two members selected from the following Panel:-

Directors		Attendance
Ronald F. deC. Harford - Chairman		16
David Dulal-Whiteway		11
Nigel M. Baptiste		17
Derwin M. Howell		8
Terrence Farrell		7
William P. Lucie-Smith		9
Christian Mouttet		2
Chandrabhan Sharma		4
Kristine Thompson		6
Alison Lewis	(New Appt. 1/7/14)	1
Gregory Thomson	(New Appt. 1/8/14)	1
* Stephen Pollard		8
* William Harold Pierpont Scott		5

* Retired Directors

COMPENSATION COMMITTEE

This Committee is responsible for reviewing the compensation package for all categories of staff; the remuneration, performance and incentive rewards of Senior Executives as identified from time to time by the Committee and meets as the need arises. Two meetings were held for the fiscal year.

The Committee comprises:-

Directors		Attendance
Ronald F. deC. Harford - Chairman		2
Shazan Ali		2
Terrence Farrell		2
Russell Martineau		2
Christian Mouttet		1
Gregory Thomson	(New Appt. 1/8/14)	nil
* William Harold Pierpont Scott		2

* Retired Director

GOVERNANCE AND NOMINATION

This Committee is responsible for establishing formal and transparent procedures for the selection of Executive and Non-Executive Directors, reviewing the Group's Management Succession Plan, developing and implementing processes to assess and improve Board and Committee effectiveness, and addressing issues which from time to time may emerge, having implications for the good governance within the Group and meets as the need arises. Two meetings were held for the fiscal year.

The Committee comprises:-

Directors		Attendance
Ronald F. deC. Harford - Chairman		2
Shazan Ali		2
Terrence Farrell		2
Russell Martineau		2
Christian Mouttet		2
Gregory Thomson	(New Appt. 1/8/14)	nil
* William Harold Pierpont Scott		2

* Retired Director

OTHER RISKS COMMITTEE

This Committee meets quarterly to review policies and procedures and ensures that the Bank is not exposed to unnecessary risk with respect to its operations in IT, Operational Risk, Legal, Trust and Asset Management, Asset Liability Management and Credit Card Operations. Five meetings were held for the fiscal year.

This Committee comprises:-

Directors		Attendance
Chandrabhan Sharma - Chairman		5
Shazan Ali		4
Dawn Callender		4
Terrence Farrell		4
Kristine Thompson		5
Alison Lewis	(New Appt. 1/7/14)	nil
David Dulal-Whiteway		2
Nigel M. Baptiste		3
Derwin M. Howell		4
* Stephen Pollard		2

* Retired Director

Financial Reporting Requirements

The Directors of Republic Bank Limited are responsible for the preparation and fair presentation of the financial statements and other financial information contained in this Annual Report. The accompanying financial statements have been prepared in conformity with International Financial Reporting Standards and present a true and fair view of the financial affairs of the company. Where amounts are based on estimates and judgments, these represent the best estimate and judgment of the Directors.

General responsibilities include:-

- establishing and maintaining effective internal controls and procedures for financial reporting;
- safeguarding of assets; and
- prevention and detection of fraud and other irregularities.

The financial information appearing throughout this Annual Report is consistent with that in the financial statements. Directors have a responsibility for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group.

The Directors have always recognised the importance of the Group maintaining and reinforcing the highest possible standards of conduct in all of its actions, including the preparation and dissemination of statements presenting fairly the financial condition of the Group. In this regard, the Directors have developed and maintained a system of accounting and reporting which provides the necessary internal controls to ensure that transactions are properly authorised and recorded, assets are safeguarded against unauthorised use or disposition and liabilities are recognised. The system is augmented by written policies and procedures, the careful selection and training of qualified staff, the establishment of an organisational structure that provides an appropriate and well-defined division of responsibility, and the communication of policies and guidelines of business conduct throughout the Group.

The system of internal control is further supported by a professional staff of Internal Auditors who conduct periodic audits of all aspects of the Group's operations. External Auditors have full and free access to, and meet periodically with the Audit Committee to discuss their audit and findings as to the integrity of the Group's accounting and financial reporting and the adequacy of the system of internal controls.

Signed on behalf of the Board

RONALD F. deC. HARFORD
Chairman

September 30, 2014

Contents

EY
Building a better working world

Ernst & Young
P.O. Box 158
5/7 Sweet Briar Road
St. Clair, Port of Spain
Trinidad

Tel: +1 868 628 1105
Fax: +1 868 622 1153
ey.com

REPUBLIC BANK LIMITED

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF REPUBLIC BANK LIMITED

We have audited the accompanying consolidated financial statements of Republic Bank Limited and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position as at 30 September 2014, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, 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.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 30 September 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst + Young

Port of Spain,
TRINIDAD:
5 November 2014

Consolidated Statement of Financial Position

As at September 30, 2014.   Expressed in thousands of Trinidad and Tobago dollars ($'000)

	Notes	2014	2013 (Restated)	As at Oct 1 2012 (Restated)
ASSETS				
Cash and cash equivalents		**565,225**	526,383	486,893
Statutory deposits with Central Banks		**4,834,456**	4,332,600	3,972,810
Due from banks		**8,345,146**	9,237,076	7,224,545
Treasury Bills		**5,905,053**	5,723,076	4,806,156
Investment interest receivable		**72,136**	65,487	78,503
Advances	4	**27,095,407**	25,235,517	23,317,199
Investment securities	5	**8,260,382**	8,131,047	7,788,049
Investment in associated companies	6	**345,942**	445,377	207,162
Premises and equipment	7	**1,573,503**	1,584,014	1,558,285
Goodwill	8	**300,971**	485,971	485,971
Pension assets	9	**1,299,725**	1,292,988	1,264,920
Deferred tax assets	10	**184,154**	142,973	131,000
Taxation recoverable		**49,607**	47,034	49,782
Other assets	11	**539,809**	362,822	255,015
TOTAL ASSETS		**59,371,516**	**57,612,365**	**51,626,290**
LIABILITIES AND EQUITY				
LIABILITIES				
Due to banks		**69,957**	73,349	84,506
Customers' current, savings and deposit accounts	12	**43,770,760**	42,098,310	37,090,139
Other fund raising instruments	13	**3,357,833**	3,404,974	2,691,762
Debt securities in issue	14	**1,066,802**	1,229,058	1,240,547
Pension liability	9	**57,275**	50,337	56,609
Provision for post-retirement medical benefits	9	**423,502**	304,850	222,155
Taxation payable		**73,043**	160,991	104,795
Deferred tax liabilities	10	**468,036**	492,260	473,014
Accrued interest payable		**40,591**	51,966	62,898
Other liabilities	15	**1,297,394**	1,230,236	1,089,515
TOTAL LIABILITIES		**50,625,193**	**49,096,331**	**43,115,940**
EQUITY				
Stated capital	16	**704,871**	649,932	628,150
Statutory reserves		**1,202,364**	1,068,708	892,652
Other reserves	17	**744,363**	1,052,182	783,805
Retained earnings		**5,785,296**	5,449,009	5,539,069
Attributable to equity holders of the parent		**8,436,894**	8,219,831	7,843,676
Non-controlling interest		**309,429**	296,203	666,674
TOTAL EQUITY		**8,746,323**	**8,516,034**	**8,510,350**
TOTAL LIABILITIES AND EQUITY		**59,371,516**	**57,612,365**	**51,626,290**

The accompanying notes form an integral part of these consolidated financial statements.

These financial statements were approved by the Board of Directors on November 5, 2014 and signed on its behalf by:

RONALD F. deC. HARFORD Chairman	DAVID DULAL-WHITEWAY Managing Director	WILLIAM P. LUCIE-SMITH Director	JACQUELINE H.C. QUAMINA Corporate Secretary

Consolidated Statement of Income

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

	Notes	2014	2013 (Restated)
Interest income	18(a)	**2,521,146**	2,517,161
Interest expense	18(b)	**(303,094)**	(336,495)
Net interest income		**2,218,052**	2,180,666
Other income	18(c)	**1,486,982**	1,256,599
		3,705,034	3,437,265
Operating expenses	18(d)	**(2,061,496)**	(1,711,903)
Share of net profits/(loss) of associated companies	6	**49,135**	(60,324)
Operating profit		**1,692,673**	1,665,038
Investment impairment expense		**(4,094)**	(53,044)
Loan impairment expense, net of recoveries	4(b)(ii)	**(119,883)**	(57,052)
Net profit before taxation		**1,568,696**	1,554,942
Taxation expense	19	**(338,980)**	(377,075)
Net profit after taxation		**1,229,716**	**1,177,867**
Attributable to:			
Equity holders of the parent		**1,193,390**	1,151,021
Non-controlling interest		**36,326**	26,846
		1,229,716	**1,177,867**
Earnings per share ($)			
Basic		**$7.42**	$7.18
Diluted		**$7.39**	$7.16
Weighted average number of shares ('000)			
Basic	16	**160,918**	160,294
Diluted	16	**161,467**	160,768

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000)

	Notes	2014	2013 (Restated)
Net profit after taxation		**1,229,716**	**1,177,867**
Other comprehensive income:			
Items of other comprehensive income that may be reclassified to profit or loss in subsequent periods or have been transferred to profit and loss in the current period:			
Realised gains transferred to statement of income		**(327,918)**	(13,629)
Tax effect		**51,691**	16
		(276,227)	(13,613)
Revaluation of available-for-sale investments		**176,412**	52,753
Tax effect	10	**(18,765)**	(21,498)
		157,647	31,255
Translation adjustments		**(156,558)**	(8,293)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods or have been transferred to profit and loss in the current period		**(275,138)**	9,349
Items of other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plans		**(69,141)**	(21,847)
Tax effect		**17,888**	5,407
		(51,253)	(16,440)
Share of changes recognised directly in associate's equity	6	**(8,270)**	4,077
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		**(59,523)**	(12,363)
Total other comprehensive loss for the year, net of tax		**(334,661)**	(3,014)
Total comprehensive income for the year, net of tax		**895,055**	**1,174,853**
Attributable to:			
Equity holders of the parent		**866,240**	1,153,770
Non-controlling interest		**28,815**	21,083
		895,055	**1,174,853**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000)

	Stated capital	Statutory reserves	Other reserves	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance at October 1, 2012							
as previously reported	**628,150**	**892,652**	**783,805**	**5,586,968**	**7,891,575**	**663,612**	**8,555,187**
Impact of adopting IAS 19 (revised)	–	–	–	(47,899)	(47,899)	3,062	(44,837)
Restated balance at							
October 1, 2012	**628,150**	**892,652**	**783,805**	**5,539,069**	**7,843,676**	**666,674**	**8,510,350**
Total comprehensive income for the year	–	–	20,198	1,133,572	1,153,770	21,083	1,174,853
Issue of shares	15,244	–	–	–	15,244	–	15,244
Share-based payment	6,538	–	–	–	6,538	–	6,538
Unallocated shares	–	–	47,754	–	47,754	–	47,754
Transfer to general contingency reserve	–	–	200,425	(200,425)	–	–	–
Transfer to statutory reserves	–	176,056	–	(176,056)	–	–	–
Acquisition of non-controlling interest	–	–	–	(164,123)	(164,123)	(365,522)	(529,645)
Dividends (Note 27)	–	–	–	(683,028)	(683,028)	–	(683,028)
Dividends paid to non-controlling interest	–	–	–	–	–	(26,032)	(26,032)
Balance at							
September 30, 2013	**649,932**	**1,068,708**	**1,052,182**	**5,449,009**	**8,219,831**	**296,203**	**8,516,034**
Total comprehensive income for the year	–	–	(276,753)	1,142,993	866,240	28,815	895,055
Issue of shares	46,789	–	–	–	46,789	–	46,789
Share-based payment	8,150	–	–	–	8,150	–	8,150
Shares purchased for profit sharing scheme	–	–	(71,050)	–	(71,050)	–	(71,050)
Allocation of shares	–	–	52,185	–	52,185	–	52,185
Transfer to general contingency reserve	–	–	(12,201)	12,201	–	–	–
Transfer to statutory reserves	–	133,656	–	(133,656)	–	–	–
Dividends (Note 27)	–	–	–	(685,251)	(685,251)	–	(685,251)
Dividends paid to non-controlling interest	–	–	–	–	–	(15,589)	(15,589)
Balance at							
September 30, 2014	**704,871**	**1,202,364**	**744,363**	**5,785,296**	**8,436,894**	**309,429**	**8,746,323**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000)

	Notes	2014	2013 (Restated)
Operating activities			
Net profit before taxation		**1,568,696**	1,554,942
Adjustments for:			
Depreciation	7	**150,789**	154,209
Loan impairment expense, net of recoveries	4(b)(ii)	**119,883**	57,052
Goodwill impairment expense	8	**185,000**	–
Investment securities impairment expense		**4,094**	53,044
Translation difference		**(10,228)**	2,032
Losses on sale of premises and equipment		**5,278**	3,099
Realised (gain)/loss on investment securities		**(228,898)**	25,598
Share of net (profits)/loss of associated companies	6	**(49,135)**	60,324
Stock option expense	16	**8,150**	6,538
Increase in employee benefits		**118,853**	24,560
Increase in advances		**(1,979,773)**	(1,975,370)
Increase in customers' deposits and other fund raising instruments		**1,625,309**	5,721,383
Increase in statutory deposits with Central Banks		**(501,856)**	(359,789)
Increase in other assets and investment interest receivable		**(183,636)**	(94,791)
Increase in other liabilities and accrued interest payable		**55,783**	130,584
Taxes paid, net of refund		**(444,918)**	(324,992)
Cash provided by operating activities		**443,391**	**5,038,423**
Investing activities			
Purchase of investment securities		**(4,281,629)**	(3,275,502)
Redemption of investment securities		**4,126,002**	2,871,561
Net cash outflow from the purchase of interest in associated companies		**–**	(297,767)
Acquisition of non-controlling interest		**–**	(529,645)
Dividends from associated companies	6	**9,740**	3,305
Additions to premises and equipment	7	**(202,825)**	(201,686)
Proceeds from sale of premises and equipment		**50,459**	4,760
Cash used in investing activities		**(298,253)**	**(1,424,974)**
Financing activities			
Decrease in balances due to other banks		**(3,392)**	(11,157)
Repayment of debt securities		**(162,256)**	(11,489)
Proceeds from share issue	16	**46,789**	15,244
Shares purchased for profit sharing scheme	17	**(71,050)**	–
Allocation of shares to profit sharing plan	17	**52,185**	47,754
Dividends paid to shareholders of the parent	27	**(685,251)**	(683,028)
Dividends paid to non-controlling shareholders of the subsidiaries		**(15,589)**	(26,032)
Cash used in financing activities		**(838,564)**	**(668,708)**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended September 30, 2014.   Expressed in thousands of Trinidad and Tobago dollars ($'000)

	Notes	2014	2013 (Restated)
Net (decrease)/increase in cash and cash equivalents		**(693,426)**	2,944,741
Net foreign exchange difference		**24,460**	5,598
Cash and cash equivalents at beginning of year		**14,459,643**	11,509,304
Cash and cash equivalents at end of year		**13,790,677**	**14,459,643**
Cash and cash equivalents at end of year are represented by:			
Cash on hand		**565,225**	526,383
Due from banks		**8,345,146**	9,237,076
Treasury Bills - original maturities of three months or less		**4,631,493**	4,468,888
Bankers' acceptances - original maturities of three months or less		**248,813**	227,296
		13,790,677	**14,459,643**
Supplemental information:			
Interest received during the year		**2,560,429**	2,543,873
Interest paid during the year		**(314,469)**	(347,427)
Dividends received	18(c)	**681**	464

The accompanying notes form an integral part of these consolidated financial statements.

1 CORPORATE INFORMATION

Republic Bank Limited (the 'Parent') is incorporated in the Republic of Trinidad and Tobago and was continued under the provision of the Companies Act, 1995 on March 23, 1998. Its registered office is located at Republic House, 9-17 Park Street, Port of Spain.

The Republic Bank Group (the 'Group') is a financial services group comprising fourteen (14) subsidiaries and four (4) associated companies. The Group is engaged in a wide range of banking, financial and related activities in Trinidad and Tobago, the Caribbean and Ghana. A full listing of the Group's subsidiary companies is detailed in Note 29 while associate companies are listed in Note 6. Republic Bank Limited is the ultimate Parent of the Group and is listed on the Trinidad and Tobago Stock Exchange.

Until October 31, 2012, the CL Financial Group held through its various subsidiaries, 51.4% of the shares of Republic Bank Limited, of which Colonial Life Insurance Company (Trinidad) Limited (CLICO) and CLICO Investment Bank Limited (CIB) combined, held 51.1%.

CLICO Investment Bank Limited (CIB) which owned together with its subsidiary First Company Limited 18.3% of the shareholding of Republic Bank Limited was on October 17, 2011 ordered by the High Court to be wound up and the Deposit Insurance Company appointed liquidator. Accordingly, this 18.3% shareholding is under the control of the Deposit Insurance Company.

On November 1, 2012, 24.8% of Republic Bank formerly owned by Colonial Life Insurance Company (Trinidad) Limited (CLICO) was transferred into an investment fund launched by the Government of the Republic of Trinidad and Tobago and called the CLICO Investment Fund (the Fund). The Trustee of the Fund is the CLICO Trust Corporation Limited which holds the 24.8% shareholding in Republic Bank Limited in trust solely for the benefit of subscribing Unit holders of the Fund. The Fund is as a consequence the largest shareholder in Republic Bank Limited.

Effective November 1, 2012, the CL Financial Group is no longer considered a related party of Republic Bank Limited.

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied across the Group.

2.1 Basis of preparation

The financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS), and are stated in Trinidad and Tobago Dollars. These consolidated financial statements have been prepared on a historical cost basis, except for the measurement at fair value of investment securities classified as available-for-sale and at fair value through profit or loss financial instruments. The preparation of consolidated financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions. Actual results could differ from those estimates. Significant accounting judgements and estimates in applying the Group's accounting policies have been described in Note 3.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Republic Bank Limited and its subsidiaries as at September 30 each year. The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiary companies

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the purchase method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets, equity instruments and intangible assets given and liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. The excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Non-controlling interest represents the portion of the profit and net assets not owned, directly or indirectly, by the Bank and are presented separately in the consolidated statement of income, consolidated statement of comprehensive income and within equity in the consolidated financial position, separately from the equity holders of the parent.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Basis of consolidation *(continued)*

Associated companies

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. The Group's investments in associates are accounted for under the equity method of accounting. The investments in associates are carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of the associates' net assets, less any impairment in value. The consolidated statement of income reflects the net share of the results of operations of the associates.

2.3 Changes in accounting policies

i) *New accounting policies/improvements adopted*

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended September 30, 2013 except for the adoption of new standards and interpretations noted below:

IFRS 7 - Disclosures - Offsetting Financial Assets and Financial Liabilities (effective January 1, 2013)

These amendments require an entity to disclose information about rights of set-off and related arrangements (e.g. collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set-off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set-off in accordance with IAS 32. The amendment only affects disclosures and as such, did not have an impact on the Group's financial position and performance.

IFRS 10 - Consolidated Financial Statements, IAS 27 Separate Financial Statements (effective January 1, 2013)

IFRS 10 replaces the portion of IAS 27 that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation - Special Purpose Entities resulting in SIC-12 being withdrawn. IAS 27, as revised, is limited to the accounting for investments in subsidiaries, joint ventures and associates in separate financial statements. IFRS 10 does not change consolidation procedures (i.e. how to consolidate an entity). Rather, IFRS 10 changes whether an entity is consolidated by revising the definition of control.

IFRS 11 - Joint Arrangements, IAS 28 Investments in Associates and Joint Ventures (effective January 1, 2013)

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities - Non-monetary Contributions by Venturers. Joint control under IFRS 11 is defined as the contractually agreed sharing of control of an arrangement, which exists only when the decisions about the relevant activities require the unanimous consent of the parties sharing control. The reference to 'control' in 'joint control' refers to the definition of 'control' in IFRS 10. The adoption of this IFRS had no impact on the financial position or performance of the Group.

IFRS 12 - Disclosure of Interests in Other Entities (effective January 1, 2013)

IFRS 12 applies to an entity that has an interest in subsidiaries, joint arrangements, associates and/or structured entities. Many of the disclosure requirements of IFRS 12 were previously included in IAS 27, IAS 31 and IAS 28, while others are new. The objective of the new disclosure requirements is to help the users of financial statements understand the effects of an entity's interests in other entities on its financial position, financial performance and cash flows and to understand the nature of and the risks associated with the entity's interest in other entities.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Changes in accounting policies *(continued)*

i) *New accounting policies/improvements adopted (continued)*

IFRS 13 - Fair Value Measurement (effective January 1, 2013)

IFRS 13 does not affect when fair value is used, but rather describes how to measure fair value where fair value is required or permitted by IFRS. Fair value under IFRS 13 is defined as 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date' (i.e. an 'exit price'). 'Fair value' as used in IFRS 2 Sharebased Payments and IAS 17 Leases is excluded from the scope of IFRS 13. This IFRS has not materially impacted the fair value measurements of the Group. Additional disclosures, where required, are provided in Note 23 - Fair value.

IAS 19 - Employee Benefits (Revised) (effective January 1, 2013)

The revised standard includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. The more significant changes include the following:

For defined benefit plans, the ability to defer recognition of actuarial gains and losses (i.e. the corridor approach) has been removed. As revised, actuarial gains and losses are recognised in other comprehensive income (OCI) when they occur. Amounts recorded in the consolidated statement of income are limited to current and past service costs, gains or losses on settlements and net interest income (expense). All other changes in the net defined benefit asset/liability are recognised in OCI with no subsequent recycling to consolidated statement of income.

Expected returns on plan assets are no longer recognised in profit or loss. Expected returns are replaced by recording interest income in profit or loss, which is calculated using the discount rate used to measure the pension obligation.

Objectives for disclosures of defined benefit plans are explicitly stated in the revised standard, along with new or revised disclosure requirements. These new disclosures include quantitative information of the sensitivity of the defined benefit obligation to a reasonably possible change in each significant actuarial assumption.

Termination benefits will be recognised at the earlier of when the offer of termination cannot be withdrawn, or when the related restructuring costs are recognised under IAS 37.

The distinction between short-term and other long-term employee benefits will be based on expected timing of settlement rather than the employee's entitlement to the benefits.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Changes in accounting policies *(continued)*

i) New accounting policies/improvements adopted (continued)

IAS 19 - Employee Benefits (Revised) (effective January 1, 2013) (continued)

Impact on consolidated statement of income

		2013
Net profit before tax as previously reported		1,580,565
IAS 19 impact on net benefit cost		(25,623)
Net profit before taxation, restated		1,554,942
Taxation as previously reported	(383,440)	
Taxation impact of IAS 19	6,365	
Taxation expense, restated		(377,075)
Net profit after taxation, restated		**1,177,867**
Attributable to:		
Equity holders of the parent, as previously reported		1,169,991
IAS 19 impact on profit attributable to equity holders of the parent		(18,970)
Equity holders of the parent, restated		**1,151,021**
Non-controlling interest as previously reported		27,134
IAS 19 impact on profit attributable to non-controlling interest		(288)
Non-controlling interest, restated		**26,846**
Net profit after taxation, restated		**1,177,867**
Impact on earnings per share ($)		
Basic		($0.12)
Diluted		($0.12)

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Changes in accounting policies *(continued)*

i) New accounting policies/improvements adopted (continued)

IAS 19 - Employee Benefits (Revised) (effective January 1, 2013) (continued)

Impact on consolidated statement of comprehensive income

		2013
Total comprehensive income as previously reported		1,210,549
IAS 19 impact on profit after tax		(19,256)
		1,191,293
Re-measurement loss on defined benefit plans	(21,847)	
Taxation effect	5,407	
Re-measurement loss on defined benefit plans, net of tax		(16,440)
Total comprehensive income for the year, net of tax, restated		**1,174,853**
Attributable to:		
Equity holders of the parent, as previously reported		1,190,189
IAS 19 impact on profit attributable to equity holders of the parent		(36,419)
Equity holders of the parent, restated		**1,153,770**
Non-controlling interest as previously reported		20,360
IAS 19 impact on profit attributable to non-controlling interest		723
Non-controlling interest, restated		**21,083**
Total comprehensive income, restated		**1,174,853**

2.3 Changes in accounting policies *(continued)*

i) New accounting policies/improvements adopted (continued)

IAS 19 - Employee Benefits (Revised) (effective January 1, 2013) (continued)

Impact on consolidated statement of changes in equity

		As at Oct 1 2012
Total equity as previously reported		8,555,187
Re-measurement loss on defined benefit plans	(58,518)	
Taxation effect	13,681	
Net decrease in equity		(44,837)
Total equity for the year, restated		**8,510,350**
Attributable to:		
Equity holders of the parent, as previously reported		7,891,575
IAS 19 impact on profit attributable to equity holders of the parent		(47,899)
Equity holders of the parent, restated		**7,843,676**
Non-controlling interest as previously reported		663,612
IAS 19 impact on profit attributable to non-controlling interest		3,062
Non-controlling interest, restated		**666,674**
Total equity after taxation, restated		**8,510,350**

2.4 Standards in issue not yet effective

The following is a list of standards and interpretations issued that are not yet effective up to the date of issuance of the Group's financial statements. The Group reasonably expects these standards and interpretations to be applicable at a future date and intends to adopt those standards and interpretations when they become effective.

The Group is currently assessing the impact of adopting these standards and interpretations. Since the impact of adoption depends on the assets held by the Group at the date of adoption, it is not practical to quantify the effect at this time.

IFRS 9 - Financial Instruments: Classification and Measurement (effective January 1, 2018)

IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39. In subsequent phases, the Board will address impairment and hedge accounting. The adoption of the first phase of IFRS 9 will primarily have an effect on the classification and measurement of the Group's financial assets.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.4 Standards in issue not yet effective *(continued)*

IFRS 10, IFRS 12 and IAS 27 - Investment Entities (Amendments) (effective January 1, 2014)

The amendments apply to investments in subsidiaries, joint ventures and associates held by a reporting entity that meets the definition of an investment entity. The concept of an investment entity is new to IFRS. The amendments represent a significant change for investment entities, which are currently required to consolidate investees that they control. Significant judgement of facts and circumstances may be required to assess whether an entity meets the definition of investment entity.

IFRS 14 - Regulatory Deferral Accounts (effective January 1, 2016)

The standard requires disclosures on the nature of and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Existing IFRS preparers are prohibited from applying this standard. Also, an entity whose current GAAP does not allow the recognition of rate-regulated assets and liabilities, or that has not adopted such policy under its current GAAP, would not be allowed to recognise them on first-time application of IFRS.

Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income.

IAS 19 - Defined Benefit Plans: Employee Contributions–Amendments to IAS 19 (effective after July 1, 2014)

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. IAS 19 requires such contributions that are linked to service to be attributed to periods of service as a negative benefit.

The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. Examples of such contributions include those that are a fixed percentage of the employee's salary, a fixed amount of contributions throughout the service period, or contributions that depend on the employee's age.

These changes provide a practical expedient for simplifying the accounting for contributions from employees or third parties in certain situations.

IAS 32 - Offsetting Financial Assets and Financial liabilities (effective January 1, 2014)

These amendments clarify the meaning of the phrase 'currently has a legally enforceable right to set-off' by stating that rights of set-off must not only be legally enforceable in the normal course of business, but must also be enforceable in the event of default and the event of bankruptcy or insolvency of all of the counterparties to the contract, including the reporting entity itself. The amendments also clarify that rights of set-off must not be contingent on a future event. The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous.

IAS 36 - Recoverable Amount Disclosures for Non-Financial Assets - Amendments to IAS 36 (effective January 1, 2014)

The amendments clarify the disclosure requirements in respect of fair value less costs of disposal. When IAS 36 Impairment of Assets was originally changed as a result of IFRS 13, the IASB intended to require disclosure of information about the recoverable amount of impaired assets if that amount was based on fair value less costs to sell. An unintended consequence of the amendments was that an entity would be required to disclose the recoverable amount for each cash-generating unit for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit was significant in comparison to the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives. This requirement has been deleted by the amendment. However the IASB has added two disclosure requirements:

Additional information about the fair value measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal.

Information about the discount rates that have been used when the recoverable amount is based on fair value less costs of disposal using a present value technique. The amendments harmonise disclosure requirements between value in use and fair value less costs of disposal.

2.4 Standards in issue not yet effective *(continued)*

IFRIC 21 - Levies (effective January 1, 2014)

IFRIC 21 is applicable to all levies other than outflows that are within the scope of other standards (e.g. IAS 12) and fines or other penalties for breaches of legislation. Levies are defined in the interpretation as 'outflows of resources embodying economic benefits imposed by government on entities in accordance with legislation.'

The interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability is recognised before the specified minimum threshold is reached.

2.5 Improvements to International Financial Reporting Standards

The annual improvements process of the International Accounting Standards Board deals with non-urgent but necessary clarifications and amendments to IFRS. The following amendments are applicable to annual periods beginning on or after January 1, 2013.

IFRS		Subject of Amendment
IAS 40	-	Investment Property
IFRS 1	-	First-time Adoption of International Financial Reporting Standards
IFRS 3	-	Business Combinations
IFRS 13	-	Fair Value Measurement

2.6 Summary of significant accounting policies

a) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents consist of highly liquid investments, cash at hand and at bank, Treasury Bills and bankers' acceptances with original maturities of three months or less.

b) Statutory deposits with Central Banks

Pursuant to the provisions of the Central Bank Act, 1964 and the Financial Institutions Act, 2008, the Bank and its subsidiary, Republic Finance and Merchant Bank Limited are required to maintain with the Central Bank of Trinidad and Tobago statutory balances in relation to the deposit liabilities of the institutions. Other than statutory deposits of $4.1 billion, the Group also holds Treasury Bills and other deposits of $6.2 billion with the Central Bank of Trinidad and Tobago as at September 30, 2014. Interest earned on these balances for the year was $21.6 million.

Pursuant to the Banking Act of Grenada 1988, Republic Bank (Grenada) Limited is required to maintain specified assets as a reserve requirement to its deposit liabilities.

Pursuant to the Guyana Financial Institutions Act 1995, Republic Bank (Guyana) Limited is required to maintain with the Bank of Guyana statutory reserve balances in relation to the deposit liabilities of the institution.

In accordance with statutory provisions, Republic Bank (Barbados) Limited, is required to maintain reserves in the form of certain cash resources and government securities with the Central Bank of Barbados.

c) Financial instruments

The Group's financial assets and financial liabilities are recognised in the consolidated statement of financial position when it becomes party to the contractual rights or obligation of the instrument. A financial asset is derecognised when the rights to receive the cash flows from the asset have expired or where the Group has transferred all the risks and rewards of ownership of the asset. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or has expired. All 'regular way' purchases and sales are recognised at settlement date.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Summary of significant accounting policies *(continued)*

c) Financial instruments *(continued)*

i) Advances

Advances are financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as 'Financial assets held for trading', designated as 'Financial investments - available-for-sale' or 'Financial assets designated at fair value through profit or loss'. After initial measurement, advances are subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest rate. The amortisation is included in 'Interest income' in the consolidated statement of income. The losses arising from impairment are recognised in the consolidated statement of income in 'Loan impairment expense'.

ii) Investment securities

At fair value through profit or loss

Financial assets are classified in this category if they are either acquired for the purpose of selling in the short term or if so-designated by management. Securities held as financial assets at fair value through profit or loss are initially recognised at fair value and are continuously measured at fair value based on quoted market prices where available, or discounted cash flow models.

All gains realised and unrealised from trading securities and those designated at fair value through profit or loss are reported in other income whilst losses are reported in operating expenses. Interest and dividends earned whilst holding trading securities and those designated at fair value through profit or loss are reported in interest income.

Available-for-sale

Available-for-sale investments are securities intended to be held for an indefinite period of time, but may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. Securities held as available-for-sale are initially recognised at fair value plus transaction costs and are continuously remeasured at fair value based on quoted market prices where available or discounted cash flow models. Unquoted equity instruments are recognised at cost, being the fair value of the consideration paid for the acquisition of the investment.

Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income net of applicable deferred tax. When the securities are disposed of, the related accumulated fair value adjustments are included in other income. When securities become impaired, the related accumulated fair value adjustments previously recognised in equity are included in the consolidated statement of income as an impairment expense on investment securities.

iii) Debt securities and other fund raising instruments

Debt securities and other fund raising instruments are recognised initially at fair value net of transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

d) Impairment of financial assets

The Group assesses, at each consolidated statement of financial position date, whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

2.6 Summary of significant accounting policies *(continued)*

d) Impairment of financial assets *(continued)*

i) Advances

All non-performing and individually significant advances are individually reviewed and specific provisions made for the impaired portion based on the present value of estimated future cash flows and discounted by the original effective interest rate of the loan. The provision made is the difference between the loan balance and the discounted value of the collateral. Individually insignificant loans with similar characteristics are assessed for impairment on a group basis.

Regulatory and other loan loss requirements that exceed these amounts are dealt with in the general contingency reserve as an appropriation of retained earnings.

When all efforts have been exhausted to recover a non-performing loan, that loan is deemed uncollectible and written off against the related provision for loan losses.

ii) Investment securities

The Group individually assesses each investment security for objective evidence of impairment. If an impaired debt instrument has been renegotiated, interest continues to be accrued on the reduced carrying amount of the asset and is recorded as part of 'Interest income.' If the fair value of the instrument increases in a subsequent year, the impairment loss is reversed through the consolidated statement of income.

If there is objective evidence that the cost of an available-for-sale equity security may not be recovered, the security is considered to be impaired. Objective evidence that the cost may not be recovered includes qualitative impairment criteria as well as a significant or prolonged decline in the fair value below cost. The Group's policy considers a significant decline to be one in which the fair value is below the weighted-average cost by more than 30% or a prolonged decline to be one in which fair value is below the weighted-average cost for greater than one year. This policy is applied by all subsidiaries at the individual security level.

If an available-for-sale equity security is impaired based upon the Group's qualitative or quantitative impairment criteria, any further declines in the fair value at subsequent reporting dates are recognised as impairments. Therefore, at each reporting period, for an equity security that is determined to be impaired based upon the Group's impairment criteria, an impairment is recognised for the difference between the fair value and the original cost basis, less any previously recognised impairments.

e) Leases

Finance Leases

Finance charges on leased assets are taken into income using the amortisation method. This basis reflects a constant periodic rate of return on the lessor's net investment in the finance lease. Finance leases net of unearned finance income are included in the consolidated statement of financial position under advances.

Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated statement of income on a straight-line basis over the period of the lease. Renewal of operating leases is based on mutual agreement between parties prior to the expiration date.

f) Premises and equipment

Premises and equipment are stated at cost less accumulated depreciation. Leasehold buildings and leased equipment are depreciated over the period of the lease.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of income during the financial period in which they are incurred.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Summary of significant accounting policies *(continued)*

f) Premises and equipment *(continued)*

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each statement of financial position date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the consolidated statement of income.

Depreciation other than on leasehold buildings and leased equipment is computed on the declining balance method at rates expected to apportion the cost of the assets over their estimated useful lives.

The depreciation rates used are as follows:

Freehold and leasehold premises	2%
Equipment, furniture and fittings	15% - 33.33%

g) Goodwill

Goodwill on acquisition is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which goodwill relates. The recoverable amount is the higher of fair value less cost to dispose or value in use. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

h) Employee benefits

i) Pension obligations

The Group operates a number of defined benefit plans, the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from the relevant Group companies, taking account of the recommendations of independent qualified actuaries who carry out the full valuation of the Plans every three years. In Trinidad, the Parent, Republic Bank Limited, took the actuary's advice regarding a pension holiday, effective January 1999.

Annually, the Bank's independent actuaries conduct a valuation exercise to measure the effect of all employee benefit plans.

For these defined benefit plans, the pension accounting costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the consolidated statement of income so as to spread regular costs over the service lives of employees in accordance with the advice of qualified actuaries.

The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses and return on plan assets (excluding interest) are recognised immediately through other comprehensive income.

The defined benefit plans mainly expose the Group to risks such as investment risk, interest rate risk and longevity risk.

The above accounting requirement in no way affects the pension plans which continue to be governed by the approved Trust Deed and Rules and remain under the full control of the appointed Trustees.

The full results of the valuation exercise are disclosed in Note 9 to these consolidated financial statements.

2.6 Summary of significant accounting policies *(continued)*

h) Employee benefits *(continued)*

ii) Other post-retirement obligations

The Group provides post-retirement medical benefits to its retirees. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using a methodology similar to that for defined benefit pension plans. Independent qualified actuaries carry out a valuation of these obligations.

iii) Profit sharing scheme

The Bank operates an employee profit sharing scheme, which is administered by Trustees in accordance with terms outlined in the Profit Sharing Scheme Rules. The profit share to be distributed to employees each year is based on a specific formula outlined in the Profit Sharing Scheme Rules, and employees have the option to receive their profit share allocation in cash (up to a maximum of 75% of the total entitlement) and receive the balance in ordinary shares of the Bank. The number of shares to be allocated is based on the employees' total entitlement less the cash element, divided by the average price of the unallocated shares purchased by the Trustees. The Bank accounts for the profit share, as an expense, through the consolidated statement of income.

i) Taxation

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Income tax payable on profits, based on the applicable tax law in each jurisdiction, is recognised as an expense in the period in which profits arise. The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

j) Statutory reserves

The Trinidad and Tobago Financial Institutions Act 2008 requires that a minimum of 10% of the net profit after deduction of taxes in each year be transferred to a statutory reserve account until the balance on this reserve is not less than the paid-up capital.This requirement was met as at June 2012. In accordance with the Trinidad and Tobago Financial Institutions Act 2008, the Bank is also required to maintain statutory reserves of at least 20 times deposit liabilities.

The Banking Act of Grenada (No. 19 of 2005), requires that a minimum of 20% of the net profit after deduction of taxes in each year be transferred to a statutory reserve fund until the balance on this reserve is equal to the paid-up capital. These reserves are not available for distribution as dividends or for any other form of appropriation.

The Guyana Financial Institutions Act 1995 requires that a minimum of 15% of the net profit after deduction of taxes in each year be transferred to a statutory reserve fund until the balance on this reserve is equal to the paid-up or assigned capital.

The Offshore Banking Act of Barbados requires that a minimum of 25% of the net profits of each year before any dividend is paid, be transferred to a statutory reserve account until the balance on this reserve is not less than the issued and paid-up capital.

The Barbados Financial Institutions Act requires that a minimum of 25% of the net income in each year be transferred to a general reserve account until the balance on this reserve is not less than the paid-up capital.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Summary of significant accounting policies *(continued)*

k) Fiduciary assets

The Group provides custody, trustee and investment management services to third parties. All related assets are held in a fiduciary capacity and are not included in these consolidated financial statements as they are not the assets of the Group. These assets under administration at September 30, 2014 totalled $31.8 billion (2013: $29.9 billion).

l) Earnings per share

Data on basic earnings per share has been computed by dividing the net profit attributable to equity holders of the parent, by the weighted average number of ordinary shares in issue during the year.

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has one category of dilutive potential ordinary shares, which are share options granted to Executive Management.

The difference between the weighted average number of shares used as the denominator in calculating basic earnings per share and that used for calculating diluted earnings per share is due to share options granted during the year.

m) Foreign currency translation

The individual financial statements of each group entity is presented in the currency of the primary economic environment, in which the entity operates (its functional currency). The consolidated financial statements are expressed in Trinidad and Tobago dollars, which is the functional currency of the parent.

Monetary assets and liabilities of the parent, which are denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling on September 30. Non monetary assets and liabilities denominated in foreign currencies are translated at historic rates. All revenue and expenditure transactions denominated in foreign currencies are translated at mid-exchange rates and the resulting profits and losses on exchange from these trading activities are dealt with in the consolidated statement of income.

The assets and liabilities of subsidiary companies are translated into Trinidad and Tobago dollars at the mid-rates of exchange ruling at the statement of financial position date and all resulting exchange differences are recognised in other comprehensive income. All revenue and expenditure transactions are translated at an average rate.

n) Interest income and expense

Interest income and expense are recognised in the consolidated statement of income for all interest-bearing instruments on an accrual basis using the effective interest yield method. Interest income includes coupons earned on fixed income investment and trading securities and accrued discount and premium on Treasury Bills and other discounted instruments.

o) Fee and commission income

Unless included in the effective interest calculation, fees and commissions are recognised on an accruals basis as the service is provided. Fees and commissions not integral to effective interest arising from negotiating, or participating in the negotiation of a transaction from a third party are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts. Asset management fees related to investment funds are recognised over the period the service is provided.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Summary of significant accounting policies *(continued)*

p) Dividends

Dividend income is recognised when the right to receive the payment is established.

q) Segment reporting

A geographical segment is engaged in providing products, or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

A business segment is a group of assets and operations engaged in providing similar products and services that are subject to risks and returns that are different from those of other business segments.

The Group analyses its operations by both geographic and business segments. The primary format is geographic, reflecting its management structure. Its secondary format is that of business segments reflecting retail and commercial banking and investment banking.

r) Customers' liabilities under acceptances, guarantees, indemnities and letters of credit

These represent the Group's potential liability, for which there are equal and offsetting claims against its customers in the event of a call on these commitments. These amounts are not recorded on the Group's consolidated statement of financial position but are detailed in Note 28(b) of these consolidated financial statements.

s) Share-based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES IN APPLYING THE GROUP'S ACCOUNTING POLICIES

Management has made the following judgements in its application of the Group's accounting policies which have the most significant effect on the amounts reported in the consolidated financial statements:

Impairment of financial assets

Management makes judgements at each statement of financial position date to determine whether financial assets are impaired. Financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

Inherent provisions on advances (Note 4b)

Inherent provisions on advances are calculated on an estimate of impairment incurred but not reported, existing in assets as at the consolidated statement of financial position date. Estimated impairment incurred is determined by applying against performing loan balances, the average loan default rates and adjusting this balance for current economic factors that affect loan performance. An anticipated recovery rate (determined from historical average) is then applied to determine the value that is recoverable. This calculation is computed by product type.

Valuation of investments (Note 5)

The Group has applied IAS 39 in its classification of investment securities which requires measurement of securities at fair value. For unlisted securities, fair values are estimated using price/earnings or price/cash flow ratios which have been refined to accommodate the specific circumstances of the issuer.

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES IN APPLYING THE GROUP'S ACCOUNTING POLICIES

Net pension asset/liability (Note 9)

In conducting valuation exercises to measure the effect of all employee benefit plans throughout the Group, the Banks' independent actuaries use judgement and assumptions in determining discount rates, salary increases, NIS ceiling increases, pension increases and the rate of return on the assets of the Plans.

Goodwill (Note 8)

The Group financial statements include goodwill arising from acquisitions. In accordance with IFRS 3, goodwill was reviewed for impairment as at September 30, 2014 by determining the recoverable amount, which is the higher of fair value less cost to dispose or value in use. The value in use method requires the use of estimates for determination of future cash flows expected to arise from each cash-generating unit and an appropriate perpetuity discount rate to calculate present value.

Deferred taxes (Note 10)

In calculating the provision for deferred taxation, management uses judgement to determine the probability that future taxable profits will be available to facilitate utilisation of temporary tax differences which may arise.

Premises and equipment (Note 7)

Management exercises judgement in determining whether costs incurred can accrue sufficient future economic benefits to the Group to enable the value to be treated as a capital expense. Further judgement is used upon annual review of the residual values and useful lives of all capital items to determine any necessary adjustments to carrying value.

Assessment of control

Management uses judgement in performing a control assessment review on all mutual funds and retirement plans sponsored by Republic Bank Limited (RBL) and its subsidiaries. This assessment revealed that RBL is unable to exercise power over the activities of the funds and is therefore not deemed to be in control of any of the mutual funds and retirement plans.

4 ADVANCES

a) Advances

	2014			
	Retail Lending	Commercial and Corporate Lending	Mortgages	Total
Performing advances	5,200,539	10,892,477	10,453,975	26,546,991
Non-performing advances	111,145	539,633	322,833	973,611
	5,311,684	11,432,110	10,776,808	27,520,602
Unearned interest/finance charge	(46,692)	(64,976)	–	(111,668)
Accrued interest	8,324	47,054	22,500	77,878
	5,273,316	11,414,188	10,799,308	27,486,812
Allowance for impairment losses - Note 4 (b)	(73,831)	(240,841)	(76,733)	(391,405)
Net advances	**5,199,485**	**11,173,347**	**10,722,575**	**27,095,407**

4 ADVANCES *(continued)*

a) Advances *(continued)*

	2013			
	Retail Lending	Commercial and Corporate Lending	Mortgages	Total
Performing advances	4,657,838	10,687,882	9,352,129	24,697,849
Non-performing advances	98,375	593,299	256,772	948,446
	4,756,213	11,281,181	9,608,901	25,646,295
Unearned interest/finance charge	(51,267)	(130,223)	–	(181,490)
Accrued interest	23,508	71,097	29,205	123,810
	4,728,454	11,222,055	9,638,106	25,588,615
Allowance for impairment losses	(66,530)	(211,320)	(75,248)	(353,098)
Net advances	**4,661,924**	**11,010,735**	**9,562,858**	**25,235,517**

b) Allowance for impairment losses

i) Impairment assessment

The main considerations for the loan impairment assessment include whether any payments of principal or interest are overdue by more than 90 days or there are any known difficulties in the cash flows of counterparties, credit rating downgrades, or infringement of the original terms of the contract. The Group addresses impairment assessment in two areas: individually assessed allowances and collectively assessed allowances.

Individually assessed allowances

The Group determines the allowances appropriate for each individually significant loan or advance on an individual basis. Items considered when determining allowance amounts include the sustainability of the counterparty's business plan, its ability to improve performance once a financial difficulty has arisen, projected receipts and the expected dividend payout should bankruptcy ensue, the availability of other financial support and the realisable value of collateral, and the timing of the expected cash flows. The impairment losses are evaluated at each reporting date, unless unforeseen circumstances require more immediate attention.

Collectively assessed allowances

Allowances are assessed collectively for losses on loans and advances that are not individually significant (including credit cards, residential mortgages and unsecured consumer lending) and for individually significant loans and advances where there is not yet objective evidence of individual impairment.

Allowances are evaluated on each reporting date with each portfolio receiving a separate review. The collective assessment takes account of impairment that is likely to be present in the portfolio even though there is not yet objective evidence of the impairment in an individual assessment. Impairment losses are estimated by taking into consideration the following information: historical losses on the portfolio, current economic conditions, the approximate delay between the time a loss is likely to have been incurred and the time it will be identified as requiring an individually assessed impairment allowance, and expected receipts and recoveries once impaired. The impairment allowance is then reviewed by credit management to ensure alignment with the Group's overall policy.

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

4 ADVANCES *(continued)*

b) Allowance for impairment losses *(continued)*

ii) Reconciliation of the allowance for impairment losses for loans and advances by class

	2014			
	Retail Lending	Commercial and Corporate Lending	Mortgages	Total
Balance brought forward	66,530	211,320	75,248	353,098
Translation adjustment	(495)	(1,497)	(363)	(2,355)
Charge-offs and write-offs	(34,977)	(40,116)	(4,128)	(79,221)
Loan impairment expense	65,221	135,658	33,256	234,135
Loan impairment recoveries	(22,448)	(64,524)	(27,280)	(114,252)
Balance carried forward	**73,831**	**240,841**	**76,733**	**391,405**
Individual impairment	53,297	210,063	64,152	327,512
Collective impairment	20,534	30,778	12,581	63,893
	73,831	**240,841**	**76,733**	**391,405**
Gross amount of loans individually determined to be impaired, before deducting any allowance	**111,145**	**539,633**	**322,833**	**973,611**

	2013			
	Retail Lending	Commercial and Corporate Lending	Mortgages	Total
Balance brought forward	69,526	240,677	79,321	389,524
Translation adjustment	(281)	(465)	(152)	(898)
Charge-offs and write-offs	(40,973)	(48,327)	(3,280)	(92,580)
Loan impairment expense	61,780	146,741	35,944	244,465
Loan impairment recoveries	(23,522)	(127,306)	(36,585)	(187,413)
Balance carried forward	**66,530**	**211,320**	**75,248**	**353,098**
Individual impairment	44,833	185,167	64,163	294,163
Collective impairment	21,697	26,153	11,085	58,935
	66,530	**211,320**	**75,248**	**353,098**
Gross amount of loans individually determined to be impaired, before deducting any allowance	**98,375**	**593,299**	**256,772**	**948,446**

4 ADVANCES *(continued)*

c) Net investment in leased assets included in net advances

	2014	2013
Gross investment	**284,647**	390,104
Unearned finance charge	**(52,037)**	(123,058)
	232,610	267,046
Allowance for impairment loss	**(186)**	(190)
Net investment in leased assets	**232,424**	**266,856**

d) Net investment in leased assets has the following maturity profile

	2014	2013
Within one year	**9,827**	11,095
One to five years	**25,960**	56,381
Over five years	**196,637**	199,380
	232,424	**266,856**

5 INVESTMENT SECURITIES

	2014	2013
a) Available-for-sale		
Government securities	**2,631,069**	2,353,613
State owned company securities	**1,089,040**	1,189,226
Corporate bonds/debentures	**4,010,586**	3,633,195
Bankers' acceptances	**472,575**	621,053
Equities and mutual funds	**56,108**	332,760
	8,259,378	**8,129,847**
b) At fair value through profit or loss		
Held for trading		
Quoted securities	**1,004**	1,200
Total investment securities	**8,260,382**	**8,131,047**

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

6 INVESTMENT IN ASSOCIATED COMPANIES

	2014	2013
Balance at beginning of year	**445,377**	207,162
Acquisition of shareholding	**–**	297,767
Share of current year profit/(loss)	**49,135**	(60,324)
Dividends received	**(9,740)**	(3,305)
Translation adjustments	**(130,560)**	–
Share of revaluation reserves	**(8,270)**	4,077
Balance at end of year	**345,942**	**445,377**

The Group's interest in associated companies is as follows:

	Country of incorporation	Reporting year-end of associate	Proportion of issued capital held
G4S Holdings (Trinidad) Ltd	Trinidad and Tobago	December	24.50%
InfoLink Services Limited	Trinidad and Tobago	December	25.00%
East Caribbean Financial Holding Company Limited (ECFH)	St. Lucia	December	19.30%
HFC Bank (Ghana) Limited (HFC)	Ghana	December	40.00%

Summarised financial information in respect of the Group's associates are as follows:

	Associates that are material to the Group		Other associates	Total Investment in Associates	
	HFC 2014	ECFH 2014	2014	2014	2013
Total assets	**2,382,418**	**8,803,208**	**169,815**	**11,355,441**	10,289,449
Total liabilities	**1,948,376**	**8,305,345**	**23,076**	**10,276,797**	9,155,322
Net assets/equity	**434,042**	**497,864**	**146,738**	**1,078,644**	1,134,127
Group's share of associates' net assets	**213,144**	**96,389**	**36,409**	**345,942**	445,377
Group's share of profit/(loss) of associated companies after tax for the period	**43,291**	**(602)**	**6,446**	**49,135**	(60,324)
Group's share of translation adjustments	**(130,560)**	**–**	**–**	**(130,560)**	–
Group's share of revaluation reserves of associated companies	**–**	**(8,270)**	**–**	**(8,270)**	4,077
Dividends received during the year	**7,351**	**–**	**2,389**	**9,740**	3,305
HFC and ECFH revenue for the six-month period ended June 30, 2014	**209,721**	**249,250**	**–**	**–**	–

7 PREMISES AND EQUIPMENT

	Capital works in progress	Freehold premises	Leasehold premises	Equipment furniture and fittings	Total
2014					
Cost					
At beginning of year	112,459	1,222,654	120,194	1,480,633	2,935,940
Exchange and other adjustments	(120)	(5,923)	(261)	(5,247)	(11,551)
Additions at cost	129,638	9,552	1,856	61,779	202,825
Disposal/transfer of assets	(69,269)	(73,028)	4,325	(53,434)	(191,406)
	172,708	1,153,255	126,114	1,483,731	2,935,808
Accumulated depreciation					
At beginning of year	–	185,059	90,740	1,076,127	1,351,926
Exchange and other adjustments	–	(748)	(152)	(3,841)	(4,741)
Charge for the year	–	18,876	4,472	127,441	150,789
Disposal of assets	–	(43,600)	(706)	(91,363)	(135,669)
	–	159,587	94,354	1,108,364	1,362,305
Net book value	**172,708**	**993,668**	**31,760**	**375,367**	**1,573,503**

	Capital works in progress	Freehold premises	Leasehold premises	Equipment furniture and fittings	Total
2013					
Cost					
At beginning of year	129,298	1,132,990	116,217	1,423,948	2,802,453
Exchange and other adjustments	(132)	(2,449)	(164)	(1,993)	(4,738)
Additions at cost	86,153	36,816	1,908	76,809	201,686
Disposal/transfer of assets	(102,860)	55,297	2,233	(18,131)	(63,461)
	112,459	1,222,654	120,194	1,480,633	2,935,940
Accumulated depreciation					
At beginning of year	–	168,906	87,937	987,325	1,244,168
Exchange and other adjustments	–	(266)	(94)	(1,489)	(1,849)
Charge for the year	–	17,219	3,264	133,726	154,209
Disposal of assets	–	(800)	(367)	(43,435)	(44,602)
	–	185,059	90,740	1,076,127	1,351,926
Net book value	**112,459**	**1,037,595**	**29,454**	**404,506**	**1,584,014**

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

7 PREMISES AND EQUIPMENT *(continued)*

Capital commitments	**2014**	**2013**
Contracts for outstanding capital expenditure not provided for in the consolidated financial statements	**437,591**	119,448
Other capital expenditure authorised by the Directors but not yet contracted for	**93,432**	23,736

8 GOODWILL

	2014	**2013**
Goodwill on acquisition brought forward	**485,971**	485,971
Goodwill written off during the year	**(185,000)**	–
	300,971	**485,971**

Impairment testing of goodwill

In accordance with IFRS 3, all assets that gave rise to goodwill were reviewed for impairment at September 30, 2014 by assessing the recoverable amount of the cash generating unit to which the goodwill relates. In each case, the cash flow projections are based on financial budgets approved by senior management and the values assigned to key assumptions reflect past performance.

In conducting this review, consideration was made for the recent downturn in the Barbados economy and the resultant impact on the cash-generating unit, Republic Bank (Barbados) Limited. Key assumptions were therefore adjusted as follows:

Assumption	Change	Reason for change
Discount rate	Increase from 10% to 12%	Increase in risk profile of the country
Terminal Growth Rate	Decrease from 5% to 1.75%	Decline in economic outlook and long-term future GDP growth for the country
Cash flow projection term	Increase from 3 years to 10 years	More extensive review of future cash flows of the cash generating unit due to change in economic conditions

As a result of these changes in key assumptions, the value in use of the cash generating unit was determined to be lower than the carrying value of the company. A Goodwill impairment expense of $185 million was therefore calculated as follows for the Group's investment in Republic Bank (Barbados) Limited:

	TT$ Million
Carrying Value of Republic Bank (Barbados) Limited	**1,551**
Recoverable amount	**1,366**
Impairment	**185**

9 EMPLOYEE BENEFITS

a) The amounts recognised in the consolidated statement of financial position are as follows:

	Defined benefit pension plans			
	Pension assets		Pension liability	
	2014	2013	2014	2013
Present value of defined benefit obligation	**(2,706,572)**	(2,572,194)	**(302,311)**	(291,793)
Fair value of plan assets	**4,020,468**	3,879,232	**245,036**	241,456
Surplus/(deficit)	**1,313,896**	1,307,038	**(57,275)**	(50,337)
Effect of asset ceiling	**(14,171)**	(14,050)	**–**	–
Net asset/(liability) recognised in the consolidated statement of financial position	**1,299,725**	**1,292,988**	**(57,275)**	**(50,337)**

	Post-retirement medical benefits	
	2014	2013
Present value of defined benefit obligation	**(423,502)**	(304,850)
Fair value of plan assets	**–**	–
Net liability recognised in the consolidated statement of financial position	**(423,502)**	**(304,850)**

b) Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans		Post-retirement medical benefits	
	2014	2013	2014	2013
Opening defined benefit obligation	**2,863,987**	2,523,045	**304,850**	222,114
Exchange adjustments	**(2,844)**	–	**(65)**	–
Current service cost	**100,108**	86,269	**14,709**	10,593
Interest cost	**148,843**	143,022	**15,385**	12,304
Members' contributions	**1,029**	1,012	**–**	–
Re-measurements:				
- Experience adjustments	**(15,518)**	23,019	**91,436**	27,971
- Actuarial gains/(losses) from change in demographic assumptions	**2,505**	(10,800)	**76**	34,890
- Actuarial gains/(losses) from change in financial assumptions	**–**	183,014	**–**	(552)
Benefits paid	**(89,227)**	(84,594)	**(203)**	(281)
Premiums paid by the Group	**–**	–	**(2,686)**	(2,189)
Closing defined benefit obligation	**3,008,883**	**2,863,987**	**423,502**	**304,850**

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

9 **EMPLOYEE BENEFITS** *(continued)*

c) Reconciliation of opening and closing statement of financial position entries:

	Defined benefit pension plans		Post-retirement medical benefits	
	2014	**2013**	**2014**	**2013**
Defined benefit obligation at prior year end	**1,242,651**	1,193,527	**304,850**	182,773
Exchange adjustments	**297**	–	**(64)**	–
Unrecognised gain/(loss) charged to retained earnings	**–**	14,980	**–**	39,344
Opening defined benefit obligation	**1,242,948**	1,208,507	**304,786**	222,117
Net pension cost	**(40,517)**	(22,121)	**30,094**	22,896
Re-measurements recognised in other comprehensive income	**22,836**	38,505	**91,511**	62,306
Premiums paid by the Group	**17,183**	17,760	**(2,889)**	(2,469)
Closing net pension asset/liability	**1,242,450**	**1,242,651**	**423,502**	**304,850**

d) Liability profile

The defined benefit obligation is allocated between the Plan's members as follows:

	Defined benefit pension plans	Post-retirement medical benefits
- Active members	63% to 80%	76% to 87%
- Deferred members	3% to 8%	N/A
- Pensioners	15% to 30%	13% to 24%

The weighted duration of the defined benefit obligation ranged from 16.9 to 24 years.

31% to 46% of the defined benefit obligation for active members was conditional on future salary increases.

29% to 98% of the benefits for active members were vested.

e) Changes in the fair value of plan assets are as follows:

	Defined benefit pension plans	
	2014	2013
Opening fair value of plan assets	**4,120,688**	3,744,144
Exchange adjustments	**(2,549)**	–
Interest income	**194,595**	193,342
Return on plan assets, excluding interest income	**25,309**	250,552
Contributions by employer	**17,184**	17,761
Members' contributions	**1,029**	1,012
Benefits paid	**(89,230)**	(84,597)
Expense allowance	**(1,522)**	(1,526)
Closing fair value of plan assets	**4,265,504**	**4,120,688**
Actual return on plan assets	**206,579**	**434,807**

f) Plan asset allocation as at September 30

	Defined benefit pension plans			
	Fair value		% Allocation	
	2014	2013	2014	2013
Equity securities	**1,975,432**	1,882,649	**46.31**	45.69
Debt securities	**1,786,142**	1,639,583	**41.87**	39.79
Property	**31,524**	32,056	**0.74**	0.78
Mortgages	**1,132**	1,855	**0.03**	0.05
Money market instruments/cash	**471,274**	564,545	**11.05**	13.70
Total fair value of plan assets	**4,265,504**	**4,120,688**	**100.0**	**100.0**

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

9 EMPLOYEE BENEFITS *(continued)*

g) The amounts recognised in the consolidated statement of income are as follows:

	Defined benefit pension plans		Post-retirement medical benefits	
	2014	**2013**	**2014**	**2013**
Current service cost	**107,811**	92,997	**14,652**	10,538
Interest on defined benefit obligation	**(65,309)**	(69,696)	**15,221**	12,136
Past service cost	**(8,473)**	(9,343)	**221**	222
Administration expenses	**1,407**	1,417	**–**	–
Total included in staff costs	**35,436**	**15,375**	**30,094**	**22,896**
Net benefit cost under the previous IAS 19 rules	**16,542**	**20,193**	**34,400**	**23,812**

h) Re-measurements recognised in other comprehensive income

	Defined benefit pension plans		Post-retirement medical benefits	
	2014	**2013**	**2014**	**2013**
Experience (gains)/losses	**(22,958)**	(39,959)	**91,511**	62,306
Effect of asset ceiling	**122**	1,454	**–**	–
Total included in other comprehensive income	**(22,836)**	**(38,505)**	**91,511**	**62,306**

i) Summary of principal actuarial assumptions as at September 30

	2014 %	**2013 %**
Discount rate	**5.00 - 7.75**	5.00 - 7.75
Rate of salary increase	**2.50 - 5.50**	2.50 - 5.50
Pension increases	**0.00 - 2.40**	0.00 - 2.40
Medical cost trend rates	**5.75 - 6.00**	7.00 - 7.75
NIS ceiling rates	**3.00 - 5.00**	3.00 - 5.00

Assumptions regarding future mortality are based on published mortality rates. The life expectancies underlying the value of the defined benefit obligation as at September 30 are as follows:

i) Summary of principal actuarial assumptions as at September 30 *(continued)*

	Defined benefit pension plans	
	2014	**2013**
Life expectancy at age 60 - 65 for current pensioner in years:		
- Male	**14.6 to 21.0**	14.6 to 21.0
- Female	**18.4 to 25.1**	18.4 to 25.1
Life expectancy at age 60-65 for current members age 40 in years:		
- Male	**14.6 to 21.0**	14.6 to 21.0
- Female	**18.4 to 25.1**	18.4 to 25.1

j) Sensitivity analysis

The calculations of the defined benefit and medical obligations are sensitive to the assumptions used. The following table summarises how these obligations as at September 30, 2014 would have changed as a result of a change in the assumptions used.

	Defined benefit pension plans		Post-retirement medical benefits	
	1% p.a. increase $'000	1% p.a. decrease $'000	1% p.a. increase $'000	1% p.a. decrease $'000
- Discount rate	(388,070)	502,958	(82,003)	112,586
- Future salary increases	190,396	(161,485)	267	(229)
- Future pension cost increases	300,321	–	–	–
- Medical cost increases	–	–	109,912	(81,799)

An increase of one year in the assumed life expectancies shown above would increase the defined benefit obligation at September 30, 2014 by $63.2 million and the post-retirement medical benefit by $17.5 million.

These sensitivities were calculated by re-calculating the defined benefit obligations using the revised assumptions.

k) Funding

The Group meets the entire cost of funding the defined benefit pension plan. The funding requirements are based on regular actuarial valuations of the Plan made every three years and the assumptions used to determine the funding required may differ from those set out above. The Group expects to pay $5.3 million to the pension plan in the 2015 financial year.

The Group operates the post-retirement medical benefit plan as a self-insured arrangement administered by insurance brokers. Retirees contribute at a fixed rate depending on the level of cover selected. The Group pays 'premiums' of twice the retiree contributions but will be required to meet the balance of cost of the benefits if these joint premiums prove inadequate. The Group expects to pay $5.8 million to the medical plan in the 2015 financial year.

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

10 DEFERRED TAX ASSETS AND LIABILITIES

Components of deferred tax assets and liabilities

a) Deferred tax assets

			(Credit)/Charge		
	Opening Balance Restated	Exchange and Other Adjustments	Consolidated Statement of Income	Other Comprehensive Income	Closing Balance
	2013				2014
Post-retirement medical benefits	91,325	(80)	4,181	28,291	**123,717**
Leased assets	24,024	–	472	–	**24,496**
Unrealised reserve	1,856	(3)	(395)	3,472	**4,930**
Unearned loan origination fees	25,156	(168)	4,779	–	**29,767**
Other	612	–	632	–	**1,244**
	142,973	**(251)**	**9,669**	**31,763**	**184,154**

b) Deferred tax liabilities

			Charge/(Credit)		
	Opening Balance Restated	Exchange and Other Adjustments	Consolidated Statement of Income	Other Comprehensive Income	Closing Balance
	2013				2014
Pension asset	324,862	–	(11,942)	10,403	**323,323**
Leased assets	34,080	–	(1,776)	–	**32,304**
Premises and equipment	63,052	(189)	7,992	–	**70,855**
Unrealised reserve	70,266	–	–	(28,712)	**41,554**
	492,260	**(189)**	**(5,726)**	**(18,309)**	**468,036**
Non-controlling interest share of charge to OCI				**742**	
Net credit to consolidated statement of income/OCI			**15,395**	**50,814**	

11 OTHER ASSETS

	2014	2013
Accounts receivable and prepayments	**276,213**	288,532
Project financing reimbursables	**694**	5,116
Deferred commission and fees	**6,689**	5,869
Non-current assets held to maturity	**45,742**	–
Other	**210,471**	63,305
	539,809	**362,822**

12 CUSTOMERS' CURRENT, SAVINGS AND DEPOSIT ACCOUNTS

Concentration of customers' current, savings and deposit accounts

	2014	2013
State	**6,637,146**	6,679,163
Corporate and commercial	**9,611,365**	9,377,598
Personal	**24,560,308**	23,483,267
Other financial institutions	**2,164,827**	1,823,212
Other	**797,114**	735,070
	43,770,760	**42,098,310**

13 OTHER FUND RAISING INSTRUMENTS

At September 30, 2014 investment securities held to secure other fund raising instruments of the Group amounted to $2.6 billion (2013: $2.8 billion).

Concentration of other fund raising instruments

	2014	2013
State	**1,538,946**	1,202,014
Corporate and commercial	**2,300**	–
Personal	**81,299**	81,169
Other financial institutions	**1,706,394**	2,096,117
Other	**28,894**	25,674
	3,357,833	**3,404,974**

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

14 DEBT SECURITIES IN ISSUE

	2014	2013
Unsecured		
a) Fixed rate bonds	**799,260**	798,930
Secured		
a) Floating rate bonds	**250,582**	409,493
b) Fixed rate bonds	**16,852**	19,989
c) Mortgage pass-through certificates	**108**	646
	267,542	430,128
Total debt securities in issue	**1,066,802**	**1,229,058**

Unsecured obligations

a) Fixed rate bonds are denominated in Trinidad and Tobago dollars and includes an unsubordinated bond issued by the Parent Company, Republic Bank Limited in 2008 for a term of ten years at a fixed rate of interest of 8.55%.

Secured obligations

a) For Republic Bank Limited, the floating rate bonds are denominated in Trinidad and Tobago dollars and are unconditional secured obligations of the Bank. The Bank has pledged a portfolio of liquid debt securities issued or guaranteed by the Government of Trinidad and Tobago together with high-grade corporate bonds and debentures in an aggregate amount equal to the bonds issued as collateral security for the bondholders. Other floating rate bonds are also denominated in Trinidad and Tobago dollars and are secured by property and equipment under investments in leased assets.

b) Fixed rate bonds for one of the subsidiaries are denominated in Trinidad and Tobago dollars and are secured by property and equipment under investments in leased assets.

c) Mortgage pass-through certificates are secured on a portfolio of mortgage loans, net of the related loan loss provisions to the extent that the Bank has recourse to the note holders.

15 OTHER LIABILITIES

	2014	2013
Accounts payable and accruals	**1,083,307**	1,044,366
Unearned loan origination fees	**130,729**	110,267
Deferred income	**1,413**	5,251
Other	**81,945**	70,352
	1,297,394	**1,230,236**

16 STATED CAPITAL

	Number of ordinary shares ('000)			
	2014	2013	2014	2013
Authorised				
An unlimited number of shares of no par value				
Issued and fully paid				
At beginning of year	**160,463**	159,700	**649,932**	628,150
Shares issued/proceeds from shares issued	**552**	182	**46,789**	15,244
Share-based payment	**–**	–	**8,150**	6,538
Allocation of shares	**37**	581	**–**	–
At end of year	**161,052**	**160,463**	**704,871**	**649,932**

The following reflects the calculation of the effect of the issue of stock options on the weighted average number of ordinary shares.

	2014	2013
Weighted average number of ordinary shares	**160,918**	160,294
Effect of dilutive stock options	**549**	474
Weighted average number of ordinary shares adjusted for the effect of dilution	**161,467**	**160,768**

17 OTHER RESERVES

	Capital reserves	Unallocated shares	General contingency reserve	Net unrealised gains	Total
Balance at October 1, 2012	**58,940**	**(101,023)**	**453,433**	**372,455**	**783,805**
Realised gains transferred to net profit	–	–	–	(13,613)	(13,613)
Revaluation of available-for-sale investments	–	–	–	28,191	28,191
Translation adjustments	1,543	–	–	–	1,543
Share of changes recognised directly in associate's equity	4,077	–	–	–	4,077
Total income and expense for the year recognised directly in equity	5,620	–	–	14,578	20,198
Allocation of shares	–	47,754	–	–	47,754
Transfer to retained earnings	–	–	200,425	–	200,425
Balance at September 30, 2013	**64,560**	**(53,269)**	**653,858**	**387,033**	**1,052,182**

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

17 OTHER RESERVES *(continued)*

	Capital reserves	Unallocated shares	General contingency reserve	Net unrealised gains	Total
Balance at September 30, 2013	**64,560**	**(53,269)**	**653,858**	**387,033**	**1,052,182**
Realised gains transferred to net profit	–	–	–	(276,227)	(276,227)
Revaluation of available-for-sale investments	–	–	–	158,572	158,572
Translation adjustments	(150,828)	–	–	–	(150,828)
Share of changes recognised directly in associate's equity	(8,270)	–	–	–	(8,270)
Total income and expense for the year recognised directly in equity	(159,098)	–	–	(117,655)	(276,754)
Shares purchased for profit sharing scheme	–	(71,050)	–	–	(71,050)
Allocation of shares	–	52,185	–	–	52,185
Transfer from retained earnings	–	–	(12,201)	–	(12,201)
Balance at September 30, 2014	**(94,538)**	**(72,134)**	**641,657**	**269,378**	**744,363**

General contingency reserves

Specific provisions are made for non-performing advances based on the difference between the loan balances and the discounted realisable value of collateral held. These provisions are charged through the consolidated statement of income.

A General Contingency Reserve is created as an appropriation of retained earnings, for the difference between the specific provision and non-performing advances. When the collateral is realised, the reserve is released back to retained earnings. The General Contingency Reserve serves to enhance the Group's non-distributable capital base. As at September 30, 2014 the balance in the General Contingency Reserve of $641.7 million is part of Other Reserves which totals $744.4 million.

Unallocated shares in the staff profit sharing scheme

The staff profit sharing scheme purchases Republic Bank Limited shares to build its stock for allocation in the annual profit sharing exercise. As at September 30, 2014, shares costing $72 million (2013: $53 million) remain unallocated from the profit sharing scheme. (Note 26(a)).

	Number of Shares ('000)	
	2014	**2013**
Balance brought forward	**648**	1,229
Add shares purchased	**597**	–
Allocation of shares	**(635)**	(581)
Balance carried forward	**610**	**648**

18 OPERATING PROFIT

		2014	2013
a)	**Interest income**		
	Advances	**2,113,038**	2,101,978
	Investment securities	**331,452**	337,418
	Liquid assets	**76,656**	77,765
		2,521,146	**2,517,161**
b)	**Interest expense**		
	Customers' current, savings and deposit accounts	**172,908**	215,653
	Other fund raising instruments and debt securities in issue	**130,132**	120,668
	Other interest bearing liabilities	**54**	174
		303,094	**336,495**
c)	**Other income**		
	Fees and commission from trust and other fiduciary activities	**234,199**	272,712
	Other fees and commission income	**495,455**	538,263
	Net exchange trading income	**226,108**	226,400
	Dividends	**681**	464
	Gains from disposal of available-for-sale investments	**341,652**	25,598
	Other operating income	**188,887**	193,162
		1,486,982	**1,256,599**
d)	**Operating expenses**		
	Staff costs	**701,845**	635,437
	Staff profit sharing - Note 26(a)	**108,812**	104,668
	Employee benefits pension and medical contribution - Note 9(g)	**65,530**	38,271
	General administrative expenses	**607,722**	551,097
	Operating lease payments	**46,479**	43,127
	Property related expenses	**122,639**	110,116
	Depreciation expense - Note 7	**150,789**	154,209
	Advertising and public relations expenses	**66,141**	69,567
	Goodwill impairment expense - Note 8	**185,000**	–
	Directors' fees	**6,539**	5,411
		2,061,496	**1,711,903**
e)	**Non-cancellable operating lease commitments**		
	Within one year	**31,501**	31,587
	One to five years	**32,023**	39,392
	Over five years	**8,150**	12,392
		71,674	**83,371**

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

19 TAXATION EXPENSE

	2014	2013
Corporation tax	**354,375**	384,344
Deferred tax	**(15,395)**	(7,269)
	338,980	**377,075**

Reconciliation between taxation expense and accounting profit

Income taxes in the consolidated statement of income vary from amounts that would be computed by applying the statutory tax rate for the following reasons:

	2014	2013
Accounting profit	**1,568,696**	1,554,942
Tax at applicable statutory tax rates	**418,594**	407,063
Tax effect of items that are adjustable in determining taxable profit:		
Tax exempt income	**(82,136)**	(61,809)
Non-deductible expenses	**27,529**	57,840
Allowable deductions	**(15,395)**	(22,435)
Provision for Green Fund Levy and other taxes	**(9,612)**	(3,584)
	338,980	**377,075**

The Group has tax losses in two of its subsidiaries amounting to $158.4 million (2013: $274.6 million). In one of these subsidiaries, no deferred tax asset has been recognised for these tax losses in the financial statements since it is not anticipated that there will be sufficient future taxable profits to offset these losses.

20 RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. A number of banking transactions are entered into with related parties in the normal course of business. These transactions are both secured and unsecured and were carried out on commercial terms and conditions and at market rates.

	2014	2013
Advances, investments and other assets (net of provisions)		
Directors and key management personnel	**14,993**	16,991
Other related parties	**234,548**	185,709
	249,541	**202,700**
Deposits and other liabilities		
Directors and key management personnel	**64,886**	47,842
Other related parties	**108,705**	83,421
	173,591	**131,263**
Interest and other income		
Directors and key management personnel	**1,290**	1,355
Other related parties	**15,961**	15,257
	17,251	**16,612**
Interest and other expense		
Directors and key management personnel	**7,136**	6,280
Other related parties	**3,813**	4,171
	10,949	**10,451**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

Key management compensation

	2014	2013
Short-term benefits	**32,632**	30,355
Post employment benefits	**11,177**	9,746
Share-based payment	**8,150**	6,538
	51,959	**46,639**

21 RISK MANAGEMENT

21.1 Introduction

The Group's prudent banking practices are founded on solid risk management. In an effort to keep apace with its dynamic environment, the Group has established a comprehensive framework for managing risks, which is continually evolving as the Group's business activities change in response to market, credit, product and other developments.

The basic principles of risk management followed by the Group include:

- Managing risk within parameters approved by the Board of Directors and Executives;
- Assessing risk initially and then consistently monitoring those risks through their life cycle;
- Abiding by all applicable laws, regulations and governance standards in every country in which we do business;
- Applying high and consistent ethical standards to our relationships with all customers, employees and other stakeholders; and
- Undertaking activities in accordance with fundamental control standards. These controls include the disciplines of planning, monitoring, segregation, authorisation and approval, recording, safeguarding, reconciliation and valuation.

The Board of Directors has ultimate responsibility for the management of risk within the Group. Acting with authority delegated by the Board, the Credit, Audit, Asset/Liability Committee and Other Risks Committees, review specific risk areas.

The Internal Audit function audits Risk Management processes throughout the Group by examining both the adequacy of the procedures and the Group's compliance with these procedures. Internal Audit discusses the results of all assessments with Management and reports its findings and recommendations to the Audit Committees of the Parent and respective subsidiaries.

The Group's activities are primarily related to the use of financial instruments. The Group accepts funds from customers and seeks to earn above average interest margins by investing in high quality assets such as government and corporate securities as well as equity investments and seeks to increase these margins by lending for longer periods at higher rates, while maintaining sufficient liquidity to meet all claims that might fall due.

The main risks arising from the Group's financial instruments are credit risk, interest rate and market risk, liquidity risk, foreign currency risk and operational risk. The Group reviews and agrees policies for managing each of these risks as follows:

21.2 Credit risk

Credit risk is the potential that a borrower or counterparty will fail to meet its stated obligations in accordance with agreed terms. The objective of the Group's credit risk management function is to maximise the Group's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters. The effective management of credit risk is a key element of a comprehensive approach to risk management and is considered essential to the long-term success of the Group.

The Group's credit risk management process operates on the basis of a hierarchy of discretionary authorities. A Board Credit Committee, chaired by the Chairman of the Board and including executive and non-executive directors, is in place, with the authority to exercise the powers of the Board on all risk management decisions.

The Risk Management unit is accountable for the general management and administration of the Group's credit portfolio, ensuring that lendings are made in accordance with current legislation, sound banking practice and in accordance with the applicable general policy of the Board of Directors. The Risk Management function is kept separate from and independent of the business development aspect of the operations.

The Group uses a risk rating system which groups commercial/corporate accounts into various risk categories to facilitate the management of risk on both an individual account and portfolio basis. For retail lending, a computerised Credit Scoring system with preset risk management criteria is in place at all branches to facilitate decision-making. Trend indicators are also used to evaluate risk as improving, static or deteriorating. The evaluation of the risk and trend inform the credit decision and determines the intensity of the monitoring process.

The Group's credit control processes emphasise early detection of deterioration and prompt implementation of remedial action and where it is considered that recovery of the outstanding balance may be doubtful or unduly delayed, such accounts are transferred from performing to non-performing status.

21.2 Credit risk *(continued)*

Loan loss provisions are set aside to cover any potential loss in respect of debts that are not performing satisfactorily. A review of these provisions is conducted quarterly in accordance with established guidelines and recommended provisions arising out of this review are submitted to the Board for approval. Non-performing debts recommended for write-off are also reviewed annually and action taken in accordance with prescribed guidelines.

The Group avoids exposure to undue concentrations of risk by placing limits on the amount of risk accepted from a number of borrowers engaged in similar business activities, or activities in the same geographic region or with similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Such risks are controlled and monitored on a revolving basis and are subject to an annual or more frequent review. Limits on the level of credit risk by product, industry sector, client and geography are approved by the Board of Directors.

21.2.1 Maximum exposure to credit risk without taking account of any collateral and other credit enhancements

The table below shows the Group's maximum exposure to credit risk:

	Gross maximum exposure	
	2014	**2013**
Statutory deposits with Central Banks	**4,834,456**	4,332,600
Due from banks	**8,345,146**	9,237,076
Treasury Bills	**5,905,053**	5,723,076
Investment interest receivable	**72,136**	65,487
Advances	**27,095,407**	25,235,517
Investment securities	**8,203,270**	7,797,087
Total	**54,455,468**	**52,390,843**
Undrawn commitments	**4,697,372**	4,464,016
Acceptances	**742,087**	725,650
Guarantees and indemnities	**106,898**	105,381
Letters of credit	**117,716**	110,903
Total	**5,664,073**	**5,405,950**
Total credit risk exposure	**60,119,541**	**57,796,793**

Where financial instruments are recorded at fair value, the amounts shown represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

21 RISK MANAGEMENT *(continued)*

21.2 Credit risk *(continued)*

21.2.1 Maximum exposure to credit risk without taking account of any collateral and other credit enhancements *(continued)*

Collateral and other credit enhancements

The Group maintains credit risk exposure within acceptable parameters through the use of collateral as a risk-mitigation tool. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are cash or securities, charges over real estate properties, inventory and trade receivables and mortgages over residential properties and chattels. The Group also obtains guarantees from parent companies for loans to their subsidiaries.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses.

It is the Group's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to repay the outstanding claim. In general, the Group does not occupy repossessed properties for business use. As at September 30, 2014, $318.9 million (2013: $384.4 million) in repossessed properties are still in the process of being disposed of.

21.2.2 Risk concentrations of the maximum exposure to credit risk

Concentration of risk is managed by client/counterparty, by geographical region and by industry sector as detailed in the following schedules:

i) Geographical sectors

The Group's maximum credit exposure, after taking account of credit loss provisions established but before taking into account any collateral held or other credit enhancements, can be analysed by the following geographical regions based on the country of domicile of its counterparties:

	2014	2013
Trinidad and Tobago	**39,940,733**	37,644,064
Barbados	**6,845,822**	6,944,968
Eastern Caribbean	**1,630,028**	1,510,009
Guyana	**3,419,775**	3,776,449
United States	**4,288,264**	3,755,055
Europe	**1,169,789**	2,086,054
Other Countries	**2,825,130**	2,080,194
	60,119,541	**57,796,793**

21.2 Credit risk *(continued)*

21.2.2 Risk concentrations of the maximum exposure to credit risk *(continued)*

ii) Industry sectors

The following table breaks down the Group's maximum credit exposure as categorised by the industry sectors of its counterparties:

	2014	2013
Government and Central Government Bodies	**18,062,055**	17,336,111
Financial sector	**9,959,108**	10,611,082
Energy and mining	**485,363**	457,175
Agriculture	**288,360**	324,794
Electricity and water	**438,235**	488,546
Transport, storage and communication	**496,898**	382,904
Distribution	**3,420,787**	3,398,773
Real estate	**2,916,169**	1,988,085
Manufacturing	**1,961,724**	1,998,314
Construction	**1,942,023**	1,753,259
Hotel and restaurant	**1,125,375**	1,078,829
Personal	**13,923,841**	14,407,779
Other services	**5,099,603**	3,571,142
	60,119,541	**57,796,793**

Credit exposure with state-owned bodies have been categorised according to the service offered by the organisation rather than within 'Government and Central Government Bodies'.

21.2.3 Credit quality per category of financial assets

The Group has determined that credit risk exposure arises from the following consolidated statement of financial position lines:

- Treasury Bills and Statutory deposits with Central Banks
- Balances due from banks
- Advances
- Financial investment securities

Treasury Bills and Statutory deposits with Central Banks

These funds are placed with Central Banks in the countries where the Group is engaged in the full range of banking and financial activities and management therefore considers the risk of default to be very low. These financial assets have therefore been rated as 'Superior.'

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

21 RISK MANAGEMENT *(continued)*

21.2 Credit risk *(continued)*

21.2.3 Credit quality per category of financial assets *(continued)*

Balances due from banks

The credit quality of balances due from other banks is assessed by the Group according to the level of creditworthiness of the institution in relation to other institutions in the region. The credit quality of these balances has been analysed into the following categories:

Superior: These institutions have been accorded the highest rating, indicating that the institution's capacity to meet its financial commitment on the obligation is extremely strong.

Desirable: These institutions have been accorded the second-highest rating, indicating that the institution's capacity to meet its financial commitment on the obligation is very strong.

Acceptable: These institutions have been accorded the third highest rating, indicating that the institution's capacity to meet its financial commitment is adequate.

The table below illustrates the credit quality for balances due from banks as at September 30:

	Superior	Desirable	Acceptable	Total
2014	**4,550,906**	**3,680,774**	**113,466**	**8,345,146**
2013	3,982,355	5,162,195	92,526	9,237,076

Advances - Commercial and Corporate

The credit quality of commercial and corporate advances is internally determined from an assessment of the counterparty based on a combination of factors. These include the level and strength of experience of management, the track record and level of supervision required for existing facilities of the company, the financial and leverage position of the borrowing company, the estimated continued profitability of the company and the ability of that company to service its debts, the stability of the industry within which the company operates and the competitive advantage held by that company in the market. The overall level of risk thus assessed is assigned a credit score which indicates the overall quality of the Commercial/Corporate borrowing account. The related scores for commercial and corporate advances that are neither past due nor impaired are defined as follows:

Superior: These counterparties have strong financial position. Facilities are well secured, and business has proven track record.

Desirable: These counterparties have good financial position. Facilities are reasonably secured and underlying business is performing well.

Acceptable: These counterparties are of average risk with a fair financial position. Business may be new or industry may be subject to more volatility, and facilities typically have lower levels of security.

Sub-standard: Past due or individually impaired.

21.2 Credit risk *(continued)*

21.2.3 Credit quality per category of financial assets *(continued)*

Advances - Commercial and Corporate (continued)

The table below illustrates the credit quality of commercial and corporate advances as at September 30:

	Superior	Desirable	Acceptable	Sub-standard	Total
2014	**429,159**	**2,043,598**	**8,243,645**	**456,945**	**11,173,347**
2013	644,953	2,146,958	7,733,773	485,051	11,010,735

The following is an aging of facilities classed as sub-standard:

	Less than 30 days	31 to 60 days	61 to 90 days	More than 91 days	Impaired	Total
2014	**110,583**	**4,636**	**8,137**	**4,019**	**329,570**	**456,945**
2013	15,294	15,607	13,414	32,604	408,132	485,051

Advances - Retail loans and Mortgages

These retail loans and mortgages are individually insignificant and are secured by the related assets for which these loans were granted to fund. The following is an aging analysis of these facilities:

	Current	Less than 30 days	31 to 60 days	61 to 90 days	More than 91 days	Impaired	Total
2014	**12,975,199**	**2,009,913**	**99,157**	**145,197**	**376,065**	**316,529**	**15,922,060**
2013	11,354,277	2,073,468	206,153	140,300	204,433	246,151	14,224,782

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

21 RISK MANAGEMENT *(continued)*

21.2 Credit risk *(continued)*

21.2.3 Credit quality per category of financial assets *(continued)*

Financial investment securities

The debt securities within the Group's investment security portfolio are exposed to credit risk. The credit quality of each individual security is internally assessed based on the financial strength, reputation and market position of the issuing company and the ability of that company to service the debt. The level of credit risk thus assessed and associated with the security is assigned a risk premium. These premiums are defined as follows:

Superior: Government and Government Guaranteed securities, securities secured by a Letter of Comfort from the Government and securities placed with institutions that have been accorded the highest rating by an international rating agency. These securities are considered risk free.

Desirable: Corporate securities that are current and being serviced in accordance with the terms and conditions of the underlying agreements and Government and Government Guaranteed securities where the country has been recently downgraded by an international rating agency. Issuing institution has good financial strength and reputation.

Acceptable: Corporate securities that are current and being serviced in accordance with the terms and conditions of the underlying agreements. Issuing company has fair financial strength and reputation.

Sub-standard: These securities are either greater than 90 days in arrears, display indicators of impairment, or have been restructured during the financial year.

The table below illustrates the credit quality of debt security investments as at September 30:

	Superior	Desirable	Acceptable	Sub-standard	Total
Financial investments					
Available-for-sale					
2014	**5,530,809**	**1,801,968**	**707,033**	**163,460**	**8,203,270**
2013	4,565,117	2,947,081	260,604	24,285	7,797,087

21.3 Liquidity risk

Liquidity risk is defined as the risk that the Group either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access these only at excessive cost.

Liquidity management is therefore primarily designed to ensure that funding requirements can be met, including the replacement of existing funds as they mature or are withdrawn, or to satisfy the demands of customers for additional borrowings. Liquidity management focuses on ensuring that the Group has sufficient funds to meet all of its obligations.

Three primary sources of funds are used to provide liquidity – retail deposits, wholesale deposits and the capital market. A substantial portion of the Group is funded with 'core deposits.' The Group maintains a core base of retail and wholesale funds, which can be drawn on to meet ongoing liquidity needs. The capital markets are accessed for medium to long-term funds as required, providing diverse funding sources to the Group. Facilities are also established with correspondent banks, which can provide additional liquidity as conditions demand.

The Asset/Liability Committee (ALCO) sets targets for daily float, allowable liquid assets and funding diversification in line with system liquidity trends. While the primary asset used for short-term liquidity management is the Treasury Bill, the Group also holds significant investments in other Government securities, which can be used for liquidity support. The Group continually balances the need for short-term assets, which have lower yields, with the need for higher asset returns.

21.3.1 Analysis of financial liabilities by remaining contractual maturities

The following table summarises the maturity profile of the Group's financial liabilities at September 30, based on contractual undiscounted repayment obligations, over the remaining life of those liabilities. These balances include interest to be paid over the remaining life of the liabilities and will therefore be greater than the carrying amounts on the consolidated statement of financial position. See Note 25 for a maturity analysis of assets and liabilities.

Financial liabilities - on statement of financial position

	On demand	Up to one year	1 to 5 years	Over 5 years	Total
2014					
Customers' current, savings and deposit accounts	36,713,903	7,132,634	12,362	–	43,858,899
Other fund raising instruments	–	3,046,126	244,073	147,212	3,437,411
Debt securities in issue	–	109,821	1,252,750	55,010	1,417,581
Due to banks	22,190	47,767	–	–	69,957
Other liabilities	447,570	28,888	2,171	–	478,629
Total un- discounted financial liabilities	**37,183,663**	**10,365,236**	**1,511,356**	**202,222**	**49,262,477**

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

21 RISK MANAGEMENT *(continued)*

21.3 Liquidity risk *(continued)*

21.3.1 Analysis of financial liabilities by remaining contractual maturities *(continued)*

Financial liabilities - on statement of financial position *(continued)*

	On demand	Up to one year	1 to 5 years	Over 5 years	Total
2013					
Customers' current, savings and deposit accounts	34,380,625	7,781,925	34,206	–	42,196,756
Other fund raising instruments	3,465	3,076,672	192,467	236,299	3,508,903
Debt securities in issue	–	261,817	1,189,664	216,783	1,668,264
Due to banks	25,988	47,361	–	–	73,349
Other liabilities	419,217	35,204	4,058	13,391	471,870
Total un-discounted financial liabilities	**34,829,295**	**11,202,979**	**1,420,395**	**466,473**	**47,919,142**

Financial liabilities - off statement of financial position

	On demand	Up to one year	1 to 5 years	Over 5 years	Total
2014					
Acceptances	283,600	241,865	215,951	671	742,087
Guarantees and indemnities	121	52,295	17,204	37,279	106,899
Letters of credit	54,433	63,284	–	–	117,717
Total	**338,154**	**357,444**	**233,155**	**37,950**	**966,703**
2013					
Acceptances	228,434	291,558	173,097	32,561	725,650
Guarantees and indemnities	14,817	87,617	2,947	–	105,381
Letters of credit	65,707	45,196	–	–	110,903
Total	**308,958**	**424,371**	**176,044**	**32,561**	**941,934**

The Group expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments.

21.4 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

21.4 Market risk *(continued)*

21.4.1 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group has an Asset/Liability Committee which reviews on a monthly basis the non-credit and non-operational risk for the Parent and each subsidiary. Asset and Liability management is a vital part of the risk management process of the Group. The mandate of the Committee is to approve strategies for the management of the non-credit risks of the Group, including interest rate, foreign exchange, liquidity and market risks.

The primary tools currently in use are gap analysis, interest rate sensitivity analysis and exposure limits for financial instruments. The limits are defined in terms of amount, term, issuer, depositor and country. The Group is committed to refining and defining these tools to be in line with international best practice.

The table below summarises the interest-rate exposure of the Group's statement of financial position. Interest on financial instruments classified as floating is repriced at intervals of less than one year while interest on financial instruments classified as fixed is fixed until the maturity of the instrument.

An interest rate sensitivity analysis was performed to determine the impact on net profit and equity of a reasonable possible change in the interest rates prevailing as at September 30, with all other variables held constant. The impact on net profit is the effect of changes in interest rates on the floating interest rates of financial assets and liabilities. The impact on net unrealised gains is the effect of changes in interest rates on the fair value of available-for-sale financial assets. This impact is illustrated on the following table.

		Impact on net profit			
		2014		2013	
	Change in basis points	Increase	Decrease	Increase	Decrease
TT$ Instruments	+/- 50	**40,375**	**(40,375)**	33,413	(33,413)
US$ Instruments	+/- 50	**12,699**	**(12,699)**	14,500	(14,500)
BDS$ Instruments	+/- 50	**7,896**	**(7,896)**	8,428	(8,428)
Other currency Instruments	+/- 50	**326**	**(326)**	512	(512)

		Impact on equity			
		2014		2013	
	Change in basis points	Increase	Decrease	Increase	Decrease
TT$ Instruments	+/- 50	**(45,251)**	**46,709**	(48,690)	50,631
US$ Instruments	+/- 50	**(54,543)**	**52,783**	(45,523)	46,813
EC$ Instruments	+/- 25	**(77)**	**78**	(91)	93
BDS$ Instruments	+/- 50	**(9,689)**	**10,096**	(11,367)	11,833
Other currency Instruments	+/- 50	**(820)**	**514**	(984)	313

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

21 RISK MANAGEMENT *(continued)*

21.4 Market risk *(continued)*

21.4.2 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's exposure to the effects of fluctuations in foreign currency exchange rates arises mainly from its investments and overseas subsidiaries and associates. The Group's policy is to match the initial net foreign currency investment with funding in the same currency. The Group also monitors its foreign currency position for both overnight and intra-day transactions.

Changes in foreign exchange rates affect the Group's earnings and equity through differences on the re-translation of the net assets and related funding of overseas subsidiaries and associates, from the respective local currency to TT dollars. Gains or losses on foreign currency investment in subsidiary and associated undertakings are recognised in reserves. Gains or losses on related foreign currency funding are recognised in the consolidated statement of income.

The principal currencies of the Group's subsidiary and associated company investments are TT, US, Guyanese, EC and Barbados dollars.

The tables below indicate the currencies to which the Group had significant exposure at September 30 on its non-trading monetary assets and liabilities and its forecast cash flows. The analysis also calculates the effect of a reasonably possible movement of each currency rate against the Trinidad and Tobago dollar, with all other variables held constant.

	TTD	USD	BDS	OTHER	Total
2014					
Financial assets					
Cash and cash equivalents	328,458	44,132	115,730	76,905	565,225
Statutory deposits with Central Banks	4,050,897	3,220	285,951	494,388	4,834,456
Due from banks	4,468,127	2,986,743	8,881	881,395	8,345,146
Treasury Bills	3,827,652	–	765,598	1,311,803	5,905,053
Investment interest receivable	37,212	27,818	3,268	3,838	72,136
Advances	16,541,205	3,359,902	4,575,140	2,589,160	27,065,407
Investment securities	3,410,496	4,111,340	542,028	196,518	8,260,382
Total financial assets	**32,664,047**	**10,533,155**	**6,296,596**	**5,554,007**	**55,047,805**
Financial liabilities					
Due to banks	66	41,048	12,009	16,834	69,957
Customers' current, savings and deposit accounts	24,362,375	8,924,974	5,038,884	5,444,527	43,770,760
Other fund raising instruments	2,930,841	76,245	350,747	–	3,357,833
Debt securities in issue	1,066,802	–	–	–	1,066,802
Interest payable	17,896	3,343	17,939	1,413	40,591
Total financial liabilities	**28,377,980**	**9,045,610**	**5,419,579**	**5,462,774**	**48,305,943**
Net currency risk exposure		**1,487,544**	**877,018**	**91,233**	
Reasonably possible change in currency rate		**1%**	**1%**	**1%**	
Effect on profit before tax		**14,875**	**8,770**	**912**	

21.4 Market risk *(continued)*

21.4.2 Currency risk *(continued)*

	TTD	USD	BDS	OTHER	Total
2013					
Financial assets					
Cash and cash equivalents	317,926	41,139	105,080	62,238	526,383
Statutory deposits					
with Central Banks	3,501,454	–	318,703	512,443	4,332,600
Due from banks	4,723,162	3,232,411	3,132	1,278,371	9,237,076
Treasury Bills	3,549,106	–	910,074	1,263,896	5,723,076
Investment interest					
receivable	32,496	22,202	5,199	5,590	65,487
Advances	15,051,827	3,073,446	4,537,347	2,572,897	25,235,517
Investment securities	3,792,664	3,420,975	659,565	257,843	8,131,047
Total financial assets	**30,968,635**	**9,790,173**	**6,539,100**	**5,953,278**	**53,251,186**
Financial liabilities					
Due to banks	67	40,874	16,158	16,250	73,349
Customers' current, savings					
and deposit accounts	22,166,956	8,962,982	5,300,176	5,668,196	42,098,310
Other fund raising instruments	2,966,237	66,745	371,992	–	3,404,974
Debt securities in issue	1,229,058	–	–	–	1,229,058
Interest payable	20,874	3,782	24,016	3,294	51,966
Total financial liabilities	**26,383,192**	**9,074,383**	**5,712,342**	**5,687,740**	**46,857,657**
Net currency risk exposure		**715,791**	**826,758**	**265,538**	
Reasonably possible change					
in currency rate		**1%**	**1%**	**1%**	
Effect on profit before tax		**7,158**	**8,268**	**2,655**	

21.5 Operational risk

The growing sophistication of the banking industry has made the Group's operational risk profile more complex. Operational risk is inherent within all business activities and is the potential for financial or reputational loss arising from inadequate or failed internal controls, operational processes or the systems that support them. It includes errors, omissions, disasters and deliberate acts such as fraud.

The Group recognises that such risk can never be entirely eliminated and manages the risk through a combination of systems and procedures to monitor and document transactions. The Group's operational risk department oversees this and where appropriate, risk is transferred by the placement of adequate insurance coverage.

The Group has developed contingency arrangements and established facilities to support operations in the event of disasters. Independent checks on operational risk issues are also undertaken by the internal audit function.

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

22 CAPITAL MANAGEMENT

The Group's policy is to diversify its sources of capital, to allocate capital within the Group efficiently and to maintain a prudent relationship between capital resources and the risk of its underlying business. Equity increased by $230 million to $8.75 billion during the year under review.

Capital adequacy is monitored by each member of the Group, employing techniques based on the guidelines developed by the Basel Committee on Banking Regulations and Supervisory Practice (the Basel Committee), as implemented by the respective Central Banks for supervisory purposes. The Basel risk-based capital guidelines require a minimum ratio of core capital (Tier I) to risk-weighted assets of 4%, with a minimum total qualifying capital (Tier II) ratio of 8%. Core capital (Tier I) comprises mainly shareholders' equity.

Capital adequacy ratio

	2014	2013
Republic Bank Limited	**25.77%**	27.60%
Republic Finance and Merchant Bank Limited	**133.32%**	87.00%
Republic Bank (Cayman) Limited	**20.83%**	15.46%
Republic Bank (Grenada) Limited	**15.80%**	15.60%
Republic Bank (Guyana) Limited	**22.16%**	17.86%
Republic Bank (Barbados) Limited	**16.02%**	21.12%
Atlantic Financial Limited	**67.95%**	77.63%

At September 30, 2014 the Bank and each of its banking subsidiaries exceeded the minimum levels required for adequately capitalised institutions.

23 FAIR VALUE

In accordance with International Financial Reporting Standard No. 7 'Financial Instruments: Disclosures,' the Group calculates the estimated fair value of all financial instruments at the statement of financial position date and separately discloses this information where these fair values are different from net book values.

Where the Group's available-for-sale investments are not actively traded in organised financial markets, the fair value is determined using discounted cash flow analysis, which requires considerable judgement in interpreting market data and developing estimates. Accordingly, estimates contained herein are not necessarily indicative of the amounts that the Group could realise in a current market exchange. The use of different assumptions and/or estimation methodologies may have a material effect on the estimated fair values. The fair value information for available-for-sale investments is based on information available to management as at the dates presented. Management is not aware of any factors that would significantly affect the estimated fair value amounts.

Investments classified as 'at fair value through profit or loss' are actively traded in organised markets and fair value is determined by reference to the market price at year end or on the last trade date prior to year end.

Financial instruments where carrying value is equal to fair value:- Due to their short-term maturity, the carrying value of certain financial instruments is assumed to approximate their fair values. These include cash and cash equivalents, investment interest receivable, customers' deposit accounts, other fund raising instruments, other assets and other liabilities.

Advances are net of specific and other provisions for impairment. The fair values of advances is based on a current yield curve appropriate for the remaining term to maturity.

The fair values of the floating rate debt securities in issue is based on quoted market prices where available and where not available is based on a current yield curve appropriate for the remaining term to maturity. For balances due to banks, where the maturity period is less than one year, the fair value is assumed to equal carrying value. Where the maturity period is in excess of one year, these are primarily floating rate instruments, the interest rates of which, reset with market rates, therefore the carrying values are assumed to equal fair values.

The fair value of fixed rate debt securities carried at amortised cost is estimated by comparing market interest rates when they were first recognised with current market rates offered for similar financial instruments. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money market interest rates for facilities with similar credit risk and maturity.

23.1 Carrying values and fair values

The following table summarises the carrying amounts and the fair values of the Group's financial assets and liabilities:

	2014		
	Carrying value	Fair value	Unrecognised gain/(loss)
Financial assets			
Cash, due from banks and Treasury Bills	14,815,424	14,815,424	–
Investment interest receivable	72,136	72,136	–
Advances	27,095,407	27,258,579	163,172
Investment securities	8,260,382	8,260,382	–
Other financial assets	276,213	276,213	–
Financial liabilities			
Customers' current, savings and deposit accounts	43,770,760	43,774,832	(4,072)
Borrowings and other fund raising instruments	3,427,790	3,427,790	–
Debt securities in issue	1,066,802	1,244,434	(177,632)
Accrued interest payable	40,591	40,591	–
Other financial liabilities	1,083,307	1,083,307	–
Total unrecognised change in unrealised fair value			**(18,532)**

	2013		
	Carrying value	Fair value	Unrecognised gain/(loss)
Financial assets			
Cash, due from banks and Treasury Bills	15,486,535	15,486,535	–
Investment interest receivable	65,487	65,487	–
Advances	25,235,517	25,477,526	242,009
Investment securities	8,131,047	8,131,047	–
Other financial assets	288,532	288,532	–
Financial liabilities			
Customers' current, savings and deposit accounts	42,098,310	42,121,979	(23,669)
Borrowings and other fund raising instruments	3,478,323	3,478,323	–
Debt securities in issue	1,229,058	1,433,858	(204,800)
Accrued interest payable	51,966	51,966	–
Other financial liabilities	1,044,366	1,044,366	–
Total unrecognised change in unrealised fair value			**13,540**

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

23 FAIR VALUE *(continued)*

23.2 Fair value and fair value hierarchies

23.2.1 Determination of fair value and fair value hierarchies

The Group uses the following hierarchy for determining and disclosing the fair value of investment securities by valuation techniques:

Level 1

Included in the Level 1 category are financial assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2

Included in the Level 2 category are financial assets and liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Group's own models whereby the majority of assumptions are market observable.

Level 3

Included in the Level 3 category are financial assets and liabilities that are not quoted as there are no active markets to determine a price. These financial instruments are held at cost, being the fair value of the consideration paid for the acquisition of the investment, and are regularly assessed for impairment.

The following table shows the fair value measurement hierarchy of the Group's assets and liabilities as at September 30, 2014.

	Level 1	Level 2	Level 3	Total
2014				
Financial assets measured at fair value				
Investment securities	3,437,232	4,814,325	8,825	8,260,382
Financial assets for which fair value is disclosed				
Advances	–	27,258,579	–	27,258,579
Financial liabilities for which fair value is disclosed				
Customers' current, savings and deposit accounts	–	43,774,832	–	43,774,832
Debt securities in issue	–	1,244,434	–	1,244,434

23.2.2 Transfers between Level 1 and 2

For the year ended September 30, 2014, no assets were transferred between Level 1 and Level 2.

23 FAIR VALUE *(continued)*

23.2 Fair value and fair value hierarchies *(continued)*

23.2.3 Reconciliation of movements in Level 3 financial instruments measured at fair value

	Balance at beginning of year	Exchange adjustments	Additions	Disposals /Transfers to Level 2	Balance at end of year
Financial assets designated at fair value through profit or loss	1,200	–	–	(1,200)	–
Financial investments - available-for-sale	65,965	–	–	(57,140)	8,825
	67,165	**–**	**–**	**(58,340)**	**8,825**

24 SEGMENTAL INFORMATION

The Group is organised into two main business segments: retail and commercial banking and investment banking. The Group's primary reporting format comprises geographical segments reflecting its management structure and the secondary segment is by class of business. The following is an analysis by respective segments:

i) By geographic segment

	Trinidad and Tobago	Barbados	Cayman, Guyana and Eastern Caribbean	Eliminations	Total
2014					
Interest income	1,740,286	429,351	406,435	(54,926)	2,521,146
Interest expense	(168,955)	(129,357)	(59,708)	54,926	(303,094)
Net interest income	1,571,331	299,994	346,727	–	2,218,052
Other income	1,325,292	155,839	149,934	(144,083)	1,486,982
Share of profits of associates	49,135	–	–	–	49,135
Operating income	2,945,758	455,833	496,661	(144,083)	3,754,169
Goodwill impairment expense	(185,000)	–	–	–	(185,000)
Other operating expenses	(1,332,902)	(320,807)	(233,859)	11,072	(1,876,496)
Operating profit	1,427,856	135,026	262,802	(133,011)	1,692,673
Investment impairment expense	(241)	(4,302)	449	–	(4,094)
Loan impairment expense, net of recoveries	(30,543)	(46,682)	(42,658)	–	(119,883)
Net profit before taxation	**1,397,072**	**84,042**	**220,593**	**(133,011)**	**1,568,696**
Taxation	(286,199)	(12,197)	(40,584)	–	(338,980)
Net profit after taxation	**1,110,873**	**71,845**	**180,009**	**(133,011)**	**1,229,716**

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

24 SEGMENTAL INFORMATION *(continued)*

i) By geographic segment *(continued)*

	Trinidad and Tobago	Barbados	Cayman, Guyana and Eastern Caribbean	Eliminations	Total
2014					
Investment in associated companies	345,942	–	–	–	345,942
Total assets	46,093,234	8,270,023	9,178,457	(4,170,198)	59,371,516
Total liabilities	39,006,398	6,861,997	7,070,541	(2,313,743)	50,625,193
Depreciation	100,525	29,633	20,631	–	150,789
Capital expenditure on premises and equipment	137,485	28,315	37,025	–	202,825
Cash flow from operating activities	1,291,223	(487,269)	(329,658)	(30,905)	443,391
Cash flow from investing activities	(624,101)	407,641	67,765	(149,558)	(298,253)
Cash flow from financing activities	(869,127)	(70,346)	(30,581)	131,490	(838,564)

	Trinidad and Tobago	Barbados	Cayman, Guyana and Eastern Caribbean	Eliminations	Total
2013					
Interest income	1,677,006	505,092	397,510	(62,447)	2,517,161
Interest expense	(175,161)	(157,723)	(66,058)	62,447	(336,495)
Net interest income	1,501,845	347,369	331,452	–	2,180,666
Other income	1,478,700	120,282	154,319	(496,702)	1,256,599
Share of losses of associates	(60,324)	–	–	–	(60,324)
Operating income	2,920,221	467,651	485,771	(496,702)	3,376,941
Other operating expenses	(1,232,325)	(277,749)	(221,090)	19,261	(1,711,903)
Operating profit	1,687,896	189,902	264,681	(477,441)	1,665,038
Investment impairment expense	(3,864)	(24,291)	(24,889)	–	(53,044)
Loan impairment expense, net of recoveries	(3,333)	(53,176)	(543)	–	(57,052)
Net profit before taxation	**1,680,699**	**112,435**	**239,249**	**(477,441)**	**1,554,942**
Taxation	(312,391)	(16,430)	(48,254)	–	(377,075)
Net profit after taxation	**1,368,308**	**96,005**	**190,995**	**(477,441)**	**1,177,867**
Investment in associated companies	445,377	–	–	–	445,377
Total assets	43,253,197	8,823,665	9,529,089	(3,993,585)	57,612,366
Total liabilities	36,430,384	7,389,484	7,546,393	(2,269,929)	49,096,331
Depreciation	102,121	30,485	21,603	–	154,209
Capital expenditure on premises and equipment	151,730	21,749	28,207	–	201,686

24 SEGMENTAL INFORMATION

ii) By class of business

	Retail and commercial banking	Investment banking	Eliminations	Total
2014				
Interest income	2,252,099	323,973	(54,926)	2,521,146
Interest expense	(296,880)	(61,140)	54,926	(303,094)
Net interest income	1,955,219	262,833	–	2,218,052
Other income	1,545,563	85,502	(144,083)	1,486,982
Share of profits of associates	49,135	–	–	49,135
Operating income	3,549,917	348,335	(144,083)	3,754,169
Goodwill impairment expense	(185,000)	–	–	(185,000)
Other operating expenses	(1,845,958)	(41,610)	11,072	(1,876,496)
Operating profit	1,518,959	306,725	(133,011)	1,692,673
Investment impairment expense	(4,032)	(62)	–	(4,094)
Loan impairment expense, net of recoveries	(112,403)	(7,480)	–	(119,883)
Net profit before taxation	**1,402,524**	**299,183**	**(133,011)**	**1,568,696**
Taxation	(300,382)	(38,598)	–	(338,980)
Net profit after taxation	**1,102,142**	**260,585**	**(133,011)**	**1,229,716**
Investment in associated companies	345,942	–	–	345,942
Total assets	54,920,240	8,621,476	(4,170,200)	59,371,516
Total liabilities	46,709,784	6,229,151	(2,313,742)	50,625,193
Depreciation	150,322	467	–	150,789
Capital expenditure on premises and equipment	201,090	1,735	–	202,825
Cash flow from operating activities	516,059	(41,763)	(30,905)	443,391
Cash flow from investing activities	(94,788)	(53,907)	(149,558)	(298,253)
Cash flow from financing activities	(877,518)	(92,536)	131,490	(838,564)

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

24 SEGMENTAL INFORMATION *(continued)*

ii) By class of business *(continued)*

	Retail and commercial banking	Investment banking	Eliminations	Total
2013				
Interest income	2,222,792	356,816	(62,447)	2,517,161
Interest expense	(321,890)	(77,052)	62,447	(336,495)
Net interest income	1,900,902	279,764	–	2,180,666
Other income	1,672,773	80,528	(496,702)	1,256,599
Share of losses of associates	(60,324)	–	–	(60,324)
Operating income	3,513,351	360,292	(496,702)	3,376,941
Other operating expenses	(1,694,353)	(36,812)	19,262	(1,711,903)
Operating profit	1,818,998	323,480	(477,440)	1,665,038
Investment impairment expense	(51,752)	(1,292)	–	(53,044)
Loan impairment expense, net of recoveries	(69,145)	12,093	–	(57,052)
Net profit before taxation	**1,698,101**	**334,281**	**(477,440)**	**1,554,942**
Taxation	(339,994)	(37,081)	–	(377,075)
Net profit after taxation	**1,358,107**	**297,200**	**(477,440)**	**1,177,867**
Investment in associated companies	445,377	–	–	445,377
Total assets	52,470,102	9,135,850	(3,993,585)	57,612,366
Total liabilities	44,437,583	6,928,678	(2,269,929)	49,096,331
Depreciation	153,831	378	–	154,209
Capital expenditure on premises and equipment	201,502	184	–	201,686

25 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below analyses the discounted assets and liabilities of the Group based on the remaining period at September 30 to the contractual maturity date. See Note 21.3 - 'Liquidity risk' - for an analysis of the financial liabilities based on contractual undiscounted repayment obligations.

	Within one year	After one year	Total
2014			
ASSETS			
Cash and cash equivalents	565,225	–	565,225
Statutory deposits with Central Banks	4,834,456	–	4,834,456
Due from banks	8,345,146	–	8,345,146
Treasury Bills	5,905,053	–	5,905,053
Investment interest receivable	72,136	–	72,136
Advances	6,994,689	20,100,718	27,095,407
Investment securities	1,933,185	6,327,197	8,260,382
Investment in associated companies	–	345,942	345,942
Premises and equipment	–	1,573,503	1,573,503
Goodwill	–	300,971	300,971
Net pension asset	–	1,299,725	1,299,725
Deferred tax assets	–	184,154	184,154
Taxation recoverable	20,250	29,357	49,607
Other assets	528,982	10,827	539,809
	29,199,122	**30,172,394**	**59,371,516**
LIABILITIES			
Due to banks	69,957	–	69,957
Customers' current, savings and deposit accounts	43,761,209	9,551	43,770,760
Other fund raising instruments	3,026,007	331,826	3,357,833
Debt securities in issue	–	1,066,802	1,066,802
Net pension liability	–	57,275	57,275
Provision for post-retirement medical benefits	–	423,502	423,502
Taxation payable	73,043	–	73,043
Deferred tax liabilities	28,941	439,095	468,036
Accrued interest payable	40,413	178	40,591
Other liabilities	1,110,442	186,952	1,297,394
	48,110,012	**2,515,181**	**50,625,193**

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

25 MATURITY ANALYSIS OF ASSETS AND LIABILITIES *(continued)*

	Within one year	After one year	Total
2013			
ASSETS			
Cash and cash equivalents	526,383	–	526,383
Statutory deposits with Central Banks	4,332,600	–	4,332,600
Due from banks	9,237,076	–	9,237,076
Treasury Bills	5,723,076	–	5,723,076
Investment interest receivable	63,979	1,508	65,487
Advances	6,786,405	18,449,112	25,235,517
Investment securities	1,898,347	6,232,700	8,131,047
Investment in associated companies	–	445,377	445,377
Premises and equipment	96	1,583,918	1,584,014
Goodwill	–	485,971	485,971
Net pension asset	–	1,292,988	1,292,988
Deferred tax assets	6,030	136,943	142,973
Taxation recoverable	17,497	29,537	47,034
Other assets	306,392	56,430	362,822
	28,897,882	**28,714,483**	**57,612,365**
LIABILITIES			
Due to banks	73,349	–	73,349
Customers' current, savings and deposit accounts	41,973,044	125,266	42,098,310
Other fund raising instruments	3,052,020	352,954	3,404,974
Debt securities in issue	150,000	1,079,058	1,229,058
Net pension liability	–	50,337	50,337
Provision for post-retirement medical benefits	–	304,850	304,850
Taxation payable	160,991	–	160,991
Deferred tax liabilities	24,958	467,302	492,260
Accrued interest payable	51,556	410	51,966
Other liabilities	1,030,799	199,437	1,230,236
	1,230,236	**2,579,615**	**49,096,331**

26 EQUITY COMPENSATION BENEFITS

a) Profit sharing scheme

The total staff profit sharing for the Group was $109 million (2013:$104.7 million) (see Note 18). During the 2014 financial year, $71 million in advances were made by Republic Bank (the Parent) to the staff profit sharing scheme (2013: $nil).

b) Stock option plan

The Group has a stock option plan for senior executives. Under this arrangement, the holder has the right to purchase a specified number of ordinary shares of Republic Bank Limited at a pre-determined price on or before a pre-determined date. Options are granted only when certain pre-determined individual, corporate and strategic objectives are realised.

The plan provides that the maximum number of ordinary shares that may be purchased on the exercise of options is 7,950,650 shares and the maximum entitlement for any one executive is no more than 50% of the shares comprising the plan. There is a three-year waiting period after the grant date of options before the grantee may exercise the right to purchase the shares represented by the options. The maximum period within which an option may be exercised is ten years.

The option price shall be the Bank's share price at the beginning of the performance period during which the option is earned. The price is calculated as the weighted average closing share price on all trading days during the calendar month, prior to the beginning of the performance period. The process of assessment, calculation of options and approval by the Board of Directors takes place in the first quarter following the end of the financial year.

The movement in outstanding options is outlined below.

	2014	2013	2014	2013
	Weighted average exercise price		Number of shares	
At the beginning of the year	**$84.04**	$82.14	**1,980,702**	1,773,899
Granted	**$104.41**	$92.67	**362,833**	388,571
Exercised	**$85.24**	$83.87	**(551,950)**	(181,768)
At end of year	**$87.38**	**$82.14**	**1,791,585**	**1,980,702**
Exercisable at end of year	**$85.40**	**$84.42**	**1,209,734**	**955,785**

Expiry date	Exercise price	2014	2013
15-Dec-15	$78.78	**46,665**	139,816
20-Dec-16	$90.19	**124,503**	213,036
20-Dec-17	$86.75	**187,867**	260,049
20-Dec-18	$80.00	**167,038**	245,114
20-Dec-19	$101.80	**11,876**	11,876
21-Feb-21	$85.94	**224,419**	340,681
3-Feb-22	$72.99	**350,306**	395,405
30-Jan-23	$92.67	**336,496**	374,725
31-Dec-24	$104.41	**342,415**	–
		1,791,585	**1,980,702**

As at September 30, 2014, none (2013: none) of the outstanding options were anti-dilutive and therefore not included in the calculation of diluted earnings per share.

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

26 EQUITY COMPENSATION BENEFITS *(continued)*

b) Stock option plan *(continued)*

The fair value of the stock options have been determined using a binomial option-pricing model. The assumptions used in the calculation of the fair value are as follows:

Grant date	December 18, 2013 to February 25, 2014
Number granted	362,833
Exercise price	$104.41
Share price at grant date	$115.77 to $117.50
Risk free interest rate	2.0% per annum
Expected volatility	15.0% per annum
Dividend yield	3.75% per annum
Exercise term	Option exercised when share price is twice the exercise price
Fair value	$17.90 to $18.84

The expected volatility is based on historical volatility of the share price over the last five years.

The weighted average share price for share options exercised during the year was $84.77. For options outstanding at September 30, 2014 the exercise price ranged from $72.99 to $104.41 and the weighted average remaining contractual life was 9.0 years.

The total expense for the share option plan was $8.150 million (2013 : $6.538 million).

27 DIVIDENDS PAID AND PROPOSED

	2014	2013
Declared and paid during the year		
Equity dividends on ordinary shares:		
Final dividend for 2013: $3.00 (2012: $3.00)	**483,375**	482,834
First dividend for 2014: $1.25 (2013: $1.25)	**201,876**	200,194
Total dividends paid	**685,251**	**683,028**
Proposed for approval at Annual General Meeting		
(not recognised as a liability as at September 30)		
Equity dividends on ordinary shares:		
Final dividend for 2014: $3.00 (2013: $3.00)	**484,989**	**483,333**

28 CONTINGENT LIABILITIES

a) Litigation

As at September 30, 2014 there were certain tax and legal proceedings outstanding against the Group. No provision has been made as professional advice indicates that it is unlikely that any significant loss will arise or that it would be premature at this stage of the action to determine the eventuality.

b) Customers' liability under acceptances, guarantees, indemnities and letters of credit

	2014	2013
Acceptances	**742,087**	725,650
Guarantees and indemnities	**106,898**	105,381
Letters of credit	**117,716**	110,903
	966,701	**941,934**

c) Sectoral information

	2014	2013
State	**209,274**	101,043
Corporate and commercial	**650,259**	612,046
Personal	**32,995**	23,343
Other financial institutions	**50,983**	183,260
Other	**23,190**	22,242
	966,701	**941,934**

d) Pledged assets

The table below illustrates the distribution of pledged assets in the Group's statement of financial position:

	Carrying amount		Related liability	
	2014	2013	2014	2013
Financial investments - available-for-sale	**2,821,949**	3,175,602	**2,741,021**	3,105,856

The assets pledged by the Group relate to a pool of securities held for the purpose of providing collateral for the counterparty. Individual securities within the pool may be sold by the Group once the total value of the pool exceeds the value of the liability. In the event of the Group's default, the counterparty is entitled to apply the collateral in order to settle the liability.

For the year ended September 30, 2014. Expressed in thousands of Trinidad and Tobago dollars ($'000), except where otherwise stated

29 SUBSIDIARY COMPANIES

Name of Company	Country of incorporation	Equity interest
Republic Finance and Merchant Bank Limited *Merchant Bank*	Trinidad and Tobago	100.00%
London Street Project Company Limited *Facilitate Financing of Property Development Projects*	Trinidad and Tobago	100.00%
Republic Investments Limited *Investment-Management Company*	Trinidad and Tobago	100.00%
Republic Securities Limited *Securities Brokerage Company*	Trinidad and Tobago	100.00%
Republic Wealth Management Limited *Investment Advisory Company*	Trinidad and Tobago	100.00%
Republic Bank (Cayman) Limited *Offshore Bank*	Cayman Islands	100.00%
Republic Insurance Company (Cayman) Limited *Insurance Company*	Cayman Islands	100.00%
Republic Bank Trinidad and Tobago (Barbados) Limited *Offshore Bank*	Barbados	100.00%
Republic Bank (Barbados) Limited *Commercial Bank*	Barbados	100.00%
Republic Finance & Trust (Barbados) Corporation *Merchant Bank*	Barbados	100.00%
Republic Caribbean Investments Limited *Investment Company*	St. Lucia	100.00%
Atlantic Financial Limited *Offshore Bank*	St. Lucia	100.00%
Republic Bank (Grenada) Limited *Commercial Bank*	Grenada	51.00%
Republic Bank (Guyana) Limited *Commercial Bank*	Guyana	51.00%

30 STRUCTURED ENTITIES

The Group sponsors several structured entities which are not consolidated as the Group is not deemed to be in control of those entities. The Group considers itself to be sponsor of a structured entity when it facilitates the establishment of the structured entity. The Group may hold an interest in some of these entities.

These structured entities include Mutual Funds and Retirement Benefit Plans which are financed through the issue of units to investors in the funds. The Group generates fees from managing the assets of these funds on behalf of the third party investors. For the year ended September 30, 2014, the Group earned $12.5 million in management fees from the retirement plans and $95.7 million from the mutual funds.

The Group holds an interest of $21.6 million in sponsored funds as at September 30, 2014. The maximum exposure to loss in these funds is the carrying value of the assets held by the Group. These values are all included in the Investment securities portfolio of the Group as at September 30, 2014.

www.republictt.com
email@republictt.com