

contents

Auditors' Report	75
Consolidated Balance Sheet	76-77
Consolidated Statement of Income	78
Consolidated Statement of Changes in Equity	79
Consolidated Statement of Cash Flows	80-81
Notes to the Consolidated Financial Statements	
1. Corporate Information	82
2. Significant accounting policies	
a) Basis of preparation	82
b) Future changes in accounting policies	82-83
c) Basis of consolidation	83-84
d) Cash and cash equivalents	84
e) Statutory deposits with Central Banks	84
f) Derivative financial instruments	85
g) Financial instruments	85-86
h) Impairment of financial assets	87
i) Finance leases	88
j) Employee benefits	88-89
k) Taxation	89
l) Goodwill	89-90
m) Premises and equipment	90
n) Statutory reserves	90-91
o) Fiduciary assets	91
p) Earnings per share	91-92
q) Foreign currency translation	92
r) Interest income and expense	92
s) Fee and commission income	92
t) Segment reporting	93
3. Significant accounting judgements and estimates in applying the Group's accounting policies	93-94
4. Restatement of prior year balances	94-96
5. Investment securities	97

contents

6. Advances	98-99
7. Employee benefits	100-104
8. Deferred tax assets and liabilities	105
9. Other Assets	105
10. Investment in associated companies	106-107
11. Business combinations	107-108
12. Goodwill	109
13. Premises and equipment	110
14. Customers' current, savings & deposit accounts	111
15. Other fund raising instruments	111
16. Debt securities in issue	111-112
17. Due to banks	113
18. Other liabilities	113
19. Stated capital	113-114
20. Other reserves	114
21. Operating profit	115
22. Taxation expense	116
23. Undrawn commitments	116
24. Related parties	116-118
25. Financial risk management	118-119
26. Financial instruments	120-122
27. Segmental information	123-126
28. Currency risk	126-128
29. Interest rate risk	128-130
30. Liquidity risk	131-132
31. Equity compensation benefits	132-134
32. Dividends paid & proposed	135
33. Contingent liabilities	135-136
34. Employees	136
35. Sale of Republic Bank (DR), S.A.	136-138
36. Subsidiary companies	139

independent auditors' report

To The Shareholders Of Republic Bank Limited

We have audited the consolidated financial statements of Republic Bank Limited and its subsidiaries (the 'Group'), which comprise the consolidated balance sheet as at 30th September, 2007, and the related consolidated statements of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

We have audited the financial statements of the parent and its subsidiaries except for Republic Bank (DR), S.A, a 99.9% subsidiary, and Republic Bank (Guyana) Limited, a 51% subsidiary. These subsidiaries account for 7.63% of the consolidated assets and 7.36% of the consolidated revenues and were audited by PricewaterhouseCoopers and Ram & McRae respectively, and their reports have been furnished to us. Our opinion insofar as it relates to the amounts included for Republic Bank (DR), S.A. and Republic Bank (Guyana) Limited, is based solely on the reports of the other auditors.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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 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 30th September, 2007, and of 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:

7th November, 2007

consolidated balance sheet

at 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000)

	Notes	2007	Restated 2006
ASSETS			
Cash		325,993	338,903
Statutory deposits with Central Banks		2,051,764	1,803,989
Due from banks		2,680,746	2,194,863
Treasury bills		1,495,999	2,100,975
Bills discounted		457,267	370,490
Investment securities	5	6,408,698	7,594,245
Advances	6	19,917,392	17,310,407
Non-current assets held for sale	35	586,902	-
Net pension asset	7	1,015,807	927,424
Deferred tax assets	8	110,176	98,041
Investment interest receivable		146,775	201,679
Other assets	9	343,521	437,056
Investment in associated companies	10	207,428	125,685
Taxation recoverable		44,335	36,596
Goodwill	12	487,500	487,500
Premises and equipment	13	1,081,842	1,032,795
TOTAL ASSETS		37,362,145	35,060,648

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

consolidated balance sheet

at 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000)

	Notes	2007	Restated 2006
LIABILITIES & EQUITY			
LIABILITIES			
Customers' current, savings and deposit accounts	14	24,245,419	22,228,552
Other fund raising instruments	15	4,463,646	4,322,543
Debt securities in issue	16	766,738	778,876
Non-current liabilities held for sale	35	524,158	-
Due to banks	17	600,570	1,219,475
Provision for post-retirement medical benefits	7	95,380	83,398
Taxation payable		125,522	138,142
Deferred tax liabilities	8	348,075	322,703
Accrued interest payable		204,244	202,858
Other liabilities	18	700,965	989,143
TOTAL LIABILITIES		32,074,717	30,285,690
EQUITY			
Stated capital	19	552,486	537,104
Statutory reserves		308,608	300,637
Other reserves	20	187,850	596,079
Retained earnings		3,812,929	2,956,338
Attributable to equity holders of the parent		4,861,873	4,390,158
Minority interest		425,555	384,800
TOTAL EQUITY		5,287,428	4,774,958
TOTAL LIABILITIES & EQUITY		37,362,145	35,060,648

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

These financial statements were approved by the Board of Directors on 7th November, 2007 and signed on its behalf by:

R. F. deC Harford
Chairman

D. Dulal-Whiteway
Managing Director

George L. Lewis
Director

J. Quamina
Corporate Secretary

consolidated statement of income

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

	Notes	2007	Restated 2006
Interest income	21 (a)	2,713,447	2,289,966
Interest expense	21 (b)	(1,046,996)	(873,346)
Net interest income		1,666,451	1,416,620
Other income	21 (c)	953,178	827,369
		2,619,629	2,243,989
Realized gain / (unrealized loss) on FirstCaribbean International Bank Limited shareholding		370,187	(175,428)
		2,989,816	2,068,561
Loan impairment (expense)/recovery	6 (b)	(91,816)	3,604
Operating expenses	21 (d)	(1,204,881)	(1,072,352)
Operating profit		1,693,119	999,813
Share of profits of associated companies		32,060	20,455
Profit before taxation		1,725,179	1,020,268
Taxation - Current		(244,768)	(211,519)
- Deferred		(13,417)	(14,445)
Total taxation expense	22	(258,185)	(225,964)
Loss on discontinued operations	35	(41,189)	(61,278)
Net profit after taxation		1,425,805	733,026
Minority interest		(90,116)	(95,972)
Profit attributable to equity holders of the parent		1,335,689	637,054
Earnings per share (\$)			
Basic		\$8.34	\$3.99
Diluted		\$8.33	\$3.97
Weighted average number of shares ('000)			
Basic		160,090	159,736
Diluted		160,377	160,282

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

consolidated statement of changes in equity

for the year ended 30th September, 2007

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	Minority Interest	Total Equity
Balance at 1st October, 2005							
previously reported	504,141	279,674	576,455	2,814,865	4,175,135	366,829	4,541,964
Prior year adjustment	-	-	(32,956)	(34,560)	(67,516)	(29,517)	(97,033)
Balance at 1st October, 2005							
as restated	504,141	279,674	543,499	2,780,305	4,107,619	337,312	4,444,931
Realized gains transferred to net profit	-	-	(109)	-	(109)	-	(109)
Revaluation of available-for-sale investments (restated)	-	-	(32,009)	-	(32,009)	(21,184)	(53,193)
Revaluation - derivatives	-	-	3,826	-	3,826	-	3,826
Translation adjustments	-	-	2,375	865	3,240	1,249	4,489
Total income and expense for the year recognized directly in equity	-	-	(25,917)	865	(25,052)	(19,935)	(44,987)
Profit for the year (restated)	-	-	-	637,054	637,054	95,972	733,026
Total income and expense for the year	-	-	(25,917)	637,919	612,002	76,037	688,039
Issue of Shares	20,963	-	-	-	20,963	-	20,963
Value of services provided	12,000	-	-	-	12,000	-	12,000
Transfer to general contingency reserve	-	-	78,497	(78,497)	-	-	-
Transfer to statutory reserves	-	20,963	-	(20,963)	-	-	-
Other	-	-	-	(3,258)	(3,258)	-	(3,258)
Equity dividends	-	-	-	(359,168)	(359,168)	-	(359,168)
Dividends of subsidiaries	-	-	-	-	-	(28,549)	(28,549)
Balance at 30th September, 2006							
(Restated)	537,104	300,637	596,079	2,956,338	4,390,158	384,800	4,774,958
Realized gains transferred to net profit	-	-	(416,782)	-	(416,782)	-	(416,782)
Revaluation of available-for-sale investments	-	-	(57,135)	-	(57,135)	(14,360)	(71,495)
Revaluation - derivatives	-	-	(2,380)	-	(2,380)	-	(2,380)
Translation adjustments	-	-	12,969	-	12,969	4,057	17,026
Share of changes recognized directly in associate's equity.	-	-	9,639	-	9,639	-	9,639
Total income and expense for the year recognized directly in equity	-	-	(453,689)	-	(453,689)	(10,303)	(463,992)
Profit for the year	-	-	-	1,335,689	1,335,689	90,116	1,425,805
Total income and expense for the year	-	-	(453,689)	1,335,689	882,000	79,813	961,813
Issue of Shares	6,172	-	-	-	6,172	-	6,172
Value of services provided	9,210	-	-	-	9,210	-	9,210
Transfer to general contingency reserve	-	-	43,822	(43,822)	-	-	-
Transfer to statutory reserves	-	7,971	-	(7,971)	-	-	-
Other	-	-	1,638	-	1,638	-	1,638
Equity dividends	-	-	-	(427,305)	(427,305)	-	(427,305)
Dividends of subsidiaries	-	-	-	-	-	(39,058)	(39,058)
Balance at 30th September, 2007	552,486	308,608	187,850	3,812,929	4,861,873	425,555	5,287,428

consolidated statement of cash flows

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000)

	Notes	2007	Restated 2006
Operating activities			
Profit before taxation		1,725,179	1,020,268
Adjustments for:			
Depreciation		87,452	81,317
Loan impairment recovery/(expense)		91,816	(3,604)
Translation difference		919	35,605
(Gain) /loss on sale of premises and equipment		(19,530)	711
Revaluation loss on investment securities		39,733	169,146
Share of profits of associated companies		(32,060)	(20,455)
Stock option expense		9,210	12,000
Increase in employee benefits		(76,401)	(44,652)
Increase in advances		(3,063,051)	(2,127,047)
Increase in customers' deposits and other fund raising instruments		3,058,675	3,360,213
Increase in statutory deposits with Central Banks		(494,532)	(163,275)
Decrease/(increase) in other assets and investment interest receivable		1,365	(55,297)
Increase in other liabilities and accrued interest payable		104,596	23,366
Corporation taxes paid, net of refund		(265,127)	(178,423)
Cash used in operating activities of discontinued operations		(644,719)	(96,122)
Cash provided by operating activities		523,525	2,013,751
Investing activities			
Purchase of investment securities		(2,955,329)	(4,050,059)
Redemption of investment securities		3,031,588	4,326,986
Acquisition of subsidiaries, net of cash acquired		-	(63,741)
Net cash outflow from the purchase of interests in associated company		(46,519)	-
Dividends from associated companies		6,475	2,880
Additions to premises and equipment		(176,762)	(190,612)
Proceeds from sale of premises and equipment		27,835	1,001
Cash provided by/(used in) investing activities of discontinued operations		452,180	(23,580)
Cash provided by investing activities		339,468	2,875

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

consolidated statement of cash flows

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000)

	Notes	2007	Restated 2006
Financing activities			
Decrease in balances due to other banks		(615,386)	(59,126)
Repayment of debt securities		(12,138)	(218,466)
Proceeds from share issue		6,172	20,963
Dividends paid to shareholders of the parent		(427,305)	(359,168)
Dividends paid to minority shareholders of the subsidiaries		(39,058)	(28,549)
Cash used in financing activities of discontinued operations		(3,525)	(18,719)
Cash used in financing activities		(1,091,240)	(663,065)
Net (decrease)/increase in cash and cash equivalents		(228,247)	1,353,561
Net foreign exchange difference		(20,308)	(7,962)
Cash and cash equivalents at beginning of year		4,597,618	3,252,019
Cash and cash equivalents at end of year		4,349,063	4,597,618
Cash and cash equivalents at end of year are represented by:			
Cash on hand		325,993	313,029
Due from banks		2,680,746	2,125,576
Treasury bills - original maturities of three months or less.		676,798	1,525,001
Bills discounted		457,267	370,490
Bankers' acceptances - original maturities of three months or less.		208,259	168,361
Cash and cash equivalents of discontinued operations		-	95,161
		4,349,063	4,597,618
Supplemental information:			
Interest received during the year		2,764,986	2,248,964
Interest paid during the year		1,042,259	829,662
Dividends received		21,265	20,404

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

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

1. Corporate information

Republic Bank Limited (the 'Parent') is incorporated in the Republic of Trinidad and Tobago. It was continued under the provision of the Companies Act, 1995 on March 23, 1998 and 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 fifteen (15) subsidiaries and four (4) associated companies. The Group is engaged in a wide range of banking, financial and related activities in Trinidad and Tobago and the Caribbean. A full listing of the Group's subsidiary companies is detailed in note 36 while associate companies are listed in note 10.

The CL Financial Group holds through its various subsidiaries 54.94% of the shares 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.

a) 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 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 and derivative financial instruments. The preparation of 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.

b) Future changes in accounting policies

The Group has not early adopted the following new and revised IFRS's and IFRIC Interpretations that have been published and are mandatory for the Group's accounting periods beginning on or after October 1, 2007:

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

2. Significant accounting policies *(continued)*

b) Future changes in accounting policies

IAS 1 - Presentation of financial statements

IAS 23 - Borrowing Costs

IFRS 7 - Financial Instruments: Disclosures

IFRS 8 - Operating Segments

IFRIC 11 - IFRS2 - Group Treasury Share Transactions

IFRIC 13 - Customer Loyalty Programmes

IFRIC 14 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The quantitative impact of the adoption of these standards is currently being evaluated.

c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Republic Bank Limited and its subsidiaries as at 30th September 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.

Minority interest represents the portion of the income statement and net assets not owned, directly or indirectly, by the Bank and are presented separately in the income statement and within equity in the consolidated balance sheet, separately from the parent shareholders' equity.

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

2. Significant accounting policies *(continued)*

c) 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 balance sheet at cost plus post acquisition changes in the Group's share of the associates' net assets, less any impairment in value. The statement of income reflects the net share of the results of operations of the associates.

d) Cash and cash equivalents

For the purpose of presentation in the 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 and bills discounted.

e) Statutory deposits with Central Banks

Pursuant to the provisions of the Central Bank Act, 1964 and the Financial Institutions Act, 1993, 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.

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 Central Bank of Guyana statutory reserve balances in relation to the deposit liabilities of the institution.

In accordance with statutory provisions, Barbados National Bank Inc. is required to maintain reserves in the form of certain cash resources and Government securities.

Pursuant to Resolutions of the Monetary Board, Republic Bank (DR), S.A is required to maintain with the Central Bank of the Dominican Republic (Banco Central), statutory reserve balances in relation to the total deposit liabilities of the institution.

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

2. Significant accounting policies *(continued)*

f) Derivative financial instruments

Derivative financial instruments including forward rate agreements, currency swaps, interest rate swaps and options are initially recognised in the balance sheet at fair value. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate. All derivatives are carried as assets when fair value is positive and liabilities when fair value is negative. Income on derivatives held for trading is included in other income.

The Group recognises certain derivatives as cash flow hedges, which is the hedge of highly probable cash flows attributable to a recognised asset or liability.

Hedge accounting is used for derivatives designated in this way provided the following criteria are met:

- i) At inception of the hedge, there is formal documentation of the hedge, the relationship between hedging instruments and hedged items, and the Group's risk management objective and strategy in undertaking the hedge.
- ii) The Group documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated as cash flow hedges are recognised in equity. The ineffective portion is recognised immediately in the statement of income.

g) Financial instruments

The Group's financial assets and financial liabilities are recognised in the balance sheet when it becomes party to the contractual 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 expires. All 'regular way' purchases and sales are recognised at settlement date.

i) Advances

Advances are financial assets provided directly to a customer. These carry fixed or determinable payments and are not quoted in an active market. Advances are stated at principal amounts outstanding net of any unearned interest and allowances for impairment losses.

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

2. Significant accounting policies *(continued)*

g) Financial instruments *(continued)*

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 recognized at fair value plus transaction costs and are continuously measured at fair value based on quoted market prices where available, or discounted cash flow models. All gains and losses realized and unrealized from trading securities and those designated at fair value through profit or loss are reported in other income. 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. Available-for-sale securities are initially recognized 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. Fair values for unquoted equity instruments or unlisted securities are estimated using applicable price/earnings or price/cash flow ratios refined to reflect the specific circumstances of the issuer. Unrealised gains and losses arising from changes in the fair value of securities classified as available for sale are recognised in equity 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 recognized in equity are included in the statement of income as an impairment expense on investment securities.

- Held to maturity

Held to maturity investments are financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Held to maturity investments are carried at amortized cost less any provision for impairment.

iii) Debt securities and other fund raising instruments

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

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

2. Significant accounting policies (continued)

h) Impairment of financial assets

The Bank assesses at each balance sheet 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.

i) Advances

All non performing and individually significant advances are individually reviewed and specific provisions made for the impaired portion based on the realizable value of the loan collateral 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.

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.

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 instrument has been renegotiated, interest continues to be accrued at the original effective interest rate 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 income statement.

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

2. Significant accounting policies *(continued)*

i) Finance leases

Finance charges on leased assets are taken into income using the amortization 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 balance sheet under loans and advances.

j) 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. The Bank 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 statement of income so as to spread regular costs over the service lives of employees in accordance with the advice of qualified actuaries. Actuarial gains and losses are recognized as income or expense when the cumulative unrecognized actuarial gains or losses exceed 10% of the defined benefit obligation and the fair value of plan assets. These gains or losses are recognized by amortizing them over the average remaining working lifetime of employees.

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 7 to these financial statements.

ii) Other post-retirement obligations

The Bank 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.

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

2. Significant accounting policies *(continued)*

j) Employee benefits

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 60% 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 statement of income.

k) 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 balance sheet 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 recognized 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 recognized as an expense in the period in which profits arise. The tax effects of income tax losses available for carry forward are recognized as an asset when it is probable that future taxable profits will be available against which these losses can be utilized.

l) 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.

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

2. Significant accounting policies (continued)

l) Goodwill (continued)

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. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized.

Where the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, this gain is recognized immediately in the statement of income as a credit to other income.

m) 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 recognized 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 statement of income during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the 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 premises	2%
Equipment, furniture and fittings	15 - 33.33%

n) Statutory reserves

The Trinidad and Tobago Financial Institutions Act 1993 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.

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

2. Significant accounting policies *(continued)*

n) Statutory reserves *(continued)*

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. Barbados Mortgage Finance Company has been exempted from this requirement.

The Superintendency of Banks of the Dominican Republic requires that a reserve be maintained that is equal to 20% of the paid-up capital. This legal reserve is paid when the Bank's shares are purchased and is not available for distribution to shareholders. Additionally, the Commerce Code of the Dominican Republic requires that a minimum of 5% of annual net income be transferred to a legal reserve fund until the balance on this reserve is equal to 10% of the paid-up capital. These reserves are not available for distribution as dividends or for any other form of appropriation

o) 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 financial statements as they are not the assets of the Group. These assets under administration at 30th September, 2007 totalled \$26.2 billion (2006: \$17.8 billion).

p) 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.

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

2. Significant accounting policies *(continued)*

p) Earnings per share *(continued)*

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.

q) 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 & 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 30th September, 2007. 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 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 balance sheet date. All revenue and expenditure transactions are translated at an average rate and all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of pre-acquisition reserves of the subsidiaries are recorded within capital reserves in shareholders' equity.

r) Interest income and expense

Interest income and expense are recognized in the 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.

s) Fee and commission income

Unless included in the effective interest calculation, fees and commissions are recognized 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 recognized on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognized based on the applicable service contracts. Asset management fees related to investment funds are recognized over the period the service is provided.

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

2. Significant accounting policies *(continued)*

t) 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 analyzes 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.

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 financial statements:

Impairment of financial assets

Management makes judgements at each balance sheet 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 are calculated on an estimate of impairment incurred but not reported, existing in assets as at the balance sheet 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

The Group has applied IAS 39 in its classification of investment securities which requires measurement of securities at fair value. For unquoted equity instruments and 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.

notes to the consolidated financial statements

for the year ended 30th September, 2007

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

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 Plan. These are detailed in Note 7 – Employee benefits.

Goodwill

The Group financial statements include goodwill arising from acquisitions. In accordance with IFRS 3, goodwill was reviewed for impairment as at 30th September, 2007 using the 'value in use' method. This requires the use of estimates for determination of future cash flows expected to arise from each cash-generating unit and an appropriate discount rate to calculate present value.

Deferred taxes

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.

Fixed Assets

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.

4. Restatement of prior year balances

(a) Taxation Recoverable

Changes in presentation have been made in these financial statements to the amount stated as 'Taxation recoverable'. In the Balance Sheet, a portion of this amount was previously included within 'Other assets' while another portion was previously offset against 'Taxation payable'. These changes had no effect on the consolidated statement of income or earnings per share.

The effect of this change on the Balance Sheet is summarized as follows:

Decrease in other assets	(15,405)
Increase in taxation payable	(21,191)

Net Increase in Taxation recoverable	(36,596)
---	-----------------

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

4. Restatement of prior year balances *(continued)*

(b) Investment Securities

During the current financial year, it was noted that certain investment securities designated as available-for-sale were incorrectly valued in prior periods. The financial statements for the prior period ended September 30, 2006 have been restated to correct this error. This restatement has had no impact on the consolidated statement of income or earnings per share.

The effect of this restatement on the Balance Sheet is summarized as follows:

Decrease in investment securities	(133,415)
Increase in deferred tax asset	31,709
Net adjustment to total assets re Investment securities	(101,706)
Decrease in other reserves	(55,039)
Decrease in minority interest	(46,667)
Net adjustment to equity	(101,706)

(c) Loan fee recognition estimate

In accordance with IAS 18 Revenue, loan origination fees, which have a high probability of being drawn down, are to be deferred (together with related direct costs) and recognized as an adjustment to the effective interest yield on the loan. The impact of this accounting treatment was in the past determined to be immaterial and as such, not recorded. During the current year, however, a decision was taken to record the adjustment.

The recording of this adjustment has been applied retrospectively and the comparative statements for 2006 have been restated. The effect is tabulated below. Opening retained earnings for 2006 has been reduced by \$34,560 which is the amount of the adjustment relating to periods prior to 2006.

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

4. Restatement of prior year balances *(continued)*

The effect on the statement of income for 2006 was as follows:

Net profit after taxation and minority interest previously reported	640,257
Adjusted for:	
Decrease in fee and commission income	(4,937)
Decrease in taxation expense	1,302
Decrease in minority interest expense	432
<hr/> Net profit for the year after taxation and minority interest as restated	<hr/> 637,054 <hr/>
Earnings per share as previously reported	
-Basic	\$4.01
-Diluted	\$3.99
Earnings per share as restated	
-Basic	\$3.99
-Diluted	\$3.97
The effect on the Balance Sheet for 2006 was as follows:	
Increase in deferred tax asset	14,764
<hr/> Net adjustment to total assets	<hr/> 14,764 <hr/>
Increase in unearned fee and commission income	56,621
Decrease in retained earnings	(37,763)
Decrease in minority interest	(4,094)
<hr/> Net adjustment to total liabilities and equity	<hr/> 14,764 <hr/>

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

	2007	Restated 2006
5. Investment securities		
a) Available-for-sale		
Government securities	2,061,463	2,802,483
State owned company securities	1,191,177	620,728
Corporate bonds/debentures	2,264,603	2,543,404
Other	667,355	677,219
	6,184,598	6,643,834
b) Held to maturity		
Government securities	7,267	20,421
State owned company securities	185,588	185,000
Corporate bonds/debentures	11,641	11,410
	204,496	216,831
c) At fair value through profit or loss		
Held for trading		
State owned company securities	-	15,593
Corporate bonds/debentures	-	7,925
Quoted securities	19,604	710,062
	19,604	733,580
Total investment securities	6,408,698	7,594,245

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

6. Advances	2007	Restated 2006
a) Net advances		
Performing advances	20,100,889	17,645,974
Non performing advances	469,002	431,366
	20,569,891	18,077,340
Unearned interest	(507,629)	(616,530)
Accrued interest	138,263	131,354
	20,200,525	17,592,164
Provision for loan losses - note 6(b)	(283,133)	(281,757)
Net advances	19,917,392	17,310,407
b) Provision for loan losses		
Balance brought forward	281,757	372,638
Translation adjustment	1,371	3,258
Charge-offs and write-offs	(47,298)	(90,535)
Loan impairment expense	92,909	116
Loan impairment recoveries	(1,093)	(3,720)
Provision for loan losses - Discontinued operations	(44,513)	-
Balance carried forward	283,133	281,757
c) Net investment in leased assets included in net advances above		
Gross investment	963,477	931,021
Unearned finance charge	(324,122)	(333,206)
	639,355	597,815
Provision for loan losses	-	(629)
Net investment in leased assets	639,355	597,186

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

6. Advances (continued)	2007	Restated 2006
d) Net investment in leased assets has the following maturity profile		
Within one year	33,730	50,893
One to five years	339,570	163,193
Over five years	266,055	383,100
	639,355	597,186
e) Concentration of net advances		
Energy	674,803	705,523
Manufacturing	853,523	687,566
Distribution/construction/real estate	9,061,786	8,669,562
Hospitality	820,179	875,526
Financial services	1,305,952	1,278,778
Personal/agriculture	4,503,394	3,090,789
Other services	2,697,755	2,002,663
	19,917,392	17,310,407

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

7. Employee benefits

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

	Defined benefit pension plans		Post-retirement medical benefits	
	2007	2006	2007	2006
Opening defined benefit obligation	1,471,538	1,640,484	91,830	98,661
Exchange adjustments	2,602	-	56	-
Current service cost	58,452	62,555	5,260	5,868
Interest cost	122,458	114,977	7,916	7,020
Member's Contributions	664	1,130	-	-
Additional Voluntary Contributions	-	54	-	-
Past Service Cost	1,458	2,553	-	-
Actuarial losses on obligations	(8,783)	(316,390)	(3,448)	(18,627)
Benefits paid	(43,811)	(33,257)	-	-
Expense Allowance	(655)	(568)	-	-
Premiums paid by the Bank	-	-	(1,250)	(1,092)
Closing defined benefit obligation	1,603,923	1,471,538	100,364	91,830

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

7. Employee benefits (continued)

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

	Defined benefit pension plans		Post-retirement medical benefits	
	2007	2006	2007	2006
Opening fair value of plan assets	2,608,020	2,764,603	-	-
Exchange adjustments	2,155	-	-	-
Expected return	260,036	251,343	-	-
Actuarial gains/(losses)	38,544	(388,941)	-	-
Contributions by employer	13,981	13,656	-	-
Member's Contributions	664	1,130	-	-
Additional Voluntary Contributions	-	54	-	-
Benefits paid	(43,811)	(33,257)	-	-
Expense Allowance	(655)	(568)	-	-
Closing fair value of plan assets	2,878,934	2,608,020	-	-

c) The amounts recognized in the balance sheet are as follows:

	Defined benefit pension plans		Post-retirement medical benefits	
	2007	2006	2007	2006
Defined benefit obligation	(1,603,923)	(1,471,538)	(100,364)	(91,830)
Fair value of plan assets	2,878,934	2,608,020	-	-
	1,275,011	1,136,482	(100,364)	(91,830)
Unrecognized portion	(226,616)	(178,836)	4,984	8,432
Unutilizable surplus	(32,588)	(30,222)	-	-
Net asset/(liability) recognized in the balance sheet	1,015,807	927,424	(95,380)	(83,398)

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

7. Employee benefits (continued)

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

	Defined benefit pension plans		Post-retirement medical benefits	
	2007	2006	2007	2006
Current service cost	58,452	62,555	5,260	5,868
Interest on defined benefit obligation	122,458	114,977	7,916	7,020
Expected return on plan assets	(260,036)	(251,343)	-	-
Amortized net gain	798	53	-	1,185
Past Service Cost	1,458	2,553	-	-
Unutilizable surplus	2,366	30,222	-	-
Total included in staff costs	(74,504)	(40,983)	13,176	14,073

e) Actual return on plan assets

	Defined benefit pension plans	
	2007	2006
Expected return on plan assets	260,036	251,343
Actuarial gain/(loss) on plan assets	38,544	(388,941)
Actual return on plan assets	298,580	(137,598)

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

7. Employee benefits (continued)

f) Experience history

	Defined benefit pension plans		Post-retirement medical benefits	
	2007	2006	2007	2006
Defined benefit obligation	1,603,923	1,471,538	100,364	91,830
Plan assets	(2,878,934)	(2,608,020)	-	-
(Deficit)/surplus	(1,275,010)	(1,136,482)	100,364	91,830
Experience adjustments on plan liabilities	(15,914)	(126,015)	(3,448)	(14,019)
Experience adjustments on plan assets	38,341	(408,791)	-	-

g) The Group expects to contribute \$9.3 million to the plan in the 2008 financial year.

h) The principal actuarial assumptions used were as follows:

	2007	2006
Discount rate (%)	5.50 - 8.75	5.50 - 8.75
Rate of salary increase (%)	3.50 - 7.50	3.00 - 7.50
Pension increases (%)	3.00 - 6.00	2.00 - 6.00
Medical cost trend rates (%)	6.00	6.00 - 7.25
Expected return on plan assets (%)	7.00 - 10.30	5.50-10.30
NIS Ceiling rates (%)	5.00 - 7.00	5.00 - 6.00

The expected rate of return on assets is set by reference to estimated long-term returns on assets held by the plan at that date. Allowance is made for some excess performance from the plan's equity portfolio.

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

7. Employee benefits (continued)

i) Plan asset allocation as at September 30

	Defined benefit pension plans	
	2007	2006
Equity securities	48.94%	46.11%
Debt securities	34.04%	36.53%
Property	0.28%	0.18%
Money market instruments/ cash	16.74%	17.18%
Total	100%	100%

One of the plans within the Group holds 0.3% of its assets in property occupied by the Group and 0.5% of its assets in the money market instruments issued by the Group.

j) Effect of One Percentage Point Change in Medical Expense Increase Assumption

Effect on	Aggregate Service and Interest Costs	Year-end Defined Benefit Obligation
Medical expense increase by 1% pa	16,575	120,969
Medical expense decrease by 1% pa	9,997	77,227

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

	2007	Restated 2006
8. Deferred tax assets and liabilities		
Components of deferred tax assets and liabilities		
a) Deferred tax assets		
Pension liability	27,437	20,861
Leased assets	25,321	24,293
Unrealised reserve	47,041	38,123
Unearned loan origination fees	10,377	14,764
	110,176	98,041
b) Deferred tax liabilities		
Pension asset	255,388	235,994
Leased assets	53,144	48,613
Premises and equipment	33,972	35,651
Unrealised reserve	5,571	2,445
	348,075	322,703
9 Other Assets		
Accounts receivable and prepayments	202,811	264,153
Accrued income	7,608	6,629
Other receivables	133,102	166,274
	343,521	437,056

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

10. Investment in associated companies	2007	2006
Balance at beginning of year	125,685	108,112
Share of current year profit and revaluation reserve	41,699	20,455
Dividends received	(6,475)	(2,880)
Exchange adjustments	-	(2)
Increase in Share Capital	46,519	-
Balance at end of year	207,428	125,685

This year, East Caribbean Financial Holding Company Limited increased its share capital. The Bank invested a further \$46,519 to maintain its 20% shareholding.

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

	2007	2006
Total assets	6,519,730	5,397,458
Total liabilities	5,531,870	4,812,284
Net assets	987,860	585,174
Group's share of associates' net assets	207,428	125,685
Revenue	647,346	396,336
Profit for the period	161,311	91,460
Group's share of associates' profit for the period	32,060	20,455

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

10. Investment in associated companies (continued)

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

	Country of incorporation	Proportion of issued capital held
G4S Holdings (Trinidad) Limited	Trinidad and Tobago	24.50%
InfoLink Services Limited	Trinidad and Tobago	25%
The Home Mortgage Bank Limited	Trinidad and Tobago	24%
East Caribbean Financial Holding Company Limited	St. Lucia	20%

11. Business combinations

During the previous financial year, on 11th April, 2006 Republic Bank Limited, through its subsidiary Republic Bank Trinidad & Tobago (Cayman) Limited acquired 100 percent of Dextra Bank & Trust Company Limited of the Cayman Islands, for the cash price of TT\$128.2 million.

The fair value of the identifiable assets at the date of acquisition were: (TT\$)

Assets	Carrying Value	Fair Value
Cash and amount due from banks	1,037,131	1,037,131
Investments	37,392	36,334
Advances	106,589	106,589
Premises and equipment	1,389	976
Other assets	62,527	62,527
	1,245,028	1,243,557

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

11. Business combinations (continued)

Liabilities	Carrying Value	Fair Value
Customers' deposits	1,136,743	1,136,743
Other fund raising instruments	32,074	32,074
Interest payable	2,109	2,109
Other liabilities	5,625	8,140
	1,176,551	1,179,066
Fair value of net assets acquired		64,491
Goodwill arising on acquisition		63,741
		128,232
Cash flow on acquisition:		
Cash and cash equivalents acquired		1,037,131
Cash paid		(128,232)
		908,899

The total cost of the combination was TT\$128.2 million and was settled in cash. Intangible assets such as customer lists have not been recognised separately as this could not be reliably measured. The business combination contributed TT\$34.0 million, TT\$11.2 million and TT\$6.8 million to the revenue, operating income and profit before tax of the Group respectively, since the date of acquisition. If the combination had taken place at the beginning of the financial year the revenue and profit before tax for the Group would have been TT\$57.1 million and TT\$13.7 million respectively.

The goodwill arising on the acquisition of the Dextra Bank & Trust Company Limited is attributable to the high profitability of the acquired business and the anticipated future operating synergies that are expected to arise from the combination. Following the acquisition, the bank was merged into the operations of Republic Bank Trinidad & Tobago (Cayman) Limited and has consequently not been listed as a subsidiary.

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

12. Goodwill	2007	2006
Goodwill on acquisition brought forward	487,500	424,109
Translation adjustment	-	(350)
Goodwill on acquisitions made during the year	-	63,741
Goodwill written off	-	-
	487,500	487,500

Impairment testing of goodwill

The residual balance of goodwill arising from business combinations was primarily generated from the acquisitions of Barbados National Bank Inc., Republic Bank (Guyana) Limited and Dextra Bank & Trust Company Limited. In accordance with IFRS 3, all assets that gave rise to goodwill were reviewed for impairment at 30th September, 2007 using the 'value in use' method. Based on the results of this review, no impairment expense was required.

The following table highlights the goodwill and impairment information for each cash-generating unit:

	Dextra Bank & Trust Company Limited	Barbados National Bank Inc.	Republic Bank (Guyana) Limited
	TT\$ million	TT\$ million	TT\$ million
Carrying amount of goodwill	64	328	96
Basis for recoverable amount	Value in use	Value in use	Value in use
Discount rate	10%	12%	18%
Cash flow projection term	Three years	Three years	Three years
Growth rate (extrapolation period)	5%	5%	5%

In each case, the cash flow projections are based on financial budgets approved by senior management. In addition the values assigned to key assumptions reflect past performance.

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

13. Premises and equipment

	Capital works in progress	Freehold premises	Leasehold premises	Equipment, furniture & fittings	Total 2007	Total 2006
Cost						
At beginning of year	66,379	796,359	114,284	788,296	1,765,318	1,623,891
Acquisitions	-	-	-	-	-	2,594
Exchange and other adjustments	2,637	5,616	(1,305)	(235)	6,713	(845)
Additions at cost	75,800	15,195	4,491	81,276	176,762	191,687
Disposal/transfer of assets	(18,262)	(58,175)	-	(29,266)	(105,703)	(52,009)
	126,554	758,995	117,470	840,071	1,843,090	1,765,318
Accumulated depreciation						
At beginning of year	-	97,629	74,401	560,493	732,523	656,621
Acquisitions	-	-	-	-	-	1,232
Exchange and other adjustments	-	138	(611)	80	(393)	3,672
Charge for the year	-	7,398	8,897	71,157	87,452	88,597
Disposal of assets	-	(9,420)	-	(48,914)	(58,334)	(17,599)
	-	95,745	82,687	582,816	761,248	732,523
Net book value	126,554	663,250	34,783	257,255	1,081,842	1,032,795
Capital commitments						
Contracts for outstanding capital expenditure not provided for in the financial statements					237,586	12,937
Other capital expenditure authorised by the Directors but not yet contracted for					119,698	5,816

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

14. Customers' current, savings & deposit accounts		
	2007	2006
Concentration of customers' current, savings & deposit accounts		
State	2,427,147	1,504,020
Corporate and commercial	5,193,110	5,059,884
Personal	14,765,803	13,117,990
Other financial institutions	1,194,396	1,990,672
Other	664,963	555,986
	24,245,419	22,228,552

15. Other fund raising instruments

At 30th September, 2007 investment securities held to secure other fund raising instruments of the Group amounted to \$3.1 billion (2006: \$2.0 billion).

	2007	2006
Concentration of other fund raising instruments		
State	788,603	1,366,790
Corporate and commercial	1,230,270	517,836
Personal	647,052	324,185
Other financial institutions	1,299,443	2,104,709
Other	498,278	9,023
	4,463,646	4,322,543
16. Debt securities in issue		
Unsecured obligations		
a) Floating rate bonds	15,490	15,395
b) Fixed rate bonds	70,077	69,647
	85,567	85,042

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

16. Debt securities in issue (continued)

	2007	2006
Secured obligations		
a) Floating rate bonds	561,285	572,428
b) Fixed rate bonds	108,048	112,631
c) Mortgage pass-through certificates	5,903	8,775
d) Tax free debentures	5,935	-
	681,171	693,834
Total debt securities in issue	766,738	778,876

Unsecured obligations

- a) Floating rate bonds are denominated in Guyanese dollars. The proceeds were used to finance the acquisition of the Bank's investment in Republic Bank (Guyana) Limited.
- b) Fixed rate bonds are denominated in both Guyanese and Trinidad & Tobago dollars.

Secured obligations

- a) For Republic Bank Limited, the floating rate bonds are denominated in Trinidad & 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 & Tobago dollars and are secured by property and equipment under investments in leased assets.

- b) Fixed rate bonds 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.

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

17. Due to banks

Certain debt agreements of the Bank require compliance with covenants related to financial and operating matters of the Bank. In the event of default of any of these covenants, the lenders could elect to declare all amounts borrowed under the relevant agreements, together with accrued interest, to be due and payable.

These liabilities are unsecured except for US\$37.5 million, which is secured by a charge on one of the Bank's investments. Interest rates on these facilities range from 6.36% - 8.75%.

18. Other Liabilities

	2007	2006
Accounts payable	466,701	730,465
Unearned loan origination fees	60,162	56,621
Other liabilities	174,102	202,057
	700,965	989,143

19. Stated capital

	2007	2006	2007	2006
	Number of ordinary shares \$('000)	\$('000)	\$('000)	\$('000)
Authorised				
An unlimited number of shares of no par value				
Issued and fully paid				
At beginning of year	159,994	159,394	537,104	504,141
Shares issued/proceeds from shares issued	178	600	6,172	20,963
Value of services provided	-	-	9,210	12,000
At end of year	160,172	159,994	552,486	537,104

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

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

19. Stated capital (continued)	2007		2006		
Weighted average number of ordinary shares	160,090		159,736		
Effect of dilutive stock options	287		546		
Weighted average number of ordinary shares adjusted for the effect of dilution	160,377		160,282		
20. Other reserves					
	Capital reserve	General contingency reserve	Net unrealised gains	Other reserves	Total
Balance at 1st October, 2005					
previously reported	13,331	71,521	491,603	-	576,455
Prior year adjustment	-	-	(32,956)	-	(32,956)
Balance at 1st October, 2005 as restated	13,331	71,521	458,647	-	543,499
Realized gains transferred to net profit	-	-	(109)	-	(109)
Revaluation of available-for-sale investments	-	-	(32,009)	-	(32,009)
Revaluation - derivatives	-	-	-	3,826	3,826
Translation adjustments	2,375	-	-	-	2,375
Total income and expense for the year					
recognized directly in equity	2,375	-	(32,118)	3,826	(25,917)
Transfer to general contingency reserve	-	78,497	-	-	78,497
Balance at 30th September, 2006 (Restated)	15,706	150,018	426,529	3,826	596,079
Realized gains transferred to net profit	-	-	(416,782)	-	(416,782)
Revaluation of available-for-sale investments	-	-	(57,135)	-	(57,135)
Revaluation - derivatives	-	-	-	(2,380)	(2,380)
Translation adjustments	13,138	-	(169)	-	12,969
Share of changes recognized directly in associate's equity.	9,639	-	-	-	9,639
Total income and expense for the year					
recognized directly in equity	22,777	-	(474,086)	(2,380)	(453,689)
Transfer to general contingency reserve	-	43,822	-	-	43,822
Other	-	1,638	-	-	1,638
Balance at 30th September, 2007	38,483	195,478	(47,557)	1,446	187,850

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

21 Operating profit	2007	Restated 2006
a) Interest income		
Advances	1,960,164	1,623,896
Investment securities	476,157	401,799
Liquid assets	277,126	264,271
	2,713,447	2,289,966
b) Interest expense		
Customers current savings and deposit accounts	535,980	443,519
Other fund raising instruments and debt securities in issue	424,342	371,943
Other interest bearing liabilities	86,674	57,884
	1,046,996	873,346
c) Other income		
Fee and commission income	576,171	476,902
Exchange earnings	205,546	214,362
Dividends	21,265	20,404
Net gains from investments at fair value through profit or loss	530	6,282
Gains from disposal of available-for-sale investments	9,169	17,000
Other operating income	140,497	92,419
	953,178	827,369
d) Operating expenses		
Staff costs	435,514	431,938
Staff profit sharing - note 31(a)	103,148	59,685
General administrative expenses	379,734	347,501
Property related expenses	127,480	107,528
Depreciation expense	87,452	81,317
Advertising and public relations expenses	67,228	41,410
Directors' fees	4,325	2,973
	1,204,881	1,072,352

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

22 Taxation expense	2007	Restated 2006
Reconciliation		
Income taxes in the statement of income vary from amounts that would be computed by applying the statutory tax rate for the following reasons:		
Accounting profit (restated)	1,725,179	1,020,268
Tax at applicable statutory tax rates	375,487	352,169
Tax effect of items that are adjustable in determining taxable profit:		
Tax exempt income	(101,296)	(135,751)
Effect of expenses not deductible for tax purposes	2,043	11,917
Effect of allowances	23,799	(320)
Goodwill and other permanent differences	(41,847)	(2,051)
	258,185	225,964

The Group has tax losses in one of its subsidiary companies amounting to \$566.2 million (2006: \$509.4 million). No deferred tax asset has been recognized 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.

23 Undrawn commitments

Facilities committed but not yet drawn at the balance sheet date total approximately \$2.5 billion (2006: \$1.1 billion).

24 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 were carried out on commercial terms and conditions, at market rates.

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

24 Related parties (continued)	2007	2006
Outstanding balances		
Loans, investments and other assets		
CL Financial Group	368,467	397,018
Associates	2,493	388
Directors and key management personnel	23,888	30,055
Other related parties	14,471	12,164
	409,319	439,625
Provision for amounts due from related parties	-	-
Deposits and other liabilities		
CL Financial Group	345,181	62,127
Associates	4,531	-
Directors and key management personnel	41,218	96,900
Other related parties	29,262	34,997
	420,192	194,024
Interest and other income		
CL Financial Group	22,450	10,860
Associates	181	-
Directors and key management personnel	1,593	2,218
Other related parties	1,521	712
	25,745	13,790
Interest and other expense		
CL Financial Group	4,813	736
Directors and key management personnel	2,289	1,160
Other related parties	213	427
	7,315	2,323

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

24 Related parties (continued)	2007	2006
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.		
Key management compensation		
Short term benefits	30,493	27,411
Post employment benefits	1,668	1,083
Termination benefits	1,303	1,794
Long term benefits	-	-
Share-based payment	-	-
	33,464	30,288

25 Financial risk management

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 and foreign currency risk. The Group reviews and agrees policies for managing each of these risks as follows:

Credit risk

The Group uses a credit rating system which groups commercial/corporate accounts into various risk categories. Retail lending uses a computerized credit scoring system with preset risk management criteria. The Group's credit control processes emphasize early detection of deterioration and prompt implementation of remedial action. Where the recovery of the outstanding liability may be doubtful or unduly delayed, such accounts are transferred from performing to non performing status. Loan loss provisions are set aside to cover any potential loss in respect of non performing debts. A review of these provisions is conducted quarterly and non performing debts recommended for write off are reviewed twice yearly.

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

25 Financial risk management *(continued)*

Credit risk *(continued)*

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.

Interest rate and market risk

Each bank has an Asset/Liability Committee which reviews on a monthly basis the non-credit and non-operational risk for the bank and its subsidiaries. The primary tools 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.

Liquidity risk

The three primary sources of funds used to provide liquidity are retail deposits, wholesale deposits and the capital market. The Group maintains a core base of 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. Facilities are also established with correspondent banks as conditions demand. The Asset/Liability Committee sets targets for daily float, allowable liquid assets and funding diversification. The primary asset used for short term liquidity management is the Treasury Bill but the Group also holds significant investments in long term dated securities which can be used for liquidity support.

Foreign currency risk

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.

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

26 Financial instruments

In accordance with International Accounting Standard No. 32 "Financial Instruments: Disclosure and Presentation", the Group calculates the estimated fair value of all financial instruments at the balance sheet date and separately discloses this information where these fair values are different from net book values.

The Group's available-for-sale investments are not actively traded in organized financial markets, and 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 of 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 organized 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. The Group is required to maintain with the respective Central Banks, statutory reserve balances in relation to deposit liabilities and the carrying value of these reserves is assumed to equal fair value.

Advances are net of specific and other provisions for impairment. The carrying value for performing loans is assumed to be equal to the estimated fair value as the inherent rates of interest in the portfolio approximate market conditions.

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.

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

26 Financial instruments (continued)

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

	2007	
	Carrying Value	Fair Value
Financial assets		
Cash, due from banks, treasury bills and bills discounted	4,960,005	4,960,005
Investment securities	6,408,698	6,384,952
Advances	19,917,392	19,917,392
Investment interest receivable	146,775	146,775
Other financial assets	5,285	5,285
Financial liabilities		
Customers' current, savings & deposit accounts	24,245,419	24,245,419
Borrowings and other fund raising instruments	5,064,216	5,064,216
Debt securities in issue	766,738	766,738
Accrued interest payable	204,244	204,244
	Restated 2006	
	Carrying Value	Fair Value
Financial assets		
Cash, due from banks, treasury bills and bills discounted	5,005,231	5,005,231
Investment securities	7,594,245	7,562,585
Advances	17,310,407	17,310,407
Investment interest receivable	201,679	201,679
Other financial assets	16,554	16,554
Financial liabilities		
Customers' current, savings & deposit accounts	22,228,552	22,228,552
Borrowings and other fund raising instruments	5,542,018	5,542,018
Debt securities in issue	778,876	778,876
Accrued interest payable	202,858	202,858

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

26 Financial instruments (continued)

Derivative financial instruments

Derivatives are financial instruments which derive their value from an underlying interest rate, foreign exchange rate, equity or bond price or commodity price or index. The types of derivatives utilized by the Group are set out below:

Forward foreign exchange contracts

These are commitments to purchase foreign and domestic currency, including undelivered spot transactions, at an agreed exchange rate on a fixed date.

Interest rate swap

This is a financial transaction in which two counterparties exchange interest cash flows based on fixed and floating interest rates applied to a defined notional principal amount over a period of time.

The table set out below analyzes the notional principal amounts and the positive and negative fair values of the Group's derivative financial instruments. Notional principal amounts are the amount of principal underlying the contract at the reporting date.

	Contract/ Notional Amount	Fair Values	
		Assets	Liabilities
30th September, 2007			
Forward contracts		3,839	3,839
Derivatives designated as cash flow hedges:			
Interest rate swap	234,281	1,446	-
		5,285	3,839
30th September, 2006			
Derivatives designated as cash flow hedges:			
Interest rate swap	291,012	3,826	-
		3,826	-

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

27 Segmental information

The Group is organized 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.

Trinidad and Tobago is the home country of the parent Bank, which is also the main operating company in the Group. The Bank accounts for a significant share of credit exposure to many sectors of the Trinidad and Tobago economy. However, credit risk is well spread over a diversity of personal, commercial and corporate customers including the Government of Trinidad and Tobago.

Credit risk is the potential for loss due to the failure of a counter-party or borrower to meet its financial obligations. Credit risk arises from traditional lending activity, from settling payments between financial institutions and from providing products that create replacement risk.

i) By geographic segment

The Group's exposure to credit risk is mainly concentrated in Trinidad and Tobago, Barbados and Cayman, Guyana and the Eastern Caribbean.

	Trinidad & Tobago	Barbados	Cayman, Guyana & Eastern Caribbean	Eliminations	Total - Continuing Operations	Dominican Republic - Dis- continued Operations	Total
2007							
Net interest income	1,107,288	324,348	234,815	-	1,666,451	15,092	1,681,543
Other income	916,932	154,754	484,337	(200,598)	1,355,425	52,352	1,407,777
Operating income	2,024,220	479,102	719,152	(200,598)	3,021,876	67,444	3,089,320
Operating expenses	(807,576)	(225,337)	(171,968)	-	(1,204,881)	(108,544)	(1,313,425)
Operating profit	1,216,644	253,765	547,184	(200,598)	1,816,995	(41,100)	1,775,895
Loan impairment expense	(67,144)	(16,814)	(7,858)	-	(91,816)	(89)	(91,905)
Profit before taxation	1,149,500	236,951	539,326	(200,598)	1,725,179	(41,189)	1,683,990
Total assets	25,583,294	9,392,977	7,241,679	(5,442,707)	36,775,243	586,902	37,362,145
Total liabilities	21,140,655	8,480,600	5,898,853	(3,969,549)	31,550,559	524,158	32,074,717
Depreciation	64,259	12,177	11,016	-	87,452	-	87,452
Capital expenditure on premises and equipment	118,791	11,077	46,894	-	176,762	-	176,762

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

27 Segmental information (continued)

i) By geographic segment

	Trinidad & Tobago	Barbados	Cayman, Guyana & Eastern Caribbean	Eliminations	Total - Continuing Operations	Dominican Republic - Dis- continued Operations	Total
2006							
Net interest income	906,740	313,938	195,942	-	1,416,620	44,202	1,460,822
Other income	874,110	141,150	(70,796)	(272,068)	672,396	102,409	774,805
Operating income	1,780,850	455,088	125,146	(272,068)	2,089,016	146,611	2,235,627
Operating expenses	(716,816)	(217,238)	(149,789)	11,491	(1,072,352)	(207,534)	(1,279,886)
Operating profit	1,064,034	237,850	(24,643)	(260,577)	1,016,664	(60,923)	955,741
Loan impairment (expense)/recovery	(9,319)	(15,852)	28,775	-	3,604	(355)	3,249
Profit before taxation	1,054,715	221,998	4,132	(260,577)	1,020,268	(61,278)	958,990
Total assets	23,085,121	8,017,871	6,782,338	(4,154,408)	33,730,922	1,329,726	35,060,648
Total liabilities	19,123,852	7,188,078	5,369,892	(2,691,745)	28,990,077	1,295,613	30,285,690
Depreciation	60,619	11,539	9,159	-	81,317	7,280	88,597
Capital expenditure on premises and equipment	110,994	60,508	19,110	-	190,612	1,075	191,687

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

27. Segmental information (continued)

ii) By class of business

In evaluating credit risk, the Group also considers concentration of financial assets by sector concentrations as disclosed below.

	Retail Commercial Banking	Investment Banking	Eliminations	Total - Continuing Operations continued	Dominican Republic - Dis- Operations	Total
2007						
Net interest income	1,503,466	162,985	-	1,666,451	15,092	1,681,543
Other income	1,104,358	451,665	(200,598)	1,355,425	52,352	1,407,777
Operating income	2,607,824	614,650	(200,598)	3,021,876	67,444	3,089,320
Operating expenses	(1,150,977)	(53,904)	-	(1,204,881)	(108,544)	(1,313,425)
Operating profit	1,456,847	560,746	(200,598)	1,816,995	(41,100)	1,775,895
Loan impairment expense	(89,858)	(1,958)	-	(91,816)	(89)	(91,905)
Profit before taxation	1,366,989	558,788	(200,598)	1,725,179	(41,189)	1,683,990
Total assets	32,807,822	9,410,128	(5,442,707)	36,775,243	586,902	37,362,145
Total liabilities	27,520,945	7,999,163	(3,969,549)	31,550,559	524,158	32,074,717
Depreciation	86,074	1,378	-	87,452	-	87,452
Capital expenditure on premises and equipment	175,673	1,089	-	176,762	-	176,762
2006						
Net interest income	1,297,440	119,180	-	1,416,620	44,202	1,460,822
Other income	1,036,792	(92,328)	(272,068)	672,396	102,409	774,805
Operating income	2,334,232	26,852	(272,068)	2,089,016	146,611	2,235,627
Operating expenses	(1,043,227)	(40,616)	11,491	(1,072,352)	(207,534)	(1,279,886)
Operating profit	1,291,005	(13,764)	(260,577)	1,016,664	(60,923)	955,741
Loan impairment recovery/(expense)	1,972	1,632	-	3,604	(355)	3,249
Profit before taxation	1,292,977	(12,132)	(260,577)	1,020,268	(61,278)	958,990

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

27. Segmental information (continued)

ii) By class of business

	Retail Commercial Banking	Investment Banking	Eliminations	Total - Continuing Operations continued	Dominican Republic - Dis- Operations	Total
Total assets	31,959,120	5,926,210	(4,154,408)	33,730,922	1,329,726	35,060,648
Total liabilities	27,092,928	4,588,894	(2,691,745)	28,990,077	1,295,613	30,285,690
Depreciation	80,472	845	-	81,317	7,280	88,597
Capital expenditure on premises and equipment	188,064	2,548	-	190,612	1,075	191,687

28. Currency risk

The reporting currency is the principal operational and functional currency of each of the companies in the Group. For companies incorporated in Trinidad and Tobago, the reporting currency is the Trinidad and Tobago dollar. The reporting currencies of the other subsidiaries are as follows:

Republic Insurance Company (Cayman) Limited	Trinidad and Tobago dollars
Republic Bank Trinidad and Tobago (Barbados) Limited	Trinidad and Tobago dollars
Republic Bank Trinidad and Tobago (Cayman) Limited	United States dollars
Republic Caribbean Investments Limited	United States dollars
Barbados National Bank Inc.	Barbados dollars
Republic Bank (DR), S.A.	Dominican Republic pesos
Republic Bank (Guyana) Limited	Guyanese dollars
Republic Bank (Grenada) Limited	Eastern Caribbean dollars
Botanical Gardens Project Company Limited	Eastern Caribbean dollars

The aggregate Trinidad and Tobago dollar amounts of assets and liabilities denominated in the reporting currencies of the group companies are:

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

28. Currency risk

	TTD	USD	BDS	Other	Total
2007					
ASSETS					
Cash, due from banks, treasury bills and bills discounted	1,212,740	2,006,311	300,013	1,440,941	4,960,005
Statutory deposits with Central Banks	965,308	5,386	704,532	376,538	2,051,764
Investment securities	2,856,675	1,837,809	1,165,086	549,128	6,408,698
Advances	11,468,172	2,250,488	4,861,008	1,337,724	19,917,392
Other assets	2,152,909	852,992	404,567	613,818	4,024,286
	18,655,804	6,952,986	7,435,206	4,318,149	37,362,145
LIABILITIES					
Customers' current, savings & deposit accounts	9,455,230	5,417,456	5,639,948	3,732,785	24,245,419
Other fund raising instruments	3,151,114	541,861	727,855	42,816	4,463,646
Debt securities in issue	660,023	15,213	-	91,502	766,738
Due to banks	50,001	380,726	113,582	56,261	600,570
Other liabilities	1,068,118	177,919	187,444	564,863	1,998,344
	14,384,486	6,533,175	6,668,829	4,488,227	32,074,717
	4,271,318	419,811	766,377	(170,078)	5,287,428

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

28. Currency risk (continued)

	TTD	USD	BDS	Other	Total
2006					
ASSETS					
Cash, due from banks, treasury bills and bills discounted	2,206,198	1,498,800	344,525	955,708	5,005,231
Statutory deposits with Central Banks	952,502	63,479	249,977	538,031	1,803,989
Investment securities	3,866,916	1,682,085	1,182,734	862,510	7,594,245
Advances	8,919,745	2,527,822	4,422,983	1,439,857	17,310,407
Other assets	715,327	1,829,772	439,137	362,540	3,346,776
	16,660,688	7,601,958	6,639,356	4,158,646	35,060,648
LIABILITIES					
Customers' current, savings & deposit accounts	8,287,427	4,858,003	5,108,002	3,975,120	22,228,552
Other fund raising instruments	2,739,563	930,860	614,145	37,975	4,322,543
Debt securities in issue	677,774	16,060	-	85,042	778,876
Due to banks	82,001	993,709	114,321	29,444	1,219,475
Other liabilities	990,876	253,491	199,721	292,156	1,736,244
	12,777,641	7,052,123	6,036,189	4,419,737	30,285,690
	3,883,047	549,835	603,167	(261,091)	4,774,958

29. Interest rate risk

The Group is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Group uses an Asset/Liability Committee to continually review and manage these risks. The Committee employs a number of tools including gap analysis and interest rate sensitivity analysis to monitor these risks and establish appropriate strategies to limit exposure.

Interest on financial instruments classified as floating is repriced at intervals of less than one year. Interest on financial instruments classified as fixed is fixed until the maturity of the instrument.

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

29. Interest rate risk (continued)

The table below summarizes assets and liabilities at their carrying amounts categorized by the earlier of contractual repricing or maturity dates.

	Average effective rate	Up to one year	One to five years	Over five years	Non-interest bearing	Total
2007						
ASSETS						
Cash, due from banks, treasury bills and bills discounted	5.95%	4,640,665	-	-	319,340	4,960,005
Statutory deposits with Central Banks	0.00%	-	-	-	2,051,764	2,051,764
Investment securities	7.20%	2,725,578	1,154,739	2,397,060	131,321	6,408,698
Advances	10.88%	12,936,434	3,043,813	3,937,145	-	19,917,392
Other assets		-	-	-	4,024,286	4,024,286
		20,302,677	4,198,552	6,334,205	6,526,711	37,362,145
2007						
LIABILITIES						
Customers' current, savings & deposit accounts	2.80%	21,840,833	274,539	1,843,683	286,364	24,245,419
Other fund raising instruments	6.42%	3,992,423	151,194	320,029	-	4,463,646
Debt securities in issue	7.05%	456,318	117,435	192,985	-	766,738
Due to banks	6.21%	477,700	113,580	-	9,290	600,570
Other liabilities		-	-	-	1,998,344	1,998,344
		26,767,274	656,748	2,356,697	2,293,998	32,074,717

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

29. Interest rate risk (continued)

	Average effective rate	Up to one year	One to five years	Over five years	Non-interest bearing	Total
2006						
ASSETS						
Cash, due from banks, treasury bills and bills discounted	5.67%	4,684,668	-	-	320,563	5,005,231
Statutory deposits with Central Banks	1.43%	50,825	-	36,369	1,716,795	1,803,989
Investment securities	7.13%	2,896,887	1,301,339	2,677,548	718,471	7,594,245
Advances	10.76%	9,190,440	3,447,312	4,672,655	-	17,310,407
Other assets	-	-	-	-	3,346,776	3,346,776
		16,822,820	4,748,651	7,386,572	6,102,605	35,060,648
2006						
LIABILITIES						
Customers' current, savings & deposit accounts	2.91%	20,283,843	59,211	1,636,563	248,935	22,228,552
Other fund raising instruments	5.52%	3,721,879	249,021	351,643	-	4,322,543
Debt securities in issue	7.57%	431,476	69,647	277,753	-	778,876
Due to banks	6.51%	1,099,360	251	114,321	5,543	1,219,475
Other liabilities	-	-	-	-	1,736,244	1,736,244
		25,536,558	378,130	2,380,280	1,990,722	30,285,690

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

30. Liquidity risk

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for banks to ever be completely matched since business transacted is often of uncertain term and of different types. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

The table below analyzes major financial assets and liabilities of the Group into relevant groupings based on the remaining period at 30th September to the contractual maturity date.

	Up to one year	One to five years	Over five years	Total
2007				
ASSETS				
Cash, due from banks, treasury bills and bills discounted	4,926,427	33,578	-	4,960,005
Statutory deposits with Central Banks	2,050,605	1,159	-	2,051,764
Investment securities	2,117,200	1,366,068	2,925,430	6,408,698
Advances	6,246,192	5,735,249	7,935,951	19,917,392
Other assets	1,166,739	5,227	2,852,320	4,024,286
	16,507,163	7,141,281	13,713,701	37,362,145
2007				
LIABILITIES				
Customers' current, savings & deposit accounts	22,127,197	274,539	1,843,683	24,245,419
Other fund raising instruments	3,992,423	151,194	320,029	4,463,646
Debt securities in issue	30,650	233,552	502,536	766,738
Due to banks	202,473	163,816	234,281	600,570
Other liabilities	1,511,834	16,005	470,505	1,998,344
	27,864,577	839,106	3,371,034	32,074,717

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

30. Liquidity risk (continued)

	Up to one year	One to five years	Over five years	Total
2006				
ASSETS				
Cash, due from banks, treasury bills and bills discounted	5,005,231	-	-	5,005,231
Statutory deposits with Central Banks	1,803,123	866	-	1,803,989
Investment securities	3,246,770	1,471,341	2,876,134	7,594,245
Advances	5,342,950	4,872,646	7,094,811	17,310,407
Other assets	586,348	1,012,154	1,748,274	3,346,776
	15,984,422	7,357,007	11,719,219	35,060,648
2006				
LIABILITIES				
Customers' current, savings & deposit accounts	20,523,718	65,183	1,639,651	22,228,552
Other fund raising instruments	3,801,993	265,474	255,076	4,322,543
Debt securities in issue	50,388	214,151	514,337	778,876
Due to banks	773,538	174,326	271,611	1,219,475
Other liabilities	1,152,363	167,304	416,577	1,736,244
	26,302,000	886,438	3,097,252	30,285,690

31. Equity compensation benefits

(a) Profit sharing scheme

During the 2007 financial year Republic Bank (the parent) advanced \$19.6 million to the staff profit sharing scheme. At 30th September 2006 no advances were made to the staff profit sharing scheme. It is estimated that approximately \$96.8 million (2006: \$52.6 million) will be allocated to staff from the profit sharing scheme in the current financial year. The total staff profit sharing for the Group was \$103.1 million (2006: \$59.7million).

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

31. Equity compensation benefits (continued)

(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 realized.

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 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.

	2007	2006	2007	2006
	Weighted average exercise price		Number of shares	
At the beginning of the year	\$48.67	\$36.78	852,396	1,223,669
Granted	\$90.19	\$78.78	267,761	228,727
Forfeited	\$0.00	\$0.00	-	-
Exercised	\$34.65	\$36.16	(178,465)	(600,000)
At end of year	\$63.05	\$48.67	941,692	852,396
Exercisable at end of year	\$46.73	\$59.95	276,907	47,293

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

31 Equity compensation benefits (continued)

(b) Stock option plan (continued)

Expiry	Exercise Price	2007	2006
22-Jan-13	\$33.19	19,524	19,524
20-Dec-13	\$33.68	171,688	333,594
14-Dec-14	\$43.40	265,075	281,634
15-Dec-15	\$78.78	217,644	217,644
20-Dec-16	\$90.19	267,761	-
		941,692	852,396

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	22nd December 2006 - 2nd August 2007
Number granted	267,761
Exercise price	\$90.19
Share price at grant date	\$79.50 - \$84.00
Risk free interest rate	7.5% per annum
Expected volatility	15.0% per annum
Dividend yield	2.75% per annum
Exercise term	Option exercised when share price is twice the exercise price
Fair value	\$20.89 - \$26.00

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 \$79.76. For options outstanding at 30th September, 2007 the exercise price ranged from \$33.19 to \$90.19 and the weighted average remaining contractual life was 10.6 years.

The total expense for the share option plan was \$9.2 million (2006 : \$12.0 million)

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

32. Dividends paid and proposed

	2007	2006
Declared and paid during the year		
Equity dividends on ordinary shares:		
Final dividend for 2006: \$1.73 (2005: \$1.48)	276,789	236,054
First dividend for 2007: \$0.94 (2006: \$0.77)	150,516	123,114
Total dividends paid	427,305	359,168
Proposed for approval at Annual General meeting (not recognized as a liability as at 30 September, 2007)		
Equity dividends on ordinary shares:		
Final dividend for 2007: \$2.00 (2006: \$1.73)	320,344	276,789

33. Contingent liabilities

a) Litigation

As at 30th September, 2007 there were certain 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 that eventuality.

b) Customers' liability 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 customer in the event of a call on these commitments.

	2007	2006
Acceptances	1,100,656	3,848
Guarantees and indemnities	67,402	826,292
Letters of credit	217,201	212,700
	1,385,259	1,042,840

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

33. Contingent liabilities

c) Sectoral information

	2007	2006
State	53,503	68,252
Corporate and commercial	1,210,179	848,714
Personal	16,490	39,621
Other financial institutions	81,530	68,962
Other	23,557	17,291
	1,385,259	1,042,840

34. Employees

The number of employees in the Group as at 30th September, 2007 amounted to 4,281 (2006: 4,678).

35. Sale of Republic Bank Limited (DR), S.A.

In February 2007, the Board of Directors approved a plan to dispose of the banking assets and liabilities of Republic Bank Limited (DR), S.A. and then for its dissolution. Following a competitive bidding process, which was concluded in July 2007, Banco BHD, a locally incorporated Bank in the Dominican Republic, was selected as the preferred purchaser subject to the approval of the Monetary Board. The financial terms of the purchase were as follows:

- (a) Loans and advances to be sold at a discount of 8.5% on the gross value.
- (b) A group of adjudicated assets, at a fixed price of TT\$13.1 million (RD\$70 million)
- (c) Deposit liabilities and due to bank liabilities at their face value.

On September 13, 2007, approval for the sale was obtained from the Monetary Board in the Dominican Republic and on October 5, 2007, the banking assets and liabilities were transferred to the purchaser. On October 8, 2007, an amount of TT\$ 94.86 million (RD\$507.636 million) was paid to Banco BHD, representing the excess of liabilities over assets sold. The details of the transactions are as follows:

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

35. Sale of Republic Bank Limited (DR) S.A. (continued)

	Balance 30-Sep-07	Sale Price	Profit (Loss)
Assets			
Loans and advances	335,339	315,347	(19,992)
Adjudicated assets	555	13,080	12,525
Total assets	335,894	328,427	(7,467)
Liabilities			
Deposit liabilities	423,123	423,123	-
Due to Banks	161	161	-
Total liabilities	423,284	423,284	-
Net	(87,390)	(94,857)	(7,467)

Republic Bank Limited (DR), S.A.

Balance Sheet re Discontinued Operations

30-Sep-07

Assets yet to be disposed of:

Cash on hand and at bank 163,074

Investment Securities 19,285

Premises and other assets 76,116

Total assets yet to be disposed of 258,475

Assets held at year end to be transferred to Banco BHD 328,427

Total Non-current assets held for sale at September 30, 2007 **586,902**

Liabilities yet to be disposed of:

Deposit liabilities 45,910

Provisions for winding up and other liabilities 54,964

Total liabilities yet to be disposed of 100,874

Liabilities held at year end to be transferred to Banco BHD 423,284

Total Non-current liabilities held for sale at September 30, 2007 **524,158**

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

35 Sale of Republic Bank Limited (DR), S.A. (continued)

Republic Bank Limited (DR), S.A.	2007	2006
Income statement re Discontinued Operations		
Net Interest Income	15,092	44,202
Other income	52,352	102,409
Operating Income	67,444	146,611
Operating expenses	(101,077)	(207,534)
Operating profit	(33,633)	(60,923)
Provision for loan losses	(89)	(355)
Loss before taxation	(33,722)	(61,278)
Taxation	-	-
Loss after taxation	(33,722)	(61,278)
Loss on sale of disposal group	(7,467)	-
Total Loss on Discontinued Operations	(41,189)	(61,278)

notes to the consolidated financial statements

for the year ended 30th September, 2007

Expressed in thousands of Trinidad and Tobago dollars (\$'000), except where otherwise stated

36. Subsidiary companies

Name of Company	Country of incorporation capital held	Proportion of issued
Republic Finance and Merchant Bank Limited	Trinidad and Tobago	100%
Republic Investments Limited	Trinidad and Tobago	100%
London Street Project Company Limited	Trinidad and Tobago	100%
Republic Securities Limited	Trinidad and Tobago	100%
Republic Bank Trinidad and Tobago (Cayman) Limited	Cayman Islands	100%
Republic Insurance Company (Cayman) Limited	Cayman Islands	100%
Republic Bank Trinidad and Tobago (Barbados) Limited	Barbados	100%
Barbados National Bank Inc.	Barbados	65.10%
BNB Finance & Trust Corporation	Barbados	65.10%
Barbados Mortgage Finance Company Limited	Barbados	65.10%
Republic Caribbean Investments Limited	St. Lucia	100%
Republic Bank (Grenada) Limited	Grenada	51%
Botanical Gardens Project Company Limited	Grenada	100%
Republic Bank (Guyana) Limited	Guyana	51%
Republic Bank (DR), S.A.	Dominican Republic	99.90%

acknowledgements

design & artwork u&i design studio limited

photography James O'Connor
 Harold Preto

pre press & printing Scrip-J

a production of the Group Marketing and Communications Department of Republic Bank Limited