annual report 2014

THE POWER OF one

Republic Bank (Guyana) Limited

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

THE POWER OF one

VISION

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

MISSION

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

VALUES

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

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Notice of Meeting

ANNUAL MEETING

NOTICE is hereby given that the thirtieth Annual General Meeting of Republic Bank (Guyana) Limited will be held at Pegasus Hotel Guyana, Seawall Road, Monday, December 08, 2014 at 15:00 hours (3:00 p.m.) for the following purposes:

1 To receive the Report of the Directors and the Auditors and to approve the Audited Accounts for the year ended September 30, 2014.

2 To re-elect three Directors to fill offices vacated by those retiring from the Board by rotation in accordance with the By-Laws namely; Yolande M. Foo, Roy E. Cheong and Farid Antar.

3 To elect Richard M. Lewis who was appointed to fill a casual vacancy as Director in accordance with the By-Laws.

4 To reappoint the Auditors, Messrs Ram & McRae.

And the following special business namely:

1 To consider and, if thought fit, pass resolutions relating to:
   a Dividends;
   b Directors' service agreement providing for their remuneration; and
   c Remuneration of the auditors.

2 To consider any other business that may be conducted at an Annual General Meeting.

By order of the Board

CHRISTINE A. McGOWAN
Corporate Secretary

October 20, 2014

REGISTERED OFFICE

155-156 New Market Street
North Cummingsburg
Georgetown, Guyana

NOTES

- Only stockholders may attend.
- Any member entitled to attend and to vote is entitled to appoint a proxy to attend and vote instead of him/her.
- A proxy need not to be a member of the Company. The instrument appointing a proxy must bear a G$10 revenue stamp and be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
- Any Corporation which is a member of the Company may, by resolution if its Directors or other governing body, authorise such person as it thinks fit to act as its representative at the meeting (By-Law 86).

Corporate Information

DIRECTORS

Chairman

Deputy Managing Director – Republic Bank Limited

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

Managing Director

JOHN N. ALVES, *FICB*

Non-Executive Directors

FARID ANTAR, *ACIB, ACIS, SOBMM, AMLCA*

JOHN G. CARPENTER, *BSc. (Food Sciences)*

ROY E. CHEONG, *AA, FCII, FLMI, CLU*

YOLANDE M. FOO, *AICB*

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

RICHARD M. LEWIS, *HBA*

RICHARD I. VASCONCELLOS

CORPORATE SECRETARY

CHRISTINE A. McGOWAN, *LLM (Merit), LLB (Dist.), LEC (Hons.), AMLCA*

REGISTERED OFFICE

Promenade Court
155-156 New Market Street
North Cummingsburg
Georgetown, Guyana
South America
Email: email@republicguyana.com
Website: www.republicguyana.com

ATTORNEYS-AT-LAW

Messrs. Cameron & Shepherd
2 Avenue of the Republic
Robbstown
Georgetown, Guyana
South America

AUDITORS

Messrs. Ram & McRae
Charterd Accountants
157 'C' Waterloo Street
North Cummingsburg
Georgetown, Guyana
South America

Bank Profile

SENIOR MANAGEMENT

Managing Director
JOHN N. ALVES, *FICB*

General Manager, Credit
PATRICIA PLUMMER, *FICB*

General Manager, Corporate and Management Services
DENISE E. HOBBS, *Dip. (Business Mgmt.)*

MANAGEMENT

Senior Manager, Corporate and Commercial Credit
SASENARAIN JAGNANAN, *AICB, Dip. (Banking and Finance)*

Manager, Branch Operations
JADOONAUTH PERSAUD, *Dip. (Banking and Finance), MBA*

Corporate Manager, Corporate and Commercial Credit
CARLA F. ROBERTS, *BSc (Accountancy)*

Corporate Manager, Corporate and Commercial Credit
LEON Mc DONALD, *Dip. Accounting (AAT), AICB, CAT*

Manager, Finance and Planning
VANESSA THOMPSON, *BSocSc (Mgmt.), FCCA, MBA*

Manager, Human Resources
ANITA MOHABEER

Assistant Manager, Human Resources
SHRIMANIE MENDONCA, *BSc (Biology), Pg. Dip.(Education), MEd*

Manager, Corporate Operations
DENYS BENJAMIN

Manager, Legal Services
CHRISTINE A. McGOWAN, *LLM (Merit), LLB (Dist.), LEC (Hons.), AMLCA*

Senior Manager, Republic Bank (Guyana) Limited
NDIDI JONES, *Dip. (Sociology), LLB, LEC, LLM (Merit)*

Manager, Marketing and Communications
MICHELLE JOHNSON, *BSocSc (Mgmt.) (Credit), PG Dip. CIPR, MACC (Dist.), MCIPR*

Manager, Branch Support Services
ERICA JEFFREY, *ICB - Letter of Accomplishment*

Manager, Information Technology
YONNETTE GREAVES, *Dip. (Info. Services), LIMIS*

Assistant Manager, Information Technology
YUGISTHER MOHABIR, *MCSA*

Manager, Internal Audit
STANTON GRANT, *BSc (Econ.), AICB*

Manager, Operational Risk
MICHAEL RAM, *AICB*

MAIN BANKING OFFICE

WATER STREET OPERATIONS
38-40 Water Street, Georgetown
Telephone: (592)-226-4091-5, 226-1691-5
Fax: (592)-227-2921
SWIFT: RBGL GYGG
E-mail: WaterStreet.Branch@republicguyana.com

Manager
CELINE DAVIS, *ICB - Letter of Accomplishment, BSocSc (Mgmt.), PG Dip. (Dev. Studies), MSc (Human Resource Mgmt.)*

OTHER BANKING OFFICES

ANNA REGINA BRANCH
Lot 8 Anna Regina, Essequibo Coast
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Manager
GUITREE RAMSAMOOJ, *CAT*

CAMP STREET BRANCH
78-80 Robb & Camp Streets, Georgetown
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Manager
SHERWYN GREAVES, *AICB, MBA*

CORRIVERTON BRANCH

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Manager

DOODMATTEE BHOLLARAM, *AICB*

NEW AMSTERDAM BRANCH

16 Strand, New Amsterdam, Berbice

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Manager

RANDULPH SEARS, *Business Group Cert. (ICM), Dip. (Marketing), ACIM, MBA*

ROSE HALL BRANCH

29 Public Road, Rose Hall Town, Corentyne, Berbice

Telephone: (592)-337-4300, 4500, 4550

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E-mail: RoseHall.Branch@republicguyana.com

Manager

HARRY DASS GHANESS, *ICB - Letter of Accomplishment , Certified Credit Professional*

ROSIGNOL BRANCH

31-32 Public Road, Rosignol Village, West Bank Berbice

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E-mail: Rosignol.Branch@republicguyana.com

Manager

IMRAN SACOOR, *Dip. (Marketing)*

VREED-EN-HOOP BRANCH

27 'C' Stelling Road Vreed-en-Hoop, West Coast Demerara

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Fax: (592)-264-2605

E-mail: Vreed-en-Hoop.Branch@republicguyana.com

Manager

SHRIDATH PATANDIN, *AICB*

DIAMOND BRANCH

Public Road, Plantation Diamond, East Bank Demerara

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E-mail: Diamond.Branch@republicguyana.com

Officer-in-Charge

ALLISON McLEAN-KING, *AICB*

LINDEN BRANCH

101-102 Republic Avenue, Mc Kenzie

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E-mail: Linden.Branch@republicguyana.com

Manager

JOEL SINGH, *AICB*

LETHEM BRANCH

Manari Road, Lethem, Rupununi

Telephone: (592)-772-2308-10

Fax: (592)-772-2311

E-mail: Lethem.Branch@republicguyana.com

Officer-in-Charge

JASMATTIE RUPAL, *Dip. (Banking and Finance), BSc (Business Mgmt.)*

Financial Summary

All figures are in thousands of Guyana dollars ($'000)

	2014	Restated 2013	Restated 2012	2011	2010
Cash resources	**22,989,659**	32,564,269	23,280,892	16,392,343	16,577,891
Investment securities	**5,414,804**	5,676,215	5,957,434	7,187,075	8,855,437
Loans and advances	**50,496,947**	46,573,714	38,631,805	32,814,345	28,305,627
Total assets	**128,986,527**	132,488,536	115,295,414	103,875,703	95,917,296
Total deposits	**112,551,760**	117,117,616	101,736,334	91,871,620	84,207,045
Stockholders' equity	**13,563,521**	12,249,893	10,893,967	9,639,821	8,664,559
Net profit after taxation	**2,339,428**	2,343,667	2,012,936	1,928,364	1,982,092
Earnings per stock unit in dollars ($)	**7.80**	7.81	6.71	6.43	6.61
Return on average assets (%)	**1.78**	1.84	1.85	1.88	2.11
Return on average equity (%)	**18.16**	20.29	19.58	20.56	24.10

Financial Highlights

All figures are in thousands of Guyana dollars ($'000)

	2014	Restated 2013	Change	% Change
STATEMENT OF INCOME				
Interest and other income	**8,936,281**	8,434,209	502,072	6.0
Interest and non-interest expenses	**(5,312,897)**	(4,719,785)	(593,112)	(12.6)
Net Income before taxation	**3,623,384**	3,714,424	(91,040)	(2.5)
Taxation charge	**(1,283,956)**	(1,370,757)	86,801	6.3
Net Income after taxation	**2,339,428**	2,343,667	(4,239)	(0.2)
STATEMENT OF FINANCIAL POSITION				
Loans and advances	**50,496,947**	46,573,714	3,923,233	8.4
Total assets	**128,986,527**	132,488,536	(3,502,009)	(2.6)
Average assets	**131,304,617**	127,611,250	3,693,367	2.9
Deposits	**112,551,760**	117,117,616	(4,565,856)	(3.9)
Equity (capital and reserves)	**13,563,521**	12,249,893	1,313,628	10.7
Average outstanding equity	**12,882,817**	11,549,835	1,332,982	11.5
COMMON STOCK				
Earnings in dollars per stock unit	**7.80**	7.81	0.01	(0.2)
Dividend for the year (in thousands)	**1,030,000**	1,000,000	30,000	3.0
Stock Units (in thousands)	**300,000**	300,000	0	0
GENERAL				
Number of:				
Stockholders	**1,285**	1,252	33	2.6
Common stock outstanding (in thousands)	**300,000**	300,000	0	0.0
Active savings, chequing and deposit accounts	**202,992**	196,516	6,476	3.3
Employees	**644**	622	22	3.5
Banking offices	**11**	10	1	10.0

Board of Directors

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

Deputy Managing Director,
Republic Bank Limited

JOHN N. ALVES
FICB

Managing Director,
Republic Bank (Guyana)
Limited

FARID ANTAR
ACIB, ACIS, SOBMM, AMLCA

General Manager,
Corporate Operations
and Process Improvement
Republic Bank Limited

JOHN G. CARPENTER
BSc (Food Sciences)

Chairman,
Hand-In-Hand Fire & Life
Insurance Group of
Companies

ROY E. CHEONG
AA, FCII, FLMI, CLU

Director,
Guyana & Trinidad
Mutual Fire Insurance
Company Limited

YOLANDE M. FOO
AICB

DERWIN M. HOWELL

BSc (Elect. Eng.) (Hons.), MSc (Tele. Systems), Executive MBA, MIET, MIEEE, C. Eng.

Executive Director,
Republic Bank Limited

RICHARD M. LEWIS

HBA

General Manager/
Director,
Label House
Group Limited

RICHARD I. VASCONCELLOS

Chairman,
Carib Hibiscus
Development

Directors' Report

The Directors have pleasure in submitting their Report and Audited Financial Statements for the year ended September 30, 2014.

PRINCIPAL ACTIVITIES

The Bank provides a comprehensive range of commercial banking services at eleven locations throughout Guyana.

FINANCIAL RESULTS

(in thousands of Guyana Dollars)

	2014	2013
Net income after taxation	**2,339,428**	2,343,667
Interim dividend paid	**330,000**	300,000
Retained earnings	**2,009,428**	2,043,667
Final dividend proposed	**700,000**	700,000

DIVIDENDS

An interim dividend of $1.10 per stock unit ($330.0 million) was paid during the year and a final dividend of $2.33 per stock unit ($700 million) for the year ended September 30, 2014 is recommended. This if approved, would bring the total payout for the year to $1,030 million.

CAPITAL AND RESERVES

Capital and reserves other than retained earnings total $3,202 million as shown in the Statement of Changes in Equity.

Retained earnings at September 30, 2014 is $10,361 million (2013 - $10,419 million) after a transfer of $1,342 million to the General Banking Risk Reserve, $1,030 million paid out as dividends (final 2013 - $700 million, interim 2014 - $330 million), and $2,339 million transferred from the Statement of Income for 2014.

DONATIONS

Donations to charitable or public causes for the year were $8.0 million (2013 - $8.1 million), emphasising the Bank's strong social investment policy.

SUBSTANTIAL STOCKHOLDING (UNITS OF STOCK)

A substantial stockholder for the purposes of the Securities Industry Act 1998 is one who controls five percent or more of the voting power at a General Meeting. The following are the substantial stockholders of the Bank:

	Number of Stock Units		Number of Stock Units	
	2014	% held	2013	% held
Republic Bank Limited	**152,898,395**	**50.97**	152,898,395	50.97
Demerara Mutual Life Assurance Society Limited	**16,306,080**	**5.44**	16,306,080	5.44
Guyana and Trinidad Mutual Fire and Life Group of Companies	**15,798,760**	**5.27**	15,798,760	5.27
Trust Company (Guyana) Limited	**17,970,929**	**5.99**	17,134,880	5.71

DIRECTORS

In accordance with the Bank's By-Laws, Yolande M. Foo, Roy E. Cheong and Farid Antar retire from the Board by rotation and being eligible, offer themselves for re-election.

AUDITORS

Messrs Ram & McRae, Chartered Accountants have informed the Bank of their willingness to continue in office as Auditors. A resolution proposing their re-appointment and authorising the Directors to fix their remuneration will be submitted to the Annual General Meeting.

CONTRIBUTION OF EACH ACTIVITY TO OPERATING PROFIT

'Banking operations' is considered as one single business operation which includes lending, investments, foreign exchange trading and deposit taking. The contribution or cost from these activities to operating profit is disclosed in the Statement of Income.

GEOGRAPHIC ANALYSIS OF TURNOVER AND CONTRIBUTION TO RESULTS

The Bank operates only in Guyana but several investments are held overseas for which income of $158 million (2013 - $154 million) was earned during the year. Please refer to note 22 of the financial statements for further information.

INTEREST OF DIRECTORS AND CHIEF EXECUTIVE AND THEIR ASSOCIATES

Of these categories only the following persons held stocks in the company, all of which were held beneficially:

	Number of stock units	
	2014	**2013**
John G. Carpenter	**150,000**	150,000
Roy E. Cheong	**87,000**	87,000
(75,000 held jointly with an associate, and 12,000 held by an associate)		
John N. Alves	**75,000**	75,000
(held jointly with an associate)		
Yolande M. Foo	**315,000**	315,000
(held jointly with associates)		

DIRECTORS' FEES ($)

	2014	**2013**
Nigel M. Baptiste	**2,550,000**	1,640,000
John G. Carpenter	**1,470,000**	1,530,000
Roy E. Cheong	**1,650,000**	1,710,000
Farid Antar	**1,310,000**	–
Derwin M. Howell	**1,500,000**	1,530,000
Richard I. Vasconcellos	**1,380,000**	1,380,000
William H. Pierpont Scott	**1,240,000**	1,530,000
Yolande M. Foo	**1,560,000**	1,560,000
John N. Alves	**–**	–

DIRECTORS' SERVICE CONTRACTS

There are no service contracts with the directors proposed for election at the forthcoming Annual General Meeting, or with any other directors, which are not determinable within one year without payment of compensation.

CONTRACTS WITH DIRECTORS

Other than normal banking and employment contracts, there were no contracts between the Bank and its directors or in which the directors were materially interested.

CONTRACT OF SIGNIFICANCE WITH STOCKHOLDER

The Bank expended the sum of $100.71 million (2013 - $78.54 million) in fees (inclusive of directors' fees) and expenses under a Technical Services Agreement with Republic Bank Limited for the provision of management, credit analysis, internal audit and other services. Technical Service fees are determined with reference to the Bank's net interest and other income.

Chairman's Review

NIGEL M. BAPTISTE

INTRODUCTION

Fellow Directors and Stockholders it is again my pleasure to present a review of the Bank's performance for the year ended September 30, 2014. The last financial year was a satisfactory one for Republic Bank (Guyana) Limited, characterised by continued profitability, sustained attention to excellent customer service and prudent financial management.

FINANCIAL PERFORMANCE

Within the context of a challenging operating environment, the bank recorded a profit of $2,339 million compared to $2,344 million in 2013 (restated). As a result of this performance, your Board of Directors has recommended a final dividend of $2.33 per stock unit, which, if approved, when added to the interim dividend of $1.10 per stock unit already paid would bring the total dividend for the financial year 2014 to $3.43 per stock unit. This represents a proposed payout of 44.0% of profit after tax.

As is customary, I will highlight the background against which these results were attained, as it is important to understand the environment in which the Bank operates.

ECONOMIC REVIEW

The year 2014 may be remembered in Guyana for the political standoff around the Anti-Money Laundering and Countering the Financing of Terrorism (Amendment) Bill (AML/CFT). As a result of not meeting the agreed timelines in its Action Plan, CFATF recognises Guyana as a jurisdiction with significant AML/CFT deficiencies, and has called on Members to implement further counter measures to protect their financial systems from the ongoing money laundering and terrorist financing risks emanating from Guyana. The consequences of these measures are still being experienced as the financial sector continues to adapt to different operating circumstances imposed by correspondent banks. The long term socio-economic impact remains immeasurable, though a decline in general business activity and a marked reduction in investment activity including the postponement of many investment projects of both local and foreign origin are highly likely.

The economic advancement of any country depends on a stable political atmosphere, and it is in the interest of all concerned to realise that notwithstanding political differences the country must be attractive for investment. Foreign investors in particular require such confidence to venture into developing the country's resources, and with avenues for investment elsewhere, a concerted effort should be made by all concerned to make Guyana competitive and eschew distractions.

On the basis of higher anticipated growth across the matured economies and a slight decline in growth in emerging market and developing economies, the global economy is projected to rebound in 2014 and expand by 3.3% - up from the 2.9% growth recorded in the previous year. This upbeat outlook is attributed to the Eurozone's continued recovery and expected return to a positive growth rate of 1% in 2014; the US economy expanding at a stronger pace mainly due to domestic demand; and continued growth albeit at a slower pace in several key emerging markets and developing economies. The world financial markets have been resilient in the face of uneven economic growth in the US and Europe, as well as political and economic unrest in Ukraine, the Middle East and elsewhere, reflecting investors' confidence that Central Bank policies to keep interest rates low, while economies continue to recover from recession, will boost growth.

Guyana recorded real economic growth of 3.2% for the first half of 2014. The continued low gold prices, despite a 4.4% increase during the first six months, contributed to a 17.2% decline in gold production and a 24.6% reduction in gold export earnings. Unfavorable and volatile gold prices coupled with high operational cost have had a negative impact on the small and medium scale miners and resulted in the closure of many operations. The agriculture sector recorded growth of 10.9% for the first half of 2014 due mainly to the continued unprecedented production boom in the rice industry and comparatively higher levels of sugar and forestry output. Expanded rice lands, higher yields and favourable cultivation conditions contributed to the 18.6% growth in rice production over the amount produced in the first six months of 2013. The significant 66.5% increase in sugar output, albeit with lower tonnage, was reflective of the prior year's very low first crop production. The forestry sector output exceeded that for the same period of the previous year by 38.1% and was attributed to the introduction of new incentives to harvesters and sustained demand from the construction sector and the furniture manufacturing subsector.

Overall, the economy is expected to grow by 4.5% for 2014, continuing the growth trend of the previous eight years. With the exception of the mining and quarrying, electricity and water sectors, all other sectors are expected to contribute to this growth. Despite higher expected activity in the gold subsector in the second half of the year, because of a lower bauxite contribution, a contraction of 5.1% is estimated for the mining and quarrying sector. In addition, the electricity and water sectors are projected to contract by 0.5% due to supply difficulties. Inflation has been contained as the domestic consumer price index declined marginally by 0.4% for the first half of the year.

Export receipts at US$534 million as at mid-year declined by 10.3% over the previous year. This decline is attributed to a sizeable reduction in gold export earnings by 24.6% to US$226 million. Reduced bauxite and other export receipts also contributed to this decline. Increased export earnings from sugar, rice and timber improved the overall position but did not offset the reduction.

Sugar export receipts increased by 24.6% to US$34 million as a result of higher export volumes. Notwithstanding, we have noted that the steady decline in sugar's contribution to export earnings, from more than 20% a decade ago, continues in 2014 with a projected share of only 7.7%. The survival of the industry is critical to the country's economic well being and underscores the need for greater efforts to ensure its viability. The Skeldon Estate is an integral part of this dynamic, and hence it is imperative that transformation plans aimed at reversing the trend of underperformance be treated with a sense

> We remain confident about the future of the Bank and cautiously optimistic about the country's political and economic prospects for the long term. Internally, we will continue to improve the Bank's capacity to play a catalytic role in Guyana's development, and look forward to the relevant authorities creating the environment within which that can happen.

of urgency. The core objective of the significant investment of upgrading those operations was that of bolstering production and efficiency, and, as such, no effort should be spared to make this a reality given the long term benefits; most important being Guyana's economic stability.

Earnings from rice exports improved by 14.9% to US$96 million as increased volumes negated a contraction in price. Timber export earnings rose to US$21 million, a 31.3% increase due to an increase in export volume, reflecting an expansion in plywood exports.

Central government's current revenues rose by 3% to $73.8 billion due to increases in both tax and non-tax collections. The capital account recorded a decrease of 28.2% and this is attributed to 34.2% increase in capital expenditure. The country's debt stock declined from the previous year with external public debt decreasing by 1.6% and the domestic debt position declining by 11.8%.

FUTURE OUTLOOK

The gold mining subsector is expected to rebound from the challenges of the first half of the year with significantly increased production in the remaining six months to reflect an overall decline of 6.5% for the year. Despite price shocks in the global markets, investor confidence remains high, especially for large scale mining. The mining and quarrying sector contracted by 13% in the first six months of the year and based on higher production levels in gold and other mining products in the second half of the year, the sector is expected to contract by 5.1% in 2014. Value added in the bauxite industry declined by 3% in the first six months, and for the full year is projected to decline further by 6.1%. The anticipated increase in other mining products is hinged on increased demand for quarry products for construction/maintenance. Growth in the services sector is expected to continue to the end of the year with most of the subsectors recording higher year-on-year performance. Buoyed by ongoing private and public housing projects, infrastructural works and major construction activities, it is envisaged that the growth trend of this sector will continue well into the future.

We remain confident about the future of the Bank and cautiously optimistic about the country's political and economic prospects for the long term. Internally, we will continue to improve the Bank's capacity to play a catalytic role in Guyana's development, and look forward to the relevant authorities creating the environment within which that can happen. It is important that all parties remain engaged to monitor the situation and ensure that the necessary changes are made to enhance the country's ability to provide its citizens, investors and visitors with an environment that will allow them to go about the business of improving their circumstances and developing the country in relative safety.

Our plans for the next year are to focus on strategies aimed at expanding our menu of products and services, improving customer service efficiencies and staff productivity. Within the constraints of the economic environment and more importantly the risks associated with the country's non compliance with Anti Money laundering regulations, the success of our corporate plans hinge intrinsically on how quickly these circumstances are resolved.

The Board of Directors, Management and staff of Republic Bank (Guyana) Limited recognise the important function we play in national development and will continue to implement policies and strategies to improve asset allocation, operational efficiency and expand our range of financial services. We are confident that we possess the human and technical resources and the goodwill of our diversified customer base to address the challenges in the new year and beyond.

ACKNOWLEDGEMENTS

In conclusion, I thank my fellow Directors for their support, and take the opportunity to thank our former Director William H. Pierpont Scott who retired during this year, for his sterling contributions to the Bank, and welcome Richard M. Lewis to the Board.

On behalf of the Board of Directors I wish to specially commend our Management and staff for their commitment and strong work ethic during these challenging times. Our hopes for the future lie in their continued dedication and hard work. Appreciation is also extended to our customers and stockholders for their continued loyalty to the organisation.

Managing Director's Discussion and Analysis

JOHN N. ALVES

INTRODUCTION

This is the fifth occasion that I have had the honour of reviewing the annual performance of Republic Bank (Guyana) Limited and I am pleased to report a satisfactory year's performance. While the year was not without its challenges, we remained focused on our objectives of satisfying customers, improving revenue streams, managing expenses and prudence in our lending.

FINANCIAL PERFORMANCE

The Bank achieved an after-tax profit of G$2,339 million, reflecting a decline of 0.18% when compared with the 2013 performance of G$2,344 million (restated) . This resulted in Return on Assets moving to 1.78% (2013: 1.84%) and Return on Equity to 18.18% (2013: 20.29%). Earnings per Stock Unit declined marginally from $7.81 to $7.80. This decrease in profitability was due primarily to the Bank having to make higher loan losses provisions in fiscal 2014, in keeping with the requirements of the International Financial Reporting Standards (IFRS). Adherence to the provisioning requirements of the Financial Institutions Act and the Bank's time-tested provisioning policies ensure the integrity of our asset base and provide the Bank with the best foundation for its long standing success.

SERVICE EXCELLENCE

We remain focused on the quality of service delivered to our customers. During the year, staff at varying levels were exposed to Customer Care training to assure a shared purpose and alignment with our pursuit of service excellence in all customer interfaces.

We continue to review and re-engineer our systems and procedures, and in previous reviews noted having centralised many of our support services. Moving forward, we plan to centralise more of our operations, and the ultimate aim is for our branches to be sales and service oriented where the staff's role will be to serve the banking public and promote the Bank's range of financial products and services.

Managing Director's Discussion and Analysis

One of the real differences between commercial banks is the quality of service, and we hold steadfast in our efforts to improve, while continuing to seek ways to enhance that service experience to the level of a genuine partnership between our valued customers and ourselves. The most recent 2014 independent Customer Service Survey placed Republic Bank (Guyana) Limited as the leader among the local banks. We are no doubt encouraged by this achievement, but not content and as such will continue to focus on improvement.

INFORMATION TECHNOLOGY

In an age where technological advancements and customers' expectations inform the business footprint, over the next three years we will intensify strengthening our infrastructure to accommodate additional platforms and the accompanying network activity. Both our Automated Teller Machine (ATM) and Point of Sale networks continue to expand as customers warm to the convenience, and more importantly safety of conducting banking and payments by this medium. We have also initiated further enhancements to our ATM controller to enhance the quality of service.

The Bank's website was also upgraded during the last year to ensure a more user friendly customer experience. We continue to see a steady increase in registrations for our Internet Banking product; Republic*Online* as it was upgraded to improve functionality. Our business plans include expanding this platform to afford even greater convenience to customers.

As we move forward, our commitment is to drive maximum benefit from the Bank's investment in technology and continue implementing new ways of applying technology towards better serving our customers and ensuring improved returns to stockholders.

PREMISES

In keeping with our commitement to provide the highest level of service to our customers, the construction of a new Branch in D'Edward Village, West Coast Berbice commenced on October 28, 2013 and was completed on September 12, 2014. This milestone will see the relocation of the business of our Rosignol Branch to these spacious and modern premises early in the new fiscal year. We have also acquired land for the construction of a new Rose Hall Branch in the not too distant future.

The pursuit of our vision to adequately serve communities throughout Guyana, will see us advancing plans for the construction of a Branch at Triumph, on the East Coast Demerara in 2015, while continuing routine maintenance at other locations to maintain our high standards. In due course, we will be re-organising the ground floor layout at our Camp Street Branch to provide a more comfortable banking arrangement for customers.

HUMAN RESOURCES

The aforementioned investments in technology and premises however, must be complemented with investments in human capital as the achievments of the Bank are based on the support and commitment of our staff. Some of the initiatives to increase employee satisfaction and instill the culture include (a) staff forums that provide the opportunity for staff involvement in the Bank's forward plans, (b) a performance management system that is results oriented and includes a behavioural component aligned to our Core Values, (c) related training for management, supervisory, and other staff, (d) free forums which afford straight talk between staff and management and (e) community outreach activities by staff participants through our Youth Link Apprenticeship and Staff Volunteerism programmes. We are pleased to advise that the former programme is close to attaining Caribbean Vocational Qualification (CVQ) status under the Board of Industrial Training (BIT).

We know that in order to provide the highest quality of service to our customers and enhance stockholder value, we must develop our prime resource. To this end, during the last year we have exposed members of staff to a variety of practical and technical training through in-house programmes conducted by our training personnel; external consultants; external programmes at the University of Guyana through our Stan Affonso Scholarship Programme; the United States of America and the Caribbean, as well as attachments to our Group Head Office in Trinidad and Tobago. Through the technology afforded, an online training facility is also available to our staff.

EMPOWERING THE COMMUNITY

Our involvement with and in the communities we serve is an integral part of our social responsibility. Over G$8 million was donated to various charities during 2014, and these were mainly to educational institutions, care of the young, aged, differently able, sport, the arts and culture and to assist service organisations involved in similar activities. The future of the nation lies with our youth, and youth development and education will continue to be foremost on our agenda.

With each year, our commitment is deepened. The benefits of our Power to Make a Difference initiative and deeds of covenant stretch from individuals and groups to charitable institutions and communities: from children's homes to public facilities such as the Promenade Gardens. We are proud that through these public relation activities we have helped to nurture the talents of Guyanese and continue to make a positive difference in their lives. They in turn have inspired us to strive for more and believe in the power within everyone.

Republic Bank aims to pursue a record of achievement that is worthy of emulation by consistently practicing and upholding such values as trustworthiness, respect and civic mindedness. These added to our other pillars of operation enable us to realise our vision of adhering to values that underpin the stability and vibrancy of our Bank, the nation and its economy. Improving the life of one person makes a difference to one family, and by extension a community.

REGULATORY COMPLIANCE

Guyana is still to comply fully with respect to Anti Money Laundering legislation to meet the requirements of the Caribbean Financial Action Task Force (CFATF). The Bank however, has already taken appropriate measures to comply with local and international requirements to enable detection of money laundering activity, and will continue to focus on further strengthening efficiency in this area.

We continue working with individuals and businesses to ensure they comply in a timely fashion with the relevant provisions of the Act, particularly in matters of identification.

The Bank also instituted systems and procedures to comply with the Foreign Account Tax Compliance Act (FATCA) enacted by the United States Government in 2010 as part of its efforts to combat tax evasion by US persons. This measure is also in keeping with the Guyana Government having entered an agreement with the United States of America for such reporting.

We present below a discussion and analysis of the financial position and performance of the Bank for the year ended September 30, 2014, to be read in conjunction with the Directors' report and audited financial statements presented on pages 12 to 13 and pages 36 to 91 respectively.

These statements are published in Guyana dollars. Foreign amounts have been converted to Guyana dollars at the prevailing mid-rate on September 30, for each financial year. The following are the mid-rates for the major currencies as at September 30, 2014:

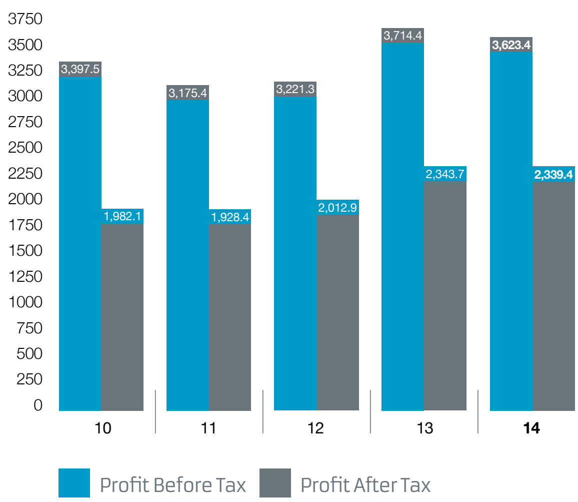
	2014	2013
United States dollars	**205.5**	204.0
Pounds Sterling	**332.5**	309.0
Canadian dollars	**191.0**	195.0
Euro	**261.5**	261.5

STATEMENT OF INCOME REVIEW

Financial Summary

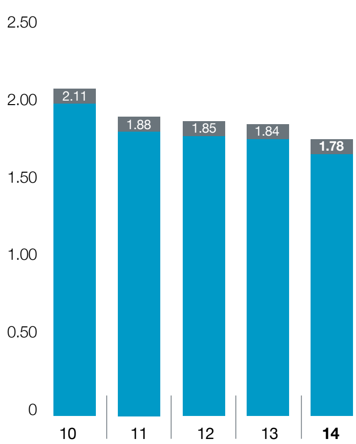
After tax profit of $2,339 million represents a decline in profitability of $4.2 million or 0.18% compared with 2013. This decrease in profitability resulted from an increase in provisioning expense.

Profit Before/After Tax ($Millions)



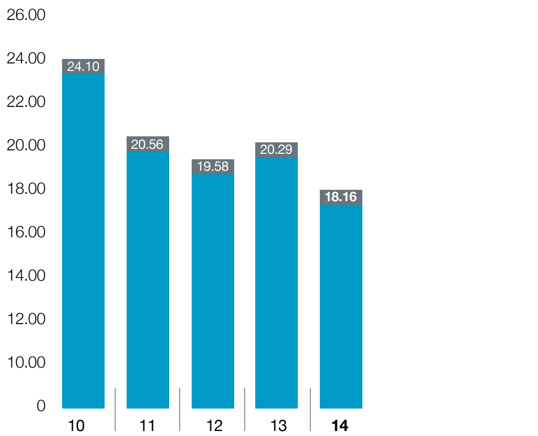
The Bank's return on average assets (1.78%) declined year on year, as well as its return on average stockholders' equity (18.16%). Earnings per stock unit decreased from $7.81 in 2013 to $7.80 in 2014.

Return on Average Assets Assets (%)

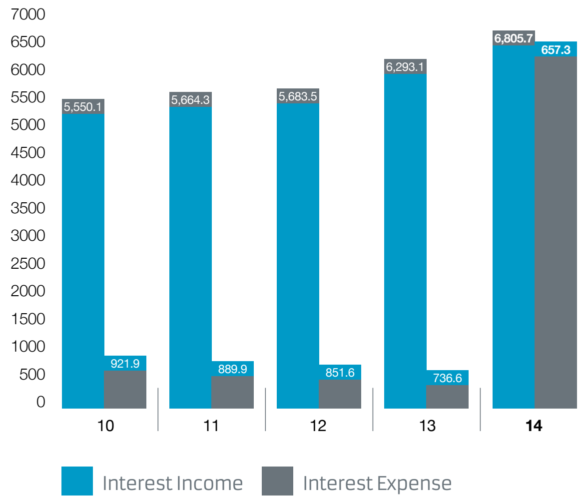


Managing Director's Discussion and Analysis

Return on Average Outstanding Equity (%)



Interest Income/Interest Expense ($Millions)



Net Interest and Other Income

Net interest income at $6.1 billion exceeded the $5.5 billion earned in 2013 by $591.9 million or 10.65% and is attributed primarily to interest collected on the Non-Performing portfolio and tight management of interest expense.

Net Interest Margin

	2014	2013
Net interest income/ Total average interest earning assets	5.66%	5.47%
Net interest income/ Total average assets	4.54%	4.20%

Refer to Statement of financial position and note 16

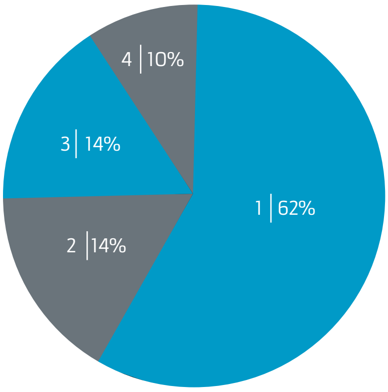
There were no unusual non-operational items.

The ratio of the Bank's average interest earning assets to average customer deposits, increased to 91% from 86.4% in 2013. This reflects the Bank's policy of making maximum use of customers' deposits in a challenging environment where investments and lending opportunities are relatively scarce. At September 30, 2014, 42.9% of the Bank's interest earning assets consist of Government of Guyana Treasury Bills.

Interest paid on deposits for 2014 at $657.2 million, was lower than that of 2013 ($736.6 million) as the Bank continued to manage its assets and liabilities in an environment of inadequate investment opportunities. We recognise, however, that our customers simultaneously use a range of our products and we strive to ensure that our rates (deposit and lending) are competitive with the rest of the industry and attractive to existing and potential customers.

Other Income, which amounted to $2.1 billion and contributed 23.84% to total income, was marginally above the 2013 amount by $10.5 million, or 0.49%. Despite continued emphasis, foreign exchange trading declined resulting in exchange gains for 2014 of $1,210 million, which represented a marginal decrease of $13.8 million or 1.13% over 2013. Exchange earnings continue to be the main source of Other Income, contributing 56.8% (2013 - 57.2%) of the total.

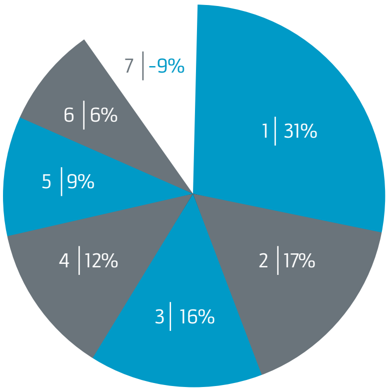
Sources of Revenue (%)



1 | Loans and Advances
2 | Foreign Business
3 | Investments
4 | Other

Net interest and other income grew by $581.4 million or 7.55% to $8.3 billion in 2014 compared to the $7.7 billion generated in 2013, which is attributed mainly to the increase in our loans portfolio.

Revenue Distribution (%)



1 | Reserve and Retained Earnings
2 | Salaries/Staff Cost
3 | Other Non-Interest Expense
4 | Taxation
5 | Premises and Equipment
6 | Interest Expense
7 | Dividends

Non-interest expense

Non-interest expenditure, which comprises operating expenses and provision for loan losses, increased by $672.4 million or 16.88% over 2013. Staff cost increased to $1,836.4 million, attributable to increases in salaries and allowances and pension costs. There was also an increase in depreciation charges ($10.7 million), resulting from an increase in capitalisation of assets and a significant increase in loan losses net of recoveries of $372.1 million.

	Notes	2014	2013
Productivity Ratio	16	48.30%	47.85%

In accordance with IAS 39, and under the Financial Institutions Act, the Bank conducts an annual review of its impaired loans. There are three levels at which the Bank provides for actual and potential loan impairment. These are a General Banking Risk Reserve and General and Specific Provisions for non-performing loans. After a $1,342 million transfer from income in 2014, the amount set aside for the General Banking Risk Reserve amounts at year end to $2,576 million. This Reserve which is discussed in some length on page 67 of this report is consistent with the Bank's policy of maintaining 100% provision for its non-performing loans and is in addition to the General provision.

The financial statements include general provision made on its performing portfolio under IAS 39, of $165.3 million at September 30, 2014, an increase of $12 million. This provision reflects the level of inherent risk in the loan portfolio for which there is no specific provision.

At September 30, 2014, specific provision on non-performing loans amounted to $363.8 million, an increase of $181.6 million over 2013. Overall in 2014, expenses related to loan-loss provisioning amounted to $656.4 million against a provision of $275.9 million in 2013. The Bank continues to strive to maintain a very prudent policy especially on its unsecured consumer lending portfolio. Recoveries on loans which were previously written-off amounted to $115.4 million in 2014 (2013 - $107.1 million).

The Bank's ratio of non-performing to performing loans as at September 30, 2014 increased to 6.1% from 3.1% in 2013. On the other hand its ratio of specific provision for loan losses to non-performing loans moved marginally from 12.9% at September 30, 2013 to 12.3% at September 30, 2014.

Managing Director's Discussion and Analysis

STATEMENT OF FINANCIAL POSITION REVIEW

Cash and cash equivalents

Cash and cash equivalents, which include cash-on-hand, deposits held with correspondent banks, claims on other banks and balances in excess of the statutory deposit declined by $8.8 billion year on year. This decrease is due mainly to reduction in balances in excess of the statutory deposit. The statutory deposit balance with Bank of Guyana decreased by $7.1 billion over the same period.

Available-for-sale investment securities

Available-for-sale investment securities, including Government of Guyana Treasury Bills, increased by 3.83% during the year ($1,738.6 million). The increase arose mainly in the Bank's investment in Treasury Bills which increased from $39.7 billion in 2013 to $41.7 billion in 2014, or 5.04%, compensating for a reduction in other local and foreign investments, which declined by $0.3 billion, or 4.60%, to $5.4 billion. The Bank aggressively competes for the limited investment opportunities even as there is continuous growth in the liquidity of the country's financial houses, relative to those investments.

Advances

Advances grew by $3.9 billion to $50.5 billion, an increase of 8.42%. The concentration by sector in the loans and advances portfolio, a function of the Bank's Credit Risk Management process, remained fairly constant during the year. The Bank's investment in agriculture remained at a minimum as we continue to reassess the position as circumstances change.

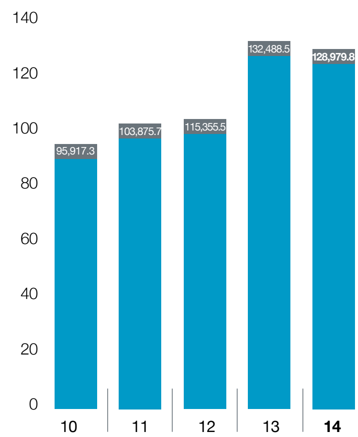
Significantly, however, the Home Mortgages sub-sector recorded a 16.76% increase in value from $13.3 billion to $15.5 billion. We continue our efforts to join the government in facilitating home construction and ownership.

As a percentage of total assets, loans and advances accounted for 39.2%, up from the 35.1 % achieved in 2013.

Total assets

The Bank's total assets of $128.9 billion represent a decrease of $3.5 billion or 2.65%. This decline is attributed to deposits held with correspondent banks and the statutory deposit balance with Bank of Guyana. Notwithstanding, loans and advances accounted for an increase of $3.9 billion and available-for-sale investment securities and Treasury Bills for $1.7 billion. Over the past three years, net investment in loans and advances grew by $5.8 billion, $7.9 billion and $3.9 billion, respectively. In a challenging and competitive environment for sound economic projects, the Bank continues to seek and attract new and remunerative investments even as we honour our obligation to protect our depositors' funds.

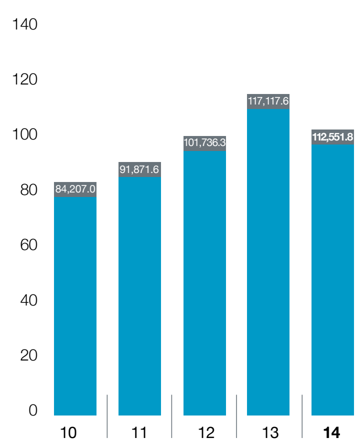
Total Assets ($Billions)



Deposits

Our asset decline resulted from a reduction in deposits which moved to $112.6 billion from $117.1 billion in 2013; a decrease of $4.6 billion or 3.90%. Notwithstanding; our depositors remain confident in the Bank, as we continue to focus on providing quality products and services. Savings deposits, the most stable category of deposits at 68.49% of the deposit portfolio, reduced by $1.9 billion or 2.42%. The Certificate of Deposit (Term) portfolio declined significantly by $1.9 billion or 21.78% compared with growth of $1.5 billion or 21.3% in 2013.

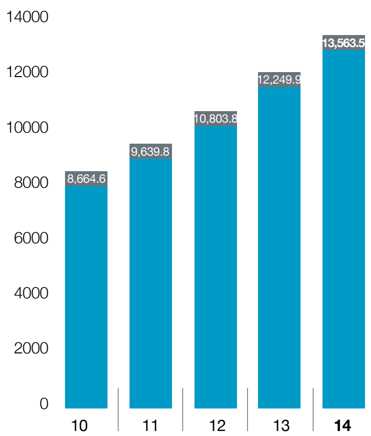
Total Deposits ($Billions)



CAPITAL STRUCTURE AND RESOURCES

The Bank's policy is to maintain capital adequacy, ensure capital growth and minimise capital impairment. The governing Financial Institutions Act 1995 restricts a single or group borrower loan to defined percentages of the Bank's capital base. From the after tax profits of $2,339 million, $1,030 million is being proposed as dividends and $1,309 million transferred from the Statement of Income to stockholders' equity. At September 30, 2014 the book value of stockholders' equity amounted to $13.5 billion.

Stockholder's Equity ($Million)



Total dividends paid and proposed for fiscal 2014 amount to $1,030 million, an increase of 3% over the $1,000 million payout for 2013. This equates to a dividend payout ratio of 44.0% (2013 - 42.7%).

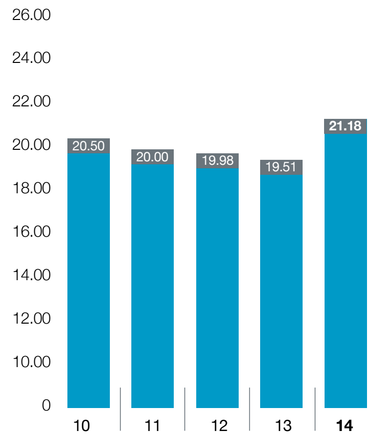
There was a decrease in the price at which the Bank's stock traded on the Guyana Stock Exchange with a spread of 12.9% between the highest price of $129.9 and lowest price of $115 with an average weighted price of $125 per stock unit. In terms of volume, most trades were done at a unit price of $125. Using the Market Weighted Average Price of $125 from the last trade date (September 08, 2014) for the Bank's stock, the price/earnings ratio remained stable at 16.0. The net asset value of one unit is $45.2 (2013 - $40.8) which, with a price of $125 gives a price/book ratio of 2.76:1 (2013 - 3.06:1).

Regulatory capital

Capital adequacy is monitored by the Bank on a monthly basis and computed based on guidelines developed by the Basle Committee on Banking Regulations and Supervisory Practice (the Basle Committee), as implemented by the Bank of Guyana under the Financial Institutions Act 1995.

The risk-based capital guidelines require a minimum ratio of capital to risk-weighted assets of 8%. The results for this year have further strengthened the Bank, with its capital base growing from $12.2 billion to $13.5 billion year-on-year. The capital adequacy ratio increased marginally, moving to 21.15% at September 30, 2014 from 19.51% at September 30, 2013. This increase is attributable to an increase in total risk-weighted assets.

Capital Adequacy ($Millions)



RISK MANAGEMENT

Overview

Banking is about risks and their management. These are discussed extensively on pages 70 to 83 of this Annual Report.

The Bank manages these risks at all levels of its corporate structure applying quantitative and qualitative criteria and strict levels of authority throughout the organisation. The Bank also benefits from continuous guidance and services of the Risk Management Unit and the Internal Audit Department of the Parent Company.

The Internal Audit Department of the Bank and that of its parent company is also integrally involved in reviewing and implementing systems and procedures to combat operational risk. The Department, through its random audits and internal verification processes, is tasked with ensuring that the integrity of the Bank's operations is maintained at all times.

FUTURE OUTLOOK

In recognition of our role in the development of Guyana, we will continue to focus on customer service, innovation and asset quality. Our investment in the development of our service delivery locations is evidence of our confidence in Guyana and we intend playing our part without jeopardising the trust placed in us by our many stakeholders.

Managing Director's Discussion and Analysis

We all have a role to play in ensuring harmony in Guyana, making it a safe country with good infrastructure. The business sector has a vested interest in helping Guyana become an attractive place for investment, but there is only so much we can do. Our Government must take control of our country, fight criminal activity effectively, and build other basic infrastructure so desperately needed.

We believe that the improvements in the financial and other areas of performance realised over the past few years will be sustained in the medium term. Nonetheless, we remain cognisant that the Bank does not operate in isolation and our performance is dependent not only on our ability to provide customers with the quality and menu of products and services they expect, but in addition, on the success in business and personal lives of those we serve, the performance of the economy in general and the stability of the political and social environment in which we operate.

We remain hopeful that improvement in economic, social and political climate will be achieved, thereby providing the enabling environment for all the people of Guyana and all sectors of the economy to prosper. As evidenced by our decision to construct new, spacious and modern premises, Republic Bank (Guyana) Limited and the Republic Bank Group remain committed to Guyana and its development.

ACKNOWLEDGEMENTS

The results achieved in these challenging economic conditions would not have been possible without the continued dedication and hard work of our employees. I thank the management and staff for their contribution over the past year, and the Board of Directors for their guidance and counsel.

Senior Management

JOHN N. ALVES

Managing Director

DENISE E. HOBBS

General Manager,
Corporate and
Management Services

PATRICIA PLUMMER

General Manager,
Credit

Management

DENYS BENJAMIN

Manager,
Corporate Operations

DOODMATTEE BHOLLARAM

Manager,
Corriverton Branch

CELINE DAVIS

Manager,
Water Street Operations

HARRY DASS GHANESS

Manager,
Rose Hall Branch

STANTON GRANT

Manager,
Internal Audit

SHERWYN GREAVES

Manager,
Camp Street Branch

YONNETTE GREAVES

Manager,
Information Technology

SASENARAIN JAGNANAN

Senior Manager,
Corporate and
Commercial Credit

Management

ERICA JEFFREY

Manager,
Branch Support
Services

MICHELLE JOHNSON

Manager, Marketing
and Communications

NDIDI JONES

Senior Manager,
Republic Bank
(Guyana) Limited

LEON Mc DONALD

Corporate Manager,
Corporate and
Commercial Credit

CHRISTINE A. McGOWAN

Manager,
Legal Services

SHRIMANIE MENDONCA

Assistant Manager,
Human Resources

ANITA MOHABEER

Manager,
Human Resources

YUGISTHER MOHABIR

Assistant Manager,
Information Technology

Management

SHRIDATH PATANDIN

Manager, Vreed-En-Hoop Branch

JADOONAUTH PERSAUD

Manager, Branch Operations

MICHAEL RAM

Manager, Operational Risk

GUITREE RAMSAMOOJ

Manager, Anna Regina Branch

CARLA F. ROBERTS

Corporate Manager, Corporate and Commercial Credit

IMRAN SACOOR

Manager, Rosignol Branch

RANDULPH SEARS

Manager, New Amsterdam Branch

JOEL SINGH

Manager, Linden Branch

VANESSA THOMPSON

Manager,
Finance and Planning

the power of one serving many

Clockwise from top left:

A staff volunteer and library attendant deeply engaged in reading during a visit to the Festival City Children's Library

A student experiences the interview process during the Republic Bank – University of Guyana Career Coach Programme for final year students

Youth Link Apprenticeship Care-A-Van outreach at the Ptolemy Reid Rehabilitation Centre

Rewarding success, a participant of the Republic Bank Pan Minors Music Literacy Programme receives her certificate from Managing Director, John Alves

Celebrating a new accomplishment with a student of the Step by Step School for Autistic Children

Players vie for the championship of the Republic Bank Mashramani Panorama Steel Band Competition

The Power to Make a Difference

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

In focusing that energy on the issue of literacy, we envisioned a Nation of highly literate and educated people who could harness their powers to make a difference toward the successful future of our society. There are many people who have never read a book but can understand the spoken word yet not when it is written. With the world moving at such an accelerated technological pace, we cannot afford to sit back and hope that those who are still illiterate will somehow find their way.

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

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

Under the Power to Learn, we took our focus to schools, putting steps in place to help young people receive the education that they deserved. A child's learning environment plays an important role in his or her ability to absorb the information given. A leaky roof, broken desks, unstable floors - all these create an uncomfortable environment. We have come to realise that an uncomfortable student is an unfocussed student.

This year, we were able to ensure that scores of students could function under suitable conditions. With contributions toward the University of Guyana, students were able to utilise up-to-date business journals at the university's library. Through the scholarship programme, offered every four years, one student benefitted from a full scholarship to complete a degree programme.

Additionally, members of staff at Republic Bank (Guyana) responded to the challenge to make a difference in their communities by executing volunteerism projects focused on literacy. We at Republic Bank strongly believe that each of us has the power to make a positive difference.

In our quest to nurture and develop new musical talent, we have also focused on music literacy. Our partnership with the Ministry of Culture, Youth and Sport has enabled us to reach scores of children across Guyana with the Republic Bank Pan Minors Music Literacy Programme. Through this workshop, school-aged children are given the opportunity to learn the history of the steel pan art form, along with playing skills and techniques. More advanced players are introduced to steel pan arranging. With every new group of pannists trained, the level of music literacy within our nation increases.

We see our investment as an opportunity to create a new generation of fully literate citizens. It gives us the platform to strengthen the flow of communication between parents and children, and in so doing improve family relations. With the steps that Republic Bank takes towards the One, our children will benefit and develop sound, reasoning skills. The opportunities these newly acquired skills provide will help them reach more amicable solutions when faced with challenges now and as they move towards a brighter future.

Under the Power to Care, we have worked with those, whose disabilities have made them outcasts. We have had the humbling experience of realising that though they may have challenges, their abilities are what have made them special. In the time that we have partnered with the Step by Step School, we have gained a greater understanding of the need for an institution to facilitate autistic children and their parents and caregivers. Raising an autistic child is a mammoth task. Through our support of the Foundation, we hope each day another parent will wake up with a better sense of understanding as they get ready to start their day as a family. We hope they will have the patience to work with their child day after day. Through the training offered at the Foundation, we hope our Nation will achieve a greater awareness of the Spectrum, removing many of the attached stigmas.

The Power to Make a Difference

Care for the environment is a task that requires the commitment from us all since it contributes to our existence. Understanding this responsibility, we have continued our collaboration with the Mayor and Councillors of the City of Georgetown to provide major support for the annual maintenance of the Promenade Gardens. The citizens of the Capital and our country are able to enjoy this clean space that has also become a popular venue.

Our focus on the Power to Help this year, saw us continuing our support for the Guyana Community Based Rehabilitation Programme. This transportation project is committed to the social and economic development of persons with disabilities. Social, educational and professional development programmes are hosted weekly for the empowerment of persons with disabilities at several locations in seven of Guyana's ten administrative regions. Our provision of a reconditioned bus in 2011 has enabled the Programme to transport its participants among the centres. Annually, our contribution caters for the maintenance and insurance along with a subsidy for the driver's salary and fuel.

At the University of Guyana, final year students from all faculties are exposed to the world of work through two days of impactful training at Republic Bank Career Coach. Through this workshop, they are given practical tutoring on developing a competitive résumé as well as preparing for the job interview. The training also includes job-related awareness sessions on Time and Money Management, Labour Laws and Policies and Occupational, Health and Safety. Upon completion of the programme, Career Coach equips its participants with the necessary tools for succeeding in today's work environment.

Emphasising the importance of education and celebrating success has been a long held tradition at the Bank. In so doing, at all levels, rewards are given from Primary to Tertiary. Top performers are recognised for their sterling performance at the National Grade Six Assessment, the Caribbean Secondary Education Certificate examination and the Caribbean Advanced Proficiency Examination. Meanwhile, the best graduating students at the University of Guyana with a degree from the Faculty of Social Sciences and a diploma in Banking and Finance are also honoured.

> The Power to Make a Difference programme aims to enhance the quality of life of disadvantaged persons; support healthcare programmes and disability awareness initiatives; provide opportunities for young people to realise their truest potential through sport, education and the arts; build community spirit and, in essence, help to correct some of society's ills.

The St. Joseph Mercy Hospital Reconstruction project was implemented following the destruction of the institution as a result of the May 2010 fire. A modern facility is being built, fully equipped with up-to-date medical technology and laboratories. Our support for the reconstruction project assists the hospital to achieve its goal of improved and expanded quality health care.

Under the Power to Succeed, the Youth Link Apprenticeship Programme, over the past six years, has reached one hundred and fifty teenagers who have completed high school. The Apprentices are provided the unique opportunity to experience the working world and community work during their seven-month apprenticeship across our network. This experience not only bridges the gap from secondary school life to work but also allows for the development of social skills and formation of lifelong friendships. Several Apprentices have since joined our workforce while many have gone on to secure lucrative jobs elsewhere. The youth is the Nation's future but there must be an example for them to follow, a past from which they can learn, so that they can avoid the same mistakes and make the "good" better.

In keeping with our mandate to promote national traditions and cultures as well as support the empowerment of our citizens through various forms of education, one of which is music, we also renewed our partnership with the Ministry of Culture, Youth and Sport to sole sponsor the Republic Bank Mashramani Steel Band Competition. Our association with the steel pan art form began over five years ago and has engineered its rebirth in Guyana. It is our shared belief that there are great benefits to be gained, from a personal and national level, when one becomes involved with one's community through music.

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

Statement of Corporate Governance Practices

Corporate Governance has been defined as "the system by which companies are directed and controlled." Alternatively it can be said that corporate governance refers to the system by which companies are led and managed, the structure and role of the Board of Directors, relations with stakeholders and the framework of internal control. The Board of Directors of Republic Bank (Guyana) Limited is committed to proper standards of Corporate Governance and maintaining these standards at the highest level. We continuously monitor the Bank's systems and procedures to ensure that our standards are in keeping with the best practice as determined by the Principles of Corporate Governance. The Bank is also guided by the Recommendations for a Code of Corporate Governance issued by the Guyana Securities Council, and Supervision Guideline No. 8 on Corporate Governance issued by the Bank of Guyana under the authority of the Financial Institutions Act 1995. The Bank has adopted the recommendations contained in that Guideline. This statement is made pursuant to the abovementioned Supervision Guideline Number 8. In addition the Bank is compliant with Supervision Guideline 10 on the Public Disclosure of Information.

The Board of Directors comprises nine Directors including one Executive Director. The non executive directors, five of whom are independent, comprise persons with extensive experience in both business and finance, and provide invaluable input at meetings through their personal values and standards arising from their varied and distinct backgrounds. Together the Board members provide entrepreneurial leadership within a framework of prudent and effective controls. In keeping with the Bank's culture of broad disclosure the Executive Director ensures that all pertinent information relevant to the Bank's operations is provided to members of the Board of Directors.

The Board is charged with the mandate to lead the Bank along a path of greater profitability without compromising the Bank's sound financial position while ensuring compliance with applicable laws. Of critical importance to the Board of Directors is the responsibility to approve and review the Bank's Strategic Plan and within this context, to approve Annual Budgets, including capital expenditure. The Board retains the responsibility for reviewing and approving credit applications above a specified limit. Pursuant to the mandate to ensure that the interests of the various stakeholders are considered the Board of Directors meets, at a minimum, on a quarterly basis while the Executive Sub-Committee of the Board, comprising seven Board members, meets monthly for the remaining months.

In accordance with the Bank's By-Laws, three directors retire from the Board annually and may offer themselves for re-election at the Bank's Annual General Meeting.

The following Board committees exist to ensure the Bank's commitment to maintaining the highest standards of Corporate Governance:

AUDIT COMMITTEE

The members of the Audit Committee are

Chairman

ROY E. CHEONG

Members

RICHARD M. LEWIS

RICHARD I. VASCONCELLOS,

YOLANDE M. FOO

ALTERNATE MEMBER

JOHN G. CARPENTER

The Audit Committee of the Board meets at least quarterly to review the Bank's system of internal control, financial reporting process, audit and examination process, and compliance with statutory and regulatory laws. When necessary, the Audit Committee is responsible for reviewing the independence, competence and qualifications of the External Auditors. The External Auditors have full and free access to, and meet, when necessary, with the Audit Committee to discuss their audit and findings as to the integrity of the Bank's financial and accounting reporting and the adequacy of the system of internal controls. The External Auditors receive notice of every meeting of the Audit Committee and may attend as of right. The head of the Bank's Internal Audit Department, reports directly to the Audit Committee. The Internal Audit Department conducts periodic examinations of all aspects of the Bank's operations to ensure that management's controls for the integrity and fairness of the financial statement and accounting systems are adequate and are complied with.

COMPENSATION COMMITTEE

The members of the Compensation Committee are:

Chairman

DERWIN M. HOWELL

Members

RICHARD M. LEWIS

ROY ERROL CHEONG

ALTERNATE MEMBER

YOLANDE M. FOO

This Committee, which meets at minimum once per year, is responsible for formalising the Bank's remuneration policy for staff.

OTHER RISKS COMMITTEE

The members of the Other Risks Committee are:

Chairman

JOHN G. CARPENTER

Members

ROY ERROL CHEONG

DERWIN M. HOWELL

ALTERNATE MEMBER

RICHARD M. LEWIS

This committee, which meets quarterly, is responsible for reviewing policies and procedures and ensuring that the Bank is not exposed to unnecessary risks with respect to its operations. The Other Risks Committee is also responsible for overseeing the management of the Bank's Anti-Money Laundering and Countering the Financing of Terrorism Program and ensuring that adequate systems and procedures are implemented to prevent and detect attempts to launder money and/or finance terrorism.

The Board of Directors has approved an organisational structure for the Bank which ensures a reporting structure with prudent and effective controls. The Managing Director and management team are appointed by the Board of Directors. Each Management Officer has a written mandate and is required to execute the stated functions as outlined therein. Key areas of responsibility are outlined and adherence to the Bank's core values is mandatory.

The Managing Director's responsibilities and authorities are documented and approved by the Board of Directors. Limits on credit dispensation, capital and operating expenditure are stated specifically in the Managing Director's authorities. In keeping with good corporate governance principles the Managing Director is charged with the day to day management of the Bank's business and is ably assisted by a competent and experienced management team. The Bank's two General Managers report directly to the Managing Director. Senior Management which has combined banking experience of one hundred and fifteen years has general oversight of the Bank's credit portfolio, branch network and general operations. Two members of the Senior Management Team are Fellows of the Institute of Canadian Bankers while the other is qualified in Business Management making the team extremely qualified to offer leadership to the management team.

The Board of Directors ensures that the compensation package for staff is competitive. The package consists of basic salary and performance based incentives. In determining the basic salary to be paid to officers of the Bank, including Management Officers, the responsibilities attached to the position are assessed. This forms the core basis for the basic salary of each employee.

The performance of each staff member, is evaluated annually based on individual and collective performance criteria. In keeping with the expectation of the Board of Directors the performance of each Management Officer is also assessed against all Key Performance Areas which among other things may include financial targets. The performance of all Management Officers is reviewed by the Board of Directors on an annual basis.

Cognisant of the need to monitor transactions with related parties, the bank has approved a related party policy which is consistent with the requirements of the Financial Institutions Act 1995.

The Bank's Related Party Policy underscores the need for all transactions done with related parties and affiliates to be done on the same terms and conditions as with a non-related party. Directors are required to disclose their interest in related party transactions and to recuse themselves from considering or approving transactions in which they have an interest. All material related party transactions must be approved by the Board of Directors. On an annual basis the Board of Directors reviews a report on related party transactions in order to ensure compliance with the Bank's Related Party Policy.

The Bank regards its business and the banking affairs of its customers and clients as confidential, and has established rules to ensure the highest ethical standards in this regard. These rules pertain to honesty and integrity, integrity of records, client privacy, proprietary bank information, insider information, and non-discrimination among others.

The Bank encourages its stockholders to communicate all issues of concern orally or in writing. All stockholder concerns are addressed in a prompt and efficient manner by Management.

Signed on behalf of the Board

NIGEL M. BAPTISTE
Chairman

Financial Reporting Requirements

The financial statements which follow were prepared by the Management of Republic Bank (Guyana) Limited.

While the form of the financial statements and the accounting policies followed are similar to those used by many banks and are prepared in conformity with the requirements of International Financial Reporting Standards, the Companies Act 1991, the Financial Institutions Act 1995, and the Securities Industry Act 1998, some amounts must of necessity be based on the best estimates and judgement of management.

In discharging its responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorised, assets are safeguarded, and proper records are maintained. These controls include quality standards in hiring and training of employees, written policies and procedures, and accountability for performance within appropriate and well defined areas of responsibility. The system of internal controls is further supported by the Bank's Internal Audit Department and that of the parent company, both of which conduct periodic audits of all aspects of the Bank's operations. From time to time, the Bank Supervision Department of the Bank of Guyana carries out examinations of the Bank's operations under the Financial Institutions Act 1995.

Messrs Ram & McRae, the Independent Auditors appointed to report to the stockholders of the Bank, have audited our financial statements in accordance with International Standards on Auditing.

We have disclosed to the Auditors all matters known to us which may have a material effect on the accounts presented. The Auditors have full and free access to the Audit Committee of the Board of Directors to discuss their audit and their findings regarding the integrity of the Bank's financial reporting and the adequacy of the system of internal controls. The Audit Committee comprises directors who are not employees of the Bank.

JOHN N. ALVES
Managing Director

CHRISTINE A. McGOWAN
Corporate Secretary

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Independent Auditors' Report

TO THE STOCKHOLDERS OF REPUBLIC BANK (GUYANA) LIMITED

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

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, the Companies Act 1991, the Financial Institutions Act 1995, and the Securities Industry Act 1998 and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these 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 auditor's judgement, 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 financial statements present fairly, in all material respects, the financial position of the Bank as at September 30, 2014, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the Companies Act 1991, the Financial Institutions Act 1995, and the Securities Industry Act 1998.

Ram & McRae

RAM & McRAE
Chartered Accountants

157 'C' Waterloo Street,
North Cummingsburg,
Georgetown, Guyana

October 20, 2014

Statement of Financial Position

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

	Notes	2014	Restated 2013	Restated 2012
ASSETS				
Cash		**1,469,454**	1,365,322	1,321,714
Statutory deposit with Bank of Guyana		**12,900,869**	13,675,027	11,856,323
Due from banks	4	**8,619,336**	17,523,920	10,102,855
Treasury Bills	6 (c)	**41,719,293**	39,719,239	40,208,527
Investment interest receivable		**45,433**	47,712	70,972
Advances	5	**50,496,947**	46,573,714	38,631,805
Investment securities	6	**5,414,804**	5,676,215	5,957,434
Premises and equipment	7 (a)	**5,677,027**	5,236,090	5,221,403
Intangible assets	7 (b)	**147,232**	195,473	209,384
Goodwill	8	**1,228,222**	1,228,222	1,228,222
Deferred tax assets	10	**155,457**	131,999	115,748
Other assets	11	**1,112,453**	1,115,603	371,027
TOTAL ASSETS		**128,986,527**	**132,488,536**	**115,295,414**
LIABILITIES AND EQUITY				
LIABILITIES				
Due to banks		**214,492**	189,436	253,897
Customers' chequing, savings and deposit accounts	12	**112,551,760**	117,117,616	101,736,334
Pension liability	9	**157,100**	129,800	125,800
Taxation payable		**238,410**	409,891	314,276
Deferred tax liabilities	10	**306,223**	213,349	208,033
Accrued interest payable		**19,228**	41,860	33,407
Other liabilities	13	**1,935,793**	2,136,691	1,729,700
TOTAL LIABILITIES		**115,423,006**	**120,238,643**	**104,401,447**
EQUITY				
Stated capital	14	**300,000**	300,000	300,000
Statutory reserves	15	**300,000**	300,000	300,000
Net unrealised gains	15	**26,548**	(2,912)	75,709
General banking risk reserve	15	**2,575,926**	1,234,292	1,282,602
Retained earnings		**10,361,047**	10,418,513	8,935,656
TOTAL EQUITY		**13,563,521**	**12,249,893**	**10,893,967**
TOTAL LIABILITIES AND EQUITY		**128,986,527**	**132,488,536**	**115,295,414**

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

These financial statements were approved by the Board of Directors on October 20, 2014 and signed on its behalf by:

JOHN N. ALVES
Managing Director

ROY E. CHEONG
Director, Chairman of Audit Committee

CHRISTINE McGOWAN
Company Secretary

Statement of Income

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

	Notes	2014	Restated 2013
Interest income	16 (a)	**6,805,696**	6,293,077
Interest expense	16 (b)	**(657,272)**	(736,572)
Net interest income		**6,148,424**	5,556,505
Other income	16 (c)	**2,130,585**	2,141,132
		8,279,009	7,697,637
Loan impairment expense net of recoveries	5 (c)	**(656,457)**	(275,953)
Operating expenses	16 (d)	**(3,999,168)**	(3,707,260)
Profit before taxation		**3,623,384**	**3,714,424**
Taxation - Current		**(1,247,458)**	(1,323,325)
Taxation - Deferred		**(36,498)**	(47,432)
Total taxation expense	17	**(1,283,956)**	**(1,370,757)**
Net profit after taxation		**2,339,428**	**2,343,667**
Earnings per stock unit ($)		**7.80**	**7.81**

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

Statement of Comprehensive Income

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

	2014	Restated 2013
Net profit after taxation	**2,339,428**	2,343,667
Items of other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Net (loss)/ gain on available-for-sale investments	**49,100**	(130,908)
Tax relating to components of other comprehensive income	**(19,640)**	52,287
Net other comprehensive income/ (loss) that may be reclassified to profit or loss in subsequent periods:	**29,460**	(78,621)
Items of other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Re-measurement losses on defined benefit plans	**(42,100)**	(15,200)
Tax relating to components of defined benefit plans	**16,840**	6,080
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:	**(25,260)**	(9,120)
Total other comprehensive income/ (loss) for the year, net of tax	**4,200**	(87,741)
Total comprehensive income for the year, net of tax	**2,343,628**	2,255,926

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

Statement of Changes in Equity

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

	Stated capital	Statutory reserves	Net unrealised gains	General banking risk reserve	Retained earnings	Total equity
Balance at September 30, 2012	**300,000**	**300,000**	**75,709**	**1,282,602**	**8,845,476**	**10,803,787**
Impact of adopting IAS 19 (revised)	-	-	–	-	90,180	90,180
Restated balance at September 30, 2012	**300,000**	**300,000**	**75,709**	**1,282,602**	**8,935,656**	**10,893,967**
Profit for the year	–	–	–	–	2,343,667	2,343,667
Other comprehensive loss	–	–	(78,621)	–	(9,120)	(87,741)
Total comprehensive (loss)/ income for the year	–	–	(78,621)	–	2,334,547	2,255,926
Transfer from general banking risk reserve	–	–	–	(48,310)	48,310	–
Dividends	–	–	–	–	(900,000)	(900,000)
Balance at September 30, 2013	**300,000**	**300,000**	**(2,912)**	**1,234,292**	**10,418,513**	**12,249,893**
Profit for the year	–	–	–	–	2,339,428	2,339,428
Other comprehensive income/(loss)	–	–	29,460	–	(25,260)	4,200
Total comprehensive income for the year	–	–	29,460	–	2,314,168	2,343,628
Transfer to general banking risk reserve	–	–	–	1,341,634	(1,341,634)	–
Dividends	–	–	–	–	(1,030,000)	(1,030,000)
Balance at September 30, 2014	**300,000**	**300,000**	**26,548**	**2,575,926**	**10,361,047**	**13,563,521**

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

Statement of Cash Flows

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

	2014	2013
Operating activities		
Profit before taxation	**3,623,384**	3,714,424
Adjustments for:		
Depreciation	**419,286**	408,558
Loan impairment expense	**656,457**	275,953
Loss on sale of premises and equipment	**1,947**	11,908
(Decrease)/increase in employee benefits	**27,300**	(11,200)
Increase in advances	**(3,923,231)**	(7,941,909)
(Decrease)/increase in customers' deposits	**(4,565,856)**	15,381,282
Decrease/(increase) in statutory deposit with Bank of Guyana	**774,158**	(1,818,704)
Decrease/(increase) in other assets and investment interest receivable	**5,429**	(721,316)
(Decrease)/increase in other liabilities and accrued interest payable	**(223,530)**	415,444
Net cash from operating activities before tax	**(3,204,656)**	9,714,440
Taxes paid	**(1,403,964)**	(1,225,988)
Cash provided by/(used in) operating activities	**(4,608,620)**	**8,488,452**
Investing activities		
Purchase of investment securities	**(320,465)**	(1,583,541)
Redemption of investment securities	**150,543**	1,628,653
Purchase of Treasury Bills	**(54,099,950)**	(39,990,000)
Redemption of Treasury Bills	**52,090,000**	40,625,350
Additions to premises and equipment	**(1,016,578)**	(739,881)
Proceeds from sale of premises and equipment	**9,562**	101
Cash used in investing activities	**(3,186,888)**	**(59,318)**
Financing activities		
Increase/(decrease) in balances due to other banks	**25,056**	(64,461)
Dividends paid	**(1,030,000)**	(900,000)
Cash used in financing activities	**(1,004,944)**	(964,461)
Net increase/(decrease) in cash and cash equivalents	**(8,800,452)**	7,464,673
Cash and cash equivalents at beginning of year	**18,889,242**	11,424,569
Cash and cash equivalents at end of year	**10,088,790**	**18,889,242**
Cash and cash equivalents at end of year are represented by:		
Cash on hand	**1,469,454**	1,365,322
Due from banks - Note 4	**8,619,336**	17,523,920
	10,088,790	**18,889,242**
Supplemental information:		
Interest received during the year	**7,006,447**	6,319,413
Interest paid during the year	**679,904**	728,119
Dividends received	**8,440**	6,640

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

Notes to the Financial Statements

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

1 CORPORATE INFORMATION

The Bank was incorporated in the Co-operative Republic of Guyana on November 20, 1984 as a limited liability company under the Companies Act, Chapter 89:01 and continued under the Companies Act 1991 on May 16, 1997 and is licensed as Bankers under the Financial Institutions Act 1995.

The Bank was registered as a reporting issuer under the Securities Industry Act 1998 on April 7, 2003. It was designated as an approved mortgage finance company by the Minister of Finance on September 2, 2003 under section 15 of the Income Tax Act.

Banking operations began on February 16, 1837 by the British Guiana Bank which had been incorporated on November 11, 1836. On November 17, 1913 operations were sold to The Royal Bank of Canada. Assets and Liabilities of the Guyana operations of The Royal Bank of Canada were acquired by the Government of Guyana on November 29, 1984 and vested in the National Bank of Industry and Commerce Limited on December 1, 1984. In October 1997 the Bank became a subsidiary of Republic Bank Limited of Trinidad and Tobago and subsequently changed its name to Republic Bank (Guyana) Limited on June 5, 2006. As at September 30, 2014 the stockholdings of Republic Bank Limited in the Bank were 51.0%.

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

a) Basis of preparation

The financial statements of the Bank are prepared in accordance with International Financial Reporting Standards (IFRS), and are stated in Guyana 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 Bank's accounting policies have been described in Note 3.

b) Changes in accounting policies

i) New accounting standards/improvements adopted

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

IFRS 1 - Government Loans - Amendment to IFRS 1 (effective January 1, 2013)

The amendment has added an exception to the retrospective application of IFRS 9 Financial Instruments (or IAS 39 Financial Instruments: Recognition and Measurement, as applicable) and IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. These amendments require first-time adopters to apply the requirements of IAS 20 prospectively to government loans existing at the date of transition to IFRS. However, entities may choose to apply the requirements of IFRS 9 (or IAS 39, as applicable) and IAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for that loan.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

b) Changes in accounting policies *(continued)*

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

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

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

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

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

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

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities - Non-monetary Contributions by Venturers. Joint control under IFRS 11 is defined as the contractually agreed sharing of control of an arrangement, which exists only when the decisions about the relevant activities require the unanimous consent of the parties sharing control. The reference to 'control' in 'joint control' refers to the definition of 'control' in IFRS 10.

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

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

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

IFRS 13 does not affect when fair value is used, but rather describes how to measure fair value where fair value is required or permitted by IFRS. Fair value under IFRS 13 is defined as 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date' (i.e., an 'exit price'). 'Fair value' as used in IFRS 2 Share-based Payments and IAS 17 Leases is excluded from the scope of IFRS 13. This IFRS has not materially impacted the fair value measurements of the Bank. Additional disclosures, where required, are provided in Note 21 - Fair value.

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

b) Changes in accounting policies *(continued)*

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

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

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

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

Impact on Statement of Income

	2014	2013
Operating expenses	**14,800**	17,700
Net profit before taxation	**14,800**	17,700
Taxation expense	**(5,920)**	(7,080)
Net profit after taxation	**8,880**	10,620
Earnings per stock unit ($)	**0.03**	0.04
Impact on Statement of Comprehensive Income		
Other comprehensive income:		
Re-measurement loss on defined benefit plans	**(42,100)**	(15,200)
Tax effect	**16,840**	6,080
Other comprehensive loss for the year, net of tax	**(25,260)**	(9,120)
Total other comprehensive (loss)/income for the year, net of tax	**(16,380)**	**1,500**

The pension liability and retained earnings have been restated in the Statement of Financial Position and Statement of Changes in Equity for 2012 to reflect the opening balances for 2013.

ii) *Standards in issue not yet effective*

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

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

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

b) Changes in accounting policies *(continued)*

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

IFRS 9 - Financial Instruments (effective January 1, 2018)

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

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

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

IFRS 11 - Joint Arrangements - Amendments to IFRS 11(effective January 1, 2016)

Amendments adding new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business which specify the appropriate accounting treatment for such acquisitions.

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

The standard requires disclosures on the nature of, and risks associated with, the entity's rate regulation and the effects of that rate regulation on its financial statements.

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

Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the Statement of Financial Position and present movements in these account balances as separate line items in the Statement of Income and Other Comprehensive Income.

IFRS 15 - Revenue from Contracts from Customers (effective January 1, 2017)

New standard that requires companies to recognise revenue to depict the transfer of goods or services to customers, that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements.

IAS 16 - Property, Plant and Equipment - Amendments to IAS 16 (effective January 1, 2016)

Amendments to IAS 16 and IAS 38 to clarify the basis for the calculation of depreciation and amortisation, as being the expected pattern of consumption of the future economic benefits of an asset.

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

b) Changes in accounting policies *(continued)*

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

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

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

IAS 27 - Consolidated and Separate Financial Statements - Amendments to IAS 27 (effective January 1, 2016)

Requirement to account for interests in 'Investment Entities' at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments: Recognition and Measurement, in the separate financial statements of a parent.

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

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

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

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

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

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

IAS 38 - Intangible Assets - Amendments to IAS 38 (effective January 1, 2016)

Amendments to IAS 16 and IAS 38 to clarify the basis for the calculation of depreciation and amortisation, as being the expected pattern of consumption of the future economic benefits of an asset.

IFRIC 21 - Levies (effective January 1, 2014)

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

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

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

b) Changes in accounting policies *(continued)*

(iii) Improvements to International Financial Reporting Standards

The annual improvements process of the International Accounting Standards Board deals with non-urgent but necessary clarifications and amendments to IFRS. The following amendments are applicable to annual periods beginning on or after January 1, 2014.

IFRS		Subject of Amendment
IAS 1	–	Comparative Information
IAS 16	–	Classification of Servicing Equipment
IAS 40	–	Investment Property
IFRS 1	–	First-time Adoption of International Financial Reporting Standards
IFRS 3	–	Business Combinations
IFRS 13	–	Fair Value Measurement

c) 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, bills discounted and bankers' acceptances with original maturities of three months or less.

d) Statutory deposit with Bank of Guyana

Pursuant to the Financial Institutions Act 1995, the Bank is required to maintain with the Bank of Guyana a statutory reserve balance in relation to the deposit liabilities of the institution.

e) Financial instruments

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

ii) Investment securities

- At fair value through profit or loss

Financial assets are classified in this category if they are either acquired for the purpose of selling in the short term or if so designated by management. Securities held as financial assets at fair value through profit or loss are initially recognised at fair value 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 realised and unrealised from trading securities and those designated at fair value through profit or loss are reported in other income whilst losses are reported in operating expenses. Interest and dividends earned whilst holding trading securities and those designated at fair value through profit or loss are reported in interest income.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

e) Financial instruments *(continued)*

ii) Investment securities *(continued)*

- 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 recognised at fair value plus transaction costs and are continuously re-measured 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 recognised 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 Bank's management has the positive intention and ability to hold to maturity. Held to maturity investments are carried at amortised cost less any provision for impairment.

iii) Debt securities and other fund raising instruments

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

f) Impairment of financial assets

The Bank assesses at each reporting 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 realisable 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. Previously accrued income is reversed and further interest income is not accrued. Individually insignificant loans with similar characteristics are assessed for impairment on a group basis.

Where possible, the Bank seeks to restructure loans instead of taking possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms are renegotiated, any impairment is measured using the original effective interest rate and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and future payments likely to occur. The loans continue to be subject to an individual or collective impairment assessment.

Regulatory and other loan loss requirements that exceed these amounts are dealt with in the general banking risk 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.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

f) Impairment of financial assets *(continued)*

ii) Investment securities

The Bank 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 Statement of Income.

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

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

g) Leases

The leases entered by the Bank (lessee) are all operating leases. Operating lease payments are recognised as an expense in the Statement of Income on a straight line basis over the lease term.

h) Premises and equipment

Premises and equipment are stated at cost less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank 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 reporting date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Income.

Leasehold buildings and leased equipment are depreciated over the period of the lease. 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 as follows:

Buildings	30 to 75 years
Security equipment	10 to 60 years
Computer equipment	5 to 20 years
Furniture, fixtures and other equipment	3 to 60 years

Land and work-in-progress are not depreciated.

i) Intangible assets

The Bank's intangible assets comprise of the value of computer software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Bank.

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation.

Amortisation is calculated using the reducing balance method over their estimated useful lives of three to five years.

Subsequent expenditure on intangible assets is capitalised only when there is an increase in the future economic benefits inherent in the specific assets to which it relates. All other expenditure is expensed as incurred.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

j) Goodwill

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

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

Where the Bank'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 recognised immediately in the Statement of Income as a credit to other income.

k) Employee benefits

i) Pension obligations

The Bank operates a defined benefit pension plan for qualifying employees. The Plan is funded and the Bank's contribution is determined by the independent actuaries. Annually, the Bank's independent actuaries conduct a valuation exercise to measure the effect of the employee benefit plan.

The liability recognised in the Statement of Financial Position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets together with adjustments for unrecognised actuarial gains and losses and past service costs.

The defined benefit obligation is calculated annually by the independent actuaries 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 the actuaries.

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

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

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

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

ii) Profit sharing scheme

The Bank operates an employee profit share scheme in accordance with terms outlined in the Human Resource Policy Guidelines. The profit share to be distributed to employees each year is based on a specific formula outlined in these guidelines. Employees are paid profit share in cash. The Bank accounts for the profit share as an expense through the Statement of Income.

l) 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 financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

m) Statutory reserves

In accordance with the Financial Institutions Act 1995, a minimum of 15% of the current year's net profit must be transferred to the Reserve Fund until the amount in the Fund is equal to the paid up Capital of the Bank. This reserve is non-distributable.

n) Earnings per stock unit

Data on earnings per stock unit has been computed by dividing the net profit attributable to ordinary stockholders, by the weighted average number of ordinary stocks in issue during the year. The Bank has no dilutive ordinary stocks.

o) Foreign currency translation

The financial statements are presented in Guyana dollars which is the currency of the primary economic environment in which the Bank operates (its functional currency).

Monetary assets and liabilities which are denominated in foreign currencies are expressed in Guyana dollars at rates of exchange ruling at the reporting date. 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.

p) Interest income and expense

Interest income and expense are recognised 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, accrued discount and premium on Treasury Bills and other discounted instruments.

q) Dividends

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

r) Fee and commission income

Unless included in the effective interest calculation, fees and commissions are recognised on an accruals basis as the service is provided. Fees and commissions not integral to effective interest arising from negotiating, or participating in the negotiation of a transaction from a third party are recognised on completion of the underlying transaction.

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Bank has determined the Managing Director as its chief operating decision-maker.

Management considers its banking operation to be single a business unit. All business is conducted in Guyana with the exception of certain investment activities.

t) Customers' liability under acceptances, guarantees, indemnities and letters of credit

These represent the Bank's potential liability, for which there are equal and offsetting claims against its customer in the event of a call on these commitments. These amounts are not recorded on the Bank's Statement of Financial Position but set out in Note 25(b) of these financial statements.

u) Assets classified as held-for-sale

A non-current asset is classified as held-for-sale when: its carrying amount will be recovered principally through a sale transaction rather than through continuing use; the asset is available for immediate sale in its present condition; and its sale is highly probable. Assets classified as held-for-sale are not depreciated or amortised and are carried at the lower of the carrying amount and fair value less cost to sell.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

v) Comparatives

Comparative information has been amended to comply with IAS 19 - Employee Benefits (Revised) (Effective January 1, 2013). Refer to note 2 (b) (i).

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

Management has made the following judgements in its application of the Bank'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 reporting date to determine whether financial assets are impaired. Financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

Inherent provisions on advances (note 5b)

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

Valuation of investments (note 6)

The Bank 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.

Net pension asset / liability (note 9)

In conducting valuation exercises to measure the effect of the employee benefit plan, the Bank's 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 9 – Employee benefits.

Goodwill (note 8)

The Bank's financial statements include goodwill arising from acquisitions. In accordance with IFRS 3, goodwill was reviewed for impairment as at September 30, 2014 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 (note 10)

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

Premises and equipment and Intangible Assets (note 7)

Management exercises judgement in determining whether costs incurred can accrue sufficient future economic benefits to the Bank 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.

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

4 DUE FROM BANKS

	2014	2013
Bank of Guyana	**3,256,968**	10,340,447
Other banks	**5,362,368**	7,183,473
	8,619,336	**17,523,920**

5 ADVANCES

a) Advances

2014

	Retail lending	Commercial and Corporate lending	Mortgages	Total
Performing advances	7,503,465	26,170,637	15,582,363	**49,256,465**
Non-performing advances	37,286	2,424,220	478,300	**2,939,806**
	7,540,751	28,594,857	16,060,663	**52,196,271**
Unearned interest	(1,409,927)	–	–	**(1,409,927)**
Accrued interest	–	195,562	44,298	**239,860**
	6,130,824	28,790,419	16,104,961	**51,026,204**
Allowance for impairment losses - Note 5 (c)	(39,132)	(390,637)	(99,488)	**(529,257)**
Net Advances	**6,091,692**	**28,399,782**	**16,005,473**	**50,496,947**

2013

	Retail lending	Commercial and Corporate lending	Mortgages	Total
Performing advances	7,469,945	25,707,819	13,345,989	**46,523,753**
Non-performing advances	25,520	1,110,800	280,205	**1,416,525**
	7,495,465	26,818,619	13,626,194	**47,940,278**
Unearned interest	(1,469,339)	–	–	**(1,469,339)**
Accrued interest	–	398,693	39,639	**438,332**
	6,026,126	27,217,312	13,665,833	**46,909,271**
Allowance for impairment losses - Note 5 (c)	(36,268)	(244,981)	(54,308)	**(335,557)**
Net Advances	**5,989,858**	**26,972,331**	**13,611,525**	**46,573,714**

b) Loans by remaining term to maturity

	2014	2013
Within three months	**1,342,066**	1,064,865
Between three and six months	**438,094**	553,571
Between six months and one year	**7,591,437**	7,270,467
Between one to five years	**12,993,587**	13,098,127
More than five years	**28,131,763**	24,586,684
	50,496,947	**46,573,714**

c) Allowance for impairment losses

(i) Impairment assessment

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

Individually assessed allowances

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

Collectively assessed allowances

Allowances are assessed collectively for losses on loans and advances that are not individually significant (including residential mortgages and unsecured consumer lending) and for individually significant loans and advances where there is not yet objective evidence of individual impairment. Allowances are evaluated on each reporting date with each portfolio receiving a separate review.

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

Financial guarantees and letters of credit are assessed and provision made in a similar manner as for loans and advances.

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

5 ADVANCES *(continued)*

c) Allowance for impairment losses *(continued)*

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

	2014			
	Retail lending	Commercial and Corporate lending	Mortgages	Total
Balance brought forward	(36,268)	(244,981)	(54,308)	**(335,557)**
Charge-offs and write-offs	237,732	225,025	–	**462,757**
Loan impairment expense	239,535	1,611,931	199,392	**2,050,858**
Loan impairment recoveries	(480,131)	(1,982,612)	(244,572)	**(2,707,315)**
Balance carried forward	**(39,132)**	**(390,637)**	**(99,488)**	**(529,257)**
Individual impairment	(14,334)	(263,319)	(86,225)	**(363,878)**
Collective impairment	(24,798)	(127,318)	(13,263)	**(165,379)**
	(39,132)	(390,637)	(99,488)	**(529,257)**
Gross amount of loans individually determined to be impaired, before deducting any allowance	**37,286**	**2,424,220**	**478,300**	**2,939,806**

	2013			
	Retail lending	Commercial and Corporate lending	Mortgages	Total
Balance brought forward	(41,952)	(200,774)	(49,750)	**(292,476)**
Charge-offs and write-offs	128,636	104,236	–	**232,872**
Loan impairment expense	315,127	1,644,343	184,810	**2,144,280**
Loan impairment recoveries	(438,079)	(1,792,786)	(189,368)	**(2,420,233)**
Balance carried forward	**(36,268)**	**(244,981)**	**(54,308)**	**(335,557)**
Individual impairment	(7,519)	(134,526)	(40,186)	**(182,231)**
Collective impairment	(28,749)	(110,455)	(14,122)	**(153,326)**
	(36,268)	(244,981)	(54,308)	**(335,557)**
Gross amount of loans individually determined to be impaired, before deducting any allowance	**25,520**	**1,110,800**	**280,205**	**1,416,525**

5 ADVANCES *(continued)*

c) Allowance for impairment losses *(continued)*

(iii) Provision for loan losses by economic sectors

	Gross Amount	Non-Performing	Specific Provision	General Provision	Net Advances
2014					
Government and government bodies	132	–	–	–	132
Financial sector	98,504	–	–	(476)	98,028
Energy and mining	410,105	6,348	(37)	(1,980)	414,436
Agriculture	4,187,644	1,392,040	(160,482)	(20,222)	5,398,980
Electricity and water	306,240	–	–	(1,479)	304,761
Transport, storage and communication	1,426,106	–	–	(6,886)	1,419,220
Distribution	6,558,178	206,487	(25,336)	(31,669)	6,707,660
Real estate mortgages	15,626,661	478,300	(86,225)	(13,263)	16,005,473
Manufacturing	3,823,854	505,978	(67,155)	(18,465)	4,244,212
Construction	1,253,784	50,098	–	(6,054)	1,297,828
Hotel and restaurant	92,920	6,392	–	(449)	98,863
Personal	6,093,537	37,286	(14,334)	(24,798)	6,091,691
Non-residents	491,711	-	-	(2,374)	489,337
Other services	7,717,022	256,877	(10,309)	(37,264)	7,926,326
	48,086,398	**2,939,806**	**(363,878)**	**(165,379)**	**50,496,947**
2013					
Government and government bodies	8,850	–	–	–	8,850
Financial sector	109,199	–	–	(462)	108,737
Energy and mining	299,670	10,843	–	(1,268)	309,245
Agriculture	4,697,520	202,492	(60,476)	(19,882)	4,819,654
Electricity and water	1,093,878	–	–	(4,630)	1,089,248
Transport, storage and communication	1,281,107	–	–	(5,422)	1,275,685
Distribution	6,407,754	458,476	(3,893)	(27,120)	6,835,217
Real estate mortgages	13,385,628	280,205	(40,186)	(14,122)	13,611,525
Manufacturing	2,318,840	333,554	(57,244)	(9,814)	2,585,336
Construction	1,158,389	23,299	–	(4,903)	1,176,785
Hotel and restaurant	100,917	4,058	–	(170)	104,805
Personal	6,000,606	25,520	(7,519)	(28,749)	5,989,858
Non-residents	387,304	–	–	(1,639)	385,665
Other services	8,243,084	78,078	(12,913)	(35,145)	8,273,104
	45,492,746	**1,416,525**	**(182,231)**	**(153,326)**	**46,573,714**

Included above is $660 million (2013: $1,798 million) representing Public Non-Financial Institutions.

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

5 ADVANCES *(continued)*

d) The undiscounted fair value of collateral that the Bank holds relating to loans individually determined to be impaired at September 30, 2014 amounts to $3,825 million (2013: $2,220 million). The collateral consists of cash, securities and properties.

e) Collateral realised

During the year, the Bank realised collateral amounting to $30.8 million (2013: $17.4 million).

f) Credit concentration by economic sector (facilities totaling 10% and above of Capital base)

	2014	2013
Financial sector	**1,233,000**	1,215,000
Agriculture	**1,307,752**	1,341,597
Distribution	**2,881,625**	1,612,897
Other services	**1,155,154**	–
	6,577,531	**4,169,494**

6 INVESTMENT SECURITIES

a) Available-for-sale

	2014	2013
Government securities	**170,791**	197,047
State-owned company securities	**1,453,253**	1,622,256
Corporate bonds	**3,770,760**	3,836,912
Others	**20,000**	20,000
Total investment securities	**5,414,804**	**5,676,215**

b) Investment securities by remaining term to maturity

	2014	2013
Within three months	**50,497**	496,750
Between three and six months	**501,704**	–
Between six months and one year	**469,264**	3,525,442
Between one and five years	**4,373,339**	1,634,023
More than five years	**20,000**	20,000
	5,414,804	**5,676,215**

6 INVESTMENT SECURITIES *(continued)*

c) Treasury Bills by remaining term to maturity

	2014	2013
Within three months	**20,701,446**	17,165,470
Between three and six months	**17,349,870**	11,898,605
Between six months and one year	**3,667,977**	10,655,164
	41,719,293	**39,719,239**

7 a) PREMISES AND EQUIPMENT

	Capital works in progress	Freehold premises	Equipment, furniture and fittings	Total
2014				
Cost				
At beginning of year	124,521	4,261,849	3,191,232	**7,577,602**
Additions at cost	537,594	190,698	266,333	**994,625**
Disposal/transfer of assets	(195,376)	–	(120,301)	**(315,677)**
	466,739	**4,452,547**	**3,337,264**	**8,256,550**
Accumulated depreciation				
At beginning of year	–	469,076	1,872,436	**2,341,512**
Charge for the year	–	87,828	265,613	**353,441**
Disposal of assets	–	–	(115,430)	**(115,430)**
	–	**556,904**	**2,022,619**	**2,579,523**
Net book value	**466,739**	**3,895,643**	**1,314,645**	**5,677,027**

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

7 a) PREMISES AND EQUIPMENT *(continued)*

	Capital works in progress	Freehold premises	Equipment, furniture and fittings	Total
2013				
Cost				
At beginning of year	608,434	4,079,364	2,615,270	**7,303,068**
Additions at cost	26,503	–	646,930	**673,433**
Disposal/transfer of assets	(510,416)	182,485	(70,968)	**(398,899)**
	124,521	**4,261,849**	**3,191,232**	**7,577,602**
Accumulated depreciation				
At beginning of year	–	407,900	1,673,765	**2,081,665**
Charge for the year	–	61,180	267,018	**328,198**
Disposal of assets	–	(4)	(68,347)	**(68,351)**
	–	**469,076**	**1,872,436**	**2,341,512**
Net book value	**124,521**	**3,792,773**	**1,318,796**	**5,236,090**

b) Intangible assets

	2014	2013
Cost		
At beginning of year	**569,578**	503,130
Additions at cost	**17,689**	66,448
Disposal	**(8,658)**	–
	578,609	**569,578**
Accumulated depreciation		
At beginning of year	**374,105**	293,746
Charge for the year	**65,845**	80,359
Disposal	**(8,573)**	–
	431,377	**374,105**
Net book value	**147,232**	**195,473**

c) Capital commitments

	2014	2013
Contracts for outstanding capital expenditure not provided for in the financial statements	**1,093,191**	1,030,116
Other capital expenditure authorised by the Directors but not yet contracted for	**–**	412,431

8 GOODWILL

	2014	2013
Total unimpaired goodwill on acquisition	**1,228,222**	**1,228,222**

Impairment testing of goodwill

The residual balance of goodwill arising from business combinations was generated from the acquisition of certain assets and liabilities of the Guyana National Cooperative Bank. In accordance with IFRS 3, all assets that gave rise to goodwill were reviewed for impairment at September 30, 2014 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 assumptions:

	2014	2013
Discount rate	**8%**	8%
Cash flow projection term	**5 years**	5 years
Growth rate (extrapolation period)	**6%**	6%

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.

9 EMPLOYEE BENEFITS

a) The amounts recognised in the Statement of Financial Position are as follows:

	2014	2013
Present value of defined benefit obligation	**1,401,800**	1,231,400
Fair value of plan assets	**(1,244,700)**	(1,101,600)
Net liability recognised in the Statement of Financial Position	**157,100**	**129,800**

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

	2014	2013
Opening defined benefit obligation	**1,231,400**	1,091,600
Current service cost	**51,500**	48,800
Interest cost	**67,000**	59,600
Members' contributions	**25,300**	22,200
Re-measurements		
- Experience adjustments	**51,900**	26,900
Benefits paid	**(25,300)**	(17,700)
Closing defined benefit obligation	**1,401,800**	**1,231,400**

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

9 EMPLOYEE BENEFITS *(continued)*

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

	2014	2013
Opening fair value of plan assets	**1,101,600**	965,800
Interest income	**62,500**	55,000
Return on plan assets, excluding interest income	**9,800**	11,700
Contributions by Bank	**74,600**	68,100
Members' contributions	**25,300**	22,200
Benefits paid	**(25,300)**	(17,700)
Expense allowance	**(3,800)**	(3,500)
Closing fair value of plan assets	**1,244,700**	1,101,600
Actual return on plan assets	**72,300**	**66,700**

d) The amounts recognised in the Statement of Income are as follows:

	2014	2013
Current service cost	**51,500**	48,800
Net interest on net defined benefit liability	**4,500**	4,600
Administration expenses	**3,800**	3,500
Net pension cost	**59,800**	**56,900**

e) Reconciliation of opening and closing Statement of Financial Position entries:

	2014	2013
Defined benefit obligation at prior year end	**129,800**	276,100
Unrecognised gain/(loss) charged to retained earnings	**–**	(150,300)
Opening defined benefit obligation	**129,800**	125,800
Net pension cost	**59,800**	56,900
Re-measurements recognised in other comprehensive income	**42,100**	15,200
Premiums paid by the Bank	**(74,600)**	(68,100)
Closing defined benefit obligation	**157,100**	**129,800**

9 EMPLOYEE BENEFITS *(continued)*

f) Liability profile

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

	2014	2013
- Active members	**80%**	–
- Deferred members	**3%**	–
- Pensioners	**17%**	–

The weighted duration of the defined benefit obligation was 19.7 years

46% of the defined benefit obligation for active members is conditional on future salary increases

57% of the benefits for active members are vested

g) Re-measurements recognised in Other Comprehensive Income

	2014	2013
Experience losses	**42,100**	15,200
Total included in Other Comprehensive Income	**42,100**	**15,200**

h) Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions used. The following table summarises how the defined benefit obligation as at September 30, 2014 would have changed as a result of a change in the assumptions used.

	1% p.a. increase $'000	1% p.a. decrease $'000
	2014	2013
- Discount rate	**300,000**	(230,000)
- Future salary increases	**(150,000)**	185,000

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at September 30, 2014 by $25 million.

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

i) Summary of principal actuarial assumptions as at September 30

	2014 %	2013 %
Discount rate	**5.50**	5.50
Rate of salary increase	**5.50**	5.50
NIS ceiling rates	**5.00**	5.00

Assumptions regarding future mortality are based on published mortality rates. The life expectancies underlying the value of the defined benefit obligation as at September 30, 2014 are as follows:

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

9 EMPLOYEE BENEFITS *(continued)*

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

	2014	2013
Life expectancy at age 65 for current pensioner in years:		
- Male	**14.6**	14.6
- Female	**18.4**	18.4
Life expectancy at age 65 for current members age 40 in years:		
- Male	**14.6**	14.6
- Female	**18.4**	18.4

j) Plan asset allocation as at September 30

	2014	2013
Local equities	**121,800**	100,600
Overseas equities	**128,500**	109,400
Local bonds	**91,100**	91,100
Overseas bonds	**3,600**	1,000
Cash and cash equivalents	**750,100**	640,100
Mortgages	**149,600**	159,400
Fair value of scheme assets at end of year	**1,244,700**	**1,101,600**

k) Funding

The Bank meets the balance of the cost of funding the defined benefit Pension Scheme and the Bank must pay contributions at least equal to those paid by members, which are fixed. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the Scheme and the assumptions used to determine the funding required may differ from those set out above. The Bank expects to pay $84.9 million to the Pension Scheme in the 2015 financial year.

10 DEFERRED TAX ASSETS AND LIABILITIES

Components of deferred tax assets and liabilities

a) Deferred tax assets

	Opening Balance	(Charge)/Credit		Closing Balance
		Statement of Income	Other Comprehensive Income	
	2013			2014
Pension liability	51,920	(5,920)	16,840	**62,840**
Fee and commission income	77,989	14,628	–	**92,617**
Unrealised reserves	2,090	–	(2,090)	**–**
	131,999	**8,708**	**14,750**	**155,457**

10 DEFERRED TAX ASSETS AND LIABILITIES *(continued)*

Components of deferred tax assets and liabilities *(continued)*

b) Deferred tax liabilities

	Opening Balance	Credit/(Charge) Statement of Income	Credit/(Charge) Other Comprehensive Income	Closing Balance
	2013			2014
Premises and equipment	213,349	75,199	–	288,548
Unrealised reserves	–	–	17,675	17,675
	213,349	**75,199**	**17,675**	**306,223**

11 OTHER ASSETS

	2014	2013
Accounts receivable and prepayments	**434,293**	178,357
Items in transit	**73,745**	513,008
Other assets	**604,415**	424,238
	1,112,453	**1,115,603**

12 CUSTOMERS' CHEQUING, SAVINGS AND DEPOSIT ACCOUNTS

a) Concentration of customers' chequing, savings and deposit accounts

	Demand	Savings	Time	Total
2014				
State	11,284,082	3,185,261	93,400	**14,562,743**
Corporate and commercial	8,343,627	3,582,286	202,724	**12,128,637**
Personal	5,583,911	68,477,712	6,174,239	**80,235,862**
Other financial institutions	1,451,115	1,297,735	96,969	**2,845,819**
Other	1,866,563	541,292	370,844	**2,778,699**
	28,529,298	**77,084,286**	**6,938,176**	**112,551,760**
2013				
State	11,322,177	6,097,083	92,953	**17,512,213**
Corporate and commercial	8,414,409	5,181,797	148,762	**13,744,968**
Personal	6,365,069	66,618,572	6,628,641	**79,612,282**
Other financial institutions	1,043,098	704,298	1,600,718	**3,348,114**
Other	2,103,137	397,512	399,390	**2,900,039**
	29,247,890	**78,999,262**	**8,870,464**	**117,117,616**

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

12 CUSTOMERS' CHEQUING, SAVINGS AND DEPOSIT ACCOUNTS *(continued)*

b) Time deposits by remaining term to maturity

	2014	2013
Within three months	**2,753,254**	2,996,579
Between three and six months	**1,181,471**	1,269,467
Between six months and one year	**3,003,451**	4,602,655
More than one year	**–**	1,763
	6,938,176	**8,870,464**

13 OTHER LIABILITIES

	2014	2013
Drafts and settlements	**898,954**	1,227,461
Accrued expenses	**128,974**	119,764
Statutory liabilities	**35,164**	36,005
Short term payables	**122,304**	125,738
Deferred income	**11,722**	9,974
Unearned loan origination fees	**231,542**	194,972
Dividends payable	**72,194**	62,677
Other	**434,939**	360,100
	1,935,793	**2,136,691**

14 STATED CAPITAL

	2014	2013
Authorised		
300 million ordinary stock units of no par value		
Issued and fully paid		
300 million ordinary stock units of no par value	**300,000**	300,000

15 OTHER RESERVES

a) Statutory reserves

In accordance with the Financial Institutions Act 1995, a minimum of 15% of the current year's net profit must be transferred to the Reserve Fund until the amount in the Fund is equal to the paid up Capital of the Bank. This reserve is non-distributable.

b) Net unrealised gains

This represents the gains and losses arising from re-measurement of available-for-sale investment securities to fair value as discussed in note 2 (e). This reserve is non-distributable.

15 OTHER RESERVES *(continued)*

c) General banking risk reserve

Specific provisions are made for non-performing advances based on the difference between the carrying amount and the discounted expected cash flows. These provisions are charged through the Statement of Income.

The General Banking Risk Reserve is created as an appropriation of retained earnings, for the difference between the specific provision and the carrying amount of non-performing advances. The General Banking Risk Reserve serves to enhance the Bank's non-distributable capital base.

16 OPERATING PROFIT

	2014	2013
a) Interest income		
Advances	**5,535,656**	5,180,792
Investment securities	**371,501**	374,553
Liquid assets	**898,539**	737,732
	6,805,696	6,293,077
b) Interest expense		
Customers' chequing, savings and deposit accounts	**657,272**	736,572
	657,272	736,572
c) Other income		
Credit and related fees	**111,766**	114,787
Net exchange trading income	**1,210,212**	1,224,003
Loan recoveries	**115,393**	107,060
Dividends	**8,440**	6,640
Deposit and related fees	**492,418**	488,687
Payments and transfers	**190,732**	198,322
Other operating income	**1,624**	1,633
	2,130,585	2,141,132
d) Operating expenses		
Staff costs	**1,619,533**	1,494,440
Staff profit share	**216,834**	244,075
General administrative expenses	**697,852**	590,189
Lease rental expenses	**28,863**	19,804
Property related expenses	**625,765**	551,072
Property tax	**122,304**	125,738
Premises and equipment	**1,947**	11,908
Depreciation expense	**419,286**	408,558
Communication	**79,036**	71,324
Advertising and public relations expenses	**153,718**	158,037
Directors' fees	**14,430**	14,515
Auditors' fees	**19,600**	17,600
	3,999,168	**3,707,260**

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17 TAXATION EXPENSE

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:

	2014	2013
Accounting profit	**3,623,384**	3,714,424
Tax at applicable statutory tax rates (40%)	**1,449,354**	1,485,770
Tax effect of items that are adjustable in determining taxable profit:		
Tax exempt income	**(212,855)**	(172,843)
Depreciation	**167,715**	163,423
Donations	**1,801**	1,860
Property tax	**48,922**	50,295
Wear and tear allowance	**(221,787)**	(202,761)
Inherent risk (general) provisions	**4,821**	(15,263)
Loss on sale of premises and equipment	**779**	4,763
Defined benefit obligation	**(5,920)**	(4,480)
Deferred fee income	**14,628**	12,561
Current tax	**1,247,458**	1,323,325
Deferred tax credit	**36,498**	47,432
Total taxation	**1,283,956**	**1,370,757**

18 RELATED PARTIES

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

Outstanding balances

	2014	2013
Loans, investments and other assets		
Republic Bank Limited	**163,639**	108,364
Fellow subsidiaries	**1,370**	1,586
Directors and key management personnel	**62,756**	68,820
Other related parties	**294,131**	386,310
	521,896	**565,080**

18 RELATED PARTIES *(continued)*

Outstanding balances *(continued)*

No provisions have been made against amounts due from related parties.

	2014	2013
Deposits and other liabilities		
Republic Bank Limited	**737,923**	176,477
Fellow subsidiaries	**21,972**	11,650
Directors and key management personnel	**180,121**	135,639
Other related parties	**1,291,332**	1,076,575
	2,231,348	**1,400,341**
Interest and other income		
Directors and key management personnel	**2,515**	2,885
Other related parties	**20,381**	33,936
	22,896	**36,821**
Interest and other expense (excluding key management compensation)		
Republic Bank Limited	**91,100**	70,847
Directors and key management personnel	**2,495**	2,511
Other related parties	**6,570**	7,401
	100,165	**80,759**
Proportion of related parties exposure to total customer exposure	**0.69%**	1.00%

Amounts due from the five parties with the highest exposures totalled $310 million (2013: $418 million) and represents 3.02% (2013: 4.04%) of the Bank's capital base.

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

Key management compensation

	2014	2013
Short-term benefits	**82,469**	**82,322**

Loans	Balance at the beginning of year	Loans during the year	Repayments	Balance at the end of year
2014				
Directors	6,581	–	(3,931)	2,650
Other related parties	134,107	9,500	(53,385)	90,222
	140,688	**9,500**	**(57,316)**	**92,872**

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

18 RELATED PARTIES *(continued)*

Key management compensation *(continued)*

Loans *(continued)*	Balance at the beginning of year	Loans during the year	Repayments	Balance at the end of year
2013				
Directors	10,659	–	(4,078)	6,581
Other related parties	187,542	3,000	(56,435)	134,107
	198,201	**3,000**	**(60,513)**	**140,688**

19 RISK MANAGEMENT

19.1 Introduction

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

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

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

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

The Asset/Liability Committee of the Bank reviews on a monthly basis the non-credit and non-operational risks of the Bank. Asset and Liability management is a vital part of the risk management process of the Bank. The mandate of the Committee is to approve strategies for the management of the non-credit risks of the Bank, including interest rate, foreign exchange, liquidity and market risks.

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

The Bank's activities are primarily related to the use of financial instruments. The Bank 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 Bank's financial instruments are credit risk, interest rate and market risk, liquidity risk, foreign currency risk, operational risk and country risk. The Bank reviews and agrees policies for managing each of these risks as follows:

19.2 Credit risk

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

The Bank's credit risk management process operates on the basis of a hierarchy of discretionary authorities. The Board has the final authority on all risk management decisions.

19 RISK MANAGEMENT *(continued)*

19.2 Credit risk *(continued)*

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

The Bank uses a risk rating system which groups commercial/corporate accounts into various risk categories to facilitate the management of risk on both an individual account and portfolio basis. For retail lending, loans are individually assessed at all our branches. Trend indicators are also used to evaluate risk as improving, static or deteriorating. The evaluation of the risk and trend inform the credit decision and determines the intensity of the monitoring process.

The Bank's credit control processes emphasise early detection of deterioration and prompt implementation of remedial action and where it is considered that recovery of the outstanding 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 debts that are not performing satisfactorily. A review of these provisions is conducted quarterly in accordance with established guidelines and recommended provisions arising out of this review are submitted to the Board for approval. Non-performing debts recommended for write-off are also reviewed quarterly and action taken in accordance with prescribed guidelines. To this end, there are separate units established to monitor these loans and recommend necessary action to Management.

The Bank 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 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.

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

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

	2014	2013
	Gross maximum exposure	Gross maximum exposure
Statutory deposit with Bank of Guyana	**12,900,869**	13,675,027
Due from banks	**8,619,336**	17,523,920
Treasury Bills	**41,719,293**	39,719,239
Investment interest receivable	**45,433**	47,712
Investment securities	**5,394,804**	5,656,215
Loans and advances to customers	**50,496,947**	46,573,714
Total	**119,176,682**	**123,195,827**

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

19 RISK MANAGEMENT *(continued)*

19.2 Credit risk *(continued)*

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

	2014	2013
	Gross maximum exposure	Gross maximum exposure
Undrawn commitments	**7,863,614**	6,957,106
Guarantees and indemnities	**1,836,446**	1,690,833
Letters of credit	**199,359**	242,401
Total	**9,899,419**	**8,890,340**
Total credit risk exposure	**129,076,101**	**132,086,167**

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

Collateral and other credit enhancements

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

The main types of collateral obtained are cash or securities, charges over real estate properties, inventories and trade receivables and mortgages over residential properties and chattels. The Bank also obtains appropriate guarantees for loans from parent companies, owners/stockholders, directors or other parties.

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 Bank's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to repay the outstanding claim. In general, the Bank does not occupy repossessed properties for business use. As at September 30, 2014, $22.8 million (2013: $22.3 million) in repossessed properties are still in the process of being disposed of.

19.2.2 Risk concentrations of the maximum exposure to credit risk

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

a) Geographical sectors

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

19 RISK MANAGEMENT *(continued)*

19.2 Credit risk *(continued)*

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

a) Geographical sectors *(continued)*

	2014	2013
Guyana	**121,032,799**	121,745,463
Trinidad and Tobago	**3,018,295**	3,137,357
Barbados	**251,251**	395,520
Eastern Caribbean	**1,681,607**	1,508,139
United States	**2,534,780**	5,122,488
Other countries	**557,369**	177,200
	129,076,101	**132,086,167**

b) Industry sectors

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

	2014	2013
Government and government bodies	**55,538,314**	54,245,858
Financial sector	**10,013,138**	18,919,471
Energy and mining	**567,153**	298,123
Agriculture	**4,155,598**	4,757,585
Electricity and water	**388,240**	1,366,265
Transport, storage and communication	**1,730,282**	1,606,369
Distribution	**9,341,914**	8,698,902
Real estate mortgages	**18,782,790**	13,665,833
Other real estate	**196,704**	887,211
Manufacturing	**4,140,926**	4,148,593
Construction	**1,919,872**	2,709,895
Hotel and restaurant	**2,059,750**	43,010
Personal	**13,276,117**	15,161,099
Non-residents	**491,711**	387,304
Other services	**6,473,592**	5,190,649
	129,076,101	**132,086,167**

Included above is $660 million (2013: $1,798 million) representing Public Non-Financial Institutions.

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

19 RISK MANAGEMENT *(continued)*

19.2 Credit risk *(continued)*

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

c) Top five concentration (as a % of capital base)

	2014	2013
Government	**402.66%**	381.24%
Central Bank	**155.95%**	230.51%
Counterparty 3	**16.41%**	15.48%
Counterparty 4	**15.48%**	12.88%
Counterparty 5	**12.62%**	11.66%

19.2.3 Credit quality per category of financial assets

The Bank has determined that credit risk exposure arises from the following Statement of Financial Position lines:

- Treasury Bills and Statutory deposit with Bank of Guyana
- Due from banks
- Advances
- Financial investments

Treasury Bills and Statutory deposit with Bank of Guyana

These funds are held with Bank of Guyana and Management therefore considers the risk of default to be very low. These financial assets have therefore been rated as 'Superior'.

Balances due from banks

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

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

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

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

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

	Superior	Desirable	Acceptable	Total
2014	**5,544,919**	**515,201**	**2,559,216**	**8,619,336**
2013	12,950,578	2,462,004	2,111,338	**17,523,920**

19 RISK MANAGEMENT *(continued)*

19.2 Credit risk *(continued)*

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

Loans and advances - Commercial and Corporate

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

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

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

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

Sub-standard: Past due or individually impaired.

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

	Neither past due nor impaired				
	Superior	Desirable	Acceptable	Sub-standard	Total
2014	**1,906**	**1,800,250**	**22,424,533**	**4,173,093**	**28,399,782**
2013	35,709	2,600,928	21,962,270	2,373,424	**26,972,331**

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

	Less than 30 days	31 to 60 days	61 to 90 days	More than 90 days	Impaired	Total
2014	**1,541,813**	**153,512**	**183,788**	**133,079**	**2,160,901**	**4,173,093**
2013	261,835	207,152	83,916	844,247	976,274	**2,373,424**

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

19 RISK MANAGEMENT *(continued)*

19.2 Credit risk *(continued)*

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

Loans and advances - Retail loans and Mortgages

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

	Current	Less than 30 days	31 to 60 days	61 to 90 days	More than 90 days	Impaired	Total
2014	**17,964,386**	**2,900,218**	**499,776**	**317,758**	**_**	**415,027**	**22,097,165**
2013	16,113,605	2,627,083	440,690	161,985	_	258,020	**19,601,383**

Investment securities

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

Superior: Government and Government Guaranteed securities and securities secured by a Letter of Comfort from the Government. These securities are considered risk free.

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

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

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

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

Financial Investments

	Superior	Desirable	Acceptable	Sub-standard	Total
- Available-for-sale					
2014	**2,670,677**	**2,301,689**	**422,438**	**–**	**5,394,804**
2013	2,730,457	2,925,758	–	–	**5,656,215**

19.2 Credit risk *(continued)*

19.2.4 Carrying amount of financial assets renegotiated that would otherwise have been impaired.

The table below shows the carrying amount for renegotiated financial assets, by class as at September 30:

	2014	2013
Loans and advances to customers		
- Retail lending	–	1,622
- Mortgages	**45,254**	68,022
- Commercial & Corporate lending	**303,050**	1,822,816
Total renegotiated financial assets	**348,304**	**1,892,460**

19.2.5 Carrying amount of financial assets renegotiated during the year.

The table below shows the carrying amount for renegotiated financial assets during the year by class:

	2014	2013
Loans and advances to customers		
- Retail lending	–	1,622
- Mortgages	–	9,950
- Commercial & Corporate lending	**101,035**	364,360
Total renegotiated financial assets	**101,035**	**375,932**

19.3 Liquidity risk

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

The Bank's liquidity management policy is formulated by the Board and Management to ensure that funding requirements can be met, including the replacement of existing funds as they mature or are withdrawn, to satisfy the demands of customers for additional borrowings or to meet undrawn commitments. Undrawn commitments are reviewed by the Asset/Liability Committee and are subject to review by Management prior to disbursement. Liquidity management focuses on ensuring that the Bank has sufficient funds to meet all of its obligations.

Periodic stress testing is conducted by the regulator and corrective action taken by the Bank, if deemed necessary.

Two primary sources of funds are used to provide liquidity – retail deposits and the inter-bank market. A substantial portion of the Bank is funded with "core deposits". The Bank maintains a core base of retail funds, which can be drawn on to meet ongoing liquidity needs. Facilities are also established with correspondent banks, which can provide additional liquidity as conditions demand.

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

19.3.1 Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Bank's financial liabilities based on contractual undiscounted repayment obligations, over the remaining life of those liabilities. These balances include interest to be paid over the remaining life of the liabilities and will therefore be greater than the carrying amounts on the Statement of Financial Position.

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

19 RISK MANAGEMENT *(continued)*

19.3 Liquidity risk *(continued)*

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

Financial liabilities - on Statement of Financial Position

	On demand	Up to one year	1 to 5 years	Over 5 years	Total
As at September 30, 2014					
Customers' chequing, savings and deposit accounts	109,548,309	3,003,451	–	–	**112,551,760**
Due to banks	214,492	–	–	–	**214,492**
Other liabilities	1,935,793	–	–	–	**1,935,793**
Total undiscounted financial liabilities 2014	**111,698,594**	**3,003,451**	**–**	**–**	**114,702,045**
As at September 30, 2013					
Customers' chequing, savings and deposit accounts	108,247,152	8,868,701	1,763	–	**117,117,616**
Due to banks	189,436	–	–	–	**189,436**
Other liabilities	2,136,691	–	–	–	**2,136,691**
Total undiscounted financial liabilities 2013	**110,573,279**	**8,868,701**	**1,763**	**–**	**119,443,743**

19.3 Liquidity risk *(continued)*

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

Financial liabilities - off Statement of Financial Position

	On demand	Up to one year	1 to 5 years	Over 5 years	Total
2014					
Guarantees and indemnities	–	736,575	329,641	770,230	**1,836,446**
Letters of credit	–	199,359	–	–	**199,359**
Total	**–**	**935,934**	**329,641**	**770,230**	**2,035,805**
2013					
Guarantees and indemnities	–	1,556,888	28,930	105,015	**1,690,833**
Letters of credit	–	242,401	–	–	**242,401**
Total	**–**	**1,799,289**	**28,930**	**105,015**	**1,933,234**

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

19.4 Market risk

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

19.4.1 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Interest rate risk management is primarily designed by the Board and Management to ensure competitiveness and maximise returns.

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

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

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

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

19 RISK MANAGEMENT *(continued)*

19.4 Market risk *(continued)*

19.4.1 Interest rate risk *(continued)*

	Increase/ decrease in basis points	Impact on net profit			
		2014		2013	
		Increase in basis points	Decrease in basis points	Increase in basis points	Decrease in basis points
G$ Instruments	+/- 50	**-/+ 385,421**		-/+ 394,996	
US$ Instruments	+/- 50	**-/+ 41,837**		-/+ 53,899	
Other currency Instruments	+/- 50	**-/+ 710**		-/+ 226	

	Increase/ decrease in basis points	Impact on net unrealised gains			
		2014		2013	
		Increase in basis points	Decrease in basis points	Increase in basis points	Decrease in basis points
G$ Instruments	+/- 50	(10,395)	4,545	(17,844)	(4,648)
US$ Instruments	+/- 50	(47,785)	30,286	(48,849)	49,996

19.4.2 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank's exposure to the effects of fluctuations in foreign currency exchange rates arises mainly from its investments. The Bank's policy is to match the initial net foreign currency investment with funding in the same currency. The Asset/Liability Committee and Foreign Services Unit also monitor the Bank's foreign currency position for both overnight and intra-day transactions based on limits set by the Board.

Changes in foreign exchange rates affect the Bank's earnings and equity through differences on the re-translation of monetary assets and liabilities to Guyana dollars. Such gains or losses are recognised in the Statement of Income.

The principal currencies of the Bank's investments are US and Guyana dollars.

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

19.4 Market risk *(continued)*

19.4.2 Currency risk *(continued)*

	GYD	TTD	USD	UK	OTHER	Total
2014						
FINANCIAL ASSETS						
Cash	1,338,086	92	127,820	1,242	2,214	**1,469,454**
Statutory deposit with Bank of Guyana	12,900,869	–	–	–	–	**12,900,869**
Due from banks	4,211,582	2,488	4,221,778	23,971	159,517	**8,619,336**
Treasury Bills	41,719,293	–	–	–	–	**41,719,293**
Advances	49,760,565	–	736,382	–	–	**50,496,947**
Investment securities	2,321,689	–	3,093,115	–	–	**5,414,804**
Interest receivable	20,849	–	24,584	–	–	**45,433**
TOTAL FINANCIAL ASSETS	**112,272,933**	**2,580**	**8,203,679**	**25,213**	**161,731**	**120,666,136**
FINANCIAL LIABILITIES						
Due to banks	–	2,177	86,455	5,280	120,580	**214,492**
Customers' chequing, savings and deposit accounts	104,171,258	–	8,367,364	13,138	–	**112,551,760**
Interest payable	19,228	–	–	–	–	**19,228**
TOTAL FINANCIAL LIABILITIES	**104,190,486**	**2,177**	**8,453,819**	**18,418**	**120,580**	**112,785,480**
NET CURRENCY RISK EXPOSURE	**8,082,447**	**403**	**(250,140)**	**6,795**	**41,151**	**7,880,656**
Reasonably possible change in currency rate (%)	–	1%	1%	1%	1%	–
Effect on profit before tax	**–**	**4**	**(2,501)**	**68**	**412**	**(2,017)**

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

19 RISK MANAGEMENT *(continued)*

19.4 Market risk *(continued)*

19.4.2 Currency risk *(continued)*

	GYD	TTD	USD	UK	OTHER	Total
2013						
FINANCIAL ASSETS						
Cash	1,076,601	242	284,499	493	3,487	**1,365,322**
Statutory deposit						
with Bank of Guyana	13,675,027	–	–	–	–	**13,675,027**
Due from banks	10,910,162	2,384	6,535,657	55,023	20,694	**17,523,920**
Treasury Bills	39,719,239	–	–	–	–	**39,719,239**
Advances	45,926,469	–	647,245	–	–	**46,573,714**
Investment securities	2,362,946	–	3,313,269	–	–	**5,676,215**
Interest receivable	20,304	–	27,408	–	–	**47,712**
TOTAL FINANCIAL ASSETS	**113,690,748**	**2,626**	**10,808,078**	**55,516**	**24,181**	**124,581,149**
FINANCIAL LIABILITIES						
Due to banks	–	2,173	75,217	34,639	77,407	**189,436**
Customers' chequing,						
savings and deposit accounts	106,332,561	–	10,779,836	5,219	–	**117,117,616**
Interest payable	41,860	–	–	–	–	**41,860**
TOTAL FINANCIAL LIABILITIES	**106,374,421**	**2,173**	**10,855,053**	**39,858**	**77,407**	**117,348,912**
NET CURRENCY RISK						
EXPOSURE	**7,316,327**	**453**	**(46,975)**	**15,658**	**(53,226)**	**7,232,237**
Reasonably possible change						
in currency rate (%)	–	1%	1%	1%	1%	**–**
Effect on profit before tax	**–**	**5**	**(470)**	**157**	**(532)**	**(840)**

19.5 Operational Risk

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

The Bank recognises that such risk can never be entirely eliminated and manages the risk through a combination of systems and procedures to monitor and document transactions. The Bank's Operational Risk department oversees the operation of, conducts training on and makes recommendations for the enhancement of internal controls. Where appropriate, risk is transferred by the placement of adequate insurance coverage.

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

19.6 Country Risk

Country risk is the risk that an occurrence within a country could have an adverse effect on the Bank directly by impairing the value through an obligor's ability to meet its obligation to the Bank. The parent's risk management unit monitors this risk by using the measures of risk rating and the Board set limits by country for investments.

20 CAPITAL MANAGEMENT

The Bank's policy is to diversify its sources of capital, to allocate capital within the Bank efficiently and to maintain a prudent relationship between capital resources and the risk of its underlying business. Equity increased by $1,314 million to $13,563 million during the year under review.

The Bank's dividend policy is to distribute 40% to 50% of net earnings to stockholders. Similar to the criteria applied in previous years, the distribution was based on core operating performance. Total proposed distribution based on the results for the financial year 2014 of $1,030 million represents 44.0% of core operating profit.

Capital adequacy is monitored by the Bank, employing techniques based on the guidelines developed by the Basle Committee on Banking Regulations and Supervisory Practice (the Basle Committee), as implemented by the Bank of Guyana for supervisory purposes. The Basle risk-based capital guidelines require a minimum ratio of core capital (Tier 1) to risk-weighted assets of 4%, with a minimum total qualifying capital (Tier 2) ratio of 8%. Core capital (Tier 1) comprises mainly stockholders' equity.

The Bank's Tier 1 capital at September 30, 2014 is 20.06% (2013 - 18.86%) and its capital adequacy ratio (Tier 1 and Tier 2) is 21.15% (2013 - 19.51%). At September 30, 2014 the Bank exceeded the minimum levels required.

The Bank's Regulatory Capital is as follows:

	2014	2013
Tier 1		
Stated capital	**300,000**	300,000
Reserve fund	**300,000**	300,000
General banking risk reserves in excess of statutory requirement	**2,002,315**	893,080
Retained earnings	**9,661,047**	9,718,513
Goodwill	**(1,228,222)**	(1,228,222)
Total	**11,035,140**	**9,983,371**
Tier 2		
Securities revaluation reserves	**26,548**	(2,913)
General banking risk reserves - statutory requirement	**573,613**	341,214
Total	**600,161**	**338,301**

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21 FAIR VALUE

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

The Bank's available-for-sale investments are not actively traded in organised 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 Bank could realise in a current market exchange. The use of different assumptions and/or estimation methodologies may have a material effect on the estimated fair values. The fair value information for available-for-sale investments is based on information available to management as at the dates presented. Management is not aware of any factors that would significantly affect the estimated fair value amounts.

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

Financial instruments where carrying value is equal to fair value:- Due to their short-term maturity, the carrying value of certain financial instruments is assumed to approximate their fair values. These include cash and cash equivalents, investment interest receivable, customers' deposit accounts, other fund raising instruments, other assets and other liabilities. The Bank is required to maintain with the Bank of Guyana, 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 fair values of advances are based on a current yield curve appropriate for the remaining term to maturity.

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

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

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

	2014		
	Carrying value	Fair value	Unrecognised gain/(loss)
Financial assets			
Cash, due from banks and Treasury Bills	51,808,083	51,808,083	–
Statutory deposit with Bank of Guyana	12,900,869	12,900,869	–
Investment securities	5,414,804	5,414,804	–
Advances	50,496,947	50,929,973	433,026
Investment interest receivable	45,433	45,433	–
Financial liabilities			
Due to Banks	214,492	214,492	–
Customers' chequing, savings and deposit accounts	112,551,760	112,507,079	(44,681)
Accrued interest payable	19,228	19,228	–
Total unrecognised change in unrealised fair value			**388,345**

21 FAIR VALUE *(continued)*

	2013		
	Carrying value	Fair value	Unrecognised gain/(loss)
Financial assets			
Cash, due from banks and Treasury Bills	58,608,481	58,608,481	–
Statutory deposit with Bank of Guyana	13,675,027	13,675,027	–
Investment securities	5,676,215	5,676,215	–
Advances	46,573,714	46,927,346	353,632
Investment interest receivable	47,712	47,712	–
Financial liabilities			
Due to Banks	189,436	189,436	–
Customers' chequing, savings and deposit accounts	117,117,616	117,219,141	(101,525)
Accrued interest payable	41,860	41,860	–
Total unrecognised change in unrealised fair value			**252,107**

21.1 Fair value and fair value hierarchies

21.1.1 Determination of fair value and fair value hierarchies

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1

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

Level 2

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

Level 3

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

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

21 FAIR VALUE *(continued)*

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

21.1.1 Determination of fair value and fair value hierarchies *(continued)*

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

	Level 1	Level 2	Level 3	Total
2014				
Financial assets measured at fair value				
Investment securities	–	5,414,804	–	**5,414,804**
Financial assets for which fair value is disclosed				
Advances	–	50,496,947	–	**50,496,947**
Financial liabilities for which fair value is disclosed				
Customers' current, savings and deposit accounts	–	112,551,760	–	**112,551,760**

The following table shows an analysis of financial instruments recorded at fair value categorised by hierarchy level.

	Level 1	Level 2	Level 3	Total
Financial investments -available-for-sale				
2014	**–**	**5,414,804**	**–**	5,414,804
2013	2,691,576	2,984,639	–	**5,676,215**

21.1.2 Transfers between Level 1 and 2

For the year ended September 30, 2014, a number of assets were transferred between Level 1 and Level 2.

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

For the year ended September 30, 2014, there were no Level 3 financial instruments.

22 SEGMENTAL INFORMATION

22.1 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of the entity. The Bank has determined the Managing Director as its chief operating decision-maker.

Management considers its banking operation to be a single business unit. All business is conducted in Guyana with the exception of certain investment activities.

22 SEGMENTAL INFORMATION *(continued)*

22.2 Geographical Information

The Bank operates only in Guyana but conducts investment and other correspondent banking business in other countries. The following tables show the distribution of the Bank's revenues, interest expenses, total assets and total liabilities allocated based on the location of the customers and assets respectively:

	Guyana	Trinidad and Tobago	Other countries	Total
2014				
Interest income	6,647,891	62,902	94,903	**6,805,696**
Interest expense	(657,272)	–	–	**(657,272)**
Net interest income	5,990,619	62,902	94,903	**6,148,424**
Other income	2,130,585	–	–	**2,130,585**
Net interest and other income	8,121,204	62,902	94,903	**8,279,009**
Total assets	121,283,240	2,922,648	4,780,639	**128,986,527**
Total liabilities	115,324,036	2,177	96,793	**115,423,006**
Cash flow from operating activities	(4,608,620)	–	–	**(4,608,620)**
Cash flow from investing activities	(1,158,730)	243,398	(2,271,556)	**(3,186,888)**
Cash flow from financing activities	(815,528)	(180,237)	(9,179)	**(1,004,944)**

	Guyana	Trinidad and Tobago	Other countries	Total
2013				
Interest income	6,138,698	48,054	106,325	**6,293,077**
Interest expense	(736,572)	–	–	**(736,572)**
Net interest income	5,402,126	48,054	106,325	**5,556,505**
Other income	2,141,132	–	–	**2,141,132**
Net interest and other income	7,543,258	48,054	106,325	**7,697,637**
Total assets	122,361,654	3,048,598	7,078,284	**132,488,536**
Total liabilities	120,151,245	2,173	85,225	**120,238,643**
Cash flow from operating activities	8,488,452	–	–	**8,488,452**
Cash flow from investing activities	(3,822,478)	285,407	3,477,753	**(59,318)**
Cash flow from financing activities	(829,891)	(207,499)	72,929	**(964,461)**

22.3 Major Customers

There were no revenues deriving from transactions with a single external customer or group of customers that amounted to 10% or more of the Bank's revenues.

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

23 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below analyses the assets and liabilities of the Bank based on the remaining period at September 30 to the contractual maturity date. See Note 19.3 - 'Liquidity risk' - for an analysis of the financial liabilities based on contractual undiscounted repayment obligations.

	Within 12 months	After 12 months	Total
2014			
ASSETS			
Cash	1,469,454	–	**1,469,454**
Statutory deposit with Bank of Guyana	12,900,869	–	**12,900,869**
Due from banks	8,619,336	–	**8,619,336**
Treasury Bills	41,719,293	–	**41,719,293**
Investment interest receivable	45,433	–	**45,433**
Advances	7,550,539	42,946,408	**50,496,947**
Investment securities	2,365,106	3,049,698	**5,414,804**
Premises and equipment	–	5,677,027	**5,677,027**
Intangible assets	–	147,232	**147,232**
Goodwill	–	1,228,222	**1,228,222**
Deferred tax assets	–	155,457	**155,457**
Other assets	1,112,453	–	**1,112,4543**
	75,782,483	**53,204,944**	**128,986,527**
LIABILITIES			
Due to banks	214,492	–	**214,492**
Customers' chequing, savings and deposit accounts	112,551,760	–	**112,551,760**
Net pension liability	–	157,100	**157,100**
Taxation payable	238,410	–	**238,410**
Deferred tax liabilities	–	306,223	**306,223**
Accrued interest payable	19,228	–	**19,228**
Other liabilities	1,935,793	–	**1,935,793**
	114,959,683	**463,323**	**115,423,006**

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

	Within 12 months	After 12 months	Total
2013			
ASSETS			
Cash	1,365,322	–	**1,365,322**
Statutory deposit with Bank of Guyana	13,675,027	–	**13,675,027**
Due from banks	17,523,920	–	**17,523,920**
Treasury Bills	39,719,239	–	**39,719,239**
Investment interest receivable	1,069	46,643	**47,712**
Advances	8,888,903	37,684,811	**46,573,714**
Investment securities	496,750	5,179,465	**5,676,215**
Premises and equipment	–	5,236,090	**5,236,090**
Intangible assets	–	195,473	**195,473**
Goodwill	–	1,228,222	**1,228,222**
Deferred tax assets	–	131,999	**131,999**
Other assets	1,115,603	–	**1,115,603**
	82,785,833	**49,702,703**	**132,488,536**
LIABILITIES			
Due to banks	189,436	–	**189,436**
Customers' chequing, savings and deposit accounts	117,115,853	1,763	**117,117,616**
Net pension liability	–	129,800	**129,800**
Taxation payable	409,891	–	**409,891**
Deferred tax liabilities	–	213,349	**213,349**
Accrued interest payable	41,855	5	**41,860**
Other liabilities	2,136,691	–	**2,136,691**
	119,893,726	**344,917**	**120,238,643**

24 DIVIDENDS PAID AND PROPOSED

	2014	2013
Declared and paid during the year		
Equity dividends on ordinary stock units:		
Final dividend for 2013: $2.33 (2012: $2.00)	**700,000**	600,000
First dividend for 2014: $1.10 (2013: $1.00)	**330,000**	300,000
Total dividends paid	**1,030,000**	**900,000**
Proposed for approval at Annual General Meeting (not recognised as a liability as at September 30)		
Equity dividends on ordinary stock units:		
Final dividend for 2014: $2.33 (2013: $2.33)	**700,000**	**700,000**

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

25 CONTINGENT LIABILITIES

a) Litigation

As at September 30, 2014 there were certain legal proceedings outstanding against the Bank. 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

	2014	2013
Guarantees and indemnities	**1,836,446**	1,690,833
Letters of credit	**199,359**	242,401
	2,035,805	**1,933,234**

c) Sectoral information

	2014	2013
State	**830,658**	698,399
Corporate and commercial	**1,183,889**	1,195,645
Personal	**21,258**	39,190
	2,035,805	**1,933,234**

d) Pledged assets

Below illustrates the distribution of pledged assets in the Bank's Statement of Financial Position:

	Carrying Amount		Related Liability	
	2014	2013	2014	2013
Statutory deposit	**12,900,869**	13,675,027	**112,551,760**	117,117,616

The statutory deposit is provided to the Bank of Guyana as a percentage of deposit liabilities under the Financial Institutions Act.

e) Non-cancellable operating lease commitments

	2014	2013
Less than one year	**18,220**	6,180
Between one to five years	**62,632**	1,200
More than five years	**3,267**	3,507
	84,119	**10,887**

26 EXTERNAL PAYMENT DEPOSIT SCHEME

	2014	2013
	47,619	**47,619**

This represents monies received on behalf of customers and deposited in the External Payment Deposit Scheme with the Bank of Guyana, in accordance with the terms of agreements signed with each customer which specifically exclude the Bank from any liability.

Directors for Re-election

In accordance with the Bank's By Laws three of the existing Directors of Republic Bank (Guyana) Limited will retire by rotation this year. These Directors are all eligible for re-election and as a consequence we are pleased to provide brief biographies of those who will retire this year but who have made themselves available for re-election. Included also is a brief biography of Richard M. Lewis who was appointed to fill a casual vacancy and is available for election by stockholders.

YOLANDE FOO

Yolande Foo is a retired career banker with forty five years experience in the banking industry. Mrs. Foo has been actively involved in a number of humanitarian efforts over the years and continues to be actively involved in charitable ventures. She has vast experience in the areas of human resource management, training and governance among others having held a number of senior positions in the Bank before retiring in 2007. Prior to her retirement she held the position of Senior Manager-Corporate and Management Services and Corporate Secretary with responsibility for the Bank's Information Technology, Corporate Operations, Marketing and Communications and Human Resources Departments. She is a former Director of the St Joseph Mercy Hospital and past president of the Rotary Club of Demerara.

ROY E. CHEONG

Roy E. Cheong is a Chartered Insurer who worked for many years in the Insurance Industry before retiring as the General Manager of the GTM Group of Companies in Guyana. He has vast knowledge and experience in management and financial matters, is a Fellow of the Life Management Institute and a Chartered Life Underwriter who has served as President of the Insurance Association of the Caribbean and the Insurance Association of Guyana. Mr. Cheong is a recipient of the Golden Arrow of Achievement. He currently serves as a Director of GTM Fire Insurance Company Limited and GTM Life Insurance Company Ltd, Neal and Massy (Guyana) Limited, Banks DIH Limited and Mega Insurance Company Limited of Trinidad and Tobago among others.

FARID ANTAR

Farid Antar is the General Manager, Corporate Operations and Process Improvement and among his other duties is responsible for the Regional Operations of the Republic Bank Limited Group. He has in excess of thirty four years of experience in banking and finance having served Republic Bank Limited and its subsidiaries in a number of capacities. Over the last several years he has held the positions of Senior Manager, Regional Operations, and Senior Manager, Retail Delivery and Marketing at Barbados National Bank now rebranded Republic Bank (Barbados) Limited. Mr. Antar is an associate of the Chartered Institute of Bankers of the UK (its School of Finance) and an associate of the Institute of Chartered Secretaries and Administrators, UK. He attained a Diploma from the School of Bank Marketing and Management from the American Bankers Association and the FIBA's AMLCA certification in Anti-Money Laundering. He is the Chairman of Infolink Services Limited (Linx), Deputy Chairman of the Caribbean Association of Banks Inc. and a Director of G4S Holdings (Trinidad) Limited.

RICHARD M. LEWIS

Richard M. Lewis, a Trinidadian by birth, is the General Manager/ Director of Label House Group Limited which is the largest specialist label and packaging printer in the Caribbean.

Mr. Lewis holds an Honours Bachelor of Arts Degree from the University of Western Ontario Richard Ivey School of Business and is also a graduate of the Newcastle Institute of Technology. Among other Directorships, he currently serves as the Chairman of the Trinidad and Tobago Government Advisory Council for Competiveness Innovation, Prestige Business Publications and Carreras Jamaica. Mr. Lewis is also a Director of Republic Finance and Merchant Bank Limited and Republic Securities Limited.

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