



# Republic Bank (Barbados) Limited

(A Subsidiary of Republic Bank Limited)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at September 30, 2014

(All figures are in thousands of Barbados Dollars)

	2014	Restated 2013	Restated 2012
<b>ASSETS</b>			
Cash	38,320	34,860	32,347
Deposits with Central Bank	94,472	100,512	119,027
Due from banks	65,173	70,368	77,592
Treasury bills	242,970	287,017	154,359
Investment interest receivable	1,045	1,636	3,577
Advances	1,453,025	1,420,990	1,400,043
Investment securities	174,711	220,248	284,174
Premises and equipment	101,055	124,780	127,496
Investment property	-	4,060	6,800
Non-current assets held for sale	25,319	-	-
Deferred tax assets	5,846	4,185	7,691
Taxes recoverable	4,658	3,766	3,766
Other assets	6,172	5,415	4,392
<b>TOTAL ASSETS</b>	<b>2,212,766</b>	<b>2,277,837</b>	<b>2,221,264</b>

## LIABILITIES AND EQUITY LIABILITIES

Due to banks	4,487	6,038	8,747
Customers' current, savings and deposit accounts	1,667,372	1,744,506	1,680,708
Other fund raising instruments	111,313	117,318	123,334
Employee benefits	16,148	15,291	17,240
Taxation payable	507	1,027	4,191
Deferred tax liabilities	5,684	6,511	6,587
Accrued interest payable	5,693	7,574	10,694
Other liabilities	32,744	19,929	24,442
<b>TOTAL LIABILITIES</b>	<b>1,843,948</b>	<b>1,918,194</b>	<b>1,875,943</b>

## EQUITY

Stated capital	48,000	48,000	48,000
Statutory reserve	52,254	51,932	51,756
Revaluation reserve	15,344	14,191	14,191
Other reserves	103,806	128,609	57,937
Retained earnings	149,414	116,911	173,437

<b>TOTAL EQUITY</b>	<b>368,818</b>	<b>359,643</b>	<b>345,321</b>
---------------------	----------------	----------------	----------------

<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,212,766</b>	<b>2,277,837</b>	<b>2,221,264</b>
-------------------------------------	------------------	------------------	------------------

These financial statements were approved for issue by the Board of Directors on October 24, 2014 and signed on its behalf by:

 **Director**       **Director**       **Director**

## CONSOLIDATED STATEMENT OF INCOME For the Year Ended September 30, 2014

(All figures are in thousands of Barbados Dollars)

	2014	Restated 2013
Interest income	127,197	131,397
Interest expense	(30,652)	(37,704)
<b>Net interest income</b>	<b>96,545</b>	<b>93,693</b>
Other income	49,118	37,261
<b>Net interest and other income</b>	<b>145,663</b>	<b>130,954</b>
Operating expenses	(102,051)	(94,682)
<b>Operating profit</b>	<b>43,612</b>	<b>36,272</b>
Advance impairment expense, net of recoveries	(14,679)	(16,702)
<b>Profit before taxation</b>	<b>28,933</b>	<b>19,570</b>
Taxation expense	(3,834)	(4,413)
<b>Net profit after taxation</b>	<b>25,099</b>	<b>15,157</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the Year Ended September 30, 2014

(All figures are in thousands of Barbados Dollars)

	2014 25,099	Restated 2013 15,157
<b>Net profit after taxation</b>		
<b>Other comprehensive income:</b>		
Items of other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Realized gain transferred to net profit	(8,785)	-
Tax effect	2,196	-
	(6,589)	-
Revaluation of available-for-sale investment securities	2,844	9,009
Tax effect	(711)	(2,252)
	2,133	6,757
<b>Net other comprehensive (loss) / income that may be reclassified to profit or loss in subsequent periods:</b>	<b>(4,456)</b>	<b>6,757</b>
Items of other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Re-measurement (losses) / gains on defined benefit plans, net of tax	(1,101)	1,048
Gain on revaluation reserve	1,153	-
<b>Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</b>	<b>52</b>	<b>1,048</b>
<b>Other comprehensive (loss) / income for the year, net of tax</b>	<b>(4,404)</b>	<b>7,805</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>20,695</b>	<b>22,962</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended September 30, 2014

(All figures are in thousands of Barbados Dollars)

	Stated Capital	Statutory Reserve	Revaluation Reserve	Other Reserves	Retained Earnings	Total
Balance at October 01, 2012, as previously reported	48,000	51,756	19,703	65,905	178,718	364,082
Impact of adopting IAS 19 (revised)	-	-	-	(7,968)	(61)	(8,029)
Prior period adjustment	-	-	(5,512)	-	(5,220)	(10,732)
<b>October 01, 2012</b>	<b>48,000</b>	<b>51,756</b>	<b>14,191</b>	<b>57,937</b>	<b>173,437</b>	<b>345,321</b>
Total comprehensive income, net of tax	-	-	-	7,805	15,157	22,962
Transfer from general contingency reserve	-	-	-	62,867	(62,867)	-
Transfer to statutory reserve	-	176	-	-	(176)	-
Dividends paid	-	-	-	-	(8,640)	(8,640)
<b>Balance at September 30, 2013</b>	<b>48,000</b>	<b>51,932</b>	<b>14,191</b>	<b>128,609</b>	<b>116,911</b>	<b>359,643</b>
Balance at October 01, 2013	48,000	51,932	14,191	128,609	116,911	359,643
Total comprehensive income, net of tax	-	-	1,153	(5,557)	25,099	20,695
Transfer to general contingency reserve	-	-	-	(19,246)	19,246	-
Transfer to statutory reserve	-	322	-	-	(322)	-
Dividends paid	-	-	-	-	(11,520)	(11,520)
<b>Balance at September 30, 2014</b>	<b>48,000</b>	<b>52,254</b>	<b>15,344</b>	<b>103,806</b>	<b>149,414</b>	<b>368,818</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2014

(All figures are in thousands of Barbados Dollars)

	2014	Restated 2013
<b>Operating Activities</b>		
Profit before taxation	28,933	19,570
<b>Adjustments for:</b>		
Depreciation	9,318	9,575
Advances impairment expense	14,679	16,702
Employee benefits	(609)	(522)
Gain on sale of shares	(8,785)	-
Loss on disposal of fixed assets	1,347	-
Non cash costs related to assets held for sale	2,180	-
Net change in fair value of investment property	(240)	2,740
	<b>46,823</b>	<b>48,035</b>
<b>Changes in operating assets and liabilities</b>		
Increase in advances	(46,714)	(37,649)
(Increase) / decrease in other assets and investment interest receivable	(166)	918
Increase / (decrease) in other liabilities and accrued interest payable	10,934	(7,633)
(Decrease) / increase in customers' current, savings and deposit accounts	(77,134)	63,798
Decrease / (increase) in mandatory reserve deposits with Central Bank	3,441	(2,280)
Corporation taxes paid	(5,953)	(6,747)
<b>Cash (used in) / provided by operating activities</b>	<b>(68,769)</b>	<b>58,442</b>
<b>Investing Activities</b>		
Purchase of premises and equipment	(8,986)	(6,859)
Decrease in investment securities	48,450	72,934
<b>Cash provided by investing activities</b>	<b>39,464</b>	<b>66,075</b>
<b>Financing Activities</b>		
Decrease in due to banks	(1,551)	(2,709)
Decrease in other fund raising instruments	(6,005)	(6,016)
Dividends paid	(11,520)	(8,640)
<b>Cash used in financing activities</b>	<b>(19,076)</b>	<b>(17,365)</b>
<b>Net (decrease) / increase in cash and cash equivalents for the year</b>	<b>(48,381)</b>	<b>107,152</b>
Cash and cash equivalents at the beginning of year	408,496	301,344
<b>Cash and cash equivalents at the end of year</b>	<b>360,115</b>	<b>408,496</b>
<b>Cash and cash equivalents at end of year is made up as follows:</b>		
Cash	38,320	34,860
Balance with Central Bank other than mandatory reserve deposits	13,652	16,251
Due from banks	65,173	70,368
Treasury bills - original maturities of three months or less	242,970	287,017
<b>Total</b>	<b>360,115</b>	<b>408,496</b>



# Republic Bank (Barbados) Limited

(A Subsidiary of Republic Bank Limited)

## Note I – Summary Consolidated Financial Statements.

The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary consolidated statement of financial position, summary consolidated statement of income, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows. The summary financial statements are derived from the audited consolidated financial statements of Republic Bank (Barbados) Limited and its subsidiary for the year ended 30 September 2014.

## REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

### To the shareholder of Republic Bank (Barbados) Limited

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 30 September 2014, and the summary consolidated statement of income, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows for the year then ended, are derived from the audited consolidated financial statements of Republic Bank (Barbados) Limited and its subsidiary (the "Group") for the year ended 30 September 2014. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 24 October 2014.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Group.

## MANAGEMENT'S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

Management is responsible for the preparation of a summary of the audited consolidated financial statements on the basis of their established criteria as described in Note 1.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

## OPINION

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of the Group for the year ended 30 September 2014 are consistent, in all material respects, with those consolidated financial statements, on the basis of management's established criteria as described in Note 1.

CHARTERED ACCOUNTANTS

Barbados

24 October 2014

Republic Bank (Barbados) Limited's Board of Directors:

Ronald Harford, Ian De Souza, William Layne, Derwin Howell, Jacqueline Quamina,  
Peter Symmonds, G. Anthony King, Ralph Williams, Robert Carter, Andrew Hutchinson