

Republic Bank's journey toward unlocking and nurturing the true potential of the people we serve, the communities we bolster and the countries in which we operate, is a journey 170 years in the making.

Nurturing potential means tending our future. It means investing in the resource of possibility with the confidence that it will yield success. For Republic Bank, we recognize that in a place as fertile as the Caribbean, there is potential everywhere – in our employees, our customers, our communities, our youth, our products and technology and our performance.

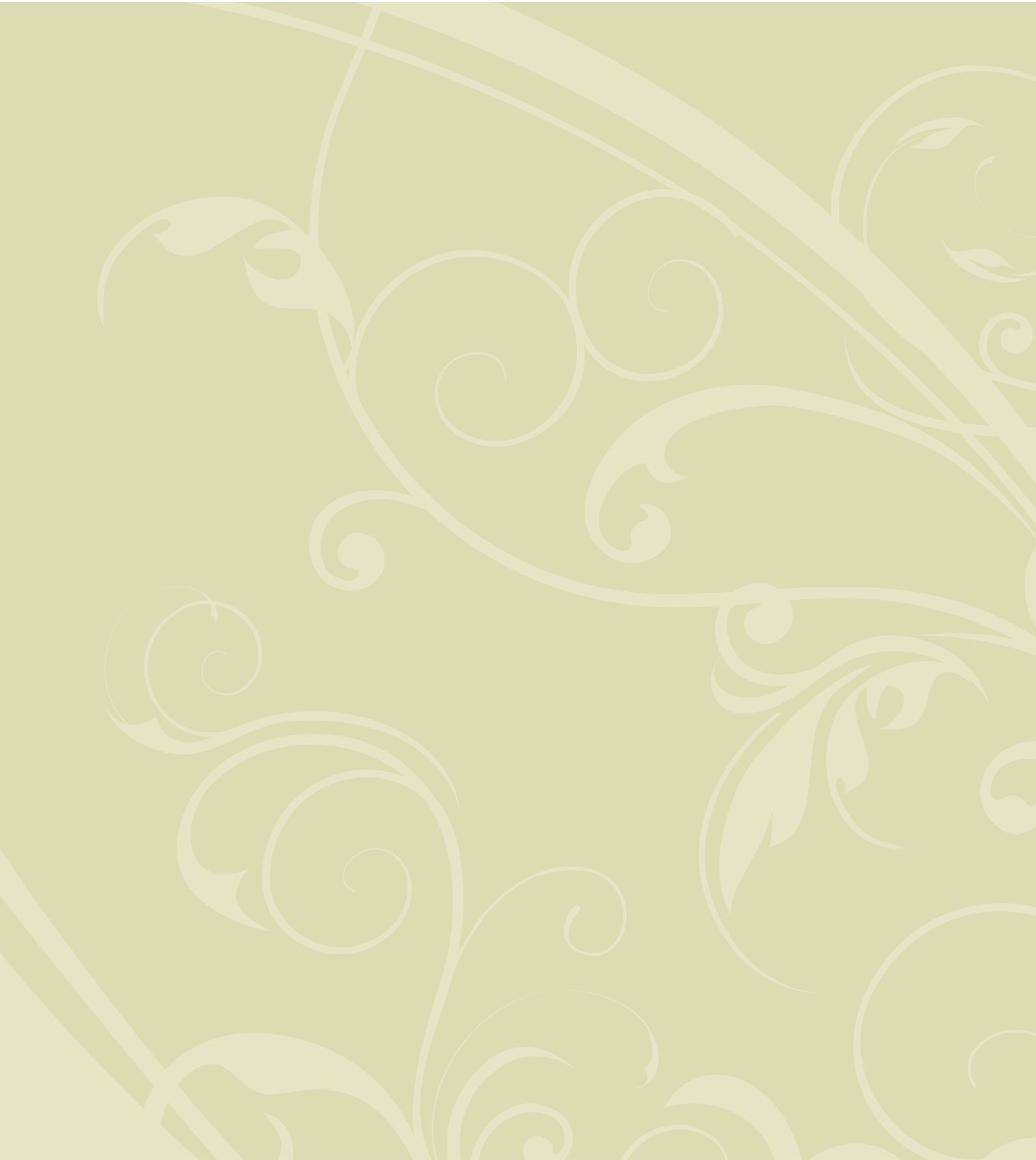
Ever mindful of the future and backed by over 4,600 highly qualified and experienced people throughout the region, we cultivate the emergent opportunities in all areas, translating them into tangible returns for all our stakeholders.

In fulfilling our mission statement to be the Financial Institution of Choice in the Caribbean, we stand committed to maximizing every opportunity for the realization of the Caribbean's unlimited potential.



Republic Bank

annual report 2007



vision

Republic Bank,
the Financial Institution of Choice
in the Caribbean for Customers,
Staff and Shareholders.

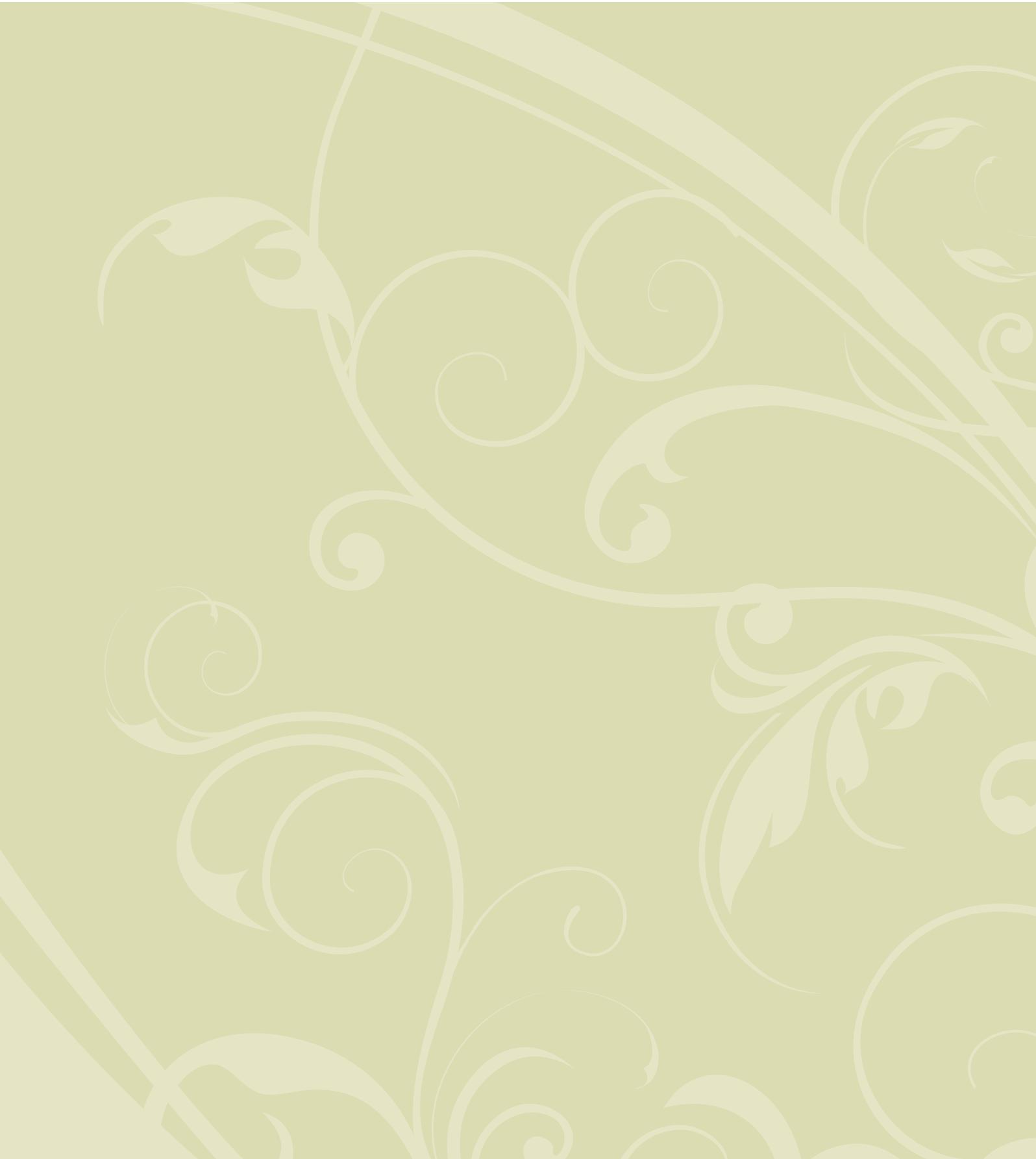
We set the Standard of Excellence
in Customer Satisfaction,
Employee Satisfaction and Shareholder Value.

mission

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

values

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



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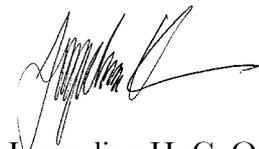
notice of meeting

Annual Meeting

Notice is hereby given that the Thirty-seventh Annual Meeting of Republic Bank Limited will be held at the Central Bank Auditorium, Eric Williams Plaza, Independence Square, Port of Spain on Monday December 17, 2007 at 9:30 a.m. for the following purposes:

- i To receive the Audited Financial Statements of the Company for the year ended September 30, 2007 and the Reports of the Directors and Auditors thereon.
- ii To take note of the Dividends paid for the twelve-month period ended September 30, 2007.
- iii To elect Directors.
- iv To re-appoint the Auditors, Ernst & Young and to authorize the Directors to fix their remuneration.
- v Any other business.

By order of the Board



Jacqueline H. C. Quamina
Corporate Secretary

November 8, 2007

Notes:

Persons Entitled to Notice

In accordance with Section 110 (2) of the Companies Act Chap. 81:01, the Directors of the Company have fixed November 19, 2007 as the Record Date for the determination of shareholders who are entitled to receive notice

of the Annual Meeting. Only shareholders on record at the close of business on November 19, 2007 are therefore entitled to receive Notice of the Annual Meeting. A list of such shareholders will be available for examination by shareholders at the Registered Office of the Company during usual business hours.

Proxies

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

Dividend

A final dividend of \$2.00 declared for the financial year ended September 30, 2007 will be payable on November 30, 2007 to shareholders at the close of business on November 13, 2007.

Documents Available for Inspection

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

corporate information

Directors

Chairman

Ronald F. deC. Harford, *FC.I.B., FI.B.A.F., FC.A.B.F.I.*

Managing Director

David J. Dulal-Whiteway, *B.Sc. (Mgmt. Studies),
MBA, C.G.A.*

Deputy Managing Director

Gregory I. Thomson, *B.Sc. (Maths. & Physics), MBA*

Executive Director

Nigel M. Baptiste, *B.Sc. (Hons) (Econ.), M.Sc. (Econ.), A.C.I.B.*

William R. Aguiton, *Humming Bird (Gold)*

Bernard S. Dulal-Whiteway, *FC.C.A., C.A.*

Thomas R. Evans, *FC.C.A., C.A.*

George L. Lewis, *B.Sc., MS (Petroleum Eng)*

William P. Lucie-Smith, *M.A., F.C.A.*

Russell Martineau, *S.C., LL.M.*

Razai A. Rahaman

Chandrabhan Sharma, *B.Sc. (Eng.), M.Sc., Ph.D.*

Bhoendradatt Tewarie, *B.A., M.A., Ph.D.*

Marjorie Thorpe, *Ph.D.*

Corporate Secretary

Jacqueline H. C. Quamina, *LL.B., M.A., MBA*

Assistant Secretary

Gregory I. Thomson, *B.Sc. (Maths. & Physics), MBA*

Registered Office

Republic House

9–17 Park Street

Port of Spain

Trinidad and Tobago, West Indies

Group Head Office

Republic House

9–17 Park Street

Port of Spain

Trinidad and Tobago, West Indies

Swift: RBNKTTPX

Email: email@republictt.com

Internet: <http://www.republictt.com>

Registrar

Trinidad and Tobago Central Depository
Limited

10th Floor, Nicholas Tower

63–65 Independence Square

Port of Spain

Trinidad and Tobago, West Indies

Attorneys-at-Law

Pollonais, Blanc, de la Bastide & Jacelon
Pembroke Court

17–19 Pembroke Street

Port of Spain

Trinidad and Tobago, West Indies

J.D. Sellier & Company

129–131 Abercromby Street

Port of Spain

Trinidad and Tobago, West Indies

Hobsons

Hobsons Court

13–17 Keate Street

San Fernando

Trinidad and Tobago, West Indies

Auditors

Ernst & Young Services Limited

5–7 Sweet Briar Road

St. Clair

Port of Spain

Trinidad and Tobago, West Indies

Garvin S. Akeung, Cheryl F. Greaves, Karen Yip Chuck, John Tang Nian



*executive management
team*

Garvin S. Akeung

*General Manager, Corporate Operations & Process
Improvement*

Cheryl F. Greaves

*Managing Director/Corporate Secretary,
Republic Finance and Merchant Bank Limited*

Karen Yip Chuck

General Manager, Internal Audit

John Tang Nian

*General Manager Designate, Corporate Operations
and Process Improvement*

Geoffrey Clarke, Anna-María García-Brooks, Anthony Wong

Geoffrey Clarke

General Manager, Risk Management

Anna-María García-Brooks

*General Manager, Group Marketing &
Communications*

Anthony Wong

*General Manager, Information Technology
Management*



Andrea Taylor-Hanna, Charles A. Mouttet, Jacqueline H.C. Quamina



Andrea Taylor-Hanna

General Manager, Planning & Financial Control

Charles A. Mouttet

*General Manager, Trust & Asset Management
Division*

Jacqueline H.C. Quamina

Group General Counsel/Corporate Secretary

*executive management
team*

Roopnarine Oumade Singh, Ian R. DeSouza, Charmaine Caballero, Derwin M. Howell

Roopnarine Oumade Singh

General Manager, Treasury

Ian R. DeSouza

General Manager, Corporate Business

Charmaine Caballero

General Manager, Human Resources

Derwin M. Howell

General Manager, Commercial & Retail Banking



consolidated financial summary

	2007	Restated 2006	2005	2004	2003
	\$'000	\$'000	\$'000	\$'000	\$'000
Total assets (Note 1)	37,362,145	35,060,648	31,629,603	28,558,635	25,806,430
Customers' deposits	24,245,419	22,228,552	19,542,126	17,836,975	15,356,205
Advances	19,917,392	17,310,407	15,217,362	13,746,014	11,918,022
Stated capital	552,486	537,104	504,141	481,243	481,243
Shareholders' equity (Note 2)	4,861,873	4,390,158	4,175,135	3,706,848	3,304,827
Actual number of shares	160,172	159,994	159,394	159,032	159,032
Weighted average number of shares	160,090	159,736	159,291	159,032	159,026
Profit after taxation and minority interest	1,335,689	637,054	803,500	663,747	583,714
Dividends based on the results of the financial year	470,906	399,985	358,405	318,064	286,258
Dividends paid during the year	427,305	359,168	329,476	310,113	209,908
Earnings per share	\$8.34	\$3.99	\$5.04	\$4.17	\$3.67

(1) Total assets and liabilities exclude AGIC

(2) Shareholders' equity includes dividends paid only

group financial highlights & calendar

Results for the year ended 30th September, 2007	2007 \$'000	Restated 2006 \$'000	Change %
Profit before taxation	1,683,991	958,990	75.6
Profit after taxation	1,425,805	733,026	94.5
Profit attributable to shareholders	1,335,689	637,054	109.7
Return on average assets	3.69%	1.91%	93.0
Return on average shareholders' equity	28.87%	14.91%	93.7
At Year End			
Assets	37,362,145	35,060,648	6.6
Advances	19,917,392	17,310,407	15.1
Deposits	24,245,419	22,228,552	9.1
Stated capital	552,486	537,104	2.9
Total shareholders' equity	4,861,873	4,390,158	10.7
Information Per Share			
Earnings	\$8.34	\$3.99	109.0
Dividends based on the results of the financial year	\$2.94	\$2.50	17.6
Dividends paid during the year	\$2.67	\$2.25	18.7
Actual Number of Shares	160,172	159,994	0.1
Other Statistics at Year End			
Number of Shareholders	10,778	10,778	
Number of Branches -			
Republic Bank Limited	40	40	
Number of Employees -			
Republic Bank Limited (Parent Only)	2,850	2,859	

FINANCIAL CALENDAR

Dividend Payments

- Final dividend for year ended 30th September, 2007 November 2007
- Interim dividend for year ending 30th September, 2008 June 2008

Results

- Publication of results for first quarter to 31st December, 2007 January 2008
- Publication of results for half year to 31st March, 2008 April 2008
- Publication of results for third quarter to 30th June, 2008 July 2008
- Publication of results for year ending 30th September, 2008 November 2008
- Report and accounts mailing November 2008
- Annual meeting December 2008

Nigel M. Baptiste, Gregory I. Thomson, Ronald F. deC. Harford,



board of directors

Gregory I. Thomson, *B.Sc. (Maths & Physics), MBA*

Gregory I. Thomson is the Deputy Managing Director of Republic Bank Limited.

Mr. Thomson is a career banker with over thirty years experience in banking and finance in Trinidad and Tobago. Mr. Thomson holds a Bachelor of Science Degree in Mathematics and Physics from The University of the West Indies and a Master of Business Administration (MBA) degree from the University of Western Ontario, Canada.

Ronald F. deC. Harford, *FC.I.B., FI.B.A.F., F.C.A.B.F.I.*

Ronald F. deC. Harford, Chairman of Republic Bank Limited, is a career banker, who has celebrated over forty-three years of service with Republic Bank Limited.

Mr. Harford is a Fellow of the UK Chartered Institute of Bankers, the Institute of Banking of Trinidad and Tobago and the Caribbean Association of Banking and Finance. He is the Chairman of The University of the West Indies (UWI) Development and Endowment Fund, serves as the Financial Advisor of the Red Cross Society of Trinidad and Tobago and is Campaign Chairman for 2007 for the International Charity Body, United Way. Mr. Harford is a member of the Board of Directors of the Arthur Lok Jack Graduate School of Business-University of the West Indies and the Caribbean Information & Credit Rating Services Limited. He is a past President of the Bankers Association of Trinidad and Tobago.

Nigel M. Baptiste, *B.Sc. (Hons.) (Econ.), M.Sc. (Econ.), A.C.I.B.*

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

David J. Dulal-Whiteway, Razai Azard Rahaman, William R. Aguiton,

David J. Dulal-Whiteway, *B.Sc. (Mgmt. Studies), MBA, C.G.A.*

David J. Dulal-Whiteway, Managing Director has been a banker for the past twenty years. He is a graduate of the University of the West Indies (UWI) and the University of Western Ontario and sits on several Boards within the Republic Bank Group. He is also the Chairman for The Enrichment and Enhancement of Life (FEEL).



Razai Azard Rahaman

Razai Azard Rahaman has been the Chairman of the Rahamut Group of Companies since 1974. In 2002 he joined the Board of Directors of I.G.L. Limited in Jamaica. He is the Honorary Consul General of Bangladesh for Trinidad and Tobago and President of the Liquefied Petroleum Gas Dealers Association Limited.

William R. Aguiton

William R. Aguiton's career with Hilton International spanned 37 years. He is Chairman of the Board of Governors of the Trinidad and Tobago Hospitality and Tourism Institute and a Director of Berger Paints Trinidad Limited. He is also the holder of the Humming Bird Medal (Gold) for loyal and dedicated service to Trinidad and Tobago in the sphere of hospitality and tourism.



George Leonard Lewis, Thomas R. Evans, Russell Martineau



board of directors

George Leonard Lewis, B.Sc., MS. (Petroleum Eng.)

George Leonard Lewis has been active in the petroleum industry for over thirty years. He continues to retain close ties to the energy-based industries and is also involved in other areas of business. Mr. Lewis is a member of the Board of Directors of East Caribbean Financial Holdings Company Limited and Bank of St. Lucia International Limited.

Thomas R. Evans

Thomas Evans is a retired Fellow of The Chartered Association of Certified Accountants of the United Kingdom and was a founding member of the Institute of Chartered Accountants of Trinidad and Tobago.

Mr. Evans practised as a Partner at Ernst & Young for thirty years and was responsible for the Assurance work on Financial Institutions. He served two terms as a Director of the Central Bank of Trinidad and Tobago and is a Director of Agostini's Limited.

Russell Martineau, SC, LL.M.

Russell Martineau has been a Senior Counsel since 1993 and is a member of the Bar in England, Wales, Barbados, Antigua, St. Lucia, St. Vincent, Grenada, Dominica and Trinidad & Tobago. Mr. Martineau is Chairman of the Board of Directors of Tobago Plantations Limited and a member of the Boards of Directors of Home Construction Limited, Caribbean Finance Company Limited and several other companies. He is Chairman of the A.N.R. Robinson Library, Museum and Ethics Centre and President of the Law Association of Trinidad and Tobago.

Bhoendradatt Tewarie, William P. Lucie-Smith, Chandrabhan Sharma

Bhoendradatt Tewarie, *BA, MA, Ph.D.*

Dr. Bhoendradatt Tewarie is Pro-Vice Chancellor for Planning and Development at The University of the West Indies and founding Director of the Institute of Critical Thinking at the University. He served as Principal of the St. Augustine Campus of The University of the West Indies for six years and was Executive Director of the Institute of Business (now Arthur Lok Jack Graduate School of Business) for nine years. Dr. Tewarie is a Board member of the Caribbean Examinations Council (CXC) and also serves on the Boards of CL Financial Limited and the Trinidad Publishing Company.

William P. Lucie-Smith, *MA, F.C.A.*

William Lucie-Smith is a retired Senior Partner of PricewaterhouseCoopers Trinidad where he headed its Corporate Finance and Recoveries practice. He is a chartered accountant and holds an MA from Oxford University in Philosophy, Politics and Economics. He has extensive experience in mergers and acquisitions, taxation and valuations.

He currently serves as an independent non-executive director on a number of Boards including Neal and Massy Holdings Limited, Sagicor Financial Corporation and Caribbean Airlines Limited. He has recently been appointed to the Board of Governors of the Heritage and Stabilization Fund.



Dr. Chandrabhan Sharma, *B.Sc. (Eng), M.Sc., Ph.D.*

Dr. Chandrabhan Sharma is a Senior Lecturer and Deputy Dean of the Faculty of Engineering at The University of the West Indies (UWI), St. Augustine. He is the Leader of the Energy Systems Group in the Faculty of Engineering, UWI and the Head of the Centre for Energy Studies at the Engineering Institute. Dr. Sharma is also a member of the Board of Directors of Tricon, The Trinidad and Tobago Electricity Commission, the Barbados Mortgage and Finance Company and the BNB Finance and Trust Company.

Marjorie Thorpe, Bernard S. Dulal-Whiteway



board of directors

Dr. Marjorie Thorpe, *Ph.D.*

Dr. Marjorie Thorpe is a former University Dean of the Faculty of Arts and General Studies at The University of the West Indies. She is the Chancellor's nominee on the St. Augustine Campus Council of The University of the West Indies and currently chairs the Fulbright 2000 Academic Screening Committee and the Principles of Fairness Committee.

Bernard S. Dulal-Whiteway, *FC.C.A., C.A.*

Bernard S. Dulal-Whiteway is the Chief Executive Officer of the Neal & Massy Group of Companies.

He is a member of the Institute of Chartered Accountants of Trinidad and Tobago and a Fellow of the Association of Certified Accountants of the United Kingdom.

Mr. Dulal-Whiteway is the Honorary Consul General of the Republic of Korea for Trinidad and Tobago, the Chairman of Yara Trinidad Limited, Tringen Limited and a member of the Boards of Directors of United Way of Trinidad and Tobago and Telecommunications Services of Trinidad and Tobago Limited.

directors' report

Your Directors have pleasure in submitting their Report for the year ended September 30, 2007.

Financial Results & Dividends

The Directors report that the Group's profit after taxation and minority interest for the year ended September 30, 2007 amounted to \$1,336 million.

The Directors have declared a dividend of \$2.00 per share for the year ended September 30, 2007. A half-year dividend of 94¢ per share was paid on May 29, 2007 making a total dividend on each share of \$2.94 (2006: \$2.50).

Substantial Interest in Share Capital as at September 30, 2007

	Ordinary Shares
Colonial Life Insurance Company Limited	52,251,340
National Insurance Board	21,386,866
CLICO Investment Bank Limited	18,306,745
Trintrust Limited	14,131,371
First Company Limited	14,025,730

A substantial interest is a holding of 1/20th or more of the issued Share Capital of the Bank.

Directors' Interest

Set out below are the names of the Directors with an interest in the Company at September 30, 2007 together with particulars of their holdings.

Director	Beneficial Interest	Non-Beneficial Interest
William R. Aguiton	2,150	Nil
Nigel M. Baptiste	7,718	Nil
Bernard S. Dulal-Whiteway	5,000	Nil
David J. Dulal-Whiteway	31,321	Nil
Thomas R. Evans	Nil	Nil
Ronald F. deC. Harford	124,574	Nil
George L. Lewis	3,573	Nil
William P. Lucie-Smith	2,000	Nil
Russell Martineau	1,000	Nil
Razai Azard Rahaman	Nil	Nil
Chandrabhan Sharma	1,000	Nil
Bhoendradatt Tewarie	Nil	Nil
Gregory I. Thomson	29,115	Nil
Marjorie Thorpe	1,000	Nil

directors' report

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

Directors

In accordance with by-law No. 1, Paragraph 4.4, Razai Azard Rahaman retires from the Board by rotation and being eligible offers himself for re-election for a term expiring at the close of the first annual meeting following this appointment.

In accordance with by-law No. 1, Paragraph 4.4, Bernard S. Dulal-Whiteway, Ronald F. deC. Harford, Chandrabhan Sharma and Gregory I. Thomson, retire from the Board by rotation and being eligible offer themselves for re-election for a term expiring at the close of the third annual meeting following this appointment.

Community Involvement

Five years ago, Republic Bank launched the Power to Make A Difference programme – a social responsibility initiative which embraces a vision of an empowered elderly and indigent through the Power to Care and to Help; and an equally empowered youth population through the Power to Learn and Achieve.

With a pledge of TT\$50 million to be disbursed in four Caribbean territories over five years, the programme places major emphasis on youth development through the avenues of education, sport and culture. Collaboration with various charitable organizations facilitates programmes that seek to alleviate poverty, empower the disenfranchised and care for the elderly and differently-abled.

During the fourth phase 2006/2007, Republic Bank committed over TT \$10 million throughout the region covering programs such as the UWI Cave Hill Campus Creative Arts Centre in Barbados, Republic RightStart Cup in Grenada, and Trinidad and Tobago Promenade Gardens Rehabilitation Program in Guyana and the Walk Tall Rehabilitation Programme for first time offenders in Trinidad and Tobago.

Auditors

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

By order of the Board



Jacqueline H. C. Quamina

Corporate Secretary

November 8, 2007

Ronald F. deC. Harford



chairman's review

Once again, I am pleased to report on the commendable performance of the Republic Group. These results are reflective of the execution of well thought out strategies and the implementation of sound management policies throughout the Group. The Management and staff must be congratulated for what is an outstanding performance.

World economic growth remains relatively buoyant and is estimated at 5.2% in 2007. China and India continue to lead growth among emerging nations, while the European Union showed modest growth. The rapid pace of global development has kept commodity prices buoyant, with energy, food and metals having perhaps the most significant global impact. Movement towards greater free trade seems to have stalled, with negotiations at the World Trade Organisation (WTO) being bogged down by disagreements over intellectual property rights and agricultural subsidies. Notwithstanding, growth prospects remain robust, with the latest International Monetary Fund's (IMF's) "World Economic Outlook" projecting a growth rate of 5.2% in 2008.

Regionally, growth prospects have been challenged by the uncertainty in the US economy and the continued decline of the dollar, although the latter has created export opportunities in Europe for the Caribbean. Caribbean countries are expected to register reasonable growth in 2007 of 4.8%, lower than the 5.6% of 2006, but still encouraging. The region is set to complete an Economic

chairman's review

Partnership Agreement, to replace the existing Cotonou Trade Agreement, with the European Union by January 2008.

Looking a little closer at the markets within which we operate, the Barbados economy experienced another year of solid performance on the strength of construction, transport and services. Growth of just above 4% is expected for 2007 (2006: 3.5%). Inflationary pressures have eased somewhat, with the inflation rate projected to average 5% this year, down from 7% in 2006. Unemployment rates are also projected to remain in single digits into 2008. Whilst the Government continues to put policies in place to manage the current account deficit, strong domestic demand continues to challenge its efforts. On the political front, general elections are constitutionally due in 2008.

In Grenada, reconstruction work following the destruction caused by Hurricane Ivan is just about complete. Agriculture is not expected to recover for some time and the country is placing more emphasis on tourism. The economy should expand by approximately 2.5% in 2007, up from the 3.5% decline in 2006. While the Government is taking some action to get the country's debt repayment under control, public debt is still well in excess of 100% of its GDP. Inflation is forecasted to ease to around 2.5% in 2007 from just under 4% in 2006.

Following the economic recovery in 2006, the Guyana economy is again poised to

register a similar growth rate of 4.7% for 2007. Inflation will edge higher than 7.2%, fuelled by the introduction of Value Added Tax and the expansion in credit. During the year, the country received shipments of crude oil under the Petro Caribe agreement with Venezuela. Given the soft loan facility which the deal affords, the country should benefit from the short-term price reprieve.

In Trinidad and Tobago the economy recorded its fourteenth consecutive year of economic growth, increasing by an estimated 5.5% in 2007, following the 12.2% spike experienced in 2006. Last year's significant output was occasioned by capacity increases across the petrochemical industry. The country's ongoing construction drive reflects Government's investment in the upgrade of the country's public infrastructure. The unemployment rate stands at just above 5% which, according to the Government, is essentially full employment. This situation has impacted on the availability of labour in all segments and hence on wage inflation. Over the last eighteen months there has been an increase in the inflation rate with some moderation over the last quarter as the Central Bank's ongoing aggressive liquidity absorption policies take hold. Inflationary pressures are still strong though, and with continued high levels of Government spending, this is expected to persist into 2008.

Facilitated by elevated energy prices, the country's balance of payments surplus

Regionally, growth prospects have been challenged by the uncertainty in the US economy and the continued decline of the dollar, although the latter has created export opportunities in Europe for the Caribbean. Caribbean countries are expected to register reasonable growth in 2007 of 4.8%, lower than the 5.6% of 2006, but still encouraging.

remains strong and these revenue streams, coupled with planned transfers, should see the Heritage and Stabilization Fund at approximately \$12 billion by the end of September 2007.

Rising price levels and escalating levels of crime continue to remain two main areas of national concern. The Government has to ensure that these challenges are adequately addressed and that a sustainable long-term policy is put in place to see the country achieve its full potential.

Overall the strength of the economies within which we operate, provides a sound backdrop for the Group's continued growth.

I wish to thank all the valued stakeholders of this organization for their continued support, loyalty and dedication throughout the year.

David J. Dulal-Whiteway



managing director's report

It is with great pleasure and a sense of achievement that I report that the Bank has recorded a profit attributable to shareholders of \$1.3 billion, a 110% increase over last year. This performance has been bolstered by a realized gain of \$370 million on the sale of our shareholding in FirstCaribbean International Bank (FCIB). If we discount the impact of our investment in FCIB our profit on core performance is \$966 million, a very respectable increase of 19% over last year. Based on these results the Directors have agreed to a final dividend for 2007 of \$2.00 bringing the total dividend for the year to \$2.94 per share.

On October 5th 2007, our remaining banking operations in the Dominican Republic were sold and we commenced the process of dissolving Republic Bank (DR) S.A. A lot has been learnt from our experience in the Dominican Republic and although the outcome was not what we expected, the experience will certainly inform our deliberations as we continue to explore opportunities for expansion of the Group in the region.

The Group's overall performance bears testimony to our focus on our core competencies, our emphasis on the customer and our strength in executing the basic elements of our corporate strategy. We have focused on improved productivity, astute asset/liability management, measured growth with risk mitigation and superior customer service.

The Group's overall performance bears testimony to our focus on our core competencies, our emphasis on the customer and our strength in executing the basic elements of our corporate strategy. We have focused on improved productivity, astute asset/liability management, measured growth with risk mitigation and superior customer service.

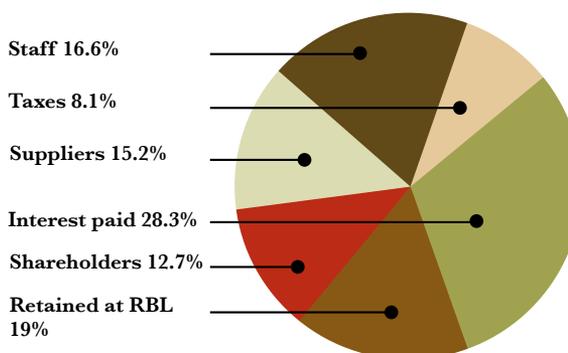
An analysis of our financial performance reveals that we have been able to improve our productivity, measured by reducing our cost to income ratio from 47% to 45%. We have grown our Advances portfolio by 15% and our revenue base by 17%. We continue to be very diligent in managing our non-performing loan portfolio which now stands at a low 2% of total loans. Our continuous surveys of customers and a lot of anecdotal information tell us that our service is second to none in the financial sector.

Financial performance is one measure of success for a corporation and, of course, without it, we cannot survive. However, as a member of the communities in which we operate we must add value to these communities. At Republic, we are proud to state that we seek to add value beyond the pure financial performance.

The Group operates in seven countries, serving over one million customers, employing four thousand, two hundred and eighty-one staff, providing countless business opportunities to our suppliers in these jurisdictions and supporting the many Governments through the taxes that accrue because of our consistent high performance.

Of the \$3.7 billion gross revenue earned by the Group in 2007, \$1.0 billion, (28 %) was paid out as interest to depositors, \$615 million (17%) to staff as salaries and other benefits, \$547 million (15%) to suppliers, \$471 million (13%) to shareholders as dividends and \$300 million (8%) to Governments as

Distribution of Total Revenue – 2007*



*Excludes Gain on sale of FCIB shareholding

taxes. Minority shareholders also benefited to the value of \$90 million (2%).

As the chart indicates, approximately 81% of our revenues earned are distributed to our stakeholders hence giving back to the societies that support our very existence. Whether these distributions are in the form of taxes, interest payments to customers, salaries to staff or dividends to shareholders, the Bank contributes significantly to economic growth and development in the Caribbean.

Additionally we are particularly proud of our philanthropic endeavours through our “Power to Make a Difference” programme. This programme is targeted at certain key areas namely poverty alleviation and health, and youth development through education, sport and culture. This year alone we disbursed over ten million dollars throughout the region covering programmes such as

manager director's report

the UWI Cave Hill Campus Creative Arts Centre in Barbados, Republic RightStart Cup in Grenada, and Trinidad and Tobago, Promenade Gardens Rehabilitation Programme in Guyana and The Walk Tall Rehabilitation Programme for first time offenders in Trinidad & Tobago. Over the last five years the “Power to Make a Difference” programme has invested over fifty million dollars in the communities we serve. Over the next five years we pledge to substantially increase our commitment to this programme.

One of the cornerstones of our successful performance is our commitment to deliver the highest levels of service in the industry to our valued customers. This year, continuing in our pursuit of steady improvement in our service level we achieved the Service Excellence Designation from the Ontario Tourism Designation Organisation (OTEC), reaffirming our nonpareil pledge to delivering customer service excellence. We also continue to invest in infrastructure to improve service delivery to customers and this year invested \$30 million in our online banking service. This new service channel is essential as we forge stronger relationships with our customers and deliver on our pledge to provide superior service.

This year Standard & Poor's upgraded the Bank's counterparty credit rating from BBB-/A-3 to BBB/ A-2 and reaffirmed our stable rating outlook. This upgrade stemmed from the Bank's sound overall financial condition. It is indeed encouraging to have a premier rating agency recognize our progress in achieving all-round improvement.

We were also adjudged the “Best Bank in Trinidad & Tobago” for 2007, by the Euromoney magazine, based on our quality service, outstanding performance, innovation, and the momentum demonstrated in this market. For an unprecedented fourth consecutive time in its history, Republic Bank has also been chosen Global Finance's “Best Emerging Market Bank 2007” in Trinidad and Tobago.

Republic Bank Ltd is owned by Caribbean people and operated by Caribbean people. We have a vision and mission that are rooted in the growth and development of the economies and societies in which we operate. We have had a long period of growth and success. We have focused our strategies on creating a world-class financial institution operating under prudent policies and adding value to the communities that we serve. We can, without contradiction, state that we have been achieving these goals. Our past success is a testimony of the capability of an indigenous institution to compete successfully.

We remain steadfast in our commitment to promoting development, building societies, sustaining growth and adding value to our stakeholders.

In ending, I wish to thank the Board of Directors for their keen oversight of the Group, their leadership and support through the year. I also wish to thank our customers and shareholders for their continued patronage and our management and staff for their hard work and dedication in making these excellent results a reality.

group profile

Subsidiaries

TRINIDAD AND TOBAGO

Republic Finance and Merchant Bank Limited 100%

Merchant Bank

Republic Securities Limited 100%

Securities Brokerage Company

London Street Project Company Limited 100%

Facilitate Financing of Property Development Projects

Republic Investments Limited 100%

Investment-Management Company

BARBADOS

Republic Bank Trinidad and Tobago (Barbados) Limited 100%

Offshore Bank

Barbados National Bank Inc. 65.1%

Commercial Bank

CAYMAN ISLANDS

Republic Bank (Cayman) Limited 100%

Offshore Bank

Republic Insurance Company (Cayman) Limited 100%

Insurance Company

group profile

GRENADA

Republic Bank (Grenada) Limited 51%

Commercial Bank

The Botanical Gardens Project Company Limited 100%

Facilitate Financing of Property Development Projects

GUYANA

Republic Bank (Guyana) Limited 51%

Commercial Bank

ST. LUCIA

Republic Caribbean Investments Limited 100%

Investment Company

Associated Companies

TRINIDAD AND TOBAGO

Infolink Services Limited 25%

Financial Transactions Switching Company

G4S Security Services Limited 24.5%

Security Company

The Home Mortgage Bank Limited 24%

Secondary Mortgage Company

ST. LUCIA

East Caribbean Financial Holding Company Limited 20%

Provider of Financial Services

Head Office

Republic House,
P.O. Box 1153, 9–17 Park Street,
Port of Spain, Trinidad, West Indies

Tel: 1-868-625-4411, 1-868-623-1056

Fax: 1-868-624-1323

Swift: RBNKTTTPX

Email: email@republictt.com

Internet: http://www.republictt.com

Executive Management**Managing Director**

David J. Dulal-Whiteway, *B.Sc. (Mgmt. Studies),
MBA, C.G.A.*

Deputy Managing Director

Gregory I. Thomson, *B.Sc. (Maths. & Physics), MBA*

Executive Director

Nigel M. Baptiste, *B.Sc. (Hons.) (Econ.), M.Sc. (Econ.),
A.C.I.B.*

**Managing Director/Corporate
Secretary, Fincor**

Cheryl F. Greaves, *B.Sc. (Mgmt. Studies), F.C.C.A., C.A.*

**Group General Counsel/Corporate
Secretary**

Jacqueline H.C. Quamina, *LL.B., MA, MBA*

**General Manager, Commercial &
Retail Banking**

Derwin M. Howell, *B.Sc. (Elec. Eng.), M.Sc. (Telecom.),
MBA, C. Eng., MIEE, MIEEE*

General Manager, Corporate Business

Ian R. De Souza, *B.Sc. (Econ.) Dip. (Mgmt.), MBA*

**General Manager, Corporate
Operations & Process Improvement**

Garvin S. Akeung

**General Manager Designate, Corporate
Operations & Process Improvement**

John Tang Nian, *Dip. (Business Mgmt.)*

**General Manager, Group Marketing &
Communications**

Anna-María García-Brooks, *Dip. (Mass Media &
Comm.), Dip. (Business Mgmt.), MBA*

General Manager, Human Resources

Charmaine Caballero, *BA (Econ./Maths.), MBA*

**General Manager, Information
Technology Management**

Anthony Wong, *MBA, Dip. (Mgmt.)*

General Manager, Internal Audit

Karen Yip Chuck, *B.Sc. (Hons.) (Econ.), A.C.I.B.,
Dip. (Business Admin.), MBA, CIA*

**General Manager, Planning &
Financial Control**

Andrea Taylor-Hanna, *F.C.C.A., C.A., Dip. (Business
Mgmt.)*

General Manager, Risk Management

Geoffrey Clarke, *BA (Hons.) (Econ.)*

General Manager, Treasury

Roopnarine Oumade Singh, *B.Sc. (Econ.),
M.Sc. (Econ.), MBA*

**General Manager, Trust & Asset
Management**

Charles A. Mouttet, *A.C.I.B.*

group profile

Head Office Departments

Administration

Administration Manager

Sonia Hafëez, *Dip. (Business Mgmt.)*

Assistant Manager, Administration (Acting)

Valini Rajballie, *A.C.I.B.*

Branch Support Services

Manager

Marilyn Penco

Business Systems & Process Improvement

Senior Manager

Lennox Mulrain, *BA, MBA, FCIM*

Assistant Manager

Patricia Roberts, *Dip. (Business Mgmt.)*

Manager, Business & Process Analysis (Acting)

Antonia Dickson-Frederick, *B.Sc. (Accounting), Dip. (Bkg.)*

Centralised Credit Unit

Credit Manager

Lynette Lambert, *Dip. (Business Mgmt.)*

Centralised Securities Unit

Robert Sharpe, *Dip. (Business Mgmt.)*

Commercial & Retail Banking

Regional Sales Manager (North)

Joanne Milford-Walcott

Regional Sales Manager (South)

Gloria Anthony, *A.C.I.B., MBA*

Regional Sales Manager (East/Central/Tobago)

Gary Darwent, *B.B.A., A.C.I.B., Dip. (Business Mgmt.)*

Manager, Customer Care

Michelle Durity, *B.Sc. (Finance), A.C.I.B., Dip. (Business Mgmt.)*

Branch Sales Manager (Relief)

Christopher Eugene, *Dip. (Business Mgmt.)*

Branch Sales Manager (Relief)

Najette Abraham, *Dip. (Business Mgmt.)*

Economic Intelligence Unit

Senior Economist

Ronald Ramkissoon, *B.Sc. (Hons.) (Econ.), M.Sc. (Econ.), Ph.D. (Agri. Econ.)*

Group Marketing & Communications

Senior Manager

Larry Olton, *B.Sc. (Mgmt.), MBA*

Manager, Corporate Communications

Tisha Lee, *B. Comm. (Marketing)*

Marketing Manager, Channel Management

Ayannah Mills, *M.Sc. (Project Mgmt.), Pg.D (Marketing)*

Marketing Manager, Planning & Research

Marsha O'Neal, *B.Sc. (Sociology & Mgmt. Studies), MBA*

Marketing Manager, Product Management

Peter Adam, *Dip. (Business Mgmt.)*

Marketing Manager, Product Management (Acting)

Wendy Anne Bosse, *B.Sc. (Hons.) (Mgmt. Studies), A.I.C.B.*

Project Manager, Project WINS

Michelle Palmer-Keizer, *M.A.B.E., Adv. Dip.*

(Marketing Mgmt.)

Human Resources

Senior Manager

Denise Boodram, *ADHRM, MBA*

Industrial Relations Manager

Stephanie Fingal, *BA (Hons.) (Mgmt. and History)*

Assistant Manager, Industrial & Employee Relations

Wayne Forde, *ADHRM*

Manager, Compensation & Benefits

Shaheeba Adam, *Dip. (Business Mgmt.)*

Manager, HRIS

Emerson Dixon, *Dip. IMIS*

Manager

Addison Mitchell, *B.Sc. (Computer Science & Mgmt.)*

HND (Computer Studies), Dip. (Computer Studies)

Manager, Manpower Planning (Acting)

Anneleise Thomas, *B.Sc. (Sociology with HR Mgmt.)*

Internal Audit

Assistant General Manager

Seemungal Uttamsingh, *B.Sc. (Industrial Mgmt.),*

Dip. (Business Mgmt.), CIA

Senior Manager

Shanti Ramdhaney, *MBA, F.C.I.B., Dip. (Mgmt.)*

Manager, Commercial and Retail Banking, Audits

Farina Karim-Ragbir, *Dip. (Business Mgmt.)*

Manager, Commercial and Retail Banking, Audits

Hamida Lennard, *Dip. (Business Mgmt.)*

Manager, Corporate Activities, Audits

Andrea Kurbanali, *Dip. (Financial Mgmt.)*

Manager, Finance Audits

Joy Inniss, *FC.C.A.*

Manager, Professional Practices

Yuklin Jones, *Dip. (Business Mgmt.)*

Manager, Systems & Computers

Franklyn Harracksingh, *B. Comm., C.I.S.A.*

Manager

Michael Walcott, *BA (Accounting)*

Legal

Assistant Manager, Legal Services

Janelle Bernard, *LL.B. (Hons.), L.E.C.*

Assistant Manager, Legal Services

Kimberly Erriah, *LL.B. (Hons.), L.E.C.*

Assistant Manager, Legal Services

Ayanna Mc Gowan, *LL.B. (Hons.), L.E.C.*

Loan Delivery Centre

Manager

Suresh Supersad, *Dip. (Business Mgmt.)*

Assistant Manager

Grace Wei, *B.Sc. (Financial Services), A.C.I.B., Dip. (Business Mgmt.)*

group profile

Operational Risk

Senior Manager

Wayne Gomes, *Dip. (Business Mgmt.)*

Manager, Business Continuity Planning

Kamal Sonnylal, *CBCP*

Manager, IT Security

Roshan Mohammed, *B.Sc. (Mgmt. of Info Systems),
AIDPM*

Assistant Manager, IT Security

Adesh Rampat, *B.Sc. (Electronics Eng), Pg.D. (MIS)*

Planning & Financial Control

Group Chief Accountant

Hamant Lalla, *F.C.C.A., MBA (Finance)*

Manager, Finance – Bank

Riah Dass, *A.C.C.A., B.Sc. (Accounting)*

Manager, Finance – Group

Marsha McLeod-Marshall, *A.C.C.A.*

Manager, Management Reporting & Planning

Leisel Davis-Seepaul, *F.C.C.A., Dip. (Business Mgmt.)*

Premises

Premises Manager

Mark Bishop, *B. Eng. (Civil Eng), Dip. (Business Mgmt.)*

Assistant Manager

Marvin Sinanan, *B.Sc. (Civil Eng)*

Regional Operations

Assistant General Manager

Richard Tom Yew, *Dip. (Business Mgmt.)*

Risk Management

Senior Credit Manager

Vijai Ragoonanan, *C.A., B.Sc. (Mgmt. Studies), M.Sc.
(Acct.), Dip. (Business Mgmt.)*

Credit Manager

Dennis Kurbanali, *A.C.I.B., MBA*

Credit Manager

Lisa Maria Parmassar-Bain, *B.Sc. (Econ. with
Acct.), MBA*

Special Projects

Project Manager, Transformation Initiatives

Anthony C. Subero, *LIDPM, Dip. (Business Mgmt.)*

Manager

Parasram Vicki Salickram, *C.A., A.C.C.A.*

Training & Development Centre

Manager, Training & Organisational Development

Corrine Brown, *B.Sc. (General), MBA (Marketing)*

Credit Card Centre

Assistant General Manager, Card Business

Robert Camps

Credit Manager

Carla Sylvester, *Dip. (Business Mgmt.)*

Manager, Customer Service

Sandra Dopson, *Dip. (Business Mgmt.)*

Operations Manager

Sandra Bahadursingh, *Dip. (Business Mgmt.)*

**Foreign Exchange Centre (Forex)/
Group Treasury**

Manager, Forex

Helen Babb, *Dip. (Business Mgmt.)*

Manager, Foreign Exchange & Dealing

Courtney Buckradee, *Dip. (Business Mgmt.)*

Manager, Money Market

David Robinson, *BA*

***Manager, Latin America Investments
(Acting)***

Baldath Ramkissoon, *B.Sc. (Mgmt.), MBA*

**Information Technology Management
Division**

Senior Manager, Technology Advancement

Denyse Ramnarine, *B.Sc. (Computer Science & Physics),
M.Sc. (Telecom.), Dip. (Business Mgmt.)*

Senior Manager, Technology Delivery

Aldrin Ramgoolam, *B.Sc. (Computer Science), Dip.
(Business Mgmt.)*

Manager, Business Applications

Lana Ramroop, *B.Sc. (Electrical & Computer Eng)*

Manager, Data Centre Services

Sabatry Ramnath, *B.Sc. (Hons.) (Computing)*

Manager, End User Services

Roy Logie, *B.Sc. (Electrical & Computer Eng), M.Sc.
(Computer Science)*

Manager, Project Execution

Marlon Persad, *B.Sc. (Computer Science), M.Sc. (Computer Science)*

Manager, Technology

Michael Bissram, *Dip. (Business Mgmt.)*

Manager, Technology Deployment

Darryl Headley, *B.Sc. (Computing)*

Manager, Technology Services

Judy Dhoray, *B.Sc. (Maths/Computer Science), M.Sc.
(Computer Science), MBA*

Trust & Asset Management Division

Manager, Finance

Ena Dalchan-Mahabir, *A.C.C.A.*

Manager, Investments

Steve Roberts, *B.Sc. (Hons.) (Mgmt. Studies)*

Manager, Investments

Giselle Busby, *B.Sc. (Mgmt. Studies)*

Manager, Trust Services

Desmond Mark, *Dip. (Business Mgmt.)*

Marketing Manager

Joanna Hospedales, *B.Sc. (Mgmt. Studies)*

Operations Manager

Savita Vishnu, *Dip. (Business Mgmt.) C.I.S.A.*

Manager

Steve Tilkaran, *Dip. (Business Mgmt.), IDPM, MBA*

Corporate Business Centres

Corporate Business Centre – East

Regional Corporate Manager

Wendy Mohammed, *B.Sc. (Hons.) (Econ.), A.C.I.B.*

Corporate Manager

Robert Thomas, *Dip. (Business Mgmt.)*

Credit Manager

Kimlan Cockburn, *A.I.B.F.*

group profile

Credit Manager

Roopmin Ramkissoon-Ramdeo, *A.C.I.B.*

Corporate Business Centre – North Regional Corporate Manager

Essahai Mohammed

Senior Corporate Manager, Government & Energy

Shri Baball, *Dip. (Business Mgmt.)*

Corporate Manager, Trade Finance

Mario Affonso, *Dip. (Business Mgmt.)*

Corporate Manager

Anthony Clerk, *Dip. (Bkg), Dip. (Business Mgmt.), MBA*

Corporate Manager

Amral Khan, *B.Sc. (Hons.) (Mgmt. Studies), Dip. (Business Mgmt.)*

Corporate Manager

Jean Mohammed

Corporate Manager

Susan Torry, *B.Sc. (Hons.) (Industrial Mgmt.), A.C.I.B.,
Dip. (Business Mgmt.)*

Credit Manager

Hassan Dookie

Corporate Manager

Kenneth Sebro, *MBA*

Credit Manager

Wendy Spencer

Corporate Business Centre – South/ Central

Regional Corporate Manager

Francis Rodrigues, *Dip. (Business Mgmt.)*

Corporate Manager

Chandra Ghuran, *Dip. (Bkg), Dip. (Business Mgmt.), MBA*

Corporate Manager

Ramish Maharaj, *A.C.I.B., Dip. (Business Mgmt.), MBA*

Corporate Manager

Krishendath Ramoutar, *F.C.C.A., C.A., B.Sc. (Hons.)
(Mgmt. Studies)*

Corporate Manager

Allison Cooper, *Dip. (Business Mgmt.)*

Corporate Manager

Parbatie Khan, *A.C.I.B., Dip. (Business Mgmt.), MBA*

Credit Manager

Ian Leonard, *B.Sc. (Hons.) (Mgmt. Studies)*

Credit Manager

Derek Mohammed, *Dip. (Business Mgmt.), A.C.I.B.*

Branch Sales Network

Arima

Shedley Branche, *B.Sc. (Hons.) (Mgmt.), MBA*

Centre City, Chaguanas

Indrani Ramkumar, *Dip. (Business Mgmt.)*

Cipero Street

Gabrielle Rooks

Couva

Diane Raghoo

Diego Martin/Glencoe

Lystra Daly, *Dip. (Business Mgmt.)*

Ellerslie Court

Brad Tom Yew, *B.Sc. (Marketing), MBA Finance*

Gulf CityAnn Marie Ghouralal, *Dip. (Business Mgmt.)****Harris Promenade***Feroza Khan-Abdul, *Dip. (Bkg), Dip. (Business Mgmt.)****High Street***

Farook Hosein

Independence Square

Savitri Kowlessar

Assistant Manager (Acting)***Independence Square***

Francisco Hernandez

Long Circular MallWendy Hay-Mc Letchie, *Dip. (Business Mgmt.)****Marabella***Sita Diaz, *Dip. (Business Mgmt.)****Mayaro/Rio Claro***Wendy Joseph, *Dip. (Business Mgmt.), A.I.C.B., MBA****Park Street/Belmont/Hilton***Paula Baldwin, *Dip. (Business Mgmt.)****Penal***Nirmala Seetaram-Harrilal, *Dip. (Bkg)****Pointe-a-Pierre***Dave Mansingh, *A.C.I.B., Dip. (Bkg)****Point Fortin***

Jemma Rampersad

Princes TownAnnette Wattie, *A.C.I.B., Dip. (Business Mgmt.)****Promenade Centre***Tressa Lawrence, *Dip. (Bkg), Dip. (Business Mgmt.)****Sangre Grande***Indar Cadan, *Dip. (Business Mgmt.)****San Juan***Rawle Manickchand, *Dip. (Business Mgmt.)****Siparia/Fyzabad***

Tarawatie Mohammed

Assistant Manager***Tobago***Vladimir Rampersad, *Dip. (Financial Mgmt.)****Tragarete Road***Ertha De Souza, *Dip. (Mgmt.)****Trincity Mall***Susan Williams, *Dip. (Business Mgmt.)****Tunapuna West/East***Hilton Hyland, *Dip. (Business Mgmt.)****U.W.I.***Cleopatra Joseph-Charles, *Dip. (Business Mgmt.)****Valpark/Grand Bazaar***Cheryl Phillips-Clement, *Dip. (Business Mgmt.)****Westmall/Crews Inn***Jennifer Ganess, *Dip. (Business Mgmt.)****Woodbrook***Shantie Ramoutar, *A.C.I.B.****Representative Office in Cuba******Cuba Representative***William White, *MBA (Finance), CIMA*

Godfrey Gosein, Ian Narine



Subsidiaries Trinidad & Tobago

Republic Securities Limited

Republic Securities Limited, formerly Reliance Stockbrokers Limited, was incorporated in Trinidad and Tobago on May 7, 1979. The Company is a member of the Trinidad and Tobago Stock Exchange Ltd. and is registered with the Trinidad and Tobago Securities and Exchange Commission.

The Company became a wholly owned subsidiary of Republic Bank Limited in February 2004.

Republic Securities Limited is a full service stockbroking firm which trades on the local stock exchange and via intermediaries on the regional and international stock markets. It specializes in financial planning, portfolio management and retirement planning.

Registered Office

1st Floor, Briar Place
10 Sweet Briar Road
St. Clair
Trinidad

Telephone: 1-868-622-8581

Fax: 1-868- 628-1364

E-mail: rslinfo@republictt.com

Website: www.republicsecuritiestt.com

Board of Directors***Chairman***

Gregory I. Thomson, *B.Sc. (Maths. & Physics), MBA*

Managing Director

Ian Narine, *FC.C.A.*

Cheryl F. Greaves, *B.Sc. (Mgmt. Studies), FC.C.A., C.A.*

Richard Lewis, *B.A. (Admin.)*

W. H. Pierpont Scott, *FC.C.A., C.A.*

Roopnarine Oumade Singh, *B.Sc. (Econ.),*

M.Sc.(Econ.), MBA

Jacqueline H. C. Quamina, *LL.B., MA., MBA*

Principle Officers***Stockbroker***

Ian Narine, *FC.C.A.*

General Manager

Godfrey Gosein

Trader

Judy Inness-Bernard

Anthony Jordan, Peter Forde, Cheryl F. Greaves



Subsidiaries Trinidad & Tobago

Republic Finance and
Merchant Bank Limited

Republic Finance and Merchant Bank Limited is a wholly owned subsidiary of the Republic Bank Group and was incorporated in 1971. Republic Finance and Merchant Bank Limited provides investment and merchant banking services on behalf of the Group locally and in the Caribbean region. Its core activities are:

1. Managing, arranging and underwriting issues of marketable securities, including stocks, shares and bonds
2. Structuring of medium and long term financing, consortium/syndicated loans and private equity funding
3. Project Financing, Project Implementation and Development and related Project Management Services
4. Equipment Leasing
5. Investment Banking Services
6. Consultancy and Advisory Services
7. Accepting short and medium term investment funds
8. Broker/Dealer Services – Eastern Caribbean Stock Exchange

Head Office

9–17 Park Street
Port of Spain
Trinidad and Tobago, West Indies.

Telephone: 1-868-623-1056

Fax: 1-868-624-1296

E-mail: email@republictt.com

Website: <http://www.republictt.com/fincor>

Directors

Chairman

David J. Dulal-Whiteway, *B.Sc. (Mgmt. Studies), MBA, C.G.A.*

Managing Director/Corporate Secretary

Cheryl F. Greaves, *B.Sc. (Mgmt. Studies), F.C.C.A., C.A.*

Gregory I. Thomson, *B.Sc. (Maths. & Physics), MBA*

Nigel M. Baptiste, *B.Sc. (Hons.), (Econ.), M.Sc. (Econ.), A.C.I.B.*

John Tang Nian, *Dip. (Business Mgmt.)*

Richard Lewis, *BA. (Admin.)*

Anthony Paul, *B.Sc. (Geology), M.Sc. (Geophysics)*

W.H. Pierpont Scott, *F.C.C.A., C.A.*

Management Team

Senior Manager, Merchant Banking

Anthony Jordan, *B.Sc. (Mgmt.), A.C.I.B., MBA*

Senior Manager, Project Financing

Peter Forde, *B.Sc. (Civil Eng.), M.Sc. (Constr. Eng. & Mgmt.), Dip. (Pub. Admin.), M.A.P.E., Reg. Eng., PMP*

Project Manager, Project Financing

Wayne L. Reid, *B.Sc. (Civil Eng.), M.Sc. (Constr. Eng.), M.A.P.E.T.T., M.A.S.C.E., M.C.S.C.E., M.I.M.E.A.*

Manager, Project Financing

Valerie Kelsick, *B.Sc. (Civil Eng.), MBA (Finance & Int. Business), M.A.P.E.T.T., Reg. Eng.*

Manager, Leasing and Marketing

Arlene Cozier, *Dip. (Bkg.), Dip. (Business Mgmt.)*

Manager, Merchant Banking

Karen Tom Yew, *B.Sc. (Hons.) (Mgmt.), MBA (Finance)*

Manager, Merchant Banking

Brendon Howell, *B.Sc. (Acct.), CFA*

Manager, Finance & Planning

Judith Punch-Wafe, *A.C.C.A., Dip. (Business Mgmt.), Dip. (Human Resource Mgmt.)*

Manager, Support Services

Charlotte Sahadeo-Bellemare, *B.A. (Hons.) (French & Spanish), Dip. (Marketing), Dip. (Bkg), Dip. (Business Mgmt.)*

Eastern Caribbean Office

1st Floor, Netherlands Insurance Building

Grand Anse

St. George's

Grenada, West Indies

Telephone: 1-473-444-1875

Fax: 1-473-444-1879

E-mail: fincorec@caribsurf.com

Manager, Regional Merchant Banking

Wilma Williams, *A.L.L.C., Dip. (Marketing), Dip. (Bkg)*

Donna L.Y. Lander, Daniel A. Roberts, Marcia M. Le Gendre



Subsidiaries Grenada

Republic Bank (Grenada) Limited

Republic Bank (Grenada) Limited was incorporated on October 12, 1979. It is well represented in Grenada with eight branches dispersed across the tri-island state. The Bank maintains a leading market share position and has consistently been rated as the Number One bank in terms of quality of service following annual independent customer service surveys.

The Bank recorded another successful year of operations in 2007 with a profit of EC \$13.050 million after tax for the financial year ended September 30, 2007.

Registered Office

Republic House,
P.O. Box 857,
Grand Anse, St. George,
Grenada, West Indies

Telephone: 1-473-444-BANK (2265)

Fax: 1-473-444-5501

Swift: NCBGGDGD

E-mail: info@republicgrenada.com

Website: www.republicgrenada.com

Board of Directors

Chairman

Ronald F. deC. Harford, *FC.I.B., FL.B.A.F.,
FC.A.B.F.I.*

Managing Director / Secretary

Daniel A. Roberts

Claudia E. Alexis, *B.Sc. (Mgmt. Studies), MBA*

Nigel M. Baptiste, *B.Sc. (Hons.)(Econ.), M.Sc. (Econ.),
A.C.I.B.*

Margaret A. Blackburn, *LL.B. (Hons.)*

Leon D. Charles, *B.Sc. (Agri. Mgmt.), MBA*

Hugh D. Dolland

Cheryl F. Greaves, *B. Sc. (Mgmt. Studies), FC.C.A.,
C.A.*

Gordon Derrick, *B. Sc. (Mech. Eng.), MBA (Social
Sciences)*

Gregory I. Thomson, *B.Sc. (Maths. & Physics), MBA*

Principal Officers

General Manager, Credit

Marcia M. Le Gendre, *Dip. (Bus. Mgmt.)*

General Manager, Operations

Donna L.Y. Lander, *FL.C.B., MBA, (HR Mgmt.)*

Robert L. Le Hunte, John F. Griffith, Sean Husain, Margaret Pile, Winston R. Beckles, Leslie Parris



Subsidiaries Barbados

Barbados National Bank Inc.

The Barbados National Bank (BNB), established by an Act of Parliament on March 20, 1978, was re-incorporated as a limited liability company as Barbados National Bank Inc., on November 14, 2000.

The BNB Group includes two subsidiaries – Barbados Mortgage Finance Company Limited, a designated mortgage provider to low and middle income earners, and BNB Finance and Trust Corporation which manages the BNB family of mutual funds and provides project financing, pension management, stock brokerage and capital market activity.

BNB maintains a prominent and positive corporate image in Barbados through its many community activities in the areas of youth, sport and culture.

Registered Office

Independence Square
Bridgetown
Barbados, West Indies

Telephone: 1-246-431-5999

Fax: 1-246-429-606

Swift: BNBABBBB

E-mail: info@bnbbarbados.com

Website: www.bnbbarbados.com

Directors

Chairman

Ronald F. deC. Harford, *FC.I.B., F.B.A.F., F.C.A.B.F.I.*

Managing Director & Chief Executive Officer

Robert L. Le Hunte, *B.A. (Econ.), M.Sc. (Acct.), C.A., MBA*

Ian St. C. Carrington, *FC.G.A.*

David J. Dulal-Whiteway, *B.Sc. (Mgmt. Studies), MBA, C.G.A.*

Joseph N. Goddard, *MA, F.C.A., J.P.*

Kenneth R. Hewitt, *CBE, B.Comm, C.A.*

Anthony C. Hoyos, *FC.C.A., CPA*

G. Anthony King, *B.Sc. (Hons.), NBCS*

William DeC. Layne, *BA., CMA, A.C.I.S.*

Peter G. Symmonds *QC., LL.B. (UWI), LL.M. (Lond.), J.P.*

Ralph S. DeC. Williams, *GCM, B.Sc. (Elect. Eng), MBAPE*

Principal Officers

Corporate Secretary/General Counsel

Winston Beckles, *LL.B., LL.M*

General Manager, Retail Banking

Margaret Pile, *BA, M.Sc.*

General Manager, Corporate & Commercial Credit (Acting)

Sean Husain, *B.Sc. (Econ.), M.Sc.*

General Manager, Special Credit Unit

Leslie Parris, *B.Sc.*

Corporate Controller

John F. Griffith, *B.Sc., MBA, FC.G.A*

Senior Manager, Barbados Mortgage Finance Co. Ltd.

Wavney Nicholls, *BA, EMBA, A.C.I.C.*

John Alves, Edwin H. Gooding



Subsidiaries Guyana

Republic Bank (Guyana) Limited

Republic Bank (Guyana) Limited, with a banking history dating back to 1836, inherited a proud tradition of quality banking service which continues today, and through which the Bank has maintained the highest profile in the banking industry in Guyana. The Bank continues to review its entire product offering to ensure maximum customer satisfaction, while contributing significantly to Guyana's economic and social development, primarily in the areas of supporting improved education and skills for young people.

Registered Office

Republic Bank Promenade Court
155–156 New Market Street
North Cummingsburg
Georgetown
Guyana

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Fax: 1-592-233-5007

Swift: RBGL GYGG

E-mail: email@republicguyana.com

Website: www.republicguyana.com

Directors

Chairman

David J. Dulal-Whiteway, *B.Sc. (Mgmt. Studies),
MBA, C.G.A.*

Managing Director

Edwin H. Gooding, *B.Comm., MBA*

Executive Director/Corporate Secretary

John N. Alves, *F.I.C.B.*

William H. Pierpont Scott, *FC.C.A., C.A*

Roy E. Cheong, *A.A., F.C.I.I., F.L.M.I., C.L.U.*

Nigel M. Baptiste, *B.Sc. (Econ.) (Hons.), M. Sc. (Econ.),
A.I.C.B.*

John G. Carpenter, *B. Sc. (Food Sciences)*

Richard I. Vasconcellos

Derwin M. Howell, *B. Sc. (Elect. Eng.) (Hons.), M. Sc.
(Telecom. Systems), MBA, C.Eng., MIEE, MIEEE*

Principal Officers

Managing Director

Edwin H. Gooding, *B.Comm., MBA*

Senior Manager, Credit

John N. Alves, *F.I.C.B.*

Senior Manager, Corporate & Management Services

Keith A. Johnson, *A.I.C.B., B.Sc. (Accountancy), MBA*

Alexander Wood, Magreta Freeman, Kathyanne Sebro



Subsidiaries Cayman

Republic Bank (Cayman) Limited

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

In 2006 the Bank significantly increased the scope of its operations by acquiring another Cayman bank, giving the Republic Group greater penetration of the Northern Caribbean market and broadening its wealth management capabilities. The Bank in Cayman is now not only a strong contributor to Group profits but also enables other members of the Group to provide full offshore wealth management services to their clients.

Principal Office

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Roopnarine Oumade Singh, *B.Sc. (Econ.),*

M.Sc. (Econ.), MBA

Gregory Thomson, *B.Sc. (Maths. & Physics), MBA*

Alexander Wood, *A.C.I.B., TEP*

Principal Officers***Managing Director***

Alexander Wood, *A.C.I.B., TEP*

Trinidad Representative

Kathyanne Sebro, *Dip. (Business Mgmt.)*

Banking Manager

Magreta Freeman

Trinidad Representative Office

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Trinidad & Tobago

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seeding the future

In every community lie the seeds of a better future. Fertilizing these seeds means that, we, as a socially responsible company, must play our part in supporting the communities with which we share our future, and in so doing, facilitate their success.

Five years ago, we embarked on a landmark journey to redefine the shape and scope of corporate giving, locally and regionally, believing that if we could give the nation's young, elderly and socially disadvantaged the hope, vision and wherewithal to achieve, then as a company we would make a difference.

Wielding this Power to Make a Difference, we pledged TT\$50 million over five years toward focusing on the issues of youth empowerment through education, culture and sport; poverty alleviation and senior citizen care in the Caribbean territories that we serve.

As we work with their communities to create solutions for the future, our flagship social initiative, Power to Make a Difference, continues to be an example of our commitment to unearthing the Caribbean's great potential to succeed.

In building on this intimacy and successfully collaborating with individuals and groups in the diverse communities, we have sown the seeds to unlock their potential, promote self-sufficiency and develop and foster a hope for the future.

Five years ago, we embarked on a landmark journey to redefine the shape and scope of corporate giving, locally and regionally, believing that if we could give the nation's young, elderly and socially disadvantaged the hope, vision and wherewithal to achieve, then as a company we would make a difference.





the fruit of innovation

At Republic Bank, we understand that we must be continually innovative if we are to propel the regional financial services industry confidently into the 21st Century.

This spirit of innovation compels us to provide optimum solutions for our customers; create a superior array of products and services; and unlock the market's true potential by simultaneously minimizing costs and maximizing market share, profitability and customer satisfaction.

In moving forward as the champion of several groundbreaking initiatives, such as the successful launch of the Republic Bank/ AAdvantage MasterCard Gold Credit Card – the first and only in Trinidad and Tobago – our unique products are extensions of ourselves and our commitment to excellence.

Our internet-banking suite, RepublicOnline, continues to redefine the scope of regional e-banking by offering innovative and convenient banking – anywhere, anytime. Our vast array of banking and financial products continue to meet the ever-changing needs of every customer segment.

Backed by highly competitive rates, the largest local Branch and ABM networks, and an extensive regional presence, Republic Bank has emerged as a leader in the financial services market in Trinidad and Tobago.

This spirit of innovation compels us to provide optimum solutions for our customers; create a superior array of products and services; and unlock the market's true potential by simultaneously minimizing costs and maximizing market share, profitability and customer satisfaction.





making dreams bloom

Through our 170 years of working with and for the people of the Caribbean, Republic Bank has been part of the realization of great dreams, all of which have been accomplished through true partnership with our clients. We understand that teamwork is an essential factor to success and requires a careful and concerted effort.

Whether we are expanding asset base and profitability through strategic planning or designing visionary methodologies in customer service, we carefully maintain our supporting role in the business community by collaborating with the commercial business sector.

Our partnership with our retail customers is equally steadfast as we work with them to achieve their current and future success.

We believe healthy discourse to be the key to unlocking the potential of our commercial and retail customers; and guided by an innate awareness of the Power of Many, we work in unison with them to set the industry standard for service excellence and value; achieving the maximum benefit for all.

As we chart the course to steady growth and strong performance, we continually see significant and numerous wealth creation opportunities for Caribbean business and look forward to translating those opportunities into tangible returns.

Whether we are expanding asset base and profitability through strategic planning or designing visionary methodologies in customer service, we carefully maintain our supporting role in the business community by collaborating with the commercial business sector.





cultivating our resources

Our employees are our greatest resource and cultivating their potential to reach the pinnacle of excellence, our paramount concern. To this end, we strive to empower our staff by equipping them with the tools and knowledge to fulfill the changing financial needs of our customers to the highest standard.

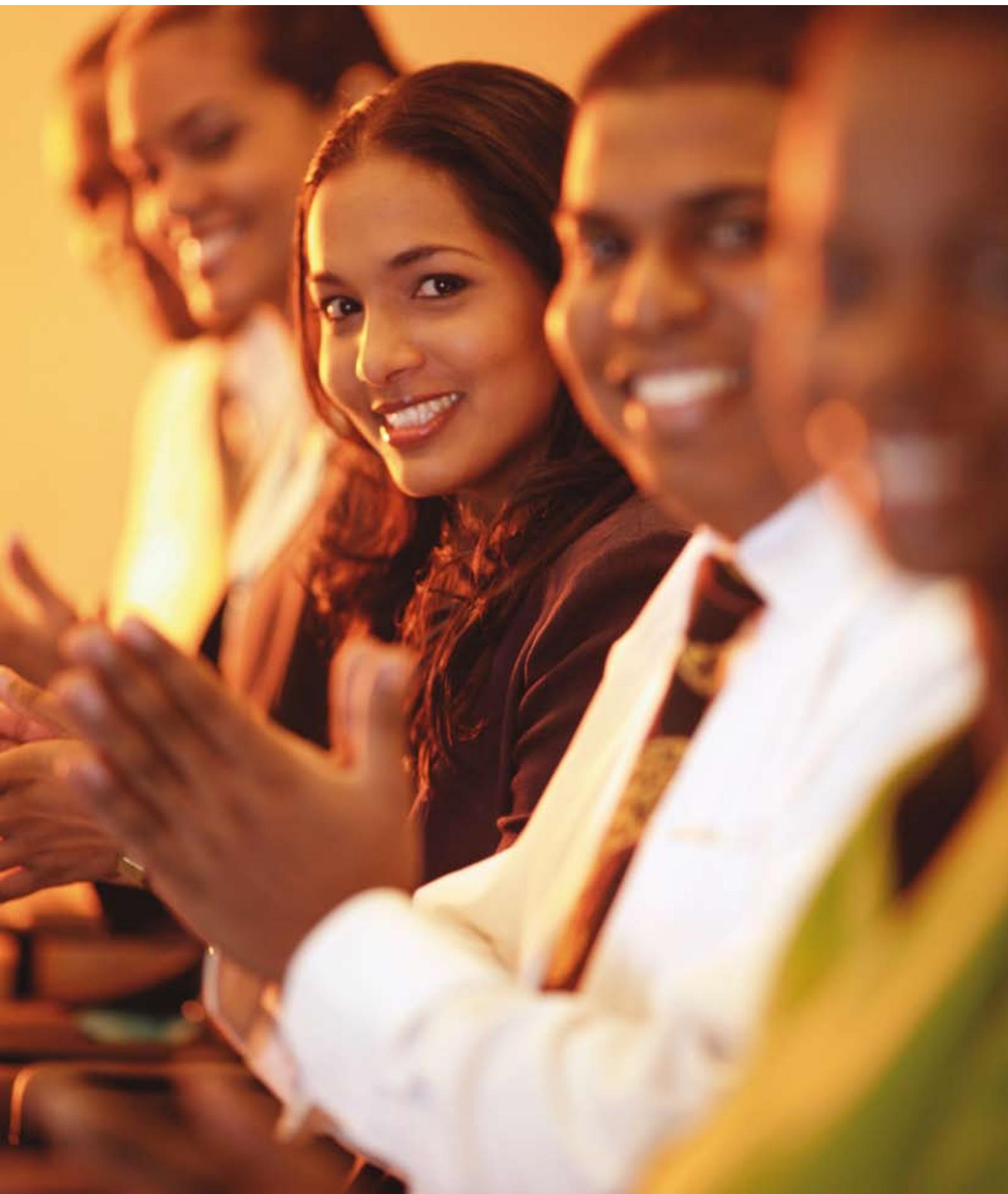
This culture of employee engagement is fundamental to the way we operate and is at the core of everything we do. As we create the framework for our employees to maximize their personal potential, we are ensuring the greater success of our entire organization.

This year, driven by our goal of empowering staff for greater customer service standards, we facilitated the implementation of the hospitality-based training programme – Service Excellence.

Eighty-nine percent of staff completed the programme, which focuses on creating customer loyalty through positive and memorable experiences. As a result of this we have attained the “Service Excellence Provider” Standard from the Ontario Tourism Education Corporation (OTEC).

This milestone has inspired us to go above and beyond for our customers – their future is our future – and we believe our standard of customer service and commitment to employee satisfaction to be integral components in ensuring consistent shareholder value, and to this end, the creation of customer loyalty.

This culture of employee engagement is fundamental to the way we operate and is at the core of everything we do. As we create the framework for our employees to maximize their personal potential, we are ensuring the greater success of our entire organization.



power to make a difference



From top to bottom:

Standing proud, a team embodies Commitment, Discipline and Talent at the Annual Republic Bank RightStart Youth Football Tournament.

The students of St. Joseph Convent, St. Joseph bow their heads at the blessing of their new school bus.

With intensity, these budding pannists learn the art of pan through the Republic Bank RightStart Pan Minors Music Literacy Scholarship Programme.

Under an overarching banner of corporate philanthropy, Republic Bank launched its Power to Make a Difference programme in the 2003/2004 financial year. A pledge of TT \$50 million to be disbursed in Trinidad and Tobago over 5 years, this novel social responsibility initiative has become a means whereby Trinidad and Tobago can realize the vision of an empowered elderly and indigent – through the Power to Care and to Help – and an equally empowered youth and nation – through the Power to Learn and Achieve.

Leveraging on a well-ingrained and long-standing tradition of corporate giving, we have invested TT \$7.8 million in this fifth and final phase, which sees Republic Bank, once again redressing the twin issues of social entropy and youth empowerment, by standing resolute alongside various NGOs that are committed to the task.

The Power to Care and to Help started out as an all-out effort to become more involved in the communities in which we serve; by listening to the communities, we were able to best employ our resources to the alleviation of societal ills and in the process, empower, create and preserve traditions.

Moreover, we have recognized that the key to achieving this goal exists within comprehensive poverty alleviation programmes and initiatives that address not just the effects of poverty – crime, violence and destitution; but also the causes – lack of opportunity and wherewithal for improvement.

continued



The Power of Love is exemplified in the uplifting music of The Republic Bank Youth Outreach Choir.

power to make a difference



*From top to bottom:
The beaming faces of the some of the recent winners at the
Republic Bank Leeward Advanced Junior Golf Clinic*

*Court Shamrock: construction of a home in San Fernando
for the Socially Displaced*

*Sponsorship of the Leeward Golfer's Association Advanced
Junior Golf Clinic*

During 2007 we collaborated with Habitat for Humanity, to provide homes for families in Couva; the Bridge of Hope in Sangre Chiquito to provide additional housing for the children at that facility; the Society of Les Amantes de Jesus to provide a new home for the elderly; and the Walk Tall Programme to provide the first ever rehabilitation programme for first time ex-offenders, to help them reintegrate into the wider society.

We also joined forces with St. Finbar's Church for the provision of a Pastoral Centre for the Diego Martin and Carenage Communities; New Life Ministries for enhanced facilities for drug rehabilitation; the Cancer Society for a Mobile Cancer Care Clinic for Tobago and Ben Lamond Sumatte Sabha for repairs to their temple.

The Power to Learn and to Achieve allows us to guide youth development proactively through the avenues of education, sport and culture; additionally it allows us to work closely with the NGO sector to create the impetus for national development.

This year the mainstays of our calendar; Junior Golf Clinics and Tournaments; Basketball and Netball Tournaments; Republic Cup Youth Football Camps and Tournaments; AgriScience Competition, UWI/World of Work and Secondary School Refurbishment programmes provided renewed energy and impetus to Trinidad and Tobago's youth.

management discussion & analysis

Introduction

The following is a discussion and analysis of the financial condition and results of Republic Bank Limited. This discussion should be read in conjunction with the audited financial statements contained on pages 75 to 139 of this report. All amounts are stated in Trinidad and Tobago dollars.

Republic Bank Limited is a financial services group encompassing fifteen subsidiaries and four associated companies with a total asset base of \$37.4 billion. The Group is engaged in a wide range of banking, financial and related activities in the wider Caribbean.

Financial Performance

The Republic Group has delivered another year of solid performance, underpinned by a very strong balance sheet. The Group reported Net Profit after Tax attributable to shareholders for the year ended September 30th 2007, of \$1.34 billion, \$698.6 million or 109.7% above profits reported last year.

As noted in the Managing Director's report, these results include \$370.2 million, representing the gain on the sale of the Group's shareholding in FirstCaribbean International Bank (FCIB). When the impact of the FirstCaribbean shareholding is discounted from the Group's results, the profit from core operations was \$965.5 million, an increase of 18.8% from 2006.

In TT\$ Million	2007	2006	Change	%
<i>Profitability</i>				
Core net profit after taxation	965.5	812.4	153.1	18.8
Gain/(Loss) on FCIB Share	370.2	(175.4)	545.6	311.1
Profit attributable to shareholders	1,335.7	637.0	698.7	109.7
Minority Interest	90.1	96.0	5.9	6.1
Net profit after taxation	1,425.8	733.0	692.8	94.5
<i>Balance Sheet</i>				
Total assets	37,362.1	35,060.6	2,301.5	6.6
Total advances	19,917.4	17,310.4	2,607.0	15.1
Total deposits	24,245.4	22,228.5	2,016.9	9.1
Shareholders' equity	4,861.9	4,390.2	471.7	10.7

management discussion & analysis

The Group's healthy core improvement over last year is fuelled mainly from the growth in its Loans & Advances portfolio of \$2.6 billion (15.1%). This, coupled with astute asset/liability management, has contributed to these fine results.

Analysis of Performance by Territory

Overall the Group has seen solid improvement in its Net Interest Income, reflecting an increase of 17.6% from last year. All territories have contributed to this increase, with the most significant improvement stemming from the Trinidad and Tobago (T&T) operations, delivering a Net Interest Income of \$1.1 billion, up 22.1% from 2006. Our core banking operations in Trinidad and Tobago have performed extremely well this year and reflect the thriving economic conditions that currently exist.

Our Trinidad and Tobago operations have delivered another year of healthy profits before taxation, accounting for 85% of the Group's core profits before FCIB. As alluded to above, the banking operations in Trinidad and Tobago, the backbone of this performance, had another successful year on the strength of improved net interest margins and operating efficiencies.

Our Barbados operations have continued apace, showing satisfactory growth in both Net Interest Income and core profits despite the challenging Barbados environment characterized by tighter liquidity and increasing interest costs. Notwithstanding this, the Barbados National Bank (BNB) has reported Net profit after taxation of \$166.9 million, an increase of 12% from 2006.

Republic Bank (Guyana) Limited recorded profit after taxation for 2007 of

Net Interest Income (\$'000's)

Country	2007	2006	Change	%
Trinidad & Tobago	1,107,288	906,740	200,548	22.1
Barbados	324,348	313,938	10,410	3.3
Cayman/Guyana/Eastern Caribbean	234,815	195,942	38,873	19.8
Total	1,666,451	1,416,620	249,831	17.6

Core net Profit Before Taxation (\$'000)

Country	2007	2006	Change	%
Trinidad & Tobago	1,149,500	1,054,715	94,785	9.0
Barbados	236,951	221,998	14,953	6.7
Cayman/Guyana/Eastern Caribbean	539,326	4,132	535,194	12,952.4
Inter-company eliminations	(200,598)	(260,577)	59,979	23.0
Total	1,725,179	1,020,268	704,911	69.1

\$35.0 million, a 10% improvement over last year's results. This is indeed a commendable performance, as reported profits have more than doubled in the past three years. Republic Bank (Grenada) Limited reported profits of \$30.3 million this year, compared to \$59.1 million in 2006. However, 2006 profits were impacted by the right-back of loan loss provisioning of approximately \$28 million. This is the first full year of combined operations of Republic Bank Trinidad & Tobago (Cayman) Limited and the former Dextra Bank and Trust Company Limited. This acquisition is settling well and has delivered a 38% increase in profits after taxation.

As discussed in the Managing Director's report, on October 5th 2007 the remaining banking operations in the Dominican Republic were sold and the process of dissolving Republic Bank (DR) S.A. began. The bank engaged in a number of strategies aimed at turning around the operation,

including the disposal of the consumer banking business and credit card operations in October 2006.

While the bank was able to focus its energies on the corporate and trade finance sectors, the lower margins and higher concentrations associated with this target market brought its own risks. Ultimately, it was determined that the Group could better deploy the resources required to continue the turnaround of this operation. In these financial statements Republic Bank (DR) S.A. has been accounted for as discontinued operations.

Loan Loss Provision

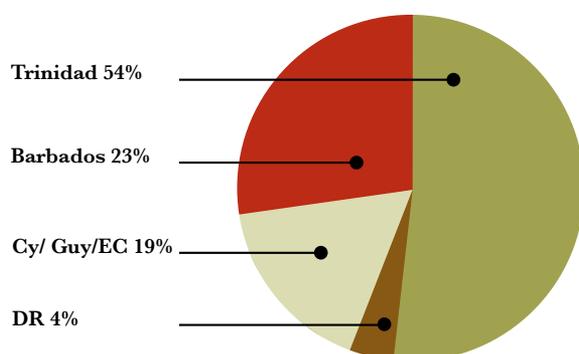
Inclusive of the General Contingency Reserve, the loan loss cover of the Group stands at 102%, with actual asset quality maintaining its high standards from last year. Non-performing loans represent 2.3% of Gross Loans, the best this indicator has been in the past five years.

management discussion & analysis

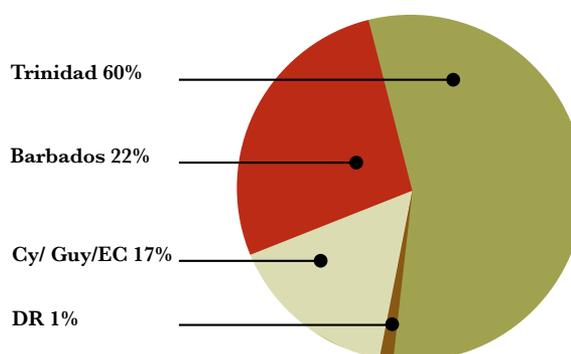
Loans and Advances

	2003	2004	2005	2006	2007
Performing Loans	12,357	14,016	15,577	17,646	20,101
Non-performing Loans	490	654	547	431	469
Gross Loans	12,847	14,670	16,125	18,077	20,570
Loan provision					
(including contingency reserve)	448	444	444	431	478
Non-performing Loans to					
Gross Loans	3.8%	4.5%	3.4%	2.4%	2.3%
Provision as a % of					
Non-performing Loans	91.4%	67.9%	81.1%	100%	102%
Provision as a % of Gross Loans	3.5%	3.0%	2.8%	2.4%	2.3%

Total Assets 2006



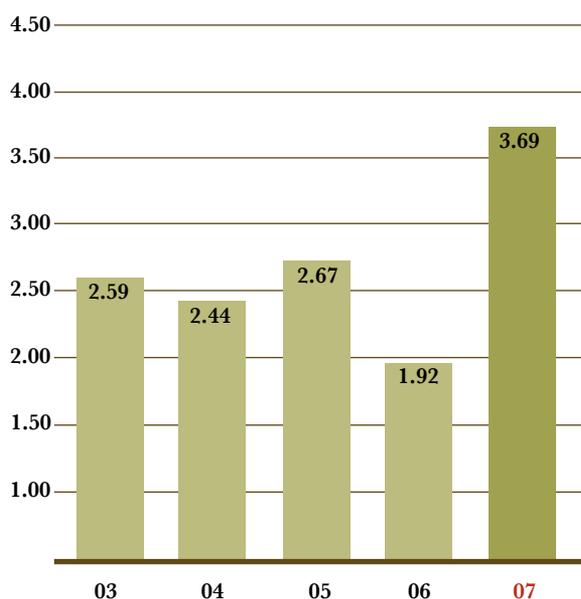
Total Assets 2007



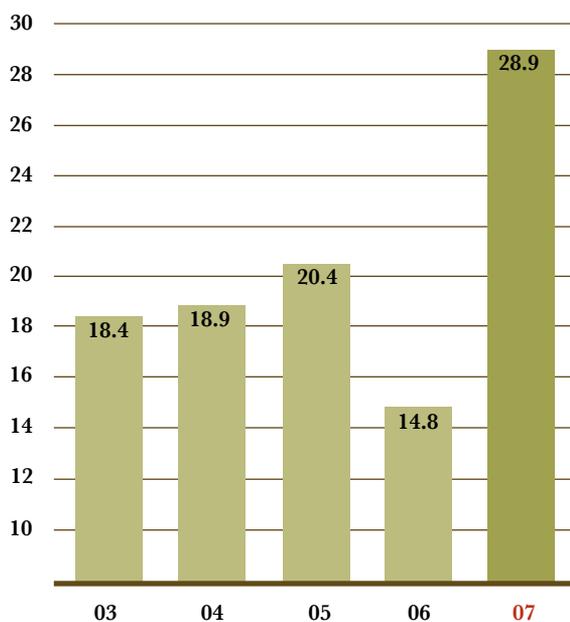
The Group's asset base stood at \$37.4 billion, reflecting 6.6% growth from the prior year. Assets from the Trinidad & Tobago operations account for 59.8% of total Group assets, and are 10.9% higher than in 2006. This growth is driven by the increase in the Loans and Advances portfolio of \$2.2 billion. The assets of the Barbados operations have also enjoyed significant growth allowing Barbados to maintain its 22% share of a growing Group.

Whilst the majority of the assets of Republic Bank (DR) S.A. were transferred to Banco BHD S.A., on October 5th 2007, there are some residual assets which will be disposed of during the forthcoming financial year.

Return on Assets (Percent)

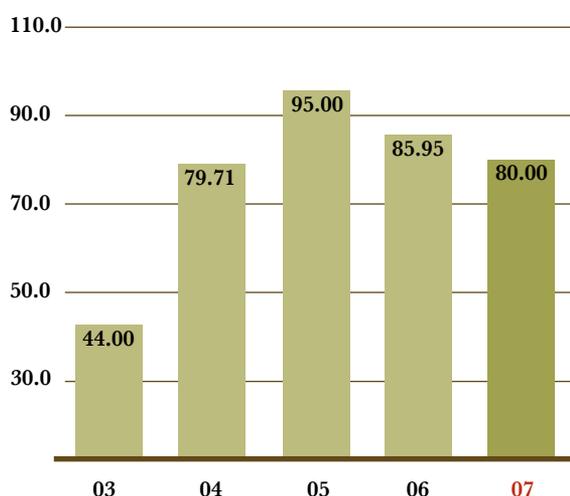


Return on Equity (Percent)



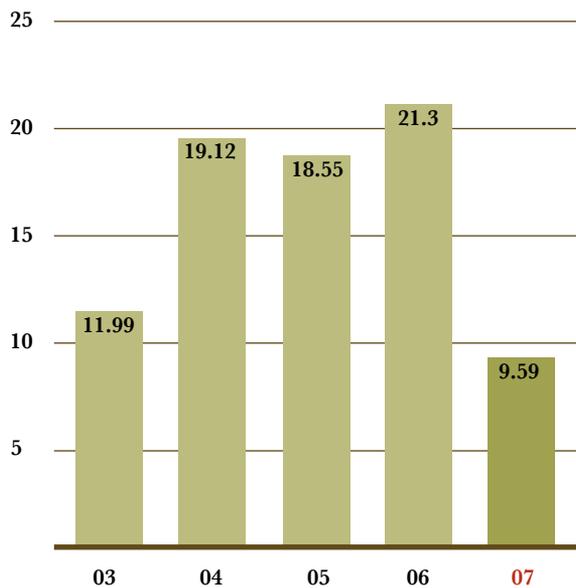
Performance indicators of Return on Assets at 3.69% and Return on Equity at 28.9% both reflect significant improvement from last year. Removing the impact of this year's gain on the sale of the FirstCaribbean International Bank shareholding, shows these indicators at 2.67% and 20.9% respectively.

Share Price



management discussion & analysis

Price Earning Ratio



The share price declined by 6.9% from 2006, and closed the financial year trading at \$80.00. This is reflective of the decline in the stock market which continued on from 2006, with increasingly lower trading volumes. Earnings per Share (EPS) for 2007 was \$8.34, 109% higher than 2006. Excluding the impact of this year's one-off gain EPS growth on core profit is 19%.

The Group has had a long period of growth and success. Its overall performance is a testimony to the focus on core competencies, operating under prudent policies and adding value to the communities in which it operates. Without contradiction, the past success is a testimony of the capability of an indigenous institution to compete successfully. The Group's solid balance sheet would continue its history of profitability for its shareholders. Its strong capital base leaves it well positioned to accomplish growth and expansion in the future.

Management of Risk

Overview

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

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

- managing risk within parameters approved by the Board of Directors and Executives;
- assessing risk initially and then consistent monitoring of 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, authorization and approval, recording, safeguarding, reconciliation and valuation.

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

The Group manages a variety of risks in the ordinary course of business. The major risks associated with its business are credit risk, interest rate risk, market risk, liquidity risk, currency risk and operational risk.

The Group's approach to each of these specific risks is as follows:

Credit Risk

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

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

The Risk Management unit is accountable for the general management

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

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

The Group's credit control processes emphasize 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.

As a prudent policy, 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

management discussion & analysis

provisions arising out of this review are submitted to the Board for approval. Non-performing debts recommended for write-off are also reviewed annually and action taken in accordance with prescribed guidelines.

Interest Rate and Market Risk

Interest rate risk is the exposure of interest bearing assets and liabilities to movements in interest rates. The Group has in place an Asset and Liability Committee (ALCO), which reviews on a monthly basis the non-credit and non-operational risks for the Bank and each subsidiary. Asset and Liability management is a vital part of the risk management process of the Group. The mandate of the Committee is to approve strategies for the management of the non-credit risks of the Group, including interest rate, foreign exchange, liquidity and market risks.

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

Liquidity Risk

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

Liquidity management is therefore primarily designed to ensure that funding

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

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

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

Currency Risk

Currency risk is the exposure of the Bank’s financial condition to unfavourable movements in foreign currency exchange rates. The Bank maintains structured foreign

currency translation exposures, arising from its investments in overseas subsidiary and associated undertakings and their currency funding. The Bank's policy is to match the initial net foreign currency investment with funding in the same currency.

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

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

Operational Risk

The growing sophistication of the banking industry has made the Group'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 Group recognizes that such risk can never be entirely eliminated and manages the risk through a combination of systems and procedures to monitor and document

transactions. The Group's operational risk department oversees this and where appropriate, risk is transferred by the placement of adequate insurance coverage.

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

Capital Structure

The Group's policy is to diversify its sources of capital, to allocate capital within the Group efficiently and to maintain a prudent relationship between capital resources and the risk of its underlying business. Shareholders' equity increased by \$472 million to \$4.86 billion over the year under review.

Republic Bank's dividend policy is to distribute 40% to 50% of Group net earnings to shareholders. Similar to the criteria applied last year, this year's distribution was based on core operating performance. The total distribution based on the results for the financial year 2007 was \$471 million representing 48.8% of core operating profit.

Capital adequacy is monitored by each member of the Group employing techniques based on the guidelines developed by the Basle Committee on Banking Regulations and Supervisory Practice (the Basle Committee), as implemented by the respective Central Banks for supervisory purposes. The risk-based capital guidelines require a minimum ratio of core capital (Tier 1) to risk-weighted assets of 4%, with a minimum total qualifying

management discussion & analysis

capital (Tier 2) ratio of 8%. Core (Tier 1) capital comprises mainly shareholders' equity.

Capital Adequacy Ratio

	2007	2006
Republic Bank Limited	20.14%	21.93%
Republic Finance and Merchant Bank Limited	26.52%	25.92%
Republic Bank Trinidad and Tobago (Cayman) Limited	18.69%	18.69%
Republic Bank (Grenada) Limited	17.40%	18.00%
Republic Bank (Guyana) Limited	14.58%	12.86%
Barbados National Bank Inc.	14.07%	16.00%

At September 30th 2007 the Bank and each of its banking subsidiaries exceeded the minimum levels required for adequately capitalized institutions. The Group's solid capital base leaves it well positioned to accomplish growth and expansion in the future.

corporate governance

Introduction

Republic Bank Limited is committed to maintaining the highest standards of Corporate Governance. To this end, we continuously monitor and update, as necessary, our internal systems in order to ensure our standards reflect best international practice while tailored to the specific needs of the Bank. The requirement for constant focus on Corporate Governance caused the Bank this year to thoroughly review the reporting structures for the Group and establish a Governance Committee to be charged with the specific responsibility of ensuring that all aspects of Corporate Governance are kept under constant review.

The Board of Directors exercises leadership, enterprise, integrity and good judgement in directing the Bank to achieve continuing prosperity. It will act in the best interests of the Bank guided by a philosophy that is based on transparency, accountability and responsibility.

The Board provides entrepreneurial leadership to the Bank within a framework of prudent and effective controls which enables risk to be assessed and managed. It sets the Bank's strategic aims, ensuring that the necessary financial and human resources are in place for it to meet its objectives and review management performance. The Bank's values and standards are set to ensure that obligations to its shareholders and other stakeholders are met.

The Board is responsible for:

- oversight of the Bank, including its control and accountability systems
- appointing and removing Directors and members of senior management
- formulation of policy
- input into and final approval of management's development of corporate strategy and performance objectives
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance
- monitoring senior management's performance and implementation of strategy and ensuring appropriate resources are available
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures
- approving and monitoring financial and other reporting
- approving credit facilities

Our Board of Directors consists of 14 Directors, 11 of whom are Non-Executive Directors and 3 are Executive Directors. This balance of Non-Executive Directors to Executive Directors ensures that the Board is able to exercise independent judgement with sufficient management information to enable proper and objective assessment of corporate affairs. The Non-Executive Directors reflect a diverse cross-section of the professional and business community and are all highly respected, independent individuals with a

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wealth of experience in their respective fields. Discussion at Board meetings is therefore rich with the combined wisdom of the individuals, as well as reflective of their varied cultural and religious backgrounds.

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

The Board of Directors meets formally every month, while special Board meetings are called as the need arises. The Managing Director has explicit authorities and responsibilities that are documented and approved by the Board of Directors and reviewed as and when necessary.

At the Annual Meeting, one-third of the Directors retire and may offer themselves for re-election. At the upcoming Annual Meeting, Bernard S. Dulal-Whiteway, Ronald F. deC. Harford, Razai Azard Rahaman, Chandrabhan Sharma and Gregory I. Thomson retire from the Board by rotation and being eligible, have offered themselves for re-election.

The Board of Directors has access to the advice of the Group General Counsel/ Corporate Secretary, as well as the Bank's external Counsel, including advice on any

matter concerning his or her role as a Director.

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

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

Credit Committee

This Committee meets twice monthly, or as necessary, to approve or decline credit proposals over the limit of the Executive Directors and on the classification of accounts and we are pleased to report that twenty-four (24) such meetings were scheduled for the fiscal year.

The Committee comprises:

- Two (2) Executive Directors
- Three (3) Non-Executive Directors, one of whom shall be the Chairman of the Bank and who shall also be the Chairman of the Committee provided he is able to attend and the other two members selected from the following Panel:
- William R. Aguiton
- Thomas R. Evans
- George Leonard Lewis
- William P. Lucie-Smith
- Razai Azard Rahaman
- Dr. Chandrabhan Sharma
- Dr. Marjorie Thorpe

Audit Committee

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

The Committee comprises:

- William P. Lucie-Smith, *Chairman*
- Bernard S. Dulal-Whiteway
- George Leonard Lewis
- Russell Martineau
- Dr. Bhoendradatt Tewarie

Governance and Compensation Committee

A new Governance Committee was established and merged with the

Remuneration Committee to form the Governance and Compensation Committee.

The Committee is responsible for:

- Reviewing the compensation package for all staff including Executive and Non-Executive Directors, Board Appointed and Non-Board appointed Officials and establishing formal and transparent procedures for the selection of Executive and Non-Executive Directors.
- Making recommendations to the Board of Directors on an appropriate management framework through which optimum direction and control can be provided to the Bank.
- Addressing issues which from time to time may emerge having implications for good governance within the Group.

The Committee comprises:

- Ronald F. deC. Harford, *Chairman*
- William R. Aguiton
- Thomas R. Evans
- Russell Martineau
- Dr. Bhoendradatt Tewarie
- Dr. Marjorie Thorpe
- The Managing Director
- The Deputy Managing Director

Other Risks Committee

This Committee meets quarterly to review policies and procedures and ensures that the Bank is not exposed to unnecessary risk with respect to its operations in IT, Operational Risk, Trust and Asset Management, Asset Liability Management and Credit Card

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Operations. Four (4) such meetings were held for the fiscal year.

The Committee comprises:

- George Leonard Lewis, *Chairman*
- Razai Azard Rahaman
- Chandrabhan Sharma
- Two (2) Executive Directors

Financial Reporting Requirements

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

General responsibilities include:

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

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

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

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



Signed on behalf of the Board
 Ronald F. deC. Harford, *Chairman*
 September 30, 2007