CENTRAL BANK OF
TRINIDAD & TOBAGO

ANNUAL REPORT
2 0 1 6

www.central-bank.org.tt

OUR PURPOSE

The primary purpose of the Bank is the promotion of monetary, credit and exchange conditions most favourable to the development of the economy of Trinidad and Tobago.

THE MANDATE

CENTRAL BANK ACT CHAPTER 79:02

3. (1) There is hereby established a Bank to be known as the Central Bank of Trinidad and Tobago.

(2) The Bank is hereby created a body corporate.

(3) The Bank shall have as its purpose the promotion of such monetary, credit and exchange conditions as are most favourable to the development of the economy of Trinidad and Tobago, and shall, without prejudice to the other provisions of this Act—

(a) have the exclusive right to issue and redeem currency notes and coin in Trinidad and Tobago;
(b) act as banker for, and render economic, financial and monetary advice to the Government;
(c) maintain, influence and regulate the volume and conditions of supply of credit and currency in the best interest of the economic life of Trinidad and Tobago;
(d) maintain monetary stability, control and protect the external value of the monetary unit, administer external monetary reserves, encourage expansion in the general level of production, trade and employment;
(e) undertake continuously economic, financial and monetary research;
(f) review-

(i) legislation affecting the financial system; and

(ii) developments in the field of banking and financial services, which appear to it to be relevant to the exercise of its powers and the discharge of its duties; and generally, have the powers and undertake the duties and responsibilities assigned to it by any other law.

LAWS OF TRINIDAD AND TOBAGO

INSURANCE ACT CHAPTER. 84:01

With effect from the commencement of the Insurance (Amendment) Act, 2004 [on May 25, 2004], the Central Bank shall be charged with the administration of [the Insurance] Act.

FINANCIAL INSTITUTIONS ACT CHAPTER. 79:09

5. (1) The Central Bank shall be responsible for the general administration of this Act, the supervision of licensees and the oversight of payment systems, and shall have the powers and duties conferred on it by this Act and the Central Bank Act.

(2) The primary objective of the Central Bank, in respect of licensees shall be to maintain confidence in, and promote the soundness and stability of, the financial system in Trinidad and Tobago.

(3) Other objectives of the Central Bank, in respect of licensees are to—
(a) promote the existence of efficient and fair banking and financial services markets;
(b) supervise licensees to determine whether they are in sound financial condition; and
(c) maintain an appropriate level of protection for depositors of licensees.

LETTER OF TRANSMITTAL

CENTRAL BANK OF TRINIDAD & TOBAGO

December 30, 2016

The Honourable Colm Imbert
Minister of Finance
Eric Williams Finance Building
Independence Square
PORT OF SPAIN

REF: CB-G-193/2016

Dear Minister Imbert,

In accordance with Section 53(1) of the Central Bank Act Chap.79:02, I enclose herewith the Report of the Central Bank of Trinidad and Tobago for the year ended September 30, 2016, together with a copy of the Annual Audited Statement of Accounts certified by the Auditors.

ALVIN HILAIRE
Governor

TABLE OF CONTENTS

Governor's Foreword

The global economic environment in 2016 was marked by significant developments that had important, immediate, as well as likely persistent implications for the economy of Trinidad and Tobago. The most obvious issue was the continued weakness in international commodity prices, particularly for energy products, which adversely affected the balance of payments and fiscal position with spillovers to non-energy activities. Instability in financial markets, the trajectory of the Federal Reserve's interest rates, geopolitical tensions, waves of cyberattacks, the result of the United Kingdom's referendum on leaving the European Union, de-risking of correspondent banking relationships, and continued economic weakness in many CARICOM territories were among the varied external concerns of the Central Bank of Trinidad and Tobago.

On the domestic front, most indicators pointed to low or negative growth in most sectors, led by declines in energy output related to maintenance work or the maturation of oil and gas fields; while restrained capital spending in the context of fiscal adjustment led to a slowdown in construction. Significant initial buffers in the form of relatively low public debt, substantial international reserves and a Heritage and Stabilisation Fund have helped to potentially smooth the overall macroeconomic adjustment arising from the major terms of trade shock. Nonetheless, pressure was evident in the foreign exchange market and there was some depreciation of the domestic currency. At the same time, monetary policy adopted a holding pattern for most of the financial year, maintaining the repo rate unchanged while using open market operations more aggressively, and headline inflation stayed in the low single digits.

The domestic financial system remained very stable. Cognisant of the potential adverse impact of the economic situation on borrowers' ability to service their loans, the Central Bank stepped up its monitoring of credit quality. Our Financial Institutions Supervision Department continued to work alongside other agencies to address important gaps that still remain in the legislative framework, in particular on insurance, international tax data exchange and anti-money laundering/counter-terrorism financing. Meanwhile, a lot of progress was made in coordinating with other regulators, especially in the Caribbean, to improve consolidated supervision of cross-border financial institutions. Important advances were also made with respect to implementation of the resolution strategy for Colonial Life Insurance Company (Trinidad and Tobago) Limited (CLICO) and British American Insurance Company (Trinidad) Limited.

Internally, the Bank made meaningful strides in bolstering the framework for strengthening governance and controls and generally streamlining operations. In April, the number of Departments was consolidated from 22 to 15 and clustered around the themes of Monetary Policy, Internal Operations and Financial Stability. A new Board Committee on Information Technology was established as a component of the enhanced system of checks and balances established to deal with the Bank's growing reliance on cyber interactions, and the attendant vulnerabilities. A new Strategic Plan was approved by the Board on September 30th and for the first time was published on the Bank's website; the Plan outlines 23 specific projects that will guide operations over the next 5 years.

Looking forward, 2017 is expected to be a challenging year on the economic front and the Bank will need to further sharpen its surveillance and analysis, coordinating as far as possible with local and international agencies in advancing meaningful solutions. Effective communication will be key, especially in transmitting what may be difficult messages, and the Bank will be intensifying its financial literacy campaign. The Bank will also be utilising its tremendous human capital in continuously modernising and streamlining its activities to international standards.

I would like to take this opportunity to pay special tribute to our colleague, Mr. Carl Hiralal, whose tenure with the Bank ended in December 2015 after 9 exemplary years of service as the Inspector of Financial Institutions. Let me conclude by thanking the Board, Management and staff for their committed efforts over the past year in the fulfillment of our mandate in the service of the people of Trinidad and Tobago.

Governor
Chairman of the Board
Dr. Alvin Hilaire

Dr. Alvin Hilaire was appointed Governor effective December 23, 2015. He succeeded Mr. Jwala Rambarran who served from July 17, 2012 to December 23, 2015.

LEADERSHIP AND ORGANISATIONAL STRUCTURE

BOARD OF DIRECTORS
Executive Directors

Dr. Alvin Hilaire
Governor

Dr. Sandra Sookram
Deputy Governor

BOARD OF DIRECTORS
Non-Executive Directors

Mr. Surendra Arjoon
Period of Appointment:
February 4, 2016 - February 3, 2019

Ms. Luana Boyack
Period of Appointment:
February 4, 2016 - February 3, 2019

Mr. Richard Duncan
Period of Appointment:
February 4, 2016 - February 3, 2019

Mr. Lancelot Jack
Period of Appointment:
February 4, 2016 - Febrruary 3, 2019

Mr. Steve Seetahal
Period of Appointment:
July 1, 2014 - June 30, 2017

Mr. Joseph Timothy
Period of Appointment:
July 1, 2014 - June 30, 2017

BOARD OF DIRECTORS

Non-Executive Directors

Ms. Vyjanti Beharry
Period of Appointment:
February 4, 2016 - February 3, 2019

Mr. Maurice Suite
Period of Appointment:
February 4, 2016 - February 3, 2019

Mr. Trevor Sudama
Period of Appointment:
July 1, 2014 - June 30, 2017

SENIOR MANAGEMENT

Executives

Dr. Alvin Hilaire
Governor

Dr. Sandra Sookram
Deputy Governor

Mrs. Michelle Chong Tai-Bell
Inspector of Financial Institutions (Ag.)

Senior Managers

Mrs. Arvinder Bharath
Senior Manager,
Financial Technology and
Information Security

Ms. Marie Borely
Senior Manager,
Finance, Accounting and
Support Services

Ms. Nicole Chapman
Senior Manager,
Legal, Contract and
Corporate Secretariat
Services

Mrs. Nicole Crooks
Senior Manager,
Human Resources,
Industrial and External
Relations

Mrs. Michelle Francis-Pantor
Deputy Inspector,
Banks, Non-Banks and
Payment Systems
Oversight

Mr. Alister Noel
Senior Manager,
Operations

Ms. Dianne Pierre
Senior Specialist Advisor,
Strategic Projects

Mr. Patrick Solomon
Senior Specialist Advisor,
Corporate Governance,
Controls and Compliance

Mr. Neil Dingwall
Special Advisor to the
Governor

MANAGERS

Ms. Wendy D'Arbasie
Manager,
Reserves and Domestic Market Management

Mr. Vaughn Halliday
Manager,
Support Services - Facilities

Mr. Gaston Harrison
Manager,
Industrial Relations

Mrs. Angela Henry-Small
Manager,
Information Services-Statistics

Mrs. Heather Huggins
Manager,
Human Resources

Mr. Naveen Lalla
Manager,
Pensions and Intermediaries

Mrs. Sharda Maharaj-Ramjattan
Manager,
National Financial Literacy Programme

Ms. Nadira Rahamatula-Rajack
Manager,
Anti-Money Laundering

Mrs. Denise Rodriguez-Archie
Manager,
Internal Audit

Mr. Garnett Samuel
Manager,
Research

Ms. Joanne Seeram
Manager,
Customer Support and Information Security

Mr. Dominic Stoddard
Financial Services Ombudsman

Mr. Christopher Subryan
Manager,
Finance and Accounting

Mrs. Sharon Villafana
Manager,
Banking Operations

ASSISTANT MANAGERS

Ms. Patricia Babwah
Asst. Manager,
Legal and Contract Services

Mrs. Joanne Charles-Edwards
Asst. Manager,
Support Services - Procurement

Mr. Kendall Cuffy
Asst. Manager,
Banks and Non-Banks

Mr. Kevin Finch
Asst. Manager,
Macro Prudential Analysis

Ms. Amrita Gosine
Asst. Manager,
External Relations

Mr. John Griffith
Asst. Manager,
Risk Management and IT Governance

Mr. Sherwin Kerr
Chief of Security,
Security

Ms. Isha Marshall
Asst. Manager,
Finance and Accounting

Ms. Natalie Roopchandsingh
Asst. Manager,
Insurance

Mrs. Marlene Quirico-Callender
Asst. Manager,
Support Services - Administration

Mrs. Sandra Swan-Daniel
Asst. Manager,
Finance and Accounting

ASSISTANT MANAGERS - Cont'd

Ms. Leslie-Ann Des Vignes
Asst. Manager,
Payment Systems

Ms. Leslie-Ann Figaro
Asst. Manager,
Banking Operations

Ms. Loren Harrinauth
Asst. Manager,
Applications

Ms. Lenore Hodge
Asst. Manager,
Information Services-
Knowledge and Information
Management (Ag.)

Dr. Reshma Mahabir
Asst. Manager,
Quantitative Research

Mrs. Sonia Raphael
Asst. Manager,
Banking Operations

Ms. Lisa Quintyne
Asst. Manager,
Infrastructure

SPECIALIST ADVISORS

Mrs. Sheriza Hassan-Ali
Specialist Advisor,
ITS Governance and
Risk Management

Ms. Suzanne Nero
Specialist Advisor,
Pensions

Ms. Sandra Racha
Specialist Advisor,
Energy Policy

Ms. Jacinta Sohun
Specialist Advisor,
Insurance

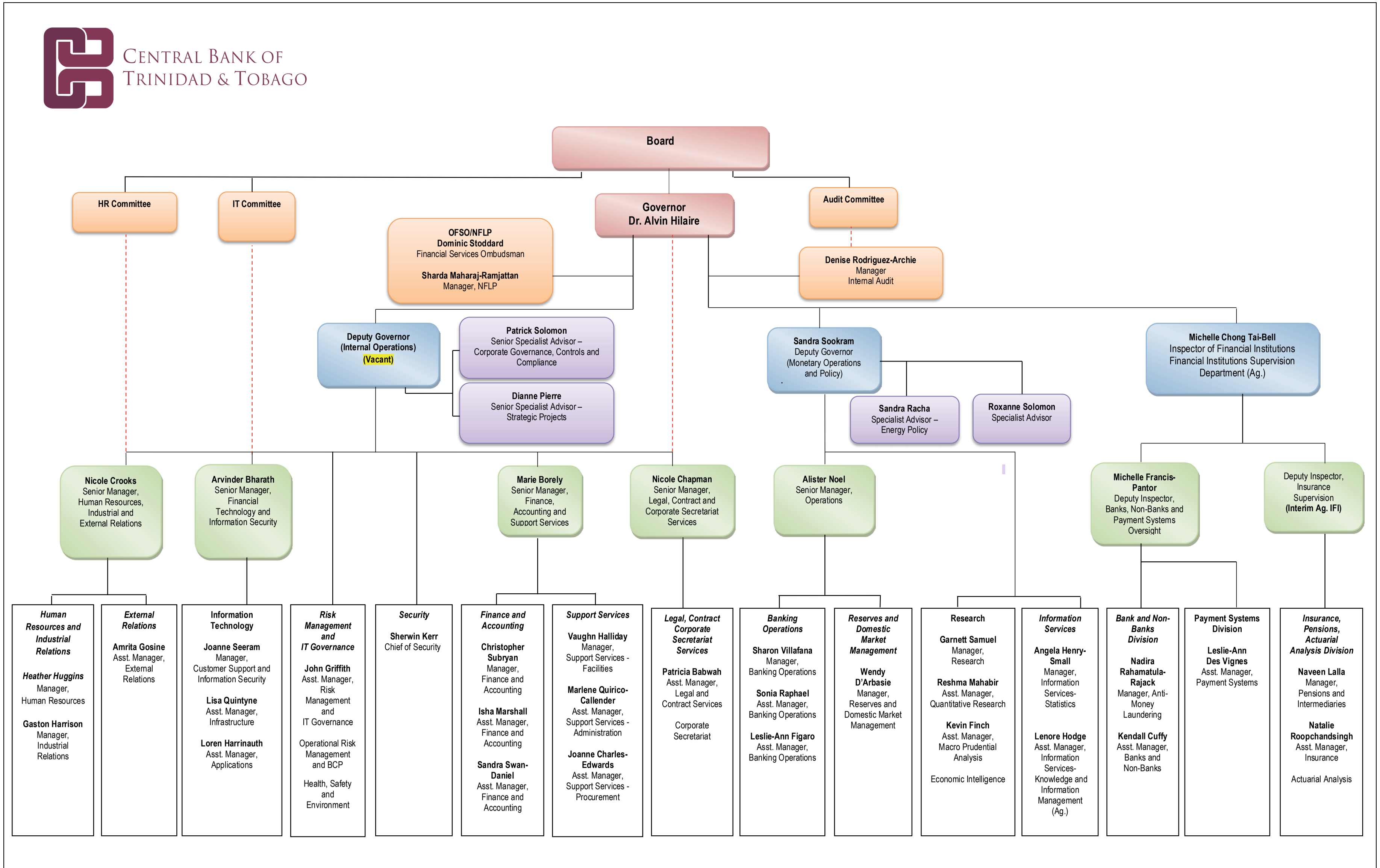
Ms. Roxanne Solomon
Specialist Advisor

SPECIALISTS

Mr. Anson Caliste
Specialist,
Project Management

ORGANISATIONAL STRUCTURE

AS AT SEPTEMBER 30, 2016



Strategic Planning

Over the course of the second half of the financial year, the Bank developed its Strategic Plan for FY 2016/17 to 2020/21 taking into account input from internal and external stakeholders. The goal of the exercise is to set a strong base and blueprint for strengthening our institutional capacity to deliver on our mandate in an evolving financial landscape. The Plan consists of 3 strategic themes—**Monetary Policy, Financial Stability and Internal Operations**—10 strategic objectives, and 23 projects which are phased over the 5-year implementation period. The Bank's Strategic Plan is available on the Bank's website: www.central-bank.org.tt. It is summarised in Figure 1 below:

Figure 1
Strategic Plan

REVIEW OF ACTIVITIES

2015-2016[1]

[1]The Bank's financial year runs from October 1, 2015 to September 30, 2016

Backdrop

INTERNATIONAL AND DOMESTIC ECONOMIC DEVELOPMENTS

Over the last year, the local economy continued its on-going adjustment. A significant decline in global energy prices in tandem with reduced production by local energy companies resulted in declines in export earnings and fiscal revenue, with effects on the rest of the economy. The anticipated reversal in 2016 in downtime by major energy companies for maintenance did not materialise, and remains an important factor in falling oil exploration and production. As a result of these challenges, economic activity slowed. Data published by the Ministry of Energy and Energy Industries point to lower output of most energy commodities during the year when compared to the preceding period. On the non-energy side, several indicators tracked by the Central Bank also demonstrated reduced activity in 2016.

The Central Statistical Office has indicated that the labour market deteriorated in the second quarter of 2016, as the unemployment rate increased to 4.4 per cent, from 3.8 per cent in the previous quarter, with the manufacturing, construction and agriculture sectors being most affected. According to data from the Ministry of Labour and Small Enterprise Development, reports of job losses increased while notices of job vacancies have declined over the six-month period from March to September 2016.

Lower global energy prices and depressed hydrocarbon output led to reduced energy export earnings, weakening the trade balance in 2016. The negative impact on international reserves was however offset to some extent by the receipt of the proceeds of a US$1 billion Central Government bond, so that net international reserves amounted to US$9.8 billion at the end of September 2016, equivalent to around 11 months of prospective imports of goods and non-factor services. Meanwhile, the TT dollar depreciated by 4.5 per cent between January and September 2016.

Over the first 9 months of 2016, inflation remained well contained, due to weak impulses from food inflation, as well as the sedate economic environment. On a 12 - month basis, headline inflation measured 3.0 per cent in September 2016 while core inflation was 2.3 per cent. The low inflation outturn was achieved despite increases to fuel prices, the widening of the Value Added Tax (VAT) base in April 2016 and the currency depreciation.

Revised estimates from the Ministry of Finance for Fiscal Year (FY) 2015/16 show that the Central Government accounts registered a deficit of TT$7.3 billion (5.0 per cent of GDP), compared with an initially budgeted deficit of TT$2.8 billion and a FY 2014/15 deficit outturn of TT$2.7 billion. Government revenue remained considerably constrained due to the persistent slump in the international energy market coupled with lower domestic energy production. As a result, the Central Government streamlined its expenditure in FY 2015/16 in light of falling energy revenues.

MONETARY POLICY

In light of the subdued economic conditions, low and stable inflation and a halt in the US Fed's monetary policy normalisation process, the Central Bank maintained the 'Repo' rate at 4.75 per cent throughout 2016. Simultaneously, the Bank focussed on careful management of liquidity to ensure that liquidity levels were appropriate for financial sector conditions at all times. Consequently, commercial banks' excess reserves averaged TT$3.2 billion in September 2016, little changed from the average of TT$3.1 billion at the close of the previous financial year. Fiscal activity during the year added TT$7.8

billion to financial system liquidity, notwithstanding a withdrawal of TT$1.162 billion as a result of a domestic Government bond issue in May 2016. A further TT$4.5 billion was added to the financial system when special deposits held at the Central Bank by the commercial banks matured during the year. Additionally, less aggressive open market operations (OMO) by the Bank released a further TT$1.0 billion into the system. The sale of foreign exchange by the Central Bank to the authorised dealers had the effect of withdrawing a total of TT$13.0 billion from the system.

Treasury bill rates continued to increase during the first half of FY 2015/16 in response to tighter liquidity conditions. The yield on the 3-month open market Treasury bill increased from 0.84 per cent at the beginning of October 2015 to 1.20 per cent by the end of March 2016. Similarly, the 1-year treasury yield increased from 2.35 per cent to 2.80 per cent over the same period. The 10-year Treasury bond began the year at a yield of 3.35 per cent and rose to 4.21 per cent by the end of March 2016. Thereafter, yields on short-term government securities were unchanged through to the end of September 2016 while the 10-year treasury yield continued to increase to 4.40 per cent.

The commercial banks' prime lending rates remained stable throughout 2016. The banks' weighted average lending rate reached 8.12 per cent in September 2016, up from 7.44 per cent in September 2015, while the weighted average deposit rate increased to 0.60 per cent from 0.55 per cent. As a result, the spread between weighted average lending and deposit rates increased slightly.

Although monetary policy remained accommodative, economic conditions have led to a gradual deceleration in private sector credit. On a year-on-year basis to September 2016, growth in private sector credit slowed to 3.5 per cent from 6.7 per cent in October 2015. Lending to businesses moved from a growth of 4.4 per cent in October 2015 to a decline of 1.9 per cent by September 2016, while consumer lending slowed gradually from 9.5 per cent to 7.6 per cent.

Monetary Operations

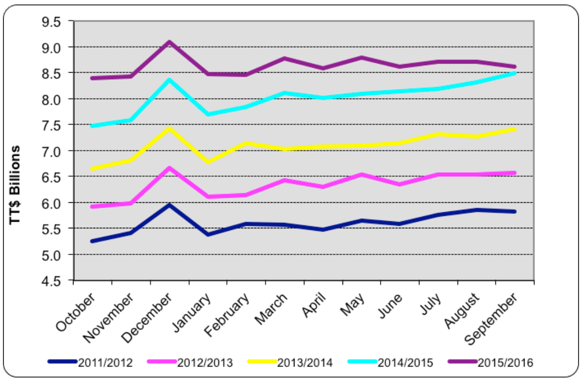
BANKING OPERATIONS

Currency in Circulation

In accordance with the Central Bank Act Chapter 79:02, the Bank has the sole right to issue Trinidad and Tobago banknotes and coins.

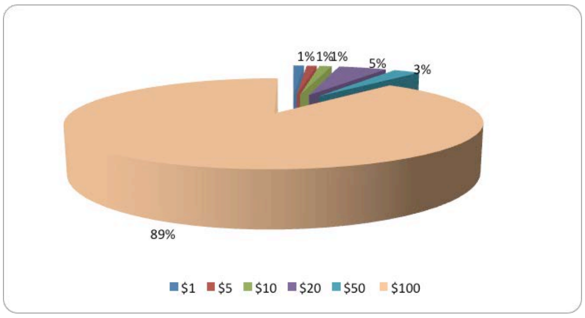
Currency in circulation as a percentage of GDP was 5.4 per cent in FY 2015/16, compared to 5.1 per cent in the previous financial year. The average growth rate of currency in circulation for FY 2015/16 was 1.8 per cent as compared to 14.0 per cent in the previous financial year. The traditional seasonal pattern of higher demand by commercial banks for currency during the holiday season of November and December was also evident during the year. (See Chart I).

Chart I
Currency in Circulation



The amount of new banknotes issued by the Bank was 33.5 per cent less than the previous year. The major factors that contributed to this decline were an increase in the number of banknotes reissued into circulation, continued increase of electronic payments, a decrease in request for cash over the counter at commercial banks and slowing economic activity. The TT$100 denomination continued to represent the largest value of all banknotes in circulation, about 89 per cent (See Chart II), while the TT$1 denomination accounted for the largest volume at 42 per cent of total notes in circulation.

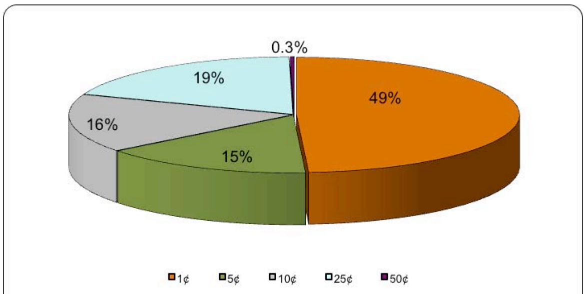
Chart II
Value of Notes in Circulation by Denomination as at September 30, 2016



The Central Bank introduced its first $50 polymer note in December 2014 to commemorate the Central Bank's 50th anniversary. In November 2015, a new and upgraded version of the polymer $50 note containing a tactile feature for the visually impaired was issued. As at September 2016, a total of 5.5 million pieces of $50 polymer notes (2014 and 2015) valued at $275 million had been issued.

With respect to coins, the 1 cent remained the most widely circulated, representing approximately 49 per cent of the total volume of coins in circulation, followed by the 25 cents coin at 19 per cent of total volume. (See Chart III).

Chart III
Volume of coins in Circulation by Denomination as at September 30, 2016



Note: Chart does not contain data for the $1 coin

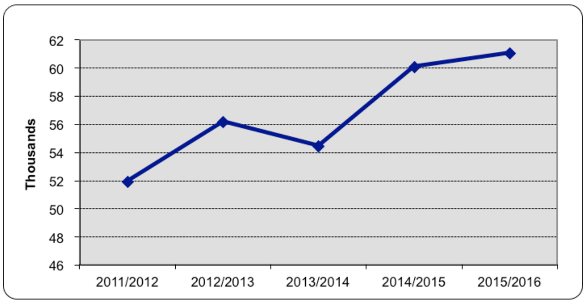
During the financial year, the Central Bank initiated a project to: (i) to change the country's existing alloy-based coins to metallic-based coins; and (ii) to eliminate the issuance of the 1 cent piece. This is prompted by the rising cost of alloys used to mint the coins currently in circulation, and the growing negative seigniorage in producing each coin. In fulfilling the Bank's decision, the services of the Royal Canadian Mint were engaged to produce the more cost-effective metallic-based coins. These coins are expected to be placed into circulation in 2017. The Central Bank will also cease issuing 1 cent pieces in 2017.

Clearing and Settlement Systems

i. Real Time Gross Settlement (RTGS)

The RTGS is an electronic payment system which facilitates the clearance and settlement of large value (TT$500,000 and over) and time sensitive transactions among the Central Bank and the commercial banks in real time. This payment system is the most significant within the domestic economy in terms of value, settling a monthly average value of TT$47 billion. A total of 61,050 transactions were settled on the system during FY 2015/16 (See Chart IV).

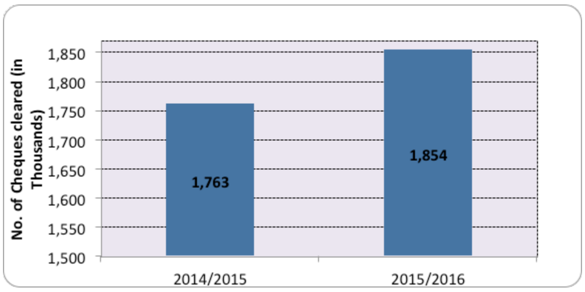
Chart IV
RTGS Annual Volumes



ii. Cheque Clearing

In the year to September 2016, though the volume of cheques cleared by the Central Bank increased by 5 per cent, there was a decrease in value of approximately 18.8 per cent when compared to the previous year. This suggests that there was an overall increase in the number of smaller value cheques cleared by the Central Bank. The value of cheques drawn on the Central Bank stood at TT$52 billion in FY 2015/16 compared to TT$64 billion in FY 2014/15 while the volume rose to 1.9 million from 1.7 million. (See Chart V).

Chart V
Volume of Cheques Cleared by the Central Bank as at September 2016



Financial Institutions Reserve Accounts

The required statutory cash reserve ratios for commercial banks and non-bank financial institutions remained unchanged at 17 per cent and 9 per cent of their prescribed liabilities respectively. The value of the average deposit liabilities for the commercial banks increased marginally by 0.89 per cent while non-banks increased by 7.29 per cent. In addition to the unremunerated statutory cash reserves, the commercial banks continued to hold a secondary reserve of 2 per cent of their prescribed liabilities. A fixed rate of 0.25 per cent was paid on these holdings.

Additionally, as part of the Bank's monetary policy strategies to manage liquidity, some of the commercial banks' fixed deposits at the Central Bank were paid out at maturity. At the end of the financial year, the commercial banks held TT$1.5 billion in deposits, down from TT$6 billion at the beginning of the period.

Regional Arrangements

i. Bank of Guyana Consolidated Debt

The Bank of Guyana's debt to Trinidad and Tobago is a consolidation of sums owed to the Central Bank and the Government of Trinidad & Tobago from:-

1. The Caricom Oil Facility (1981-1982)
2. The Balance of Payments Support Facility (1974-1975)
3. Bilateral Settlements Loan (1985)

This consolidated debt was reduced under the IMF's Enhanced Heavily Indebted Poor Countries (HIPC) Initiative to US$56 million in 2005. This debt continues to be serviced on a semi-annual basis and an amount of US$6.72 million was received during FY 2015/16. This was distributed as follows based on the proportions of the original loan:

Government of the Republic of Trinidad & Tobago (GORTT) - US$1.36 million
Central Bank of Trinidad and Tobago - US$5.36 million

The principal balance outstanding as at September 30, 2016 was US$22.3 million.

ii. Banco Latinamericano De Exportaciones S.A. (BLADEX)

The Central Bank holds a total of 160,626.50 Class A shares in BLADEX. During the financial year, dividends totaling approximately US$247,000 were received.

iii. Corporación Andina de Formento (CAF)

As at September 30, 2016 the Central Bank held 7,590 Series "C" Shares of Common Capital Stock of CAF at a cost of US$107,778,000. CAF is a development bank comprised of various countries and banks from Latin America, the Caribbean and Europe.

DOMESTIC MARKET OPERATIONS

Government Bonds

The Central Bank continued to act as the Registrar and Paying Agent of Government and State Enterprise (Agency) bonds issued under the Government Securities Auction system and Depository as well as Government of the Republic of Trinidad and Tobago (GORTT) bonds that were dematerialised in prior years. The Government issued one bond during the financial year valued at TT$1,163 million at a fixed rate of 4.5 per cent. Principal repayments and interest payments to bondholders of Central Government (inclusive of NIPDEC) securities amounted to TT$289 million and TT$1.47 billion respectively. Meanwhile, principal repayments and interest payments made to State Agency bondholders amounted to TT$52 million and TT$287.4 million respectively.

On November 30, 2015, payments in respect of the fourth tranche of GORTT CLICO zero coupon bonds were made to bondholders in the amount of TT$476.6 million. On September 3, 2016, payments of TT$18.5 million in respect of the second tranche of the GORTT Hindu Credit Union zero coupon bonds were made to bondholders. The Bank also continued to encash small amounts of outstanding bonds issued under the Public Sector (Arrears of Emoluments) Act 1995, the Public Sector (Arrears of Emoluments) Amendment Act 1998 and Tax Free Bonds created under the Government Savings Bond Act Chap 71:41.

Foreign Exchange Market

Conditions in the domestic foreign exchange market were relatively tight as inflows from foreign exchange earners declined in FY 2015/16. Purchases from the public by authorised dealers declined 11.5 per cent from the previous year, reflecting a 17.3 per cent drop in energy sector conversions. As a result of the lower inflows, sales of foreign currency to the public declined by 15.6 per cent.

The Central Bank maintained its support to the domestic foreign exchange market, selling US$1,997 million to authorised dealers, compared to US$2,325 million in the previous year. The TTD/USD exchange rate depreciated from TT$6.3625/US$1.00 to TT$6.7421/US$1.00 over the course of the financial year.

FOREIGN RESERVES MANAGEMENT

Consistent with declining energy sector revenues, foreign currency reserves fell to US$9.8 billion in September 2016 from US$10.3 billion in September 2015. The main inflows to the reserve portfolio came from the receipts of proceeds from the issuance of the Republic of Trinidad and Tobago US$1 billion 4.50 per cent notes (due August 4, 2016), the energy sector which added US$735.3 million (significantly down from US$2.0 billion in the previous financial year), and the Heritage and Stabilisation Fund from which US$375.1 million was transferred. The major outflows included foreign currency sales to the domestic market totaling US$2.0 billion and Central Government payments of approximately US$0.9 billion.

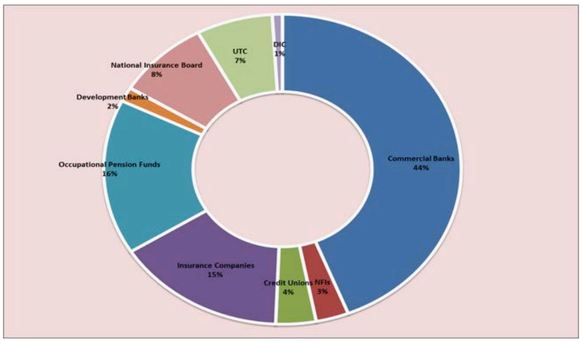
The changing dynamics for the foreign currency reserves along with financial market uncertainty have resulted in the Central Bank revisiting the way the reserve portfolio is managed. Over the 2015/16 financial year, the Bank employed strategies to ensure the preservation of the capital value of the portfolio, the availability of adequate liquidity to meet obligations, and the achievement of an acceptable rate of return. The portfolio's currency risk was reduced and the assets remained invested primarily in short-dated US Treasury securities and US fixed deposits. Over the period, the reserve portfolio earned 0.64 per cent compared with a return of 0.35 per cent in the previous year, mainly on account of higher coupon and deposit rates.

Financial Stability and Surveillance

OVERVIEW

The financial sector of Trinidad and Tobago accounted for approximately 14.5 per cent of GDP in 2016. Total assets[2] of the financial sector amounted to over TT$300 billion. There has been no major shift in the composition of assets and the commercial banks continued to account for the largest portion of total assets (approximately 44 per cent) (See Chart VI) with four banks accounting for over 90 per cent of commercial banking assets.

Chart VI
Composition of Assets in the Financial Sector
September 2016



The Central Bank as the primary regulator of the financial system, maintained close oversight of the banking, insurance and pensions sectors. Further, despite not yet having the requisite legislation in place, the Central Bank continued close monitoring of the deemed Systemically Important Financial Institutions: the Trinidad and Tobago Unit Trust Corporation, National Insurance Board, Home Mortgage Bank, Trinidad and Tobago Mortgage Finance Company Limited and the Agricultural Development Bank.

Challenges within the domestic macroeconomic environment have not to date translated into any material decline in the key financial soundness indicators.

[2]Includes CLICO and British American (Trinidad and Tobago), but excludes Central Bank assets.

Resolution Plan for Colonial Life Insurance Company Limited (CLICO) and British American Insurance Company (Trinidad) Limited (BAT)

The Resolution Plan for CLICO and BAT was shared with the public on March 27, 2015, and involved phased payments to CLICO's policyholders and creditors from the monetisation of CLICO's assets.

In July 2016, special directions with respect to CLICO and BAT were issued to the Central Bank pursuant to section 44F(5) of the Act regarding a strategy to facilitate an earlier settlement of liabilities to unconnected "third party" Short-Term Investment Product (STIP) holders and mutual fund holders including the Government, as assignee of the rights of mutual fund holders and STIP holders.

Pursuant to these directions, on July 13, 2016, Government received two further payments totalling TT$2.6 billion which represented settlement of its Statutory Fund liabilities, as assignee of rights of Statutory Fund policyholders who accepted Government's 2011 bailout offer. In addition, all non-assenting third party resident and non-resident STIP holders and holders of mutual fund contracts were invited to apply for full payment of their policies; payments to this group commenced on July 25, 2016.

KEY INITIATIVES

The Bank's risk-based approach to supervision and regulation of regulated entities, the payments system as well as the oversight of the financial system as a whole seeks to foster the resilience of the financial sector while promoting good governance within regulated entities. In this regard, the Central Bank either continued or embarked on several initiatives aimed at strengthening the resilience of the financial system during the year.

Stress Testing

Since 2005, the Bank has used a top down stress testing methodology to assess certain vulnerabilities and risks in the commercial banking sector. Conservative banking practices, strong profitability and adequate capital buffers make for a resilient banking system. The results of the tests support the view that the capital held by individual banks is adequate to withstand plausible stresses such as interest rate, foreign exchange, credit, property and liquidity shocks although there is evidence of vulnerability in some institutions due to certain asset concentrations.

The Bank has embarked on an initiative to refine the technical aspects of the stress testing methodology, update the stress parameters and scenarios and to include other financial institutions and financial products. Important aspects to be considered are contagion and second round effects and a focus on systemically important financial institutions. The first phase of this initiative involved technical assistance (TA) to the Bank from the IMF's Caribbean Regional Technical Assistance Centre (CARTAC). The TA mission was geared toward:

(i) building in-house capacity for ongoing scenario development and modelling;
(ii) engendering collaboration with the Securities and Exchange commission in the development of stress tests for the securities sector; and
(iii) assessing any potential for contagion posed by the securities sector.

The Central Bank also co-hosted a Financial Stability and Stress Testing Seminar with the Association of Banking Supervisors of the Americas (ASBA), the Caribbean Group of Banking Supervisors (CGBS) and the Financial Stability Institute (FSI).

Basel II/III Implementation

Key milestones of the ongoing project to implement the International Basel II/III regulatory capital standard were met. The expected timeline for completion of the first phase of the Basel II/III Implementation project is June 2018.

Anti-money laundering and combatting the financing of terrorism (AML/CFT)

The Caribbean Financial Action Task Force (CFATF) published the 4th Round Mutual Evaluation Report on its website on June 3, 2016. The Report noted that Trinidad and Tobago was placed in enhanced follow up largely due to deficiencies in the effectiveness of its AML/CFT regime. The Report contained several recommendations to further improve the country's AML/CFT framework, including strengthening money laundering/terrorist financing investigative and prosecutorial processes and implementation of targeted financial sanctions for terrorist financing. As a consequence, the National Anti-Money Laundering Committee (NAMLC), which includes a Central Bank representative, met to formulate action plans and finalise the National Risk Assessment.

De-risking

The Central Bank participated in a number of regional and international fora hosted by the World Bank, the IMF, the Financial Stability Board (FSB) and the Financial Action Task Force (FATF) on the topic of 'de-risking'. The objectives of those meetings were to discuss the impact of de-risking and identify pragmatic solutions to treat with the issue. De-risking refers to financial institutions exiting relationships with and closing the accounts of clients considered as 'high risk'. Drivers of de-risking include the fear of exorbitant regulatory fines and reputational risk due to observed or perceived noncompliance with international standards.

Consolidated Supervision Framework

The financial sector is also characterised by intra-regional relationships which heighten systemic risks and the likelihood of contagion. These intra-regional relationships call for supervisory cooperation among the region's central banks. In this regard, the Bank continued its collaboration with its regional counterparts and worked with the Caribbean Group of Banking Supervisors (CGBS), to develop and roll out a Regional Consolidated Supervision Framework which was approved in May 2016. The document prescribes a framework for conducting risk assessments for financial groups and details procedures and reporting requirements to facilitate supervisory collaboration and information sharing.

Regional Harmonisation of Asset Classification and Provisioning Standards

The Central Bank co-chaired (along with the Cayman Islands Monetary Authority) a CGBS working group to progress policy proposals for the Regional Harmonisation of Asset Classification and Provisioning Standards. The main objective of this project was to examine the differences in regulatory loan classification and provisioning standards in regional jurisdictions given the existence of cross-border banking groups. The project report proposes minimum standards for inter alia, effective management of credit portfolios, portfolio reviews, classification of assets, treatment of past due and nonperforming credit facilities, provisioning, treatment of interest, income recognition, disclosure and reporting requirements. The document is expected to be adopted at the next meeting of the CGBS scheduled for early 2017.

PAYMENT SYSTEM OVERSIGHT

In keeping with its policy[3] on the adoption of the Principles for Financial Market Infrastructure[4], the Central Bank continued its baseline assessment of particular aspects of the National Payments System. The National Payments System comprises the Real Time Gross Settlement System (RTGS) and three Significant Retail Payment Systems (SRPS); the Automated Clearing House (ACH), the cheque clearing system and the automated teller machine (ATM)/point of sale (POS) systems for credit and debit cards.

Pursuant to Section 51 of the Financial Institutions Act, 2008 (FIA), which requires the Inspector of Financial Institutions to be notified of new products being introduced by licensees, several such proposals related to new payments products were reviewed.

These pertained to the use of new technologies including mobile phone based systems and the introduction of new payment card based products. Applications by entities not licensed under the FIA for registration as payment service providers and bill payment service providers were also reviewed.

[3]http://www.central-bank.org.tt/content/payments-system .

[4]Issued jointly by the Committee on Payment and Settlement Systems of the Bank for International Settlements and the Technical Committee of the International Organisation of Securities Commission

The Central Bank continued to serve as the Secretariat to the Payments System Council (PSC). The PSC reviewed its objectives under its 5-year strategic plan. This includes the upgrade of the legislative and technological frameworks in keeping with international best practices. In April 2016, the Central Bank co-hosted a Regional Workshop on Retail Payments Systems in Latin America and the Caribbean with the Bank for International Settlement and CEMLA.

There were presentations by the BIS, World Bank, Bundesbank and CEMLA on topics ranging from correspondent banking to de-risking and the payment aspects of financial inclusions. The Bank also participated in the Global Payments Week held in Turin, Italy in September 2016.

LEGISLATIVE REFORM

(i) **The Insurance Bill, 2016** - On July 1, 2016 the Insurance Bill 2016 was laid in the House of Representatives; the debate on this Act is expected to be completed in 2017.

(ii) **Foreign Account Tax Compliance Act, 2010 (FATCA)** - On August 21, 2016 the Minister of Finance and the United States Ambassador to Trinidad and Tobago signed the Model 1 Inter-governmental Agreement (IGA which paved the way for the implementation of the Foreign Account Tax Compliance Act (FATCA) between Trinidad and Tobago and the United States. The next step involves the passing of legislation by the Trinidad and Tobago government. The Central Bank continues to collaborate with the Ministry of Finance, the Office of the Attorney General and all other relevant stakeholders, including commercial banks, insurance companies and other financial institutions under its regulatory purview, to ensure readiness.

(iii) **Money Remitters** - The Central Bank collaborated with the Financial Intelligence Unit of Trinidad and Tobago (FIU) to commence work on the establishment of an appropriate regulatory framework for money remitters in Trinidad and Tobago. Establishment of an adequate regulatory framework will address one of the noted deficiencies in the CFATF's Mutual Evaluation Report of Trinidad and Tobago.

Streamlining Operations

GOVERNANCE AND THE CONTROL ENVIRONMENT

The Bank modified its High-Level Organisational Structure with effect from April 1, 2016 following discussions and endorsement of the Board of Directors. The guiding principles underpinning the new structure are greater simplicity, efficiency, accountability, leveraging of employees' strengths and capabilities and operational risk minimisation. As a result of the restructuring, several departments were merged, with a resultant reduction in the number of departments from 22 to 15. The mergers will benefit the Bank through fewer cost centres; more efficient HR administration; consolidated budgets and training programmes and greater opportunities for staff intra-department mobility and exposure.

The modified structure includes a Senior Manager dedicated solely to Financial Technology and Information Security. This position is considered critical given the potential IT risks that financial institutions are facing and the significant expenditure associated with IT. An IT Committee of the Board of Directors with oversight responsibility for IT has also been established.

The Bank established a Risk Management Policy to ensure a systematic and comprehensive approach to risk management as well as to entrench a culture that emphasizes careful analysis and control of risk. For each of the 3 broad classes of risks — strategic, financial and operational—the Bank established formal governance structures that facilitate regular assessment of risks and adoption of appropriate risk mitigants.

The Bank has also employed management systems for business continuity and health and safety. With respect to business continuity, a financial sector continuity assessment was completed which indicates that the business continuity programmes of the reporting institutions are well established and functional.

The Bank's Security Department has progressively expanded the use of access control and monitoring technology to enhance physical security. It has also collaborated with the security units of other central banks across the region providing advice and guidance.

HUMAN RESOURCES

As at September 30, 2016 the Bank's complement numbered 613, which represented 572 permanent staff and 41 contract staff. This represented a 6 per cent decrease over the staffing as at September 30, 2015.

The Bank recognises staff as its key resource in accomplishing its objectives and is committed to ensuring that each member of staff has the opportunity to reach his/her potential. In this regard, staff members are exposed to targeted training and developmental opportunities. During FY 2015/16 over 50 per cent of staff participated in in-house, local and overseas training. Implementation of the Bank wide Staff Training and Development Plan will be measured semi-annually to assess its effectiveness.

The Bank continued its succession planning efforts with the promotion of 28 employees. Online access to a Leadership & Management Learning Center (LMLC) was made available to all staff as part of the Personal Performance Management System (PPMS). The Bank also automated the entire Performance Management process, a major accomplishment as it simplified the assessment process for management and staff. There is also the added bonus that this contributes to the Bank's efforts at going green.

ECONOMIC AND STATISTICAL SERVICES

In FY 2015/16, the Bank's policy work came into sharper focus given the country's economic circumstances. The Bank was involved in several meetings with the International Monetary Fund, credit rating agencies as well as various Government ministries. In July, the Bank also assisted in the preparations for the Government's road show for the US $1 billion international bond.

The research agenda was geared to identifying issues of importance to the Bank and the economy. The topics of papers completed included: the implications of the US as an oil exporter, measures of labour productivity, monetary policy and macro-prudential policy, and financial market indicators. The internal Research Discussion series continued and staff also presented papers at regional research conferences including the Caribbean Centre for Money and Finance and the Barbados Research Review Seminar. As part of its function of economic intelligence reporting, the Bank published the Annual Economic Survey, Economic Bulletin, Monetary Policy Report, Financial Stability Report and Balance of Payments Report.

The Bank benefitted from Technical Assistance Missions by the International Monetary Fund to facilitate the full migration of the external sector statistics to the latest international standard – the Balance of Payments Manual, 6th Edition. The collaboration led to an improvement in the general coverage and quality of the data collected. These revised data will be made available to the public in the coming fiscal year. Further, the Bank rebased its Quarterly Gross Domestic Product Index to 2010 and included additional indicators of economic activity.

The Bank worked closely with the Ministry of Finance to implement reporting of the country's debt statistics using the Commonwealth Secretariat Debt Recording and Management System. The successful upgrade of the Bank's primary data storage environment, the Market Map Analytical Platform (formerly FAME), was also undertaken. This upgrade made web-based data collection solutions possible. The Statistics Department also continued to broaden the range and improve the presentation of data disseminated online while strengthening the capacity of the Central Statistical Office (CSO) through the provision of computers and temporary staff.

INFORMATION TECHNOLOGY

In April 2016, the Information Technology Department was repositioned with a clear mandate of keeping the Bank's information safe and its operations efficient. The Department was renamed Financial Technology and Information Security (FTIS) and a sub-committee of the Board was appointed to further bolster IT governance.

During the year, availability of the Bank's core applications was maintained at over 99 per cent. In an effort to strengthen and enhance the IT infrastructure, work also commenced on a diagnostic of the safety and appropriateness of the Bank's systems. Recognising the systemic nature of cyber risk and its potential impact on financial stability, the Bank increased its focus on cyber resilience of its own systems and those of its licensees. To this end, an Information Security plan is being developed with two key components. These are:

a) Strengthening of the Bank's defenses through education, awareness, enhanced monitoring and a general hardening of the infrastructure; this will provide an integrated approach to efficiently identify, capture, store, manage, locate and retrieve all information throughout the organisation;

b) Establishing minimum standards and frameworks to ensure the financial system's resilience to cyber threats. In August 2016, a cybersecurity governance 'health check' was conducted on all commercial banks through self-assessments by their Boards and senior management teams. This will be followed by a technical 'health check' of cyber risk management which will provide a baseline for ongoing risk assessments and examinations by the Central Bank's Supervisory arm.

Given the interconnectivity of the financial system across the region and globally, and the growing reliance on information technology in almost every aspect of operations, the Bank is engaging regional central banks to establish an information sharing mechanism and protocols. This will result in sharing of best practices leading to improved threat intelligence and collective responsiveness to technology led threats.

The Bank also completed the review and update of key policies and procedures governing the creation, capture and management of its records and information. Several new information databases were also introduced. The Bank will be embarking on the establishment of a comprehensive information management solution in the new financial year.

Community Engagement and Outreach

The Bank places great emphasis on communication with the general public and with the regional and international community.

Consistent with the Bank's annual calendar of events, Monetary Policy Reports were presented in November 2015 and May 2016 while the 2015 Financial Stability Report was launched in June 2016. These presentations were made to the business sector and key stakeholders, including the media.

Governor - Dr. Alvin Hilaire, Inspector of Financial Institutions (Ag.) - Mrs. Michelle Chong Tai-Bell and Deputy Inspector, Banks, Non-Banks and Payment Systems Oversight - Mrs. Michelle Francis-Pantor (left to right) at the 2015 Financial Stability Report Media Conference in June 2016

Mr. Alister Noel (left to right) at the launch of the Monetary Policy Report in May 2016

The Bank is also committed to the support of the local performing arts and the Auditorium remains a highly sought after theatre space. As part of our Corporate Social Responsibility (CSR), the Bank engages in a number of activities including the hosting of lectures and exhibitions, money museum outreach programmes and the provision of support to organisations and entities.

FINANCIAL SERVICES

On April 1, 2016, following consultation with the Bankers Association of Trinidad and Tobago (BATT) and the Association of Trinidad and Tobago Insurance Companies (ATTIC), the Central Bank of Trinidad and Tobago appointed Mr. Dominic Stoddard as Financial Services Ombudsman for a period of 3 years. It was also agreed that the Office of the Financial Services Ombudsman (OFSO) would handle the functions of the National Financial Literacy Programme (NFLP) given the synergies of the mediation and public education functions.

The OFSO has formed several strategic alliances, partnering with various stakeholders including the Trinidad and Tobago Insurance Institute, the Geriatric Adolescent Partnership Programme, the Youth Training and Employment Partnership Programme as well as the Ministry of Labour and Small Enterprise Development.

CONSUMER PROTECTION AND FINANCIAL LITERACY

The Bank compiled and posted on its website a schedule of the fees and charges of individual commercial banks in September 2016. The schedules will be updated on an annual basis with data as of

June 30 of each year. The publication of comparative information is expected to encourage greater transparency and allow members of the public to make more informed decisions.

The National Financial Literacy Programme (NFLP) remained actively focused on students and young adults, community and niche groups, and small and medium enterprises. Over 1,000 post Secondary Entrance Assessment (SEA) students were recipients of financial literacy sessions. For community and niche groups, the department spread financial literacy to over 1600 representatives and members of various organisations. Not to be left out, SMEs were also covered, with a targeted partnership engaged with the Tourism Development Company Ltd. At external events, ranging from expositions and fairs to participation in cultural events, over 700 members of the public were made aware of the offerings of the department. Internally as well, the NFLP in partnership with the External Relations Department, via the Money Museum, presented its message to in excess of 200 visitors to the Central Bank. The NFLP's the main areas of focus in FY 2016/17 will be budgeting, managing debt and financial fraud.

MEMORIAL LECTURES

The Dr. Rudranath Capildeo Lecture was introduced in 2014 to commemorate the outstanding contribution made by Dr. Capildeo in politics and law as Trinidad and Tobago's first Opposition Leader and on the world stage as an acclaimed scientist and mathematician. Noted scholar and historian, Fr. Anthony De Verteuil C.S.Sp (also well-known as a past principal of St. Mary's College, Port of Spain) delivered this Lecture on May 20, 2016. His topic, the eye-opening "Decisions and Destiny – The Life of Pundit Capildeo Maharaj" was wholeheartedly appreciated by those in attendance.

Father Anthony de Verteuil - Dr. Rudranath Capildeo Lecture in May 2016

The Bank celebrated its 30th edition of its annual flagship event, the Dr. Eric Williams Memorial Lecture Series on July 23, 2016. The distinguished lecture series was established to honour the life and work of Trinidad and Tobago's first Prime Minister, and over the years has featured inspiring presentations from eminent scholars, statesmen and intellectuals. Barbados-born Sir Hilary Beckles KA, historian and Vice-Chancellor of the University of the West Indies (UWI), was the feature speaker and delivered an exceptional lecture titled "The University Sector and Economic Development in the Caribbean" to an appreciative and enthusiastic audience.

Sir Hilary Beckles KA - 30th Dr. Eric Williams Memorial Lecture in July 2016

The Bank launched exhibitions at both lectures. The Dr. Rudranath Capildeo exhibition highlighted the journey and life of Dr. Rudranath Capildeo's father, Pundit Capildeo and the Dr. Eric Williams Memorial exhibition featured all of the past lecturers of the series since its inception in 1983.

DE LA RUE CURRENCY SCHOLARSHIP PROGRAMME

Since its inception in 2003, the Bank's partnership with De La Rue Currency (DLR) has resulted in the award of 16 scholarships to deserving Trinidad and Tobago students. Currently, 7 of these recipients are employed by the Bank. Ms. Ashley Bobb was awarded the scholarship in 2016.

De La Rue Scholarship Winner, Ms. Ashley Bobb with Governor Alvin Hilaire and De La Rue representative, Mr. Barnaby Dicks at the Awards Ceremony in January 2016

VACATION INTERNSHIPS

The Bank's annual Vacation Internship Programme (VIP) continued with 33 interns who were exposed to on-the-job training and various programmes to develop relevant skills and competencies to assist them with their transition from university to the workplace.

2016 Vacation Internship group with Mrs. Nicole Crooks and Governor Alvin Hilaire in August 2016

MONEY MUSEUM

The Central Bank Money Museum is an educational resource on the history and development of money and banking in Trinidad and Tobago. The programmes create an environment of continuous engagement where people may enjoy educational experiences outside of the traditional settings. Although the museum remains closed for renovations and upgrading, the Central Bank hosts visitors and schools in the Auditorium through bookings. Members of the Research Department and National Financial Literacy Programme (NFLP), as well as the staff of the Money Museum deliver presentations to visitors and a temporary display of museum artefacts is mounted in the Auditorium Lounge for visitor viewing on these particular days.

For FY 2015/16, the Museum staff hosted visits in the Auditorium area from 441 persons, consisting of 43 adults and 398 students, ages 3 to 19 years old. The Money Museum held successful outreach programmes at the Divali Nagar and Emancipation Village during FY 2015/16. Exhibits included early forms of money, Trinidad and Tobago's first $50 note and samples of destroyed currency. Visitors learned about the history and development of currency in Trinidad and Tobago, as well as the role and functions of the Central Bank.


Visitors to the Bank's booth at the Emancipation Village in August 2016

SPORTS AND CULTURAL CLUB

The Sports and Cultural Club held elections in 2016 and a new executive was selected. The Club organised the Bank's participation in the biennial Intra-Regional Games (IRG) in Suriname where we placed third overall. The Bank continued to be an enthusiastic supporter of CariFin Games, an annual series of sports events that promotes health and camaraderie within the financial services community. When the 2016 CariFin Games were launched, Governor Dr. Alvin Hilaire lead the Torch Run, accompanied by the heads of the other participating financial institutions.

Central Bank Football Team

The Central Bank Football Team (CBFT) enjoyed a highly successful 2016 season, bringing home a raft of trophies and welcoming a new manager in Esla Anthony. The team's "Sweat on Third", a weekly get-together for the purpose of playing football at the outdoor sports facilities on the third floor of the Bank, has proved to be a popular initiative.

One of the team's notable achievements was a series of winning performances at the 2016 Intra-regional Games (IRG) in Suriname, which earned them Gold. The team therefore emerged as champions of the tournament in both the 2014 and 2016 Games. At home, the CBFT took part and excelled in the highly competitive Inter-bank Football League (IBFL), winning the trophy by an overall margin of 8 points.

Central Bank's Football Team

2016 Sport and Family Day

The Bank's Sports and Family Day was held on August 6, 2016 at the Ato Boldon Stadium in Couva. There were 5 teams named after Trinidad and Tobago Olympic and Paralympic heroes. Central Bank staff and their families participated in the day of fun.


Employees and their families participating in the Central Bank's Sport and Family Day 2016

CHARITABLE WORK, HEALTH AND WELLNESS

Staff continued to participate in our very own We Care charity programme. A number of Homes were invited to our Children's Christmas party in December 2015 where the children were able to experience Christmas cheer and the Homes were beneficiaries of hampers. A few schools with children needing support for school items were able to benefit from our Back to School Programme in August 2016.

Guests at the Bank's Children's Christmas Party in December 2015

The Bank is also committed to deepening the engagement with staff and retirees. During the year, we hosted a number of internal events aimed at enhancing employee communication and engagement where staff members attended and participated. A Health and Wellness Seminar for the Bank's retirees took place on October 31, 2015. This year's theme was 'Live, Love & Laugh' with an attendance of approximately 50 retirees. As is customary, the North West Regional Health Authority (NWRHA) offered basic medical screening to all retirees. In addition, the Bank's EAP provider, 'Arts in Action' facilitated an interactive session addressing the issue of transitioning from the workplace to retirement.

FINANCIAL STATEMENTS
2015-2016

REPUBLIC OF TRINIDAD AND TOBAGO
AUDITOR GENERAL'S DEPARTMENT

REPORT
OF THE
AUDITOR GENERAL

ON THE CONSOLIDATED FINANCIAL STATEMENTS
OF THE
CENTRAL BANK OF TRINIDAD AND TOBAGO
AND ITS SUBSIDIARY

FOR THE YEAR ENDED

30 September 2016

REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE CENTRAL BANK OF TRINIDAD AND TOBAGO AND ITS SUBSIDIARY FOR THE YEAR ENDED 30 SEPTEMBER 2016

Section 116 of the Constitution of the Republic of Trinidad and Tobago and Section 52 (1) and (2) of the Central Bank Act No. 23 of 1964 provide for the Accounts of the Bank to be audited by auditors who shall be appointed by the Board with the approval of the Minister of Finance. The Board on 18 March 2016 agreed to the appointment of the Auditor General as Auditor of the Accounts of the Central Bank of Trinidad and Tobago. The Minister of Finance on 5 July 2016 approved the appointment of the Auditor General as Auditor of the Accounts. The accompanying Financial Statements comprise a Consolidated Statement of Financial Position as at 30 September 2016, a Consolidated Statement of Comprehensive Income, a Consolidated Statement of Changes in Equity and a Consolidated Statement of Cash Flows for the year ended 30 September 2016 and Notes to the Consolidated Financial Statements numbered 1 to 28.

BOARD'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The Board of the Central Bank of Trinidad and Tobago is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

3. The Auditor General's responsibility is to express an opinion on these financial statements based on the audit. The audit was conducted in accordance with auditing standards which require that ethical requirements be complied with and that the audit be planned and performed to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the opinion expressed at paragraph 5 of this Report.

OPINION

5. In my opinion, the Consolidated Financial Statements as outlined at paragraph one above, present fairly, in all material respects, the financial position of the Central Bank of Trinidad and Tobago and its subsidiary as at 30 September 2016 and the related financial performance and cash flows for the year ended 30 September 2016 in accordance with IFRS except as stated at Note 2a to the Consolidated Financial Statements.

22 DECEMBER 2016
PORT-OF-SPAIN

LORELLY PUJADAS
ACTING AUDITOR GENERAL

RB
20161222

Auditor General's Report
CBTT 2016

Page 2 of 2

CENTRAL BANK OF TRINIDAD AND TOBAGO
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

	Notes	Sep-16 $'000	Sep-15 $'000
ASSETS			
Foreign currency assets			
Foreign currency cash and cash equivalents	4	38,740,864	36,998,052
Foreign currency investment securities	5	25,923,905	26,374,730
Foreign receivables	9	4,271,434	3,759,555
Subscriptions to international financial institutions	10	5,294,542	3,837,933
International Monetary Fund - Holdings of Special Drawing Rights		2,268,011	2,461,370
		76,498,756	**73,431,640**
Local currency assets			
Local currency cash and cash equivalents	4	1,666,802	1,709,615
Local currency investment securities	5, 6	223,991	4,489,648
Retirement benefit asset	8	121,548	179,540
Accounts receivable and prepaid expenses	9	2,235,540	2,175,869
Other assets	11	180,936	227,979
Property, plant and equipment	12	194,221	217,328
		4,623,038	**8,999,979**
TOTAL ASSETS		**81,121,794**	**82,431,619**
LIABILITIES			
Foreign currency liabilities			
Demand liabilities - foreign	13	603,878	433,325
International Monetary Fund - Allocation of Special Drawing Rights		3,006,769	2,866,201
Accounts Payable	14	4,778,682	3,894,425
		8,389,329	**7,193,951**
Local currency liabilities			
Demand liabilities - local	13	30,442,293	28,423,253
Accounts payable	14	31,170,432	40,292,357
Provision for transfer of surplus to government		714,026	809,011
Provisions	15	8,805,143	4,111,876
		71,131,894	**73,636,497**
CAPITAL AND RESERVES			
Capital	23	800,000	800,000
General Reserve		800,000	800,000
Retained Earnings		571	1,171
		1,600,571	**1,601,171**
TOTAL LIABILITIES, CAPITAL AND RESERVES		**81,121,794**	**82,431,619**

Governor

Deputy Governor

CENTRAL BANK OF TRINIDAD AND TOBAGO
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

	Notes	Sep-16 $'000	Sep-15 $'000
Income from foreign currency assets			
Investment income		550,666	437,969
Investment expense		(26,363)	(24,871)
		524,303	413,098
Loss from currency translations		(36,409)	(121,090)
Net loss realised on disposal and amortisation of investments		(312,013)	(84,261)
	16	**175,881**	**207,747**
Income from local currency assets			
Interest income	17	971,209	890,721
Rental income		2,302	2,971
Other income	17	74,976	69,303
		1,048,487	**962,995**
Decrease in provisions		57,383	159,251
Total income		**1,281,751**	**1,329,993**
Operating expenses			
Printing of notes and minting of coins	18	81,454	81,157
Salaries and related expenses	19	288,911	331,662
Interest paid		76,519	80,007
Directors' fees		1,128	826
Depreciation		34,286	35,317
Other operating expenses	20	86,027	101,292
Total operating expenses		**568,325**	**630,261**
Net surplus for the period		**713,426**	**699,732**
Total comprehensive income for the period		**713,426**	**699,732**

CENTRAL BANK OF TRINIDAD AND TOBAGO
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

	Issued and Fully Paid Up Capital $'000	General Reserves $'000	Retained Earnings $'000	Total $'000
Balance as at 1 October 2014	800,000	766,279	144,171	1,710,450
Net surplus for the period	-	-	699,732	699,732
Transfer of surplus to Consolidated Fund	-	-	(809,011)	(809,011)
Tranfer to General Reserve	-	33,721	(33,721)	-
Balance as at 30 September 2015	800,000	800,000	1,171	1,601,171
Balance as at 1 October 2015	800,000	800,000	1,171	1,601,171
Net surplus for the period	-	-	713,426	713,426
Transfer of surplus to Consolidated Fund	-	-	(714,026)	(714,026)
Tranfer to General Reserve	-	-	-	-
Balance as at 30 September 2016	800,000	800,000	571	1,600,571

CENTRAL BANK OF TRINIDAD AND TOBAGO
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

	Notes	Sep-16 $'000	Sep-15 $'000
Cash flows from operating activities			
Net surplus for the year before taxation		713,426	699,732
Adjustments for:			
Depreciation		34,286	35,317
Net gain on disposal of fixed assets		(277)	(622)
Interest income		(1,520,294)	(1,327,156)
Interest expense		76,519	80,007
Dividend income		(1,581)	(1,534)
Provisions		(57,383)	(159,251)
Cash flow before changes in operating assets and liabilities		**(755,304)**	**(673,507)**
Changes in operating assets and liabilities			
(Increase)/Decrease in accounts receivable & prepaid expenses		(554,794)	2,202,018
Decrease in other assets		34,890	21,987
Decrease in pension asset		57,992	96,709
(Decrease)/Increase in accounts payable and other liabilities		(6,039,040)	3,029,469
Net cash flow (used in)/ from operations		**(7,256,256)**	**4,676,676**
Cash flows from investing activities			
Purchase of property, plant and equipment		(12,019)	(32,700)
Proceeds from sale of property, plant and equipment		1,117	848
Net proceeds/(purchase of investments) from sale of investments		6,410,663	(3,157,158)
Net (issue)/repayment of loans and advances		(12,108)	95,143
Interest received		1,503,178	1,391,435
Dividends received		1,581	1,534
Interest paid		(85,800)	(90,771)
Net decrease/(increase) in International Monetary Fund Holding of Special Drawing Rights and Allocation account		333,927	(32,352)
Payment to Consolidated Fund		(809,013)	(177,364)
Net cash flow from/(used in) investing activities		**7,331,526**	**(2,001,385)**
Cash flows from financing activities			
Lease payment		12,152	11,913
Net cash flow from financing activities		**12,152**	**11,913**
Net increase in cash and cash equivalents		87,422	2,687,204
Foreign currency differences in monetary assets & liabilities		1,612,577	312,849
Cash and cash equivalents, beginning of period		38,707,667	35,707,614
Cash and cash equivalents, end of period	4	**40,407,666**	**38,707,667**

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

1. Incorporation and principal activities

The Central Bank of Trinidad and Tobago (the Bank) was established as a corporate body in 1964 under the Central Bank Act (Chapter 79:02). The principal office is located at Eric Williams Plaza, Independence Square, Port of Spain, Trinidad and Tobago.

The Central Bank Act entrusts the Bank with a range of responsibilities, among which is the promotion of monetary, credit and exchange conditions most favourable to the development of the economy of Trinidad and Tobago.

The Bank has the exclusive right to issue and redeem currency notes and coins in Trinidad and Tobago, and is empowered, inter alia, to act as banker for, and render economic, financial and monetary advice to the Government of the Republic of Trinidad and Tobago (GORTT) and open accounts for and accept deposits from the Central Government, Local Government, statutory bodies, commercial banks and other financial institutions. It also has the authority to make advances, purchase and sell discounted bills of exchange and promissory notes on behalf of the above named institutions, and to purchase and sell foreign currencies and securities of other Governments and international financial institutions.

The Bank is also responsible for protecting the external value of the currency, managing the country's external reserves and taking steps to preserve financial stability.

2. Significant accounting policies

The principal accounting policies applied in the preparation of the Financial Statements are set out below. These policies have been applied to all of the years presented.

a. Basis of preparation

These Financial Statements have been prepared on the historical cost basis except as modified by the revaluation of "artwork" and "available-for-sale" and "fair value through profit or loss" financial assets.

These Financial Statements have been prepared in accordance with the Central Bank Act (Chapter 79:02). The Bank has chosen to adopt the recognition and measurement requirements of the International Financial Reporting Standards (IFRS) together with the presentation and disclosure framework in the preparation of these Financial Statements insofar as the Bank considers it appropriate to do so having regard to its functions.

These Financial Statements depart from the IFRS because of the nature of the Bank, including its role in the development of the financial infrastructure of the country as well as the regulations by which it is governed. The IFRS which have not been fully adopted are:

- *IAS 21 – The Effect of Changes in Foreign Exchange Rates*, requires that all unrealised gains and losses be accounted for through the Income Statement. The Central Bank Act requires that the profit for the year be transferred to the Consolidated Fund but does not distinguish between realised and unrealised profits. As such the Bank accounts for all unrealised gains and losses on Changes in Exchange Rates through a Provision for Foreign Currency Exchange Rate Reserves.
- *IAS 37 – Provisions, Contingent Liabilities and Contingent Assets,* defines Provisions as liabilities of uncertain timing or amount.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies cont'd

a. Basis of preparation cont'd

- *IAS 37 – Provisions, Contingent Liabilities and Contingent Assets cont'd*

  The Central Bank Act imposes specific limitations on the scope of the Bank to create reserves and so prepare for certain unforeseen events. The Bank has therefore established Provisions for specific types of transactions and obligations, which would more typically be reflected as various types of reserves under the IFRS. See Note 15.

- *IAS 39 – Financial Instruments: Recognition and Measurement,* requires that where an asset is classified as *available-for-sale,* the unrealised gains or losses on fair value movements should be recognised directly in Capital and Reserves through the Statement of Changes in Equity. The Central Bank Act imposes specific limitation on the scope of the Bank to create reserves. Therefore the Bank recognises its unrealized gains or losses on the available-for-sale investments under "Provisions" rather than "Reserves". In this way, the financial statements reflect a more realistic picture of the performance of the Bank.

- *IFRS 7 – Financial Instruments Disclosures,* requires that an entity discloses very detailed information on its investments including information on concentration of risk on investments; geographical information on investments and sensitivity analysis for each type of market risk.

  The Bank's investment of the country's reserves is managed under strict governance procedures and the Central Bank Act requires that the Bank maintain a prudential level of confidentiality.

The accounting treatment adopted for each of these departures is defined in the accounting policies and notes below. The impact of this is reflected in the improved stability in the operations of the Bank. Management considers that these Financial Statements fairly represent the Bank's financial position, financial performance and cash flows.

b. Changes in accounting policies and disclosures

i. ***New standards and interpretations that are not yet effective and have not been early adopted by the Bank***

There are new standards and amendments to standards and interpretations that are not yet effective for accounting periods beginning on or after January 1 2016 and have not been early adopted by the Bank. The Bank intends to adopt these standards and interpretations, if applicable, when they become effective.

The Bank is currently assessing the impact of adopting these new standards and interpretations. Some of these by nature are not expected to have a significant effect on the Bank's financial statement. However, the impact of adoption depends on the assets held by the Bank at the date of adoption; therefore it is not practical to quantify the effect at this time.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies cont'd

b. Changes in accounting policies and disclosures cont'd

i. New standards and interpretations that are not yet effective and have not been early adopted by the Bank cont'd

These standards and amendments include:

o IFRS 9 – *Financial Instruments: Classification and Measurement (effective January 1, 2018)*

IFRS 9 which introduces new requirements for classifying and measuring financial assets will eventually replace IAS 39 - Financial Instruments: Recognition and Measurements. The classification of financial assets will depend on the Bank's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The Bank will assess IFRS 9's full impact.

o IFRS 15 – *Revenue and Contracts with Customers (effective January 1, 2017)*

The new standard applies to revenue from contracts with customers and will replace all of the revenue standards and interpretations in IFRS, including IAS 18 – Revenue. This standard provides a single, principles based five-step model to be applied to all contracts with customers.
The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when (or as) the entity satisfies a performance obligation

The Bank will assess the impact of this Standard.

o IFRS 16 – *Leases (effective January 1, 2019)*

This new standard was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019. This standard establishes principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying assets has a low value. IFRS 16's approach to lessor accounting will not change substantially, lessors will continue to classify leases as either operating or finance.

This standard will replace the following standards and interpretations:

- IAS 17– Leases
- IFRIC 4 – Determining whether an Arrangement contains a Lease
- SIC – 15 – Operating Leases – Incentives
- SIC – 27– Evaluating the Substance of Transactions Involving the Legal Form of a Lease

Early adoption of this standard is permitted only if IFRS 15 – Revenue from Contracts with Customers has also been adopted The Bank will assess the impact of this Standard.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies cont'd

b. Changes in accounting policies and disclosures cont'd

i. New standards and interpretations that are not yet effective and have not been early adopted by the Bank cont'd

o IAS 7 – *Statement of Cash flows (amendment effective January 1 2017)*

This amendment intends to improve information provided to the users of the financial statements regarding the entity's financing activities. To achieve this objective, the entity will be required to disclose changes in liabilities arising from the following financing activities:

- Changes from financing cash flows
- The effect of changes in foreign exchange rates
- Changes in fair values
- Other changes

To fulfil the new disclosure requirement, the entity must provide reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Furthermore, changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities.

IAS 7 amendments become mandatory for annual periods beginning on or after 1 January 2017. The Bank will assess the impact of this amendment.

ii. New standards and interpretations that are not yet effective and are not applicable to the Bank.

o IAS 12 - Income Taxes *(amendment effective January 1 2017)*

This amendment was issued on 19 January 2016 and it serves to clarify the following aspects with regards to Recognition of Deferred Tax Assets for Unrealised Losses:

- Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.

- The carrying amount of an asset does not limit the estimation of probable future taxable profits.

- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary difference.

- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

This amendment is not applicable to the Bank (refer to note 2q).

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies cont'd

c. Consolidation

The Consolidated Financial Statements comprise the financial statements of the Bank and its subsidiaries for the year ended 30 September 2016. The financial statements of the Bank's subsidiaries are prepared for the same reporting year as the Bank, using consistent accounting policies. All intra-group balances, transactions, income and expenses are eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Bank. Control is achieved where the Bank has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Non-controlling interests represent the portion of profit or loss and net assets of subsidiaries not owned, directly or indirectly, by the Bank. Currently, there are no non-controlling interests as the subsidiaries being consolidated are owned 100% by the Bank.

Section 36(g) of the Central Bank Act empowers the Bank, with the approval of the Minister of Finance, to acquire, hold and sell shares or other securities of any statutory body or company registered under the Companies Act for the purpose of promoting the development of a money or securities market or for financing the economic development of Trinidad and Tobago. The Bank has interests in a number of institutions – the Trinidad and Tobago Unit Trust Corporation, the Deposit Insurance Corporation, Caribbean Credit Rating and Information Agency, Inter-bank Payments System Limited, CB Services Limited, and the Office of the Financial Services Ombudsman.

In all but the Deposit Insurance Corporation and CB Services Limited, the Bank has a minority financial interest, in fulfilment of the Bank's role to help promote the development of the country's financial infrastructure. The Deposit Insurance Corporation was established for the protection of depositors in the domestic financial system. While the share capital was paid up by the Bank, the Deposit Insurance Corporation was always conceived to be a separate and independent institution with its own mandate and operates as such. The Financial Statements of these related enterprises, with the exception of CB Services Limited, have not been consolidated with those of the Bank.

Extracts of the Parent's Financial Statements are included in Note 28.

d. Foreign currency translation

i. Functional and presentation currency

The Financial Statements are presented in Trinidad and Tobago dollars, which is the Bank's functional and presentation currency.

ii. Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated into Trinidad and Tobago dollars at the rates of exchange prevailing at the close of business at the Statement of Financial Position date.

Translation gains or losses, at year-end exchange rates of these monetary and non-monetary assets and liabilities, are recognised in Provisions Foreign Currency Exchange Rate Reserves.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies cont'd

d. Foreign currency translation cont'd

ii. Transactions and balances cont'd

Foreign currency transactions are translated at the exchange rates prevailing on the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Statement of Comprehensive Income.

iii. Special Drawing Rights

Transactions with the International Monetary Fund (IMF) are recorded at the local currency equivalent of Special Drawing Rights using rates notified by the IMF. Special Drawing Rights (SDR) are defined in terms of a basket of currencies. To revalue the Bank's holdings of SDRs, the value of the SDR was calculated as a weighted sum of the exchange rates of four major currencies (the US dollar, Euro, Japanese yen and the pound sterling) against the Trinidad and Tobago dollar. The TT:SDR rate as at 30 September 2016 was 0.106804.

e. Critical accounting estimates and judgments

The Bank makes estimates and assumptions that affect the reported amounts of the assets and liabilities within the financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events.

The resulting accounting estimates will seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are illustrated below:

i. Estimated pension and post employment medical plan

The estimate of the pension and post -employment medical plan obligations, in relation to the defined benefit plans operated by the Bank on behalf of its employees, are primarily based on the estimation of independent qualified actuaries. The value of the obligations is affected by the actuarial assumptions used in deriving the estimate.

ii. Provision for bad and doubtful debts

Pursuant to Section 35(4) of the Act, provisions are made for bad and doubtful debts in the accounts. In this regard, the relevant assets are shown in the Statement of Financial Position net of the amount which, in the opinion of the Bank, requires a specific provision.

iii. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies cont'd

e. Critical accounting estimates and judgments cont'd

iii. Fair value of financial instruments cont'd

The judgments include considerations of liquidity and model inputs such as volatility for longer dated derivatives and discount rates, prepayment rates and default rate assumptions for asset backed securities.

iv. Estimated replacement value of artwork

The estimated replacement value of artwork was primarily based on the valuation of an independent art consultant. The estimated market value was established based on the valuation report of the condition of the artwork.

f. Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise balances with less than or equal to three months to maturity from the date of acquisition. It consists of cash, balances with other banks, short term funds and highly liquid investments, including fixed deposits and reverse repurchases.

g. Investment securities

The classification of financial instruments at initial recognition depends on the purpose and management's intention for which the financial instruments were acquired and their characteristics.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities which are recorded at fair value through profit or loss.

The Bank classifies its investment securities in the following four categories: "Held to maturity", "Available-for-sale", "Loans and advances" and "Fair value through profit or loss".

i. Held to maturity

Investments classified as held to maturity are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Bank's management has the positive intention and ability to hold to maturity. After initial measurement, held to maturity financial investments are subsequently measured at amortised cost using the effective interest rate method (EIR) less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Interest on these investments is recognised in the Statement of Comprehensive Income.

ii. Available-for-sale

These investments are intended to be held for an indefinite period of time, and may be sold in response to needs for liquidity or to meet the goals of the strategic asset allocation approved by the Board.

They are initially recognised at fair value, (which includes transaction costs), and are subsequently re-measured at fair market value.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies cont'd

g. Investment securities cont'd

ii. Available-for-sale cont'd

Unrealised gains and losses on these investments are recognised in Provisions – Revaluation Reserve at Market Value. Regular purchases and sales of financial assets are recognised on the trade date, which is the date on which the Bank commits to purchase or sell the asset.

When the securities are disposed of, the related accumulated fair value adjustments are included in the Statement of Comprehensive Income as realised gains and losses from investment securities.

The Bank has investments in several related companies which are accounted for as available-for-sale investments (see Note 6). None of these equity investments have a quoted market price in an active market and therefore their fair value cannot be reliably measured. The cost of these equity investments is therefore considered a reasonable approximation of fair value.

iii. Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Bank provides money or services directly to a counterparty, with no intention of trading the receivable and are carried at their expected realisable value, less any provision for impairment. Interest arrears are accrued and provided for in the current financial period.

Determination of allowances for losses is based on an annual appraisal of each loan or advance.

Specific provisions are made when, in the opinion of management, credit risk or other factors make full recovery doubtful. Provisions created, including increases and decreases, are recognised in the Statement of Comprehensive Income.

iv. Fair value through profit or loss

Financial assets at fair value through profit or loss may only be made if the financial asset either contains an embedded derivative or will be managed on a fair value basis in accordance with a documented risk management strategy, or if designating it (and any financial liability) at fair value will reduce an accounting mismatch.

Derivatives are initially recognised in the Statement of Financial Position at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, or valuation techniques, as appropriate. The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e., the fair value of the consideration given or received).

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies cont'd

g. Investment securities cont'd

iv. Fair value through profit or loss cont'd

A derivative is a financial instrument or other contract within the scope of IAS 39 with all three of the following characteristics:

a. its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, or credit index, credit rating or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying');

b. it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and

c. it is settled at a future date.

h. Recognition and derecognition of financial instruments

The Bank uses trade date accounting when recording financial asset transactions. Financial assets are derecognised when the contractual right to receive the cash flows from these assets has ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred.

Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

i. Impairment of financial assets

The Bank assesses at each statement of financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, the probability that they will enter bankruptcy or other financial reorganisation, default or delinquency in interest or principal payments and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

i. Financial assets carried at amortised cost

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred).

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies cont'd

i. Impairment of financial assets cont'd

i. Financial assets carried at amortised cost cont'd

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of 'Interest income'. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Bank. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write–off is later recovered, the recovery is credited to the Statement of Comprehensive Income.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (EIR). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR. If the Bank has reclassified trading assets to loans and advances, the discount rate for measuring any impairment loss is the new EIR determined at the reclassification date.

ii. Available-for-sale financial investments

For available-for-sale financial investments, the Bank assesses at each statement of financial position date whether there is objective evidence that an investment is impaired.

In the case of debt instruments classified as available-for-sale, the Bank assesses individually whether there is objective evidence of impairment based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement. Future interest income is based on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of 'Interest and other income'.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to a credit event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

In the case of equity investments classified as available-for-sale, objective evidence would also include a 'significant' or 'prolonged' decline in the fair value of the investment below its cost.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies cont'd

i. Impairment of financial assets cont'd

ii. Available-for-sale financial investments cont'd

Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from equity and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in the fair value after impairment are recognised in Provisions – Revaluation Reserve at Market Value.

j. Fair Value Measurement

The Bank measures certain financial instruments at fair value at each reporting date. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the orderly sale of asset or transfer of liability takes place in the principal market for the asset or liability. In the absence of a principal market, the most advantageous market for the asset or liability is used as the basis for fair value measurement.

The fair value estimate of an asset or liability is based on the assumptions that market participants would use when pricing the asset or liability, assuming the market participants act in their best economic interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price. For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques considered to be appropriate in the circumstances for which sufficient data is available and for which the use of relevant observable inputs are maximised. Valuation techniques include the market approach, the cost approach and the income approach.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the 3 levels of the fair value hierarchy based on the lowest level input that is significant to the entire fair value measurement. The levels of the fair value hierarchy are:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation technique for which the lowest level input that is significant to the fair value measurement is unobservable

Further details on fair value measurement are included in Note 7.

k. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies cont'd

l. Employee benefits

i. Pension Benefits

The Bank operates a Defined Benefit Plan (Plan) for all its eligible employees. The assets of the Plan are held in a separate trustee administered plan.

A Defined Benefit Plan is a pension plan that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The pension benefit is based on the final salary of the employee.

An asset or liability recognised in the Statement of Financial Position in respect of the Plan is the present value of the defined benefit obligation at the Statement of Financial Position date less the fair value of the Plan's assets, together with adjustments for any effect of limiting the net defined benefit to the asset ceiling.

The Plan's accounting costs are assessed on the basis of the Projected Unit Credit Method. A valuation is done every three years by independent actuaries. The last triennial valuation was performed as at 30 September, 2014 and this was completed in June 2015.

In accordance with the advice of the actuaries, the Plan's costs of providing pensions are charged to the Statement of Comprehensive Income in order to spread the regular cost over the service lives of employees.

The Bank has adopted the amendments to IAS 19; therefore actuarial gains and losses would no longer be deferred but recognised immediately in the period in which they occur.

The Plan is funded by payments from employees and the Bank, taking into account the recommendations of independent qualified actuaries.

ii. Post-employment medical benefits

The Bank operates a post-employment medical benefit scheme for its retirees, whereby a subsidy is provided for premium due for member only contribution. The method of accounting, assumptions and the frequency of valuations are similar to those used for the defined benefit pension scheme.

m. Notes and coins

The stock of notes and coins is stated at original cost. Issues are accounted for using the First In First Out Method. All associated costs such as shipping, handling and insurance are expensed immediately. Printing and minting costs are expensed when the units of currency are issued and put into circulation.

n. Leases

i. Operating leases (as lessee)

The leases entered into by the Bank are primarily operating leases. The total payments made under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies cont'd

n. Leases cont'd

i. Operating leases (as lessee) cont'd

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

ii. Finance leases (as lessor)

Where the Bank grants long-term leases on property, the land and the building are treated as a finance lease. These finance leases are valued at the lower of the gross investment less principal payments and any provisions in the lease, and the present value of the minimum lease payments receivable at the Statement of Financial Position date and are shown as receivable. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

o. Computer software

The Bank acquires computer software programmes to assist in the performance of its normal activities. These amounts are capitalised on the basis of the cost incurred to acquire and bring to use the specific software. These costs are amortised using the straight line method on the basis of the expected useful life of five years. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

p. Property, plant & equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Cost includes the purchase price of the assets plus any further cost incurred in bringing the asset to its present condition and location. Capital works-in-progress are recorded at cost but are not depreciated until the asset is available for its intended use. Any additions or improvements to assets during the year, which significantly add to the value of, or extend the useful life of such assets, are capitalised as part of the cost. All other repairs and maintenance are expensed in the Statement of Comprehensive Income during the financial period in which they were incurred. When an asset is retired or sold, any gain or loss on disposal is recognised in the Statement of Comprehensive Income.

Artwork, which is classified under Fixtures and Fittings, is initially carried at cost. The Bank's Artwork is independently and professionally valuated and is carried at its revalued amount, being its fair value at the date of revaluation. Any increase in the carrying amount as a result of the revaluation is recognised in equity as a provision for revaluation of artwork except to the extent that the increase reverses a revaluation deficit of the Artwork previously recognised in the Statement of Comprehensive Income. Previously, Artwork was valued every three years, the last year being September 2013. However, the Bank has reviewed the frequency of these valuations and this has been changed to every four years. The next valuation is therefore due for September 2017.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies cont'd

p. Property, plant & equipment cont'd

Depreciation is charged on a straight-line basis and is applied over the estimated useful lives of the assets, as shown below. Land is not depreciated.

Building	-	40 years
Building improvements	-	10 years
Leasehold properties	-	over the period of the lease
Motor vehicles	-	3 years
Machinery and equipment	-	1.5 to 5 years
Computer hardware	-	3 years
Furniture	-	10 years
Fixtures and fittings	-	10 years

q. Taxation

Section 55(1) of the Central Bank Act exempts the Bank from the provisions of any Act relating to income taxation, company taxation and from the payment of stamp duty.

r. Provisions

The Bank has a policy of providing for all known and foreseeable losses in the accounts and has adopted a prudent approach to provisioning. Provisions shown on the Statement of Financial Position include the Foreign Currency Translation Reserves, Gold Revaluation Reserves and Market Value Revaluation Reserves.

s. Gold Reserve

Gold is valued at the market price prevailing at the year end. No distinction is made between the price and currency revaluation differences for gold. Instead, a single gold valuation is accounted for on the basis of the price in Trinidad and Tobago dollars per troy ounce of gold.

t. Subscriptions to International Financial Institutions

The Bank acts as financial agent for the GORTT with international financial institutions (See Note 10). In order to provide a more appropriate presentation, these amounts include the portion of the GORTT's contributions issued to these organisations in the form of Promissory Notes where applicable. These balances are stated at cost once there is no quoted market price in an active market and the fair value cannot be reliably determined. For those that are quoted in an active market, the instrument is carried at fair value based on the closing price at year end.

u. Capital

The entire capital of the Bank is held by the GORTT. Provision is made in Section 34(5) of the Central Bank Act for the Paid-up portion of the authorised capital of the Bank to be increased each year by an amount of not less than fifteen percent (15%) of the amount to be paid into the Consolidated Fund, until the Paid-up portion of the Authorised Capital is equal to the Authorised Capital. Currently the Paid up portion of the Authorised Capital of the Bank is equal to the Authorised Capital (see Note 23).

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies cont'd

v. Reserves

Provision is made in Sections 35(3) and 35(6) of the Central Bank Act for the Bank to place in the General Reserve Fund or the Special Reserve Funds, or in both, an amount not exceeding ten percent (10%) of the net surplus of the Bank for each financial year, until the General Reserve Fund is equal to the Authorised Capital. On 30 September 2015, the General Reserve Fund equalled to the amount of the Authorised capital of $800 million.

w. Transfer of Surplus

The Central Bank Act states under section 35(5) that at the end of each financial year, after allowing for the amount referred to in section 35(3), the net profit of the Bank shall be paid into the Consolidated Fund.

x. Revenue Recognition

i. Interest income and interest expense

Interest income and expense are recognised in the Statement of Comprehensive Income for all interest-bearing instruments on an accruals basis. Interest income includes coupons earned on fixed income investments and accrued discount and premium on treasury bills and other discount instruments.

ii. Dividend income

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

iii. Other income and expenses

All other significant items of income and expenditure are accounted for on the accruals basis.

y. Comparatives

Where necessary comparative figures have been adjusted to take into account changes in presentation in the current year.

3. Financial risk management

Operational Risk is the risk of loss in both financial and non-financial terms resulting from human error and the failure of internal processes and systems. Operational risk management includes bank-wide corporate policies which describe the standard of conduct required of staff and specific internal control systems designed around the particular characteristics of various Bank activities.

In addition to operational risk, the Bank is exposed to various risks arising from its responsibility for the management of the official foreign currency reserves of the country. These risks and the measures taken to mitigate them in the portfolio are as follows:

Credit risk

The Bank takes on exposure to ***credit risk*** which is the risk that a counterparty will be unable to pay amounts in full when due.

Credit risk is mitigated by the establishment of counterparty concentration limits and by the establishment of minimum rating standards that each counterparty must attain.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

3. Financial risk management cont'd

Currency risk

The Bank takes on exposure to fluctuations in the prevailing foreign currency exchange rates on its foreign currency portfolios. Management seeks to mitigate currency risk by aligning the currency composition of the foreign portfolio to the settlement of trade and external debt.

Interest rate risk

The Bank invests in securities and maintains demand deposit accounts as a part of its normal course of business. Interest rate risk is the risk of loss arising from changes in prevailing interest rates. The Bank manages this risk by establishing duration limits for the portfolio.

Liquidity risk

The Bank is exposed to daily calls on its available cash resources from overnight deposits, current accounts and maturing deposits.

Liquidity risk is managed by the grouping of reserves into several tranches according to liquidity requirements, and defining specific asset classes and duration limits for each tranche, consistent with its defined liquidity objectives.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

4. Cash and cash equivalents

	Sep-16 $'000	Sep-15 $'000
Currency on hand	45,171	85,878
Balances held with banks	2,226,240	2,086,634
Repurchase agreements	6,710,515	3,542,002
Fixed deposits	30,715,168	32,142,846
Short-term investments	710,572	850,307
	40,407,666	**38,707,667**
Represented by:		
Foreign currency - cash and cash equivalents		
Currency on hand	38,307	73,367
Balances held with banks	648,296	389,530
Repurchase agreements	6,710,515	3,542,002
Fixed deposits	30,715,168	32,142,846
Short-term investments	628,578	850,307
	38,740,864	**36,998,052**
Local currency - cash and cash equivalents		
Cash on hand	6,864	12,511
Balances held with banks	1,577,944	1,697,104
Short-term investments	81,994	-
	1,666,802	**1,709,615**
	40,407,666	**38,707,667**

Local currency - balances with banks

This balance is comprised mostly of cheque deposits made by the GORTT which are sent for clearance at the commercial banks. These are settled against commercial banks' reserve balances on the next working day.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

5. Investment securities

	Sep-16 $'000	Sep-15 $'000
Foreign currency investment securities		
Available for sale	25,804,448	26,232,196
Loans and advances	119,457	142,534
	25,923,905	**26,374,730**
Local currency investment securities		
Available for sale - Local securities	28,588	4,329,430
Loans and advances	195,403	160,218
	223,991	**4,489,648**
Total investment securities	**26,147,896**	**30,864,378**
Available for sale investments		
Foreign currency		
Amortised Cost	24,948,206	26,141,556
Appreciation/(Depreciation) in Market Value	99,882	(145,502)
Appreciation in Foreign Currency	756,360	236,142
	25,804,448	**26,232,196**
Local currency		
Bonds	24,166	4,325,008
Investments in related enterprises (Note 6)	4,422	4,422
	28,588	**4,329,430**
Total available for sale investments	**25,833,036**	**30,561,626**
Loans and advances		
Foreign currency		
Cost	119,457	142,534
Provision for doubtful debts	-	-
	119,457	**142,534**
Local currency		
Loans and advances	195,445	160,260
Provision for doubtful debts	(42)	(42)
	195,403	**160,218**
Total loans and advances	**314,860**	**302,752**
Total investment securities	**26,147,896**	**30,864,378**

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

6. Investment in related enterprises

The Bank has an interest in the following related enterprises to help promote the development of the country's financial infrastructure:

	Sep-16 $'000	Sep-15 $'000
Trinidad and Tobago Unit Trust Corporation	2,500	2,500
Deposit Insurance Corporation	1,000	1,000
Trinidad and Tobago Interbank Payments System	922	922
	4,422	**4,422**

The Bank also has a related interest in the Office of the Financial Services Ombudsman (OFSO). The main objectives of the OFSO are to receive complaints arising from the provision of financial services to individuals and small businesses, and to facilitate the settlement of these complaints. The Ombudsman is provided with a secretariat drawn from or approved by the Central Bank. The remuneration of the Financial Services Ombudsman and the costs of establishing the Ombudsman scheme are borne by the Bank, while recurrent operational costs of the Office are funded by the financial institutions.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

7. Fair value of assets and liabilities

a. Fair Value Hierarchy

The fair value of the Bank's assets and liabilities are analysed by the fair valuation hierarchy below:

Recurring fair value measurement of assets and liabilities

Quantitative disclosures fair value measurement hierarchy for assets as at 30 September 2016

Financial Assets	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Asset-backed Securities:				
Auto Loan Receivable		1,455,888		1,455,888
Credit Card Receivable		1,538,747		1,538,747
Other Asset-backed Securities		440,599		440,599
Corporate Bonds		3,840,605		3,840,605
Mortgage-backed Securities:				
Federal Home Loan Mortgage Corporation (FHLMC)		369,887		369,887
Federal National Mortgage Association (FNMA)		936,467		936,467
Government National Mortgage Association (GNMA) I		15,452		15,452
Government National Mortgage Association (GNMA) II		78,693		78,693
Collateralized Mortgage backed Securities (CMO)		97,748		97,748
Other Mortgages				-
Government Issues		16,506,313		16,506,313
Gold	548,215			548,215
Investment in related enterprises			4,422	4,422
Artwork		14,269		14,269
Total	**548,215**	**25,294,668**	**4,422**	**25,847,305**

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

7. Fair value of assets and liabilities cont'd

a. Fair Value Hierarchy cont'd

Recurring fair value measurement of assets and liabilities cont'd

Quantitative disclosures fair value measurement hierarchy for assets as at 30 September 2015

Financial Assets	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Asset-backed Securities:				
Auto Loan Receivable		1,168,288		1,168,288
Credit Card Receivable		1,460,733		1,460,733
Other Asset-backed Securities		447,973		447,973
Corporate Bonds		2,913,676		2,913,676
Mortgage-backed Securities:				
Federal Home Loan Mortgage Corporation (FHLMC)		260,103		260,103
Federal National Mortgage Association (FNMA)		616,251		616,251
Government National Mortgage Association (GNMA) I		55,752		55,752
Collateralized Mortgage backed Securities (CMO)		170,279		170,279
Government Issues	14,002,630	9,020,974		23,023.604
Gold	438,225			438,225
Investment in related enterprises			4,422	4,422
Municipals		2,318		2,318
Artwork		14,269		14,269
Total	**14,440,855**	**16,130,618**	**4,422**	**30,575,895**

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

7. Fair value of assets and liabilities cont'd

a. Fair Value Hierarchy cont'd

Recurring fair value measurement of assets and liabilities cont'd

The Bank had no traded financial liabilities at the reporting date.

Assessing the significance of a particular input to the entire measurement requires judgement, taking into account factors specific to the asset or liability. Furthermore, the estimated fair values of certain financial instruments have been determined using available market information or other appropriate valuation methodologies that require judgement in interpreting market data and developing estimates. Consequently, the estimates made do not necessarily reflect the amounts that the Bank could realise in a current market exchange.

b. Transfers between Fair Value Hierarchy Levels

There were no transfers between the hierarchy levels during the period 1 October 2015 and 30 September 2016.

c. Level 1 fair values

Assets and liabilities categorized as Level 1 are those whose values are based on quoted market prices in active markets. No adjustments are made to the quoted price when determining the fair value of these assets.

d. Level 2 fair values

Assets and liabilities categorized as Level 2 are valued based on a compilation of primarily observable market information. This includes broker quotes in a non-active market, alternative pricing sources supported by observable inputs and investments in securities with fair values obtained via fund managers.

e. Level 3 fair values

The Bank investments in several related companies are accounted for as available-for-sale investments (see Note 6). However, none of these equity investments have a quoted market price in an active market and therefore their fair value cannot be reliably measured. The cost of these equity investments is therefore considered a reasonable approximation of fair value.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

8. Retirement benefit asset

	Sep-16 $'000	Sep-15 $'000
Consolidated statement of financial position obligations for:		
- Pension plan	147,903	202,256
- Post-retirement medical plan	(26,355)	(22,716)
	121,548	**179,540**

a) Pension plan

	Sep-16 $'000	Sep-15 $'000
Defined benefit obligation	(680,342)	(645,023)
Fair value of assets	828,245	847,279
IAS 19 net defined asset	**147,903**	**202,256**
Reconciliation of opening and closing defined benefit assets		
Define benefit asset at prior year end	(202,256)	(297,799)
Increase in pension asset		
Net pension cost	20,421	5,446
Re-measurements of net define benefit asset/liability	40,853	95,996
Bank contribution paid	(6,921)	(5,899)
	54,353	**95,543**
Closing defined benefit asset	**(147,903)**	**(202,256)**
Amounts recognised in the earnings statement		
Current service cost	20,382	22,369
Net Interest on Net Defined Benefit Asset	(12,509)	(18,180)
Past service cost	11,334	-
Expense Allowance	1,214	1,257
Net pension cost	**20,421**	**5,446**
Re-measurements of net define benefit asset/liability		
Experience losses	40,853	95,996
Actual return on plan assets	**40,853**	**95,996**
Actuarial assumptions		
Discount rate	6.00%	6.00%
Expected return on plan assets	n/a	n/a
Projected future rate of salary increase	5.18%	5.18%
Value of Pension Scheme Asset	Based on Fair Value at Balance Sheet Date	

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

8. Retirement benefit asset–cont'd

b) Post-Employment Medical Plan

	Sep-16 $'000	Sep-15 $'000
IAS 19 net defined obligation	**(26,355)**	**(22,716)**
Reconciliation of opening and closing defined benefit liability		
Defined benefit liability	(22,716)	(21,550)
Decrease in plan		
Net benefit cost	(2,684)	(2,537)
Re-measurements of net define benefit (asset)/liability	(1,338)	1,031
Bank contribution paid	383	340
	(3,639)	(1,166)
Closing defined benefit liability	**(26,355)**	**(22,716)**
Amounts recognised in the earnings statement		
Current service cost	(1,334)	(1,255)
Interest on defined benefit obligation	(1,350)	(1,282)
Net benefit cost	**(2,684)**	**(2,537)**
Return on plan assets: The plan holds no assets		
Actuarial assumptions		
Medical cost increases	5.00%	5.00%

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

9. Accounts receivable and prepaid expenses

	Sep-16 $'000	Sep-15 $'000
Foreign receivables		
Trade receivables - investments sold	4,170,102	3,664,721
Foreign interest receivable	98,527	87,904
Other receivables	2,805	6,930
	4,271,434	**3,759,555**
Accounts receivable and prepaid expenses		
Interest receivable on domestic investments	6,756	263
Amounts recoverable from CLF/GORTT (Note 25)	2,194,127	2,142,070
Other receivables	25,033	24,201
Prepayments	8,587	8,449
Suspense accounts- pending transfers	397	(11)
Value added tax	640	897
	2,235,540	**2,175,869**

10. Subscriptions to International Financial Institutions

	Sep-16 $'000	Sep-15 $'000
Banco Latino Americano De Exportaciones	30,387	23,595
Caribbean Development Bank	8,194	8,194
Caribbean Information and Credit Rating Services Ltd	1,761	1,665
Corporacion Andina de Formento	723,535	683,895
Inter-American Development Bank	6,694	6,694
International Bank for Reconstruction and Development	118,395	111,909
International Development Association	6,531	6,343
International Finance Corporation	333	333
International Monetary Fund	4,398,712	2,995,305
	5,294,542	**3,837,933**

The holdings in Banco Latino Americano De Exportaciones (Bladex) are based on a quoted market price off the New York Stock Exchange of US$ 28.18/share as at 30 September 2016.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

11. Other Assets

	Sep-16 $'000	Sep-15 $'000
Leased asset	106,382	118,534
Stock of notes and coins	72,716	107,519
Consumables	1,838	1,926
	180,936	**227,979**

Leased asset

In 1995 the Bank entered into a thirty-year finance lease agreement with the GORTT for the purchase of the Ministry of Finance Building with a rate of interest of 2%.

	Sep-16 $'000	Sep-15 $'000
Gross receivable due	116,178	130,700
Present value of minimum lease payments	(106,382)	(118,534)
Total unearned finance income	**9,796**	**12,166**
Gross receivables due		
Not later than one year	14,522	14,522
Later than one year but within five years	58,089	58,089
Later than five years	43,567	58,089
	116,178	130,700
Less: unearned finance income	(9,796)	(12,166)
Net investment in finance leases	**106,382**	**118,534**
The net investment in finance leases is analysed as follows:		
Not later than one year	14,237	14,237
Later than one year but within five years	54,212	54,213
Later than five years	37,933	50,084
	106,382	**118,534**

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

11. Other assets cont'd

Inventory of notes and coins

	Sep-16 $'000	Sep-15 $'000
Notes	52,038	73,734
Coins	20,678	33,785
	72,716	**107,519**

Inventory of Notes

	Sep-16 $'000	Sep-15 $'000
Opening Balance	73,734	94,381
Cost of Notes issued	(34,032)	(42,540)
Purchase of Notes	12,336	21,893
Closing Balance	**52,038**	**73,734**

Inventory of Coins

	Sep-16 $'000	Sep-15 $'000
Opening Balance	33,785	35,508
Cost of Coins issued	(34,113)	(36,722)
Purchase of coins	21,006	34,999
Closing Balance	**20,678**	**33,785**

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

12. Property, plant and equipment

	Land & Building $'000	Leasehold Property $'000	Machinery & Equipment $'000	Computer Equipment $'000	Furniture, Fixtures & Fittings $'000	Capital work in progress $'000	Total $'000
As at 30th September 2016							
Net book value							
Balance b/fwd 01 Oct 2015	126,539	10,672	20,903	15,571	29,076	14,567	217,328
Transfers	1,082	-	1,379	1,430	582	(4,473)	-
Additions	557	-	3,793	3,444	2,580	1,645	12,019
Disposals	-	-	(832)	-	(8)	-	(840)
Depreciation for the year	(12,864)	(7)	(10,280)	(7,594)	(3,541)	-	(34,286)
Balance c/fwd	115,314	10,665	14,963	12,851	28,689	11,739	194,221
Represented by:							
Cost	439,161	10,923	107,944	57,343	59,610	11,739	686,720
Accumulated depreciation	(323,847)	(258)	(92,981)	(44,492)	(30,921)	-	(492,499)
	115,314	10,665	14,963	12,851	28,689	11,739	194,221

	Land & Building $'000	Leasehold Property $'000	Machinery & Equipment $'000	Computer Equipment $'000	Furniture, Fixtures & Fittings $'000	Capital work in progress $'000	Total $'000
As at 30th September 2015							
Net book value							
Balance b/fwd 01 Oct 2014	140,154	10,679	19,943	15,886	31,255	2,254	220,171
Transfers	562	-	8,601	1,188	-	(10,351)	-
Additions	340	-	2,725	5,629	1,342	22,664	32,700
Disposals	-	-	(213)	(8)	(5)	-	(226)
Depreciation for the year	(14,517)	(7)	(10,153)	(7,124)	(3,516)	-	(35,317)
Balance c/fwd	126,539	10,672	20,903	15,571	29,076	14,567	217,328
Represented by:							
Cost	437,522	10,923	109,708	92,144	57,018	14,567	721,882
Accumulated depreciation	(310,983)	(251)	(88,805)	(76,573)	(27,942)	-	(504,554)
	126,539	10,672	20,903	15,571	29,076	14,567	217,328

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

13. Demand liabilities

	Sep-16 $'000	Sep-15 $'000
Demand liabilities - foreign		
Foreign deposits	6,969	3,713
Government special accounts	596,909	429,612
	603,878	**433,325**
Demand liabilities - local		
Notes in circulation	8,400,294	8,270,823
Coins in circulation	229,952	218,251
Deposits by commercial banks	19,484,281	22,758,976
Deposits by non-banking financial institutions	662,505	394,589
Statutory deposits - insurance companies	16,305	42,074
Deposits by government and government agencies	(1,127,969)	(5,490,570)
Deposits by other current accounts	2,533,665	2,019,006
Deposits by regional and international institutions	243,260	210,104
	30,442,293	**28,423,253**

Deposits by financial institutions

The required statutory cash reserve ratios for commercial banks and non-bank financial institutions remained unchanged at 17 percent and 9 percent respectively of their prescribed liabilities. Commercial banks' required reserves increased marginally by 0.89 percent as at September 2016 as a result of their higher prescribed liabilities, while requirements for non-banks increased by 7.29 percent. In addition to the statutory cash reserves, the commercial banks continued to hold a secondary reserve of 2 percent of their prescribed liabilities. A fixed rate of 0.25 percent was paid on these holdings.

Additionally, as part of the Bank's monetary policy strategies to manage liquidity in the domestic system, commercial banks placed a one-year special fixed deposit at the Central Bank during the period under review. The value of the deposit is $1.5 billion which matures on 14 March 2017.

Interest paid to commercial banks on matured fixed deposits during the financial year totalled approximately $24 million.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

14. Accounts payable

	Sep-16 $'000	Sep-15 $'000
Accounts payable - Foreign		
Bilateral accounts	20,515	2,728
Pending Trades - Investments Purchased	4,757,787	3,884,106
Other Payables	380	7,591
	4,778,682	**3,894,425**
Accounts payable - Local		
Trade payables and accrued charges	56,259	68,119
Interest payable	6,564	15,847
Unclaimed monies	17,174	15,847
Government special accounts	111,992	106,027
Blocked accounts	30,955,093	38,417,025
Promissory Notes due to First Citizens Bank Ltd.	-	1,647,132
Other payables	23,350	22,360
	31,170,432	**40,292,357**

15. Provisions

The Bank has adopted a prudent approach for provisioning in order to maintain adequate capacity to fulfil its functions. This accounting treatment reflects the limitations on the creation of reserves set out in Section 35 of the Central Bank Act. The Act specifies the terms and conditions governing General and Special Reserve funds and the creation of provisions for bad and doubtful debts, depreciation in assets, contributions to staff pension benefits and other contingencies, before payment of the net surplus for the financial year to the GORTT. This is a departure from the definition outlined in IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The provisions shown on the Statement of Financial Position comprise:

	Sep-16 $'000	Sep-15 $'000
Provisions		
Gold reserve	347,583	238,673
Foreign currency exchange rate reserves	8,239,358	3,808,005
Pension reserve	121,548	179,540
Revaluation reserve on investments	96,654	(114,342)
	8,805,143	**4,111,876**

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

16. Income from foreign currency assets

	Sep-16 $'000	Sep-15 $'000
Investment Income		
Interest on United States Dollar balances & securities	546,646	433,947
Interest on Sterling balances & securities	1,377	1,457
Interest on other foreign balances & securities	1,062	1,031
Other income	1,581	1,534
	550,666	**437,969**
Investment expenses	(26,363)	(24,871)
Loss from currency translations	(36,409)	(121,090)
Net loss realised on disposal and amortisation of investment	24,248	132,671
Gains realised on disposal of investments	(336,261)	(216,932)
Losses realised on disposal of investments	**(312,013)**	**(84,261)**
Total Income from foreign assets	**175,881**	**207,747**

17. Income from local currency assets

	Sep-16 $'000	Sep-15 $'000
Interest Income		
Loans	961,839	841,648
Other investments	9,370	49,073
	971,209	**890,721**
Other Income		
General earnings	71	142
Income from International Monetary Fund	464	390
Fees charged to financial institutions	61,601	55,938
Profit on sale of assets	400	691
Heritage and Stabilisation Fund management fees	11,121	10,894
Other	1,319	1,248
	74,976	**69,303**

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

18. Printing of notes and minting of coins

	Sep-16 $'000	Sep-15 $'000
Cost of new notes issued	34,032	42,540
Cost of new coins issued	34,109	36,648
Other printing and minting expenses	13,313	1,969
Total costs for printing of notes and minting of coins	**81,454**	**81,157**

During the financial year, the Bank paid $12.3 million as compensation for works performed by De La Rue on a new series of Polymer notes which was subsequently ceased.

19. Salaries and related expenses

	Sep-16 $'000	Sep-15 $'000
Salaries and Allowances	199,119	205,102
National Insurance	6,892	6,776
Employee Benefits- Pension and Post Retirement Medical (Note 8)	57,992	96,746
Other Staff Costs	24,908	23,038
	288,911	**331,662**

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

20. Other operating costs

Other operating expenses include:	Sep-16 $'000	Sep-15 $'000
50th Anniversary expenses	-	3,265
Advertising and public relations	1,990	5,207
CL Financial expenses (Note 23)	3,180	6,334
Computer expenses	17,376	16,466
Conferences and Meetings	4,747	6,542
Contribution to other Organizations	5,260	2,346
Electricity	4,216	4,216
Insurance	2,449	2,401
Library Expenses	2,658	2,860
Loss on disposal of assets	123	69
Maintenance cost	21,776	27,699
Printing and stationery	3,306	2,813
Professional fees	3,303	8,115
Rent	3,224	3,700
Telephone	4,770	5,527
Other Expenses	7,649	3,732
	86,027	**101,292**

21. Capital Commitments

There was a $0.8 million in outstanding commitments for capital expenditure as at 30 September 2016 (30 September 2015 - $2.5 million)

22. Leasehold obligations – operating leases

a. Operating leases where the Bank is the lessor

The Bank currently has two lease arrangements for offices located in the Bank's building. The tenants are charged a monthly rental and service fees based on the square footage occupied.

b. Operating leases where the Bank is the lessee

The Bank also leases equipment and premises under operating lease arrangements. The leases have varying terms, escalation clauses and renewal rights.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

23. Capital

	Sep-16 $'000	Sep-15 $'000
Authorised capital	800,000	800,000
Paid-up capital	800,000	800,000

24. Related Party Transactions

a. Government of the Republic of Trinidad and Tobago

The Bank as part of its regular operations enters into various transactions with the GORTT, state owned entities, state agencies and local government bodies. It should be noted that all transactions are done at arms' length and in accordance with normal business practices. Transactions and balances with the Bank and these entities are listed below:

	Sep-16 $'000	Sep-15 $'000
Interest income from local currency assets	963,856	882,860
Interest expense	55,701	53,786
Assets		
Local currency investment securities	24,166	4,325,008
Liabilities		
Demand liabilities - foreign	596,909	429,612
Demand liabilities - local	79,560	(4,276,754)
Accounts payable	30,955,093	38,417,025

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

24. Related Party Transactions cont'd

b. Related Enterprises

These Financial Statements include the following transactions with related enterprises (see Note 6) during the year:

	Sep-16 $'000	Sep-15 $'000
Income		
Rental Income	360	944
Other Income	61	184
	420	**1,128**
Expenditure		
Salaries and related expenditure	535	1,716
	535	**1,716**
Ending period balances		
Investments in related enterprises	4,422	4,422
Receivables from related enterprises	17	3,516
Payables to related enterprises	64,038	57,060

c. Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the key activities of the Bank, directly or indirectly, including all executives, senior, middle and junior managers.

	Sep-16 $'000	Sep-15 $'000
Short-term employee benefits	62,572	65,793
Directors' Fees	1,136	828

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

25. CL Financial Group Matter

During January 2009, representatives of CL Financial Limited (CLF) met with the Bank and the Ministry of Finance requesting urgent liquidity support for CLICO Investment Bank Limited (CIB), CLICO (Trinidad) Limited (CLICO) and British American Insurance Co (Trinidad) Limited (BAT). On 30 January 2009, in an effort to protect the interest of depositors and policyholders, the Minister of Finance entered into a Memorandum of Understanding with CLF for the provision of liquidity support for CIB, CLICO and BAT under certain conditions.

On 31 January 2009 the Bank assumed control of CIB, under Section 44D of the Central Bank Act (the Act) and consequent to an amendment to the Act, it also assumed control of CLICO and BAT on 13 February 2009.

As a result of these actions the Bank currently has in its Financial Statements the following assets and liabilities:

	Sep-16 $'000	Sep-15 $'000
Assets		
Amounts recoverable from CLF/GORTT	**2,194,127**	**2,142,070**
Liabilities		
Promissory Notes due to First Citizens Bank Limited	**-**	**1,647,132**

With the approval of the Minister of Finance, the Bank commenced repayment of both the US$ Promissory Note and TT$ Promissory Note due to First Citizens in July 2015. Both Promissory Notes were fully repaid on 1 April, 2016.

The Bank has been named as a party to the ongoing Commission of Enquiry into CLF and its related financial institutions. The Bank has incurred significant legal and professional fees associated with this matter.

In addition, the Bank together with CLICO has initiated civil proceedings against former executives of CLICO. In the context of delays with criminal action, this suit was filed with the dual objective of bringing those responsible to justice and recovering monies spent by the GORTT. The outcome of this matter cannot reliably be estimated at this time.

Legal, consultancy and other costs incurred in relation to all CLF matters have been disclosed in Note 20.

26. Contingent Liabilities

The Bank is currently involved in claims and counterclaims arising from the conduct of its business. Based on the facts currently available to the Bank, it can be concluded that the outcome of these matters would not have a material adverse effect on the position of the Bank.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

27. Statement of Financial Position – Current/Non-Current distinction

	Sep-16		
	Current $'000	Non-Current $'000	Total $'000
ASSETS			
Foreign currency assets			
Foreign currency cash and cash equivalents	38,740,864	-	38,740,864
Foreign currency investment securities	6,445,871	19,478,034	25,923,905
Foreign receivables	4,271,434	-	4,271,434
Subscriptions to international financial institutions	-	5,294,542	5,294,542
International Monetary Fund - Holdings of Special Drawing Rights	-	2,268,011	2,268,011
	49,458,169	**27,040,587**	**76,498,756**
Local currency assets			
Local currency cash and cash equivalents	1,666,802	-	1,666,802
Local currency investment securities	72,178	151,813	223,991
Retirement benefit asset	-	121,548	121,548
Accounts receivable and prepaid expenses	30,474	2,205,066	2,235,540
Other assets	73,561	107,375	180,936
Property, plant and equipment	-	194,221	194,221
	1,843,015	**2,780,023**	**4,623,038**
TOTAL ASSETS	**51,301,184**	**29,820,610**	**81,121,794**
LIABILITIES			
Foreign currency liabilities			
Demand liabilities - foreign	591,952	11,926	603,878
International Monetary Fund - Allocation of Special Drawing Rights	-	3,006,769	3,006,769
Accounts Payable	4,778,656	26	4,778,682
	5,370,608	**3,018,721**	**8,389,329**
Local currency liabilities			
Demand liabilities - local	30,419,257	23,037	30,442,293
Accounts payable	96,487	31,073,945	31,170,432
Provision for transfer of surplus to government	714,026	-	714,026
Provisions	-	8,805,143	8,805,143
	31,229,769	**39,902,125**	**71,131,894**
CAPITAL AND RESERVES			
Capital	-	800,000	800,000
General Reserve	-	800,000	800,000
Retained Earnings	-	571	571
	-	**1,600,571**	**1,600,571**
TOTAL LIABILITIES, CAPITAL AND RESERVES	**36,600,377**	**44,521,417**	**81,121,794**

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

27. Statement of Financial Position – Current/Non-Current distinction cont'd

	Current $'000	Sep-15 Non-Current $'000	Total $'000
ASSETS			
Foreign currency assets			
Foreign currency cash and cash equivalents	36,998,052	-	36,998,052
Foreign currency investment securities	13,695,461	12,679,269	26,374,730
Foreign receivables	3,759,555	-	3,759,555
Subscriptions to international financial institutions	-	3,837,933	3,837,933
International Monetary Fund - Holdings of Special Drawing Rights	-	2,461,370	2,461,370
	54,453,068	**18,978,572**	**73,431,640**
Local currency assets			
Local currency cash and cash equivalents	1,709,615	-	1,709,615
Local currency investment securities	4,393,188	96,460	4,489,648
Retirement benefit asset	-	179,540	179,540
Accounts receivable and prepaid expenses	60,320	2,115,549	2,175,869
Other assets	108,459	119,520	227,979
Property, plant and equipment	-	217,328	217,328
	6,271,582	**2,728,397**	**8,999,979**
TOTAL ASSETS	**60,724,650**	**21,706,969**	**82,431,619**
LIABILITIES			
Foreign currency liabilities			
Demand liabilities - foreign	426,753	6,572	433,325
International Monetary Fund - Allocation of Special Drawing Rights	-	2,866,201	2,866,201
Accounts Payable	3,894,425	-	3,894,425
	4,321,178	**2,872,773**	**7,193,951**
Local currency liabilities			
Demand liabilities - local	28,360,334	27,145	28,387,479
Accounts payable	131,750	40,196,381	40,328,131
Provision for transfer of surplus to government	809,011	-	809,011
Provisions	-	4,111,876	4,111,876
	29,301,095	**44,335,402**	**73,636,497**
CAPITAL AND RESERVES			
Capital	-	800,000	800,000
General Reserve	-	800,000	800,000
Retained Earnings	-	1,171	1,171
	-	**1,601,171**	**1,601,171**
TOTAL LIABILITIES, CAPITAL AND RESERVES	**33,622,273**	**48,809,346**	**82,431,619**

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

28. Parent

The Financial Statements of the Central Bank of Trinidad and Tobago are presented below:

Statement of Financial Position as at 30 September 2016

	Sep-16 $'000	Sep-15 $'000
ASSETS		
Foreign currency assets		
Foreign currency cash and cash equivalents	38,740,864	36,998,052
Foreign currency investment securities	25,923,905	26,374,730
Foreign receivables	4,271,434	3,759,555
Subscriptions to international financial institutions	5,294,542	3,837,933
International Monetary Fund - Holdings of Special Drawing Rights	2,268,011	2,461,370
	76,498,756	**73,431,640**
Local currency assets		
Local currency cash and cash equivalents	1,666,802	1,709,615
Local currency investment securities	223,991	4,489,648
Retirement benefit asset	121,548	179,540
Accounts receivable and prepaid expenses	2,235,540	2,176,118
Other assets	180,936	227,979
Property, plant and equipment	194,221	217,328
	4,623,038	**9,000,228**
TOTAL ASSETS	**81,121,794**	**82,431,868**
LIABILITIES		
Foreign currency liabilities		
Demand liabilities - foreign	603,878	433,325
International Monetary Fund - Allocation of Special Drawing Rights	3,006,769	2,866,201
Accounts Payable	4,778,682	3,894,425
	8,389,329	**7,193,951**
Local currency liabilities		
Demand liabilities - local	30,442,293	28,423,253
Accounts payable	31,171,003	40,293,777
Provision for transfer of surplus to government	714,026	809,011
Provisions	8,805,143	4,111,876
	71,132,465	**73,637,917**
CAPITAL AND RESERVES		
Capital	800,000	800,000
General Reserve	800,000	800,000
	1,600,000	**1,600,000**
TOTAL LIABILITIES, CAPITAL AND RESERVES	**81,121,794**	**82,431,868**

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

28. Parent cont'd

Statement of Comprehensive Income for the year ended 30 September 2016

	Sep-16 $'000	Sep-15 $'000
Income from foreign currency assets		
Investment income	550,666	437,969
Investment expense	(26,363)	(24,871)
	524,303	413,098
Loss from currency translations	(36,409)	(121,090)
Net loss realised on disposal and amortisation of investments	(312,013)	(84,261)
	175,881	**207,747**
Income from local currency assets		
Interest income	971,209	890,721
Rental income	2,302	2,971
Other income	75,576	212,303
	1,049,087	**1,105,995**
Decrease in provisions	57,383	159,251
Total income	**1,282,351**	**1,472,993**
Operating expenses		
Printing of notes and minting of coins	81,454	81,157
Salaries and related expenses	288,911	329,050
Interest paid	76,519	80,007
Directors' fees	1,128	826
Depreciation	34,286	35,317
Other operating expenses	86,027	103,904
Total operating expenses	**568,325**	**630,261**
Net surplus for the period	**714,026**	**842,732**
Total comprehensive income for the period	**714,026**	**842,732**

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

28. Parent cont'd

Statement of Changes in Equity
for the year ended 30 September 2016

	Issued and Fully Paid Up Capital $'000	General Reserves $'000	Retained Earnings $'000	Total $'000
Balance as at 1st October 2014	800,000	766,279	-	1,566,279
Net surplus for the period	-	-	842,732	842,732
Transfer of surplus to Consolidated Fund	-	-	(809,011)	(809,011)
Tranfer to General Reserve	-	33,721	(33,721)	-
Balance as at 30th September 2015	800,000	800,000	-	1,600,000
Balance as at 1st October 2015	800,000	800,000	-	1,600,000
Net surplus for the period	-	-	714,026	714,026
Transfer of surplus to Consolidated Fund	-	-	(714,026)	(714,026)
Balance as at 30th September 2016	800,000	800,000	-	1,600,000

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
(Expressed in Trinidad & Tobago Dollars)

28. Parent cont'd

Statement of Cash Flows
for the year ended 30 September 2016

	Sep-16 $'000	Sep-15 $'000
Cash Flows from operating activities		
Net surplus for the year before taxation	714,026	842,732
Adjustments for:		
Depreciation	34,286	35,317
Net gain on disposal of fixed assets	(277)	(622)
Interest income	(1,520,294)	(1,327,156)
Interest expense	76,519	80,007
Dividend income	(2,181)	(144,534)
Provisions	(57,383)	(159,251)
Cash flow before changes in operating assets and liabilities	**(755,305)**	**(673,507)**
Changes in Operating assets and liabilities		
(Increase)/Decrease in accounts receivable & prepaid expenses	(554,794)	2,202,018
Decrease in other assets	34,890	21,987
Decrease in pension asset	57,992	96,709
(Decrease)/Increase in accounts payable and other liabilities	(6,039,640)	2,886,469
Net cash flow (used in)/ from operations	**(7,256,856)**	**4,533,676**
Cash flow from investing activities		
Purchase of property, plant and equipment	(12,019)	(32,700)
Proceeds from sale of property, plant and equipment	1,117	848
Net proceeds/(purchase of investments) from sale of investments	6,410,663	(3,157,158)
Net (issue)/repayment of loans and advances	(12,108)	95,143
Interest received	1,503,178	1,391,435
Dividends received	2,181	144,534
Interest paid	(85,800)	(90,771)
Net decrease/(increase) in International Monetary Fund Holding of Special Drawing Rights and Allocation account	333,927	(32,352)
Payment to Consolidated Fund	(809,013)	(177,364)
Net cash flow from /(used in) investing activities	**7,332,126**	**(1,858,385)**
Cash flows from financing activities		
Lease payment	12,152	11,913
Net cash flow from financing activities	**12,152**	**11,913**
Net increase in cash equivalents	87,422	2,687,204
Foreign currency differences in monetary assets and liabilities	1,612,577	312,849
Cash and cash equivalents, beginning of period	38,707,667	35,707,614
Cash and cash equivalents, end of period	**40,407,666**	**38,707,667**

APPENDICES

2015-2016

TABLE A.1
CURRENCY IN CIRCULATION
2010 - 2016
(Dollars Thousand)

End of Month	Notes (Old TT)	Notes (Republic)	Total Notes in Circulation	Coins	Total Currency in Circulation
Sep-12	19,044	5,622,561	5,641,605	184,517	5,826,122
Sep-13	19,044	6,347,514	6,366,558	195,715	6,562,273
Sep-14	19,044	7,184,467	7,203,511	206,618	7,410,129
Sep-15	19,044	8,239,292	8,258,336	218,238	8,476,574
Oct-15	19,044	8,160,120	8,179,164	219,292	8,398,456
Nov-15	19,044	8,199,113	8,218,157	220,375	8,438,532
Dec-15	19,044	8,851,458	8,870,502	221,922	9,092,424
Jan-16	19,044	8,237,119	8,256,163	222,309	8,478,472
Feb-16	19,044	8,219,003	8,238,047	222,912	8,460,959
Mar-16	19,044	8,539,851	8,558,895	223,905	8,782,800
Apr-16	19,044	8,350,100	8,369,144	224,989	8,594,133
May-16	19,044	8,556,877	8,575,921	226,062	8,801,983
Jun-16	19,044	8,381,180	8,400,224	226,976	8,627,200
Jul-16	19,044	8,464,106	8,483,150	227,931	8,711,081
Aug-16	19,044	8,464,931	8,483,975	229,004	8,712,979
Sep-16	19,044	8,374,404	8,393,448	229,944	8,623,392

Source: Central Bank of Trinidad and Tobago

TABLE A.2
CENTRAL BANK STATEMENT OF LIABILITIES AND ASSETS, 2015 - 2016
(TT Dollars Thousands)

	LIABILITIES								ASSETS							
		DEPOSITS							EXTERNAL ASSETS							
End of Month	Currency in Circulation Total	Commercial Banks	Non-Bank Financial Instiutions	Government & Governmental Organisations [1]	International Organisations	Other Liabilities	Capital & Reserve Funds	Total Liabilities, Capital and Reserves	Balances With Banks Abroad [2]	Other Foreign Securities	Gold Subscription To International Monetary Fund	Subscriptions to International Organisations	SDR's	TT Dollar Securities	Other Assets Including Fixed Asset	Total Assets
2014/15																
OCTOBER	7,478,460	27,946,867	385,228	(3,743,561)	3,093,995	47,171,385	1,566,279	83,898,653	39,050,230	28,974,475	3,233,359	853,991	2,656,812	190,437	8,939,349	83,898,653
NOVEMBER	7,589,538	28,393,239	391,637	(4,772,553)	3,093,995	46,639,506	1,566,279	82,901,641	39,775,121	24,306,512	3,233,359	852,655	2,656,883	195,998	11,881,113	82,901,641
DECEMBER	8,360,585	26,831,961	387,279	(3,162,009)	3,093,995	46,400,995	1,566,279	83,479,085	40,544,554	28,386,416	3,233,359	851,551	2,656,883	191,736	7,614,586	83,479,085
JANUARY	7,689,582	25,750,785	387,408	(3,561,510)	3,093,995	45,964,232	1,566,279	80,890,771	38,157,822	29,236,571	3,233,359	846,572	2,656,883	192,078	6,567,486	80,890,771
FEBRUARY	7,834,610	24,204,133	388,633	(4,851,989)	3,093,995	47,174,221	1,566,279	79,409,882	36,700,313	28,743,913	3,233,359	848,766	2,656,950	230,472	6,996,109	79,409,882
MARCH	8,112,436	22,783,728	388,095	633,470	2,791,895	49,016,690	1,566,279	85,292,593	38,066,300	28,688,381	2,917,652	852,942	2,397,523	4,451,798	7,917,997	85,292,593
APRIL	8,023,206	24,920,449	393,868	(356,394)	2,866,201	48,894,797	1,566,279	86,308,406	37,690,427	28,924,992	2,995,305	852,617	2,461,285	4,512,412	8,871,368	86,308,406
MAY	8,090,464	24,315,897	386,803	(2,514,081)	2,866,201	48,409,674	1,566,279	83,121,237	36,667,692	28,650,384	2,995,305	847,933	2,461,333	4,627,727	6,870,863	83,121,237
JUNE	8,137,113	24,155,737	384,658	(3,050,848)	2,866,201	48,851,922	1,566,279	82,911,062	38,364,034	26,682,711	2,995,305	851,688	2,461,333	4,567,530	6,988,461	82,911,062
JULY	8,186,202	25,408,894	377,109	(3,797,722)	2,866,201	49,927,367	1,566,279	84,534,330	37,739,003	26,503,974	2,995,305	844,464	2,461,333	4,514,765	9,475,486	84,534,330
AUGUST	8,314,505	23,091,454	383,092	(3,491,095)	2,866,201	47,964,258	1,566,279	80,694,694	37,564,216	26,278,938	2,995,305	842,483	2,461,370	4,526,214	6,026,168	80,694,694
SEPTEMBER	8,489,075	22,758,975	394,589	(3,261,460)	2,866,201	49,584,488	1,600,000	82,431,868	36,998,052	26,374,730	2,995,305	842,628	2,461,370	4,489,648	8,270,135	82,431,868
2015/16																
OCTOBER	8,407,342	19,828,529	424,537	(4,070,298)	2,866,201	43,644,193	1,600,000	72,700,504	35,972,323	23,386,376	2,995,305	847,833	2,461,370	227,212	6,810,085	72,700,504
NOVEMBER	8,448,152	21,187,066	392,145	(5,151,994)	2,866,201	42,620,249	1,600,000	71,961,819	35,738,409	23,419,535	2,995,305	849,933	2,461,407	237,230	6,260,000	71,961,819
DECEMBER	9,103,151	22,023,112	383,135	(5,020,455)	2,866,201	43,746,670	1,600,000	74,701,814	34,980,342	25,886,916	2,995,305	855,235	2,461,407	244,967	7,277,642	74,701,814
JANUARY	8,488,647	21,954,978	385,332	(4,590,813)	2,866,201	45,823,008	1,600,000	76,527,353	33,066,420	26,790,924	2,995,305	856,807	2,461,407	232,951	10,123,539	76,527,353
FEBRUARY	8,470,191	21,223,484	384,865	(4,331,224)	2,866,201	43,904,879	1,600,000	74,118,396	32,530,361	27,393,069	3,294,747	863,331	2,162,002	283,619	7,591,267	74,118,396
MARCH	8,793,059	21,122,355	386,959	(5,043,398)	2,866,201	43,246,165	1,600,000	72,971,341	32,813,061	27,530,581	3,294,747	872,477	2,162,002	214,459	6,084,014	72,971,341
APRIL	8,604,132	23,187,078	396,514	(6,180,533)	3,016,995	43,635,915	1,600,000	74,260,101	31,436,596	28,057,412	3,468,086	882,488	2,275,641	215,065	7,924,813	74,260,101
MAY	8,809,232	21,935,706	503,891	(3,846,358)	3,016,995	44,222,283	1,600,000	76,241,749	33,294,280	27,770,529	3,468,086	885,170	2,275,683	236,457	8,311,544	76,241,749
JUNE	8,636,013	21,606,313	695,775	(4,035,914)	2,980,620	46,039,013	1,600,000	77,521,820	34,652,540	26,632,267	3,426,272	885,901	2,248,246	281,942	9,394,652	77,521,820
JULY	8,718,892	19,516,482	706,231	(2,708,403)	2,980,620	45,862,033	1,600,000	76,675,855	34,583,817	26,127,890	3,425,064	893,106	2,248,246	426,206	8,971,526	76,675,855
AUGUST	8,722,302	19,765,275	665,512	3,020,930	2,979,569	43,486,482	1,600,000	80,240,070	40,232,070	25,773,086	3,425,064	893,321	2,247,493	232,303	7,436,733	80,240,070
SEPTEMBER	8,630,247	19,484,281	662,505	1,648,956	3,006,769	46,089,036	1,600,000	81,121,794	38,740,864	25,923,905	4,398,712	895,831	2,268,011	223,991	8,670,480	81,121,794

Source: Central Bank of Trinidad and Tobago

1 Includes Exchequer, Trust Funds and Other Public Deposits, Government SDR Allocation and Other Deposits
2 Includes Foreign Currencies on hand

TABLE A.3
COMMERCIAL BANKS:
AVERAGE DEPOSIT LIABILITIES, REQUIRED CASH RESERVES AND ACTUAL CASH RESERVES
for Period Ending September 2016

Reserve Period Ending	Average Deposit Liabilities ($000)	Required Cash Reserves ($000)	Average Cash Reserves ($000)
7-Oct-15	77,736,176	13,215,150	15,772,577
14-Oct-15	77,529,559	13,180,025	17,668,053
21-Oct-15	77,212,953	13,126,202	16,805,586
28-Oct-15	76,976,965	13,086,084	16,500,679
4-Nov-15	77,942,947	13,250,301	15,052,283
11-Nov-15	78,595,171	13,361,179	15,023,898
18-Nov-15	78,383,771	13,325,241	15,947,950
25-Nov-15	77,708,265	13,210,405	16,581,221
2-Dec-15	77,248,071	13,132,172	16,623,226
9-Dec-15	76,739,841	13,045,773	16,354,922
16-Dec-15	77,154,747	13,116,307	16,312,633
24-Dec-15	77,692,676	13,207,755	16,349,191
30-Dec-15	78,413,082	13,330,224	17,769,202
6-Jan-16	78,754,212	13,388,216	17,657,584
13-Jan-16	79,012,482	13,432,122	17,327,423
20-Jan-16	79,071,806	13,442,207	16,836,384
27-Jan-16	78,729,912	13,384,085	17,609,696
3-Feb-16	78,448,659	13,336,272	17,357,464
10-Feb-16	78,359,029	13,321,035	17,210,850
17-Feb-16	78,465,212	13,339,086	16,570,009
24-Feb-16	78,851,100	13,404,687	16,695,607
2-Mar-16	79,058,282	13,439,908	17,450,448
9-Mar-16	79,247,806	13,472,127	17,768,239
16-Mar-16	79,312,459	13,483,118	17,155,498
23-Mar-16	79,633,118	13,537,630	17,160,542
30-Mar-16	79,633,118	13,537,630	17,196,866
6-Apr-16	80,097,935	13,616,649	16,723,393
13-Apr-16	80,290,712	13,649,421	16,678,252
20-Apr-16	80,005,053	13,600,859	18,020,789
27-Apr-16	79,806,335	13,567,077	18,314,389
4-May-16	79,785,112	13,563,469	20,417,486
11-May-16	80,040,382	13,606,865	21,188,347
18-May-16	80,445,994	13,675,819	19,375,563
25-May-16	81,083,541	13,784,202	19,739,623
1-Jun-16	81,364,694	13,831,998	19,105,001
8-Jun-16	81,619,082	13,875,244	19,963,701
15-Jun-16	81,755,165	13,898,378	19,179,238
22-Jun-16	81,880,691	13,898,378	19,178,238
29-Jun-16	81,762,314	13,899,593	17,963,641
6-Jul-16	81,516,182	13,899,593	18,570,621
13-Jul-16	81,327,987	13,825,758	18,098,341
20-Jul-16	81,083,894	13,784,262	17,019,938
27-Jul-16	81,170,754	13,799,028	16,449,240
3-Aug-16	81,224,456	13,808,158	17,451,353
10-Aug-16	81,347,648	13,829,100	17,599,677
17-Aug-16	80,966,587	13,764,320	16,986,144
24-Aug-16	80,749,167	13,727,358	16,509,497
31-Aug-16	80,476,181	13,727,359	16,650,292
7-Sep-16	80,030,741	13,605,226	17,247,305
14-Sep-16	79,852,206	13,574,875	16,721,640
21-Sep-16	79,777,747	13,562,217	16,236,211
28-Sep-16	79,612,359	13,534,101	16,822,509

Source: Central Bank of Trinidad and Tobago

TABLE A.4
NON-BANK FINANCIAL INSTITUTIONS:
AVERAGE DEPOSIT LIABILITIES, REQUIRED CASH RESERVES AND ACTUAL CASH RESERVES
for Period Ending August 2016

Reserve Period Ending	Average Deposit Liabilities ($000)	Required Cash Reserves ($000)	Average Cash Reserves ($000)
7-Oct-15	2,122,822	191,054	206,290
14-Oct-15	2,141,156	192,704	207,350
21-Oct-15	2,151,578	193,642	211,015
28-Oct-15	2,155,767	194,019	206,737
4-Nov-15	2,143,678	192,931	205,641
11-Nov-15	2,125,922	191,333	204,161
18-Nov-15	2,115,333	190,380	203,214
25-Nov-15	2,094,256	188,483	201,332
2-Dec-15	2,090,200	188,118	201,140
9-Dec-15	2,082,367	187,413	200,473
16-Dec-15	2,072,000	186,480	199,599
24-Dec-15	2,068,144	186,133	192,423
30-Dec-15	2,065,278	185,875	192,323
6-Jan-16	2,074,100	186,669	193,152
13-Jan-16	2,076,467	186,882	193,341
20-Jan-16	2,081,978	187,378	193,730
27-Jan-16	2,090,289	188,126	194,520
3-Feb-16	2,092,700	188,343	194,865
10-Feb-16	2,096,600	188,694	195,269
17-Feb-16	2,093,522	188,417	195,260
24-Feb-16	2,094,833	188,535	194,053
2-Mar-16	2,084,311	187,588	193,230
9-Mar-16	2,087,089	187,838	193,272
16-Mar-16	2,097,278	188,755	194,164
23-Mar-16	2,100,656	189,059	194,606
30-Mar-16	2,100,656	189,059	196,641
6-Apr-16	2,147,189	193,247	198,497
13-Apr-16	2,173,033	195,573	200,734
20-Apr-16	2,201,522	198,137	203,137
27-Apr-16	2,225,144	200,263	205,702
4-May-16	2,235,844	201,226	206,629
11-May-16	2,263,056	203,675	209,080
18-May-16	2,282,322	205,409	211,009
25-May-16	2,303,156	207,284	212,885
1-Jun-16	2,295,556	206,600	312,208
8-Jun-16	2,271,433	204,429	365,037
15-Jun-16	2,283,922	205,553	211,172
22-Jun-16	2,310,244	207,922	213,532
29-Jun-16	2,381,700	214,353	504,963
6-Jul-16	2,381,700	214,353	507,237
13-Jul-16	2,483,300	223,497	514,149
20-Jul-16	2,498,656	224,879	515,703
27-Jul-16	2,491,144	224,203	515,419
3-Aug-16	2,473,878	222,649	512,946
10-Aug-16	2,465,989	221,939	361,507
17-Aug-16	2,441,300	219,717	356,014
24-Aug-16	2,411,167	217,005	474,149
31-Aug-16	2,411,167	217,005	474,700
7-Sep-16	2,373,189	213,587	471,915
14-Sep-16	2,375,567	213,801	372,263
21-Sep-16	2,366,400	212,976	371,519
28-Sep-16	2,366,889	213,020	471,693

Source: Central Bank of Trinidad and Tobago

CENTRAL BANK OF
TRINIDAD & TOBAGO