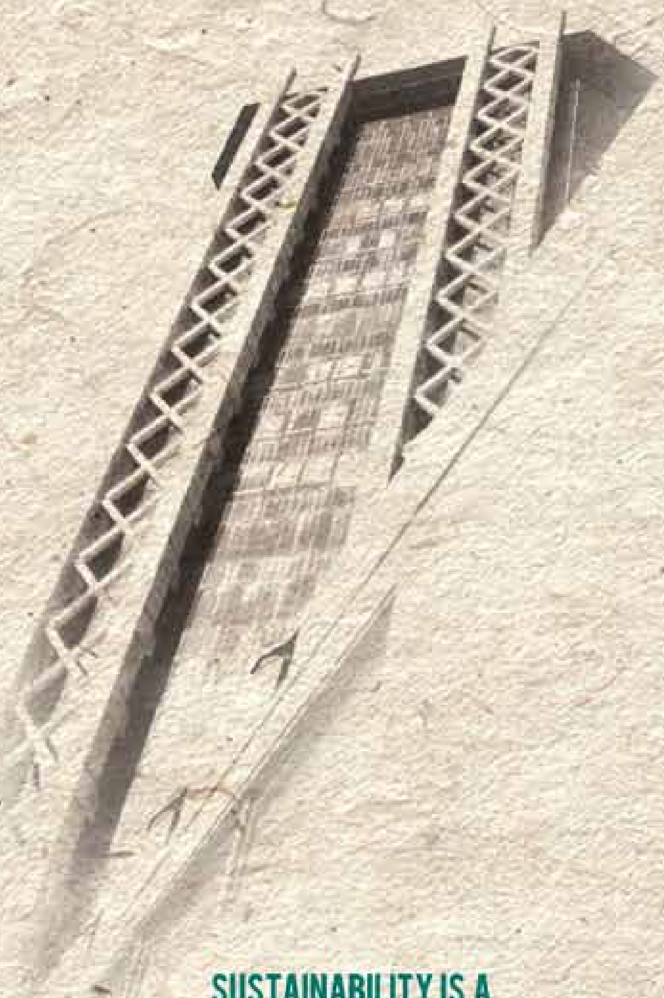
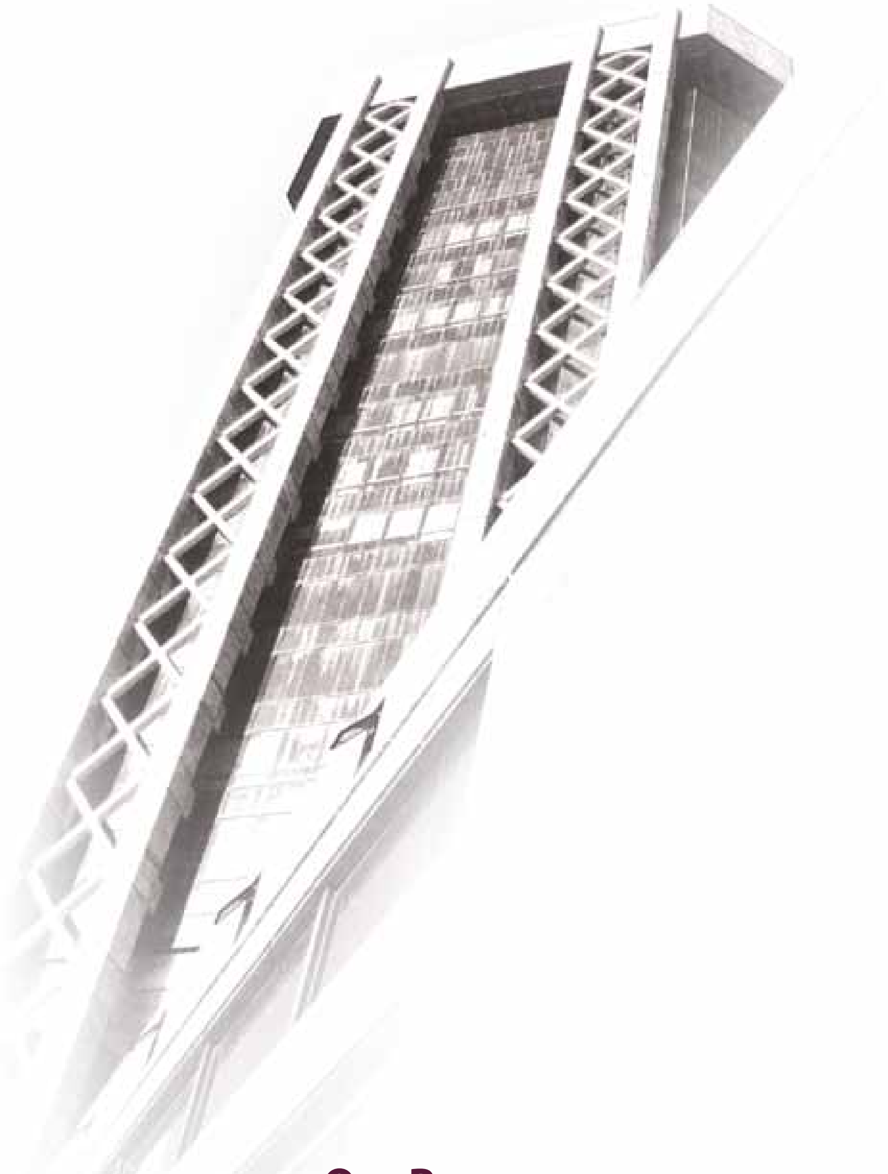
CENTRAL BANK OF TRINIDAD & TOBAGO

Annual Report 2011

CENTRAL BANK OF
TRINIDAD & TOBAGO



SUSTAINABILITY IS A CONCEPT THAT MUST NOT ONLY BE ACTIVELY APPLIED TO OUR ECONOMIC STANCE BUT TO OUR VERY EXISTENCE AS A SOCIETY. IT WILL REQUIRE NEW IDEAS AND FRESH THINKING. IT IS A CALL TO ACTION THAT CANNOT BE IGNORED.



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.

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Lloyd Pierre
Dovelyn Richmond

Letter of Transmittal

CENTRAL BANK OF TRINIDAD & TOBAGO

Ewart S. Williams
Governor

December 30, 2011

The Honourable Winston Dookeran
Minister of Finance
Ministry of Finance
Eric Williams Finance Building
Independence Square
PORT-OF-SPAIN

REF: CB-G: 170/11

Dear Minister Dookeran

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, 2011, together with a copy of the Annual Audited Statement of Accounts certified by the Auditors.

Yours sincerely,

Ewart S. Williams

Encls.

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Ewart S. Williams
Chairman of the Board
Governor

Most indicators showed that the banking system remains strong, well-capitalized and profitable, although the stagnation in economic activity and rising unemployment have led to some deterioration in credit quality.

The Trinidad and Tobago economy recorded its third straight year of decline in 2011, as output fell by close to 1.5 per cent against the background of extremely challenging conditions in the global economic environment. Despite higher oil and gas prices, value-added in the energy sector declined, reflecting the combined effect of the natural maturation of oil fields and the impact of maintenance and environmental security operations on the output of petroleum, natural gas and some petrochemicals. In the non-energy sector, the start to several public sector investments muted the anticipated fiscal stimulus, while private sector construction remained weak. Distribution and manufacturing output also stagnated, in part due to the curfew in the second half of the year which reduced working hours of several establishments.

On a positive note, headline inflation dropped into the low single digits from around March 2011, given the slow pace of aggregate demand and the dissipation of the weather-related supply shock on food prices that occurred in 2010. The decline in inflation strengthened the case for the continuation of the Central Bank's accommodative monetary policy and the repo rate was reduced to 3.00 per cent, its lowest level ever, leading to a corresponding reduction in banks' lending rates. After a lagged reaction, private sector credit appears to be slowly recovering, although businesses seem to be still hesitant to increase indebtedness in the uncertain economic setting.

Throughout the year, the banking sector faced conditions of excess liquidity as reflected in banks' excess reserves at the Central Bank reaching 10.8 per cent of prescribed deposit liabilities. Given the shortage of government securities for open market operations, the Bank on occasion sought to manage liquidity levels through the sale of foreign exchange and interest bearing special deposits. The passage of legislation to raise the ceilings on government securities would facilitate the conduct of monetary policy in 2012.

Most indicators showed that the banking system remains strong, well-capitalized and profitable, although the stagnation in economic activity and rising unemployment have led to some deterioration in credit quality. Against this background, the Bank has increased its focus on financial institutions' credit risk. The Bank has also expanded its programme of stress testing, while requiring individual banks to conduct similar operations on an ongoing basis. The Bank has made significant progress towards the preparation of new insurance legislation.

The Bank has continued to educate the public through its National Financial Literacy Programme (NFLP). During the year, the Bank teamed up with the Unit Trust Corporation, the National Insurance Board and local government authorities to take financial literacy into the local communities. In 2012, the NFLP will disseminate a booklet on retirement planning and will also focus on home ownership and the financing issues faced by small and medium sized enterprises. In order to improve transparency on mortgage contracts, the Bank issued a Residential Real Estate Mortgage Market Guideline which specifies a minimum set of information that banks and non-banks must provide to mortgagors on the terms and conditions of their contracts. The

Governor's Foreword

Guideline also allows for the use of a Mortgage Market Reference Rate that the Bank will publish periodically as a guide for the setting of mortgage rates.

The Central Bank expects 2012 to be another challenging year. The economic outlook for Trinidad and Tobago in 2012 appears to be more positive, with an expected strengthening of the incipient recovery in business credit, and the launch of several large public sector projects announced in the 2011/2012 National Budget. These should provide stimulus for activity in the non-energy sector. Moreover, oil and gas production should return at least to 2010 levels, following the supply disruptions due to safety upgrades and maintenance work in 2011. While the Bank projects growth in real GDP of 1.5 per cent, it recognizes several downside risks linked to a significant worsening of the global economic situation and a very slow revival of domestic business confidence. The existence of substantial excess capacity in the economy would likely mean not only that the recovery may not be accompanied by significant job creation but also that inflationary pressures would be contained. The Bank is prepared to take the necessary steps to foster financial conditions conducive to a recovery, while paying careful attention to inflation dynamics.

The supervisory role of the Bank will be enhanced in the coming year with the anticipated passage of long-overdue legislation on the insurance sector and advances in building the framework for supervision of credit unions and pensions.

During the year, the Bank began to prepare its Strategic Plan covering the period 2012-2014. To this end, the Bank consulted with its key stakeholders on how they viewed the Bank's role over the medium term and also hosted an international conference on strategic planning in Central Banks in collaboration with the Centre for Latin American Monetary Studies (CEMLA). The Plan is carded to be finalized in early 2012 and will place considerable emphasis on enhancing financial stability and improving governance, accountability and transparency in the Bank.

Governor
Ewart S. Williams

Board of Directors

Executive Directors

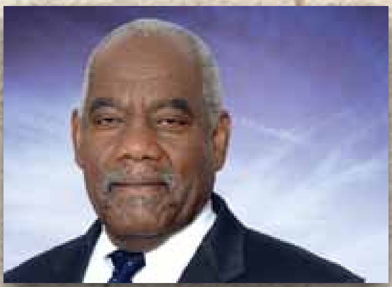
Ewart S. Williams
Chairman of the Board
Governor

Ms. Joan John
Executive Director
Deputy Governor

Dr. Shelton Nicholls
Executive Director
Deputy Governor

Non-Executive Directors

Mr. Carlyle Greaves
Date of Appointment:
April 11, 2009



Professor Selwyn Cudjoe
Date of Appointment:
April 11, 2009

Ms. Amelia Carrington S.C.
Date of Appointment:
April 11, 2009

Ms. Barbara Chatoor
Date of Appointment:
July 19, 2009

Mr. Larry Lalla
Date of Appointment:
November 19, 2010

Dr. Roger Hosein
Date of Appointment:
November 19, 2010

Board of Directors

Non- Executive Directors (continued)

Mr. Steve Seetahal
Date of Appointment:
May 18, 2011

Mr. Joseph George
Date of Appointment:
May 18, 2011

Ms. Beverly Khan
Date of Appointment:
May 18, 2011

Mr. Inshan Ramsaroop
Date of Appointment:
May 18, 2011

Mr. Mahindra Sunil Maharaj
Date of Appointment:
May 18, 2011

Mr. Wayne Tikah
Date of Appointment:
May 18, 2011

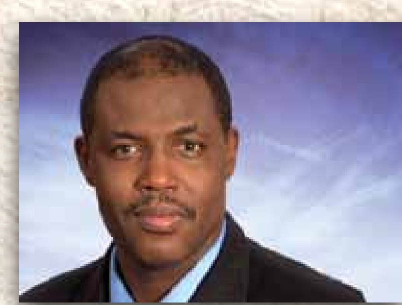
Mr. Neil Mohammed
Date of Appointment:
May 18, 2011

Ms. Chintamani Sookoo
Date of Appointment:
August 5, 2011

Senior Management

Ewart S. Williams
Chairman of the Board,
Governor

Ms. Joan John
Executive Director,
Deputy Governor



Dr. Shelton Nicholls
Executive Director,
Deputy Governor

Mr. Carl Hiralal
Inspector of Financial Institutions

Mrs. Nicole Crooks
Senior Manager,
Human Resource
and Corporate Services

Mr. Alister Noel
Senior Manager,
Operations

Dr. Alvin Hilaire
Chief Economist and Director of Research

Ms. Wendy Ho Sing
Deputy Inspector,
Financial Institutions

Ms. Marie Borely
Financial Controller

Mr. Patrick Solomon
Senior Manager,
Risk Management and
Corporate Governance

Managers

Ms. Suzane Roach
Financial Services Ombudsman,
Office of the Financial Services Ombudsman

Ms. Wendy D'Arbasie
Manager,
Domestic Market Operations

Mrs. Joycelyn Opadeyi
Manager,
Procurement and Support Services

Mr. Lester Shim
Manager,
Reserve Management

Ms. Nicole Chapman
Manager,
Legal and Corporate
Secretariat Services

Ms. Kavita Surat-Singh
Manager,
Banks & Non-Banks

Mrs. Zoraida Dookie
Manager,
Information Technology Services

Ms. Janice Woods
Manager,
Banking Operations

Mrs. Michelle Francis-Pantor
Manager,
Policy and Market Conduct

Mrs. June Stewart
Manager,
Knowledge and Information Management

Mrs. Heather Huggins
Manager,
Human Resources

Mr. Richard Ross
Chief Engineer,
Facilities Services

Assistant Managers

Mrs. Denise Rodriguez-Archie
Assistant Manager,
Internal Audit

Mr. Garnett Samuel
Assistant Manager,
Research

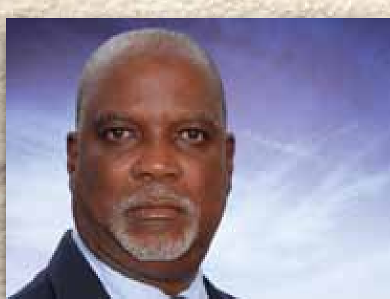
Ms. Donna Fyfe
Assistant Manager,
Banks & Non-Banks

Mr. Gaston Harrison
Assistant Manager,
Human Resources

Ms. Sheriza Hassan-Ali
Assistant Manager,
Information Technology Services

Mr. Naveen Lalla
Assistant Manager,
Insurance & Pensions

Mr. Sherwin Kerr
Security Operations Officer,
Security (Ag)

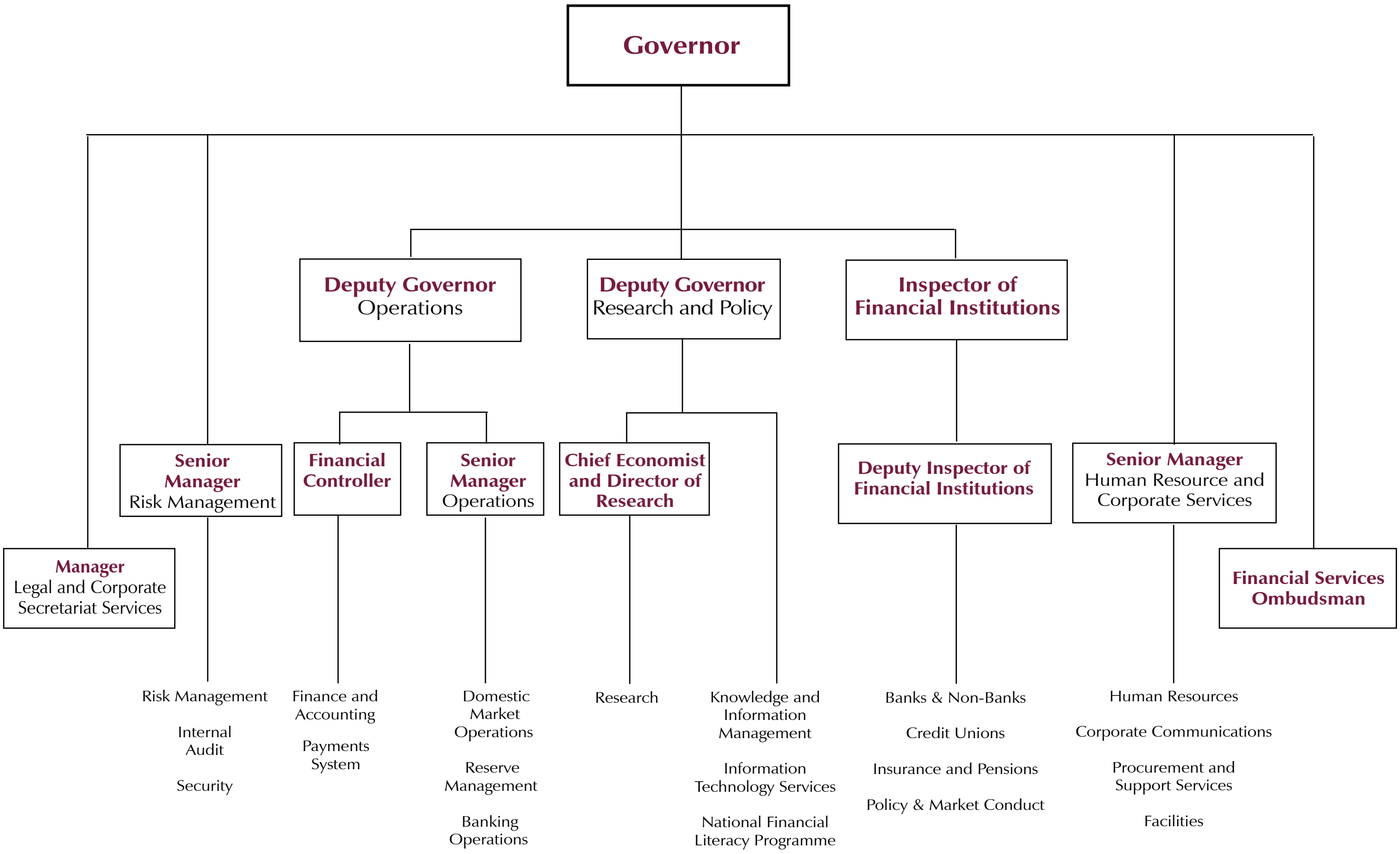


Mr. Roland Yorke
Assistant Manager,
Banks and Non-Banks,

Mr. Christopher Subryan
Assistant Manager,
Finance & Accounting

Dr. Earl Boodoo
Secondment to DIC

Organizational Structure
As at September 2011



Review of Activities
2010 - 2011

Conservation Tip

Think before you print:
could this be read or stored
online instead? Why not post
employee manuals and similar
materials online, rather than
distribute print copies?

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Review of Activities

Review of Activities 2010 - 2011

HIGHLIGHTS

Growth in the global economy was again led by the emerging markets as the recovery in the advanced countries faltered, challenged by a lack of investor confidence, high sovereign debt levels and record unemployment rates. In Trinidad and Tobago, output was estimated to have contracted by 1.4 per cent in 2011. At the same time, inflationary pressures slowed significantly, and credit to the private sector showed signs of a turnaround, suggesting a slow return of consumer and business confidence. The highlights of the Bank's activities for the financial year 2010/2011 included:

- The Central Bank maintained an accommodative monetary stance with four reductions in the Bank's policy rate to its historical low of 3.00 per cent in order to support the economic recovery. This was facilitated by subdued inflationary pressures as the year progressed.

- Given the limited scope for open market operations, the Bank managed excess liquidity in the banking system by the roll-over of special deposits held by the commercial banks at the Central Bank and the sales of foreign exchange to authorized dealers.

- To strengthen its efforts to restructure a failed financial institution that was under the management of the Central Bank, the Central Bank Act was amended (Act No. 18 of 2011) prohibiting certain proceedings in respect of claims against a financial institution, where the Central Bank has exercised its emergency powers over the financial institution.

- A draft Insurance Bill and Regulations have been approved by the Legislative Review Committee and the Cabinet and are to be discussed in Parliament in early 2012.

- A draft Regional Crisis Management Plan was issued for consultation among the regional regulators.

- Regulations were issued to allow the Central Bank to recover supervisory fees and charges from regulated financial institutions and to levy administrative fines for breaches of the Financial Institutions Act, 2008.

- Two Regulations were issued with respect to the Financial Intelligence Unit and combating financing of terrorism: (i) the Financial Intelligence Unit of Trinidad and Tobago Regulations, issued on February 10, 2011; and (ii) The Financial Obligation (Combating Financing of Terrorism) Regulations (FOR), issued on February 4, 2011. In addition, amendments were made to the Anti-Terrorism Act No. 16 of 2011, on June 24, 2011.

- The Manager of Clico Investment Bank (CIB), appointed under Section 44D of the Central Bank Act, in determining that CIB was insolvent, applied to the Court for liquidation. The Court approved the wind up of CIB and the appointment of the Deposit Insurance Corporation as liquidator.

- The Bank unveiled its revised and enhanced website with improvements made to its presentation as well as the navigation and search functionalities.

- The Research Department launched a Working Paper series on the Bank's website in June 2011.

- In September 2011, the Central Bank instituted new rules for the residential mortgage market in the form of a Residential Real Estate Mortgage Market Guideline. This new guideline is expected to enhance disclosure and transparency in the Mortgage Market through the introduction of a new mortgage market reference rate (against which all residential mortgages will be priced and re-priced) as well as a compulsory disclosure statement to be issued by mortgagees. The Guideline is applicable, in the first instance, to all commercial banks and their affiliated non-bank financial institutions that grant residential mortgages.

ECONOMIC DEVELOPMENTS

International Economic Environment

The global economy in 2011 was marked by strong growth in emerging markets and some developing countries, alongside a weak faltering recovery in advanced economies. A devastating earthquake and tsunami in Japan and political upheaval in the Middle East and North Africa had an important, but relatively limited impact on the global economy, in the early part of the year. The subsequent intensification of sovereign debt problems in the Euro area in addition to debt related concerns in the United States threatened to have a wider and more lasting effect across the world, characterized by high volatility in equity and other financial markets.

The economic performance of the United States was not as robust as in 2010. Private investment did not provide the same level of economic incentive as the round of fiscal stimuli that occurred in 2010. As a result, the unemployment rate remained high, with a not unexpected decline in consumer confidence, which was compounded by continuing weakness in the housing market. The protracted political impasse over the increase in the government's borrowing limits and the subsequent downgrading of the US sovereign debt only served to heighten uncertainty. The Federal Reserve undertook to maintain the almost zero federal funds rate at least through to mid-2013 in an effort to foster economic growth. However, there remained disagreement along political lines regarding the appropriate fiscal policies to stimulate the economy and create jobs.

During 2011, sovereign debt problems dogged activity in the Euro area, despite policy responses to these challenges. These developments sent shock waves to international financial markets, and heightened risks to the stability of the banking sector which had uncomfortable levels of exposure to sovereign debt. At the end of October 2011, European policymakers hammered out a revamped stronger policy response which included a larger bailout facility, agreement to write-down Greek sovereign debt and new injections of capital into weakened banks. However, the markets' initial optimistic response to this announcement quickly dimmed and contagion from the Greek crisis spread to other Eurozone countries, increasing sovereign borrowing costs. By early December, proposals were being discussed in the Euro area to rewrite some treaties in order to assure fiscal discipline on the part of its members.

Performance in the emerging markets was varied during the year but overall activity was robust. This expansion was buoyed by domestic demand, higher commodity prices and net inflows of private capital. In some economies, particularly in China, India and Brazil, growth was so strong that concerns surfaced about possible overheating and macroeconomic policies started to be tightened.

In Central and South America, growth, although still strong, slipped somewhat in 2011, reflecting less favourable external conditions and a retreat from the accommodative policy stance in 2010, following the financial crisis. The Caribbean economies experienced some recovery in 2011, but this growth was subdued. Although there was some pick-up in tourist arrivals and remittance flows, high levels of public debt and increased commodity prices created a drag on activity in some of the territories. Nonetheless, Guyana and Suriname benefitted from record gold prices and experienced healthy growth in GDP. The heavily indebted countries continued on the path of fiscal consolidation in tandem with debt restructuring in order to ease debt service burdens. Some countries such as St. Kitts-Nevis and St. Vincent and the Grenadines received financial support from the IMF.

Domestic Economy

The Trinidad and Tobago economy showed few signs of sustained recovery in 2011. According to projections by the Central Bank and Central Statistical Office, economic activity was projected to contract by 1.4 per cent, a deterioration from the almost zero growth in 2010. Despite increases in exploration activity, output in the energy sector was expected to decline based on production of crude oil and natural gas output data over the first three quarters. The non-energy sector was also expected to contract slightly for the year as a whole, with signs of a slight pick-up in the second quarter offset by the adverse impact of the curfew-induced reduction in working hours on production in the second half of the year.

The slackening of demand pressures and the dissipation of the weather-related supply shock that occurred in 2010 helped to keep down the rise in food prices and headline inflation which dropped into the single digits for most of 2011. Available labour market indicators suggested that unemployment may have risen from the 6.3 per cent recorded at the end of 2010.

The government's expansionary fiscal policy led to a deficit on the fiscal accounts for 2010/2011 (October to September) of $5,058.0 million (3.6 per cent of GDP) from near balance in the previous year. Revenue was higher than originally budgeted, due to the effect of higher crude oil prices on energy revenue, notwithstanding lower collections from the non-energy sector related to the economic slowdown. Government expenditure also turned out to be somewhat lower than budgeted despite an acceleration in the execution of the capital programme toward the end of the fiscal year. Public sector debt outstanding at the end of the fiscal year stood at $71.2 billion, or 36.3 per cent of GDP, a 1 per cent increase from the previous year.

Available data show that the balance of payments recorded an overall surplus of US $668 million in the first half of 2011, bringing the level of gross official reserves to US$9,738 million at the end of June. Reserves declined to US$9,346 million at the end of September 2011, equivalent to 11.3 months of prospective imports of goods and non-factor services. Between January and June 2011, the external current account surplus was estimated at US$2,354 million, compared to US$1,809 million in the first half of 2010. The 2011 performance reflected mainly a strong merchandise trade surplus, as a result of increased exports of liquefied natural gas and higher prices for crude oil, alongside a decline in imports, notably on capital goods.

Monetary Policy

In 2010/2011, the Central Bank maintained its accommodative monetary policy stance in order to support an economic recovery. The repo rate was reduced on four occasions from 3.75 per cent in November 2010 to its lowest ever rate of 3.00 per cent in July 2011, where it remained up to November. These reductions were facilitated by the relatively benign inflationary environment that prevailed through much of 2011. In October 2010, headline inflation measured 12.5 per cent on a year-on-year basis, dropping progressively to a rate of 0.6 per cent in August, 2011, the lowest since October 1969, before rising to 3.7 per cent by October. The sharp deceleration in the inflation rate compared to 2010 primarily reflected movements in food prices which had risen particularly steeply around mid-2010. Core inflation (which excludes food prices) was less volatile, falling from 4.7 per cent in October, 2010 to a range of between 1.2 and 2.6 per cent in 2011 reflecting the absence of significant domestic demand pressures.

The declines in the repo rate as well as the high levels of excess liquidity in the banking system led the commercial banks to cut their prime lending rates from 8.88 per cent in October 2010 to 7.75 per cent by September 2011. The banks' average loan rate declined by 140 basis points over this period to 8.88 per cent by September, 2011, while the average deposit rate decreased by 32 basis points to 0.65 per cent. Short-term rates softened further with the three-month treasury bill rate falling from 0.34 per cent to 0.25 per cent.

Fiscal injections and the weak demand for private sector credit continued to feed the liquidity overhang. Excess reserves of the commercial banks averaged $2,201 million monthly in 2010/2011. Through the combined use of open market operations and the sale of foreign exchange to the commercial banks, the Central Bank removed TT$11,269.4 million from the system.

Despite declining interest rates, private sector credit by the consolidated financial system continued to

decrease up until April 2011, albeit at a declining rate. Since May there has been an upswing with credit growing on a 12-month basis between 0.1 per cent and 1.8 per cent to September, 2011, primarily due to a revival in consumer credit. Demand for business credit continued to be weak during the financial year, but there were signs that the decline may have bottomed out in August-September. Real estate mortgage loans continued to respond positively to the more favourable interest rate climate, with growth accelerating over the year from 6.9 per cent in October, 2010 to 9.8 per cent in September, 2011 (12-month basis).

FINANCIAL SYSTEM STABILITY AND SURVEILLANCE

Overall, notwithstanding the challenging macroeconomic environment, the financial system remained very stable. Despite a decline in credit quality in its loan portfolio, anaemic credit demand and lower interest earnings, the banking sector was able to achieve an increase in profits through stricter control of operating expenses, tight management of interest expense, and maintenance of fee income levels. The banking sector continued to be well capitalized with the aggregate capital adequacy ratio above 20 per cent, significantly in excess of the 8 per cent regulatory requirement. Meanwhile, in the context of less credit demand and lower interest rates, non-bank financial institutions concentrated more of their operations on non-lending activities. Operations in the insurance sector were generally steady throughout the year, although the practices of some motor insurance companies were found to be in need of substantial improvement.

Supervision of Licensed and Registered Financial Institutions

The Bank intensified its assessments of credit risks in the banking sector, with special emphasis on the adequacy of loan loss provisioning. In this regard, the stress testing programme was expanded and individual banks were required to conduct similar tests on their operations. The Bank noted that for the banking system as a whole, non-performing loans had increased from 4.6 per cent to 7.2 per cent over the course of the financial year, reflecting delinquencies in certain large-value loans, mainly to the real estate and tourism sectors. Detailed examinations revealed that these facilities were well collateralized by property, and provisions were made for the small unsecured portions of the loans.

With respect to the insurance sector, the Bank conducted on-site examinations into the adequacy of their reserves. The claims-paying practices at several non-life insurance companies were also specifically evaluated, as under-reserving threatens policyholder protection, encourages poor and unfair service for claim settlement and in extreme cases, could result in insurer insolvencies. With technical assistance from the IMF, the Bank implemented an internationally recognized methodology to test the adequacy of claims' reserves for non-life insurers. The results of these tests have shown that several third party motor insurers have been holding claims reserves that were significantly lower than market norms. Other areas of supervisory focus were related-party transactions and reinsurance for performance bonds.

Institutional developments in the insurance sector included: (i) the cancellation of the registration of Nationwide Casualty and General (C&G) due to the cessation of business for a lengthy period; and (ii) the cancellation of the registration of Life of Barbados, following the transfer of its portfolio to Sagicor.

Enforcement Actions

During the year, the Central Bank continued work on the resolution of the financial institutions that it took over under emergency control in 2009 – Colonial Life Insurance Company (Trinidad) Limited (Clico), Clico Investment Bank (CIB), and British

American Insurance Company (Trinidad) Limited (BATT). On October 17, 2011, the Court approved the application that was filed by the Manager of CIB on April 16, 2010 to appoint the Deposit Insurance Corporation (DIC) as the liquidator and to wind up the institution. The Bank retains certain powers to ensure the orderly transition for liquidation.

The Central Bank assisted the Government with its offer to policyholders of Clico and BAT. In order to give effect to its settlement plan for Clico's obligations, two important Acts were passed on September 20, 2011. The first was the Purchase of Certain Rights and Validation Act, 2011 which allows the Government to purchase certain rights of the policyholders/investors and to empower the Minister of Finance to make payments, issue bonds in consideration of such purchases and to validate funding made to Clico and BAT. The second was the Central Bank (Amendment) Act No. 18 of 2011 which prohibits certain proceedings in respect of claims against a financial institution, its successor or transferee, where the Central Bank has exercised its emergency powers over the financial institution. The Act provides *inter alia*, that no creditor, shareholder, depositor, policyholder or any other person shall have any remedy against the institution in respect of any claim. In order to preserve the statutory rights of redress of persons against the institution, the four-year statute of limitation is suspended during the period of emergency control and resumes once the control is removed by the Central Bank.

During the year, the Bank exercised its powers of enforcement and issued compliance directions to a number of banks and insurance companies to do one or more of the following: correct breaches related to late and incomplete filings, increase the level of capital, cease imprudent activities and improve governance structures and practices.

Strengthening the Legislative and Regulatory Framework

The Central Bank completed certain enhancements to the legislative, regulatory and supervisory framework governing its registered financial institutions. Regulations that allow the Central Bank to recover supervisory fees and charges from financial institutions and to levy administrative fines for breaches of the Financial Institutions Act 2008 were approved by the Minister of Finance in August 2011. Subsequently, the Bank notified the industry of the levels of these fees and charges, the terms of payment and the penalties for non compliance, including monetary fines and/or imprisonment of company directors.

Other key legislative and regulatory milestones achieved included: (i) the draft Insurance Bill (including the draft Capital Adequacy Regulations and Caribbean Policy Premium Method for valuation of insurance liabilities) was approved by the Legislative Review Committee and Cabinet, and it is expected that it will be presented to Parliament in early 2012; (ii) completion of the consultation phase on the draft Policy Proposal Document for a new Occupational Pensions Act; (iii) the completion of a draft plan to test the new Consolidated Supervision Framework on a cross-border banking group; and (iv) a draft Regional Crisis Management Plan which was issued for consultation among the regional jurisdictions.

Between 2009 and 2010, Trinidad and Tobago enacted substantive legislation to move the country closer to compliance with the recommendations made by the Financial Action Task Force regarding anti-money laundering and counter terrorist financing (AML/CTF). In 2011, two major regulations were made to support the legislation enacted to establish a functional Financial Intelligence Unit

and to criminalize the financing of terrorism. These were: (i) The Financial Intelligence Unit of Trinidad and Tobago Regulations made by the Minister of Finance on February 10, 2011; and (ii) The Financial Obligation (Combating Financing of Terrorism) Regulations (FOR) made by the Minister of National Security on February 4, 2011. Amendments were made to the Anti-Terrorism Act No. 16 of 2011, which was assented to by the President on June 24, 2011. In order to assist regulated companies with their compliance programme, the Bank updated its AML/CTF Guideline and conducted reviews of several financial institutions to assess the adequacy of their procedures with respect to anti-money laundering and combating the financing of terrorism.

Financial Sector Assessment Programme 2010

Some of the key recommendations arising from the IMF's mission on the Financial Stability Module conducted in October/November 2010 called for, *inter alia*, the introduction of standards for operational, liquidity and interest rate risks for banks, new rules for the valuation of insurance liabilities and new formulae for risk-based capital for insurance companies. The first draft of the revision of the Financial Institutions (Prudential Criteria) Regulations 1994 governing banks, scheduled to take place in 2012, and aimed at amending the capital rules that apply to banks and non-banks, was completed. A first draft of the liquidity risk guideline was also completed. In addition, the enactment of the new Insurance Act, with its accompanying regulations, would introduce rules for the calculation of liabilities and risk-based capital, which are in accordance with internationally recognized best practices.

PAYMENTS SYSTEM OVERSIGHT

During the year, the Bank completed assessments of three payment systems, the Real Time Gross Settlement (RTGS), the Automated Clearing House (ACH) and the Cheques Clearings systems. While these were found to be broadly observant of the ten Core Principles for Systemically Important Payment Systems, further work is required in terms of the development of risk management strategies as well as documentation. The Bank also reviewed the database on payments system and published its first statistical report on the consolidated information. Similar statistics would be integrated into the Bank's regular publications in the future.

Work commenced on the preparation of E-Money regulations, as mandated by the Financial Institutions Act, 2008 (FIA). These regulations, which are expected to be completed in the financial year, 2011/2012, would include arrangements for the supervision of non-bank as well as non-financial entities which seek to become issuers of e-money.

The Bank continued to promote greater use of electronic payments. There was a steady increase in the use of electronic payment options in 2010/2011, with the total volumes transacted through the RTGS, ACH and LINX debit card systems rising by an average of 4 per cent from the previous financial year. Despite a further decline in the use of cheques (volumes decreased by 5 per cent in this period), this instrument remained significant, accounting for some 30 per cent of the total value of payments cleared and settled in 2010/2011. The authorities are still in the process of completing the amendments to the Exchequer and Audit Act, which would allow the Government to utilize electronic forms of payment and thereby substantially reduce the use of cheques.

In February 2011, the Bank, in collaboration with the Bank for International Settlements (BIS) and the Centre for Latin American Monetary Studies (CEMLA), hosted a seminar on retail payments. There was significant participation from central banks in the region and the issues covered included the interdependency of payments and settlement systems, the growing role of non-banks in retail payments, oversight of retail payment systems, and innovations in retail – mobile payments.

BANKING OPERATIONS

Currency in Circulation

In 2010/2011, the year-on-year growth in currency in circulation was 9.8 per cent (to $5,193 million), little change from the previous year's increase of 9.7 per cent. The customary seasonal pattern which shows a peak in demand during the months of November and December associated with the holiday season, continued, but there was also a small spike in August, as three public holidays coincidentally fell within that month. (Chart I)

The total amount of new bank notes issued for the year grew by 5 per cent to 68.3 million. The $1 denomination continued to represent the largest share of all notes in circulation (46 per cent), followed by the $100 note (30 per cent). The increase in the issue of $100 notes was due to higher demand by commercial banks for use in their ATMs. The total amount of new coins issued for the year increased by 3 per cent to 100.9 million pieces. The 1¢ denomination accounted for just over one half of the total coins in circulation (51 per cent) while the 5¢, 10¢ and 25¢ were fairly equally utilized. Charts II and III show the relative share of each denomination for notes and coins respectively in circulation, as at the end of September 2011.

Clearing and Settlement Systems

The Bank continued to manage the manual Cheque Clearinghouse Facility as well as the Real Time Gross Settlement (RTGS) System, **Safe-tt**, for large value and time critical transactions in the domestic banking system.

Cheques

The volume and value of cheque payments processed through the Clearinghouse increased in 2010/2011 by 3 per cent and 6.4 per cent, respectively. The increase was related to the continuing use of this means of payment by government as the legislation to broaden its payment options has not yet been introduced. In its ongoing thrust to encourage electronic payments, particularly for large-value transactions ($500,000 and over), the Bank maintained the charge levied for these cheques (excludes government cheques). However, in order to ensure full compliance, the responsibility for paying the fee was changed from the receiver to the issuer.

Real Time Gross Settlement (RTGS)

The volume and value of transactions settled over the RTGS system continued to grow. A total volume of 48,320 transactions representing a 2.6 per cent increase over the previous year was processed. This represented growth in value of 15 per cent to $463 billion. (Chart IV)

Financial Institutions Deposits

Throughout the year, the 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 required balances held by commercial banks increased as a result of their higher prescribed liabilities, while requirements for non-banks declined in line with their lower liabilities.

In addition to the unremunerated cash reserve requirement, the commercial banks continued to hold a secondary reserve of 2 per cent of their prescribed liabilities. The secondary reserve was remunerated at 350 basis points below the repo rate until February 2011, when the rate was fixed at 0.25 per cent in the face of record low short-term interest rates. Over the course of the year, the repo rate was lowered from 4.00 per cent to 3.00 per cent.

As a reflection of the high liquidity in the financial system, the commercial banks held an average of $2.2 billion in excess reserves with the Bank during the year. As part of the strategy to address the high liquidity, commercial banks were required to place several special deposits at the Bank. At the end of the financial year, these special deposits comprised: (i) a

CHART I
CURRENCY IN CIRCULATION

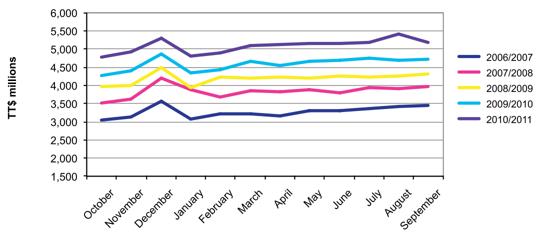


CHART II
VOLUME OF NOTES IN CIRCULATION
BY DENOMINATION AS AT SEPTEMBER 30, 2011

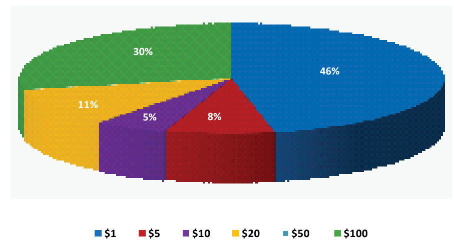


CHART III
VOLUME OF COINS IN CIRCULATION
BY DENOMINATION AS AT SEPTEMBER 30, 2011

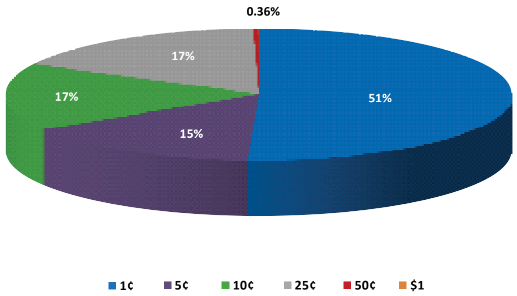
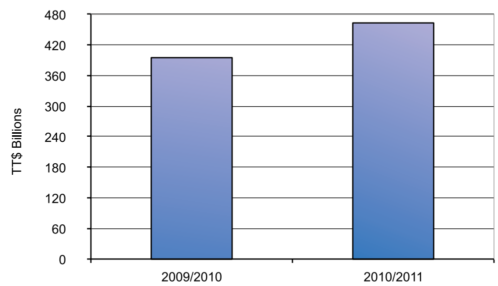


CHART IV
RTGS Annual Values



1-year $1.5 billion deposit at 0.5 per cent, maturing on 28 December 2011; (ii) a 1-year $2.0 billion deposit at 0.35 per cent, maturing on 2 November 2012; and (iii) a 1-year $1.0 billion deposit at 0.75 per cent, maturing on 4 May 2012.

Paying Agent

During the financial year, the Bank maintained its role as Paying Agent for Government and Government Agency bonds. Total payments of principal and interest to Government and Agency bondholders amounted to $61.0 million and $1.4 billion, respectively.

CARICOM Multilateral Clearings Facility (CMCF)

The CMCF remained dormant and the Bank, as its Agent, continued to invest the residual resources of the Facility and prepare the annual accounts. The CMCF is required to provide debt relief of approximately US$38.5 million to Guyana under the Enhanced Heavily Indebted Poor Countries (E-HIPC) Initiative and CARICOM Governors continued to work through a modality for providing this relief.

Bank of Guyana Bilateral Debt

The Bank of Guyana's debt to Trinidad and Tobago is a consolidation of loans owed to the Central Bank and Government of Trinidad and Tobago through: (i) the CARICOM Oil Facility (1981-1982); the Balance of Payments Support Facility (1974-1975); and the Bilateral Settlements Loan (1985). This consolidated debt was rescheduled under the E-HIPC initiative in October 2005 and the reduced balance of US$56 million is being repaid on a semi-annual basis as scheduled. This debt is being serviced on schedule. The balance outstanding on this loan at September 30, 2011 was US$44.9 million.

Banco Latinamericano De Exportaciones S.A. (BLADEX)

The total amount of BLADEX shares held by the Bank remained unchanged at 160,626.50. During the financial year, the Bank received US$123,682 in dividends.

DOMESTIC MARKET OPERATIONS

Foreign Exchange Market

During the year, the Bank focused on improving its market intelligence to make its interventions more effective in minimizing volatility in the foreign exchange market. This resulted in a combination of higher and more timely transactions by the Bank which led to easier conditions in the foreign exchange market. The Bank sold US$1.7 billion to the authorized dealers, up from US$1.5 billion in the previous year.

The foreign exchange market expanded in 2010/2011. Inflows of foreign exchange from the public to authorized dealers amounted to US$4.6 billion, 15 per cent above those in 2009/2010, while sales totalled US$6.2 billion, 11.9 per cent higher than the amount sold in the previous year (Table 1).

The exchange rate remained relatively stable throughout the year. The weighted average selling rate to the United States dollar moved from TT$6.3551 at October 1, 2010 to TT$6.4271 at September 30, 2011.

Capital Market

The Bank continued to be the Agent for the issuance of Securities by the Government and a number of Government agencies. The legal ceiling for issuance

of Treasury Bills and Treasury Notes, which had been reached since May 2008, remained unchanged at $15.0 billion and $5.0 billion, respectively. Maturing Bills and Notes were rolled over upon maturity.
Only one bond was issued during the year - a $750 million 19-year 6.55 per cent fixed-rate bond by the National Insurance and Property Development Company (NIPDEC) in May 2011. This bond was over-subscribed with total bids of $1,789.7 million, and was issued at a yield of 5.5 per cent.

The Bank also continued to maintain the registrar function for Government bonds. There was limited change among bond holders as secondary market trading was quite subdued with investors generally opting to hold on to their portfolio of government securities. A total value of $224.5 million bonds changed hands in 74 trades conducted on the Trinidad and Tobago Stock Exchange, compared with 121 transactions with a traded value of $1,981.2 million in the previous year.

In addition to the relatively limited supply, a number of other factors have hindered development of the secondary market. These include the absence of a Government bond calendar and the physical form in which some bonds are still traded. To address the latter, the Bank, with the assistance of the relevant trustees, has been in the process of immobilizing the older Government bonds. This exercise should be substantially completed by calendar year-end. In September, 2011, legislation was passed to increase the limits on various categories of government borrowing, including the ceiling on development loans which was raised to $30 billion from $20 billion. This should facilitate an increase in domestic bond issuance in 2012.

FOREIGN RESERVES MANAGEMENT

The foreign exchange reserves were invested in accordance with the approved policies and guidelines. These placed highest priority on safety and liquidity in light of the deterioration in the global economy and the increased volatility in financial markets. The Bank maintained the broad operating framework, which involved three tranches with their individual risk profiles. A significant portion of the reserves continued to be managed internally against benchmarks that were reflective of low risk, with the remainder being invested by External Fund Managers. The latter portion of the reserves target higher returns relative to benchmarks within the set risk limits.

TABLE 1
Activity in the Foreign Exchange Market by Authorized Dealers
(US$M)

Financial Year	Purchases from the Public	Sales to the Public	Central Bank Sales to Authorized Dealers
2009/2010	4,049.5	5,513.3	1,495.0
2010/2011	4,566.1	6,169.9	1,745.0

Source: Central Bank of Trinidad and Tobago.

The overall return of 1.32 per cent on the foreign reserves for the financial year 2010/2011 was lower than the 2.36 per cent earned in 2009/2010. This reflected the persistence of short-term benchmark interest rates at historically low levels in the developed economies, combined with an overall decline in fixed income yields. Foreign currency reserves (excluding gold, SDRs, and Government holdings) grew to US$8.8 billion at the end of September 2011 from US$8.6 billion a year earlier.

RESEARCH, INFORMATION AND KNOWLEDGE SERVICES

The Research Department launched a Working Paper series in June 2011 on the Bank's website, providing an important outlet for the work of the economists and a major source of feedback from academia and the public. Papers published by September covered issues relating to female labour force participation, import price transmission mechanisms, the impact of the European Economic Partnership Agreement and seasonal adjustment. The Department contributed to the development of the Guidelines on the Mortgage Market which were published in September and allows for much greater transparency on banks' mortgage contracts and the use of a mortgage market reference rate (MMRR).

On the statistical front, the Department initiated a three-year action plan to strengthen its compilation of balance of payments statistics, inclusive of data on remittances. Work advanced on the development of a Business Confidence Survey and improving the dissemination of data in collaboration with other public agencies.

Technical research was undertaken on projections of commercial bank excess liquidity, inflation, stress testing of the commercial banks and refinement of the medium-term macroeconomic projections. Some of the results of these projects were published in the *Financial Stability Report, Economic Bulletin* and the *Journal of Business, Finance and Economics in Emerging Economies*.

The Department continued to work closely with the Ministry of Finance and international organizations such as the IMF and Center for Latin American Monetary Studies (CEMLA). Economists made presentations at local and international conferences, including the University of the West Indies' (UWI) annual conference on the economy, the Central Bank of Barbados Annual Research Review Seminar, and the Fourth Biennial Conference on Business, Banking and Finance. Economists also contributed to the work of the National Financial Literacy Programme. The Wednesday Discussion Series attracted audiences and presentations from within the Bank, as well as from Government Ministries, UWI, the Economic Commission for Latin America and the Caribbean (ECLAC), the IMF and the World Bank.

The Knowledge and Information Management Department was primarily involved in providing records and information management support to the Bank in its response to litigation matters arising from the Commission of Enquiry into the CL Financial matter for a large part of the year. This included the capture, processing, transfer and storage of thousands of records in the Department's corporate repositories in accordance with the Legal Hold/ Litigation Support Programme.

The first phase of the implementation of the Electronic Records Management System (ERMS) was completed with the acquisition and installation of the application and onsite administrator training. This system will provide more effective management and control of the Bank's records and information in electronic format. The Information Centre's (Library) E-Resources site was upgraded and the online information resources increased with full text access to the content. The current awareness

publications were revised, updated and disseminated electronically using additional features such as hyperlinks to full text versions.

The Bank's redesigned website was launched in February, 2011. It is more visually appealing and the content has been re-arranged for easier navigation. The site is more user-friendly with advanced search options, and users can now subscribe to the site to receive automatic updates. In addition, a Media Room was added, giving access to audio and video versions of speeches, interviews with the Governor, Deputy Governors and other senior officials. Access links to other relevant sites was also included.

HUMAN RESOURCES

The Bank continued its focus on manpower rationalization efforts to ensure that the Bank's staffing was at optimal levels. A zero-based recruitment approach was adopted with all vacancies being assessed before making a final decision as to whether the Bank should fill the positions. There was a net increase of 7 in the manpower establishment bringing the staff complement at September 2011 to 486, of whom 454 are permanent and 32 contractual staff. The permanent staff recruitments were largely as a result of attrition in departments involving key positions. The contract staff comprised specialist professional as well as clerical staff assigned to short term projects. There were 25 employee separations during the financial year, with 6 of these at the management level.

While the Bank reduced its overall budgetary allocation for Training & Development by approximately 20 per cent from the 2009/2010 period, the vast majority of employees in the Bank (85 per cent) attended at least one or more training interventions. As part of their technical development, 83 per cent participated in local and in-house training programmes, while 17 per cent attended overseas conferences and seminars. The transfer of learning to other members of staff in the respective departments/clusters after participation in these training programmes continued to be a key focal area for Human Resources. The Bank launched its first e-learning intervention by way of the Microsoft Office Suite and staff members embraced the opportunity to upgrade their computer skills at the office or in a self-paced environment at home.

It is particularly noteworthy that the Bank successfully hosted the XIV Annual Conference of Human Resource Managers of Central Banks in the Caribbean Region in September 2011. One of the highlights of the conference was the much awaited launch of the HR Regional website. This repository is available only to HR personnel from the regional Central Banks, and aims at assisting in policy formulation and decision making. Additionally, benchmarking among the regional central banks could be maintained on an on-going basis using the web technology.

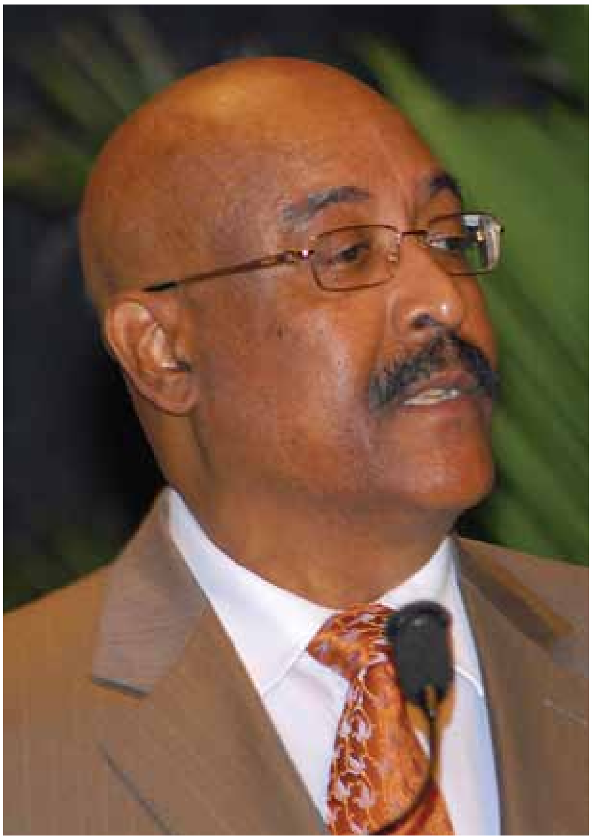
Employee and Industrial Relations

During 2010/11, regular non-crisis meetings were held between the Bank's Management and the workers' trade union representatives to share information, as well as continue to assist in pre-empting potential conflicts and/or disputes. Departments were also provided with critical support/advice on disciplinary procedures when dealing with staffing issues.

RISK MANAGEMENT

The rollout of the operational risk management application, Governance, Risks, Compliance (GRC), commenced with priority given to the critical areas of the Central Bank. The Bank continued to upgrade, monitor and test its readiness to identify, respond to and recover from disruptive events. The development of the wider financial sector's mitigation and response strategies also continued. Business continuity exercises were carried out across the financial sector and focused on shared services, with the objective of testing readiness and continuously improving response capability. The participants were the commercial banks, the Office of Disaster Preparedness and Management (ODPM), the Ministry of Finance, the Securities and Exchange Commission as well as other key institutions in the financial sector. These tests are scheduled to continue in the new financial year.

OUTREACH PROGRAMMES

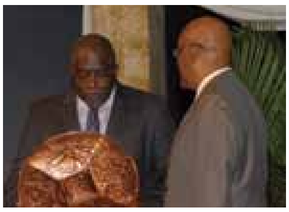


Dr. Colin A. Palmer delivers his lecture on Eric Williams and the Challenges of Caribbean Leadership

Dr. Eric Williams Memorial Lecture

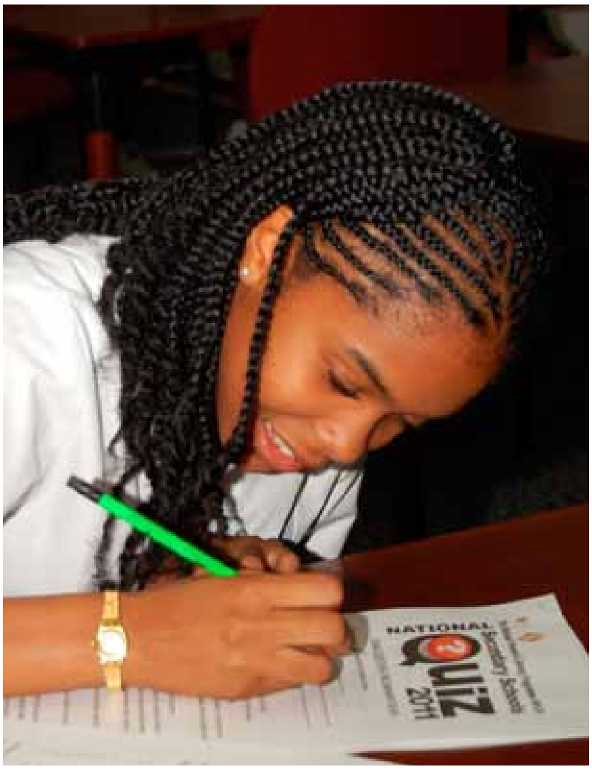
The Bank's annual flagship event, the Dr. Eric Williams Memorial Lecture, was held on June 11, 2011. This lecture, the 25th in the series, was particularly significant as the Bank joined the country in recognizing the centenary of the birth of Dr. Eric Williams. The feature speaker was Dr. A. Colin Palmer, Director of the Scholars in Residence Programme, Schomburg Center for Research in Black Culture, New York City. The theme of Dr. Palmer's lecture was: *Eric Williams and the Challenges of Caribbean Leadership*. A special publication entitled *"Commemorating the Centenary of the Birth of Dr. Eric Eustace Williams 1911- 2011, First Prime Minister of Trinidad and Tobago, Head of Government 1956-1981"*, published by Viren Annnamunthodo, was presented to all attendees to mark the occasion of the centenary.

In addition, the Bank partnered with the Office of the Prime Minister to conduct sessions with secondary school children. Dr. Kumar Mahabir and Dr. Michael Toussaint were the presenters at these sessions, which were attended by a number of schools across the country.



Top left and bottom: Students and general public listen attentively at the lecture.
Top right: Dr. Palmer recieves a token from Governor Williams.

Review of Activities 2010 - 2011



Students from around the nation partake in the National Quiz

The National Financial Literacy Programme

During the financial year, 2010/2011, the National Financial Literacy Programme (NFLP) delivered financial literacy education to a range of audiences. The Youth Dollar Programme was delivered to Standard III students at two hundread and two government primary schools and eighteen private primary schools. The National Secondary Schools Quiz involved nineteen schools and was successfully completed, while the Facebook page, *"NFLP's-Youth-on-the-Money"*, was established to further engage secondary school students in financial literacy concepts.

The National Retirement Campaign was launched and included two expositions in Siparia and Chaguanas as well as setting up of a *'Managing Your Future'* Facebook page. Sessions on budgeting and personal financial management were held with various niche and community groups including (i) 400 recipients of the Targeted Conditional Cash Transfer Programme undertaken by the Ministry of Social Development; (ii) over 2,000 Civilian Conservation Corps volunteers; (iii) about 900 CEPEP workers; and (iv) approximately 3,800 persons at the community level.

First place winners St. Joseph's Convent, San Fernando accepting award

Money Museum one day vacation camp

De La Rue Scholar Ms. Shalane Lewis receives her award

VIP's participate in Social and team building exercises

Museum Outreach and Upgrade

The Bank registered the Museum as a local attraction with the Tourism Development Company (TDC). As a direct consequence, the bank saw an increase in the visit of tourists to the Museum. As in the past, the vast majority of the 3,454 visitors to the Museum during the year were school children, including special groups from the St. Mary's Home in Tacarigua and the Matelot R.C. School. In addition, a one-day vacation camp was hosted for children of staff members.

The first phase of the Museum upgrade since its launch in 2004, was undertaken during the year and included the cataloguing, photographing, conservation and cleaning of the artifacts. Training in object handling, environment monitoring and preventative conservation was also conducted for members of staff in the Corporate Communications department.

Youth Mentorship

The Vacation Internship Programme (VIP) was successfully coordinated for the eighth consecutive year and involved 21 participants. This was the largest group to date which is indicative of the positive response both from applicants and staff.

The eighth De La Rue Scholarship was also awarded in FY 2010/2011 to Ms. Shalane Lewis.

We Care distribution of toys and hampers to the San Francique Presbyterian School

Charitable Work

The Bank continued its focus on supporting two main charities – the internally-based "We Care" charity and the United Way of Trinidad and Tobago (UWTT). "We Care" was able to impact 15 homes/ schools and approximately 600 children. As part of the United Way effort, staff visited the St. Vincent de Paul Home for the Elderly in San Fernando. The Bank introduced a Donate a Vacation Day to Charity initiative in which members of staff were encouraged to give at least one of their vacation days to the United Way Charity/We Care. The initiative was a tremendous success with a total of approximately $138,000 being donated to UWTT and We Care.

Sports and Family Day 2011-100% Trini.

Sports and Cultural Club

The Sports and Cultural Club Executive embarked on a drive to introduce varied disciplines which would cater for non-athletic interests. These events included origami, deep sea fishing, rock climbing and the Easter Bonnet Parade. The importance of maintaining a holistic attitude to life was highlighted with a Lifestyle Challenge Competition and the Do It For Dummies – Focus on YOU lecture series. The Lifestyle Challenge focused on making healthy eating and exercise part of a preferred lifestyle. The lecture series highlighted the importance of healthy relationships at home, work and socially. The Club participated in a football tournament in Barbados which assisted in building networks and fostering relationships throughout the Caribbean. The Sports and Family Day 2011 – "100% Trini" - was a success as it brought together members of the Board, Management and Staff and their families for a fun-filled day. The year ended with preparation for the Intra-Regional Games which will be hosted by the Bank of Jamaica in April 2012.

Retirees Club

The Annual Retirees Seminar was held on Saturday October 9th, 2010 at the Bank's conference facilities on the 16th Floor. This seminar was facilitated by Petrotrin Employee Assistance Programme Services Limited (PEAPSL) as part of the Retiree Assistance Programme service to retirees. The central theme for the programme focussed on a holistic approach to health and included lectures on Health and Nutrition, Dental Care and Exercise. The NWRHA was again invited to perform basic onsite health screening, as a result of the tremendous positive feedback received last year. Following a healthy lunch, and the indulgence of a short massage, the retirees were presented with gifts of vegetable seedlings, in symbolic renewal and essential nurturing not only of the environment but also the various dimensions of our being.

Financial Statements
2010 - 2011

Conservation Tip

Make it a habit to turn off the lights when you're leaving any room for 15 minutes or more and utilize natural light when you can.

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Separator Page
Financial Statements

Report of the Auditor General

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 2011 SEPTEMBER 30

The accompanying Consolidated Financial Statements of the Central Bank of Trinidad and Tobago and its subsidiary for the year ended 2011 September 30 have been audited. The Statements comprise the Consolidated Statement of Financial Position as at 2011 September 30, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended 2011 September 30 and Notes to the Consolidated Financial Statements numbered 1 to 26.

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, and for such internal control as is determined to be 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 which was carried out in accordance with section 52 of the Central Bank Act, Chapter 79:02 was conducted in accordance with generally accepted Auditing Standards. Those Standards 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 those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Page 1 of 2

Report of the Auditor General

5. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the opinion expressed at paragraph 6 of this Report.

OPINION

6. In my opinion, the Consolidated Financial Statements present fairly, in all material respects, the financial position of the Central Bank of Trinidad and Tobago and its subsidiary as at 2011 September 30 and the related financial performance and cash flows for the year ended 2011 September 30 in accordance with International Financial Reporting Standards except as stated at Note 2a to the Consolidated Financial Statements.

2011 December 30

REPUBLIC OF TRINIDAD AND TOBAGO
2011 12 30
AUDITOR GENERAL

SHARMAN OTTLEY
AUDITOR GENERAL

Page 2 of 2

Consolidated Statement of Financial Position

AS AT 30 SEPTEMBER 2011 *(Expressed in Trinidad & Tobago Dollars)*

	Notes	Sept 2011 $'000	Restated Sept 2010 $'000	Restated Sept 2009 $'000
ASSETS				
Foreign currency assets				
Foreign currency cash and cash equivalents	4	27,162,496	26,131,657	29,985,981
Foreign currency investment securities	5	30,868,917	29,651,345	24,094,983
Foreign receivables	8	5,601,243	7,792,440	8,770,591
Subscriptions to international financial institutions	2r, 9	3,586,666	3,299,906	122,682
International Monetary Fund - Holdings of Special Drawing Rights		2,823,789	2,609,900	2,678,803
		70,043,111	**69,485,248**	**65,653,040**
Local currency assets				
Local currency cash and cash equivalents	4	1,618,695	943,077	693,425
Local currency investment securities	5	286,927	305,736	2,045,591
Retirement benefit asset	7	236,076	239,902	238,250
Accounts receivable and prepaid expenses	8	2,266,810	2,063,928	2,112,183
Other assets	10	269,776	272,592	308,123
Property, plant and equipment	11	230,767	233,544	251,973
		4,909,051	**4,058,779**	**5,649,545**
TOTAL ASSETS		**74,952,162**	**73,544,027**	**71,302,585**
LIABILITIES				
Foreign currency liabilities				
Demand liabilities - foreign	12	54,925	83,168	48,807
International Monetary Fund - Allocation of Special Drawing Rights		3,290,364	3,042,088	3,122,392
Accounts payable	13	6,214,742	8,723,176	8,622,776
		9,560,031	**11,848,432**	**11,793,975**
Local currency liabilities				
Demand liabilities - local	12	31,181,375	28,946,419	29,653,845
Accounts payable	13	25,731,307	25,468,571	25,578,493
Provision for transfer of surplus to government		478,837	478,605	920,171
Provisions	14	6,546,187	5,404,545	2,011,785
		63,937,706	**60,298,141**	**58,164,294**
CAPITAL AND RESERVES				
Capital	22	800,000	800,000	800,000
General Reserve		641,252	588,049	534,871
Retained Earnings		13,173	9,406	9,445
		1,454,425	**1,397,455**	**1,344,316**
TOTAL LIABILITIES, CAPITAL AND RESERVES		**74,952,162**	**73,544,027**	**71,302,585**

GOVERNOR

REPUBLIC OF TRINIDAD AND TOBAGO
AUDITOR GENERAL

DEPUTY GOVERNOR

Consolidated Statement of Comprehensive Income

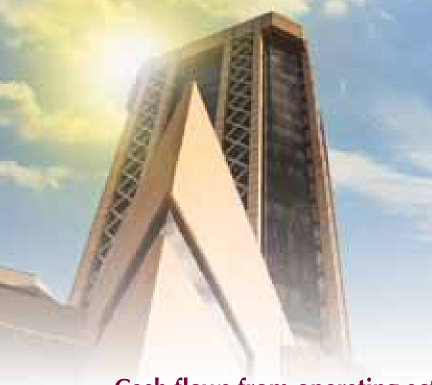
FOR THE YEAR ENDED 30 SEPTEMBER 2011 *(Expressed in Trinidad & Tobago Dollars)*

	Notes	Sept 2011 $'000	Sept 2010 $'000
Income from foreign currency assets			
Interest income		830,617	750,435
Investment expense		(24,425)	(29,047)
		806,192	721,388
Loss from currency translations		(106,752)	(104,430)
Gains realised on disposal and amortisation of investments		219,192	248,144
Losses realised on disposal and amortisation of investments		(214,794)	(143,895)
		4,398	104,249
	15	**703,838**	**721,207**
Income from local currency assets			
Interest income	16	223,700	286,583
Rental income		1,066	1,587
Other income	16	28,607	23,459
		253,373	**311,629**
Decrease in provisions		134,054	128,544
Total income		**1,091,265**	**1,161,380**
Operating expenses			
Printing of notes and minting of coins		52,598	52,863
Salaries and related expenses		138,480	157,656
Interest paid		172,078	248,712
Directors' fees		1,187	806
Depreciation		29,410	35,278
Other operating expenses	17	161,751	134,314
Total operating expenses		**555,504**	**629,629**
Net surplus for the year before taxation		**535,761**	**531,751**
Busines Levy expense	18	46	(7)
Net surplus after taxation		**535,807**	**531,744**
Total comprehensive income for the year		**535,807**	**531,744**

Consolidated Statement of Changes In Equity

FOR THE YEAR ENDED 30 SEPTEMBER 2011 *(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 2009	800,000	534,871	9,445	1,344,316
Net surplus for the period	-	-	531,744	531,744
Transfer of surplus to Consolidated Fund	-	-	(478,605)	(478,605)
Transfer to general reserve	-	53,178	(53,178)	-
Balance as at 30 September 2010	800,000	588,049	9,406	1,397,455
Balance as at 1 October 2010	800,000	588,049	9,406	1,397,455
Net surplus for the year	-	-	535,807	535,807
Transfer of surplus to Consolidated Fund	-	-	(478,837)	(478,837)
Transfer to general reserve	-	53,203	(53,203)	-
Balance as at 30 September 2011	800,000	641,252	13,173	1,454,425



Consolidated Cashflow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2011 *(Expressed in Trinidad & Tobago Dollars)*

	Sept 2011 $'000	Restated Sept 2010 $'000
Cash flows from operating activities		
Net surplus for the year before taxation	535,761	531,751
Adjustments for:		
Depreciation	29,410	35,278
Net (gain)/loss on disposal of fixed assets	(146)	11
Interest income	(1,054,317)	(1,037,016)
Interest expense	172,078	248,711
Dividend income	(6,852)	(3,552)
Provisions	(134,054)	(128,544)
Foreign currency differences in monetary assets & liabilities	(111,243)	61,769
Cash outflows before changes in operating assets and liabilities	**(569,363)**	**(291,592)**
Changes in operating assets and liabilities		
Decrease in accounts receivable & prepaid expenses	1,971,376	1,076,883
(Increase)/Decrease in other assets	(8,190)	24,741
Decrease/(Increase) in pension asset	3,826	(1,652)
Decrease in accounts payable and other liabilities	(33,660)	(651,673)
Net cash flow from operations	**1,363,989**	**156,708**
Cash flows from investing activities		
Purchase of property, plant and equipment	(26,672)	(14,558)
Proceeds from sale of property, plant and equipment	245	110
Net proceeds from sale of investments/(purchase of investments)	157,581	(2,228,607)
Net repayment of loans and advances	30,243	1,869,539
Interest received	1,071,524	986,225
Dividends received	6,852	3,552
Interest paid	(177,334)	(279,698)
Decrease/(Increase) in International Monetary Fund Holding of Special Drawing Rights	34,388	(11,402)
Payment to Consolidated Fund	(478,605)	(920,171)
Net cash flow from/(used in) investing activities	**618,222**	**(595,010)**
Cash flows from financing activities		
Purchase of shares in international financial institutions	(286,760)	(3,177,224)
Lease payment	11,006	10,790
Net cash flow used in financing activities	**(275,754)**	**(3,166,434)**
Net increase/(decrease) in cash and cash equivalents	1,706,457	(3,604,673)
Cash and cash equivalents, beginning of year	27,074,734	30,679,407
Cash and cash equivalents, end of year	**28,781,191**	**27,074,734**

1. Incorporation & principal activities

The Central Bank of Trinidad and Tobago (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 consolidated Financial Statements have been prepared on the historical cost basis except as modified by the revaluation of "available for sale" and "fair value through profit or loss" financial assets.

These consolidated 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 consolidated 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. 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.

- 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 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. Consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries for the year ended 30 September 2011. 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, Home Mortgage Bank, Trinidad and Tobago 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 26.

c. 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.

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 SDR rate as at 30 September 2011 was 0.0975986.

d. 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 judgements 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 obligation

The estimate of the pension obligation, in relation to the defined benefit pension plan operated by the Bank on behalf of its employees, is primarily based on the estimation of independent qualified actuaries. The value of the pension obligation is affected by the actuarial assumptions used in deriving the estimate.

ii. Provision for bad and doubtful debt

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. Estimate of litigation liability

The Bank may face litigation matters in the normal course of business. An estimate for legal settlement and associated cost has been provided for in the Financial Statements.

iv. Fair value of financial instruments

Where the fair values 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. 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.

e. 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.

f. 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. 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, with the exception of the investment in the Home

Mortgage Bank (HMB), has 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. The equity investment in HMB is measured at fair market value. Unrealised gain or loss on this investment is recognised in Provisions – Revaluation Reserve at Market 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).

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, credit rating or credit index, 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.

g. 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 cashflows 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.

h. 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). 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 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. 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.

i. 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.

j. Employee benefits – pension obligations

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 unrecognised actuarial gains or losses and past service costs.

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 at 30 September, 2008.

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.

Actuarial gains and losses are recognised as income or expense when the cumulative unrecognised actuarial gain or loss exceeds the greater of 10% of the defined benefit obligation and 10% of the fair value of the Plan assets.

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

k. 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.

l. 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. 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.

m. 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.

n. Property, plant & equipment

Property, plant and equipment are recorded at their cost of acquisition less accumulated depreciation. 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. 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 carried initially at cost. Every subsequent year, Artwork will be carried at its revalued amount, being its fair value at the date of revaluation. Appraisals will be performed every three years by a qualified valuer. The artwork was last revalued in September 2010.

Depreciation is calculated on the Straight Line Method to write down the cost of the assets to their residual values over their estimated useful lives at the following rates:

Furniture	-	10% per annum (pa)
Fixtures and fittings	-	10% pa
Motor vehicles	-	33 1/3% pa
Machinery and equipment	-	20% pa
Computer hardware	-	33 1/3% pa
Computer software	-	20% pa
Leasehold properties	-	over the period of the lease
Building	-	2.5% pa
Building Improvements	-	10% pa

o. 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.

Its subsidiary, CB Services Limited, is subject to corporation tax at a rate of 25% on chargeable income in accordance with the Corporation Tax Act.

Deferred taxation arises from temporary differences between the tax base of assets and liabilities, and their carrying amounts in the Financial Statements.

CB Services Limited currently does not have any temporary difference and as such no adjustment for deferred taxation is required.

p. 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.

q. 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.

r. Subscriptions to International Financial Institutions

The Bank acts as financial agent for the GORTT with international financial institutions (See Note 9). In previous years the Bank showed only the cash contributions made to these organisations. In order to provide a more appropriate presentation, these amounts have been adjusted from 2010 to include the portion of the GORTT's contributions issued to these organisations in the form of Promissory Notes.

s. 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 15 percent 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. On 21 August, 2007 the Authorised Capital of the Bank was increased to $800 million. As at 30 September 2011 the Paid-up Capital was $800 million.

t. 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 (10) percent of the Net surplus of the Bank for each financial year, until the General Reserve Fund is equal to the Authorised Capital. At 30 September 2011, the General Reserve Fund increased by $53 million to $641 million (2010: $588 million).

u. 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 sections 35(3), the net profit of the Bank shall be paid into the Consolidated Fund.

v. 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.

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.

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.

Fair value is the arm's length consideration for which an asset could be exchanged or a liability settled between knowledgeable, willing parties, who are under no compulsion to act and is best evidenced by a quoted market price if one exists.

Fair value of securities is determined using the Par Method where direct market quotes of these instruments exist. This price is used as the basis for the mark-to-market valuation of the holdings.

4. Cash and cash equivalents

	Sept 2011 $'000	Restated Sept 2010 $'000
Currency on hand	10,670	6,664
Balances with banks	1,862,481	1,218,781
Repurchase agreements	1,566,170	2,101,633
Fixed deposits	23,940,358	23,031,526
Short-term investments	1,401,512	716,130
	28,781,191	**27,074,734**
Represented by:		
Foreign currency - cash and cash equivalents		
Currency on hand	1,581	914
Balances with banks	252,875	281,454
Repurchase agreements	1,566,170	2,101,633
Fixed deposits	23,940,358	23,031,526
Short-term investments	1,401,512	716,130
	27,162,496	**26,131,657**
Local currency - cash and cash equivalents		
Cash on hand	9,089	5,750
Balances with banks	1,609,606	937,327
	1,618,695	**943,077**
	28,781,191	**27,074,734**

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.

5. Investment Securities

	Sept 2011 $'000	Restated Sept 2010 $'000
Foreign currency investments		
Held to maturity	-	252,752
Available for sale	30,604,103	29,246,156
Fair value through profit or loss	-	5,231
Loans and advances	264,814	147,206
	30,868,917	**29,651,345**
Local currency investments securities		
Available for sale - Local securities	78,493	79,382
Loans and advances	208,434	226,354
	286,927	**305,736**
Total investment securities	**31,155,844**	**29,957,081**

	Sept 2011 $'000	Restated Sept 2010 $'000
Held to maturity		
Cost	-	252,752
Available for sale investments		
Foreign currency		
Amortised Cost	29,369,024	28,191,047
Appreciation in Market Value	635,584	700,869
Appreciation in Foreign Currency	599,495	354,240
	30,604,103	**29,246,156**
Local currency		
Bonds	22,111	23,000
Investments in related enterprises (note 6)	56,382	56,382
	78,493	**79,382**
Total available for sale investments	**30,682,596**	**29,325,538**
Fair value through profit or loss		
Cost	**-**	**5,231**
Loans and advances		
Foreign currency		
Cost	324,794	334,701
Provision for doubtful debts	(59,981)	(187,495)
	264,814	**147,206**
Local currency		
Loans and Advances	278,491	296,403
Provision for doubtful debt	(70,057)	(70,049)
	208,434	**226,354**
Total loans and advances	**473,248**	**373,560**
Total investment securities	**31,155,844**	**29,957,081**

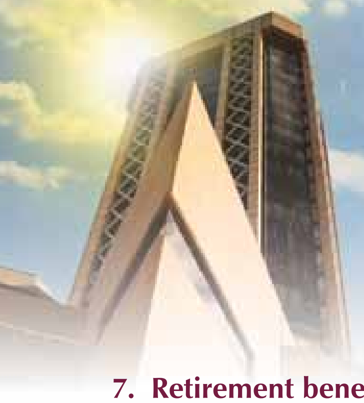
6. Investment in related enterprises

	Sept 2011 $'000	Restated Sept 2010 $'000
Income:		
Cost	25,422	25,422
Market value	30,960	30,960
	56,382	**56,382**

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

	Sept 2011 $'000	Restated Sept 2010 $'000
Trinidad and Tobago Unit Trust Corporation	2,500	2,500
Deposit Insurance Corporation	1,000	1,000
Home Mortgage Bank	33,360	33,360
First Citizens Bank	18,600	18,600
Trinidad and Tobago Interbank Payments System	922	922
	56,382	**56,382**

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 business, and to facilitate the settlement of these complaints. The remuneration of the Financial Services Ombudsman is met by the Bank while the day to day operations of the office are funded by the financial institutions.



7. Retirement benefit asset

	Sept 2011 $'000	Sept 2010 $'000
Defined benefit obligation	(428,975)	(403,503)
Fair value of assets	657,483	548,061
	228,508	144,558
Unrecognised gain	7,568	95,344
IAS 19 net defined asset	**236,076**	**239,902**
Reconciliation of opening and closing defined benefit assets		
Opening defined benefit asset	239,902	238,250
(Decrease)/Increase in pension asset		
Pension cost	(7,647)	(2,186)
Bank contribution paid	3,821	3,838
	(3,826)	1,652
Closing defined benefit asset	**236,076**	**239,902**
Amounts recognised in the earnings statement		
Current service cost	(13,788)	(11,738)
Interest on defined benefit obligation	(24,755)	(22,989)
Expected return on plan assets	34,014	42,341
Amortised net gain	(3,118)	-
Past service cost	-	(9,800)
Movement in un-utlised assets	-	-
Net pension cost	**(7,647)**	**(2,186)**

	Sept 2011 $'000	Sept 2010 $'000
Return on plan assets		
Expected return on plan assets	34,014	42,341
Actuarial (loss)/gain on plan assets	83,200	(41,392)
Actual return on plan assets	**117,214**	**949**
Actuarial assumptions		
Discount rate	6.25%	6.25%
Expected return on plan assets	6.25%	6.25%
Projected future rate of salary increase	6.00%	6.00%
Value of Pension Scheme Asset	Based on Market Value at Balance Sheet Date	

8. Accounts Receivables and prepaid expenses

	Sept 2011 $'000	Restated Sept 2010 $'000
Foreign receivables		
Trade receivables - investments sold	5,426,205	7,623,944
Foreign interest receivable	173,119	166,891
Other receivables	1,919	1,605
	5,601,243	**7,792,440**
Accounts receivable and prepaid expense		
Interest receivable on domestic investments	57,552	80,987
Amounts recoverable from CLF/GORTT (Note 24)	2,013,592	1,958,164
Other receivables	15,720	18,649
Prepayments	6,191	5,393
Suspense accounts - pending transfers	172,388	4
Value added tax	1,367	731
	2,266,810	**2,063,928**

9. Subscriptions to International Financial Institutions

	Sept 2011 $'000	Sept 2010 $'000
Banco Latino Americano De Exportaciones	13,185	12,985
Caribbean Development Bank	8,194	8,194
Caribbean Information and Credit Rating Services Ltd	962	948
Inter-American Development Bank	6,694	6,694
International Bank for Reconstruction and Development	113,156	86,087
International Development Association	5,567	5,551
International Finance Corporation	333	333
International Monetary Fund	3,438,575	3,179,114
	3,586,666	**3,299,906**

10. Other Assets

	Sept 2011 $'000	Sept 2010 $'000
Lease Asset	164,804	175,810
Stocks of notes and coins	103,569	95,316
Consumables	1,403	1,466
	269,776	**272,592**

Lease Asset

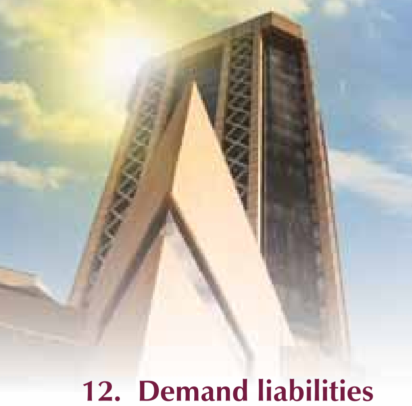
In 1995 the Bank entered into a thirty-year finance lease agreement with the GORTT for the purchase of the Ministry of Finance Building.

	Sept 2011 $'000	Sept 2010 $'000
Present Value of the minimum lease payments	**164,804**	**175,810**
Broken out as follows:		
Not later than one year	11,226	11,006
Later than one year and not later than five years	59,590	58,421
Later than five years	93,988	106,383
Present Value of the minimum lease payments	**164,804**	**175,810**

Stocks of notes and coins	Sept 2011 $'000	Sept 2010 $'000
Notes	69,285	61,276
Coins	34,284	34,040
	103,569	**95,316**

11. Property, plant and equipment

	Land & Building $'000	Leasehold Property $'000	Machinery & Equipment $'000	Computer Equipment $'000	Furniture, Fixture & Fittings $'000	Capital work in progress $'000	Total $'000
As at 30 September 2011							
Net book value							
Balance b/fwd 01 Oct 2010	164,818	84	16,734	12,297	30,186	9,425	233,544
Transfers	3,193	-	11,766	1,579	1,898	(18,436)	-
Reclassification of assets	(7,836)	7,836	-	-	-	-	-
Additions	442	-	1,117	2,280	562	22,271	26,672
Disposals	-	-	(3)	-	(96)	-	(99)
Revaluation adjustment	-	-	-	-	60	-	60
Depreciation for the year	(13,628)	(7)	(7,107)	(5,679)	(2,989)	-	(29,410)
Balance c/fwd	146,989	7,913	22,507	10,477	29,621	13,260	230,767
Represented by:							
Cost	399,790	8,134	99,340	65,640	48,786	13,260	634,950
Accumulated depreciation	(252,801)	(221)	(76,833)	(55,163)	(19,165)	-	(404,183)
	146,989	7,913	22,507	10,477	29,621	13,260	230,767
As at 30 September 2010							
Net book value							
Balance b/fwd 01 Oct 2009	174,272	267	20,390	14,187	26,002	16,855	251,973
Transfers	2,407	-	5,830	2,159	429	(10,825)	-
Additions	1,566	-	1,736	3,675	4,186	3,395	14,558
Disposals	-	(59)	-	-	(63)	-	(122)
Revaluation adjustment	-	-	-	-	2,411	-	2,411
Depreciation for the year	(13,427)	(124)	(11,222)	(7,724)	(2,779)	-	(35,276)
Balance c/fwd	164,818	84	16,734	12,297	30,186	9,425	233,544
Represented by:							
Cost	403,991	298	88,036	61,955	46,916	9,425	610,621
Accumulated depreciation	(239,173)	(214)	(71,302)	(49,658)	(16,730)	-	(377,077)
	164,818	84	16,734	12,297	30,186	9,425	233,544



12. Demand liabilities

	Sept 2011 $'000	Sept 2010 $'000
Demand liabilities - foreign		
Foreign deposits	6,113	5,247
Government special accounts	48,812	77,921
	54,925	**83,168**
Demand liabilities - local		
Notes in circulation	5,027,005	4,567,902
Coins in circulation	175,142	166,881
Deposits by commercial banks	19,537,269	16,145,799
Deposits by non-banking financial institutions	336,223	381,973
Statutory deposits - insurance companies	18,646	59,417
Deposits by government and government agencies	2,847,375	4,920,411
Deposits by other current accounts	3,161,298	2,391,328
Deposits by regional and international institutions	78,417	312,708
	31,181,375	**28,946,419**

Deposits by financial institutions

The statutory reserve ratio for commercial banks and non-bank financial institutions remained unchanged at 17% and 9% respectively during 2010/2011. In addition to the cash reserves required, the commercial banks continued to hold a secondary reserve of 2% and a number of special deposits. The secondary reserves were remunerated at 350 basis points below the "Repo Rate" until February 2011 when the rate was fixed at 0.25%. The "Repo Rate" was reduced from 4.00% in October 2010 to 3.00% in September 2011 as the Bank maintained its accommodating monetary stance in the face of a sluggish economy and some containment in inflation.

The banks held three special deposits totalling $4.5 billion comprising the following:

- A 1-year 0.5 % deposit of $1.5 billion which matures on 28 December 2011.
- A 1-year 0.35 % deposit of $2.0 billion which matures on 2 November 2012.
- A 1-year 0.75 % deposit of $1.0 billion which matures on 4 May 2012.

13. Accounts payable

	Sept 2011 $'000	Restated Sept 2010 $'000
Accounts payable - Foreign		
Bilateral accounts	7,209	5,124
Pending trades - investments purchased	6,202,759	8,718,052
Other payables	4,774	-
	6,214,742	**8,723,176**
Accounts payable - Local		
Trade payables and accrued charges	95,225	74,601
Interest payable	32,459	37,715
Unclaimed monies	7,502	4,659
Government special accounts	133,482	109,928
Blocked accounts	23,569,987	23,356,119
Promissory Notes due to First Citizens Bank Limited (Note 24)	1,879,952	1,866,165
Other payables	12,700	19,384
	25,731,307	**25,468,571**

14. 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 face of the Statement of Financial Position comprise:

Provisions	**Sept 2011 $'000**	**Sept 2010 $'000**
Gold reserve	443,179	311,953
Foreign currency exchange rate reserves	5,223,183	4,158,571
Pension reserve	236,076	239,902
Revaluation reserve on investments	643,749	694,119
	6,546,187	**5,404,545**

15. Income from foreign currency assets

	Sept 2011 $'000	**Sept 2010 $'000**
Income from Foreign Currency Assets		
Interest on United States Dollar balances & securities	792,293	732,306
Interest on Sterling balances & securities	10,486	6,716
Interest on other foreign balances & securities	27,838	11,413
Currency losses realised	(106,752)	(104,430)
Gains realised on disposal of investments	219,192	248,144
	943,057	**894,149**
Expenses from Foreign Currency Assets		
Investment expenses	(24,425)	(29,047)
Losses realised on disposal of investments	(214,794)	(143,895)
	(239,219)	(172,942)
Net income from foreign currency assets	**703,838**	**721,207**

16. Interest and other income from local currency assets

	Sept 2011 $'000	Sept 2010 $'000
Interest Income		
Loans	214,458	257,778
Other investments	9,242	28,805
	223,700	**286,583**
Other Income		
Increase in pension assets (Note 7)	-	1,652
General Earnings	638	603
Income from International Monetary Fund	3,279	1,098
Dividends	6,852	3,552
Fees charged to financial institutions	8,898	8,821
Profit on sale of assets	226	110
Heritage and Stabilisation Fund management fees	7,309	5,945
Other	1,405	1,678
	28,607	**23,459**

17. Other operating expenses

	Sept 2011 $'000	Sept 2010 $'000
Other operating expenses include:		
National Financial Literacy Program Contributions	2,219	11,291
Advertising and public relations	2,366	2,825
Computer expenses	15,792	8,349
Electricity	4,051	3,982
Insurance	2,749	2,244
Loss on disposal of assets	80	121
Maintenance cost	20,204	18,668
Printing and stationery	3,562	3,611
Professional Fees	5,491	20,168
Decrease in pension asset (Note 7)	3,826	-
CL Financial expenses (Note 24)	81,390	46,306

18. Taxation

	Sept 2011 $'000	Sept 2010 $'000
Business Levy	(46)	7
Tax paid/payable by the Bank was calculated as follows:		
Net surplus before taxation	535,761	531,751
Corporation tax @ 25%	133,940	132,938
Income expenses not subject to tax	(133,940)	(132,938)
Business Levy	(46)	7
Tax Charge	(46)	7

19. Capital commitments

There was $5,499,054 in outstanding commitments for capital expenditure as at 30 September 2011 (30 September 2010 – $1,204,439).

20. 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.

21. Comparative figures

The restated Statement of Financial Position as at 30 September 2010 and 30 September 2009 resulted from re-classification of some items in order to achieve a clearer or more transparent presentation.

Restatement of Statement of Financial Position Items as at 30 September 2010	Audited Sep-10 $'000	Restated Sep-10 $'000	Movement Sep-10 $'000
ASSETS			
Foreign currency assets			
Foreign currency cash and cash equivalents	25,287,369	26,131,657	844,288
Foreign currency investment securities	37,990,892	29,651,345	(8,339,547)
Foreign receivables	173,220	7,792,440	7,619,220
Net assets	**63,451,481**	**63,575,442**	**123,961**
LIABILITIES			
Foreign currency liabilities			
Accounts Payable	8,599,215	8,723,176	123,961
Net liabilities	**8,599,215**	**8,723,176**	**123,961**

Restatement of Statement of Financial Position Items as at 30 September 2009	Audited Sep-09 $'000	Restated Sep-09 $'000	Movement Sep-09 $'000
ASSETS			
Foreign currency assets			
Foreign currency cash and cash equivalents	28,083,658	29,985,981	1,902,323
Foreign currency investment securities	34,526,330	24,094,983	(10,431,347)
Foreign receivables	160,734	8,770,591	8,609,857
Net assets	**62,770,722**	**62,851,555**	**80,833**
LIABILITIES			
Foreign currency liabilities			
Accounts Payable	8,541,943	8,622,776	80,833
Net liabilities	**8,541,943**	**8,622,776**	**80,833**

22. Capital

	Sept 2011 $'000	Sept 2010 $'000
Authorised capital	800,000	800,000
Paid-up capital	800,000	800,000

23. 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:

	Sept 2011 $'000	Sept 2010 $'000
Interest income from investments	12,558	40,095
Interest expense	89,224	141,695
Assets		
Local currency investment securities	22,111	23,001
Liabilities		
Demand liabilities - foreign	48,812	77,921
Demand liabilities - local	4,038,627	5,438,096
Accounts payable	23,597,106	23,381,281

b. Related Enterprises

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

	Sept 2011 $'000	Sept 2010 $'000
Income		
Dividend Income	3,252	3,552
Rental Income	1,057	1,584
Other Income	142	264
	4,451	**5,400**
Expenditure		
Salaries and related expenditure	929	844
Other expenses	2,219	11,291
	3,148	**12,135**
Ending period balances		
Investments in related enterprises	56,382	56,382
Receivables from related enterprises	1,053	808
Payables to related enterprises	5,368	4,924

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.

	Sept 2011 $'000	Sept 2010 $'000
Short-term employee benefits	40,962	42,315
Directors' Fees	1,189	820

24. 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:

	Sept 2011 $'000	Sept 2010 $'000
Assets		
Amounts recoverable from CLF/GORTT	**2,013,592**	**1,958,164**
Liabilities		
Promissory Notes due to First Citizens Bank Limited	**1,879,952**	**1,866,165**

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 17.

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

	Sept 2011		
ASSETS	**Current $'000**	**Non-Current $'000**	**Total $'000**
Foreign currency assets			
Foreign currency cash and cash equivalents	27,162,496	-	27,162,496
Foreign currency investment securities	2,284,620	28,584,297	30,868,917
Foreign receivables	5,601,243	-	5,601,243
Subscriptions to international financial institutions	-	3,586,666	3,586,666
International Monetary Fund - Holdings of Special Drawing Rights	-	2,823,789	2,823,789
	35,048,360	**34,994,752**	**70,043,111**
Local currency assets			
Local currency cash and cash equivalents	1,618,695	-	1,618,695
Local currency investment securities	5,173	281,754	286,927
Retirement benefit asset	-	236,076	236,076
Accounts receivable and prepaid expenses	2,252,209	14,601	2,266,810
Other assets	1,403	268,373	269,776
Property, plant and equipment	-	230,767	230,767
	3,877,480	**1,031,571**	**4,909,051**
TOTAL ASSETS	**38,925,840**	**36,026,323**	**74,952,162**
LIABILITIES			
Foreign currency liabilities			
Demand liabilities - foreign	54,925	-	54,925
International Monetary Fund - Allocation of Special Drawing Rights	-	3,290,364	3,290,364
Accounts Payable	6,214,742	-	6,214,742
	6,269,667	**3,290,364**	**9,560,031**
Local currency liabilities			
Demand liabilities - local	31,181,375	-	31,181,375
Accounts payable	2,011,217	23,720,090	25,731,307
Provision for transfer of surplus to government	478,837	-	478,837
Provisions	-	6,546,187	6,546,187
	33,671,429	**30,266,277**	**63,937,706**
CAPITAL AND RESERVES			
Capital	-	800,000	800,000
General Reserve	-	641,252	641,252
Retained Earnings	-	13,173	13,173
	-	**1,454,425**	**1,454,425**
TOTAL LIABILITIES, CAPITAL AND RESERVES	**39,941,096**	**35,011,066**	**74,952,162**

25. Statement of Financial Position – Current/Non-Current distinction (cont'd)

	Restated Sept 2010		
ASSETS	**Current $'000**	**Non-Current $'000**	**Total $'000**
Foreign currency assets			
Foreign currency cash and cash equivalents	26,131,657	-	26,131,657
Foreign currency investment securities	3,138,843	26,512,502	29,651,345
Foreign receivables	7,792,440	-	7,792,440
Subscriptions to international financial institutions	-	3,299,906	3,299,906
International Monetary Fund - Holdings of Special Drawing Rights	-	2,609,900	2,609,900
	37,062,940	**32,422,308**	**69,485,248**
Local currency assets			
Local currency cash and cash equivalents	943,077	-	943,077
Local currency investment securities	4,842	300,894	305,736
Retirement benefit asset	-	239,902	239,902
Accounts receivable and prepaid expenses	2,051,623	12,305	2,063,928
Other assets	1,467	271,125	272,592
Property, plant and equipment	-	233,544	233,544
	3,001,009	**1,057,770**	**4,058,779**
TOTAL ASSETS	**40,063,949**	**33,480,078**	**73,544,027**
LIABILITIES			
Foreign currency liabilities			
Demand liabilities - foreign	83,168	-	83,168
International Monetary Fund - Allocation of Special Drawing Rights	-	3,042,088	3,042,088
Accounts Payable	8,723,176		8,723,176
	8,806,344	**3,042,088**	**11,848,432**
Local currency liabilities			
Demand liabilities - local	28,946,419	-	28,946,419
Accounts payable	1,995,751	23,472,820	25,468,571
Provision for transfer of surplus to government	478,605	-	478,605
Provisions	-	5,404,545	5,404,545
	31,420,775	**28,877,365**	**60,298,140**
CAPITAL AND RESERVES			
Capital	-	800,000	800,000
General Reserve	-	588,049	588,049
Retained Earnings	-	9,406	9,406
	-	**1,397,455**	**1,397,455**
TOTAL LIABILITIES, CAPITAL AND RESERVES	**40,227,119**	**33,316,908**	**73,544,027**

26. Parent

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

Statement of Financial Position
As at 30 September 2011

	Sept 2011 $'000	Restated Sept 2010 $'000
ASSETS		
Foreign currency assets		
Foreign currency cash and cash equivalents	27,162,496	26,131,657
Foreign currency investment securities	30,868,917	29,651,345
Foreign receivables	5,601,243	7,792,440
Subscriptions to international financial institutions	3,586,666	3,299,906
International Monetary Fund - Holdings of Special Drawing Rights	2,823,789	2,609,900
	70,043,111	**69,485,248**
Local currency assets		
Local currency cash and cash equivalents	1,618,695	943,077
Local currency investment securities	280,927	299,736
Retirement benefit asset	236,076	239,902
Accounts receivable and prepaid expenses	2,266,834	2,063,928
Other assets	269,776	272,592
Property, plant and equipment	230,767	233,544
	4,903,075	**4,052,779**
TOTAL ASSETS	**74,946,186**	**73,538,027**
LIABILITIES		
Foreign currency liabilities		
Demand liabilities - foreign	54,925	83,168
International Monetary Fund - Allocation of Special Drawing Rights	3,290,364	3,042,088
Accounts Payable	6,214,742	8,723,176
	9,560,031	**11,848,432**
Local currency liabilities		
Demand liabilities - local	31,181,375	28,946,419
Accounts payable	25,738,504	25,471,977
Provision for transfer of surplus to government	478,837	478,605
Provisions	6,546,187	5,404,545
	63,944,903	**60,301,546**
CAPITAL AND RESERVES		
Capital	800,000	800,000
General Reserve	641,252	588,049
	1,441,252	**1,388,049**
TOTAL LIABILITIES, CAPITAL AND RESERVES	**74,946,186**	**73,538,027**

26. Parent cont'd

Statement of Comprehensive Income
For the year ended 30 September 2011

	Sept 2011 $'000	Restated Sept 2010 $'000
Income from foreign currency assets		
Interest income	830,617	750,435
Investment expense	(24,425)	(29,048)
	806,192	721,386
(Loss) from currency translations	(106,752)	(104,430)
Gains realised on disposal and amortisation of investments	219,192	248,144
Losses realised on disposal and amortisation of investments	(214,794)	(143,895)
	4,398	104,249
	703,838	**721,206**
Income from local currency assets		
Interest income	223,700	286,583
Rental income	1,066	1,587
Other income	25,007	23,459
	249,773	**311,629**
Decrease in provisions	134,054	128,544
Total income	**1,087,665**	**1,161,379**
Operating expenses		
Printing of notes and minting of coins	52,598	52,863
Salaries and related expenses	138,480	157,656
Interest paid	172,078	248,712
Directors' fees	1,187	806
Depreciation	29,410	35,278
Other operating expenses	161,872	134,281
Total operating expenses	**555,625**	**629,596**
Net surplus for the year	**532,040**	**531,783**
Total comprehensive income for the year	**532,040**	**531,783**

26. Parent cont'd

Statement of Changes in Equity
For the year ended 30 September 2011

	Issued and Fully Paid Up Capital $'000	General Reserves $'000	Retained Earnings $'000	Total $'000
Balance as at 1 October 2009	800,000	534,871	-	1,334,871
Net surplus for the period	-	-	531,783	531,783
Transfer of surplus to Consolidated Fund	-	-	(478,605)	(478,605)
Transfer to general reserve	-	53,178	(53,178)	-
Balance as at 30 September 2010	800,000	588,049	-	1,388,049
Balance as at 1 October 2010	800,000	588,049	-	1,388,049
Net surplus for the year	-	-	532,040	532,040
Transfer of surplus to Consolidated Fund	-	-	(478,837)	(478,837)
Transfer to general reserve	-	53,203	(53,203)	-
Balance as at 30 September 2011	800,000	641,252	-	1,441,252

26. Parent (cont'd)

Statement of Cash Flows
For the year ended 30 September 2011

	Sept 2011 $'000	Restated Sept 2010 $'000
Cash flows from operating activities		
Net surplus for the year before taxation	532,040	531,783
Adjustments for:		
Depreciation	29,410	35,278
Net (gain)/loss on disposal of fixed assets	(146)	11
Interest income	(1,054,317)	(1,037,018)
Interest expense	172,078	248,712
Dividend income	(3,252)	(3,552)
Provisions	(134,054)	(128,544)
Foreign currency differences in monetary assets & liabilities	(111,243)	61,769
Cash flow before changes in operating assets and liabilities	**(569,484)**	**(291,561)**
Changes in operating assets and liabilities		
Decrease in accounts receivable & prepaid expenses	1,971,376	1,076,883
(Increase)/Decrease in other assets	(8,190)	24,741
Decrease/(Increase) in pension asset	3,826	(1,652)
Decrease in accounts payable and other liabilities	(29,939)	(651,640)
Net cash flow from operations	**1,367,589**	**156,771**
Cash flows from investing activities		
Purchase of property, plant and equipment	(26,672)	(14,558)
Proceeds from sale of property, plant and equipment	245	110
Net proceeds from sale of investments/(purchase of investments)	157,581	(2,228,607)
Net repayment of loans and advances	30,243	1,869,539
Interest received	1,071,524	986,225
Dividends received	3,252	3,552
Interest paid	(177,334)	(279,698)
Decrease/(Increase) in International Monetary Fund Holding of Special Drawing Rights	34,388	(11,402)
Payment to Consolidated Fund	(478,605)	(920,171)
Net cash flow from/(used in) investing activities	**614,622**	**(595,010)**
Cash flows from financing activities		
Purchase of shares in international financial institutions	(286,760)	(3,177,224)
Lease payment	11,006	10,790
Net cash flow used in financing activities	**(275,754)**	**(3,166,434)**
Net increase/(decrease) in cash and cash equivalents	1,706,457	(3,604,673)
Cash and cash equivalents, beginning of year	27,074,734	30,679,407
Cash and cash equivalents, end of year	**28,781,191**	**27,074,734**

Appendices

Conservation Tip

Turn off your computer and the power strip it's plugged into, when you leave for the day.

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Flyleaf - 5 - (Front)

Separator Page
Appendices

TABLE A.1
CURRENCY IN CIRCULATION, 2009-2011
DOLLARS THOUSAND

End of Month	Notes (Old TT)	Notes (Republic)	Total Notes in Circulation	Coins	Total Currency in Circulation
Sep-09	19,044	3,812,333	3,831,377	149,916	3,981,293
Oct-09	19,044	4,091,271	4,110,315	159,482	4,269,797
Nov-09	19,044	4,228,073	4,247,117	160,454	4,407,571
Dec-09	19,044	4,675,787	4,694,831	161,367	4,856,198
Jan-10	19,044	4,171,381	4,190,425	161,419	4,351,844
Feb-10	19,044	4,254,227	4,273,271	161,559	4,434,830
Mar-10	19,044	4,477,434	4,496,478	162,272	4,658,750
Apr-10	19,044	4,353,198	4,372,242	162,887	4,535,129
May-10	19,044	4,485,724	4,504,768	163,728	4,668,496
Jun-10	19,044	4,512,050	4,531,094	164,560	4,695,654
Jul-10	19,044	4,569,174	4,588,218	165,352	4,753,570
Aug-10	19,044	4,507,243	4,526,287	166,060	4,692,347
Sep-10	19,044	4,543,137	4,562,181	166,862	4,729,043
Sep-11	19,043	4,998,895	5,017,938	175,127	5,193,065

Source: Central Bank of Trinidad and Tobago.

TABLE A.2

CENTRAL BANK STATEMENT OF LIABILITIES AND ASSETS 2010-2011

(TT Dollars Thousands)

	LIABILITIES								ASSETS							
		DEPOSITS							EXTERNAL ASSETS							
End of Month	Currency in Circulation Total	Commercial Banks	Non-Bank Financial Institutions	Government & Governmental Organisations [1]	International Organisations	Other Liabilities	Capital & Reserve Funds	Total Liabilities	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 Assets	Total Assets
2009/10																
OCTOBER	4,276,245	13,913,335	403,223	10,537,384	3,122,392	33,787,420	1,334,871	67,374,870	27,537,852	32,214,841	25,402	97,242	2,678,803	1,808,485	3,012,245	67,374,870
NOVEMBER	4,411,529	14,820,069	447,484	8,299,627	3,122,392	33,546,174	1,334,871	65,982,146	26,411,436	32,050,148	25,402	97,268	2,678,784	1,807,096	2,912,012	65,982,146
DECEMBER	4,861,929	14,558,455	403,030	7,594,589	3,122,392	33,170,392	1,334,871	65,045,658	25,440,115	31,866,608	25,402	97,297	2,678,784	1,807,047	3,130,405	65,045,658
JANUARY	4,357,282	14,845,844	397,666	8,389,557	3,122,392	34,246,540	1,334,871	66,694,152	25,666,536	33,454,925	25,402	97,251	2,678,784	1,807,250	2,964,004	66,694,152
FEBRUARY	4,442,352	14,474,521	398,846	6,827,541	3,122,392	35,651,251	1,334,871	66,251,774	24,932,883	34,229,556	25,402	97,329	2,678,767	1,177,116	3,110,721	66,251,774
MARCH	4,666,146	14,679,984	392,895	7,512,290	3,122,392	36,472,518	1,334,871	68,181,096	25,940,424	35,092,451	25,402	97,332	2,678,767	1,168,322	3,178,398	68,181,096
APRIL	4,543,444	14,593,613	389,561	8,887,759	3,122,392	31,724,812	1,334,871	64,596,452	26,951,506	31,485,168	25,402	97,277	2,678,741	375,761	2,982,597	64,596,452
MAY	4,675,442	15,241,618	373,337	7,589,654	3,042,088	35,342,924	1,334,871	67,599,934	26,409,635	35,076,618	25,402	97,312	2,609,840	375,341	3,005,786	67,599,934
JUNE	4,703,088	16,348,095	372,823	8,171,290	3,042,088	31,915,017	1,334,871	65,887,272	27,472,762	31,776,481	25,402	97,325	2,609,840	499,284	3,406,178	65,887,272
JULY	4,761,401	15,342,785	374,914	9,288,152	3,042,088	33,508,539	1,334,871	67,652,750	27,255,055	34,095,360	25,402	97,239	2,609,840	498,863	3,070,991	67,652,750
AUGUST	4,698,803	15,938,361	375,850	6,641,801	3,042,088	32,689,276	1,334,871	64,721,050	24,291,053	34,123,960	25,402	97,266	2,609,901	499,561	3,073,907	64,721,050
SEPTEMBER	4,734,784	16,145,799	381,973	7,624,447	3,042,088	40,096,927	1,388,049	73,414,067	25,287,369	37,990,892	3,179,114	120,793	2,609,901	299,736	3,926,262	73,414,067
2010/11																
OCTOBER	4,779,171	17,249,419	383,741	5,692,361	3,042,088	36,955,583	1,388,049	69,490,412	24,910,827	35,296,422	3,179,114	120,793	2,609,901	299,737	3,073,618	69,490,412
NOVEMBER	4,930,716	15,886,446	366,789	4,914,052	3,042,088	38,341,656	1,388,049	68,869,796	22,943,545	36,253,771	3,179,114	120,887	2,609,972	353,926	3,408,581	68,869,796
DECEMBER	5,308,030	16,181,024	360,128	6,908,407	3,042,088	38,308,865	1,388,049	71,496,591	26,245,952	25,616,630	3,179,114	121,031	2,609,972	395,555	13,328,337	71,496,591
JANUARY	4,820,933	16,186,237	352,275	8,112,112	3,170,576	37,044,472	1,388,049	71,074,654	25,251,746	35,890,908	3,313,390	121,100	2,720,209	478,662	3,298,639	71,074,654
FEBRUARY	4,911,077	15,992,335	349,168	7,712,741	3,170,576	37,379,823	1,388,049	70,903,769	24,565,060	36,499,482	3,313,390	121,095	2,720,330	534,584	3,149,828	70,903,769
MARCH	5,097,907	16,380,180	350,554	7,964,706	3,170,576	39,965,866	1,388,049	74,317,838	27,246,725	31,219,800	3,313,390	121,146	2,720,330	602,592	9,093,855	74,317,838
APRIL	5,135,311	15,292,116	348,512	10,604,765	3,333,786	38,635,768	1,388,049	74,738,307	29,865,239	29,972,611	3,483,952	121,208	2,860,319	644,200	7,790,778	74,738,307
MAY	5,157,158	15,607,803	347,870	9,321,669	3,258,282	39,047,954	1,388,049	74,128,785	28,260,992	30,238,418	3,405,046	46,273	2,795,841	420,102	8,962,113	74,128,785
JUNE	5,168,253	18,007,102	347,107	8,682,671	3,258,282	38,815,551	1,388,049	75,667,015	28,410,960	31,354,044	3,405,046	46,285	2,795,841	417,762	9,237,077	75,667,015
JULY	5,194,382	17,230,139	342,243	8,175,582	3,257,812	38,465,104	1,388,049	74,053,311	28,470,006	31,345,498	3,404,556	46,130	2,795,438	347,056	7,644,627	74,053,311
AUGUST	5,347,565	19,115,626	338,513	5,193,111	3,257,812	41,842,537	1,388,049	76,483,213	27,234,504	30,683,706	3,404,556	46,160	2,795,853	289,902	12,028,532	76,483,213
SEPTEMBER	5,202,147	19,537,269	336,223	6,087,088	3,290,364	39,051,843	1,441,252	74,946,186	27,162,496	30,868,917	3,438,574	148,092	2,823,789	280,927	10,223,391	74,946,186

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

Reserve Period Ending	Average Deposit Liabilities ($000)	Required Cash Reserves ($000)	Average Cash Reserves ($000)
6-Oct-10	6-Oct-10	51,014,041	51,014,041
13-Oct-10	13-Oct-10	51,109,859	51,109,859
20-Oct-10	20-Oct-10	51,333,318	51,333,318
27-Oct-10	27-Oct-10	51,482,124	51,482,124
3-Nov-10	3-Nov-10	51,661,476	51,661,476
10-Nov-10	10-Nov-10	51,962,071	51,962,071
17-Nov-10	17-Nov-10	52,040,259	52,040,259
24-Nov-10	24-Nov-10	52,102,306	52,102,306
1-Dec-10	1-Dec-10	52,122,794	52,122,794
8-Dec-10	8-Dec-10	52,038,300	52,038,300
15-Dec-10	15-Dec-10	52,066,076	52,066,076
22-Dec-10	22-Dec-10	52,129,900	52,129,900
29-Dec-10	29-Dec-10	52,334,553	52,334,553
5-Jan-11	5-Jan-11	52,687,288	52,687,288
12-Jan-11	12-Jan-11	52,990,388	52,990,388
19-Jan-11	19-Jan-11	52,829,447	52,829,447
26-Jan-11	26-Jan-11	52,623,824	52,623,824
2-Feb-11	2-Feb-11	52,295,712	52,295,712
9-Feb-11	9-Feb-11	52,019,594	52,019,594
16-Feb-11	16-Feb-11	52,194,035	52,194,035
23-Feb-11	23-Feb-11	52,334,724	52,334,724
2-Mar-11	2-Mar-11	52,461,329	52,461,329
9-Mar-11	9-Mar-11	52,367,218	52,367,218
16-Mar-11	16-Mar-11	52,315,153	52,315,153
23-Mar-11	23-Mar-11	52,314,106	52,314,106
30-Mar-11	30-Mar-11	52,385,035	52,385,035
6-Apr-11	6-Apr-11	52,662,941	52,662,941
13-Apr-11	13-Apr-11	52,983,224	52,983,224
20-Apr-11	20-Apr-11	53,129,806	53,129,806
28-Apr-11	28-Apr-11	53,244,629	53,244,629
	4-May-11	53,375,729	53,375,729
4-May-11	11-May-11	53,317,712	53,317,712
11-May-11	18-May-11	53,212,435	53,212,435
18-May-11	25-May-11	53,141,865	53,141,865
25-May-11	1-Jun-11	53,031,894	53,031,894
1-Jun-11	8-Jun-11	53,044,341	53,044,341
8-Jun-11	15-Jun-11	53,137,359	53,137,359
15-Jun-11	22-Jun-11	53,103,235	53,103,235
22-Jun-11	29-Jun-11	52,903,718	52,903,718
29-Jun-11	6-Jul-11	52,852,047	52,852,047
6-Jul-11	13-Jul-11	52,866,253	52,866,253
13-Jul-11	20-Jul-11	52,860,088	52,860,088
20-Jul-11	27-Jul-11	53,020,441	53,020,441
27-Jul-11	3-Aug-11	52,954,482	52,954,482
3-Aug-11	10-Aug-11	53,228,835	53,228,835
10-Aug-11	17-Aug-11	53,327,306	53,327,306
17-Aug-11	24-Aug-11	53,669,618	53,669,618
24-Aug-11	31-Aug-11	53,669,618	53,669,618
31-Aug-11	7-Sep-11	54,144,865	54,144,865
7-Sep-11	14-Sep-11	54,545,388	54,545,388
14-Sep-11	21-Sep-11	54,653,606	54,653,606
21-Sep-11	28-Sep-11	54,904,512	54,904,512
28-Sep-11			

Source: Central Bank of Trinidad and Tobago.

TABLE A.4

NON-BANK FINANCIAL INSTITUTIONS:
AVERAGE DEPOSIT LIABILITIES, REQUIRED CASH RESERVES AND ACTUAL CASH RESERVES

Reserve Period Ending	Average Deposit Liabilities ($000)	Required Cash Reserves ($000)	Average Cash Reserves ($000)
6-Oct-10	2,122,678	191,041	192,387
13-Oct-10	2,099,311	188,938	190,280
20-Oct-10	1,413,311	127,198	128,531
27-Oct-10	2,129,011	191,611	192,929
3-Nov-10	2,096,744	188,707	190,046
10-Nov-10	2,076,556	186,890	188,304
17-Nov-10	1,992,067	179,286	181,001
24-Nov-10	1,940,678	174,661	175,977
1-Dec-10	1,923,189	173,087	174,688
8-Dec-10	1,905,633	171,507	173,340
15-Dec-10	1,901,700	171,153	172,988
22-Dec-10	1,877,767	168,999	170,842
29-Dec-10	1,860,178	167,416	169,316
5-Jan-11	1,842,256	165,803	167,761
12-Jan-11	1,824,278	164,185	166,409
19-Jan-11	1,792,822	161,354	163,767
26-Jan-11	1,767,256	159,053	161,462
2-Feb-11	1,768,133	159,132	156,719
9-Feb-11	1,748,067	157,326	155,073
16-Feb-11	1,754,311	157,888	156,172
23-Feb-11	1,761,567	158,541	156,722
2-Mar-11	1,751,544	157,639	159,299
9-Mar-11	1,757,011	158,131	159,893
16-Mar-11	1,755,311	157,978	159,717
23-Mar-11	1,752,811	157,753	159,515
30-Mar-11	1,747,722	157,295	160,566
6-Apr-11	1,742,222	156,800	159,255
13-Apr-11	1,738,244	156,442	158,277
20-Apr-11	1,733,967	156,057	157,925
27-Apr-11	1,731,156	155,804	157,774
4-May-11	1,729,978	155,698	157,705
11-May-11	1,729,556	155,660	157,570
18-May-11	1,727,000	155,430	157,362
25-May-11	1,724,289	155,186	157,058
1-Jun-11	1,716,922	154,523	156,282
8-Jun-11	1,713,511	154,216	155,873
15-Jun-11	1,714,144	154,273	155,843
22-Jun-11	1,713,822	154,244	155,808
29-Jun-11	1,719,333	154,740	156,295
6-Jul-11	1,723,711	155,134	156,627
13-Jul-11	1,713,789	154,241	155,800
20-Jul-11	1,691,056	152,195	153,779
27-Jul-11	1,664,556	149,810	151,430
3-Aug-11	1,636,578	147,292	148,929
10-Aug-11	1,622,289	146,006	147,597
17-Aug-11	1,621,967	145,977	147,524
24-Aug-11	1,622,644	146,038	147,541
31-Aug-11	1,622,644	146,038	147,701
7-Sep-11	1,623,500	146,115	147,515
14-Sep-11	1,614,011	145,261	146,620
21-Sep-11	1,606,700	144,603	146,035
28-Sep-11	1,599,367	143,943	145,411

Source: Central Bank of Trinidad and Tobago.

ISSN 0069-1593


Central Bank of
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