



# ANNUAL REPORT 2020











## PURPOSE

"The purpose of the Bank shall be to contribute to the harmonious economic growth and development of the member countries in the Caribbean (hereinafter called the "region") and to promote economic co-operation and integration among them, having special and urgent regard to the needs of the less developed members of the region."

Article 1 - Agreement establishing the Caribbean Development Bank

## MISSION STATEMENT

CDB intends to be the leading catalyst for development resources into the Region, working in an efficient, responsive and collaborative manner with our Borrowing Member Countries and other development partners, towards the systematic reduction of poverty in their countries through social and economic development.





Wilkey, St. Michael  
Barbados, West Indies  
BB1 1000

Hon. Mia Amor Mottley  
Chairman  
Board of Governors  
Caribbean Development Bank

Dear Chairman

I enclose the Annual Report of the Caribbean Development Bank for the year ended December 31, 2020, which the Board of Directors, acting pursuant to Paragraph 2 of Article 38 of the Agreement establishing the Caribbean Development Bank and in accordance with Section 18 of the By-Laws of the Bank, has requested me to submit to the Board of Governors.

A handwritten signature in black ink, appearing to read "Wm. Warren Smith".

Yours sincerely  
W<sup>m</sup>. Warren Smith, Ph.D., CD  
President

# CONTENTS

## 1 CARIBBEAN ECONOMIC REVIEW AND OUTLOOK 18

|                             |    |
|-----------------------------|----|
| Overview                    | 20 |
| BMCs Performance            | 22 |
| Labour Markets              | 23 |
| Fiscal Performance and Debt | 25 |
| Outlook                     | 27 |

---

## 2 PROJECTS PERFORMANCE REVIEW 28

|  |    |
|--|----|
| Climate Change and Disaster Resilience                           | 30 |
| Renewable Energy and Energy Efficiency                           | 32 |
| Economic Infrastructure  | 33 |
| Financial Intermediary Activities and Private Sector Development | 35 |
| MSME Development   | 36 |
| Cultural and Creative Industries Innovation Fund                 | 36 |
| Regional Cooperation   | 37 |
| Government   | 37 |
| Education  | 39 |
| Basic Needs Trust Fund   | 40 |
| Procurement and Disbursements                                    | 42 |

---

## 3 DEVELOPMENT EFFECTIVENESS 44

|   |    |
|---|----|
| Overview  | 46 |
| <b>Level 1:</b> Regional Development Progress                   | 46 |
| <b>Level 2:</b> CDB's Contribution to Country Outcomes          | 46 |
| <b>Levels 3 and 4:</b> Operational Effectiveness and Efficiency | 49 |

---

## 4 INTERNAL FOCUS 50

|  |    |
|--|----|
| Human Resources Development              | 52 |
| Internal Audit                           | 54 |
| Independent Evaluation                   | 54 |
| Integrity, Compliance and Accountability | 56 |

|          |  |           |
|----------|--|-----------|
| <b>5</b> | <b>RISK REVIEW</b>                     | <b>58</b> |
|          | Organisation                           | 61        |
|          | Operational Risk                       | 61        |
|          | Environmental Risk and Climate Change  | 63        |
|          | Credit Risk                            | 63        |
|          | Concentration Risk                     | 63        |
|          | Exposure Trends                        | 66        |
|          | Capital Risk                           | 67        |
|          | Internal Capital Adequacy Calculations | 68        |
|          | Market Risk                            | 69        |
|          | Interest Rate Risk                     | 69        |
|          | Foreign Exchange Risk                  | 69        |
|          | Liquidity and Funding Risk             | 71        |
|          | New Developments                       | 71        |

---

|          |   |           |
|----------|---|-----------|
| <b>6</b> | <b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b> | <b>72</b> |
|          | Overview                                    | 74        |
|          | Ordinary Capital Resource                   | 74        |
|          | Special Development Fund                    | 78        |
|          | Other Special Funds                         | 79        |
|          | Operations                                  | 80        |

---

|          |  |           |
|----------|--|-----------|
| <b>7</b> | <b>FINANCIAL STATEMENTS</b>                            | <b>82</b> |
|          | Appendices   | 251       |
|          | Board of Governors                                     | 251       |
|          | Board of Directors and Alternates 2020-2022            | 256       |
|          | Principal Officers of the Bank as at December 31, 2020 | 264       |
|          | Abbreviations and Acronyms                             | 288       |



# 2020 HIGHLIGHTS AT-A-GLANCE

## TRANSPORT

- \$305 million (mn) in loans and grants approved for road projects:
- \$190 mn for the upgrading of 121 kilometres (km) of roadway from Linden to Mabura Hill in Guyana. The largest CDB project to date.
- \$60 mn to upgrade 125 km of the Philip S. VV. Goldson Highway and the Remate Bypass Road, and improve the trade corridor between Belize, Guatemala, and Mexico.
- \$55 mn to rehabilitate and improve 40 km of the Millennium Highway and West Coast Road in Saint Lucia.



## BASIC NEEDS TRUST FUND (BNTF)

- 59 basic school classrooms built or upgraded benefitting 1,094 students.
- 196 teachers trained in elements of basic education
- 4,106 households benefitted from improved water supply and sanitation services integrated with water, sanitation and hygiene training (WASH initiative).
- Country-specific policy frameworks developed for planning and implementation of the next BNTF cycle.



## ENERGY SECURITY AND WATER



- \$8.6 mn approved for a five megawatt (MW) utility battery energy storage and a 1 MW grid-connected, solar photovoltaic system for St. Vincent and the Grenadines.
- 224 electrical inspectors and photovoltaic system installers in the Eastern Caribbean received training and international certification.
- \$30 mn for upgrade of water supply systems serving communities in six parishes which will benefit 100,000 Jamaicans.

## CLIMATE CHANGE RESILIENCE

- \$14.8 mn in grants provided with support from the Canada-CARICOM Climate Adaptation Fund to eight governments for insurance premiums through the Caribbean Catastrophe Risk Insurance Facility.
- State of the Caribbean Climate Change 2020 report launched in partnership with the University of the West Indies to inform evidence-based planning and decision-making.



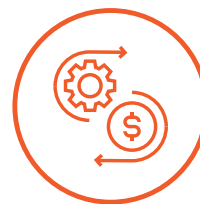
## EDUCATION



- In partnership with the Caribbean Examinations Council (CXC), completed development of a Digital Toolkit for the delivery of the Caribbean Advanced Proficiency Examination (CAPE) Environmental Science Syllabus.

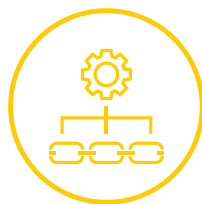
## REGIONAL COOPERATION AND INTEGRATION

- CARIFORUM-European Union Economic Partnership Agreement CARICOM Single Market and Economy Standby Facility for Capacity Building launched.
- \$1.7 mn approved for regional cooperation and integration projects.
- Initiative commenced to establish an integrated digital portal for maritime ports in Member States of the Organisation of Eastern Caribbean States for more efficient processing of trade-related data for passengers and goods



## PROCUREMENT

- Use of electronic procurement and disbursement solutions enabled by Borrowing Member Countries in response to COVID-19.
- Procurement procedures strengthened to enhance effectiveness and integrity provisions



## INTEGRITY COMPLIANCE AND ACCOUNTABILITY



- First Caribbean Conference on Corruption, Compliance and Cybercrime held with over 860 online participants.
- Discourse on corruption broadened with awareness outreach to non-traditional target groups including youth and women.

## HUMAN RESOURCE DEVELOPMENT

- Level 1 of Economic Dividends for Gender Equality (EDGE) certification obtained to transform CDB's workforce by measuring, accelerating and certifying gender equality.
- Employee Wellbeing Programme launched.



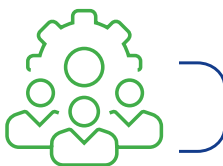
# CDB'S COVID-19 RESPONSE AT-A-GLANCE

In 2020, COVID-19 fundamentally changed how we live, learn, work and do business in the Caribbean. The pandemic caused a decline in government revenues in Borrowing Member Countries (BMCs) while putting social services and health systems under pressure.

In response, CDB provided multidimensional support to address the immediate needs of BMCs through mitigative intervention.

- Total support exceeded **\$190 million**

## SUPPORT FOR BMCs



Some **\$182 mn** for BMCs to tackle the fallout from the pandemic and other shocks.

About **\$67 mn** in emergency loans to seven Caribbean countries

- **\$13 mn** Antigua and Barbuda
- **\$15 mn** Belize
- **\$2.5 mn** Dominica
- **\$5.9 mn** Grenada
- **\$10.8 mn** Saint Lucia
- **\$11.3 mn** St. Vincent and the Grenadines
- **\$8.2 mn** Suriname

**\$65 mn** in policy-based loans to three countries to facilitate COVID-19 response and to support economic recovery and resilience building in sectors hardest hit by the pandemic

- **\$15 mn** Bahamas
- **\$20 mn** Dominica
- **\$30 mn** Saint Lucia

**\$50 mn loan-agreement** with the **Inter-American Development Bank** to support continued COVID-19 response in the Member States of the Organisation of Eastern Caribbean States (OECS) in 2021.



---

## SUPPORT FOR SOCIAL SERVICES

---



### Health



- **\$3 mn grant** to purchase personal protective equipment for **healthcare workers in 14 countries**.
- **“Stronger Together 2020”** campaign, an awareness initiative to promote positive coping strategies **for COVID-19 and the hurricane season** in partnership with the Pan American Health Organisation.

### Education



- **Grenada** – **\$4.2 mn** from a previous loan repurposed for **15,000 laptops** to improve online education for primary and secondary school children.
- **Guyana** – **\$310,000** from a previous loan repurposed to purchase **laptops, tablets, projectors**, and **cloud storage** for online technical and vocational teaching.
- **The University of the West Indies** – **\$200,000 grant** for **computing devices for disadvantaged students across five campuses** and **free internet** for 70 students for one semester.
- **Saint Lucia** – **\$59,000** repurposed from a previous loan for **130 tablets for special needs students**.
- Collaborated with the CARICOM Secretariat and the UNESCO International Institute for **Educational Planning to develop a framework for the safe re-opening of schools**.
- Collaborated with the CARICOM Secretariat and the Caribbean Association of National Training Authorities to develop guidelines for the **safe operation of classrooms, labs and workshops** for **technical and vocational training**.

---

## SUPPORT FOR MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES (MSMES)

---



- **Webinars for more than 1000 MSMEs**, conducted on pivoting businesses during the pandemic.
- Collaboration with Caribbean Export Development Agency – **\$600,000 emergency response grant** to assist export-oriented MSMEs.
- CDB’s Cultural and Creative Industries Innovation Fund – **\$100,000 grant** funding **for seven cultural projects to mitigate loss of income**.

A full-length portrait of Wm. Warren Smith, President of CDB. He is a middle-aged man with short dark hair, wearing black-rimmed glasses, a dark navy blue suit, a white dress shirt, and a vibrant red tie. He is standing in an office, leaning his right arm on the back of a blue leather office chair. The background is a light grey wall. To the left, a framed photograph shows a group of people. To the right, a framed photograph shows a man in a white shirt. A small framed photo of a child is also visible on the left. The overall lighting is soft and professional.

President of CDB  
W<sup>m</sup>. Warren Smith, Ph.D., CD.

# PRESIDENT'S STATEMENT

In 2020, the Caribbean Development Bank (CDB) marked 50 years of proudly contributing to the development of the Caribbean Region and improving people's lives. This achievement was overshadowed by the COVID-19 pandemic very early in 2020. What started as a health emergency quickly morphed into a global epidemic, testing the economic and social fabric of our Region.

The Caribbean's first cases of COVID-19 were recorded in March, and pressure on the health system emerged as hospitalisations and the death toll rose. Regional governments responded proactively to limit the spread of the virus by imposing curfews, closing borders, and halting non-essential activities. The resulting socio-economic impact was severe, leading to a surge in unemployment, loss of livelihoods and elevated poverty levels. The advent of the pandemic also greatly undermined resilience-building efforts in the economic and social spheres.

Regional gross domestic product (GDP) fell by 7.2% in 2020, after averaging 2.2% growth per year in the preceding five years. The service-oriented economies were hard-hit as a result of closed borders and physical distancing, in an effort to control the spread of the virus. Overnight visitors decreased by about 70% and cruise ship calls ceased from March. Meanwhile, the commodity-based economies faced depressed prices, as well as a slump in domestic demand. Fiscal and debt management came under severe pressure with increasing demands on governments to deal with the health emergency, offer social protection, and provide economic stimuli, even as government revenues were being eroded.

Meeting the collective needs of our Borrowing Member Countries (BMCs) in a period of sustained emergency was a paramount concern for CDB. These were unprecedented circumstances that required both traditional and innovative support to enable Governments to meet the unanticipated increases in expenditures to cover their COVID-19 response. At the same time, CDB's response needed to strike the right balance between meeting the immediate needs of BMCs for budget and liquidity support; and ensuring that the operations are managed in a manner that will allow it to emerge in a post-COVID-19 environment capable of delivering on its longer-term development mandate.

Our strategy for engagement in 2020 was built largely on two pillars – responding to the immediate needs of the BMCs through mitigative intervention and enabling recovery and resilience. Our response was to buttress country efforts by financing the purchase of personal protective equipment to support frontline workers; providing emergency support to the most vulnerable segment of the population; promoting recovery through liquidity support to the MSMEs; and repurposing undisbursed project funds to provide debt relief support to selected BMCs whilst providing the fiscal space needed to meet pressing spending in the health and social sectors. Our policy-based operations, in conjunction with our traditional project assistance, facilitated a relaxation of the difficult liquidity constraint, and a deepening of their policy reform agenda for improved debt sustainability and economic and social resilience.

At CDB, our institutional resilience was also put to the test when, as a result of country lockdowns, we had to switch





Above: Honourable Mia Amor Mottley, (at left) Prime Minister of Barbados and Chairman of the Board of Governor of the Caribbean Development Bank (CDB) and CDB President Dr. W<sup>m</sup> Warren Smith addressing the thanksgiving service held in February 2020 to celebrate the Bank's 50th Anniversary.



Above: In January 2020, the CDB welcomed a delegation from the Government of Saint Lucia to the Bank's head office in St. Michael, Barbados. Present on that occasion were, (from left) Stephen Julien, Attorney General, Saint Lucia; Diana Wilson-Patrick, General Counsel; CDB, Yvette Lemonias Seale, Vice-President, Corporate Services and Bank Secretary; CDB, Hon. Stephenson King, Minister for Infrastructure, Ports, Energy and Labour, Saint Lucia; Dr. W<sup>m</sup> Warren Smith, CDB President; Hon. Allen Chastanet, Prime Minister of Saint Lucia; Claudius Emmanuel, Permanent Secretary, Department of Economic Development and CDB Director, Saint Lucia; Albert Jean Baptiste, Chief Engineer, Saint Lucia; Hon. Guy Joseph, Minister for Economic Development, Housing, Urban Renewal, Transport and Civil Aviation, Saint Lucia and CDB Governor, Saint Lucia.

quickly to complete virtual operations in order to continue fulfilling our obligations to the BMCs. The Bank's regular business processes continued seamlessly and engagement with clients sustained, as the technology facilitated remote access and allowed meetings to be conducted virtually.

We emerged as a major partner in the regional response to the COVID-19 pandemic, directing substantial financial and technical resources into the BMCs in 2020. Total approvals jumped to \$557.2 mn from \$340 mn in 2019; and disbursements rose to \$361.3 mn from \$306 mn over the same period. Approvals during the year included \$190 mn for the Linden-to-Mabura-Hill project in Guyana, CDB's largest approval to date.

We also signed a \$50 mn loan agreement with the Inter-American Development Bank in December 2020, to support COVID-19 responses in Member States of the Organisation of Eastern Caribbean States. This line of credit will finance programmes to safeguard adequate quality of life and health for vulnerable citizens and provide support for MSMEs.

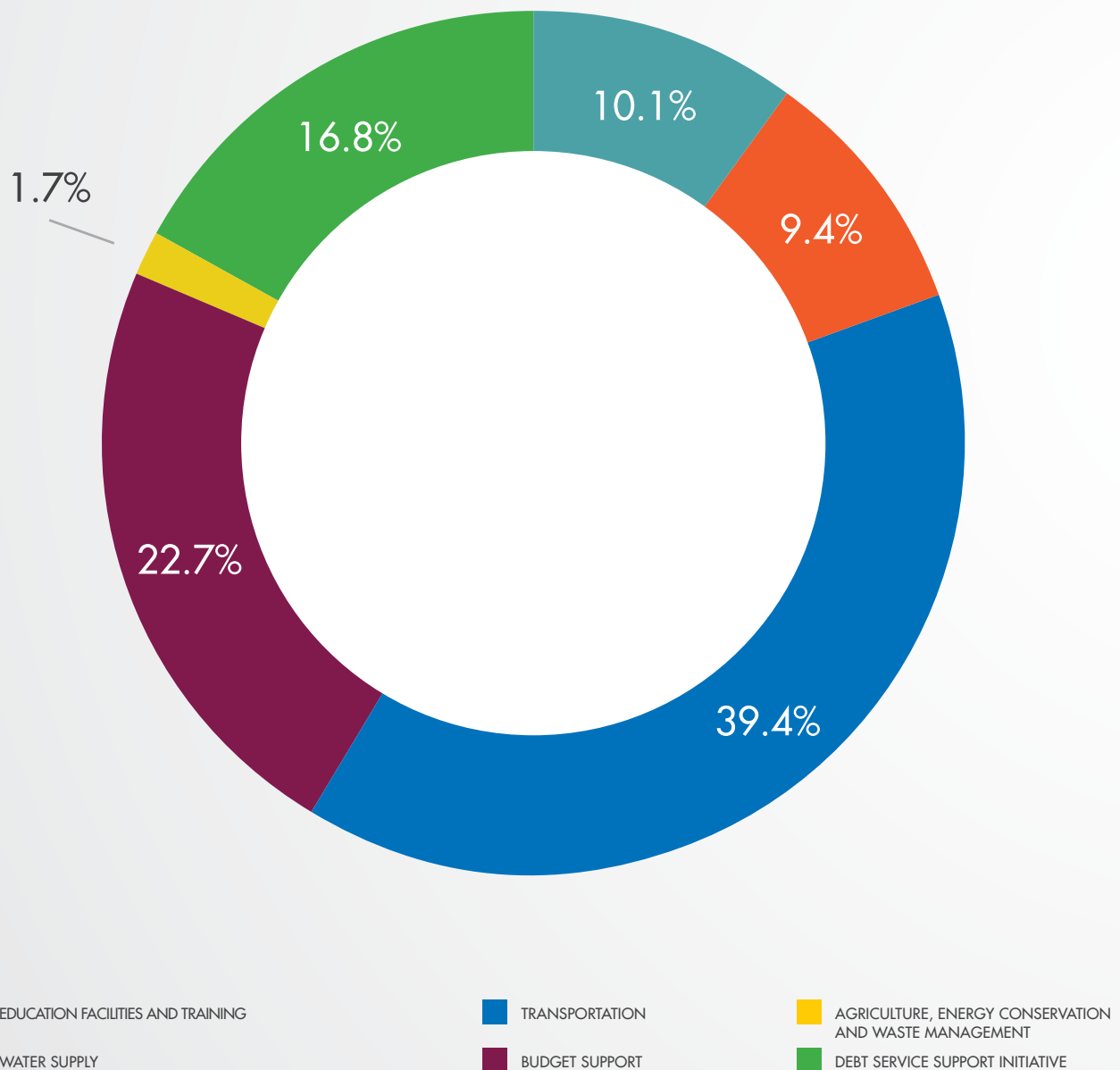
It is noteworthy that, during this period of considerable uncertainty, three credit rating agencies reaffirmed CDB's credit rating, an expression of their confidence in the financial operations and management.

Despite the enormity of the challenges in 2020, CDB was able to remain faithful to its mandate and respond quickly and effectively to the needs of its BMCs. It would be remiss of me not to acknowledge the valuable contributions made by the Board of Directors, the Management, and the Staff in the achievement of the results and the milestones reached. Now, more than ever, we must put this strong spirit of collaboration, cooperation, and teamwork on display as the region continues its quest to overcome the obstacles which COVID-19 placed in its path to sustainable socio-economic development.

A handwritten signature in black ink, appearing to read 'Wm. Warren Smith'.

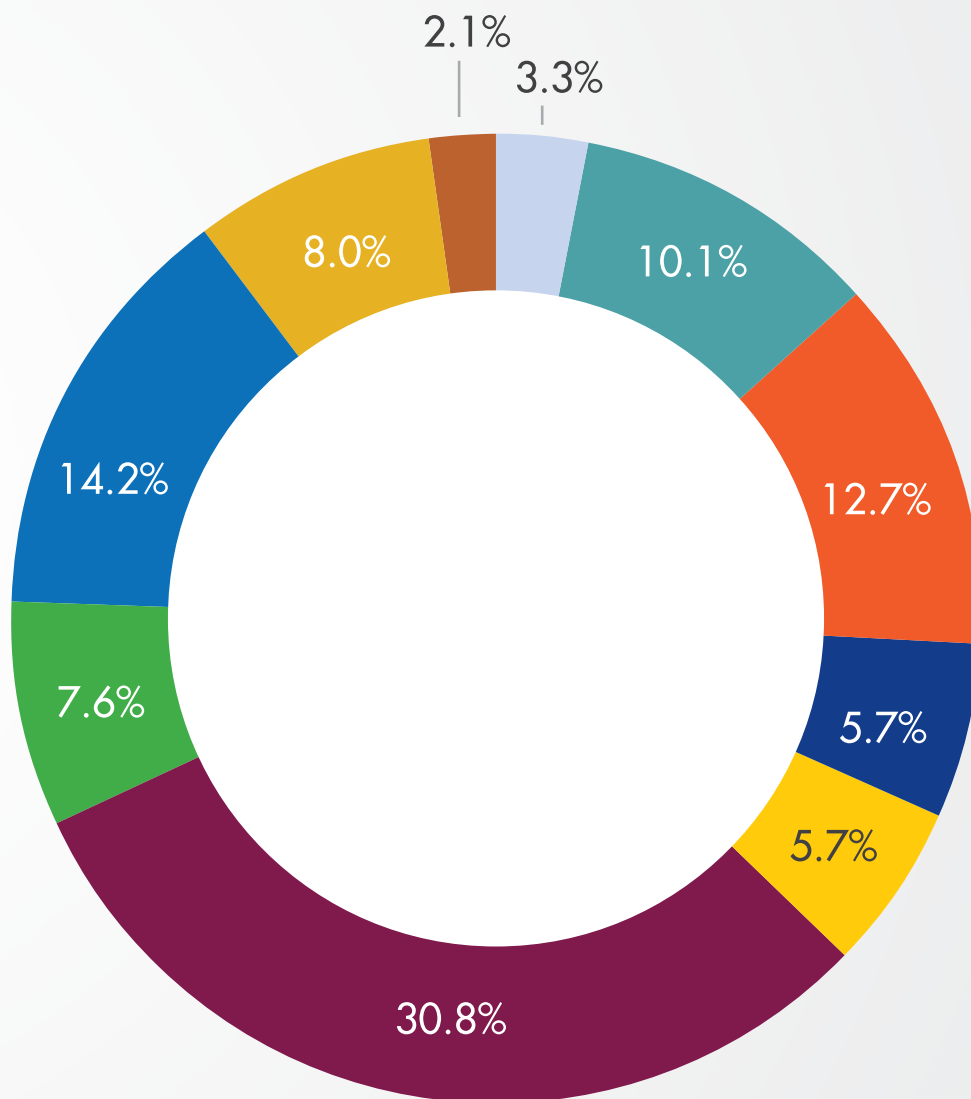
W<sup>m</sup>. Warren Smith, Ph.D., CD

## DISTRIBUTION OF LOANS BY SECTOR





## DISTRIBUTION OF LOANS BY COUNTRY



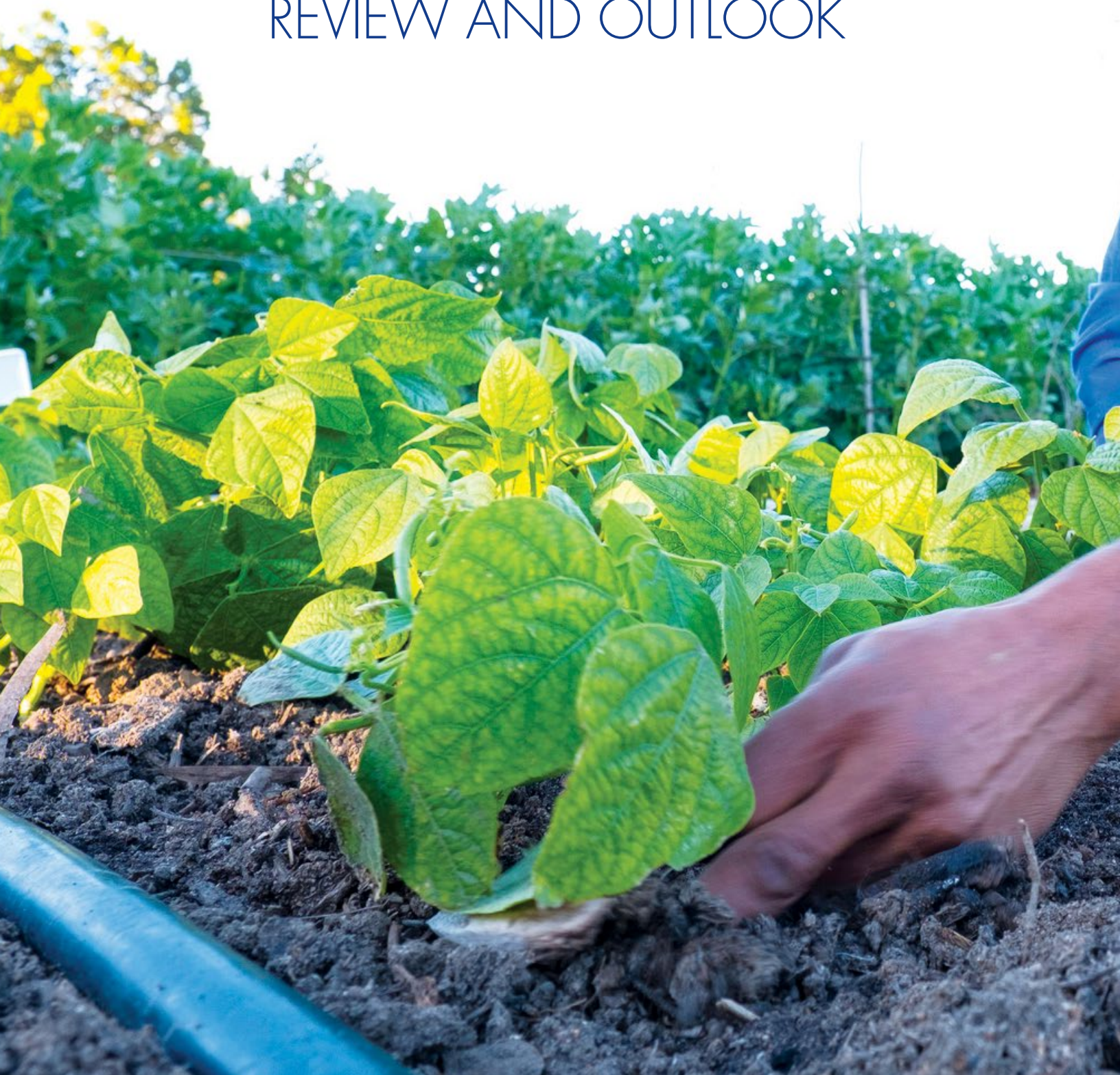
ANTIGUA AND BARBUDA  
THE BAHAMAS  
BELIZE  
DOMINICA

GRENADA  
GUYANA  
JAMAICA

SAINT LUCIA  
ST. VINCENT AND THE GRENADINES  
SURINAME

## SECTION 1

# CARIBBEAN ECONOMIC REVIEW AND OUTLOOK









## Overview

In 2020, the economic performance in the Caribbean mirrored an emerging trend in the rest of the world. The COVID-19 pandemic, caused by the 2019 Novel Coronavirus (Severe Acute Respiratory Syndrome [SARS]-CoV-2), resulted in severe socio-economic hardship, serious illness and death. Economic activity came to a standstill as social distancing and public health measures were implemented to contain the spread of the virus. There was increased pressure on healthcare and social safety net systems, and on public finances as governments struggled to cope with rising expenditure and falling revenues.

Many BMCs, and particularly those most dependent on tourism, experienced severe economic contraction. Regional GDP fell by 7.2%. CDB worked closely with many affected BMCs to combat the effects of the pandemic, helping them to meet the necessary healthcare and social provisions, and by supporting economic activity.

The short to medium term outlook for BMCs is clouded by COVID-19. The immunisation of populations will take time; and even after that, health protocols could remain given the risk of new variants. This might hinder economic recovery. The challenge will be to steer the economies towards recovery while keeping the pandemic in check. BMCs will need to restart their resilience building and work to restore fiscal sustainability to create space and rebuild buffers and, to be better prepared for any future pandemic.



In 2020 economic activity came to a standstill as social distancing and public health measures were implemented to contain the spread of COVID-19.





In 2020 COVID-19 created economic upheaval in the Region and the impacts on income and poverty were significant. BMCs governments had to provide income support to help sustain livelihoods.



## BMCs Performance

The outbreak of COVID-19 in December 2019 spread rapidly around the world. The World Health Organisation declared a global pandemic on March 11, 2020, the same month that the virus was first detected in the Caribbean.

The health crisis rapidly created economic upheaval in the Region. Lockdowns were enforced as a precautionary health measure to contain the spread of the virus and ease pressures on health systems. This led to a sharp reduction in economic activity, particularly in the tourism-dependent economies, and a slump in domestic demand. The suspension of cruise operations and closure of international borders caused a steep decline in visitor arrivals. In Anguilla, the Bahamas, Barbados, Belize, Cayman Islands, Dominica, Grenada, and Saint Lucia, stay-over arrivals fell by around 70%. The decline in tourism activity had knock-on effects on the manufacturing, transport, distribution and real estate sectors. Construction activity fell in nearly every BMC, including the Bahamas, Dominica and the Virgin Islands, where rehabilitation and rebuilding had been underway after the recent passage of devastating hurricanes. Across the Region, there was a high incidence of worker lay-offs and business closures.

Commodity producers, especially in oil producing countries, such as Guyana, Suriname, and Trinidad and Tobago, were also affected. A downward trend in international oil prices, triggered by a price war between the Russian Federation and Saudi Arabia, continued as shutdowns resulted in a drop in global fuel demand. Consequently, export earnings were less than expected. Additionally, many planned investments, such as exploration drilling, were put on hold.

In Belize, a severe drought in 2019, exacerbated by reduced demand from the tourism sector caused a decline in agriculture production. By the third quarter, however, signs

of recovery had emerged, aided by relatively favourable weather conditions. Guyana, Haiti and Jamaica also reported increased production whilst output fell in Grenada and Saint Lucia.

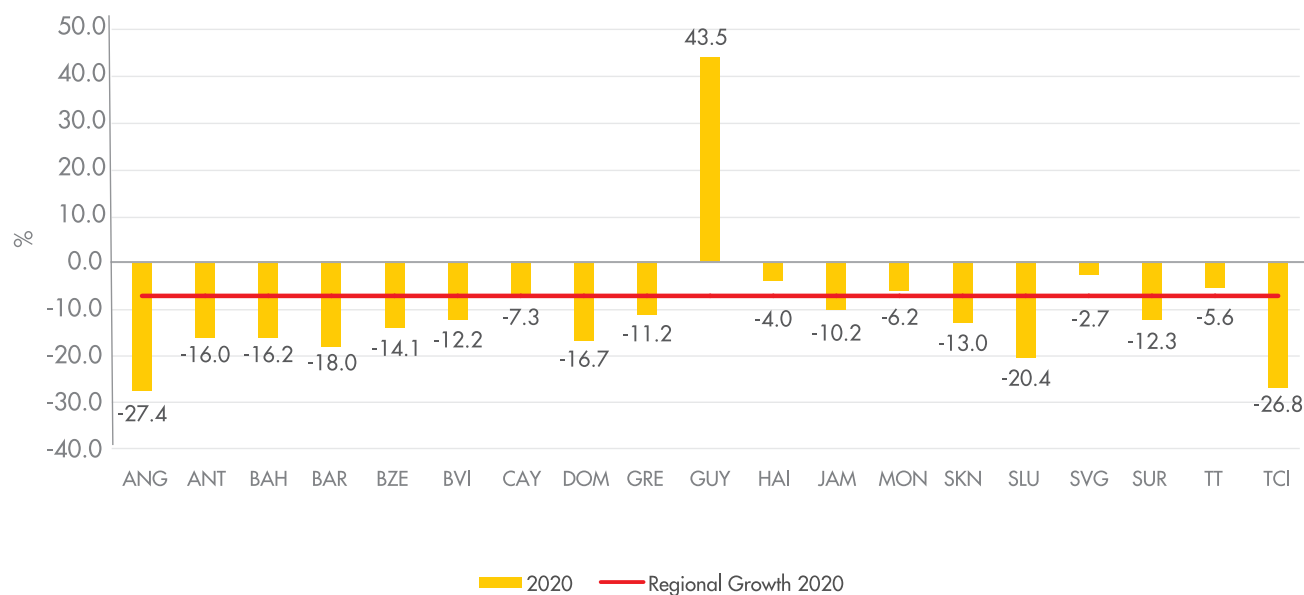
With declining COVID-19 infection rates, restrictions were eased by the middle of the year, allowing for limited reopening of borders to accommodate international travel. However, the emergence of more virulent strains of the virus led to new waves of infection in major source markets and the reimposition of restrictions towards the end of the year. Small businesses in particular, faced catastrophic losses, and workers remained vulnerable to income loss and lay-offs. There was also pressure on foreign exchange reserves due to falling foreign direct investment inflows and lower remittances.

CDB estimates that regional GDP fell by about 7.2% in 2020. Only Guyana reported economic growth, boosted by the commencement of oil production.



Women, youth and informal workers in hard-hit areas such as tourism, were disproportionately affected by lockdown measures in 2020.

**CHART 1: REAL GDP GROWTH (%) 2020**



**Source:** Central Banks, Ministries of Finance, Statistical Offices, IMF, CDB

## Labour Markets

Labour market shocks from the pandemic proved to be devastating for jobs and for livelihoods. The unprecedented scale of disruptions for workers due to business closures or inability to meet salaries, resulted in a rise in unemployment rates, along with deteriorating quality of employment across the Region.

In Belize, the unemployment rate was 13.7%, compared with 10.4% one year earlier. In September 2020, more than 38,000 persons were reported to be without work because of COVID-19, although not all were actively looking for work and therefore were not classified as unemployed.

There were notable increases in the unemployment rate in Barbados, the Bahamas, Grenada, and Jamaica. In Trinidad and Tobago, the rate of unemployment also rose as several companies, especially in the oil and gas sector, folded. The number of persons retrenched between May and September was 1,820, much higher than 469 during the same period in 2019.

Women, youth and informal workers, who are highly represented in vulnerable jobs in hard-hit areas such as tourism, were disproportionately affected by lockdown measures. In Jamaica, female unemployment increased to 13.0% in October, compared with 8.6% for males. The rate for young persons (aged 14-24 years) rose to





Lockdowns and border closures enforced in 2020 in response to COVID-19 led to a decline in tourism activity in the Caribbean which had knock-on effects on the manufacturing, transport, distribution and real estate sectors.

[Photo by Juan Jose – unsplash.com]





27.8%. In Belize, female and male unemployment was 17.0% and 11.6% respectively while youth unemployment was 23%.

Impacts on income and poverty were significant. BMC governments provided income support to help sustain livelihoods. In Barbados, the National Insurance Scheme paid out over \$61.5 mn to about 32,000 claimants between March and October, tripling the total payment from the scheme in 2019. Supplemented by domestic and external borrowings, social security funds provided support in other BMCs. Some BMCs engaged proactively in the design and implementation of post-COVID-19 recovery plans. The Government of Barbados, for example, launched a programme to assist with the re-engagement of workers in the tourism sector.

## Fiscal Performance and Debt

The pandemic had devastating effects on public finances, some of which were already weak. Governments had to mobilise additional resources to strengthen the resilience of their health systems, provide social protection to the most vulnerable, and stimulate economic activity. Measures to increase fiscal space were taken against a background of significantly declining tax revenues and already high debt levels. The fall in revenues affected the tourism and non-tourism-dependent BMCs. Oil revenues in Guyana and Trinidad and Tobago were well below original projections, given lower oil prices. The Governments of the Cayman Islands and the Virgin Islands reported lower revenue inflows from their financial services sector.

As a result, primary fiscal deficits averaged 5.0% in 2020 compared with deficits of just 0.9% in 2019. Governments closed funding gaps by repurposing existing project loans financed by CDB and other development partners, reprioritising and cutting back expenditure where possible, drawing down reserve funds where available, and increasing borrowing. CDB implemented a debt service initiative worth \$66.6 mn, that allowed countries to expand fiscal space and redirect liquidity for meeting pressing spending needs. In addition, CDB provided policy-based loans totalling \$90 mn to the Bahamas, Dominica and Saint Lucia, in support of their COVID-19 policy responses and to support economic recovery and resilience building.

After making good progress to address debt overhang, BMCs debt levels rose in 2020 due to the impacts of the pandemic. Public sector debt averaged 84.4% of GDP, up from 66.4% of GDP in 2019. Many BMCs revised their timelines for reducing debt to below 60% of GDP, a key fiscal target. The Government of Barbados negotiated a downward revision of the fiscal targets under the country's economic reform programme with the International Monetary Fund (IMF) to help mitigate the impact of the crisis.

Some countries were assessed to be at elevated levels of debt distress. The Government of Belize reached agreements with creditors to capitalise interest payments due on its commercial bond while the Government of Suriname faced downgrades of its credit rating to selected default by the major rating agencies. In Suriname, investors agreed to restructure two foreign currency bond issues, and negotiations commenced with the IMF and other international financial institutions for policy and financial support.



**CHART 2: DEBT-TO-GDP (%)**



**Sources:** IMF World Economic Outlook Database, central banks, ministries of finance, CDB estimates.





## Outlook

Prospects for economic recovery in 2021 are subject to significant uncertainty. The development and approval of new vaccines against COVID-19 have raised hopes for a return to levels of economic activity seen before the pandemic, but this will take time.

Upside and downside risks for the Region mainly revolve around how quickly and effectively populations can be

immunised. Meanwhile, building climate resilience is an ongoing process as the Region makes preparation for the perennial hurricane season starting in June and other weather-related events.

In the meantime, BMC governments must continue to strike a delicate balance between providing the requisite social and economic support to their populations, generating adequate fiscal surpluses and containing debt levels.







## SECTION 2

# PROJECTS PERFORMANCE REVIEW





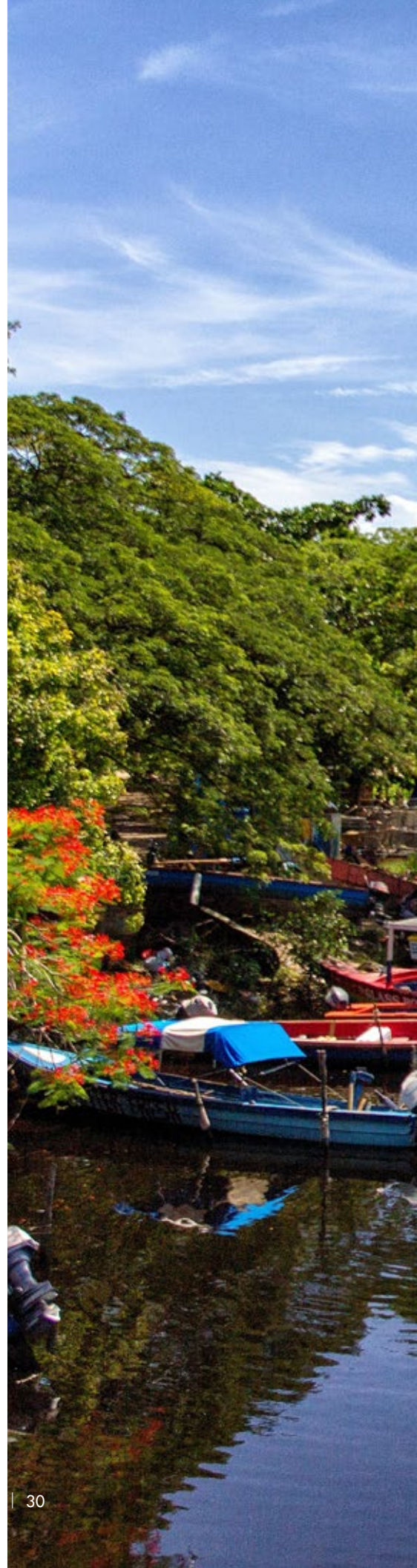
## Climate Change and Disaster Resilience

In 2020, the Board of Directors approved the revised Disaster Management Strategy and Operational Guidelines to improve disaster resilience in the BMCs. With support from the Canada-CARICOM Climate Adaptation Fund, grants totalling \$14.8 mn were also provided to the Governments of Antigua and Barbuda, Belize, Dominica, Grenada, Jamaica, Saint Lucia, and St. Vincent and the Grenadines to cover annual insurance premiums to the Caribbean Catastrophe Risk Insurance Facility (CCRIF). A further \$1.3 mn was approved by the Green Climate Fund (GCF) to enhance and formulate responses to climate-related risks in The Bahamas, Belize, Jamaica and Saint Lucia via two CDB-led project preparation facilities. Access to these facilities will expand lending to small businesses, households, and enterprises in financial services for climate-related investments and interventions to increase resilience in water supply.

To complement the support garnered through the GCF, CDB commenced implementation of three approved readiness projects, totaling \$1.2 mn in Belize, St. Kitts and Nevis, and Suriname. Additionally, the Bank secured approval for two similar projects totaling \$1.5 mn. One initiative aims to strengthen the capacity of Development Finance Corporation, Belize as a requirement for accreditation to the GCF while the other will support a common framework for climate finance monitoring, reporting and verification in Belize, Haiti, Jamaica, and St. Kitts and Nevis. These advancements will create a more integrated system for climate-related actions regionwide.

The Bank launched the State of the 2020 Caribbean Climate Change Report, in partnership with the University of the West Indies in November 2020. The publication contains reference material to inform evidence-based planning, decision-making, and the design and implementation of adequate climate change adaptation measures in the Region. It provides significant climate-specific data required to accelerate resilience-building efforts by BMCs and is expected to become the premise for recommendations supporting climate-proofing nationally and regionally.

During the period, CDB continued to infuse environmental sustainability and social analysis into the architecture of all investment projects and country engagement strategies, in keeping with established procedures. Training was also conducted to strengthen environmental and social safeguards and build project implementation and supervision capacities of BMCs, particularly those relating to environmental and social requirements throughout the procurement process.





In 2020, CDB's Board of Directors approved a revised Disaster Management Strategy and Operational Guidelines to improve disaster resilience in the BMCs.

[Photo by Yves Alarie – unsplash.com]





## Renewable Energy and Energy Efficiency

Continuing to support the region's sustainable energy transition, in 2020, the Bank approved financing of \$8.6 mn to St. Vincent Electricity Services Ltd for the supply and installation of a ground mounted solar photovoltaic (PV) system at Argyle; distributed PV systems and a battery energy storage system. This project was the second battery energy storage project approved by CDB, cementing the Bank's thrust in the promotion of energy storage to optimise energy from variable renewable energy sources while improving efficiency of existing fossil fuel generation assets of electric utilities.

The Bank also focused on advancing the implementation of approved renewable energy investment projects in Antigua and Barbuda, Jamaica, St. Vincent and the Grenadines and Suriname. Implementation of energy-efficient street-lighting projects was completed in Antigua and Barbuda, and advanced in The Bahamas, Jamaica, St. Kitts and Nevis, St. Vincent and the Grenadines, and Suriname.

### CDB Geosmart Initiative and Resource Mobilisation

CDB signed an agreement with the IDB for \$5.6 mn grant resources from the Government of Italy, coming through the IDB. These resources are part of the Sustainable Energy Facility (SEF) for the Eastern Caribbean Programme, under the GeoSmart Initiative for supporting geothermal energy development. Additional funding approved for geothermal energy development in St. Vincent and the Grenadines allowed for the completion of the exploratory drilling programme. The project achieved the intended outcome of providing information for evidence-based decision-making on further resource development. The Bank also advanced project preparation support under the SEF for geothermal energy development in Grenada and St. Kitts and Nevis.

### Project identification and preparation

Through grant resources from the Canadian Support to the Energy Sector in the Caribbean Fund, CDB approved \$370,000 to prepare a Climate Resilient Energy Infrastructure Project for the Virgin Islands. This will be done through a range of studies to support the climate resilient design and modernisation of segments of the BVI Electricity Corporation's grid.

### Capacity-building

CDB approved a grant of \$0.75 mn to the Government of Haiti to provide training to 20-30 male and female government professionals. The training involves the development of geospatial maps and mini-grid specifications for inclusion in future mini-grid requests for proposals. This intervention is part of a wider collaboration between CDB and the World Bank under the Scaling-Up Renewable Energy Programme. The programme is aimed at supporting the Government's Energy Roadmap for providing electricity access through scaled deployment of micro/mini grids across rural Haiti where approximately two thirds of the population reside without energy access.

With resources from the Sustainable Energy for the Eastern Caribbean Programme, which includes contributions from the United Kingdom's Foreign, Commonwealth and Development Office and the European Union (EU), CDB assisted with addressing the shortage of technical capacity for implementation of renewable energy projects in BMCs. In collaboration with the OECS Commission, CDB approved and implemented a grant of \$0.36 mn to provide training for the certification of electrical inspectors and installers of PV systems in the Eastern Caribbean. A total of 224 persons, 13% of which were females, were trained. Most of the participants, comprised mainly of practicing or potential solar energy service providers and electrical inspectors, achieved the internationally recognised North American Board of Certified Energy Practitioners (NABCEP)

certification. The certification has improved their individual professional qualifications and skills to provide high quality installation and maintenance of PV systems; possibly to increase the competitiveness of their micro/small businesses (where relevant); and enhance their capacity to participate in international tenders and to offer their services regionally and internationally.

Building on earlier interventions, the Bank provided regional training in renewable energy and energy efficiency financing in collaboration with the multi-partner Technical Assistance Programme for Sustainable Energy in the Caribbean (TAPSEC) (funded by EU and GIZ). CDB also approved financing for institutional strengthening in St. Kitts and Nevis and in the energy sector in Grenada.

For the third consecutive year, CDB, with funding from Canadian Support to the Energy Sector in the Caribbean (CSESC), co-sponsored the Island Resilience Action Challenge, as part of the Caribbean Renewable Energy Forum. This event which was held virtually brought together 97 persons (30% women) comprised of executives from electric utilities, electricity regulators, and ministers and senior government officials to discuss resiliency challenges, and to identify specific interventions for increasing resilience of electricity systems in the Caribbean.

## Economic Infrastructure

### Transportation

In 2020, the Board approved over \$200 mn in loans and grants for the preparation and construction of economic infrastructure projects. Included in this allocation was the Bank's largest infrastructure project in Guyana valued at \$190 mn, which included a \$66 mn grant under the CDB-administered United Kingdom Caribbean Infrastructure Fund (UKCIF). An estimated 121 km of road will be upgraded,

significantly improving connectivity between Guyana's hinterland and the coastal cities. It will also create significant opportunities for enhanced trade while strengthening and modernising infrastructure.

Also approved was funding for a \$55 mn project for the rehabilitation and upgrading of 40 km of the Millennium Highway and West Coast Road in Saint Lucia. The two corridors, constituting a third of the island's 137 km primary road network, provide the main link between the capital city of Castries and the town of Soufriere in the west, included in this allocation is \$39 mn from the UKCIF.

CDB is also financing the upgrading of 125 km of roadway in Belize, comprising the northern portion of the Philip S. W. Goldson Highway and the Remate Bypass. The highway links Belize City with the Mexican border and is a vital trade corridor between Belize, Guatemala and Mexico. The project will facilitate economic development and enhance livelihoods for some 45,000 residents along the corridor, while making this passageway more resilient to flooding and safer for approximately 55,000 daily road users. The almost \$60 mn project is being funded by a \$34 mn loan from CDB, a grant of \$18 mn through the UKCIF, and a contribution of almost \$7 mn from the Government of Belize.



Above: A section of the Philip S. W. Goldson Highway and Remate Bypass Road in Belize which will benefit from a US\$60 mn upgrade which CDB approved in 2020.

## Agriculture

The COVID-19 pandemic highlighted inherent vulnerabilities of the Region's food production and distribution systems and its heavy reliance on imports to meet food and nutrition needs. CDB's COVID-19 response included collaboration with the CARICOM Secretariat and regional development partners on developing and launching a COVID-19 Roadmap for Food Security, elaborated in the COVID-19 Agri-Food Risk Management Framework Document and the COVID-19 Agri-Food Security Action Plan. The COVID-19 Agri-Food Risk Management Framework Document delineated a rapid response and mitigation plan to be undertaken to hedge the potential impact of COVID-19 on CARICOM's agri-food sector. The framework provided a menu of recommendations and important policy considerations that BMCs can utilise to create timely country-level agri-food risk management operational plans in response to COVID-19. The COVID-19 Agri-Food Security Action Plan outlines the pertinent interventions to be made regionally and nationally to treat the immediate threat of COVID-19 and strengthen the Region's food and nutrition security in the ensuing years.

The CDB's study, *State of Agriculture in the Caribbean* (2018), revealed that intra-regional trade is constrained by the absence of clear guidelines and protocols for the movement of agricultural products. The COVID-19 Agri-Food Security Action Plan identified this constraint as a high-priority issue for immediate action. In response, CDB approved financing to support the Caribbean Agriculture Health and Food Safety Agency in developing and rolling out guidelines to facilitate intra-regional trade in plant and animal products.

In March 2020, the Board of Directors approved a five-year Agriculture Sector Policy and Strategy, which will, among other things, strengthen the sector's value chains. Consistent with the new policy and strategy, CDB's financing supported BMCs' efforts to adapt to climate change, respond to the pandemic, conduct research, develop products with the potential to improve productivity, and reduce weather-related risks.

Belize and Haiti were also recipients of project financing. Funding to Haiti builds on previous efforts to improve water management and productivity in the agriculture sector and is being co-financed by Welthungerhilfe, a German non-governmental organisation. The project, financed in Belize, is focused on farmer drought recovery.

Research and product development was also being undertaken through partnerships with the CCRIF SPC, the Center for Tropical Agriculture and the Caribbean Agricultural Research and Development Institute. The CDB and CCRIF SPC initiative will focus on the development of parametric insurance products for the agriculture sector in several BMCs. In partnership with the International Center for Tropical Agriculture, CDB is seeking to pilot a digital tool to improve irrigation and drainage system prioritisation, planning, and design. The tool will, support the cost-effective identification of potential sites for stream diversion, rainwater harvesting, and water (irrigation and drainage) conveyance. A grant to the Caribbean Agricultural Research and Development Institute will also support a Regional Sweet Potato Value Chain Enhancement and Technology Transfer Project.





## Water

A \$30 mn loan was approved to support a critical rural water project in Jamaica. Upon completion an estimated 100,000 Jamaicans will have access to an improved water supply, with upgrades of seven systems serving communities in the parishes of Clarendon, St. Ann, St. Elizabeth, St. Mary, St. Thomas, and Trelawny. Additionally, the project will help to mitigate the negative impacts of climate variability and change, and it will provide access to clean, safe and affordable water.

The Dennery North Water Supply Redevelopment Project in Saint Lucia was completed in 2020. The work included the expansion of the water treatment plant, construction of several pumping stations and water storage tanks and the upgrade of the distribution system. This resulted in improved quality, reliability and climate resilience of the water supply system serving approximately 2,900 households in the area.

In The Bahamas, works were substantially completed on the Long Island and Crooked Island Water Supply Improvement Project, providing an improved, climate-resilient water supply system for approximately 540 households.

## Financial Intermediary Activities and Private Sector Development

Through existing CDB lines of credit (LOCs), resources were made available to approximately 61 beneficiaries totalling \$6.8 mn, in support of lending across a range of sectors. Included in this credit allocation was an amount of \$2 mn used to provide MSMEs with critical access to liquidity support through working capital, as part of the Bank's response to supporting the operations of businesses impacted by the COVID-19 pandemic. In

addition, credit was made available to support improved housing solutions and facilitate access to tertiary education for students, including those from poor and vulnerable households.

CDB also accessed an IDB Global Credit facility on concessional terms for on-lending to OECS Member Countries aimed at supporting COVID-19 project responses. A portion of these resources was earmarked for MSME financing (economic component) to improve the short-term financial capacity of MSMEs and access to production-oriented finance for economic recovery. Such resources under the component will be used to help MSMEs affected by the crisis to overcome temporary liquidity problems and continue operating; and include mechanisms to finance working capital through sub-loans in activities, including the acquisition of supplies or merchandise, wages, utilities, and any other purpose related to the recovery, improvement and maintenance of economic activity. In addition, the resources also cater for supporting production, as well as meeting increased demand, including support for value chains, so that anchor companies receiving financing can contribute to the recovery of their suppliers in the supply chain as a consequence of COVID-19. An estimated \$30 mn in loan financing is anticipated from eligible BMCs, which are likely to be focused on financing the short-term financial capacity requirements of MSMEs.

CDB also supported interventions to improve access to finance by facilitating ongoing capacity building to the Government of the Turks and Caicos Islands for determining the feasibility of establishing a partial credit guarantee scheme, aimed at identifying solutions for small and medium-sized enterprises to gain greater access to credit. In addition, work on a previously approved technical assistance activity for the Government of The Bahamas to review the operations of the state-owned development bank was completed and an enhanced business model along with a new strategic plan were made available for execution by that institution. It is anticipated that both initiatives will offer opportunities for the

Bank to contribute other resources aimed at improving access to finance for several business enterprises in both jurisdictions.

## MSME Development

The Bank, through its Caribbean Technological Consultancy Services (CTCS) Network, convened a three-part webinar series aimed at assisting MSMEs to cope with the challenges of the pandemic. Approximately 1,000 MSME operators participated in the webinars, which focused on pivoting businesses, money and relationship management, and marketing and client engagement.

Another webinar series was convened in partnership with the Pan-American Health Organization to engage staff of business support organisations on issues surrounding mental wellbeing. The webinars centred on understanding the mental health impacts, needs and challenges for MSMEs and practical coping skills and tools. The series also highlighted other natural hazards, which increase the vulnerability of the MSME sector, including hurricanes.

The Bank also approved \$82,688 to establish a proposal-writing facility to finance consultancy services to strengthen business support organisations and MSME project proposal capabilities. It is anticipated that this facility will contribute to greater access to funding and other forms of required support to facilitate increased competitiveness of MSMEs.

## Cultural and Creative Industries Innovation Fund

As part of the ongoing efforts to address challenges faced by MSMEs in accessing affordable finance, CDB, through CTCS, approved \$178,450 to train a cadre of consultants and staff of 20 development finance institutions in appraising loan applications for creative sector projects.



The Cultural and Creative Industries Innovation Fund (CIIF) also approved grants totalling \$880,000 for the creative sector. This included the awarding of \$100,000 in emergency relief financing to entrepreneurs in creative industries who demonstrated loss of income from cancelled events as a result of the pandemic. Additionally, and in collaboration with the Caribbean Export Development Agency, CDB approved a \$600,000 programme to aid export-oriented MSMEs to retool and mitigate the impact of the pandemic.

## Regional Cooperation

CDB approved over \$1.7 mn for regional cooperation and integration-related projects in 2020.

The Bank facilitated the outfitting and accreditation of the Saint Lucia Bureau of Standards Metrology Laboratory. This was the first laboratory certified by the Jamaica National Agency for Accreditation and concluded a project led by the CARICOM Regional Organisation for Standards and Quality to strengthen regional quality infrastructure.

Two regional initiatives to improve access to trade-related services and deepen economic integration also commenced. Both are co-financed by the 11th European Development Fund (EDF) and CDB using its Special Development Fund. The first initiative provides for increased efficiency at maritime ports in the OECS by establishing an integrated digital portal to be used by border agencies processing trade related data for passengers and goods entering and exiting the customs union. The second initiative will further advance CARICOM's agenda on quality infrastructure with equipment and technical support to standards agencies in Barbados, Dominica and St. Kitts and Nevis.

CDB launched the CARIFORUM-European Union Economic Partnership Agreement CARICOM Single Market and Economy Standby Facility for Capacity Building in 2020. A total of 40 submissions were received from 15 beneficiaries.

The Bank commenced coordinating the implementation of two national and two regional projects financed by the Standby Facility.

## Government

CDB commenced execution of a unique project focused on capacity building, targeting those involved in finance at the municipal level, to ensure effective resource utilisation and allocation and with a focus on enhanced accountability mechanisms and inclusive governance practices.

The Bank is providing technical assistance to accounting and financial reporting officials from seven BMCs in partnership with the Commonwealth Local Government Forum – Caribbean (CLGF – Caribbean). Through the Regional Capacity Building in Municipal Finances project CDB is engaging seven active municipalities in the Bahamas, Belize, Dominica, Guyana, Jamaica, Saint Lucia and Trinidad and Tobago. CDB hosted seven national consultations with the leadership of municipal councils, line ministries and national local government associations to identify priorities for development.

Having completed the face-to-face training in Public Policy Analysis and Management (PPAM) and Project Cycle Management (PCM) in all BMCs by 2019, the Bank reached an agreement with the UWI (Open Campus) in 2020 to launch a CDB online e-Learning course, targeted at civil servants in the BMCs. The course will begin in 2021.

Recognising the disruptions to project activities across the Region due to the pandemic, the Bank launched a virtual series covering topics such as contract management and project communications to sustain dialogue on project management with project owners in the civil service. Also, during the year, a total of 187 certificates of achievement were awarded to CDB staff who had completed several modules of the PPAM PCM Masterclass.







CDB President Dr. W<sup>m</sup> Warren Smith  
engaging with students at Queen Square  
Primary School in Belize.

## Education

### Framework for Reopening Schools

In response to the pandemic, CDB collaborated with the CARICOM Secretariat and the International Institute of Educational Planning to host two online working meetings with targeted sector stakeholders to ensure the continued provision of quality education and inclusive of Special Education Needs (SEN) learners. From those meetings, Regional Guidelines for the Reopening of Schools in the Caribbean were formulated. The guidelines are recommendations advanced to ensure health and safety, continuation of education, and in particular, adequate preparations to meet the challenges of the new school year within the regional context. They aid in identifying strengths and gaps in response, surveying existing structures and processes and prioritising actions for the short and medium term.

CDB is also working with the CARICOM Secretariat and Caribbean Association of National Training Authorities to assist with the development of the guidelines for the technical and vocational education and training (TVET) sub-sector.

### CXC Digital Toolkit

CDB, in partnership with the CXC completed a Digital Toolkit for the delivery of Caribbean Advanced Proficiency Examination (CAPE) Environmental Science Syllabus. The Toolkit was developed under a grant to CXC and which has been under implementation for the past two years. The project will strengthen CXC's capacity to support implementation and assessment of the CAPE Environmental Science Syllabus; enhance the skills of Environmental Science teachers to deliver the CAPE Environmental Science curriculum; improve student performance; and enhance public awareness of the environmental sciences and environmental issues. The toolkit will be officially launched by CXC and CDB in 2021.

## CARICOM Baseline Report

CDB, in collaboration with the CARICOM Secretariat formally established baselines and targets for human development in the Region with the launch of the CARICOM Baseline Report for Phase 1 of the CARICOM Human Resource Development 2030 Strategy. The report presents recommended targets for measuring access and participation, quality, equity and relevance in basic education skills for life-long learning and the tertiary education sub-sectors and provides a snapshot of the Region's readiness to report on phase one indicators for the regional action plan for the education sector.

## Devices for Students and Teachers

The CDB-funded Education Quality Improvement Project provided 130 laptops for use in seven SEN schools in Saint Lucia by students who lacked devices. This procurement was facilitated as part of the Department of Education's COVID-19 response strategy which, among other things, sought to ensure continuity in the teaching and learning process for all students, including SEN learners who are capable of engaging in meaningful learning via this modality.

Funding, provided by CDB, was repurposed in order to procure devices and other information and communication technology resources for TVET institution in Guyana and facilitate e-learning in Grenada. In the case of Grenada, \$4.2 mn from a previous loan was used to procure 15,000 laptops to improve remote learning access for primary and secondary school students. Similarly, almost \$310,000 from an earlier CDB loan was used to purchase laptops, projectors and cloud storage for online technical and vocational teaching in Guyana.

Grants were made to the UWI for the procurement of educational and psychosocial assessments and resources for each of the ten Eastern Caribbean Joint Board of Teacher

Education countries, based on needs. UWI was also assisted with the purchase of ICT equipment and remote learning solutions to enhance UWI TV, build capacity of course instructors and other personnel and provide devices to disadvantaged students without internet connections or with unstable access.

Approval was granted for the upgrade of physical infrastructure at one primary school and three secondary schools in Grenada; the construction of a modern hospitality and tourism training institute in Guyana, and for the upgrading of infrastructure and capacity at schools in St. Vincent and the Grenadines.

## Basic Need Trust Fund

After 41 years of operation the Basic Need Trust Fund (BNTF) remains a relevant vehicle for effectively addressing the essential needs of the Region's most vulnerable. Through the Ninth Programme (BNTF 9), CDB continued its efforts to implement approved sub-projects in 2020. Nine BMCs – Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Lucia, St. Vincent and the Grenadines and Suriname – participated in the cycle. Total funding of \$47.4 mn for BNTF 9 comprises grants of \$40.8 mn and counterpart funding of \$6.6 mn from the governments of the nine participating countries.

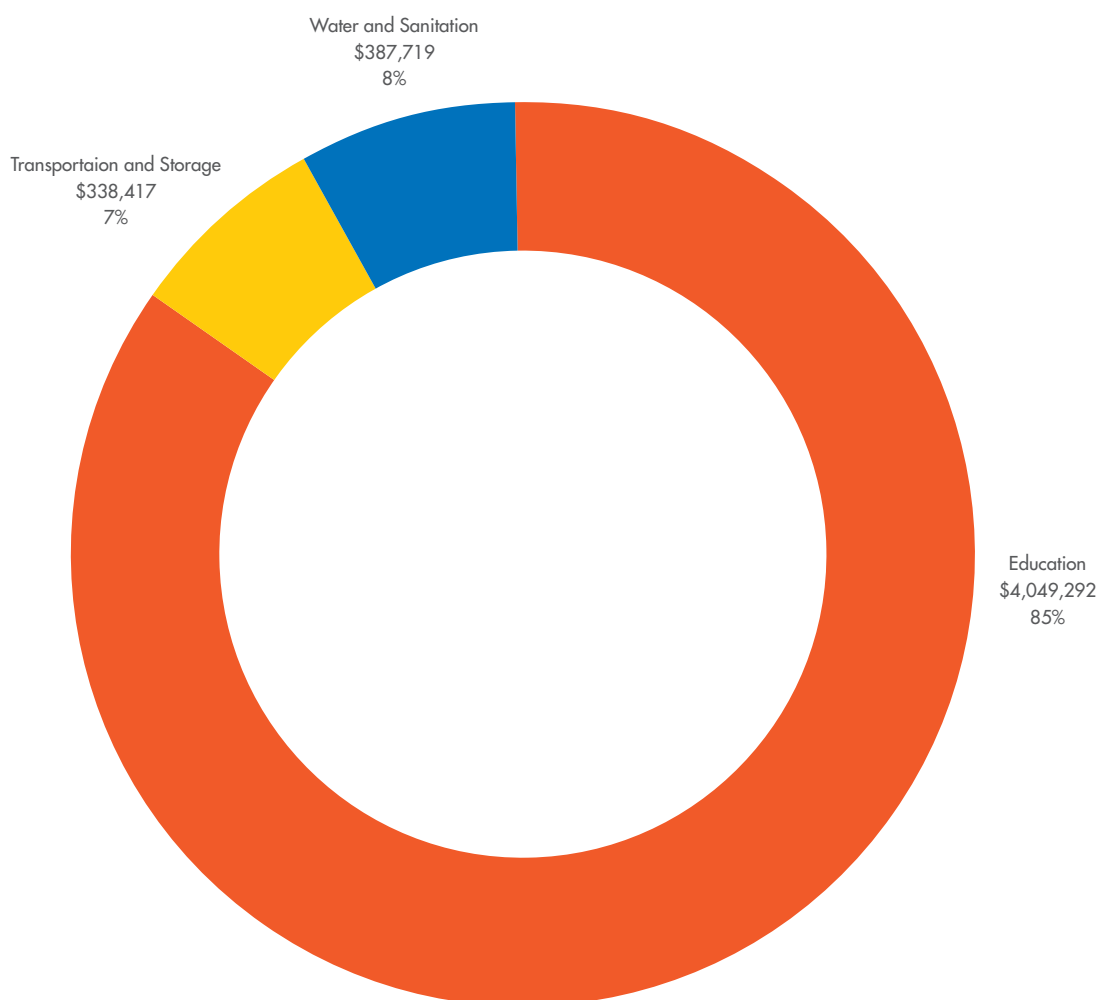
The goal of BNTF 9 is to contribute to improvements in living conditions and quality of life of selected poor and vulnerable communities. BNTF's community development methodology supports small-scale demand-led community-based initiatives in three priority areas - basic education; rural water and sanitation systems; and minor community road infrastructure. Increased emphasis is placed on initiatives that focus on livelihoods enhancement, entrepreneurial development, certified training, and providing mechanisms for participating countries to leverage private-sector partnerships.



During 2020, recurring waves of COVID-19 infections stymied the rate of implementation of all nine projects with a knock-on effect of reduced overall disbursement. Signs of recovery began to emerge towards yearend as project implementers developed new coping mechanisms and utilised digital solutions, where possible, to supervise projects and to conduct remote training sessions.

In 2020 the Bank approved \$4.8 mn of the grant funding for sub-project interventions from the “Bonus” allocation distributed at mid-term. An estimated 85% of this financing was committed to 14 new sub-projects in the education sector; 7% to one sub-project in the transportation and storage sector; and 8% to two sub-projects in the water and sanitation sector.

**CHART 3: 2020 SECTOR APPROVALS (CDB GRANTS)**



Results accumulated after the initiation of construction and training activities in 2019 continued into 2020. However, the anticipated pace of implementation was curtailed by the impact of COVID-19, with all project offices being closed at some point due to infections among core staff. Sub-project activities were halted for long periods, as contractors struggled to remobilise amidst government-enforced protocols. Human resource development and livelihoods training were most adversely impacted, as beneficiaries were unable to attend workshops or access online sessions. However, some 59 classrooms in basic schools have been built or upgraded to date, benefitting 1,094 students of whom 544 are females, while 198 teachers (183 females and 15 males) were trained in elements of basic education. Significant livelihoods enhancement training interventions continued across several regions in Guyana with co-implementing agencies. This was most notable in the application of smart agricultural techniques using greenhouse technology and complementary training in partnership with the Inter-American Institute for Cooperation on Agriculture, which has already started to improve the well being of rural farmers. In the water sector, some 4,106 households benefitted from improved water supply and sanitation services integrated with water, sanitisation and hygiene training. Approximately two km of community roads were upgraded, benefitting 259 persons (129 women). Disbursement increased by approximately \$12 mn by the end of 2020.

Dominica completed the implementation of the BNTF 7 and 8 projects at the end of December 2020, despite the slowdown, caused by the pandemic. This was within the extended period granted to Dominica following two successive hurricanes, which had halted implementation. During the year, 16 classrooms and educational support facilities were built or upgraded, benefiting 595 students (of which 397 were female). Some 2,053 households benefitted from improved access to safe reliable water and improved sanitation.

At the programme level, CDB took a strategic decision to advance the preparation of the Country Policy Framework, which outlines the new country project allocations for each BMC. This was necessary to advance the implementation of the planned BNTF 10th cycle. This process was initiated in the fourth quarter of 2020, with CDB approval of the Framework planned for the end of March 2021, in line with the expected approval of the next cycle.

## Procurement and Disbursements

The onset of COVID-19 presented serious practical implementation challenges for CDB projects under execution. In the areas of procurement and disbursement, the Bank responded by establishing an electronic disbursement system and advising BMCs on the use of appropriate electronic procurement solutions, which are encouraged under the new procurement framework. The unprecedented situation also saw CDB successfully procuring personal protective equipment (PPE), for its sovereign BMCs and the Caribbean Disaster Emergency Management Agency, as well as advising regional agencies on pooled procurement solutions for acquiring PPE. CDB also supported ministries of education in developing appropriate procurement strategies to conduct the expedited procurement of information technology devices needed for online education.

Capacity-building continued during the year to position staff and BMCs to utilise the tools more effectively and to achieve greater flexibility under the new CDB Procurement Framework. Sensitisation sessions were also held with the private sector. Given the limitations on travel and physical meetings, due to COVID-19, these sessions largely took the form of webinars.

The procurement procedures were revised in late 2020, with the new version to be applied to all projects approved from January 2021. The revisions enhance the integrity



provisions and reflect the lessons learnt from using the new procedures for over a year to make them more effective.

During the year, CDB finalised and signed agreements with the IDB and the World Bank to establish standard procurement arrangements for co-financing situations, which are becoming increasingly common. These arrangements should lower transaction costs for multilateral development banks, BMCs and the private sector during project planning and execution.

CDB also continued to support the modernisation of procurement laws and regulations through technical assistance to Anguilla, Dominica, St. Kitts and Nevis, Monserrat, and Virgin Islands. These new procurement frameworks will help facilitate more effective procurement processes that optimise value for money outcomes.



Above: At the onset of the COVID-19 pandemic in the first quarter of 2021, CDB procured personal protective equipment (PPE) valued at US \$3 million for healthcare workers in 14 of its BMCs.

## SECTION 3

# DEVELOPMENT EFFECTIVENESS







## Overview

The year 2020 marked the first year of implementing the Bank's 2020-2024 Strategic Plan and associated results monitoring framework (RMF) directed at transforming lives in the Caribbean Region. The RMF allows the Bank to track implementation progress of its strategic plan, examine the quality and effectiveness of its operations, and make mid-course corrections to achieve the desired development outcomes in BMCs. The RMF tracks performance at four levels – regional development progress (Level 1); CDB's contribution to country outcomes (Level 2); and operational effectiveness and efficiency (Levels 3 and 4).

Consistent with the 2030 Agenda and the Paris Agreement, CDB will continue to focus on building economic, social and environmental resilience in its BMCs.

## Level 1 – Regional development progress

There is optimism about the future of Caribbean economies despite current uncertainties. The first year of CDB's five-year strategic journey was defined by COVID-19, with unprecedented and long-lasting consequences. This seriously jeopardised health, economic and social systems, as well as lives and livelihoods. The impact was especially severe on the poor and vulnerable. The COVID-19 domino effect contributed to rising unemployment especially among youth; falling production and productivity; low economic growth; rising poverty; rising income inequality; growing educational inequalities; and increasing psychological distress, particularly among women, the elderly, and children.

Despite facing fiscal challenges, BMCs swiftly responded to the effects of the pandemic by providing additional social

protection, fiscal stimulus packages and utilising financing from the donor community to address health sector and liquidity needs. BMCs return to the pre-pandemic trajectory will be highly dependent on the ability to contain the disease spread and to quickly address other far-reaching fallouts. Achieving the SDGs based on the agreed timetable will also be a big challenge for BMCs.

## Level 2 – CDB's contribution to country outcomes

CDB remained committed to meeting the development needs of BMCs and achieving results. Ongoing and completed projects during the year accomplished meaningful results across several sectors and areas in relation to the first year of the 2020-2024 Strategic Plan.





## BUILDING SOCIAL RESILIENCE

### Education and Training



**868 new and upgraded classrooms** and support facilities benefitting **45,987 students (22,036 girls)**, as well as training for about **1,003 teachers and administrative staff (682 females)**.

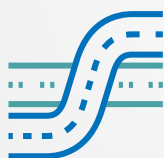
### Water and Sanitation



Improved access to efficient, reliable, and sustainable potable water for about **3,200 persons (1,500 females)**, including **1,267 urban and rural households**.

## BUILDING ECONOMIC RESILIENCE

### Transport and Communication

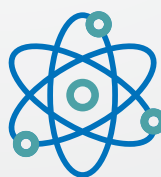


**67,591 persons benefiting from 11.7 km** of quality, reliable, safe, sustainable and resilient road infrastructure (**33,827 females**).

## BUILDING ENVIRONMENTAL RESILIENCE




Carbon dioxide emissions decreased by 22,208 (tonnes of carbon dioxide equivalent/year).



**8.9 gigawatt hours saved** due to investments in energy efficiency initiatives.





Close to 68,000 persons are now  
benefitting from 11.7 km of quality,  
reliable, safe, sustainable, and resilient  
road infrastructure thanks to the BNTF.

[Photo by Meritt Thomas – unsplash.com]




## Levels 3 and 4 – operational effectiveness and efficiency

The Bank made noteworthy progress in implementing the recommendations from the Transformation Programme, and the 2019 Business Process Review exercise, **aimed at achieving improved efficiency, service delivery, client engagement, performance, and greater development effectiveness.** An important feature of the ongoing reforms is quality control to ensure that CDB's country engagement, programming efforts and its interventions are timely, and high-quality, as well as yield positive and meaningful development outcomes and impacts.

Despite COVID-19 headwinds, CDB remained committed to its mandate; and in 2020, approved a record-breaking \$557.2 mn in loan and grant resources. Approvals included COVID-related activities totalling \$159.6 mn mainly for policy-based and debt service relief lending. Recognising the role of increased partnership in tackling the pandemic, CDB scaled up its resource mobilisation efforts with the

IDB and the Government of Canada, thereby augmenting its pool of resources by \$70 mn. Other initiatives included modifications to terms and conditions of its lending arrangements with BMCs, such as waiving the limits on counterpart contributions to December 2022. These efforts are expected to mitigate the short-term health and socio-economic impacts, protect livelihoods, strengthen resilience for economic recovery; cover temporary liquidity needs; preserve fiscal space; and, at the same time, divert resources towards immediate health, economic and social needs.

To support the implementation of the Managing for Development Results (MfDR) agenda for the strategy period, an action plan was developed by CDB. The plan, which replaced the 2015-2019 MfDR Action Plan, is expected to continue a results-oriented approach within CDB and improve development effectiveness of areas, outlined in the new strategic plan.

A high-angle, close-up photograph of a person with dark skin, wearing a dark navy blue suit jacket, leaning over a white desk. Their right hand is resting on the desk surface, while their left hand is positioned near a white ceramic cup filled with a yellow beverage, likely tea. A clear glass of water sits on the desk to the right. In the foreground, a black smartphone lies on the desk next to a document that features a bar chart and some text. The scene is brightly lit, creating a professional and focused atmosphere.

## SECTION 4

# INTERNAL FOCUS





## HUMAN RESOURCES DEVELOPMENT

Despite having to navigate the COVID-19 pandemic, the Bank continued to follow its 2020 to 2024 strategic roadmap while maintaining a focus on:

- the safety of staff during the pandemic;
- increasing awareness and understanding among staff of the Bank's transformation priorities; and
- promoting gender equality in the workplace.

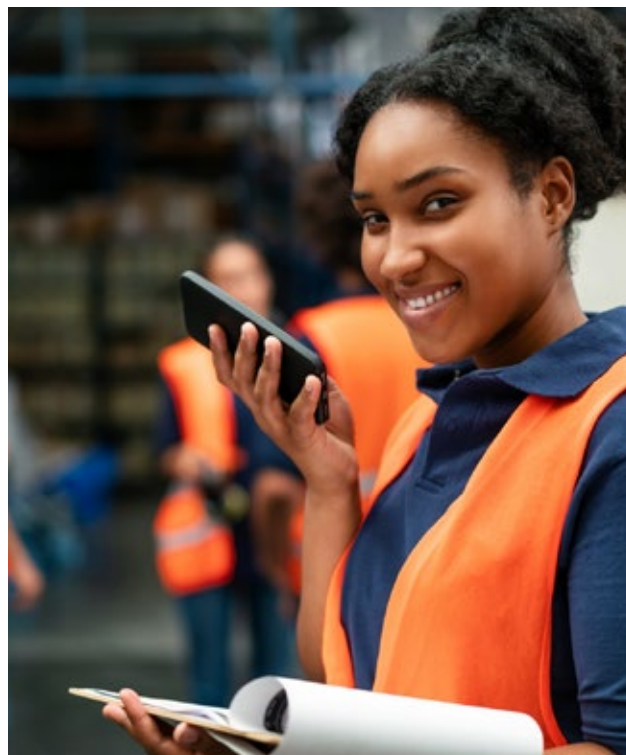
### Change Management Programme

As the Bank underwent cultural, technological and process shifts inherent in its transformation programme, a change management component was implemented to assist staff in making the necessary transitions. This programme, which was initiated in the third quarter of 2020 and is scheduled to end in 2021, aims to enable success by effectively communicating the imperatives driving the changes, and promoting wide participation in implementation.

The change management programme's main objectives are to:

- create a transformation narrative for the organisation;
- empower managers and staff to be effective change agents; and
- normalise the change through frequent, structured conversations between managers and their teams.

In December, through staff-led and facilitated virtual interactive sessions, the Bank's Transformation Programme was brought to life using a visualisation tool, the Learning



Map. All staff were invited to attend the Learning Map experience initiative to learn and discuss information about the Transformation Programme. Significant emphasis was also placed on equipping managers to support the changes and inspire buy-in from their respective teams.

### Learning and Development

Leadership, learning and culture played major roles in the Bank's ability to adapt to the new challenges it faced during 2020. Staff were exposed to learning and development workshops focused on the six capabilities, identified as key for the Bank in executing its strategy. The training workshops enabled staff to expand their knowledge and sharpen their skill sets. An overview of the training undertaken in 2020 is provided in table that follows.



**TABLE 1: TRAINING COMPLETED IN 2020**

| Subject Area                                  | Recipients  | Total Participants |
|---|---|--------------------|
| Presentation Skills                           | <ul style="list-style-type: none"> <li>• Administrative Professionals</li> <li>• Operations Officers</li> </ul>                                       | 15                 |
| Innovation: Transforming Ideas into Solutions | <ul style="list-style-type: none"> <li>• Portfolio Managers</li> <li>• Operations Officers</li> <li>• Economists</li> <li>• Legal Counsels</li> </ul> | 30                 |
| Effective Client Engagement                   | <ul style="list-style-type: none"> <li>• Portfolio Managers</li> <li>• Operations Officers</li> <li>• Economists</li> <li>• Legal Counsels</li> </ul> | 25                 |
| What Got You Here Won't Get You There         | <ul style="list-style-type: none"> <li>• Portfolio Managers</li> <li>• Operations Officers</li> <li>• Economists</li> <li>• Legal Counsels</li> </ul> | 25                 |
| Leading Change                                | <ul style="list-style-type: none"> <li>• First Line Managers</li> <li>• Middle Managers</li> </ul>  | 30                 |
| General Leadership Training                   | <ul style="list-style-type: none"> <li>• All Managers</li> </ul>  | 30                 |

## EDGE Certification

The Economic Dividends for Gender Equality (EDGE) is the leading global assessment methodology and business certification standard for gender equality. Launched at the World Economic Forum in 2011, EDGE has been designated to help companies create an optimal workplace for women and men.

EDGE engages with organisations to assess and measure four key areas:

- gender balance at all levels;
- pay equity;
- effectiveness of policies and practices to ensure equitable career flows for both men and women; and
- inclusive culture.

The certification follows a three-tiered system, referred to as ASSESS (Level 1), MOVE (Level 2), and LEAD (Level 3). These three levels seek to enable the advancement and recognition of organisations in different stages of their journey towards a gender-equal workplace.

CDB attained Level 1 EDGE certification in October 2020, demonstrating the Bank's commitment to gender equality in the workplace.

### Staff Wellbeing Programme

Recognising the importance of the mental, physical and emotional health of its employees, the Bank made a commitment to staff that a formal well-being programme would be operational by the second quarter of the year. In March, the first component of the initiative – an Employee Assistance Programme (EAP) – was implemented to enable staff and family members to access professional counselling, where necessary. The launch of the EAP was timely, given the onset of the COVID-19 pandemic.

The remaining components of the programme were launched in the final quarter of the year, providing employees with incentives, tools, social support and strategies to maintain mental, emotional, and physical well being.

## INTERNAL AUDIT

In 2020, the Internal Audit Division (IAD) completed two assurance engagements, and 11 consultancy/advisory engagements. These engagements included contribution to the information technology digital transformation activities and general controls; the review of new applications; information security; privacy and data protection; and accounting and financial reporting processes.

This resulted in IAD providing one major engagement related to the review of the legitimacy of the expenses associated with the loans to the Caribbean Financial Services Corporation. In addition, IAD reviewed CDB's compliance level with the mandatory controls identified in the SWIFT Customer Security Controls Framework v2019 (Customer Security Programme) - and provided the independent attestation, required by SWIFT.

In addition to supporting digital transformation initiatives where the adequacy of associated internal controls processes needed to be assessed, IAD participated in several business development activities. Alongside follow-up activities from previous assurance engagements, IAD also started an assessment of the adequacy of management action plans stemming from the 2020 External Auditors' Management Letter for financial and information technology general controls. These activities encourage management ownership of the timely-reporting and mitigation of identified risks.

## INDEPENDENT EVALUATION

In 2020, the Office of Independent Evaluation (OIE) conducted three major evaluations, examining the Bank's technical assistance programmes, its Caribbean Technological Consulting Service (CTCS) Network, and the Barbados Country Strategy and Programme (2010-2019).

### Technical Assistance

Technical assistance (TA) has been recognised as fundamental to the Bank's mandate since its inception. This programme area was first evaluated in 2007, resulting in several recommendations for improvement. A Technical Assistance Policy and Operational Strategy was approved in 2012.



OIE's evaluation found that TA had been an important, though under-recognised, part of the value package provided by the Bank to its BMCs, and that benefits delivered had been substantial. At the same time, there were opportunities for improvement, including greater strategic focus, a more programmatic approach, strengthened results management, and a clear typology of the different types of TA as used at other Banks.

### Caribbean Technological Consulting Services Network

Conducted in parallel with the TA evaluation, a report on the CTCS Network traced its evolution since establishment in the early 1980s and noted its ambitious scope and the degree of satisfaction among stakeholders who had been engaged but also its limited resources and low visibility. Going forward, there is opportunity to revisit the strategic orientation, reposition and rebrand the CTCS, as part of the Bank's increased emphasis on private sector engagement.

### Barbados Country Strategy and Programme

The Barbados Country Strategy and Programme Evaluation examined the 2010-13 Country Assistance Strategy, the 2015-18 Country Strategy Paper, and the early period of the Barbados Economic Recovery and Transition Plan. It also assessed the portfolio of investment and policy-based lending that the Bank planned and implemented over this period. It noted a challenging macroeconomic context over the period, and capacity challenges that hindered loan implementation. Suggestions for improved performance included:

- ensuring that project designs and implementation schedules are realistic considering capacity constraints;
- supporting public sector reform to address the implementation gap;



- rethinking aspects of the country strategy process so it becomes more of a management tool over the entire planning and implementation cycle;
- advocating for greater efforts in climate resilience, adaptation, and disaster risk management;
- prioritising growth and private sector development; and
- supporting further progress in gender equality and social sectors.

OIE continued to validate project completion reports and to generate knowledge products. A synthesis of five past evaluations of policy-based lending at CDB was prepared and submitted for expected 2021 publication, as part of a cross-multilateral development banks compendium of experience in this area.



## INTEGRITY, COMPLIANCE AND ACCOUNTABILITY

During 2020, the preventive and investigative work of the Office of Integrity Compliance and Accountability (ICA) helped CDB to mitigate integrity and accountability risks arising from the Bank's internal systems and external operations. The work of the Office covered:

- management of the six channels of the Bank's whistleblower system;
- conduct of integrity and counterparty due diligence;
- outreach to stakeholders and beneficiaries of CDB financing;
- training of staff and management on corruption, fraud prevention, sexual harassment, integrity due diligence, including digitising and embedding the integrity due diligence toolkit;
- conduct of proactive and reactive integrity investigations;
- imposition of temporary suspensions on entities and individuals subject to ICA investigations; and

- collaborations with other multilateral development banks.

Additionally, ICA's work enabled CDB to meet its fiduciary duty to ensure that its financial resources reached intended beneficiaries without diversion by corrupt and fraudulent actors.

Most notably, ICA led the Bank's observance of Anti-Corruption Week 2020 on December 7-11, with the delivery of the inaugural Caribbean Conference on Corruption, Compliance and Cybercrime 2020. The event, conceptualised by ICA, to mark CDB's 50th anniversary, was executed on December 7 and 8 in collaboration with the World Bank.

The conference agenda was devised to increase understanding of the impact of corruption on emerging economies and to strengthen institutional and individual responsiveness. ICA's novel approach focused on target groups, such as youth and women, who are not typically at the forefront of established anti-corruption initiatives but can play a critical role in the solution. The virtual conference had over 800 attendees, 60 speakers, and 2,800 session views.





Above: Panellists who participated in the discussion on “the Role of the Media in combating corruption, cybercrime and money laundering in the Caribbean” during ICA’s inaugural Caribbean Conference on Corruption, Compliance and Cybercrime, in December 2020; (at top, from left) Ms. Kiran Maharaj, President, Media Institute of the Caribbean, Mr. Will Fitzgibbon, Senior Reporter, International Consortium of Investigative Journalists, Dr. Toussant Boyce, Head of ICA, CDB, (at bottom, from left) Mark Bassant, Senior Multimedia Investigative Journalist/Producer at Caribbean Communications Network, Glenn Lall, Owner and Publisher, Kaieteur News and Afra Raymond, Managing Director, Raymond and Pierre Limited.



An aerial photograph of a coastal area. In the foreground, a large body of water with a blue-green hue. In the middle ground, a forested peninsula with some buildings and a parking lot. To the right, a port area with a large white ship docked at a pier, several orange cranes, and stacks of colorful shipping containers. In the background, a curved road and more buildings are visible along the coast.

## SECTION 5

## RISK REVIEW







In 2020, the Bank maintained its Enterprise Risk Management (ERM) approach with scope of coverage, including financial, strategic, operational and developmental risks. The operational risk pillar includes environmental, climate

and disaster risk management, given its increasing visibility and potential impact on the sovereign risk profiles of BMCs.

At year end, CDB was in full compliance with all of its risk appetite thresholds, as shown in Table 2.

TABLE 2: OCR RISK APPETITE THRESHOLDS AT DECEMBER 31, 2020

| CDB NEW OCR RISK MEASURES AND POLICY RATIOS SCORECARD |                                       |   |             |                                   |           |            |
|---|---------------------------------------|---|-------------|-----------------------------------|-----------|------------|
|   |                                       |   |             | AS AT DECEMBER 31, 2020 (\$US Mn) |           |            |
| RISK TYPE   | RISK MEASURE/ POLICY RATIO            | MEASURE                                     | BASE AMOUNT | THRESHOLD LIMIT                   | ACTUAL    | RAG STATUS |
| CAPITAL   | CAPITAL ADEQUACY                      | Minimum - 150% of Economic Capital          |             | \$441.6                           | \$931.7   | 211.0%     |
| CREDIT  | SINGLE SOVEREIGN EXPOSURE             | GREATER OF:                                 |             |                                   |           |            |
|   |                                       | 40% of Outstanding Loans                    | \$1,324.2   | \$529.7                           | \$259.9   | 19.6%      |
|   |                                       | 50% of Total Available Capital              | \$931.7     | \$465.8                           | \$259.9   | 27.9%      |
|   | EXPOSURE TO 3 LARGEST BORROWERS       | GREATER OF:                                 |             |                                   |           |            |
|   |                                       | 60% Of Outstanding Loans                    | \$1,324.2   | \$794.5                           | \$496.7   | 37.5%      |
|   |                                       | 90% of Total Available Capital              | \$931.7     | \$838.5                           | \$496.7   | 53.3%      |
| RISK TYPE   | RISK MEASURE/ POLICY RATIO            | MEASURE                                     | BASE AMOUNT | THRESHOLD LIMIT                   | ACTUAL    | RAG STATUS |
|   | Non-Sovereign Exposure Limit          |   |             |                                   |           |            |
|   | Single Exposure                       | 2.5% of Total Outstanding Loans             | \$1,324.2   | \$33.10                           | \$28.8    | 2.2%       |
|   |                                       | 3.6% of Total Available Capital             | \$931.7     | \$32.6                            | \$28.8    | 3.1%       |
|   | Non-Sovereign Exposure Cap            | 30% of Total Outstanding Loans              | \$1,324.2   | \$397.20                          | \$79.4    | 6.0%       |
|   |                                       | 43% of Total Available Capital              | \$931.7     | \$400.6                           | \$79.4    | 8.5%       |
|   | Policy-Based Loans (PBL) & Guarantees | 38% of Total Outstanding Loans & Guarantees | \$2,015.2   | \$765.77                          | \$748.0   | 37.1%      |
|   | Policy-Based Loans (PBL) & Guarantees | 38% of Total Outstanding Loans & Guarantees | \$2,015.2   | \$765.77                          | \$748.0   | 37.1%      |
|   | Limit on Operations (Article 14.1)    | Equal to or less than Limit                 |             | \$2,423.3                         | \$1,336.2 | 55.1%      |



| CDB NEW OCR RISK MEASURES AND POLICY RATIOS SCORECARD |   |   |         |                                   |           |        |
|---|---|---|---------|-----------------------------------|-----------|--------|
|   |   |   |         | AS AT DECEMBER 31, 2020 (\$US Mn) |           |        |
|   | <b>Borrowing Limit - Proforma</b>                                   | Equal to or Less than 100% Capital Limit (as defined) |         | \$1,509.8                         | \$1,094.1 | 72.5%  |
|   | <b>Borrowing Limit - Capitalisation</b>                             | Equal to or Less than 65% of Capitalisation           |         | \$2,053.9                         | \$1,094.1 | 53.3%  |
| LIQUIDITY   | LIQUIDITY RISK  | <b>GREATER OF:</b>                                    |         |                                   |           |        |
|   |   | 40% of Undisbursed & Loans not yet effective          | \$617.3 | \$246.9                           | \$620.6   | 100.5% |
|   |   | 3 Years of Net Funding Requirements                   | \$508.2 | \$508.2                           | \$620.6   | 122.1% |
| MARKET  | INVESTMENT RISK   |   |         |                                   |           |        |
|   | Investment Risk - Single Entity Limit                               | 10% of Total Investment Portfolio                     | \$535.6 | \$53.6                            | \$18.3    | 3.4%   |
|   | Investment Risk - Single Entity Limit - US Treasury or Gov't Agency | 35% of Total Investment Portfolio                     | \$535.6 | \$187.5                           | \$165.1   | 30.8%  |
|   | Commercial Entity Exposure Limit                                    | 50% of Total Investment Portfolio                     | \$535.6 | \$267.8                           | \$147.9   | 27.6%  |
| OPERATIONAL   | Operational Risk  |   |         |                                   |           |        |
|   |   | Equal to or Less than \$1mn per annum                 |         | 1                                 | 0         | 0%     |
|   |   | Zero Tolerance for Fraud                              |         | 0                                 | 0         | 0%     |

## Organisation

The Office of Risk Management (ORM) is an independent but integral part of the Bank's activities, free from influence. The Bank's risk liaison framework is formally aligned to ORM, as part of an extended monitoring framework.

The framework is anchored in a strong three lines of defence governance structure defined below:

- **Line 1 – Front Line Functions** are the core areas where activities take place either in the front, middle or back office.
- **Line 2 – ORM** provides leadership, guidance, monitoring, and independent oversight of the activities conducted by Line 1.

- **Line 3 – IAD** provides assurance on internal compliance with controls.

## Operational Risk

### System

CDB continued to use the aCCelerate operational risk system which automates the Bank's end-to-end operational risk management process, including the annual risk control self-assessment risk register; and escalation and management processes. The system also serves as an automated internal surveillance and early warning system for identifying potential threats to the Bank. During the year, the ORM monitored the progress of control actions against the baseline previously set.





## Process

The Bank's operational risk management process is underpinned by the annual risk control self-assessment and daily risk register process. The output from these processes was monitored by ORM and reported periodically to the Bank's Enterprise Risk Committee. The high-impact, strategic aspects of these outputs were reported to the Bank's Oversight and Assurance Committee and the Board of Directors.

## Business Continuity

The CDB-wide business continuity programme continued to represent a reliable recovery framework. The Bank set out to revise its business continuity framework to address pandemic risks, associated with COVID-19. The three lines of defence areas, collaborated during the year and will continue to work on improving the framework in 2021.

The Bank is now fully cloud-based, using geo-presence distribution with hot replication of systems, databases, and backups, as well as cold cloud-storage for long-term backup.

The risks of catastrophic losses are mitigated with the use of comprehensive insurance programmes.

## Environmental Risk and Climate Change

Matters relating to environmental risk and climate change are systematically addressed at various levels of the institution. CDB's project appraisal process specifically screens for environmental vulnerability. There is also active dialogue with the BMCs to address this risk via resilience building, purchase of cover from the Caribbean Catastrophe Risk Insurance Facility, and the building of fiscal buffers. Also, the enterprise risk reporting captures environmental and climate change risks on a national and regional basis. These

risks are tracked to ensure the continuous implementation of mitigation actions. Matters relating to environmental risk and climate change are discussed at ERC meetings.

## Credit Risk

The sovereign risk profiles of BMCs' credit declined in 2020 due to negative growth rates caused by the COVID-19 pandemic and the resulting national lockdowns. However, exposure to Barbados, the Bank's largest borrower, fell from 20% to 18% of the entire portfolio. This was due to further diversification of the portfolio and Board approval of additional policy-based loans to support COVID-19 mitigation initiatives by the BMCs. These PBLs were advanced in accordance with the Bank's commitment to support its BMCs in times of need and after careful risk assessment of the incremental impact on the Bank's capital adequacy position. Exposure to Jamaica, fell from 12% to 9% of the portfolio. Belize at 10% in 2020, replaced Jamaica as the Bank's second largest exposure.

Despite a few credit downgrades earlier in the year, the BMCs are not expected to receive significant downgrades in the short term. CDB actively monitors those BMCs assessed as having a negative credit outlook.

The Bank is also actively continuing to diversify its portfolio by targeting highly-rated BMCs for new business growth while also reducing exposure to challenged credits via targeted portfolio review and cancellation of aged, undisbursed balances.

## Concentration Risk

The geographic exposure for December 31, 2020 and 2019 are represented in charts 4 and 5, respectively below.

CHART 4: CDB'S GEOGRAPHIC EXPOSURE AT DECEMBER 31, 2020

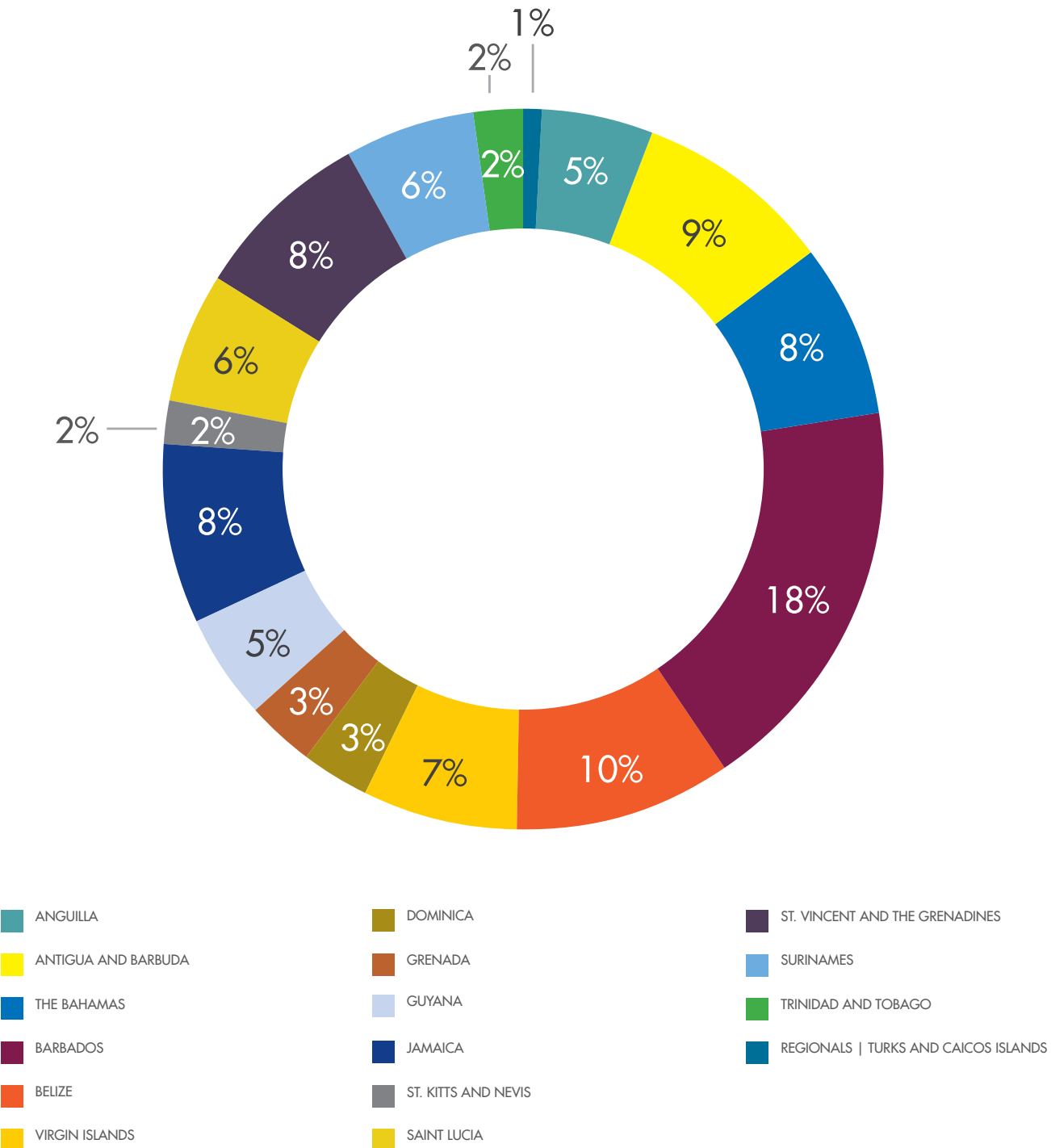
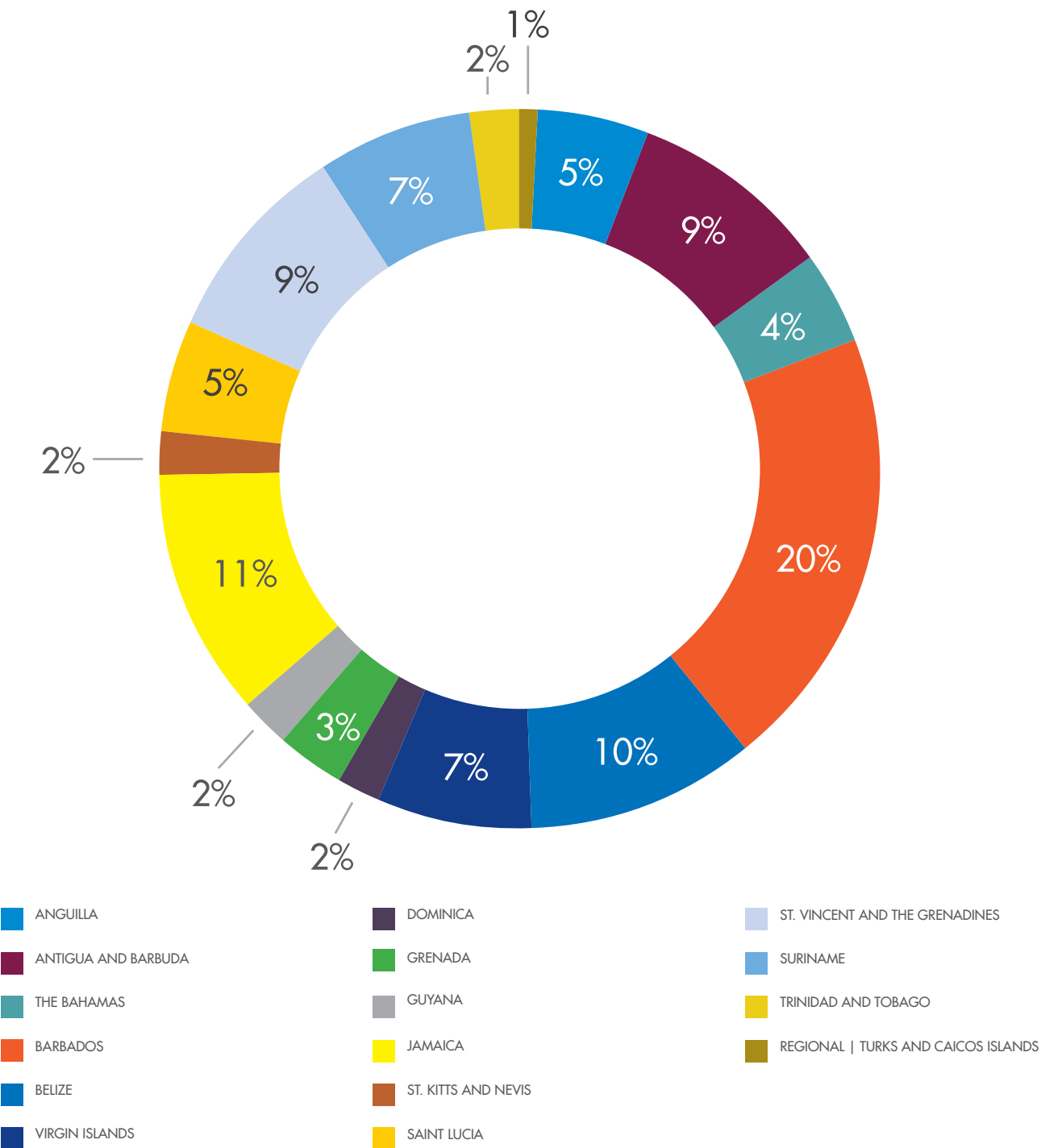




CHART 5: CDB'S GEOGRAPHIC EXPOSURE AT DECEMBER 31, 2019

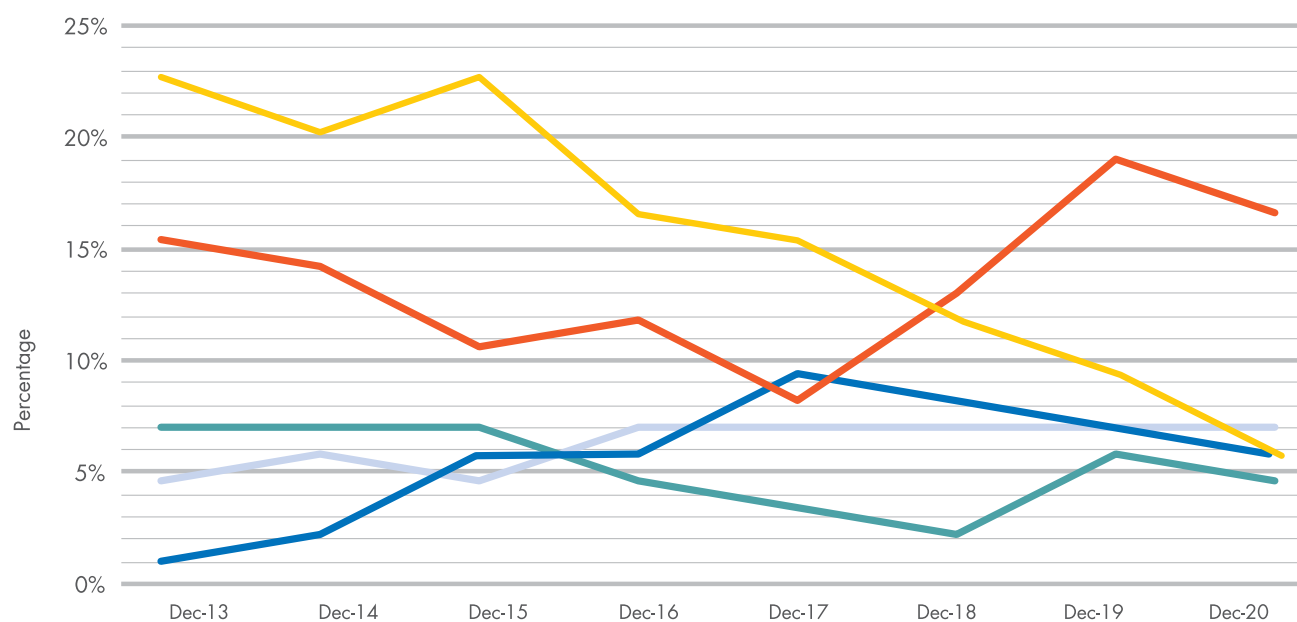


## Exposure Trends

Overall, concentration remained at manageable levels and within the risk appetite of the Bank, with Barbados

decreasing to 18% at year end 2020. The Bank's top five sovereign trends are represented in Chart 6.

**CHART 6: TOP 5 HIGH RISK EXPOSURE TRENDS**



|  | Country                        | Dec-13 | Dec-14 | Dec-15 | Dec-16 | Dec-17 | Dec-18 | Dec-19 | Dec-20 |
|--|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| <span style="color: blue;">—</span>      | Antigua and Barbuda            | 5%     | 6%     | 9%     | 9%     | 12%    | 11%    | 10%    | 9%     |
| <span style="color: orange;">—</span>    | Barbados                       | 17%    | 16%    | 13%    | 14%    | 11%    | 15%    | 20%    | 18%    |
| <span style="color: lightblue;">—</span> | Belize                         | 8%     | 9%     | 8%     | 10%    | 10%    | 10%    | 10%    | 10%    |
| <span style="color: yellow;">—</span>    | Jamaica                        | 23%    | 21%    | 23%    | 18%    | 17%    | 14%    | 12%    | 9%     |
| <span style="color: teal;">—</span>      | St. Vincent and the Grenadines | 10%    | 10%    | 10%    | 8%     | 7%     | 6%     | 9%     | 8%     |





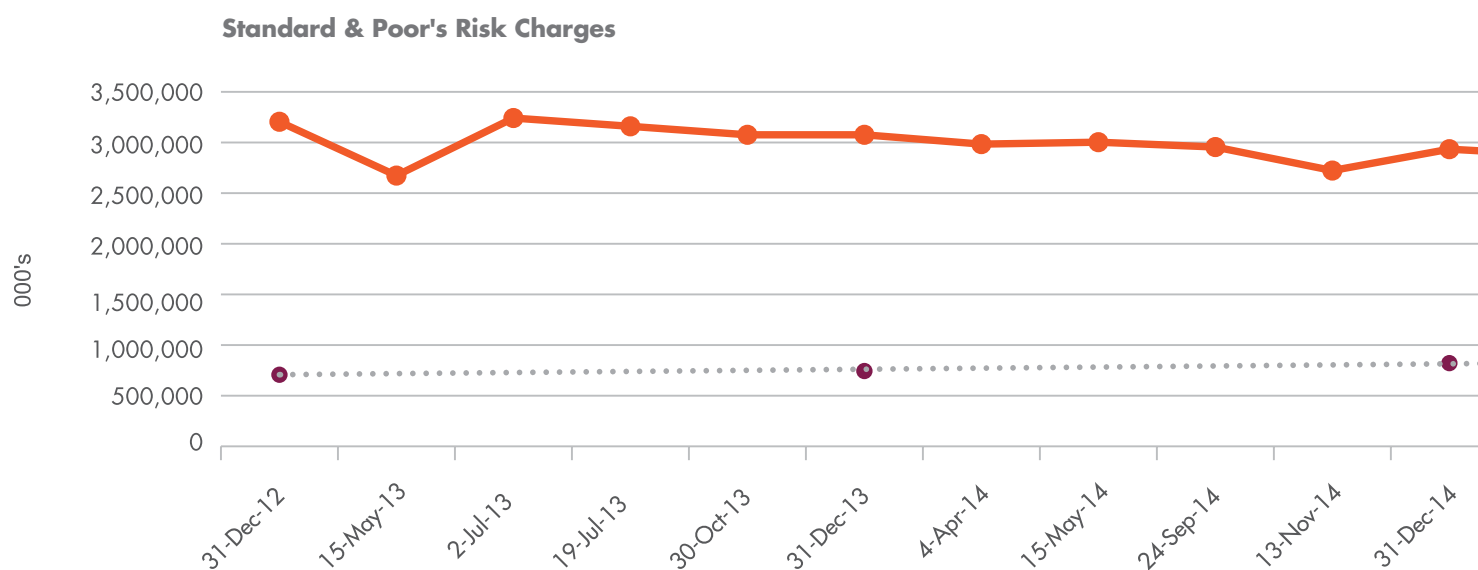
## Capital Risk

Measures, adopted by the Bank to improve its capital adequacy, included encouraging new lending to highly-rated BMCs; supporting lower-rated entities with interventions, sourced from its soft funding window; enforcing hard credit limit controls; minimising concentration; strengthening

operational risk controls; managing undisbursed balances; and maintaining a robust capital generation strategy.

These efforts resulted in a reduction in risk-weighted assets, while the Bank increased its capital levels as reflected in Chart 6.

**CHART 7: S&P RISKWEIGHTED ASSETS VERSUS CDB EQUITY CAPITAL TRENDS (US 000S)**



## Internal Capital Adequacy Calculations

The Bank's capital adequacy is computed manually, utilising the Basel II framework.

Under Pillar I, a Basic Indicator Approach for Operational Risk and a modified Standardised Approach for Credit Risk are used.

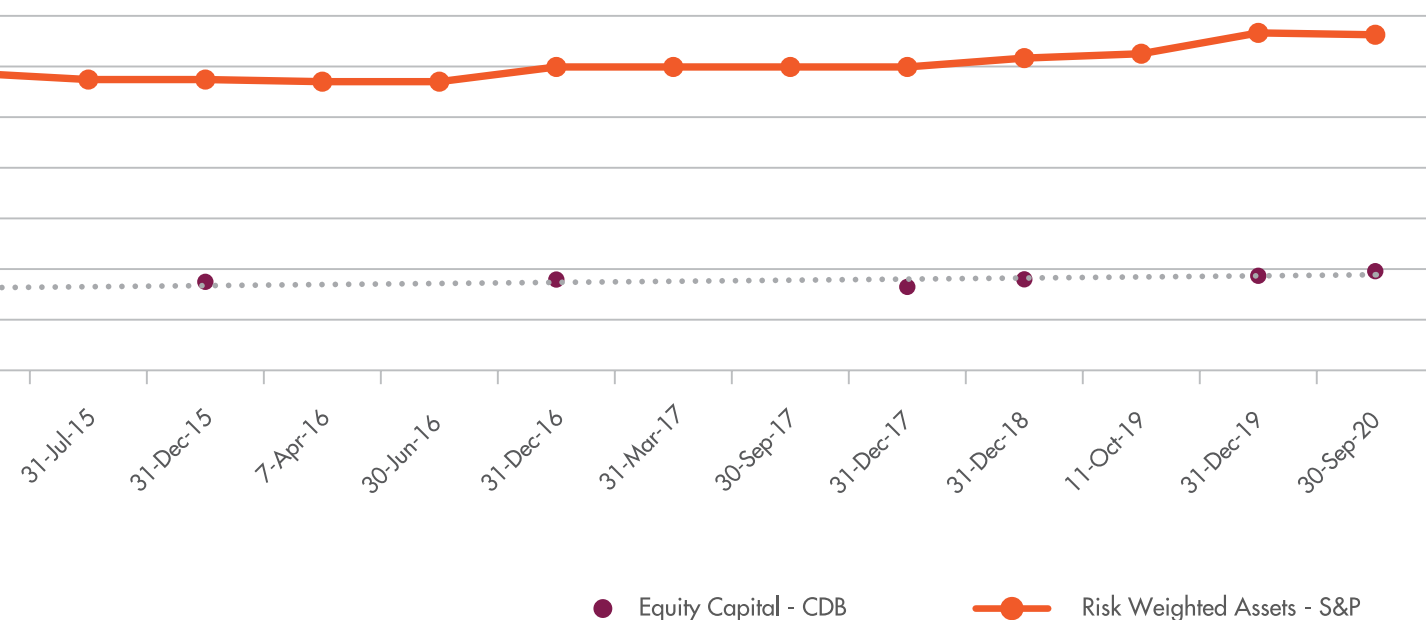
Under Pillar II, the Bank ensures that all other residual risks over and above Pillar I are computed. These include, additional liquidity requirements, interest rate in the banking

book, and business and concentration risks. These are then complemented with top-down and bottom-up scenario assessments to determine the extent of additive capital that may be needed as a cushion against unexpected risk losses.

Under Pillar III, CDB has been meeting its enhanced disclosure reporting obligations by improving the dissemination of risk reviews.

The Bank is currently monitoring newly implemented Basel III and the impending Basel IV rules to determine the need for amendments to its *modus operandi*.





## Market Risk

CDB's overall objective is to manage market risks to minimise losses and optimise return. During 2020, the Bank applied revised treasury guidelines, approved by the Board of Directors in the management of its portfolio to maximise returns whilst minimising risk.

of its liabilities. This relationship is managed with the use of interest rate swaps, which convert fixed-rate liabilities into floating-rate liabilities. Residual exposure, resulting from interest rate movements, is effectively monitored and managed operationally with governance oversight provided by ERC. Residual interest rate exposure risks, which arose during the year, were well within the Bank's risk appetite.

## Interest Rate Risk

CDB manages interest rate exposure by ensuring that changes in the cash flow of its assets closely match those

## Foreign Exchange Risk

CDB's exposure to currency exchange movements is minimised by the extent of its activities, which limit its assets and



liabilities to a single currency, United States dollars. Mismatches are managed effectively via the use of derivative hedging instruments, where necessary. Loans by the Bank are made either from currencies available from members' subscriptions, or from currencies borrowed. The principal amounts are repayable to the Bank in the currencies lent. Residual currency exposure arising during the year were well within the Bank's risk appetite.

## Liquidity and Funding Risk

CDB's objective is to ensure that all foreseeable funding commitments can be met when due, and that access to the wholesale market is maintained.

To that end, the Bank seeks to maintain a portfolio of highly liquid assets, augmented with a diversified funding base to enable it to respond promptly to unforeseen liquidity demands. There were no anticipated roll-over issues, as the risk was eliminated with no immediate maturities anticipated.

CDB loans are usually fully disbursed over several years. As a result, undisbursed balances on approved loans continue to rise. CDB is generally required to provide funds to BMCs once Board approval has been granted; and this leads to a call on liquidity. The risks to liquidity shortfalls are managed by adherence to the Bank's policy of maintaining a net, three-year funding requirement, or 40% of undisbursed commitments, whichever is greater. At year end 2020, CDB's liquid assets exceeded the 150% prudential minimum guideline, which was in keeping with management's decision to maintain high-liquidity levels.

The liquidity position of the Bank is further supported via access to approved unsecured facilities, with a highly reputed and rated international financial institution.

## New Developments

A new risk-based pricing model, which is in the testing phase, will enable the Bank to independently price interventions for the non-sovereign sector.

Further improvements were made to the Bank's risk adjusted capital framework modelled around the approach of a reputed external rating agency. The framework and model were reviewed by OAC, as well as the Board of Directors, which provided feedback. The Bank intends to finalise the framework and attain Board approval in the first quarter of 2021. The framework and model, with built-in scenarios capabilities, will enable the CDB to ex-ante, assess and determine its capital adequacy position, under different circumstances, to effectively support its strategic planning efforts.



## SECTION 6

# MANAGEMENT'S DISCUSSION AND ANALYSIS





## I. OVERVIEW

CDB is a multilateral financial institution dedicated to the development of the economies of the BMCs with a focus on the least developed countries, primarily through project loans and technical assistance to the governments, public agencies and other entities in those countries. The Bank's main goals are to promote sustainable economic development to reduce poverty and facilitate regional integration. The Bank was established in 1969 and is owned by its member countries. These include 19 BMCs and 9 non-borrowing members.

The Bank is structured into two funds through which it delivers on its mandate. These comprise the Ordinary Capital Resources (OCR) and the Special Funds Resources (SFR). The OCR operations are financed from CDB's share capital, borrowings raised in the capital markets, lines of credit from commercial and other multilateral institutions and internally generated equity. The SFR operations are financed from the contributions of members and non-members of the Bank to the Special Development Fund (SDF) and Other Special Funds (OSF). The SFR comprises the Bank's concessionary funding window.

The Bank is rated by three major international rating agencies. In March 2020 Fitch Ratings reaffirmed its Long-Term Issuer Default Rating (IDR) of AA+ with a Stable Outlook. The outlook was downgraded from Stable to Negative in March 2021. This change was primarily driven by the potential adverse economic, fiscal and social impacts of COVID-19 in the BMCs. In May 2020, Standard and Poor's (S&P) affirmed its Long-Term Issuer Credit Rating of AA+ with a Stable Outlook. In November 2020, Moody's Investor Services affirmed CDB's Long Term Issuer Rating as Aa1 with a Stable Outlook. These ratings were reaffirmed in May 2021.

The following discussions should be read in conjunction with the audited financial statements and accompanying Notes of the Bank set out in Section 7 of this report.

## II. ORDINARY CAPITAL RESOURCES

### FINANCIAL STATEMENT REPORTING

The financial statements of the OCR are prepared in accordance with International Financial Reporting Standards (IFRS) on an historical cost basis, as modified by the measurement of debt securities held at fair value through Other Comprehensive Income (OCI) and derivative financial instruments which are reflected at fair value through profit and loss.

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions and to exercise judgement in the process of applying its various accounting policies.

All of the amounts shown in the financial statements are United States dollar equivalents.

### MANAGEMENT REPORTING

Management has determined that operating income is the best representation of the results of the Bank's core activities, and it is therefore used in the determination of CDB's financial performance evaluations, liquidity, capital adequacy and other ratios and analyses. The accounting treatment in accordance with IFRS requires that derivatives are recorded at their fair value through profit and loss. This creates significant income volatility due to foreign exchange and interest rate movements, and is not representative of the underlying strategy, or economics of the transactions since it is the Bank's policy to hold these instruments to maturity. As



a result, therefore, the Bank excludes the impact of these fair value and related foreign exchange translation adjustments associated with these derivatives from the determination of its operating income.

Loans and borrowings are recorded on the amortised cost basis.

In compliance with the international standards, the Bank calculates the impairment of its financial instruments under the provisions of IFRS 9. This standard is based upon the expected credit loss methodology, as well as various rules, governing the classification and subsequent treatment of financial instruments. This methodology is forward looking and based on changes in credit risk that determine whether impairment is calculated on a 12-month, expected loss, a lifetime expected loss or an impaired basis, with movements between categories being based on assessed increases or decreases in credit risks. Impairment provisions are calculated based on the exposure at default, which includes commitments, measured against expected cash flows that are factored by probability of default, loss given default applicable to the credit ratings of counterparties, the time value of money and probability weighted optimistic and pessimistic scenarios against the base scenario.

## RESULTS OF OPERATIONS OF THE OCR

**Total comprehensive income:** Total comprehensive income is defined as the sum of operating income and the effects of foreign exchange and interest rate adjustments related to derivative adjustments, fair value gains or losses on debt securities, and actuarial re-measurements. The OCR operations of the Bank for the year ended December 31, 2020 recorded total comprehensive income of \$33.8 mn (2019: \$34.0 mn) in line with that of the previous year. There was higher operating income that was offset by lower positive derivative foreign exchange and valuation adjustments. The Bank operated in a low interest rate

environment during the year due to the economic impact of COVID-19.

**Operating income:** Operating income is defined as income prior to derivative, fair value and debt security adjustments. Management defines this as its performance measure that reflects its core operations. This represents the metric, which is used to analyse the Bank's performance and is allocated to reserves by the Board of Governors in accordance with the Bank's Charter. The operating income was \$29.5 mn (2019: \$24.6 mn) an increase of 19.9%.

**Income from loans:** Loan income for the year declined by \$2.1 mn to \$56.5 mn (2019: \$58.6 mn). This was due to a lower average interest rate of 4.15% (2019: 4.80%) due to the lower interest rates although partly mitigated by a higher average portfolio balance.

**Income from cash and investments:** For the year, income from cash and investments was \$8.9 mn (2019: \$8.3 mn), representing an increase of \$0.6 mn, which was driven by higher volumes that mitigated the lower interest rates during the year.

**Interest expense:** Interest expense for the year was \$21.6 mn (2019: \$26.9 mn). The decline of \$5.3 mn was due to the impact of very low interest rates during the year.

**Operating expenses:** In 2020, operating expenses amounted to \$14.3 mn (2019: \$15.4 mn). This change resulted from an increase in administrative expenses of \$0.7 mn related to IAS19 pension obligation estimates. There was an impairment recovery of \$7.0 mn (2019: \$3.1 mn), reflecting lower exposures on demand notes and a significant reduction in the impaired private sector loans. The foreign exchange translation loss related to the Euro borrowing in 2019. (See following table).

**OPERATING EXPENSES (\$ mn)**

|   | 2020        | 2019        |
|---|-------------|-------------|
| Administrative expenses                                   | 15.9        | 15.2        |
| Realised (gains)/losses                                   | (1.3)       | 0.2         |
| Impairment (recovery)/ charges losses on financial assets | (7.0)       | (3.1)       |
| Other adjustments -- forex translations                   | 6.7         | 3.1         |
| <b>Total operating expenses</b>                           | <b>14.3</b> | <b>15.4</b> |

**Rate/Volume analysis:** The rate/volume analysis shows the effect on interest income (excluding fees and charges and unrealised gains and losses) of the Bank analysed by the various drivers.

**RATE/VOLUME ANALYSIS (\$ mn)**

|                                      | Increase/(Decrease) Due to |              |            |
|--------------------------------------|----------------------------|--------------|------------|
|                                      | Rate                       | Volume       | Total      |
| <b>Interest-earning assets</b>       |                            |              |            |
| Cash & investments                   | (0.6)                      | 1.1          | 0.5        |
| Loans                                | (7.0)                      | 4.7          | (2.3)      |
| Total earning assets                 | (7.6)                      | 5.8          | (1.8)      |
| Interest-bearing liabilities         | (11.7)                     | 6.3          | (5.4)      |
| <b>Net change in interest income</b> | <b>4.1</b>                 | <b>(0.5)</b> | <b>3.6</b> |

**FINANCIAL POSITION OF THE OCR**

**Total assets:** As at December 31, 2020, total assets were \$2,121.3 mn (2019: \$2,095.5 mn), representing an increase of \$25.8 mn (1.2%). This was due the impact of higher loan and derivative balances and lower cash and investments.

**Loans:** In 2020 the loan portfolio was \$1,332.1 mn (2019: \$1,249.3 mn). This was an increase of \$82.8 (6.6%), reflecting higher net disbursements and a decreased impairment balance. The impaired non-performing non-sovereign loans in the portfolio were reduced to

\$1.6 mn (2019: \$3.0 mn) due to disposal of certain assets held as collateral.

**Borrowings and other liabilities:** Total liabilities decreased by \$9.0 mn (0.8%) to \$1,152.9 mn (2019: \$1,161.9 mn). This decrease was mainly due to repayments during the year.

**Shareholders' equity:** At December 31, 2020, CDB's equity was \$968.4 mn (2019: \$933.6 mn). The increase of \$34.8 mn (3.7%) was mainly due to the comprehensive income earned for the year. Total equity currently represents 45.6% (2019: 44.6%) of total assets.

**SELECTED FINANCIAL DATA (\$ mn)**

|  | Years Ended December 31 |         |         |         |         |
|--|-------------------------|---------|---------|---------|---------|
|  | 2020                    | 2019    | 2018    | 2017    | 2016    |
| <b>Balance Sheet Data</b>                          |                         |         |         |         |         |
| Cash and investments                               | 633.3                   | 714.2   | 458.0   | 439.5   | 434.5   |
| Loans outstanding <sup>(1)</sup>                   | 1,332.1                 | 1,249.3 | 1,163.5 | 1,060.1 | 1,016.9 |
| Loans undisbursed                                  | 617.3                   | 660.2   | 596.3   | 557.2   | 528.8   |
| Total assets                                       | 2,121.3                 | 2,095.5 | 1,747.7 | 1,641.0 | 1,599.2 |
| Borrowings   | 1,094.1                 | 1,103.2 | 796.3   | 691.5   | 654.5   |
| Callable capital                                   | 1,375.1                 | 1,375.1 | 1,375.1 | 1,375.1 | 1,375.1 |
| Paid-in capital                                    | 388.5                   | 388.5   | 388.5   | 388.5   | 388.5   |
| Retained earnings & reserves                       | 580.2                   | 546.4   | 512.4   | 515.9   | 514.9   |
| <b>Income Statement Data</b>                       |                         |         |         |         |         |
| Loan income  | 56.5                    | 58.6    | 49.3    | 38.1    | 32.1    |
| Investment income                                  | 8.9                     | 8.3     | 6.9     | 5.8     | 3.7     |
| Borrowing costs                                    | 21.6                    | 26.9    | 26.3    | 18.8    | 13.8    |
| Foreign exchange translation                       | 8.6                     | 3.4     | 0.1     | 0.1     | (0.2)   |
| Derivative adjustment                              | 6.6                     | 15.7    | (11.2)  | (11.1)  | (14.3)  |
| Operating income                                   | 29.5                    | 24.6    | 14.5    | 7.8     | 7.5     |
| Comprehensive income / (loss)                      | 33.8                    | 34.0    | 6.3     | 0.9     | (15.7)  |
| <b>Ratios</b>                                      |                         |         |         |         |         |
| Return on:   |                         |         |         |         |         |
| Average assets                                     | 1.45%                   | 1.32%   | 0.88%   | 0.50%   | 0.71%   |
| Average investments                                | 3.17%                   | 1.45%   | 1.48%   | 1.22%   | 0.24%   |
| Average loans outstanding                          | 4.22%                   | 5.18%   | 4.61%   | 3.92%   | 3.32%   |
| Cost of borrowings                                 | 1.93%                   | 3.54%   | 3.66%   | 2.81%   | 2.34%   |
| Available capital <sup>(2)</sup> /economic capital | 211.0%                  | 232.9%  | 200.4%  | 219.0%  | 209.8%  |

<sup>(1)</sup> Net of provisions.

<sup>(2)</sup> Defined as the sum of paid-in capital, total reserves, retained earnings after adjustment for derivatives and the currency translation on related borrowings and subscriptions paid in advance, less the General Banking Reserve, subscriptions not yet due or overdue and demand obligations from borrowers.



### III. SPECIAL DEVELOPMENT FUND

The Special Development Fund, (SDF), was established in 1970 and is the Bank's largest pool of concessionary funding, offering loans on more concessionary terms and conditions than those that are applied in the Bank's ordinary operations, that is, longer maturities and grace periods and lower interest rates.

The SDF represents a significant and important enabler in the Bank's mission to reduce poverty and contribute to sustained welfare enhancement in eligible BMCs. Successive replenishments of the SDF since its inception have allowed CDB to make a meaningful contribution to the transformation of the lives of underprivileged and at-risk members of the population, primarily those in rural communities.

The SDF originally comprised a conglomeration of funds that operated under varied terms and conditions fixed by the Fund's various contributors. These differing terms and conditions created a number of complexities and inefficiencies in the Fund's management and operations, which prompted the decision to set up the fund as one with a uniform set of rules, hence the formation of the Unified Special Development Fund [SDF(U)] in 1983.

All members of the Bank are required to contribute to SDF(U), and contributions are also sought from non-members. Contributions are interest-free and provided on a multi-year basis, for an indefinite term. SDF(U) also has consistent terms, objectives and procurement conditions and thus overcomes the problems associated with individual donors and funding arrangements. There is a supplementary governance structure through an Annual Meeting of Contributors which focuses on the SDF(U)'s operations and an annual report on the performance of the fund is provided. Non-members are also invited to participate as observers in meetings of the Bank's Board of Directors (BOD) and Board of Governors (BOG).

Contributors to the SDF (U), which is usually replenished in four-year cycles, enter into negotiations with the Bank with the objective of agreeing on the priority areas and programmes that should be addressed and on the amount of SDF (U) resources which will be necessary to realise the agreed objectives. The ninth cycle of the SDF (U), which covered the period 2017-2020, underpinned the Bank's efforts to support the BMCs in achieving their development goals consistent with the Sustainable Development Goals (SDGs). Negotiations are in process on a new funding cycle (SDF10) during the new year.

### SUMMARY OF RESULTS

#### RESULT OF OPERATIONS OF THE SDF

For the year ended December 31, 2020 there was comprehensive income of \$7.5 mn (2019: \$8.7 mn). Total interest income for the year was \$24.7 mn (2019 : \$26.3 mn). The decrease of 6.1% was due to lower returns on investments as a consequence of lower interest rates. Total expenses were \$17.2 mn (2019: \$17.6 mn), the reduction occurring as a result of foreign exchange gains.

**Income from loans:** Loan income of \$12.5 mn was the same as in 2019 as the higher portfolio balance compensated for lower average interest rates.

**Income from cash and investments:** Income from cash and investments declined to \$12.2 mn (2019: \$13.8 mn), reflecting a lower portfolio and lower-interest rates.

**Administrative expenses:** Administrative expenses were \$17.7 mn (2019: \$16.5 mn) an increase of \$1.2 mn. The SDF's share of the Bank's total administrative expenses is based on a predetermined cost-sharing formula, which is driven by the number of loan accounts and their status.

## FINANCIAL POSITION OF THE SDF

**Total assets:** At December 31, 2020, total assets were \$1,065.3 mn (2019: \$1,040.2 mn).

**Investments:** At December 31, 2020, SDF cash and investments amounted to \$359.7 mn (2019: \$391.3 mn). This change was largely due to loan disbursements.

**Loan portfolio:** Total outstanding loans were \$614.8 mn (2019: \$560.2 mn) an increase of \$54.6 mn due to a higher level of activity.

**Receivable from contributors:** This amounted to \$90.6 mn (2019: \$88.2 mn) largely reflecting exchange rate adjustments on demand notes.

**Liabilities and Funds:** At the end of the year, liabilities and funds totalled \$835.4 mn (2019: \$819.0 mn), where the change was due to increases in accounts payable and accrued liabilities and funds, made available.

**Contributed resources:** Contributions to the SDF net of allocations to technical assistance and grant resources increased by \$7.1 mn to \$776.1 mn (2019: \$769.0 mn). This was due to additional contributions received with respect to SDF9.

## IV. OTHER SPECIAL FUNDS

The Other Special Funds (OSF) was established to carry out the special operations of the Bank by providing resources on concessional terms to assist BMCs in achieving poverty reduction. The Bank accepts contributions to the OSF for on-lending or administration on terms agreed with the contributors once the purposes are consistent with its objectives and functions.

## SUMMARY OF RESULTS

### RESULTS OF OPERATIONS OF THE OSF

For the year, there was comprehensive income of \$3.5 mn (2019: \$2.9 mn) an increase of \$0.6 mn (20.7%). This change was largely due to unrealised foreign exchange gains and dividends from equity investments.

**Income from loans:** Income from loans was \$1.7 mn (2019: \$1.9 mn). This decline was caused by a lower average balance in the loan portfolio compared to the previous year.

**Income from cash and investments:** This decreased to \$0.9 mn (2019: \$1.9 mn) mainly due to unrealised losses.

**Administrative expenses:** Administrative expenses remained relatively flat at \$1.1 mn (2019: \$1.0 mn). The OSF's share of the total administrative expenses for the Bank as a whole is based on a predetermined cost-sharing formula, which is driven by the number of loans and accounts and their status.

### FINANCIAL POSITION OF THE OSF

**Total assets:** This registered \$450.2 mn (2019: \$451.4 mn), representing a decline of \$1.2 mn. The main components of the change are discussed below.

**Cash and Investments:** Cash and investments amounted to \$99.8 mn (2019: \$82.6 mn), reflecting a decline in loan balances where repayments exceeded disbursements.

**Loan portfolio:** Total outstanding loans were \$78.6 mn (2019: \$85.1 mn) a decrease of \$6.5 mn due to repayments exceeding disbursements during the year.

**Receivable from members:** This declined to 235.6 mn (2019: \$246.6 mn) as a result of the encashment of promissory notes in respect of the UKCIF.

**Liabilities and funds:** Liabilities and funds totalled \$450.2 mn (2019: \$451.4 mn). This decrease largely reflects the decline in technical assistance and grant resources.

## V. OPERATIONS

In 2020, the Bank approved \$557.2 mn (2019: \$347.1 mn) in loans and grants, loan disbursements amounted to \$353.8 mn (2019: \$305.7 mn).

Details are shown in the Table below.

|                     | Gross Approvals (\$ mn) |              | Disbursement (\$ mn) |              |
|---------------------|-------------------------|--------------|----------------------|--------------|
|                     | 2020                    | 2019         | 2020                 | 2019         |
| OCR Loans           | 223.9                   | 281.4        | 195.9                | 197.9        |
| SFR Loans           | 173.0                   | 15.6         | 87.4                 | 33.5         |
| <b>Total Loans</b>  | <b>396.9</b>            | <b>297.0</b> | <b>283.3</b>         | <b>231.4</b> |
| SFR Grants          | 38.4                    | 9.4          | 56.4                 | 61.7         |
| UKCIF               | 121.9                   | 40.7         | 21.6                 | 12.6         |
| <b>Total Grants</b> | <b>160.3</b>            | <b>50.1</b>  | <b>78.0</b>          | <b>74.3</b>  |
| <b>TOTAL</b>        | <b>557.2</b>            | <b>347.1</b> | <b>361.3</b>         | <b>305.7</b> |

The three (3) largest borrowers across the Bank's Funds were Barbados (13.1%), Belize (8.9%) and The Bahamas (5.9%).

**Resource transfers:** In 2020, there was a positive net transfer of resources (i.e. the net of disbursements of loans and grants less repayments of principal, interest and charges) between CDB and its BMCs. The net flow of resources amounted to \$116.5 mn (2019: \$83.3 mn) an increase of \$33.2 mn (39.9%).

The Bank continued to drawdown on existing facilities mainly held with development partners and global funds including the IDB, GCF, Adaptation Fund, the European Investment Bank, Government of Canada and Italy during the year.

**Repayments:** During the year, CDB was repaid 99.2% (2019: 98.5%) of the total amounts that were charged to its borrowers. A breakdown by fund group is shown in the following table.



| December 31, 2020<br>Amounts in \$ mn |                |                |             | December 31, 2019<br>Amounts in \$ mn |                |             |
|---------------------------------------|----------------|----------------|-------------|---------------------------------------|----------------|-------------|
| Principal Interest & Charges          |                |                |             | Principal Interest & Charges          |                |             |
|                                       | Billed         | Received       | %           | Billed                                | Received       | %           |
| OCR                                   | 159.5          | 157.9          | 99.0        | 171.8                                 | 168.4          | 98.0        |
| SDF                                   | 44.1           | 44.1           | 100.0       | 43.7                                  | 43.7           | 100         |
| OSF                                   | 8.6            | 8.6            | 100.0       | 8.8                                   | 8.8            | 100         |
| <b>Total</b>                          | <b>\$212.2</b> | <b>\$210.6</b> | <b>99.2</b> | <b>224.3</b>                          | <b>\$220.9</b> | <b>98.5</b> |

### TOTAL ADMINISTRATIVE EXPENSES

A comparative analysis of major administrative expenditure items is shown below. At December 31, 2020, total administrative expenses amounted to

\$34.6 mn, where recurrent expenses totalled \$31.6 mn, decreasing by \$1.0 mn (3.1%) from \$32.6 mn in 2019 as costs continued to be actively managed, and the one-off expenditure items totalled \$3.0 mn.

### ANALYSIS OF ACTUAL EXPENSES FOR 2020 AND 2019 (\$ mn)

|   | 2020        | 2019        | Variance     | %          |
|---|-------------|-------------|--------------|------------|
| Employee costs                                  | 24.0        | 22.7        | (1.3)        | (5.7)      |
| Professional fees and consultants               | 1.7         | 1.9         | 0.2          | 10.5       |
| Travel  | 0.3         | 1.5         | 1.2          | 80.0       |
| Maintenance and utilities                       | 0.6         | 0.7         | 0.1          | 14.3       |
| IT services                                     | 1.8         | 1.3         | (0.5)        | (38.5)     |
| Other   | 1.9         | 3.1         | 1.2          | 38.7       |
| Depreciation                                    | 1.3         | 1.4         | 0.1          | 7.1        |
| <b>Base - Total</b>                             | <b>31.6</b> | <b>32.6</b> | <b>1.0</b>   | <b>3.1</b> |
| <b>Transformation Expenses</b>                  | <b>2.9</b>  | <b>-</b>    | <b>(2.9)</b> |            |
| <b>Fiftieth Anniversary Celebrations</b>        | <b>0.1</b>  | <b>-</b>    | <b>(0.1)</b> |            |
| <b>Enhanced – Total Administrative Expenses</b> | <b>34.6</b> | <b>32.6</b> | <b>(2.0)</b> | <b>6.1</b> |

## SECTION 7

# FINANCIAL STATEMENTS



25

YEAR 1





# FINANCIAL STATEMENTS

# **Caribbean Development Bank Ordinary Capital Resources**

## **Financial Statements**

**For the year ended December 31, 2020**  
**(Expressed in thousands of United States Dollars**  
**unless otherwise stated)**

# **CARIBBEAN DEVELOPMENT BANK ORDINARY CAPITAL RESOURCES**

## **Index to the Financial Statements For the year ended December 31, 2020**

---

|  | <b>Page</b>   |
|--|---------------|
| <b>Independent Auditor's Report</b>      | <b>86-92</b>  |
| <b>Statement of Financial Position</b>   | <b>93-94</b>  |
| <b>Statement of Change in Equity</b>     | <b>95</b>     |
| <b>Statement of Comprehensive Income</b> | <b>96</b>     |
| <b>Statement of Cash Flows</b>           | <b>97</b>     |
| <b>Notes to the Financial Statements</b> | <b>98-180</b> |



**KPMG**

Hastings  
Christ Church, BB 15154  
Barbados West Indies  
Telephone: (246) 434-3900  
Fax: (246) 427-7123

P. O. Box 690C  
Bridgetown, Barbados

**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Governors of Caribbean Development Bank**

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of the Ordinary Capital Resources of the Caribbean Development Bank ("the Bank"), which comprise the statement of financial position as at December 31, 2020, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Barbados and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG in Barbados and the Eastern Caribbean, a partnership registered in Barbados, Antigua and Barbuda, Saint Lucia and St. Vincent and the Grenadines, and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Board of Governors of Caribbean Development Bank (continued)

### Report on the Audit of the Financial Statements (continued)

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters for the financial statements are detailed below:-

#### **Expected credit loss**

Related disclosures in the financial statements are included in Note 2, 5, 8, 10, 12 and Note 13.

As a Multilateral Development Bank (MDB), the Bank's largest exposure is country credit risk, which is the risk that a Borrowing Member Country is unable or unwilling to service its obligations to the Bank.

This is a key audit matter as the estimation of Expected Credit Losses (ECL) is inherently uncertain and requires the application of judgment and use of subjective assumptions by management. Furthermore, models used to determine credit impairment are complex.

We assessed and tested the design and operating effectiveness of controls over:

- Management's process for making lending decisions inclusive of the approval, disbursement and monitoring of the loan portfolio.
- Data used to determine the allowance for expected credit loss, including transactional data captured at loan origination, internal credit quality assessments, storage of data and computations.

We assessed the adequacy of allowance for expected credit loss by testing the key assumptions used in the Bank's calculations regarding Loss Given Default, Probability of Default, and the relevant scenarios and stage classification.

In addition, we assessed the adequacy of the disclosures in the financial statements including disclosures of key assumptions, judgements and sensitivities.

We involved relevant specialists in areas that required specific expertise (i.e. compliance with IFRS 9).



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Board of Governors of Caribbean Development Bank (continued)

Report on the Audit of the Financial Statements (continued)

### **Key Audit Matters (continued)**

#### **Fair value of financial instruments**

Related disclosures in the Financial Statements are included in Note 3, *Risk Management* and Note 5 *Financial Assets, Fair value measurement*.

Valuation models are in use which require the input of market-observable data. The use of different valuation techniques and assumptions however could produce significantly different estimates of fair value. The associated risk management disclosure is complex and dependent upon high quality data.

Consequently we have determined the valuation of debt securities and derivative financial instruments to be a key audit matter.

We reviewed the market prices applied to the Bank's debt securities by comparing the prices used to an independent external source.

We included derivative valuation specialists on our team who independently recomputed the fair value of all derivatives held by the Bank and the related sensitivity disclosures in accordance with IFRS 7, using their own internal model.

We also assessed the adequacy of the disclosures in the financial statements, including the disclosure of valuation sensitivity and fair value hierarchy in Note 3 and the subsequent impact of the global pandemic in relation to Covid-19 in Note 29.

We involved IT specialists in areas that required specific expertise (i.e. data reliability, input of market prices).

#### **Other Matter**

The financial statements of the Bank for the year ended December 31, 2019, were audited by another auditor who expressed an unmodified opinion on those financial statements on June 30, 2020.





## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**To the Board of Governors of Caribbean Development Bank (continued)**

**Report on the Audit of the Financial Statements (continued)**

### ***Other Information***

Management is responsible for the other information. The other information comprises the *Management's Discussion and Analysis* but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of Management and the Oversight and Assurance Committee for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Oversight and Assurance Committee is responsible for overseeing the Bank's financial reporting process.



## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**To the Board of Governors of Caribbean Development Bank (continued)**

**Report on the Audit of the Financial Statements (continued)**

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**To the Board of Governors of Caribbean Development Bank (continued)**

**Report on the Audit of the Financial Statements (continued)**

### ***Auditors' Responsibilities for the Audit of the Financial Statements (continued)***

We communicate with the Oversight and Assurance Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Oversight and Assurance Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Oversight and Assurance Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### ***Other Matter***

This report is made solely to the Bank's members, as a body, in accordance with Article 38, sub-section 2 of the Agreement establishing the Bank entered into force on January 26, 1970. Our audit work has been undertaken so that we might state to the Bank's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's members as a body, for our audit work, for this report, or for the opinion we have formed.

The engagement partner on the audit resulting in this independent auditors' report is Michael Edghill.

A handwritten signature of the KPMG firm, written in a stylized, cursive-like font.

Chartered Accountants  
Bridgetown, Barbados  
June 30, 2021



**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**STATEMENT OF FINANCIAL POSITION**

**As of December 31, 2020**

**(expressed in thousands of United States dollars, unless otherwise stated)**

|  |              | <u>2020</u>               | <u>2019</u>        |
|--|--------------|---------------------------|--------------------|
| <b>Assets</b>  | <b>Notes</b> |                           |                    |
| Cash and cash equivalents  | <b>6</b>     | <b>\$95,349</b>           | \$292,045          |
| Debt securities at fair value through other comprehensive income | <b>7</b>     | <b>537,986</b>            | 422,138            |
| Receivables and prepaid assets                                   | <b>8</b>     | <b>15,542</b>             | 7,655              |
| Cash collateral on derivatives                                   | <b>9</b>     | -                         | 2,400              |
| Loans outstanding  | <b>10</b>    | <b>1,332,087</b>          | 1,249,318          |
| Receivable from members  |              |                           |                    |
| Non-negotiable demand notes                                      | <b>11</b>    | <b>21,597</b>             | 38,512             |
| Maintenance of value on currency holdings                        | <b>12</b>    | <b>3,572</b>              | 4,389              |
| Subscriptions in arrears   | <b>13</b>    | <b>2,943</b>              | 1,936              |
|  |              | <u><b>28,112</b></u>      | <u>44,837</u>      |
| Derivative financial instruments                                 | <b>14</b>    | <b>94,288</b>             | 60,246             |
| Property and equipment   | <b>15</b>    | <u><b>17,984</b></u>      | <u>16,875</u>      |
| <b>Total Assets</b>  |              | <u><b>\$2,121,348</b></u> | <u>\$2,095,514</u> |

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


**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**STATEMENT OF FINANCIAL POSITION...continued**

**As of December 31, 2020**

(expressed in thousands of United States dollars, unless otherwise stated)

|   | Notes | <u>2020</u>        | <u>2019</u>        |
|---|-------|--------------------|--------------------|
| <b>Liabilities and Equity</b>             |       |                    |                    |
| <b>Liabilities</b>                        |       |                    |                    |
| Accounts payable and accrued liabilities  | 17    | \$10,857           | \$8,251            |
| Maintenance of value on currency holdings | 12    | 317                | 498                |
| Deferred income                           | 18    | 875                | 875                |
| Post-employment obligations               | 19    | 46,807             | 36,495             |
| Borrowings                                | 20    | 1,094,101          | 1,103,190          |
| Derivative financial instruments          | 14    | -                  | 12,622             |
| <b>Total Liabilities</b>                  |       | <u>\$1,152,957</u> | <u>\$1,161,931</u> |
| <b>Equity</b>                             |       |                    |                    |
| Subscriptions matured (net)               | 21(b) | 388,177            | 387,187            |
| Retained earnings and reserves            | 21(e) | 580,214            | 546,396            |
| <b>Total Equity</b>                       |       | <u>968,391</u>     | <u>933,583</u>     |
| <b>Total Liabilities and Equity</b>       |       | <u>\$2,121,348</u> | <u>\$2,095,514</u> |

Approved by the Board of Directors on April 27, 2021 and signed on their behalf by:

  
 Wm. Warren Smith  
 President

  
 Earl Estrado  
 Director, Finance and Information  
 Technology Solutions

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

**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**STATEMENT OF CHANGES IN EQUITY**

**For the year ended December 31, 2020**

(expressed in thousands of United States dollars, unless otherwise stated)

|   |               | Capital<br>Stock | Retained<br>Earnings | Post<br>Employment<br>Obligations<br>Reserve | Fair value<br>Reserve | Other<br>Reserves | Total            |
|---|---------------|------------------|----------------------|--|-----------------------|-------------------|------------------|
| Notes   |               |                  |                      |  |                       |                   |                  |
| <b>Balance as of<br/>January 1, 2019 as<br/>previously reported</b> |               | \$386,199        | \$518,664            | \$(8,554)                                    | \$(3,993)             | \$6,254           | \$898,570        |
| New capital subscriptions   | <b>21 (b)</b> | 988              | -                    | -  | -                     | -                 | 988              |
| Net income for the year   |               | -                | \$40,271             | -  | -                     | -                 | 40,271           |
| Other comprehensive<br>gain/(loss)                                  |               | -                | -                    | (11,894)                                     | 5,648                 | -                 | (6,246)          |
| <b>Balance as of<br/>December 31, 2019</b>                          |               | <b>\$387,187</b> | <b>\$558,935</b>     | <b>\$(20,448)</b>                            | <b>\$1,655</b>        | <b>\$6,254</b>    | <b>\$933,583</b> |
| <b>Balance as of<br/>January 1, 2020</b>                            |               | <b>\$387,187</b> | <b>\$558,935</b>     | <b>\$(20,448)</b>                            | <b>\$1,655</b>        | <b>\$6,254</b>    | <b>\$933,583</b> |
| New capital subscriptions   | <b>21 (b)</b> | <b>990</b>       | -                    | -  | -                     | -                 | <b>990</b>       |
| Net income for the year   |               | -                | <b>36,093</b>        | -  | -                     | -                 | <b>36,093</b>    |
| Other comprehensive<br>(loss)/gain                                  |               | -                | -                    | (9,071)                                      | 6,796                 | -                 | (2,275)          |
| <b>Balance as of<br/>December 31, 2020</b>                          |               | <b>\$388,177</b> | <b>\$595,028</b>     | <b>\$(29,519)</b>                            | <b>\$8,451</b>        | <b>\$6,254</b>    | <b>\$968,391</b> |

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



**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**STATEMENT OF COMPREHENSIVE INCOME**

**For the year ended December 31, 2020**

(expressed in thousands of United States dollars, unless otherwise stated)

|  |               | <u>2020</u>     | <u>2019</u>     |
|--|---------------|-----------------|-----------------|
|  | Notes         |                 |                 |
| Interest and similar income  | 22 (a)        | \$65,339        | \$66,927        |
| Interest expense and similar charges   | 22 (b)        | <u>(21,574)</u> | <u>(26,958)</u> |
| Net interest income  |               | 43,765          | 39,969          |
| Other income   |               | <u>1,913</u>    | <u>289</u>      |
|  |               | 45,678          | 40,258          |
| Operating expenses   | 23            | (23,170)        | (18,820)        |
| Impairment recovery  | 24            | <u>7,011</u>    | <u>3,142</u>    |
| Operating income before derivative and foreign denominated borrowing adjustments                       |               | 29,519          | 24,580          |
| Derivative fair value adjustment   | 26            | 47,633          | 20,654          |
| Foreign exchange loss in translation   | 20 (b),<br>26 | <u>(41,059)</u> | <u>(4,963)</u>  |
| Net income for the year  |               | <u>36,093</u>   | <u>40,271</u>   |
| Other comprehensive (loss)/gain that will not be reclassified to the statement of comprehensive income |               |                 |                 |
| Re-measurements – Actuarial loss   | 19            | <u>(9,071)</u>  | <u>(11,894)</u> |
| Other comprehensive gain/(loss) that will be reclassified to the statement of comprehensive income     |               |                 |                 |
| Fair value gain on debt securities at fair value through other comprehensive income                    |               | <u>6,796</u>    | <u>5,648</u>    |
| Total other comprehensive loss   |               | <u>(2,275)</u>  | <u>(6,246)</u>  |
| Total comprehensive income for the year  |               | <u>\$33,818</u> | <u>\$34,025</u> |

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

**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**STATEMENT OF CASH FLOWS**

**For the year ended December 31, 2020**

**(expressed in thousands of United States dollars, unless otherwise stated)**

|   |              | <b>2020</b>      | <b>2019</b> |
|---|--------------|------------------|-------------|
| <b>Operating activities:</b>  | <b>Notes</b> |                  |             |
| Net income for the year   |              | <b>\$36,093</b>  | \$40,271    |
| Adjustments:  |              |                  |             |
| Depreciation  | 15           | 1,254            | 1,428       |
| Impairment recovery on financial assets   | 24           | (7,011)          | (3,142)     |
| Gain on sale of property and equipment  |              | -                | 2           |
| Derivative fair value adjustment  | 26           | (47,633)         | (20,654)    |
| Interest income   | 22 (a)       | (65,339)         | (66,927)    |
| Interest expense  | 22 (b)       | 21,574           | 26,958      |
| Foreign exchange loss in translation  | 20 (b)       | 48,372           | 4,963       |
| Decrease/(increase) in maintenance of value on currency Holdings  |              | 636              | (127)       |
| <i>Total cash flows used in operating activities before changes in operating assets and liabilities</i> |              | <b>(12,054)</b>  | (17,228)    |
| Changes in operating assets and liabilities:  |              |                  |             |
| Increase/(decrease) in receivables and prepaid assets   |              | (8,006)          | 3,159       |
| Decrease in cash collateral on derivatives  |              | 2,400            | 7,350       |
| Increase in accounts payable and accrued liabilities  |              | 2,606            | 1,760       |
| Increase in post-employment obligations   |              | 1,241            | 852         |
| Net Increase in debt securities at fair value through other comprehensive income                        |              | (108,557)        | (84,652)    |
| <i>Cash used in operating activities</i>  |              | <b>(122,370)</b> | (88,759)    |
| Disbursements on loans  | 10           | (195,881)        | (197,922)   |
| Principal repayments on loans   | 10           | 118,102          | 110,180     |
| Interest received   |              | 65,710           | 65,415      |
| <b>Net cash used in operating activities</b>  |              | <b>(134,439)</b> | (111,086)   |
| <b>Investing activities:</b>  |              |                  |             |
| Purchase of property and equipment  | 15           | (2,363)          | (4,946)     |
| <b>Net cash used in investing activities</b>  |              | <b>(2,363)</b>   | (4,946)     |
| <b>Financing activities:</b>  |              |                  |             |
| New borrowings  | 20 (b)       | 29,294           | 348,806     |
| Repayments on borrowings  | 20 (b)       | (83,460)         | (45,412)    |
| Interest paid on borrowings   |              | (23,900)         | (27,435)    |
| New capital subscriptions   | 21 (b)       | 990              | 988         |
| Decrease in receivables from members  |              | 17,182           | 4,394       |
| <b>Net cash (used in)/provided by financing activities</b>  |              | <b>(59,894)</b>  | 281,341     |
| <b>Net (Decrease)/increase in cash and cash equivalents</b>   |              | <b>(196,696)</b> | 165,309     |
| Cash and cash equivalents at beginning of year  |              | <b>292,045</b>   | 126,736     |
| <b>Cash and cash equivalents at end of year</b>   |              | <b>\$95,349</b>  | \$292,045   |

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

# **CARIBBEAN DEVELOPMENT BANK**

## **ORDINARY CAPITAL RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**

**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### **NOTE 1 – NATURE OF OPERATIONS**

##### *Corporate structure*

The Caribbean Development Bank (“CDB” or “the Bank”) is an international organisation established by an Agreement (“Charter”) signed in Kingston, Jamaica, on October 18, 1969 and accepted and ratified by all the member countries which are signatories thereto. The Charter is an international treaty which, together with the instruments of ratification and accession by member countries, is deposited with the United Nations Secretary-General. The Charter entered into force on January 26, 1970 and CDB commenced operations on January 31, 1970. Since then other countries have become members of CDB by acceding to the Charter.

The Bank’s headquarters is located in Wildey in the parish of Saint Michael in the island of Barbados.

##### *Purpose and objectives*

CDB is a regional financial institution established for the purpose of contributing to the harmonious economic growth and development of the member countries in the Caribbean (“the Region”) and to promote economic cooperation and integration among them, with special and urgent regard to the needs of the less developed members.

##### *Membership*

The membership of the Bank is open to:

- (a) States and Territories of the Region;
- (b) Non-Regional States which are members of the United Nations or any of its specialised Agencies; or of the International Atomic Energy Agency.

The Bank’s members are classified as either: -

- Borrowing member countries (“BMCs”) which comprise members of the Region that are qualified to borrow from the Bank.
- Non-regional members (“NRMs”) which comprise of members outside of the region that do not qualify to borrow from the Bank.

The BMCs are also shareholders of the Ordinary Capital Resources (“OCR”) of the Bank and are therefore considered related parties.

The current membership of the Bank is comprised of twenty-three (23) regional states and territories and five (5) non-regional states (2019: 23 regional states and territories and 5 non-regional states). A detailed listing of the membership is provided at Note 21(c) - Equity.

Reducing poverty in the region is CDB’s main objective and it finances development projects in its BMCs primarily through its OCR which comprises shareholders’ paid-in capital, retained earnings and reserves and borrowings. In advancing this objective, the Bank participates in the selection, study and preparation of projects contributing to poverty reduction and, where necessary, provides technical assistance and support.

##### *Special funds resources*

Attainment of the Bank’s objectives are also supplemented by the Special Development Fund (“SDF”) and Other Special Funds (“OSF”) which comprise its Special Fund Resources (“SFR”) with distinct assets and liabilities and which are subject to different operational, financial and other rules as set out by the contributors some of which are non-members of the Bank. The SFR is independently managed from, and has no recourse to, the OCR for obligations in respect of any of the liabilities of the SDF or OSF.



# **CARIBBEAN DEVELOPMENT BANK**

## **ORDINARY CAPITAL RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**

**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### **NOTE 1 – NATURE OF OPERATIONS ...continued**

Mobilising financial resources is an integral part of CDB's strategic and operational activities, where alone or jointly, it administers funds under agreements that are restricted to specific uses such as technical assistance, grants and regional programmes.

These funds are provided by donors, including members, some of their agencies and other development institutions.

#### **NOTE 2 – ACCOUNTING POLICIES (GENERAL)**

Accounting policies which are specific in nature are included as part of the disclosures that are relevant to the particular item in these Notes to the financial statements. All policies have been consistently applied to the years presented, except where otherwise stated. Prior year comparatives have been adjusted or amended to conform with the presentation in the current year where applicable. The accounting policies that are of a general nature applied in the preparation of these financial statements are set out below:

##### *Foreign currency translation*

The functional and presentation currency of the Bank is the United States dollar (USD). Monetary assets and liabilities in currencies other than USD are translated at market rates of exchange prevailing at the reporting date. Non-monetary items measured at historical cost in currencies other than United States dollars are translated into USD using the prevailing exchange rates at the effective dates of the initial transactions.

Foreign currency transactions are initially translated into USD at applicable rates of exchange on the transaction dates. Any gains or losses arising as a result of differences in rates applied to income or expenses and to assets or liabilities are shown as an exchange gain or loss in the determination of net income for the year.

##### *Taxation*

Under the provisions of Article 55 of the Charter and the provisions of the Caribbean Development Bank Act, 1970-71 of Barbados, the Bank's assets, property, income and its operations and transactions are exempt from all direct and indirect taxation and from all custom duties on goods imported for its official use.

#### **Basis of preparation**

##### *Statement of compliance*

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost basis, modified by the measurement of debt securities at fair value through other comprehensive income (FVOCI) (refer to Note 5) and derivative financial instruments (cross currency interest rate swaps and interest rate swaps) which are reflected at fair value. The financial statements are presented in United States dollars (USD) and all values are rounded to the nearest thousand, except where otherwise indicated.

# **CARIBBEAN DEVELOPMENT BANK**

## **ORDINARY CAPITAL RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**

**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### **NOTE 2 – ACCOUNTING POLICIES (GENERAL)...***continued*

##### **Basis of preparation...***continued*

###### *Content of financial statements*

The financial statements comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements for the year ended December 31, 2020 (the reporting date).

###### *Presentation of financial statements*

The presentation format of the Bank's statement of comprehensive income reflects the Operating Income from the Bank's core activities. In the opinion of management, this enhances the information to the users of the Bank's financial statements, as Operating Income is the basis upon which the Bank's financial, liquidity, capital adequacy, efficiency and other performance ratios and measures are determined.

The Bank presents its statement of financial position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Notes 6 – 20 as applicable.

Financial assets and financial liabilities are generally reported gross in the statement of financial position. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Bank and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. ISDAs) are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.

##### **Significant accounting judgements, estimates and assumptions**

The preparation of the Bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Bank's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Bank's control and are reflected in the assumptions if and when they occur.

Management's judgment for certain items that are especially critical for the Bank's results and financial situation due to their materiality is included in the relevant note disclosures in these financial statements, except as denoted on the following page:

# **CARIBBEAN DEVELOPMENT BANK**

## **ORDINARY CAPITAL RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**

**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### **NOTE 2 – ACCOUNTING POLICIES (GENERAL)...***continued*

##### **Significant accounting judgements, estimates and assumptions...***continued*

###### *Going concern*

The Bank's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue its operations for the foreseeable future. The Bank also continues to have the full support of its Members through the provision of additional financial, technical, material and other assistance as well as guidance and support from the Board of Directors.

In 2020, the World Health Organisation (WHO) declared COVID-19, an infectious disease caused by severe acute respiratory syndrome coronavirus, a pandemic. The impact of the pandemic and the steps taken to treat infection and to mitigate its spread have had significant negative economic and social consequences for the Bank's BMCs. Consistent with its mandate, the Bank has taken various actions to assist its BMCs by including the provision of grants for personal protective equipment and other equipment and for technical assistance, both from its own resources and in conjunction with regional and international agencies including international financial institutions.

The Bank has also made additional resources available from its concessionary window (Special Funds Resources) to qualifying BMCs, to address certain specific needs and has increased the volume of resources available for Policy Based Loans (PBLs) to deal with exogenous shocks such as natural disasters or COVID-19 or macro-economic issues. The Bank is also discussing with its BMCs the repurposing of existing loans and the application of undisbursed balances to appropriate COVID-19 related activities. The Bank will continue to monitor developments in its BMCs and to aggressively mobilise resources to enable it to assist its members in these challenging times.

Neither the fair value of debt securities in the Bank portfolio, nor the Bank's liquidity position has been adversely impacted by the pandemic. Management continues to monitor and assess the potential impact of current and projected economic conditions on all financial assets, and to exercise its judgement to determine and include reasonable estimates of these as needed in calculations of expected credit losses and assessments of consequential impacts on capital maintenance requirements.

While there is continuing uncertainty over the duration and potential impact of the pandemic, given the increasing availability of vaccines and concerted efforts by member governments to contain the spread of the disease, management believes that there are no material uncertainties which may cast a significant doubt over the Bank's ability to continue as a going concern and therefore the financial statements continue to be prepared on this basis.

##### **New and amended standards and interpretations which are applicable to the Bank**

In these financial statements, the Bank has applied the following standards and amendments for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard are described below. The new and amended standards and interpretations are effective for annual periods beginning on or after January 1, 2020, unless otherwise stated. The Bank has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

###### ***Amendments to IFRS 9, IAS 39 and IFRS 7***

In September 2019, the IASB issued amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting.

The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an RFR). The amendments also introduce specific disclosure requirements for hedging relationships to which the reliefs are applied.



**CARIBBEAN DEVELOPMENT BANK  
ORDINARY CAPITAL RESOURCES  
NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**

**(expressed in thousands of United States dollars, unless otherwise stated)**

---

**NOTE 2 – ACCOUNTING POLICIES (GENERAL)...***continued*

**New and amended standards and interpretations which are applicable to the Bank...***continued*

**Amendments to IFRS 9, IAS 39 and IFRS 7...***continued*

The amendments must be applied retrospectively. However, any hedge relationships that have previously been de-designated cannot be reinstated upon application, nor can any hedge relationships be designated with the benefit of hindsight. Early application is permitted and must be disclosed. This had no impact on the financial statements of the Bank.

**Amendments to IAS 1 and IAS 8**

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

**Extension of the temporary exemption from applying IFRS 9, Financial Instruments (amendments to IFRS 4, Insurance Contracts)**

The amendments extend the expiry date of the temporary exemption from applying IFRS 9, Financial Instruments, from January 1, 2021 - January 1, 2023. The changes are to align the effective dates of IFRS 9 with IFRS 17, Insurance Contracts, for entities within the scope of the exemption. This had no impact on the financial statements of the Bank.

**Other standards, interpretations and amendments effective January 1, 2020**

The following are the amendments and interpretations which apply for the first time in 2020, but do not have an impact on the financial statements of the Bank.

- IFRIC Interpretation 23 – Uncertainty over Income Tax treatments
- Amendments to IAS 28 – Long-term interests in Associates and Joint Ventures

# **CARIBBEAN DEVELOPMENT BANK**

## **ORDINARY CAPITAL RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**

**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### **NOTE 2 – ACCOUNTING POLICIES (GENERAL)**...continued

##### **New and amended standards and interpretations which are applicable to the Bank**...continued

- Annual IFRS Improvement Process:
  - IFRS 3, Business combinations – previously held interest in a joint operation
  - IFRS 11, Joint arrangement – previously held interests in a joint operation
  - IAS 12, Income taxes - income tax consequences of payments on financial instruments classified as equity
  - Amendments to IFRS 3 Definition of a business – January 1, 2020

##### ***The Conceptual Framework for Financial Reporting***

Effective for annual periods beginning on or after January 1, 2020.

The revised Conceptual Framework for Financial Reporting (the Conceptual Framework) is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist the Board in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards. The Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

##### **Standards in issue not yet effective which may be applicable to the Bank**

The following is a list of standards and interpretations issued that are applicable but not yet effective up to the date of the issuance of the Bank's financial statements. The Bank intends to adopt these standards when they become effective. The impact of adoption depends on the assets held by the Bank at the date of adoption.

##### ***Amendments to IFRS 16***

Effective for annual periods beginning on or after July 1, 2020.

COVID-19-Related Rent Concessions: Amendment providing lessees with an exemption from assessing whether a COVID-19-related rent concession (a rent concession that reduces lease payments due on or before 30 June 2021) is a lease modification.

##### ***Interest Rate Benchmark Reform—Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)***

Effective for annual periods on or after January 1, 2021

The Phase 2 amendments apply only to changes required by the reform to financial instruments and hedging relationships. The amendments address the effects of the reform on a company's financial statements that arise when, for example, an interest rate benchmark used to calculate interest on a financial asset is replaced with an alternative benchmark rate.

##### ***Amendments to IAS 1 Presentation of Financial Statements***

Effective for annual periods beginning on or after January 1, 2022

Clarifies that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument.

**CARIBBEAN DEVELOPMENT BANK  
ORDINARY CAPITAL RESOURCES  
NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**

**(expressed in thousands of United States dollars, unless otherwise stated)**

---

**NOTE 2 – ACCOUNTING POLICIES (GENERAL)...***continued*

**Standards in issue not yet effective which may be applicable to the Bank...***continued*

*Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets*

Effective for annual periods beginning on or after January 1, 2022

Clarifies that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract.

*Amendments to IAS 16 Property, Plant and Equipment*

Effective for annual periods beginning on or after January 1, 2022

*Other standards, interpretations and amendments not yet effective which may not be applicable to the Bank*

IFRS 17 Insurance Contracts – January 1, 2021

Amendments to IFRS 3 Business Combinations – January 1, 2022

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – effective date deferred indefinitely

Annual improvements to IFRS:

- IFRS 1 First-time Adoption of IFRS: simplify the application by a subsidiary
- IFRS 9 Financial Instruments: clarify the test for derecognition of financial liabilities
- Amendments to Illustrative Examples accompanying IFRS 16: clarification of lease incentives
- IAS 41 Agriculture: remove the requirement to exclude cash flows for taxation in fair value measurement.



# **CARIBBEAN DEVELOPMENT BANK**

## **ORDINARY CAPITAL RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**

**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### **NOTE 3 – RISK MANAGEMENT**

The Bank's principal financial liabilities, other than derivative financial instruments, comprise borrowings and accounts payable, the main purpose of which is to finance the Bank's operations. The Bank also provides guarantees to its borrowers under set terms and conditions. The Bank's principal financial assets are loans outstanding, receivables, cash and cash equivalents and debt securities at fair value through other comprehensive income that are all derived directly from its operations.

The Bank also holds derivative contracts and enters into derivative transactions when deemed necessary by senior management. All derivative activities for risk management purposes are undertaken by senior management in accordance with the approved Board of Directors (BOD) policy which includes the provision that derivatives are held to maturity except under specific conditions and that no trading in derivatives for speculative purposes may be undertaken.

The Bank's BOD sets the governance framework for the Bank by setting the risk and risk appetite framework, and the underlying policies and procedures. Financial risk activities are governed by the policies and procedures and financial risks are identified, measured and managed in accordance with the Bank's approved policies and risk objectives.

The ability to manage these risks is supported by an enterprise wide risk management framework which was approved by the BOD. Operationally, CDB seeks to minimise its risks via the implementation of robust mitigating controls aimed at achieving adherence to approved risk appetite portfolio limits. The Bank's risk mitigation approaches include adopting processes, systems, policies, guidelines and practices which are reviewed and modified periodically in line with the institution's changing circumstances.

The Bank's Office of Risk Management (ORM) manages, coordinates, monitors and reports on the mitigation of all risks that the Bank faces such as strategic, financial, operational, and reputational risks. The ORM also has the responsibility for recommending and implementing new or amended policies and procedures for effective risk management to the BOD for approval and to ensure that risk awareness is embedded within the Bank's operations and among the Bank's employees. CDB's risk management framework is built around its governance, policies and processes. The risk management governance structure supports the Bank's senior management in their oversight function in the coordination of different aspects of risk management, and is built around the following committees:

- (i) The Enterprise Risk Committee (ERC) which is responsible for monitoring adherence to BOD approved policies related to financial and other risks;
- (ii) The Loans Committee (LC) which reviews and recommends Loans, Grants and Technical Assistance (TA) applications to the BOD for consideration;
- (iii) The Oversight and Assurance Committee (OAC) through which the ORM, the Office of Institutional integrity, Compliance and Accountability (ICA), the Office of Independent Evaluation (OIE) and the Internal Audit Division (IAD) report to the BOD. ICA was established to operationalise the strategic framework for integrity, compliance and accountability. It is responsible for managing institutional integrity, compliance, anti-money laundering (AML), countering the financing of terrorism (CFT) and financial sanctions, ethics, whistleblowing, and project accountability;
- (iv) The Advisory Management Team (AMT) which is the highest decision-making body of the Bank.

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### NOTE 3 – RISK MANAGEMENT...continued

The Bank is exposed to credit risk, market risk (currency and interest rate risk), liquidity risk and operational risk. By its very nature the Bank is also subjected to concentration risk in relation to its BMCs. The Bank manages and controls concentration of credit risk through financial policies which limit the amount of exposure in relation to a single borrower and to groups of borrowers, by counterparties, credit ratings and by type of investments. Performance against these limits is measured and reported on a monthly and quarterly basis to the ERC.

#### Credit risk

Credit risk relates to potential losses in the event that a BMC is unable or unwilling to service its obligations to the Bank. CDB manages this risk through its financial policies and lending strategies, including the setting of individual country exposure limits and evaluation of overall creditworthiness. Individual BMC exposure to the Bank on outstanding loans as at December 31, 2020 is reported in Note 4 and Note 10.

The Bank manages its credit risk related to liquid funds and derivative financial instruments by ensuring that all individual investments carry a minimum credit rating as follows:

|                             | Standard & Poor's | Moody's Investors Service |
|-----------------------------|-------------------|---------------------------|
| Commercial bank obligations | A-                | A3                        |
| Government obligations      | A-                | A3                        |
| Corporate obligations       | BBB+              | Baa1                      |

Additionally, CDB can invest in non-freely convertible currencies in unconditional obligations issued or guaranteed by indigenous commercial banks provided that no such bank holds more than \$1 million of the investible amount of the given currency or 10% of CDB's capital, whichever is smaller. In relation to derivative transactions, all counterparties must have a minimum rating of BBB/Baa2 (by Standard & Poor's and Moody's respectively), with a minimum rating for new transactions of A-/ A3 (stable outlook) by Standard & Poor's and Moody's respectively.

#### Credit risk measurement

The Bank assesses borrowers based upon their external credit ratings. For borrowers without an external rating, judgment and benchmarking against similar credits are used to assign an appropriate internal rating. Borrowers are segmented into four rating classes. The rating scale, shown below, reflects the range of default probabilities defined for each rating class and related exposures can migrate between classes based on the results of the re-assessments of their probability of default.

The internal rating scale and mapping of external ratings are as follows:

| CDB Grade | Description of the grade | CDB Rating       |
|-----------|--------------------------|------------------|
| 1         | Basic monitoring         | AAA, AA, A Range |
| 2         | Standard monitoring      | BBB, BB, B Range |
| 3         | Special monitoring       | CCC to C Range   |
| 4         | Sub-standard             | D Range          |

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 3 – RISK MANAGEMENT...continued

##### Credit risk...continued

The CDB ratings are aligned to a large extent with external ratings and mapped to corresponding proxy default rates. The observed defaults per rating category vary year on year, based on current and projected economic cycles.

##### Risk limit control and mitigation measures

###### Loans

Currently the approved exposure limit to the single largest borrower is 40% of total outstanding loans or 50% of total available capital, whichever is greater. The limit for the three largest borrowers is 60% of total outstanding loans or 90% of total available capital whichever is greater.

|   | 2020  | 2019  |
|---|-------|-------|
| Single largest borrower's exposure to total outstanding loans | 19.6% | 20.9% |
| Three largest borrowers' exposure to total outstanding loans  | 37.5% | 42.2% |
| Three largest borrowers' exposure to available capital        | 53.6% | 59.7% |

###### Cash and cash equivalents and Debt securities at FVOCI

The Bank's results as at December 31 against the BOD approved policy ratios were as follows:

| Investment Type                     | Maximum policy limit (based upon total investment portfolio) | 2020  | 2019  |
|-------------------------------------|--|-------|-------|
| Single entity                       | 10%  | 3.4%  | 6.6%  |
| US Treasury or US Government Agency | 35%  | 30.8% | 24.0% |
| Commercial entity                   | 50%  | 27.5% | 28.9% |

##### Credit related commitments

Guarantees and standby letters of credit represent irrevocable assurances that the Bank will make payment. The primary purpose of these instruments is to ensure that funds are available to a borrower as required. The Bank currently has guarantees not exceeding the equivalent of \$12 million (2019 - \$12 million) with respect to bonds issued by the Government of St. Kitts and Nevis (GOSKN). These commitments expose the Bank to similar risks as loans outstanding and are mitigated by the same control processes and policies.



# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 3 – RISK MANAGEMENT...continued

##### Credit risk...continued

##### Master netting arrangements

All of the Bank's derivatives are executed under International Swap Dealers' Association (ISDA) Master Agreements and the Schedule to the Master Agreement in order to limit exposure to credit risk through the provisions in these agreements for offsetting of amounts due to or by both counterparties. Under the provisions of these agreements both parties compute amounts owing to and by each other and the party with a net amount owing makes payment to the second party. The ISDA and related Schedule also make provision for the voluntary netting of currencies and transactions and for the computation methodology of and settlement of final net payment in the event of termination. CDB is currently party to five swaps with four counterparties.

##### Maximum exposure to credit risk before collateral held or other credit enhancements

The table below shows the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are the gross carrying amounts net of the allowance for expected credit loss (ECL). Details of the Bank's internal grading system are explained in Note 3 (above) and policies about the calculation of the ECL allowance are disclosed in Note 5.

|   | 2020               |                  |              |                    |
|---|--------------------|------------------|--------------|--------------------|
|   | Stage 1            | Stage 2          | Stage 3      | Total              |
| Cash and cash equivalents                 | \$95,349           | \$-              | \$-          | \$95,349           |
| Debt securities fair value through OCI    | 537,986            | -                | -            | 537,986            |
| Sovereign loans outstanding               | 1,033,378          | 223,270          | -            | 1,256,648          |
| Non-sovereign loans outstanding           | 75,439             | -                | -            | 75,439             |
| Derivative financial instruments          | 94,288             | -                | -            | 94,288             |
| Non-negotiable demand notes               | 21,597             | -                | -            | 21,597             |
| Maintenance of value on currency holdings | 3,572              | -                | -            | 3,572              |
| Subscriptions in arrears                  | 2,943              | -                | -            | 2,943              |
| Receivables                               | 12,677             | -                | 661          | 13,338             |
|   | <b>\$1,877,229</b> | <b>\$223,270</b> | <b>\$661</b> | <b>\$2,101,160</b> |
| Commitments                               |                    |                  |              |                    |
| Undisbursed sovereign loan balances       | \$469,647          | \$-              | \$-          | \$469,647          |
| Undisbursed non-sovereign loan balances   | 5,540              | -                | -            | 5,540              |
| Commitments                               | 15,000             | -                | -            | 15,000             |
| Guarantees                                | 12,000             | -                | -            | 12,000             |
|   | <b>\$502,187</b>   | <b>\$-</b>       | <b>\$-</b>   | <b>\$502,187</b>   |
|   | <b>\$2,379,416</b> | <b>\$223,270</b> | <b>\$661</b> | <b>\$2,603,347</b> |

**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

**NOTE 3 – RISK MANAGEMENT**...continued

**Credit risk**...continued

**Maximum exposure to credit risk before collateral held or other credit enhancements**...continued

|   | 2019               |                  |                 |                    |
|---|--------------------|------------------|-----------------|--------------------|
|   | Stage 1            | Stage 2          | Stage 3         | Total              |
| Cash and cash equivalents                 | \$292,045          | \$-              | \$-             | \$292,045          |
| Cash collateral on derivatives            | 2,400              | -                | -               | 2,400              |
| Debt securities fair value through OCI    | 422,138            | -                | -               | 422,138            |
| Sovereign loans outstanding               | 829,571            | 315,898          | 38,343          | 1,183,812          |
| Non-sovereign loans outstanding           | 65,506             | -                | -               | 65,506             |
| Derivative financial instruments          | 60,246             | -                | -               | 60,246             |
| Non-negotiable demand notes               | 35,179             | 1,016            | 2,317           | 38,512             |
| Maintenance of value on currency holdings | 4,389              | -                | -               | 4,389              |
| Subscriptions in arrears                  | 1,936              | -                | -               | 1,936              |
| Receivables                               | -                  | 6,019            | 1,101           | 7,120              |
|   | <b>\$1,713,410</b> | <b>\$322,933</b> | <b>\$41,761</b> | <b>\$2,078,104</b> |
| <i>Commitments</i>                        |                    |                  |                 |                    |
| Undisbursed sovereign loan balances       | \$431,908          | \$-              | \$-             | \$431,908          |
| Undisbursed non-sovereign loan balances   | 18,061             | -                | -               | 18,061             |
| Commitments                               | 15,000             | -                | -               | 15,000             |
| Guarantees                                | 12,000             | -                | -               | 12,000             |
|   | <b>\$476,969</b>   | <b>\$-</b>       | <b>\$-</b>      | <b>\$476,969</b>   |
|   | <b>\$2,190,379</b> | <b>\$322,933</b> | <b>\$41,761</b> | <b>\$2,555,073</b> |

The above tables represent a worst-case scenario of credit risk exposure as at December 31, 2020 and 2019, without taking account of any collateral held or other credit enhancements attached.

The Bank's policy in relation to collateral is disclosed in Note 10 to these financial statements.

As shown, the total gross maximum exposure from loans and commitments to the sovereign was 67.3% (2019: 63.2%), and to the non-sovereign was 3.1% (2019: 3.3%).

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 3 – RISK MANAGEMENT...continued

##### Credit quality

###### Debt securities, treasury bills and other eligible bills

The main investment management objectives are for capital preservation and liquidity. In accordance with these parameters, CDB seeks the highest possible return on its investments. CDB's Investment Policy restricts its investments to government and government-related debt instruments, corporate bonds and time deposits. Investments may also be made in unconditional obligations issued or guaranteed by commercial banks rated A-/A3, or better, AAA rated asset-backed securities, and AAA-rated mortgage-backed securities. Adherence to the investment policy guidelines is monitored on a continuous basis by the ERC.

The following tables present an analysis of the credit quality of debt securities, treasury bills and other eligible bills, neither past due nor impaired based on Standard & Poor's rating or equivalent. As of December 31, 2020, the Bank's debt securities were classified as fair value through other comprehensive income. These assets were individually assessed for ECL and were all classified as Stage 1 financial assets.

| 2020   |                  |                 |                  |                |                  |
|--|------------------|-----------------|------------------|----------------|------------------|
|  | AAA              | AA+ to AA-      | A+ to A-         | BBB+ to BBB-   | Total            |
| Obligations guaranteed by Governments <sup>1</sup> | \$205,693        | \$25,191        | \$-              | \$-            | \$230,884        |
| Time Deposits                                      | -                | 762             | -                | -              | 762              |
| Sovereign Bonds                                    | 16,291           | 26,749          | 34,141           | -              | 77,181           |
| Supranational Bonds <sup>2</sup>                   | 76,410           | 3,023           | -                | -              | 79,433           |
| Corporate Bonds                                    | 13,384           | 32,420          | 98,634           | 5,288          | 149,726          |
|  | <b>\$311,779</b> | <b>\$88,145</b> | <b>\$132,775</b> | <b>\$5,288</b> | <b>\$537,986</b> |

| 2019   |                  |                  |                 |                |                  |
|--|------------------|------------------|-----------------|----------------|------------------|
|  | AAA              | AA+ to AA-       | A+ to A-        | BBB+ to BBB-   | Total            |
| Obligations guaranteed by Governments <sup>3</sup> | \$116,839        | \$49,227         | \$15,752        | \$-            | \$181,818        |
| Time Deposits                                      | -                | 760              | -               | -              | 760              |
| Sovereign Bonds                                    | 4,032            | 7,527            | -               | -              | 11,559           |
| Supranational Bonds <sup>4</sup>                   | 105,154          | 6,022            | -               | -              | 111,176          |
| Corporate Bonds                                    | 2,130            | 65,582           | 41,434          | 7,679          | 116,825          |
|  | <b>\$228,155</b> | <b>\$129,118</b> | <b>\$57,186</b> | <b>\$7,679</b> | <b>\$422,138</b> |

<sup>1</sup> Freely convertible currencies in Government and Government-guaranteed obligations which are members of the G7 or EU and its agencies.

<sup>2</sup> An international organization, or union, whereby member states transcend national boundaries or interests to share in the decision-making and vote on issues pertaining to the wider grouping.

<sup>3</sup> Freely convertible currencies in Government and Government-guaranteed obligations which are members of the G7 or EU and its agencies.

<sup>4</sup> An international organization, or union, whereby member states transcend national boundaries or interests to share in the decision-making and vote on issues pertaining to the wider grouping.



# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 3 – RISK MANAGEMENT...continued

##### Credit risk...continued

##### Credit quality...continued

In accordance with the Bank's internal rating scale 100% (2019: 100%) of debt securities, treasury bills and other eligible bills are classified as 'Basic monitoring'.

##### Loans and advances

As of December 31, 2020, loans that were classified as Stage 1 and Stage 2 represented 99.9% (2019: 96.7%) of gross loans outstanding. Loans are summarised as follows:

|                         | December 31, 2020 |               |             |
|-------------------------|-------------------|---------------|-------------|
|                         | Sovereign         | Non-sovereign | Total       |
| Stage 1                 | \$1,034,322       | \$79,127      | \$1,113,449 |
| Stage 2                 | 224,057           | -             | 224,057     |
| Stage 3                 | -                 | 1,627         | 1,627       |
| Gross                   | 1,258,379         | 80,754        | 1,339,133   |
| Less: allowance for ECL | (1,731)           | (5,315)       | (7,046)     |
| Net                     | \$1,256,648       | \$75,439      | \$1,332,087 |

|                         | December 31, 2019 |               |             |
|-------------------------|-------------------|---------------|-------------|
|                         | Sovereign         | Non-sovereign | Total       |
| Stage 1                 | \$831,176         | \$72,402      | \$903,578   |
| Stage 2                 | 317,075           | -             | 317,075     |
| Stage 3                 | 38,572            | 3,013         | 41,585      |
| Gross                   | 1,186,823         | 75,415        | 1,262,238   |
| Less: allowance for ECL | (3,011)           | (9,909)       | (12,920)    |
| Net                     | \$1,183,812       | \$65,506      | \$1,249,318 |

**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

**NOTE 3 – RISK MANAGEMENT...continued**

**Credit risk...continued**

**Credit quality...continued**

Loans and advances – Stage 1 and Stage 2

The credit quality of the loan portfolio classified as Stage 1 and Stage 2 was assessed by reference to the internal rating system adopted by the Bank.

|                     | <b>2020</b>        |                      |                    |
|---------------------|--------------------|----------------------|--------------------|
|                     | <b>Sovereign</b>   | <b>Non-Sovereign</b> | <b>Total Loans</b> |
| Standard monitoring | <b>\$615,452</b>   | <b>\$33,267</b>      | <b>\$648,719</b>   |
| Special monitoring  | <b>545,353</b>     | <b>42,172</b>        | <b>587,525</b>     |
| Sub-Standard        | <b>95,843</b>      | <b>-</b>             | <b>95,843</b>      |
|                     | <b>\$1,256,648</b> | <b>\$75,439</b>      | <b>\$1,332,087</b> |

|                     | <b>2019</b>        |                      |                    |
|---------------------|--------------------|----------------------|--------------------|
|                     | <b>Sovereign</b>   | <b>Non-Sovereign</b> | <b>Total Loans</b> |
| Standard monitoring | <b>\$984,864</b>   | <b>\$46,486</b>      | <b>\$1,031,350</b> |
| Special monitoring  | <b>163,387</b>     | <b>25,916</b>        | <b>189,303</b>     |
|                     | <b>\$1,148,251</b> | <b>\$72,402</b>      | <b>\$1,220,653</b> |

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 3 – RISK MANAGEMENT...continued

##### Credit risk...continued

##### Credit quality...continued

##### Other financial assets

Other financial assets comprise amounts due from the Bank's member countries, local institutions and staff.

Other financial assets carried at amortised cost and classified as Stage 1 and 2

|   | 2020             |                     |                    |                |                  |
|---|------------------|---------------------|--------------------|----------------|------------------|
|   | Basic Monitoring | Standard Monitoring | Special Monitoring | Sub-Standard   | Total            |
| Cash and cash equivalents                 | \$95,349         | \$-                 | \$-                | \$-            | \$95,349         |
| Cash collateral on derivatives            | -                | -                   | -                  | -              | -                |
| Receivables                               | -                | -                   | 12,678             | -              | 12,678           |
| Non-negotiable demand notes               | 8                | 18,418              | 576                | 2,595          | 21,597           |
| Maintenance of value on currency holdings | 1,250            | 2,322               | -                  | -              | 3,572            |
| Subscriptions in arrears                  | -                | 990                 | 1,953              | -              | 2,943            |
|   | <b>\$96,607</b>  | <b>\$21,730</b>     | <b>\$15,207</b>    | <b>\$2,595</b> | <b>\$136,139</b> |
|   | 2019             |                     |                    |                |                  |
|   | Basic Monitoring | Standard Monitoring | Special Monitoring | Sub-Standard   | Total            |
| Cash and cash equivalents                 | \$261,988        | \$20,858            | \$9,199            | \$-            | \$292,045        |
| Cash collateral on derivatives            | 2,400            | -                   | -                  | -              | 2,400            |
| Receivables                               | -                | 6,019               | -                  | -              | 6,019            |
| Non-negotiable demand notes               | 7,875            | 30,000              | 637                | -              | 38,512           |
| Maintenance of value on currency holdings | 1,250            | 3,139               | -                  | -              | 4,389            |
| Subscriptions in arrears                  | -                | 1,936               | -                  | -              | 1,936            |
|   | <b>\$273,513</b> | <b>\$61,952</b>     | <b>\$9,836</b>     | <b>\$-</b>     | <b>\$345,301</b> |

Other financial assets – Fair value through profit and loss

|                                  | 2020             |                     |                    |              |        |
|----------------------------------|------------------|---------------------|--------------------|--------------|--------|
|                                  | Basic Monitoring | Standard Monitoring | Special Monitoring | Sub-Standard | Total  |
| Derivative financial instruments | 94,288           | -                   | -                  | -            | 94,288 |

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 3 – RISK MANAGEMENT...continued

**Credit risk**...continued

**Credit quality**...continued

Other financial assets...continued

Other financial assets – Fair value through profit and loss...continued

|                                  | 2019                |                        |                       |                  |
|----------------------------------|---------------------|------------------------|-----------------------|------------------|
|                                  | Basic<br>Monitoring | Standard<br>Monitoring | Special<br>Monitoring | Sub-<br>Standard |
|                                  | Total               |                        |                       |                  |
| Derivative financial instruments | 60,246              | -                      | -                     | 60,246           |

#### **Risk concentration of financial assets with exposure to credit risk**

Concentrations of risk arise from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions. The Bank manages risk concentration by counterparty and geography.

#### *Geographical sectors*

The following table presents CDB's main credit exposures at their gross amounts, net of impairment allowances, as categorised by BMC and non-regional members, USA, and other countries. For this table, the exposures are allocated to regions based on the country of domicile of the counterparties. A further analysis of the Bank's exposure to loans by geographical region is provided at Note 10.

|   | 2020                             |                             |                  |                  |                    |
|---|----------------------------------|-----------------------------|------------------|------------------|--------------------|
|   | Borrowing<br>Member<br>Countries | Non-<br>Regional<br>Members | USA              | Other            | Total              |
| Cash and cash equivalents                 | \$21,953                         | \$9,579                     | \$62,678         | \$1,139          | \$95,349           |
| Debt securities at fair value through OCI | -                                | 97,792                      | 301,163          | 139,031          | 537,986            |
| Sovereign loans outstanding               | 1,256,648                        | -                           | -                | -                | 1,256,648          |
| Non-sovereign loans outstanding           | 75,439                           | -                           | -                | -                | 75,439             |
| Derivative financial instruments          | -                                | 49,404                      | 40,220           | 4,664            | 94,288             |
| Maintenance of value on currency holdings | 735                              | 2,837                       | -                | -                | 3,572              |
| Non-negotiable demand notes               | 21,597                           | -                           | -                | -                | 21,597             |
| Subscriptions in arrears                  | 2,943                            | -                           | -                | -                | 2,943              |
| Receivables                               | 14,880                           | -                           | -                | -                | 14,880             |
|   | <b>\$1,394,195</b>               | <b>\$159,612</b>            | <b>\$404,061</b> | <b>\$144,834</b> | <b>\$2,102,702</b> |



**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

**NOTE 3 – RISK MANAGEMENT**...continued

**Credit risk**...continued

**Risk concentration of financial assets with exposure to credit risk** ...continued

*Geographical sectors*...continued

|  | <b>2019</b>                               |                                      |                  |                 |                    |
|--|---|--------------------------------------|------------------|-----------------|--------------------|
|  | <b>Borrowing<br/>Member<br/>Countries</b> | <b>Non-<br/>Regional<br/>Members</b> | <b>USA</b>       | <b>Other</b>    | <b>Total</b>       |
| Cash and cash equivalents                    | \$30,155                                  | \$10,442                             | \$251,754        | (\$306)         | <b>\$292,045</b>   |
| Cash collateral on derivatives               | -   | -                                    | -                | 2,400           | <b>2,400</b>       |
| Debt securities at fair value through<br>OCI | 11,935                                    | 148,082                              | 232,491          | 29,630          | <b>422,138</b>     |
| Sovereign loans outstanding                  | 1,183,812                                 | -                                    | -                | -               | <b>1,183,812</b>   |
| Non-sovereign loans outstanding              | 65,506                                    | -                                    | -                | -               | <b>65,506</b>      |
| Derivative financial instruments             | -   | 29,406                               | 30,840           | -               | <b>60,246</b>      |
| Maintenance of value on currency<br>holdings | 742                                       | 3,647                                | -                | -               | <b>4,389</b>       |
| Non-negotiable demand notes                  | 32,963                                    | 5,549                                | -                | -               | <b>38,512</b>      |
| Subscriptions in arrears                     | 1,936                                     | -                                    | -                | -               | <b>1,936</b>       |
| Receivables                                  | 7,120                                     | -                                    | -                | -               | <b>7,120</b>       |
|  | <b>\$1,334,169</b>                        | <b>\$197,126</b>                     | <b>\$515,085</b> | <b>\$31,724</b> | <b>\$2,078,104</b> |

**Market risk**

CDB takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. CDB is exposed to two types of market risk - foreign currency risk and interest rate risk. Financial instruments affected by market risk include loans, debt securities at fair value through OCI, borrowings and derivative financial instruments.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Bank manages foreign currency risk by ensuring that all loans by the Bank are made either from currencies available from members' subscriptions or from currencies borrowed, and the principal amounts are repayable to the Bank in the currencies lent. It also manages this risk by entering into currency swaps where borrowing currencies are not denominated in USD. The following table summarises the exposure to foreign currency exchange rate risk. Included in the table are the financial instruments at carrying amounts, categorised by currency. Management has considered the impact of non-freely convertible currencies and the risk is minimal.

All of the Bank's loans are denominated in United States dollars.

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 3 – RISK MANAGEMENT...continued

##### Market risk...continued

##### Concentrations of foreign currency risk

| As at December 31                              | 2020               |                    |                    |                    |                 |                    |
|--|--------------------|--------------------|--------------------|--------------------|-----------------|--------------------|
|  | US\$               | Yen                | CHF                | Euro               | Other           | Total              |
| <b>Assets</b>                                  |                    |                    |                    |                    |                 |                    |
| Cash and cash equivalents                      | \$65,862           | \$-                | \$-                | \$-                | \$29,487        | \$95,349           |
| Debt securities at fair value through OCI      | 533,180            | -                  | -                  | -                  | 4,806           | 537,986            |
| Loans outstanding                              | 1,332,087          | -                  | -                  | -                  | -               | 1,332,087          |
| Derivative financial instruments               | 33,313             | 44,539             | 4,664              | -                  | 11,772          | 94,288             |
| Receivable from members                        | -                  | -                  | -                  | -                  | 28,112          | 28,112             |
| Receivables                                    | 12,751             | -                  | -                  | -                  | 2,129           | 14,880             |
| <b>Total financial assets</b>                  | <b>\$1,977,193</b> | <b>\$44,539</b>    | <b>\$4,664</b>     | <b>\$-</b>         | <b>\$76,306</b> | <b>\$2,102,702</b> |
| <b>Liabilities</b>                             |                    |                    |                    |                    |                 |                    |
| Accounts payable                               | 10,829             | -                  | -                  | -                  | 28              | 10,857             |
| Borrowings                                     | 437,338            | 185,279            | 164,623            | 306,861            | -               | 1,094,101          |
| <b>Total financial liabilities</b>             | <b>\$448,167</b>   | <b>\$185,279</b>   | <b>\$164,623</b>   | <b>\$306,861</b>   | <b>\$28</b>     | <b>\$1,104,958</b> |
| <b>Net on-balance sheet financial position</b> | <b>\$1,529,026</b> | <b>\$(140,740)</b> | <b>\$(159,959)</b> | <b>\$(306,861)</b> | <b>\$76,278</b> | <b>\$997,744</b>   |
| <b>Credit commitments</b>                      | <b>\$502,187</b>   | <b>\$-</b>         | <b>\$-</b>         | <b>\$-</b>         | <b>\$-</b>      | <b>\$502,187</b>   |

**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

**NOTE 3 – RISK MANAGEMENT**...continued

**Market risk**...continued

**Concentrations of foreign currency risk** ...continued

| As at December 31                              | 2019               |                    |                    |                    |                 |                    |
|--|--------------------|--------------------|--------------------|--------------------|-----------------|--------------------|
|  | US\$               | Yen                | CHF                | Euro               | Other           | Total              |
| <b>Assets</b>                                  |                    |                    |                    |                    |                 |                    |
| Cash and cash equivalents                      | \$264,347          | \$-                | \$-                | \$-                | \$27,698        | <b>\$292,045</b>   |
| Cash collateral on derivatives                 | 2,400              | -                  | -                  | -                  | -               | <b>2,400</b>       |
| Debt securities at fair value through OCI      | 417,709            | -                  | -                  | -                  | 4,429           | <b>422,138</b>     |
| Loans outstanding                              | 1,249,318          | -                  | -                  | -                  | -               | <b>1,249,318</b>   |
| Derivative financial instruments               | 18,158             | 42,088             | -                  | -                  | -               | <b>60,246</b>      |
| Receivable from members                        | 26,184             | -                  | -                  | -                  | 18,653          | <b>44,837</b>      |
| Receivables                                    | 5,814              | -                  | -                  | -                  | 1,306           | <b>7,120</b>       |
| <b>Total financial assets</b>                  | <b>1,983,930</b>   | <b>42,088</b>      | <b>-</b>           | <b>-</b>           | <b>52,086</b>   | <b>2,078,104</b>   |
| <b>Liabilities</b>                             |                    |                    |                    |                    |                 |                    |
| Accounts payable                               | 5,462              | -                  | -                  | -                  | (6)             | <b>5,456</b>       |
| Borrowings                                     | 495,264            | 177,019            | 150,166            | 280,741            | -               | <b>1,103,190</b>   |
| Derivative financial instruments               | -                  | -                  | 12,622             | -                  | -               | <b>12,622</b>      |
| <b>Total financial liabilities</b>             | <b>\$500,726</b>   | <b>\$177,019</b>   | <b>\$162,788</b>   | <b>\$280,741</b>   | <b>\$(6)</b>    | <b>\$1,121,268</b> |
| <b>Net on-balance sheet financial position</b> | <b>\$1,483,204</b> | <b>\$(134,931)</b> | <b>\$(162,788)</b> | <b>\$(280,741)</b> | <b>\$52,092</b> | <b>\$956,836</b>   |
| <b>Credit commitments</b>                      | <b>\$449,969</b>   | <b>\$-</b>         | <b>\$-</b>         | <b>\$-</b>         | <b>\$-</b>      | <b>449,969</b>     |

**Foreign currency sensitivity**

In calculating these sensitivities management made the assumptions that the sensitivity of the relevant item within profit or loss is the effect of the assumed changes in respect of market risks based on the financial assets and liabilities at the reporting period.

The Bank entered into currency swap agreements by which proceeds of two Yen, one Swiss Franc (CHF), and one Euro (EUR) denominated borrowing were converted into US dollars in order to hedge against ongoing operational currency and interest rate risks.

**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

**NOTE 3 – RISK MANAGEMENT**...continued

**Market risk**...continued

**Foreign currency sensitivity**...continued

The following is the estimated impact on profit or loss that would have resulted from management's estimate of reasonable possible changes in the Yen and EUR and the CHF rates respectively:

| <b>YEN</b>                            | <b>Effect on profit or loss<br/>(Income)/Expense</b> |                   |
|---------------------------------------|--|-------------------|
| <b><u>Exchange rate movements</u></b> | <b>2020</b>  | <b>2019</b>       |
| Increase of 5%                        | <b>\$(13,994)</b>                                    | <b>\$(8,327)</b>  |
| Decrease of 5%                        | <b>\$4,461</b>                                       | <b>\$9,203</b>    |
| Increase of 10%                       | <b>\$(21,963)</b>                                    | <b>\$(15,896)</b> |
| Decrease of 10%                       | <b>\$15,227</b>                                      | <b>\$19,429</b>   |

| <b>CHF</b>                            | <b>Effect on profit or loss<br/>(Income)/Expense</b> |                   |
|---------------------------------------|--|-------------------|
| <b><u>Exchange rate movements</u></b> | <b>2020</b>  | <b>2019</b>       |
| Increase of 5%                        | <b>\$(2,611)</b>                                     | <b>\$(7,151)</b>  |
| Decrease of 5%                        | <b>\$13,892</b>                                      | <b>\$7,903</b>    |
| Increase of 10%                       | <b>\$(9,738)</b>                                     | <b>\$(13,651)</b> |
| Decrease of 10%                       | <b>\$23,520</b>                                      | <b>\$16,685</b>   |

| <b>EURO</b>                           | <b>Effect on profit or loss<br/>(Income)/Expense</b> |             |
|---------------------------------------|--|-------------|
| <b><u>Exchange rate movements</u></b> | <b>2020</b>  | <b>2019</b> |
| Increase of 5%                        | <b>\$(14,612)</b>                                    | -           |
| Decrease of 5%                        | <b>\$16,151</b>                                      | -           |
| Increase of 10%                       | <b>\$(27,896)</b>                                    | -           |
| Decrease of 10%                       | <b>\$34,096</b>                                      | -           |

The 'Other' currency category comprises various individual currencies which management does not consider to be material and therefore sensitivity analysis has not been applied.

**Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows on the fair value of financial instruments. CDB manages its interest rate exposure by ensuring that the changes in the cash flow of its assets closely match those of its liabilities. This relationship is maintained by the use of interest rate swaps which converts its liabilities from fixed rate into floating rate obligations where applicable.



# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 3 – RISK MANAGEMENT...continued

##### Market risk...continued

##### Interest rate risk...continued

The following table summarises the exposure to interest rate risks including financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

##### Exposure to interest rate risk

| At December 31                            | 2020               |                 |                    |                    |                                 | Total              |
|---|--------------------|-----------------|--------------------|--------------------|---------------------------------|--------------------|
|   | 0-3 months         | 3-12 months     | 1-5 years          | Over 5 years       | Non-interest generating/bearing |                    |
| <b>Assets</b>                             |                    |                 |                    |                    |                                 |                    |
| Cash and cash equivalents                 | \$95,349           | \$-             | \$-                | \$-                | \$-                             | \$95,349           |
| Debt securities at fair value through OCI | 42,632             | 43,657          | 230,075            | 221,622            | -                               | 537,986            |
| Loans outstanding                         | 1,332,087          | -               | -                  | -                  | -                               | 1,332,087          |
| Derivative financial instruments          | 49,204             | 45,084          | -                  | -                  | -                               | 94,288             |
| Receivable from members                   | -                  | -               | -                  | -                  | 28,112                          | 28,112             |
| Receivables                               | -                  | -               | -                  | -                  | 14,880                          | 14,880             |
| <b>Total Assets</b>                       | <b>\$1,519,272</b> | <b>\$88,741</b> | <b>\$230,075</b>   | <b>\$221,622</b>   | <b>\$42,992</b>                 | <b>\$2,102,702</b> |
| <b>Liabilities</b>                        |                    |                 |                    |                    |                                 |                    |
| Accounts payable                          | -                  | -               | -                  | -                  | 6,970                           | 6,970              |
| Borrowings                                | 4,315              | 12,946          | 431,638            | 645,202            | -                               | 1,094,101          |
| <b>Total Liabilities</b>                  | <b>\$4,315</b>     | <b>\$12,946</b> | <b>\$431,638</b>   | <b>\$645,202</b>   | <b>\$6,970</b>                  | <b>\$1,101,071</b> |
| <b>Total interest sensitivity Gap</b>     | <b>\$1,514,957</b> | <b>\$75,795</b> | <b>\$(201,563)</b> | <b>\$(423,580)</b> |                                 |                    |

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 3 – RISK MANAGEMENT...continued

##### Market risk...continued

##### Exposure to interest rate risk...continued

| At December 31                            | 2019               |                  |                  |                    |                                 | Total              |
|---|--------------------|------------------|------------------|--------------------|---------------------------------|--------------------|
|   | 0-3 months         | 3-12 months      | 1-5 years        | Over 5 years       | Non-interest generating/bearing |                    |
| <b>Assets</b>                             |                    |                  |                  |                    |                                 |                    |
| Cash and cash equivalents                 | \$292,045          | \$-              | \$-              | \$-                | \$-                             | <b>\$292,045</b>   |
| Cash collateral on derivatives            | 2,400              | -                | -                | -                  | -                               | <b>2,400</b>       |
| Debt securities at fair value through OCI | 76,347             | 113,388          | 211,656          | 20,747             | -                               | <b>422,138</b>     |
| Loans outstanding                         | 1,249,318          | -                | -                | -                  | -                               | <b>1,249,318</b>   |
| Derivative financial instruments          | 42,088             | 18,158           | -                | -                  | -                               | <b>60,246</b>      |
| Receivable from members                   | -                  | -                | -                | -                  | 44,837                          | <b>44,837</b>      |
| Receivables                               | -                  | -                | -                | -                  | 7,120                           | <b>7,120</b>       |
| <b>Total Assets</b>                       | <b>\$1,662,198</b> | <b>\$131,546</b> | <b>\$211,656</b> | <b>\$20,747</b>    | <b>\$51,957</b>                 | <b>\$2,078,104</b> |
| <b>Liabilities</b>                        |                    |                  |                  |                    |                                 |                    |
| Accounts payable                          | \$-                | \$-              | \$-              | \$-                | \$5,456                         | <b>\$5,456</b>     |
| Borrowings                                | 76,473             | 6,637            | 219,362          | 800,718            | -                               | <b>1,103,190</b>   |
| Derivative financial instruments          | 12,622             | -                | -                | -                  | -                               | <b>12,622</b>      |
| <b>Total Liabilities</b>                  | <b>\$89,095</b>    | <b>\$6,637</b>   | <b>\$219,362</b> | <b>\$800,718</b>   | <b>\$5,456</b>                  | <b>\$1,121,268</b> |
| <b>Total interest sensitivity Gap</b>     | <b>\$1,573,103</b> | <b>\$124,909</b> | <b>\$(7,706)</b> | <b>\$(779,971)</b> |                                 |                    |

##### Interest rate sensitivity

All other variables held constant (and excluding the effects of the derivative instruments), if interest rates had been 50 bps higher, net income for the year would have increased by \$3,538 (2019: \$4,788). Had interest rates been 50 bps lower, net income would have declined by the same amount.

All other variables held constant and including the impact of the derivative instruments, if interest rates had been 50 bps higher, net income for the year would have decreased by \$33,191 (2019: \$13,014). Had interest rates been 50 bps lower, net income for the year would have increased by \$46,689 (2019: \$14,661).

The sensitivity analyses have shown the exposure to interest rates for both derivatives and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. The 50-bps movement represents management's assessment of a reasonable possible change in interest rates.

**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

**NOTE 3 – RISK MANAGEMENT**...continued

**Credit risk**...continued

**Credit quality**...continued

**Liquidity risk**

Liquidity risk relates to the probability that the Bank will be unable to meet the payment obligations associated with its financial liabilities when they fall due. The consequence may be the failure to meet obligations or to disburse on its loan commitments. This risk is managed by conformity to the Bank's policy of maintaining a net three years' funding requirement of \$489 million (2019: \$538 million;) or 40% of undisbursed loan commitments and loans not yet effective (comprising loans approved by the BOD for which all conditions precedent have not yet been met) of \$617 million (2019: \$660 million), whichever is greater.

The Bank holds a diversified portfolio of cash and securities to support payment obligations and contingent funding in the event of a highly stressed market environment. The Bank's assets held for managing liquidity risk comprise:

- Cash and balances with commercial banks;
- Time deposits;
- Government bonds and other securities that can be readily liquidated; and
- Secondary sources of liquidity including a line of credit with a commercial bank.

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 3 – RISK MANAGEMENT...continued

##### Liquidity risk ...continued

##### Non-derivative cash flows

The table below presents the cash flows by remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| At December 31                            | 2020             |                  |                  |                  | Total              |
|---|------------------|------------------|------------------|------------------|--------------------|
|   | 0 – 3 months     | 3-12 months      | 1-5 years        | Over 5 years     |                    |
| <b>Assets</b>                             |                  |                  |                  |                  |                    |
| Cash and cash equivalents                 | \$95,349         | \$-              | \$-              | \$-              | \$95,349           |
| Debt securities at fair value through OCI | 47,744           | 49,811           | 244,674          | 230,932          | 573,161            |
| Loans outstanding                         | 56,090           | 117,002          | 656,596          | 766,401          | 1,596,089          |
| Receivable from members                   | -                | 28,112           | -                | -                | 28,112             |
| Receivables                               | 13,773           | 71               | 344              | 692              | 14,880             |
| <b>Total Assets</b>                       | <b>212,956</b>   | <b>194,996</b>   | <b>901,614</b>   | <b>998,025</b>   | <b>2,307,591</b>   |
| <b>Liabilities</b>                        |                  |                  |                  |                  |                    |
| Accounts payable                          | 120              | 450              | 2,313            | 20               | 2,903              |
| Borrowings                                | 8,784            | 31,807           | 436,599          | 779,742          | 1,256,932          |
| <b>Total Liabilities</b>                  | <b>8,904</b>     | <b>32,257</b>    | <b>438,912</b>   | <b>779,762</b>   | <b>1,259,835</b>   |
|   |                  |                  |                  |                  |                    |
| At December 31                            | 2019             |                  |                  |                  | Total              |
|   | 0 – 3 months     | 3-12 months      | 1-5 years        | Over 5 years     |                    |
| <b>Assets</b>                             |                  |                  |                  |                  |                    |
| Cash and cash equivalents                 | \$292,045        | \$-              | \$-              | \$-              | \$292,045          |
| Cash collateral on derivatives            | 2,400            | -                | -                | -                | 2,400              |
| Debt securities at fair value through OCI | 70,623           | 118,672          | 228,537          | 21,189           | 439,021            |
| Loans outstanding                         | 56,923           | 121,309          | 623,292          | 806,911          | 1,608,435          |
| Receivable from members                   | -                | 44,837           | -                | -                | 44,837             |
| Receivables                               | 5,591            | 279              | 454              | 796              | 7,120              |
| <b>Total Assets</b>                       | <b>\$427,582</b> | <b>\$285,097</b> | <b>\$852,283</b> | <b>\$828,896</b> | <b>\$2,393,858</b> |
| <b>Liabilities</b>                        |                  |                  |                  |                  |                    |
| Accounts payable                          | \$470            | \$2,522          | \$2,443          | \$21             | \$5,456            |
| Borrowings                                | 8,723            | 24,755           | 369,884          | 807,371          | 1,210,733          |
| <b>Total Liabilities</b>                  | <b>\$9,193</b>   | <b>\$27,277</b>  | <b>\$372,327</b> | <b>\$807,392</b> | <b>\$1,216,189</b> |



# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 3 – RISK MANAGEMENT...continued

##### Liquidity risk ...continued

##### Derivative cash flows

The following table shows the derivative financial instruments that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

| At December 31                   | 2020         |               |             |              |          |
|----------------------------------|--------------|---------------|-------------|--------------|----------|
|                                  | 0 - 3 months | 3-12 months   | 1-5 years   | Over 5 years | Total    |
| <b>Derivative asset:</b>         |              |               |             |              |          |
| Derivative financial instruments | \$1,969      | \$7,379       | \$14,640    | \$67,833     | \$91,821 |
|                                  |              |               |             |              |          |
| At December 31                   | 2019         |               |             |              | Total    |
|                                  | 0 - 3 months | 3 - 12 months | 1 - 5 years | Over 5 years |          |
| <b>Derivative asset:</b>         |              |               |             |              |          |
| Derivative financial instruments | \$2,410      | \$3,052       | \$21,485    | \$8,691      | \$35,638 |
| <b>Derivative liability:</b>     |              |               |             |              |          |
| Derivative financial instruments | \$3,001      | \$2,135       | \$19,054    | \$(12,350)   | \$11,840 |

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 3 – RISK MANAGEMENT...continued

##### Liquidity risk ...continued

##### Commitments, guarantees and contingent liabilities

##### Loan and capital commitments

The table below summarises the amounts of the Bank's commitments and guarantees to which it has committed for the extension of credit to its BMCs.

Loan commitments represent amounts undrawn against loans approved by the BOD. Capital commitments represent obligations in respect of ongoing capital projects.

Other commitments comprise a proposed allocation, subject to the approval of the Board of Governors of the Bank, from the net income of the OCR to the operations of the Special Development Fund [SDF (U)] in respect of the four (4) year cycle (Cycle 9) covering the period 2017 to 2020.

|                       | 2020             |                  |                  |
|-----------------------|------------------|------------------|------------------|
|                       | 0-12 months      | 1-5 years        | Total            |
| <b>At December 31</b> |                  |                  |                  |
| Loan commitments      | \$209,000        | \$266,188        | \$475,188        |
| Other commitments     | 5,000            | 10,000           | 15,000           |
| Guarantees            | 12,000           | -                | 12,000           |
|                       | <b>\$226,000</b> | <b>\$276,188</b> | <b>\$502,188</b> |
|                       |                  |                  |                  |
|                       | 2019             |                  |                  |
|                       | 0-12 months      | 1-5 years        | Total            |
| <b>At December 31</b> |                  |                  |                  |
| Loan commitments      | \$259,000        | \$190,969        | \$449,969        |
| Other commitments     | 10,000           | 5,000            | 15,000           |
| Guarantees            | 12,000           | -                | 12,000           |
|                       | <b>\$281,000</b> | <b>\$195,969</b> | <b>\$479,969</b> |

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 3 – RISK MANAGEMENT...continued

#### Fair value of financial assets and liabilities

##### Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

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

Level 2 – Inputs other than quoted prices included in Level 1 for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Inputs for the asset or liability for which the lowest level input that is significant to the fair value measurement is unobservable.

##### Financial assets and liabilities measured at fair value

All of the Bank's financial assets which are measured at fair value are classified as Level 2 as follows:

| December 31   | 2020             | 2019             |
|---|------------------|------------------|
| <i>Financial assets at fair value through profit or loss</i>      |                  |                  |
| Derivative financial instruments                                  | \$94,288         | \$60,246         |
| <i>Financial assets at fair value through OCI</i>                 |                  |                  |
| Debt securities   | 537,986          | 422,138          |
|   | <b>\$632,274</b> | <b>\$482,384</b> |
| <i>Financial liabilities at fair value through profit or loss</i> |                  |                  |
| Derivative financial instruments                                  | \$-              | \$12,622         |
|   | <b>\$-</b>       | <b>\$12,622</b>  |

There were no transfers between Level 2 and Level 3 during the year.

**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

**NOTE 3 – RISK MANAGEMENT**...continued

**Fair value of financial assets and liabilities**...continued

**Financial instruments not measured at fair value**

The fair value measurement using valuation techniques for the Bank's assets and liabilities which are not measured at fair value but for which fair value is disclosed is as follows:

|   | <b>Carrying value</b> |             | <b>Fair value</b> |             |
|---|-----------------------|-------------|-------------------|-------------|
|   | <b>2020</b>           | <b>2019</b> | <b>2020</b>       | <b>2019</b> |
| <b>Financial assets – loans and receivables</b> |                       |             |                   |             |
| Loans outstanding                               | <b>\$1,332,087</b>    | \$1,249,318 | 1,343,895         | \$1,322,517 |
| <b>Financial liabilities – amortised cost</b>   |                       |             |                   |             |
| Borrowings                                      | <b>\$1,094,101</b>    | \$1,103,190 | \$1,629,404       | \$1,502,914 |

The fair value of both the loans outstanding and borrowings disclosed above is ranked as Level 2 in the fair value hierarchy. There is no active market for loans made by CDB's to its BMCs and therefore there are no quoted market prices which can be used to value such assets. The discounted cash flow method which is used to derive the fair value of the loans contains inputs in the form of a series of interest rates which reflect the tenor and the credit risk associated with the cash flows arising from the loans. Yield curves which are derived from observable market trades of US-dollar denominated bonds, issued by US-based financial institutions with credit-ratings similar to those assigned to CDB's BMCs, are deemed to be acceptable proxies for the yield curves required by the discounted cash flow valuation process. The credit ratings for BMCs which have been assigned ratings by international credit rating agencies are used in the cashflow analysis.

**Capital Management**

CDB's objectives when managing capital, which is a broader concept than "equity" on the face of the statement of financial position, are to:

- (i) Safeguard the Bank's ability to continue as a going concern; and
- (ii) Maintain a strong capital base to support its development mandate.

The Bank's capital adequacy framework which is consistent with the guidelines developed by the Basel Committee takes into account the Bank's total equity, which is defined as paid-up capital, retained earnings and reserves, less receivables from members, the effects of derivative adjustments. The goals of the Bank's capital adequacy are to:

- (i) Ensure a reliable framework and methodology to determine the appropriate levels of economic capital that the Bank should carry; and
- (ii) Determine from time to time the appropriate changes in the level of economic capital that the Bank must have, based on changes in the risk profile of its credit exposures.



# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 3 – RISK MANAGEMENT...continued

##### Capital Management...continued

The Bank's enhanced capital adequacy framework is supported by an income targeting policy that would enable the Bank not only to safeguard, but also to strengthen its level of capitalisation and to meet its commitments. The policy requires the Bank to maintain available capital (as defined in the Bank's Board approved policy) at a minimum level of 150% of baseline economic capital (comprising a methodology for calculating capital requirements based on the types and levels of risks, such as borrower defaults, operational losses, or market changes).

As at December 31, 2020 the Bank's available capital was 211.0% (2019: 232.9%) of its economic capital.

No changes were made to the objectives, policies or processes for managing capital during the year ended December 31, 2020.

#### NOTE 4 – SEGMENT ANALYSIS & REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker which is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. Under Article 33.4 of the Bank's Charter, the President is the Chief Executive Officer (CEO) and is required to conduct, under the direction of the Board of Directors (BOD) the current business of the Bank.

In accordance with IFRS 8 the Bank has one reportable segment, its OCR, since its operations are managed as a single business unit and it does not have multiple components for which discrete financial information is produced and reviewed by the chief operating decision maker for performance assessment and resource allocation.

The following table presents CDB's outstanding loan balances inclusive of accrued interest and net of impairment provisions as of December 31, 2020 and 2019, and associated interest income by countries which generated in excess of 10% of the loan interest income for the years ended December 31, 2020 and 2019:

| Country             | Interest income |                 | Loans outstanding  |                    |
|---------------------|-----------------|-----------------|--------------------|--------------------|
|                     | 2020            | 2019            | 2020               | 2019               |
| Barbados            | \$10,898        | \$9,121         | \$262,075          | \$261,898          |
| Jamaica             | 5,334           | 7,578           | 118,958            | 150,844            |
| Antigua and Barbuda | 5,370           | 6,242           | 115,787            | 117,384            |
| Others              | 34,864          | 35,677          | 835,267            | 719,192            |
|                     | <b>\$56,466</b> | <b>\$58,618</b> | <b>\$1,332,087</b> | <b>\$1,249,318</b> |

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

---

#### NOTE 5 – FINANCIAL ASSETS

##### *Initial recognition and measurement of financial assets*

Financial assets, with the exception of loans, are initially recognised on the settlement date, i.e., the date on which the transaction becomes final and payment must be made. This includes regular way trades - purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Loans are recognised when funds are transferred to the customers' accounts. The Bank recognises balances due to customers when funds are transferred to the Bank.

##### *Initial measurement of financial instruments*

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value. Trade receivables are measured at the transaction price.

##### **Measurement categories of financial assets**

The Bank classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost.
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit and loss (FVPL)

The Bank classifies and measures its derivatives at FVPL. The debt securities are classified as FVOCI.

The Bank has not designated any financial instruments at FVPL in order to eliminate or significantly reduce measurement or recognition inconsistencies (accounting mismatches).

##### **Subsequent measurement**

##### *Loans outstanding, receivable from members and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in 'Interest and similar income' in the statement of comprehensive income. The losses arising from impairment of loans and receivables are recognised in the statement of comprehensive income in 'Impairment (recovery)/charges'.

# **CARIBBEAN DEVELOPMENT BANK**

## **ORDINARY CAPITAL RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### **NOTE 5 – FINANCIAL ASSETS ...continued**

##### ***Subsequent measurement...continued***

*Loans outstanding, receivable from members and receivables...continued*

The Bank measures loans outstanding, receivable from members and receivables at amortised cost having determined that both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The details of these conditions are outlined below.

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective and in which loans to members, receivables from members and receivables are assessed on a counterparty level having regard to the small number of borrowers in the portfolio.

Assessment is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) of meeting and, in particular, the way those risks are managed.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

##### *The SPPI test*

As a second step of its classification process the Bank assesses the contractual terms of the financial asset to identify whether it meets the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount, if applicable). The Bank's loans are approved for fixed amounts with pre-determined repayment dates and other terms in settlement of principal and interest amounts. The receivables from members and receivables are for fixed amounts, but without pre-determined repayment dates.

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. The Bank's operating currency is US Dollars and interest rates for loans are set on a quarterly basis based on the cost of funds and an appropriate margin to cover operating expenditures and to realise a return. Receivables from members and receivables are interest free.

# **CARIBBEAN DEVELOPMENT BANK**

## **ORDINARY CAPITAL RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### **NOTE 5 – FINANCIAL ASSETS ...continued**

##### ***Subsequent measurement...continued***

###### *Debt securities*

The Bank classifies its debt securities at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. The ECL calculation for Debt securities at FVOCI is explained below. Where the Bank holds more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

###### *Derivatives recorded at fair value through profit or loss*

The Bank's derivatives are classified at FVPL.

The Bank enters into interest rate swaps and/or cross currency swaps with various counterparties and in accordance with approved policy. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed in Note 14. Changes in the fair value of derivatives are carried in the statement of financial position at fair value with net changes in fair value presented as 'Derivative fair value adjustments' in the statement of comprehensive income in the period during which they arise. Income and expenditures related to derivative financial instruments are shown as 'Net interest income from derivatives' in Note 22 (b) and are included in 'Interest expense and similar charges' in the statement of comprehensive income.

##### **Fair Value Measurement**

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or those for which only fair values are disclosed, are itemised in Note 3 – Risk Management – "Fair value of financial assets and liabilities".

For financial instruments traded in active markets, the determination of fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset takes place either in the principal market for the asset or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Bank.

The fair value of an asset is measured using the assumptions that market participants would use when pricing the asset assuming that the market participants are acting in their economic best interest.

The Bank uses widely recognised valuation models for determining fair values of non-standardised financial instruments for which the inputs into models are generally market observable. Models are also used to determine the fair value of financial instruments that are not quoted in active markets. All models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however, consideration of inputs such as credit risks, liquidity risks, volatilities and correlations require the inclusion of estimates by management. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



# **CARIBBEAN DEVELOPMENT BANK**

## **ORDINARY CAPITAL RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### **NOTE 5 – FINANCIAL ASSETS ...continued**

##### ***Fair Value Measurement...continued***

Financial assets are allocated within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets that are recognised in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

##### **Impairment of financial assets**

###### *Overview of the ECL principles*

The Bank records the allowance for expected credit losses for all loans and other financial assets not held at FVPL, together with loan commitments and financial guarantee contracts (all referred to as 'financial instruments' below).

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on an individual basis.

###### *Determination of significant increase in credit risk*

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Bank groups its financial assets into Stage 1, Stage 2, Stage 3 as described below:

- Stage 1: When financial assets are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 financial assets also include those assets where the credit risk has improved and the asset has then been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast exposure at default (EAD) and multiplied by the expected loss given default (LGD) and discounted by an approximation to the original EIR. This calculation is made for each of three scenarios, as explained below.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. These also include assets for which the credit risk has improved and the loan has been reclassified from Stage 3. The mechanics are similar to those outlined above for Stage 1, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

# **CARIBBEAN DEVELOPMENT BANK**

## **ORDINARY CAPITAL RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### **NOTE 5 – FINANCIAL ASSETS ...continued**

##### **Impairment of financial assets...continued**

- Stage 3: For loans considered credit-impaired the Bank recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the probability of default [PD] set at 100%.

##### *The calculation of ECLs*

The Bank calculates ECLs based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The three probability weighted scenarios comprise a base case, an optimistic scenario and a pessimistic scenario each of which is associated with different PDs, Exposure at Default [EAD]s and Loss given default [LGD]s.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier. The mechanics of the ECL calculations are outlined below:

- PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.
- PCT factor – The Preferred Creditor Treatment (PCT) factor is calculated as a mitigation of the total ECL computed in accordance with the standard formula, to reflect the status of the Bank as a preferred creditor by its sovereign borrowers. PCT treatment includes the obligation to meet the payments of all sovereign debts in full and on time, no re-negotiation or “hair-cuts” on outstanding amounts and the role of the Bank as a lender of last resort which rests in large part on the respect of PCT treatment to all institutions similar to the Bank.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market, counterparties or business model at the date of the financial statements. To reflect this, adjustments or overlays are occasionally made when such differences are significantly material. This includes taking into account the Bank’s preferred creditor treatment (PCT) afforded by its borrowing members as well as forward looking information.

##### *Loans outstanding, receivables from members and receivables*

The amount of the provision is the difference between the assets’ carrying value and the present value of expected cash flows including amounts recoverable from guarantees and collateral, discounted at the financial asset’s original effective interest rate. 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 statement of comprehensive income.

# **CARIBBEAN DEVELOPMENT BANK**

## **ORDINARY CAPITAL RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### **NOTE 5 – FINANCIAL ASSETS ...continued**

##### **Impairment of financial assets...continued**

*Debt instruments measured at fair value through OCI*

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to the statement of comprehensive income. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

##### *Forward looking information*

In its ECL models, the Bank relies on a broad range of forward-looking information as economic and financial inputs, more especially for its sovereign borrowers, such as:

- GDP growth projections
- Unemployment rate trends
- Debt profiles, debt management and projected levels
- Foreign exchange reserves outlook
- Political and social stability
- Growth trends in significant economic sectors
- External evaluation reports such as those of other IFIs such as the World Bank, IMF and internationally recognised credit rating agencies

The inputs and models used for calculating ECLs may not always capture all characteristics of the market and economy at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

##### *Definition of default and cure*

The Bank considers a loan defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 180 days past due in the case of sovereign borrowers and 90 days past due in the case of non-sovereign on their contractual payments. Members receivables are considered defaulted when the payments are 180 days past due. Debt securities and other receivables are considered defaulted when the contractual payments are 90 days past due.

As a part of a qualitative assessment of whether a sovereign or non-sovereign borrower is in default, the Bank also considers a variety of instances that may indicate inability to pay so as to determine whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events (only some of which will be applicable to each type of borrower), include:

- External and Internal credit rating of the borrower
- Prognosis of economic performance
- Debt restructuring, consolidations or defaults to lenders
- The borrower requesting emergency funding from the Bank or other sources
- The borrower entering into a structured economic programme with other MDBs
- The borrower having past due liabilities to public creditors or employees
- A covenant breach not waived by the Bank
- Breach of the Bank's preferred creditor treatment

# **CARIBBEAN DEVELOPMENT BANK**

## **ORDINARY CAPITAL RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### **NOTE 5 – FINANCIAL ASSETS ...continued**

##### **Impairment of financial assets...continued**

###### *Definition of default and cure...continued*

- The debtor (or any legal entity within the debtor's group) filing for bankruptcy application/protection
- Debtor's listed debt or equity suspended at the primary exchange because of indicators or facts about financial difficulties.

It is the Bank's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3, when none of the default criteria have been present for at least six consecutive months in the case of sovereign loans. In the case of non-sovereign loans and other financial assets the assessment period would be at least for a minimum period of one year. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated economic and financial performance at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

##### **Write-offs**

The Bank does not write-off, renegotiate or take "haircuts" on its sovereign loans in accordance with its business model, policies and its legal status. Financial assets of a non-sovereign nature are written off either partially or in their entirety only when the Bank has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

###### *The Bank's internal rating and PD estimation process*

The Bank's ORM operates its internal rating models. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour. Where practical, they also build on information from external rating agency action and information. These information sources are first used to determine the PDs within the Bank's Basel III framework. The internal credit grades are assigned based on these Basel III grades. PDs are then adjusted to incorporate forward looking information and the stage classification of the exposure. This is repeated for each economic scenario as appropriate.

###### *Sovereign loans*

Due to the nature of its borrowers and guarantors and relevant aspects of the Bank's business model, management expects that all of its sovereign and sovereign guaranteed loans will be repaid in full. The OCR has had a fully performing sovereign and sovereign guaranteed loan portfolio since its inception in 1970.

###### *Recognition of interest income on written-off loans*

Once a financial asset or a group of financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The estimated future cash flows projected in the effective interest rate method consider all contractual terms but do not consider future credit losses that have not yet been incurred.

###### *Significant accounting judgements, estimates and assumptions*

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses as well as the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different allowance amounts.



# **CARIBBEAN DEVELOPMENT BANK**

## **ORDINARY CAPITAL RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### **NOTE 5 – FINANCIAL ASSETS...continued**

##### **Impairment of financial assets...continued**

The Bank's Expected Credit Loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Bank's internal credit rating model, which assigns Probabilities of Default (PDs) to the individual ratings;
- The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Lifetime ECL basis and the associated qualitative assessment;
- Utilisation of appropriately tested ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs and the effect on PDs, Exposure at Default (EADs) and Losses given Default (LGDs);
- Selection of forward-looking macroeconomic scenarios and their probability weightings to derive the economic inputs into the ECL models;
- Evaluation of the impact of unique mitigating factors against credit losses based on the nature of the Bank, its ownership, borrowers and its preferred creditor status.
- Determination of the mitigating factor for the Bank's PCT status

##### **Collateral valuation**

To mitigate its credit risks in its non-sovereign portfolio the Bank seeks to use collateral to secure or further secure its loans primarily in non-interest-bearing cash deposits and charges against trade assets in the non-sovereign portfolio. Non-cash collateral, unless repossessed, is not recorded on the Bank's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed annually. The Bank held cash collateral with respect to two non-sovereign borrowers amounting to \$3.2 million (2019: \$2.3 million).

##### **Renegotiated loans**

It is the Bank's policy not to renegotiate sovereign loans. In respect of its non-sovereign portfolio the Bank seeks to restructure loans in preference to taking possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once terms have been renegotiated any impairment is measured using the original effective interest rate as calculated before the modification of terms and the loan is no longer considered past due. There are no renegotiated loans in the Bank's portfolio.

##### **De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e., removed from the statement of financial position) when:

- (i) The rights to receive cash flows from the asset have expired; or
- (ii) The Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - (a) the Bank has transferred substantially all the risks and rewards of the asset; or
  - (b) the Bank has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 5 – FINANCIAL ASSETS...continued

##### Impairment of financial assets...continued

##### De-recognition...continued

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Bank continues to recognise the transferred asset to the extent of the Bank's continuing involvement. In that case, the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

#### NOTE 6 – CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with maturities of three months or less from the date of acquisition which are subject to an insignificant risk of changes in value. Cash and cash equivalents include cash, time deposits, and amounts due from other banks.

Cash and cash equivalents comprise the following balances:

|                | 2020            | 2019             |
|----------------|-----------------|------------------|
| Due from banks | \$95,349        | \$229,716        |
| Time deposits  | -               | 62,329           |
|                | <b>\$95,349</b> | <b>\$292,045</b> |

Due from banks includes cash and inter-bank placements. The estimated fair value of floating rate placements and overnight deposits is their carrying value.

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 7 – DEBT SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The accounting policy is as defined in Note 5.

- (a) A summary of the Bank's debt securities at fair value through other comprehensive income as at December 31, 2020 is as follows:

|  | 2020             |                |              |                  |
|--|------------------|----------------|--------------|------------------|
|  | USD              | CAD            | Other        | Total            |
| <b>December 31</b>                                 |                  |                |              |                  |
| Obligations guaranteed by Governments <sup>1</sup> | \$307,148        | \$-            | \$-          | \$307,148        |
| Multilateral organisations                         | 80,322           | 4,043          | -            | 84,365           |
| Corporations                                       | 145,711          | -              | -            | 145,711          |
| Time deposits                                      | -                | -              | 762          | 762              |
|  | <b>\$533,181</b> | <b>\$4,043</b> | <b>\$762</b> | <b>\$537,986</b> |

|  | 2019             |                |              |                  |
|--|------------------|----------------|--------------|------------------|
|  | USD              | CAD            | Other        | Total            |
| <b>December 31</b>                                 |                  |                |              |                  |
| Obligations guaranteed by Governments <sup>1</sup> | \$230,527        | \$2,590        | \$-          | \$233,117        |
| Multilateral organisations                         | 110,097          | 1,079          | -            | 111,176          |
| Corporations                                       | 77,085           | -              | -            | 77,085           |
| Time deposits                                      | -                | -              | 760          | 760              |
|  | <b>\$417,709</b> | <b>\$3,669</b> | <b>\$760</b> | <b>\$422,138</b> |

<sup>1/</sup> Freely convertible currencies in Government and Government-guaranteed obligations which are members of the G7 or EU and its agencies.

The ECL computed for debt securities at FVOCI was \$18 as at December 31, 2020 (2019: nil).

- (b) A maturity analysis of debt securities at fair value through other comprehensive income as at December 31 is as follows:

|             | 2020             | 2019             |
|-------------|------------------|------------------|
| Current     | \$88,347         | \$181,718        |
| Non-current | 449,639          | 240,420          |
|             | <b>\$537,986</b> | <b>\$422,138</b> |

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 8 – RECEIVABLES AND PREPAID ASSETS

The accounting policy for receivables is as defined at Note 5. Prepaid assets are not financial assets and are recorded as assets on the statement of financial position when cash is paid and expensed to profit and loss over the relevant contract term.

Due to the short-term nature of receivables and prepaid assets, fair value is assumed to be equal to carrying value.

Receivables and prepaid assets comprise the following:

|                                   | 2020            | 2019           |
|-----------------------------------|-----------------|----------------|
| Inter-fund receivable – Note 27   | \$13,566        | \$5,342        |
| Staff loans and other receivables | 654             | 710            |
| Value added tax receivable        | 1012            | 1,263          |
| Institutional receivables         | 192             | 231            |
| Prepaid assets                    | 663             | 535            |
|                                   | <b>16,087</b>   | <b>8,081</b>   |
| Allowance for ECL                 | <b>(545)</b>    | <b>(426)</b>   |
|                                   | <b>\$15,542</b> | <b>\$7,655</b> |

An assessment of the allowance for ECL as at December 31 is as follows:

|  | Stage 1    | Stage 2     | Stage 3      | Total        |
|--|------------|-------------|--------------|--------------|
| Balance as at January 1, 2019          | \$1        | \$-         | \$426        | \$427        |
| Impairment charge (Note 24)            | (1)        | 83          | (83)         | (1)          |
| <b>Balance as at December 31, 2019</b> | <b>\$-</b> | <b>\$83</b> | <b>\$343</b> | <b>\$426</b> |
| Impairment (recovery)/charge (Note 24) | 4          | (83)        | 198          | 119          |
| <b>Balance as at December 31, 2020</b> | <b>\$4</b> | <b>\$-</b>  | <b>\$541</b> | <b>\$545</b> |

#### NOTE 9 – CASH COLLATERAL ON DERIVATIVES

The cash collateral on derivatives is a financial asset as defined in Note 5.

The Bank attempts to reduce counterparty credit exposure in derivative transactions through bilateral collateral requirements. Under these arrangements collateral is not required to be posted up to an agreed valuation threshold beyond which collateral is posted in cash by either one of the parties based on the exposure that is in excess of the credit threshold. When the Bank's derivative is in a liability position, it posts collateral to the counterparty and records the collateral posted as an asset receivable. When the Bank's derivative is in a receivable position, it receives collateral from the counterparty and records the collateral received as a reduction in the receivable or an increase in the liability.

The Bank is party to a currency swap with Credit Suisse International AG to convert \$145 million CHF to USD at a fixed exchange rate on a fixed date and to exchange a fixed interest rate of 0.297% for a floating rate based on USD Libor.



**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

**NOTE 9 – CASH COLLATERAL ON DERIVATIVES...***continued*

As at December 31, 2020, the collateral receivable from Credit Suisse International in respect of this cross-currency interest rate swap was nil (2019: \$2,400). Interest on this account is calculated at the daily US Federal Funds rate and the amounts earned for the year was \$3 (2019: \$125).

These arrangements form part of the Credit Support Annex ("CSA") to the ISDA Agreement and is an integral part of the valuation of the fair value of the underlying derivatives as disclosed in Note 3 – *Risk Management* and Note 14 – *Derivative financial instruments*.

**NOTE 10 – LOANS OUTSTANDING**

Loans outstanding are financial assets as defined in Note 5.

The Bank's loan portfolio comprises loans granted to, or guaranteed by, its BMCs and are disbursed and repaid in US Dollars. Loans are granted for a maximum period of twenty-two years, including a grace period, which typically covers the period of the project implementation and are for the purpose of financing development projects and programmes, and are not intended for sale. Interest rates are reset quarterly. The interest rate prevailing as at December 31, 2020 was 3.75% (2019: 4.80%)

The estimated fair values of the loans are based on discounted cash flow models using an estimated yield curve appropriate for the remaining term to maturity. The loans are evaluated based on parameters such as interest rates, specific country risk factors and individual credit worthiness.

*Collateral*

CDB does not take collateral on its sovereign loans. The Loans (CDB) Acts or other applicable legislation are enacted in the various BMCs and authorise the governments to raise loans from CDB or guarantee loans provided by CDB to their statutory authorities. They also provide for repayment of any loan made by CDB to the Government or to any statutory corporation, to be charged upon and paid out of the consolidated fund. CDB also derives comfort from the negative pledge condition included in its loan agreements which prohibits, except with CDB's written consent, the charging of Government assets to secure external indebtedness unless CDB is equally and ratably secured. Furthermore, CDB continues to be accorded preferred creditor treatment (PCT) by its BMCs by which, in applicable circumstances, the Bank's loans are not included in any debt rescheduling arrangements and defaults of its BMCs and the Bank is also given preferential access to foreign currency.

With respect to non-sovereign loans, CDB requires its commitments to be secured, the nature and extent of which is determined on a case-by-case basis. The Bank secures non-interest-bearing cash collateral against certain non-sovereign loans the amounts of which are estimated to be sufficient to maintain the loan in a current status in the event that this would become a requirement. If not utilised the amounts are refundable to the borrower upon maturity of the loan. In addition to security pledged by the borrower, the security against the non-sovereign loans, where applicable, also comprises that pledged against sub-loans (comprising loans on-lent by the borrower in accordance with terms of the original loan agreement) assigned to trusts that are managed by the borrower at no cost to CDB.

The fair value of the collateral held (off-balance sheet) for the impaired non-sovereign loans was not able to be valued due to the nature of the collateral and the cost effectiveness of establishing the value of the security, being the fair value of sub-loans and the Bank's portion of the estimated realisable value of a property. These values would not, in management's view, be material to the financial statements.

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 10 – LOANS OUTSTANDING...continued

(a) The following tables disclose the Bank's credit exposures at their carrying amounts, as categorised by Borrowing Member Countries, regional institutions and non-sovereign entities as at December 31.

#### 2020

| Borrowers                          | Loans not yet effective | Undisbursed      | Outstanding        | % of Loans outstanding |
|------------------------------------|-------------------------|------------------|--------------------|------------------------|
| Anguilla                           | \$-                     | \$2,059          | \$74,809           | 5.6                    |
| Antigua and Barbuda                | -                       | 60,372           | 114,620            | 8.7                    |
| Bahamas                            | -                       | 23,056           | 118,687            | 9.0                    |
| Barbados                           | -                       | 15,626           | 259,882            | 19.6                   |
| Belize                             | 21,300                  | 61,631           | 117,969            | 8.9                    |
| British Virgin Islands             | -                       | 30,395           | 93,087             | 7.0                    |
| Dominica                           | -                       | 6,651            | 25,229             | 1.9                    |
| Grenada                            | -                       | 5,877            | 39,286             | 3.0                    |
| Guyana                             | 101,466                 | 995              | 24,398             | 1.8                    |
| Jamaica                            | -                       | 1                | 117,726            | 8.9                    |
| St. Kitts and Nevis                | -                       | 3,989            | 23,035             | 1.7                    |
| St. Lucia                          | 7,378                   | 30,221           | 79,742             | 6.0                    |
| St. Vincent and the Grenadines     | 12,003                  | 134,090          | 63,611             | 4.8                    |
| Suriname                           | -                       | 87,234           | 56,051             | 4.2                    |
| Trinidad and Tobago                | -                       | 6,337            | 28,149             | 2.1                    |
| Turks and Caicos Islands           | -                       | 1,114            | 249                | 0.0                    |
| Regional                           | -                       | -                | 8,242              | 0.6                    |
| Non-sovereign                      | -                       | 5,540            | 79,389             | 6.0                    |
| <b>Sub-total</b>                   | <b>142,147</b>          | <b>475,188</b>   | <b>1,324,161</b>   | <b>100.0</b>           |
| Allowance for ECL                  | -                       | -                | (7,046)            |                        |
| Accrued interest and other charges | -                       | -                | 14,972             |                        |
|                                    | <b>\$142,147</b>        | <b>\$475,187</b> | <b>\$1,332,087</b> |                        |
|                                    |                         |                  | <b>2020</b>        |                        |
| Current                            |                         |                  | <b>\$121,785</b>   |                        |
| Non-current                        |                         |                  | <b>1,210,302</b>   |                        |
|                                    |                         |                  | <b>\$1,332,087</b> |                        |

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 10 – LOANS OUTSTANDING...continued

(a) Credit exposures...continued

| 2019                               |                         |                  |                    |                        |
|------------------------------------|-------------------------|------------------|--------------------|------------------------|
| Borrowers                          | Loans not yet effective | Undisbursed      | Outstanding        | % of Loans outstanding |
| Anguilla                           | \$6,230                 | \$3,478          | \$80,524           | 6.5                    |
| Antigua and Barbuda                | -                       | 65,371           | 116,193            | 9.3                    |
| Bahamas                            | 52,893                  | 28,177           | 24,154             | 1.9                    |
| Barbados                           | 29,800                  | 26,256           | 260,723            | 20.9                   |
| Belize                             | -                       | 78,635           | 115,022            | 9.3                    |
| British Virgin Islands             | 9,299                   | 45,939           | 81,599             | 6.6                    |
| Dominica                           | -                       | 8,083            | 18,472             | 1.5                    |
| Grenada                            | -                       | 11,120           | 38,126             | 3.1                    |
| Guyana                             | -                       | 1,303            | 26,964             | 2.2                    |
| Jamaica                            | -                       | 123              | 149,018            | 12.0                   |
| St. Kitts and Nevis                | -                       | 4,099            | 26,693             | 2.1                    |
| St. Lucia                          | 10,603                  | 28,292           | 61,534             | 4.9                    |
| St. Vincent and the Grenadines     | 101,414                 | 35,856           | 68,847             | 5.5                    |
| Suriname                           | -                       | 87,725           | 61,320             | 4.9                    |
| Trinidad and Tobago                | -                       | 6,337            | 32,900             | 2.6                    |
| Turks and Caicos Islands           | -                       | 1,114            | 1,307              | 0.1                    |
| Regional                           | -                       | -                | 8,968              | 0.7                    |
| Non-sovereign                      | -                       | 18,061           | 74,018             | 5.9                    |
| <b>Sub-total</b>                   | 210,239                 | 449,969          | 1,246,382          | 100.0                  |
| Allowance for ECL                  | -                       | -                | (12,920)           |                        |
| Accrued interest and other charges | -                       | -                | 15,856             |                        |
|                                    | <b>\$210,239</b>        | <b>\$449,969</b> | <b>\$1,249,318</b> |                        |
| <b>2019</b>                        |                         |                  |                    |                        |
| Current                            |                         |                  | \$114,392          |                        |
| Non-current                        |                         |                  | 1,134,926          |                        |
|                                    |                         |                  | <b>\$1,249,318</b> |                        |

# CARIBBEAN DEVELOPMENT BANK ORDINARY CAPITAL RESOURCES

## NOTES TO THE FINANCIAL STATEMENTS For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

### NOTE 10 – LOANS OUTSTANDING...continued

(b) An analysis of the composition of outstanding loans was as follows:

|                              | 2020  |                |                  |                    |                      |   |
|------------------------------|---|----------------|------------------|--------------------|----------------------|---|
|                              | Loans out-<br>standing<br>1 January<br>2020 | Net interest   | Disbursements    | Repayments         | Impairment<br>charge | Loans out-<br>standing<br>31 December<br>2020 |
| <b>Currencies receivable</b> |   |                |                  |                    |                      |   |
| United States dollars        | \$1,246,382                                 | \$-            | \$195,881        | \$(118,102)        | \$-                  | \$1,324,161                                   |
| <b>Sub-total</b>             | 1,246,382                                   | -              | 195,881          | (118,102)          | -                    | 1,324,161                                     |
| Allowance for ECL            | (12,920)                                    | -              | -                | -                  | 5,874                | (7,046)                                       |
| Accrued interest             | 15,856                                      | (884)          | -                | -                  | -                    | 14,972  |
| <b>Total – December 31</b>   | <b>\$1,249,318</b>                          | <b>\$(884)</b> | <b>\$195,881</b> | <b>\$(118,102)</b> | <b>\$5,874</b>       | <b>\$1,332,087</b>                            |
|                              | 2019  |                |                  |                    |                      |   |
|                              | Loans out-<br>standing<br>1 January<br>2019 | Net interest   | Disbursements    | Repayments         | Impairment<br>charge | Loans out-<br>standing<br>31 December<br>2019 |
| <b>Currencies receivable</b> |   |                |                  |                    |                      |   |
| United States dollars        | \$1,158,640                                 | \$-            | \$197,922        | \$(110,180)        | \$-                  | \$1,246,382                                   |
| <b>Sub-total</b>             | 1,158,640                                   | -              | 197,922          | (110,180)          | -                    | 1,246,382                                     |
| Allowance for ECL            | (9,978)                                     | -              | -                | -                  | (2,942)              | (12,920)                                      |
| Accrued interest             | 14,880                                      | 976            | -                | -                  | -                    | 15,856  |
| <b>Total – December 31</b>   | <b>\$1,163,542</b>                          | <b>\$976</b>   | <b>\$197,922</b> | <b>\$(110,180)</b> | <b>\$(2,942)</b>     | <b>\$1,249,318</b>                            |



**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

**NOTE 10 – LOANS OUTSTANDING...***continued*

(c) Reconciliation of the allowance account for ECL on loans is as follows:

|  | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b>    |
|--|----------------|----------------|----------------|-----------------|
| Balance as at January 1, 2019          | \$4,338        | \$796          | \$4,844        | \$9,978         |
| Impairment charge (Note 24)            | 4,164          | 380            | (1,602)        | 2,942           |
| <b>Balance as at December 31, 2019</b> | <b>\$8,502</b> | <b>\$1,176</b> | <b>\$3,242</b> | <b>\$12,920</b> |
| Impairment charge (Note 24)            | (3,869)        | (389)          | (1,616)        | (5,874)         |
| <b>Balance as at December 31, 2020</b> | <b>\$4,633</b> | <b>\$787</b>   | <b>\$1,626</b> | <b>\$7,046</b>  |

**NOTE 11 – NON-NEGOTIABLE DEMAND NOTES**

Non-negotiable demand notes are financial assets as defined in Note 5.

Under the provisions of its Charter the Bank shall accept, in place of any part of the members' currency paid or to be paid with respect to capital subscriptions, promissory notes issued by the Government of the member or by the depository designated by the member, subject to such currency not being required by the Bank for the conduct of its operations. These notes are non-negotiable, non-interest bearing and payable at their par value on demand. They are classified as current assets and their fair value is therefore estimated to be their carrying value.

As at December 31, the non-negotiable demand notes were comprised as follows: -

|                       | <b>2020</b>     | <b>2019</b> |
|-----------------------|-----------------|-------------|
| Gross carrying amount | <b>\$21,818</b> | \$39,989    |
| Allowance for ECL     | (221)           | (1,477)     |
|                       | <b>\$21,597</b> | \$38,512    |

An assessment of the allowance for ECL as at December 31 is as follows:

|   | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b>   |
|---|----------------|----------------|----------------|----------------|
| Balance as at January 1, 2019   | <b>\$6,627</b> | <b>\$-</b>     | <b>\$-</b>     | <b>\$6,627</b> |
| Impairment (recovery)/charge (Note 24)<br>– included in "Receivable from members" line) | (6,166)        | 24             | 992            | (5,150)        |
| <b>Balance as at December 31, 2019</b>  | <b>\$461</b>   | <b>\$24</b>    | <b>\$992</b>   | <b>\$1,477</b> |
| Impairment (recovery)/charge (Note 24)<br>– included in "Receivable from members" line) | (240)          | (24)           | (992)          | (1,256)        |
| <b>Balance as at December 31, 2020</b>  | <b>\$221</b>   | <b>\$-</b>     | <b>\$-</b>     | <b>\$221</b>   |

**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

**NOTE 12 – MAINTENANCE OF VALUE (MOV) ON CURRENCY HOLDINGS**

MOV receivables are financial assets as defined in Note 5.

In order to ensure that receipts for capital subscriptions originally paid in currencies other than US dollars retain at a minimum their value as determined in accordance with Article 24 of the Charter, each member is required to maintain the value of its currency held by the Bank. If in the opinion of the Bank, the value of a Member's currency depreciates or appreciates to a significant extent, the Bank or Member may be required to repay an amount of currency equal to the increase or decrease in the value of its currency which is held by the Bank in respect of capital subscriptions. For the purposes of effecting settlement, MOV obligations are established at December 31 in each year.

The Board of Directors has agreed that MOV obligations on any part of a member's paid-up capital which is represented by loans outstanding be postponed and become payable on each portion of the principal of such loans when such portion is repaid to the Bank. MOV obligations that are not so deferred are due for settlement within 12 months of the date established. The regime approved by the Board with respect to MOV payments does not allow for the making of MOV payments by the Bank where circumstances are unfavorable to the Bank. In particular, it permits the offsetting of Notes and will allow the encashment of Notes only with the prior and specific approval of the Board.

Member countries, whose currencies do not have a fixed relationship with the US dollar but for which there have been adjustments to the exchange rate, are obliged to maintain the value of their currencies in respect of capital contributions if such currencies depreciate. These adjustments are made to maintain the value of the member's subscriptions received by the Bank and are based on the prevailing exchange rates at the end of each reporting period, therefore reflecting fair value and can constitute a liability of the member or the Bank.

As at December 31 maintenance of value on currency holdings was comprised as follows:

|                       | <b>2020</b>    | <b>2019</b> |
|-----------------------|----------------|-------------|
| Gross carrying amount | <b>\$3,572</b> | \$4,389     |
| Allowance for ECL     | -              | -           |
|                       | <b>\$3,572</b> | \$4,389     |

An assessment of the allowance for ECL as at December 31 is as follows:

|   | <b>Stage 1</b> |
|---|----------------|
| Balance as at January 1, 2019   | \$651          |
| Impairment recovery (Note 24<br>– included in "Receivable from members" line) | (651)          |
| <b>Balance as at December 31, 2019</b>  | <b>\$-</b>     |
| Impairment recovery (Note 24<br>– included in "Receivable from members" line) | -              |
| <b>Balance as at December 31, 2020</b>  | <b>\$-</b>     |

As at December 31, 2020 \$317 (2019: \$498) was due by the Bank.

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 13 – SUBSCRIPTIONS IN ARREARS

Subscriptions in arrears are financial assets as defined in Note 5.

Member countries are required to meet their obligations for paid-in shares in six instalments. The values below represent amounts that are due and not yet paid by certain members.

The amount reported as subscriptions in arrears is comprised as follows:

|                       | <b>2020</b>    | <b>2019</b> |
|-----------------------|----------------|-------------|
| Gross carrying amount | <b>\$2,970</b> | \$1,981     |
| Allowance for ECL     | <b>(27)</b>    | (45)        |
|                       | <b>\$2,943</b> | \$1,936     |

An assessment of the allowance for ECL as at December 31 is as follows:

|   | <b>Stage 1</b> |
|---|----------------|
| Balance as at January 1, 2019                 | \$327          |
| Impairment recovery (Note 24)                 | (282)          |
| – included in “Receivable from members” line) |                |
| <b>Balance as at December 31, 2019</b>        | <b>\$45</b>    |
| Impairment recovery (Note 24)                 | <b>(18)</b>    |
| – included in “Receivable from members” line) |                |
| <b>Balance as at December 31, 2020</b>        | <b>\$27</b>    |

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 14 – DERIVATIVE FINANCIAL INSTRUMENTS

The accounting policy is as defined in Note 5.

The Bank is party to six swaps with four counterparties. Two swaps were used to transform underlying fixed rate borrowings in Japanese Yen to floating rate obligations in USD. One of these swaps has subsequently been modified to reinstate fixed rate exposure, at a rate lower than that of the original underlying note. The two fixed rate Japanese Yen notes which mature in 2022 and 2030 carry interest rates of 2.75% and 4.35%, respectively. The principal amounts due on maturity are in Japanese Yen, while the interest payments are due in USD.

Two interest rate swaps were executed in August 2013 and September 2014, which transformed a fixed rate borrowing of 300 million USD into obligations with LIBOR based floating rates of interest. Both swaps mature in November 2027.

A cross currency interest rate swap was also executed in July 2016 related to a bond issue of 145 million Swiss Francs. The swap was used to transform the underlying 0.297% fixed rate borrowing in Swiss Francs to LIBOR based floating rate obligations in USD. The swap matures concurrently with the borrowing in 2028.

A cross currency interest rate swap was also executed in September 2020 related to a bond issue of 250 million Euros. The swap was used to transform the underlying fixed rate borrowing in Euros to LIBOR based floating rate obligations in USD. The swap matures concurrently with the borrowing in 2039.

Counterparties to derivative contracts are selected in accordance with the Bank's approved policy. In accordance with this policy, engaging in speculative activities is prohibited and all derivative financial instruments are held to maturity but may be terminated in those instances where the contract no longer satisfies the purpose for which it was intended, or is detrimental to the Bank's profitability in any way.

Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when it is negative. The fair values of derivative financial instruments held at December 31, were as follows:

|   |                 | 2020            | 2019            |
|---|-----------------|-----------------|-----------------|
|   |                 | Fair values     |                 |
|   | Notional Amount |                 |                 |
| <b>Derivative financial asset</b>         |                 |                 |                 |
| Cross currency interest rate swaps        | \$525,467       | \$68,620        | \$42,252        |
| Interest rate swaps                       | \$300,000       | 33,696          | 18,961          |
| Bilateral non-performance risk adjustment |                 | (8,028)         | (967)           |
|   |                 | <u>\$94,288</u> | <u>\$60,246</u> |
| <b>Derivative financial liability</b>     |                 |                 |                 |
| Cross currency interest rate swap         | \$151,341       | \$-             | \$12,765        |
| Bilateral non-performance risk adjustment |                 | -               | (143)           |
|   |                 | <u>\$-</u>      | <u>\$12,622</u> |



# **CARIBBEAN DEVELOPMENT BANK**

## **ORDINARY CAPITAL RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### **NOTE 15 – PROPERTY AND EQUIPMENT**

Property and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be reliably measured. All repairs and maintenance are charged to operating expenses during the financial year in which they are incurred.

Land is not depreciated as it is deemed to have an indefinite life.

Depreciation of other assets is computed on the straight-line basis at rates considered adequate to write-off the cost of these assets over their useful lives as follows:

|                               | <b>Years</b> |
|-------------------------------|--------------|
| Buildings and ancillary works | 15-25        |
| Furniture and equipment       | 4-8          |
| Computers                     | 4            |
| Motor vehicles                | 4            |

The assets' residual value and useful lives are reviewed and adjusted if appropriate at each reporting date. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The asset's recoverable amount is the higher of the impaired asset's fair value less costs to sell and its value in use.

During the year the Bank undertook an assessment of the economic life of its computer assets for accounting purposes and it was determined that the current policy was still applicable.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount and costs to sell. These are included in the statement of comprehensive income.

Under the Headquarters' Agreement with the host country, Bank owned buildings in the host country are intended to be used for the purposes of the Bank. Land totaling 2.2 hectares and the associated buildings were conveyed to the Bank by the Government of Barbados in 1983. These assets are not accounted for by the Bank and therefore do not form part of the Bank's financial records. Management does not consider the historical cost to be material and is in the process of obtaining legal vesting of the asset to the Bank.

**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**

**(expressed in thousands of United States dollars, unless otherwise stated)**

**NOTE 15 – PROPERTY AND EQUIPMENT...continued**

The carrying values of property and equipment were as follows:

|   | 2020                       |   |                |                               |                   |                 |
|---|----------------------------|---|----------------|-------------------------------|-------------------|-----------------|
|   | Projects<br>in<br>Progress | Land,<br>Buildings<br>and<br>Ancillary<br>Works | Computers      | Furniture<br>and<br>Equipment | Motor<br>Vehicles | Total           |
| <b>Opening net book value</b>                 | <b>\$10,349</b>            | <b>\$4,687</b>                                  | <b>\$1,277</b> | <b>\$549</b>                  | <b>\$13</b>       | <b>\$16,875</b> |
| Adjustments to opening cost of Motor Vehicles | -                          | -   | -              | -                             | (2)               | (2)             |
| Additions                                     | 3,131                      | -   | 161            | 24                            | 113               | 3,429           |
| Transfers from projects in progress           | (1,106)                    | -   | -              | 42                            | -                 | (1,064)         |
| Depreciation expense                          | -                          | (303)   | (645)          | (287)                         | (19)              | (1,254)         |
| <b>Closing net book value</b>                 | <b>\$12,374</b>            | <b>\$4,384</b>                                  | <b>\$793</b>   | <b>\$328</b>                  | <b>\$105</b>      | <b>\$17,984</b> |
| At December 31                                |                            |   |                |                               |                   |                 |
| Cost  | \$12,374                   | \$12,335  | \$12,898       | \$6,966                       | \$378             | \$44,951        |
| Accumulated depreciation                      | -                          | (7,951)   | (12,105)       | (6,638)                       | (273)             | (26,967)        |
| <b>Closing net book value</b>                 | <b>\$12,374</b>            | <b>\$4,384</b>                                  | <b>\$793</b>   | <b>\$328</b>                  | <b>\$105</b>      | <b>\$17,984</b> |

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 15 – PROPERTY AND EQUIPMENT...continued

|  | 2019                       |   |                |                               |                   |                 |
|--|----------------------------|---|----------------|-------------------------------|-------------------|-----------------|
|  | Projects<br>in<br>Progress | Land,<br>Buildings<br>and<br>Ancillary<br>Works | Computers      | Furniture<br>and<br>Equipment | Motor<br>Vehicles | Total           |
| <b>Opening net book value</b>            | \$5,285                    | \$4,958   | \$2,245        | \$819                         | \$53              | <b>\$13,360</b> |
| Adjustments to opening cost of computers | 674                        | -   | (674)          | -                             | -                 | -               |
| Additions                                | 4,553                      | -   | 341            | 52                            | -                 | <b>4,946</b>    |
| Transfers from projects in progress      | (163)                      | 36  | 97             | 30                            | -                 | -               |
| Disposals – cost                         | -                          | -   | (43)           | (22)                          | -                 | <b>(65)</b>     |
| Disposals - accumulated depreciation     | -                          | -   | 43             | 19                            | -                 | <b>62</b>       |
| Depreciation expense                     | -                          | (307)   | (732)          | (349)                         | (40)              | <b>(1,428)</b>  |
| <b>Closing net book value</b>            | <b>\$10,349</b>            | <b>\$4,687</b>                                  | <b>\$1,277</b> | <b>\$549</b>                  | <b>\$13</b>       | <b>\$16,875</b> |
| At December 31                           |                            |   |                |                               |                   |                 |
| Cost                                     | \$10,349                   | \$12,335  | \$12,737       | \$6,900                       | \$267             | <b>\$42,588</b> |
| Accumulated depreciation                 | -                          | (7,648)   | (11,460)       | (6,351)                       | (254)             | <b>(25,713)</b> |
| <b>Closing net book value</b>            | <b>\$10,349</b>            | <b>\$4,687</b>                                  | <b>\$1,277</b> | <b>\$549</b>                  | <b>\$13</b>       | <b>\$16,875</b> |

#### NOTE 16 – FINANCIAL LIABILITIES

Financial liabilities are recognised on the statement of financial position when the Bank becomes a party to the contractual provisions of an instrument. Management determines the classification of its financial instruments at initial recognition.

The Bank's financial liabilities include accounts payable, borrowings, employee benefits and MOV. Further information is included at Notes 17 and 20 respectively. All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. After initial recognition, the fair value option is not applied, and interest-bearing borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit and loss when the liabilities are de-recognised. Amortised cost is calculated by taking into account any discount or premium on acquisition, and fees or costs that are an integral part of the EIR. The EIR amortisation is included as a borrowing expense in the statement of comprehensive income. This category generally applies to interest-bearing borrowings.

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### NOTE 16 – FINANCIAL LIABILITIES...continued

##### *Fair value measurement*

Fair value disclosures for financial liabilities are contained in Note 3 – Risk Management - “Fair value of financial assets and liabilities”. Fair value is determined using valuation techniques and are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of future cash flows, or other valuation techniques using inputs.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

##### *De-recognition*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

#### NOTE 17 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounting policy for accounts payable is as defined at Note 16.

Accrued liabilities are not financial liabilities. These are recorded as liabilities on the statement of financial position when the OCR has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Due to the short-term nature of these liabilities with no stated maturity, fair value is assumed to be equal to carrying value which is the amount payable on demand.

The carrying values of accounts payable and accrued liabilities is as follows:

|                     | <b>2020</b>            | <b>2019</b>           |
|---------------------|------------------------|-----------------------|
| Accounts payable    | <b>\$6,971</b>         | \$5,456               |
| Accrued liabilities | <b>3,886</b>           | 2,795                 |
|                     | <b><u>\$10,857</u></b> | <b><u>\$8,251</u></b> |

#### NOTE 18 – DEFERRED INCOME

Deferred income comprises freehold land donated to the Bank as a Government grant and is stated at historical value of \$875 (2019: \$875). The grant was recorded using the income approach and will be recognised in profit and loss in line with the useful life of the assets scheduled for construction on the property, approval for which was given by the Bank’s BOD and preliminary undertakings are in process.



**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

**NOTE 19 – POST-EMPLOYMENT OBLIGATIONS**

*Pension obligations*

CDB has both a contributory defined benefit New Pension Plan (“the Plan” or “NPP”) and a hybrid Old Pension Scheme (“the Scheme” or “OPS”) to secure pensions for eligible employees of the Bank. Both the Plan and the Scheme are final salary defined benefit and are managed by independent Trustees who are appointed by representatives from the management and staff respectively and operated under the rules of respective Trust Deeds.

A defined benefit plan is a pension plan having terms that specify the amount of pension benefits to be provided at a future date or after a certain period of time. The amount specified usually is a function of one or more factors such as age, years of service, and compensation prior to retirement.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Current service costs, past service costs and gain or loss on settlement and net interest expense or income on the net defined liability are recognised immediately in profit and loss under “Operating expenses”. Net interest is calculated by applying the discount rate to the net defined liability or asset.

Re-measurements of the net defined liability/(asset) comprising actuarial gains and losses, return on plan assets excluding amounts included in net interest on the net defined liability/(asset) and any change in the effect of the asset ceiling (if applicable) excluding amounts included in net interest on the net defined liability (asset), are recognised immediately in the statement of financial position with a corresponding debit or credit to equity through other comprehensive income (“OCI”) in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

*Other post-retirement obligations*

The Bank provides post-retirement medical benefits to its retirees. The expected costs of these benefits are accrued over the period using an accounting methodology similar to that for defined benefit pension plans. The present value of the post-retirement obligation is determined by discounting the estimated future cash outflows (relating to service accrued to the reporting date) using the yields available on high-quality corporate bonds.

*Description of the plans*

The plans require contributions to be made to independent investment managers under respective management agreements and who are authorised to exercise complete discretion over the investment and reinvestment of the plans’ assets and the reinvestment of the proceeds of sale and the variation of investments made.

The solvency of the plans is assessed by independent actuaries every three years to determine the funding requirements for the plans. The most recent actuarial valuation was performed as at January 1, 2020. The financial statements of the plans are audited annually by independent external auditors. The level of contributions necessary to meet future obligations is approved by the Trustees acting on professional advice.

**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

**NOTE 19 – POST-EMPLOYMENT OBLIGATIONS...continued**

*Description of the plans...continued*

With respect to the hybrid pension scheme, members other than those of the NPP or those who have completed 33 1/3 years of pensionable service, pay regular contributions of 5% of salaries. The Bank meets the balance of the cost of funding the defined benefits and must pay contributions at least equal to 16.9% of contributing members' salaries and fund any deficit over a maximum period of 40 years.

In accordance with the rules of the NPP, members contribute 7% of their annual salary and the Bank contributes such sums as are certified by the Actuary to be sufficient together with the existing assets of the plan to provide the benefits payable and preserve the solvency of the plan. The current contribution rate effective January 1, 2020 as certified by the Actuary and applied by the Bank is 31.1% (2019: 30.7%) of the aggregate amount of the annual salaries of eligible employees. All contributions (initially determined in Barbados dollars) are immediately converted to United States dollars and held or invested in that currency.

The latest changes to the Plan were approved by the BOD in 2014 and in 2019.

The post-retirement medical benefit is provided through a group insurance contract which is available to all defined benefit pension plan and hybrid pension scheme retirees (including those who took their hybrid pension scheme entitlement as a lump sum) provided they retired from the service of the Bank after completing at least 10 years' service. It is not available to persons who leave the service of the Bank before retirement. The Bank and the retirees share the burden of the medical premiums using a predetermined ratio of 65% and 35% respectively.

*Key assumptions and quantitative sensitivity analyses*

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using independent actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the applicable discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed and approved by management at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, Management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and applying a single weighted average discount rate that reflects the estimated timing and amounts of benefit payments and the currency in which the benefits are to be paid, extrapolated as needed, along the yield curve to correspond with the average expected term of the defined benefit obligation.

With respect to the Post-Retirement Medical Plan, the appropriate discount rate has been determined to be based on the yield on Government of Barbados long term Bonds since there is no deep market in Barbados Dollar denominated long term Corporate Bonds. Barbados Dollar Bonds are used as the liability is denominated in that currency.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes.

**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

**NOTE 19 – POST-EMPLOYMENT OBLIGATIONS...continued**

*Key assumptions and quantitative sensitivity analyses...continued*

Future salary increases and pension increases are based on expected future inflation rates of the country of the Bank's location. The key assumptions and their sensitivity analyses are discussed further below.

*Risks factors that may impact the Bank*

The defined benefit new pension plan exposes the Bank to:

- longevity risk,
- inflation risk since although pension increases are capped, the benefits to current employees are based on final average salaries,
- interest rate risk due to the liabilities being of longer duration than the dated securities;
- investment risk in order to counter the inflation risk and improve the investment return. As at the reporting date 55.45% (2019: 52.13%) of the plan assets were invested in equities.

The hybrid pension scheme also exposes the Bank to the same longevity, inflation and interest rate risks. The investment risk inherent in the cash balance option has been managed by concentrating on short and medium term, high quality securities, leaving the Bank exposed to the inflation and interest rate risks in the pension option.

**Net post-employment obligations**

|                                    | <b>2020</b>     | <b>2019</b> |
|------------------------------------|-----------------|-------------|
| Defined benefit pension liability  | <b>\$31,337</b> | \$25,098    |
| Hybrid pension liability           | <b>12,758</b>   | 8,812       |
| Post-retirement medical obligation | <b>2,712</b>    | 2,585       |
|                                    | <b>\$46,807</b> | \$36,495    |

**Net pension costs recognised in profit or loss**

|                                    |                |         |
|------------------------------------|----------------|---------|
| Defined benefit pension liability  | <b>\$6,517</b> | \$5,447 |
| Hybrid pension liability           | <b>334</b>     | 314     |
| Post-retirement medical obligation | <b>265</b>     | 246     |
|                                    | <b>\$7,116</b> | \$6,007 |

**Net re-measurement loss/(gain) recognised in other comprehensive income**

|                                    |                |          |
|------------------------------------|----------------|----------|
| Defined benefit obligation         | <b>\$4,378</b> | \$8,787  |
| Hybrid pension liability           | <b>4,706</b>   | 2,866    |
| Post-retirement medical obligation | <b>(13)</b>    | 241      |
|                                    | <b>\$9,071</b> | \$11,894 |

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 19 – POST-EMPLOYMENT OBLIGATIONS...continued

The amounts recognised in the statement of financial position for the individual plans are determined as follows:

|                                     | Pensions                     |          |                       |          |
|-------------------------------------|------------------------------|----------|-----------------------|----------|
|                                     | Defined Benefit Pension Plan |          | Hybrid Pension Scheme |          |
|                                     | 2020                         | 2019     | 2020                  | 2019     |
| Present value of funded obligations | <b>\$111,853</b>             | \$95,943 | <b>\$30,881</b>       | \$27,457 |
| Fair value of plan assets           | <b>(80,516)</b>              | (70,845) | <b>(18,123)</b>       | (18,645) |
| Net defined benefit liability       | <b>\$31,337</b>              | \$25,098 | <b>\$12,758</b>       | \$8,812  |

The amounts recognised in profit or loss are as follows:

|   | Pensions                     |         |                       |       |
|---|------------------------------|---------|-----------------------|-------|
|   | Defined Benefit Pension Plan |         | Hybrid Pension Scheme |       |
|   | 2020                         | 2019    | 2020                  | 2019  |
| Current service costs                         | <b>\$5,658</b>               | \$4,945 | <b>\$90</b>           | \$84  |
| Net interest on net defined benefit liability | <b>859</b>                   | 502     | <b>244</b>            | 230   |
| Net pension cost                              | <b>\$6,517</b>               | \$5,447 | <b>\$334</b>          | \$314 |

Re-measurements recognised in other comprehensive income are as follows:

|   | Pensions                     |         |                       |         |
|---|------------------------------|---------|-----------------------|---------|
|   | Defined Benefit Pension Plan |         | Hybrid Pension Scheme |         |
|   | 2020                         | 2019    | 2020                  | 2019    |
| Experience (gains)/losses                             | <b>\$4,378</b>               | \$8,787 | <b>\$4,706</b>        | \$2,866 |
| Total amount recognised in other comprehensive income | <b>\$4,378</b>               | \$8,787 | <b>\$4,706</b>        | \$2,866 |



**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

**NOTE 19 – POST-EMPLOYMENT OBLIGATIONS...continued**

Movement in the liability recognised in the statement of financial position was as follows:

|  | <b>Pensions</b>                     |             |                              |             |
|--|-------------------------------------|-------------|------------------------------|-------------|
|  | <b>Defined Benefit Pension Plan</b> |             | <b>Hybrid Pension Scheme</b> |             |
|  | <b>2020</b>                         | <b>2019</b> | <b>2020</b>                  | <b>2019</b> |
| Opening defined benefit liability                        | <b>\$25,098</b>                     | \$15,203    | <b>\$8,812</b>               | \$6,336     |
| Net pension cost   | <b>6,517</b>                        | 5,447       | <b>334</b>                   | 314         |
| Re-measurements recognised in other comprehensive income | <b>4,378</b>                        | 8,787       | <b>4,706</b>                 | 2,866       |
| Bank contributions paid                                  | <b>(4,656)</b>                      | (4,339)     | <b>(1,094)</b>               | (704)       |
| <b>Balance as at December 31</b>                         | <b>\$31,337</b>                     | \$25,098    | <b>\$12,758</b>              | \$8,812     |

Movement in the defined benefit obligation over the year was as follows:

|  | <b>Pensions</b>                     |             |                              |             |
|--|-------------------------------------|-------------|------------------------------|-------------|
|  | <b>Defined Benefit Pension Plan</b> |             | <b>Hybrid Pension Scheme</b> |             |
|  | <b>2020</b>                         | <b>2019</b> | <b>2020</b>                  | <b>2019</b> |
| <b>Balance at January 1</b>                              | <b>\$95,943</b>                     | \$75,277    | <b>\$27,457</b>              | \$24,204    |
| Current service costs                                    | <b>5,658</b>                        | 4,945       | <b>90</b>                    | 84          |
| Interest costs   | <b>2,975</b>                        | 2,964       | <b>752</b>                   | 947         |
| Members' contributions                                   | <b>983</b>                          | 989         | <b>496</b>                   | 469         |
| Re-measurements  |                                     |             |                              |             |
| Experience adjustments                                   | <b>(2,979)</b>                      | (3,245)     | <b>438</b>                   | (836)       |
| Actuarial losses from changes in demographic assumptions | <b>7,751</b>                        | 2,873       | <b>2,454</b>                 | 560         |
| Actuarial losses) from changes in financial assumptions  | <b>6,348</b>                        | 14,513      | <b>2,152</b>                 | 3,098       |
| Benefits paid  | <b>(4,826)</b>                      | (2,373)     | <b>(2,958)</b>               | (1,069)     |
| <b>Balance as at December 31</b>                         | <b>\$111,853</b>                    | \$95,943    | <b>\$30,881</b>              | \$27,457    |

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 19 – POST-EMPLOYMENT OBLIGATIONS...continued

Movement in the fair value of plan assets over the year was as follows:

|   | Pensions                     |          |                       |          |
|---|------------------------------|----------|-----------------------|----------|
|   | Defined Benefit Pension Plan |          | Hybrid Pension Scheme |          |
|   | 2020                         | 2019     | 2020                  | 2019     |
| <b>Balance at January 1</b>               | <b>\$70,845</b>              | \$60,074 | <b>\$18,645</b>       | \$17,868 |
| Interest income                           | <b>2,116</b>                 | 2,462    | <b>508</b>            | 717      |
| Return on plan assets, excluding interest | <b>6,742</b>                 | 5,354    | <b>338</b>            | (44)     |
| Bank contributions                        | <b>4,656</b>                 | 4,339    | <b>1,094</b>          | 704      |
| Members' contributions                    | <b>983</b>                   | 989      | <b>497</b>            | 469      |
| Benefits paid                             | <b>(4,826)</b>               | (2,373)  | <b>(2,959)</b>        | (1,069)  |
| <b>Balance as at December 31</b>          | <b>\$80,516</b>              | \$70,845 | <b>\$18,123</b>       | \$18,645 |

The asset allocation as at December 31 for the Defined benefit pension plan is as follows:

|                                 | 2020            | 2019     |
|---------------------------------|-----------------|----------|
| <b>Quoted in active markets</b> |                 |          |
| Equity securities               | <b>\$45,527</b> | \$36,928 |
|                                 | <b>\$45,527</b> | \$36,928 |
| <b>Unquoted investments</b>     |                 |          |
| Cash and cash equivalents       | <b>2,493</b>    | 2,198    |
| Debt securities                 | <b>35,202</b>   | 32,878   |
|                                 | <b>\$37,696</b> | \$35,076 |
| Net accruals                    | <b>(2,706)</b>  | (1,159)  |
| <b>Total</b>                    | <b>\$80,516</b> | \$70,845 |

The asset allocation as at December 31 for the Hybrid pension scheme is as follows:

|  | 2020            | 2019     |
|--|-----------------|----------|
| <b>Unquoted investments</b>                |                 |          |
| Government and Government guaranteed bonds | <b>\$10,934</b> | \$11,113 |
| Supranational bonds                        | <b>4,608</b>    | 4,539    |
| Corporate bonds                            | <b>2,273</b>    | 1,515    |
| Cash, cash equivalents and net accruals    | <b>308</b>      | 1,478    |
| <b>Total</b>                               | <b>\$18,123</b> | \$18,645 |

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 19 – POST-EMPLOYMENT OBLIGATIONS...continued

The principal actuarial assumptions used for accounting purposes are:

|   | Defined Benefit Pension Plans |       |
|---|-------------------------------|-------|
|   | 2020                          | 2019  |
| Discount rate – Defined benefit pension plan            | <b>2.37%</b>                  | 2.97% |
| Discount rate – Hybrid pension scheme                   | <b>2.10%</b>                  | 2.83% |
| Future salary increases                                 | <b>3.00%</b>                  | 4.00% |
| Future pension increases – Defined benefit pension plan | <b>2.00%</b>                  | 2.00% |

It was assumed that there would be no future pension increases with respect to the hybrid pension scheme.

The proportion of the defined benefit pension plan preserved members opting for pension was assumed to be 75% (2019: 75%). The proportion of other members opting for pension was assumed to be 75% (2019: 75%).

#### Mortality rate

Assumptions regarding future mortality experience are set based on actuarial advice, published statistics and experience.

The average life expectancy in years of a pensioner retiring at age 60 for current pensioners as at the reporting date is as follows:

|        | 2020               | 2019       |
|--------|--------------------|------------|
| Male   | <b>24.94 years</b> | 21.7 years |
| Female | <b>26.99 years</b> | 26.0 years |

The average life expectancy at age 60 for current members age 40 as at the reporting date is as follows:

|        | 2020               | 2019       |
|--------|--------------------|------------|
| Male   | <b>26.53 years</b> | 22.6 years |
| Female | <b>27.82 years</b> | 26.9 years |

**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

**NOTE 19 – POST-EMPLOYMENT OBLIGATIONS...continued**

**Sensitivity analysis and liability profile**

**(a) Defined benefit pension plan**

A quantitative sensitivity analysis for significant assumptions as at December 31, 2020 is as shown below:

|  | Discount rate                      |                    | Future salary increases              |                      | Pension increases |                   |
|--|------------------------------------|--------------------|--------------------------------------|----------------------|-------------------|-------------------|
|  | 1% p.a. increase                   | 1% p.a. decrease   | 1% p.a. increase                     | 1% p.a. decrease     | 1% p.a. increase  | 1% p.a. decrease  |
| Impact on the defined benefit obligation | <b>\$(17,310)</b>                  | <b>\$22,567</b>    | <b>\$5,333</b>                       | <b>\$(4,650)</b>     | <b>\$14,707</b>   | <b>\$(12,206)</b> |
|  | Life expectancy of male pensioners |                    | Life expectancy of female pensioners |                      |                   |                   |
|  | Increase by 1 year                 | Decrease by 1 year | Increase by 1 year                   | Decrease by 1 year   |                   |                   |
| Impact on the defined benefit obligation | <b>\$1,818,502</b>                 | <b>\$(277,925)</b> | <b>\$1,971,249</b>                   | <b>\$(1,866,450)</b> |                   |                   |

The sensitivity analyses disclosed have been determined based on a method which extrapolates the impact on the net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to be made in the future years to the defined benefit obligation:

|   | <b>2020</b>    | <b>2019</b> |
|---|----------------|-------------|
| Within the next 12 months (annual reporting period) | <b>\$3,651</b> | \$4,408     |
| Between 1 year and 2 years                          | <b>\$3,484</b> | \$4,366     |

The defined benefit obligation is allocated among the plan members as follows:

|                       |                        |
|-----------------------|------------------------|
| Active members.....   | <b>52%</b> (2019: 63%) |
| Deferred members..... | <b>1%</b> (2019: 1%)   |
| Pensioners.....       | <b>47%</b> (2019: 36%) |

The weighted average duration of the defined benefit obligation was 17.7 years (2019: 17.2 years).

89% (2019: 91%) of the benefits for active members were vested, 21% (2019: 21%) of the defined benefit obligation for active members was conditional on future salary increases.



# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 19 – POST-EMPLOYMENT OBLIGATIONS...continued

##### Sensitivity analysis and liability profile...continued

##### (b) Hybrid pension scheme

A quantitative sensitivity analysis for significant assumptions as at December 31, 2020 is as shown below:

|                                     | Discount rate                      |                    | Future salary increases              |                    |
|-------------------------------------|------------------------------------|--------------------|--------------------------------------|--------------------|
|                                     | 1% p.a. increase                   | 1% p.a. decrease   | 1% p.a. increase                     | 1% p.a. decrease   |
| Impact on hybrid pension scheme     | <b>\$(3,122)</b>                   | <b>\$3,963</b>     | <b>\$258</b>                         | <b>\$(244)</b>     |
|                                     | Life expectancy of male pensioners |                    | Life expectancy of female pensioners |                    |
|                                     | Increase by 1 year                 | Decrease by 1 year | Increase by 1 year                   | Decrease by 1 year |
| Impact on the hybrid pension scheme | <b>\$312,365</b>                   | <b>\$(277,925)</b> | <b>\$361,346</b>                     | <b>\$(335,817)</b> |

The sensitivity analyses disclosed have been determined based on a method which extrapolates the impact on the net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to be made in the future years to the defined benefit obligation:

|                            | 2020            | 2019  |
|----------------------------|-----------------|-------|
| Within the next 12 months  | <b>\$1,0941</b> | \$705 |
| Between 1 year and 2 years | <b>\$31,053</b> | \$706 |

The defined benefit obligation is allocated among the plan members as follows:

Active members.....**42%** (2019: 53%)  
Pensioners.....**58%** (2019: 47%)

The weighted average duration of the hybrid pension scheme was 12.33 years (2019:11 years).

100% (2019: 100%) of the benefits for active members were vested, 8% (2019: 8%) of the hybrid pension scheme for active members is conditional on future salary increases.

**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
(expressed in thousands of United States dollars, unless otherwise stated)

**NOTE 19 – POST-EMPLOYMENT OBLIGATIONS...continued**

**Post-retirement medical plan**

Changes to the medical obligation are determined as follows:

|                    | Pension charge to profit & loss |                      |                   | Remeasurement (gains)/losses in OCI  |                        |   |         |                           |                           |           |
|--------------------|---------------------------------|----------------------|-------------------|--------------------------------------|------------------------|---|---------|---------------------------|---------------------------|-----------|
|                    | 1-Jan-20                        | Current Service Cost | Net interest cost | Sub-total included in profit or loss | Experience adjustments | Net gain from change in financial & demographic assumptions |         | Sub-total included in OCI | Premiums paid by the bank | 31-Dec-20 |
|                    |                                 |                      |                   |                                      |                        |   |         |                           |                           |           |
| Medical obligation | \$2,585                         | \$71                 | \$195             | \$266                                | \$188                  | \$ (201)  | \$ (13) | \$ (138)                  | \$2,713                   |           |
|                    |                                 |                      |                   |                                      |                        |   |         |                           |                           |           |
|                    | Pension charge to profit & loss |                      |                   | Remeasurement (gains)/losses in OCI  |                        |   |         |                           |                           |           |
|                    | 1-Jan-19                        | Current Service Cost | Net interest cost | Sub-total included in profit or loss | Experience adjustments | Loss from change in financial assumptions                   |         | Sub-total included in OCI | Premiums paid by the bank | 31-Dec-19 |
|                    |                                 |                      |                   |                                      |                        |   |         |                           |                           |           |
| Medical obligation | \$2,210                         | \$84                 | \$162             | \$246                                | \$492                  | \$ (251)  | \$241   | \$ (112)                  | \$2,585                   |           |
|                    |                                 |                      |                   |                                      |                        |   |         |                           |                           |           |

**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

**NOTE 19 – POST-EMPLOYMENT OBLIGATIONS...continued**

**Post-Retirement Medical Plan...continued**

**Principal actuarial assumptions**

The principal actuarial assumptions used for accounting purposes are:

|                       | <b>Post-employment medical obligation</b> |             |
|-----------------------|---|-------------|
|                       | <b>2020</b>                               | <b>2019</b> |
| Discount rate         | <b>7.50%</b>                              | 7.50%       |
| Medical cost increase | <b>4.00%</b>                              | 4.00%       |

**Mortality Rate**

Assumptions regarding future mortality experience are set based on actuarial advice, based on published statistics and experience. The same assumptions used for the pension plans regarding mortality rates were used for the medical plan.

An increase of 1 year in the assumed life expectancies would increase the medical obligation at the reporting date by \$71 (2019: \$75).

**Sensitivity analysis**

A quantitative sensitivity analysis for significant assumptions as at December 31, 2020 is as shown below:

|                              | <b>Discount rate</b>    |                         | <b>Medical cost increases</b> |                         |
|------------------------------|-------------------------|-------------------------|-------------------------------|-------------------------|
|                              | <b>1% p.a. increase</b> | <b>1% p.a. decrease</b> | <b>1% p.a. increase</b>       | <b>1% p.a. decrease</b> |
| Impact on medical obligation | <b>\$(285)</b>          | <b>\$343</b>            | <b>\$353</b>                  | <b>\$(296)</b>          |

The expected contributions to be made to the post-retirement medical obligation within the next twelve months is \$125 (2019: \$123).

**Liability profile**

The post-retirement medical obligation is allocated among the plan members as follows:

|                     |                        |
|---------------------|------------------------|
| Active members..... | <b>32%</b> (2019: 38%) |
| Pensioners.....     | <b>68%</b> (2019: 62%) |

**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

**NOTE 19 – POST-EMPLOYMENT OBLIGATIONS**...continued

**Post-retirement medical plan**...continued

**Liability profile**...continued

The weighted average duration of the post-retirement medical obligation was 11.6 years (2019: 12.4 years). 62% (2019: 59%) of the benefits of active members were vested.

**NOTE 20 – BORROWINGS**

The accounting policy for borrowings is as defined at Note 16.

It is the Bank's policy to limit borrowing and guarantees chargeable to the Bank's Ordinary Capital Resources to 100% of the callable capital of its investment grade non-borrowing members plus the paid in capital and retained earnings less receivables from members (cash reserves). As of December 31, 2020, total borrowings amounted to \$1,094,101 (2019: \$1,103,190 ).

The aggregate fair values are based on discounted cash flow models using a current yield curve appropriate for the remaining term to maturity, similar terms and credit risk.

As of December 31, 2020, the ratio of total outstanding borrowings and undrawn commitments of \$1,195,871 (2019: \$1,235,556 ) to the borrowing limit of \$1,505,018 (2019: \$1,458,567) was 79.5% (2019: 84.72%).



# CARIBBEAN DEVELOPMENT BANK ORDINARY CAPITAL RESOURCES NOTES TO THE FINANCIAL STATEMENTS

**For the year ended December 31, 2020**

(expressed in thousands of United States dollars, unless otherwise stated)

## NOTE 20 – BORROWINGS...continued

(a) A summary of the borrowings was as follows:

|  | 2020                           |                                 |                    |                             |                    |
|--|--------------------------------|---------------------------------|--------------------|-----------------------------|--------------------|
|  | Original amounts <sup>1/</sup> | Translation adjustments & other | Repayments to date | Currency swap <sup>2/</sup> | Due dates          |
| <b>Short term Borrowing</b>              | <b>\$75,000</b>                | <b>\$-</b>                      | <b>\$(75,000)</b>  | <b>\$-</b>                  | <b>2020</b>        |
| Line of credit                           | 75,000                         | -                               | (75,000)           | -                           | -                  |
| <b>CDB Market Borrowings</b>             |                                |                                 |                    |                             |                    |
| 4.35% Notes – Yen                        | 60,000                         | 2,812                           | -                  | -                           | 2030               |
| 2.75% Notes – Yen                        | 100,000                        | 21,277                          | -                  | -                           | 2022               |
| 4.375% Bonds – US\$                      | 300,000                        | -                               | -                  | -                           | 2027               |
| 0.297% Bonds – CHF                       | 151,341                        | 13,282                          | -                  | -                           | 2028               |
| 0.875% Notes – EUR                       | 275,550                        | 31,311                          | -                  | -                           | 2039               |
| Unamortised transaction costs            | (16,519)                       | (1,434)                         | -                  | -                           | (17,953)           |
| Unamortised currency swap                | 2,158                          | -                               | -                  | (969)                       | 1,189              |
|  | <b>872,530</b>                 | <b>67,248</b>                   | <b>-</b>           | <b>(969)</b>                | <b>938,809</b>     |
| <b>European Investment Bank</b>          |                                |                                 |                    |                             |                    |
| Global Loan 111 – US\$                   | 13,278                         | -                               | (3,319)            | -                           | 2023               |
| Climate Action Credit I – US\$           | 65,320                         | -                               | (2,099)            | -                           | 2032               |
| Climate Action Credit II – US\$          | 115,821                        | -                               | -                  | (86,791)                    | 2033               |
| Unamortised transaction costs            | (240)                          | -                               | -                  | -                           | (240)              |
|  | <b>194,179</b>                 | <b>-</b>                        | <b>(5,418)</b>     | <b>(86,791)</b>             | <b>101,970</b>     |
| <b>Inter-American Development Bank</b>   |                                |                                 |                    |                             |                    |
| Loan 926/OC-RG-US\$                      | 19,347                         | -                               | (18,791)           | -                           | 2021               |
| Loan 2798/BL-RG                          | 14,000                         | -                               | (846)              | -                           | 2043               |
| Loan 3561/OC – RG                        | 20,000                         | -                               | -                  | (12,781)                    | 2037               |
|  | <b>53,347</b>                  | <b>-</b>                        | <b>(19,637)</b>    | <b>(14,979)</b>             | <b>18,731</b>      |
| <b>Agence Francaise de Developpement</b> |                                |                                 |                    |                             |                    |
|  | <b>33,000</b>                  | <b>-</b>                        | <b>(2,062)</b>     | <b>-</b>                    | <b>2028</b>        |
| <b>Sub-total</b>                         | <b>1,228,056</b>               | <b>67,248</b>                   | <b>(102,117)</b>   | <b>(969)</b>                | <b>1,090,448</b>   |
| Accrued interest                         | 3,653                          | -                               | -                  | -                           | 3,653              |
| <b>Total – December 31</b>               | <b>\$1,231,709</b>             | <b>\$67,248</b>                 | <b>\$(100,055)</b> | <b>\$(969)</b>              | <b>\$1,094,101</b> |

<sup>1/</sup> Net of cancellations and borrowings fully paid.

<sup>2/</sup> Unwinding of terminated fair value hedge.

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 20 – BORROWINGS....continued

|  | 2019                           |                                 |                    |                             |                    |                       |
|--|--------------------------------|---------------------------------|--------------------|-----------------------------|--------------------|-----------------------|
|  | Original amounts <sup>1/</sup> | Translation adjustments & other | Repayments to date | Currency swap <sup>2/</sup> | Undrawn            | Outstanding Due dates |
| <b>Short term Borrowing</b>              |                                |                                 |                    |                             |                    |                       |
| Line of credit                           | \$75,000                       | \$-                             | \$-                | \$-                         | \$-                | 75,000 2020           |
|  | 75,000                         | -                               | -                  | -                           | -                  | 75,000                |
| <b>CDB Market Borrowings</b>             |                                |                                 |                    |                             |                    |                       |
| 4.35% Notes – Yen                        | 60,000                         | (337)                           | -                  | -                           | -                  | 59,663 2030           |
| 2.75% Notes – Yen                        | 100,000                        | 15,197                          | -                  | -                           | -                  | 115,197 2022          |
| 4.375% Bonds – US\$                      | 300,000                        | -                               | -                  | -                           | -                  | 300,000 2027          |
| 0.297% Bonds – CHF                       | 151,341                        | (1,175)                         | -                  | -                           | -                  | 150,166 2028          |
| 0.875% Notes – EUR                       | 275,550                        | 5,191                           | -                  | -                           | -                  | 280,741 2039          |
| Unamortised transaction costs            | (17,198)                       | (341)                           | -                  | -                           | -                  | (17,539)              |
| Unamortised currency swap                | 3,126                          | -                               | -                  | (968)                       | -                  | 2,158                 |
|  | 872,819                        | 18,535                          | -                  | (968)                       | -                  | 890,386               |
| <b>European Investment Bank</b>          |                                |                                 |                    |                             |                    |                       |
| Global Loan 111 – US\$                   | 34,857                         | -                               | (21,578)           | -                           | -                  | 13,279 2023           |
| Climate Action Credit I – US\$           | 65,320                         | -                               | (573)              | -                           | (9,178)            | 55,569 2032           |
| Climate Action Credit II – US\$          | 118,133                        | -                               | -                  | -                           | (89,103)           | 29,030 2033           |
| Unamortised transaction costs            | (259)                          | -                               | -                  | -                           | -                  | (259)                 |
|  | 218,051                        | -                               | (22,151)           | -                           | (98,281)           | 97,619                |
| <b>Inter-American Development Bank</b>   |                                |                                 |                    |                             |                    |                       |
| Loan 926/OC-RG-US\$                      | 19,347                         | -                               | (17,679)           | -                           | -                  | 1,668 2021            |
| Loan 2798/BL-RG                          | 14,000                         | -                               | (407)              | -                           | (3,274)            | 10,319 2043           |
| Loan 3561/OC – RG                        | 20,000                         | -                               | -                  | -                           | (12,781)           | 7,219 2037            |
|  | 53,347                         | -                               | (18,086)           | -                           | (16,055)           | 19,206                |
| <b>Agence Francaise de Developpement</b> |                                |                                 |                    |                             |                    |                       |
|  | 33,000                         | -                               | -                  | -                           | (18,000)           | 15,000 2028           |
| <b>Sub-total</b>                         | 1,252,217                      | 18,535                          | (40,237)           | (968)                       | (132,336)          | 1,097,211             |
| Accrued interest                         | 5,979                          | -                               | -                  | -                           | -                  | 5,979                 |
| <b>Total – December 31</b>               | <b>\$1,258,196</b>             | <b>\$18,535</b>                 | <b>\$(40,237)</b>  | <b>\$(968)</b>              | <b>\$(132,336)</b> | <b>\$1,103,190</b>    |

<sup>1/</sup> Net of cancellations and borrowings fully paid.

<sup>2/</sup> Unwinding of terminated fair value hedge.

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 20 – BORROWINGS...continued

(b) Currencies repayable on outstanding borrowings were as follows:

| 2020                       |                              |                              |                           |                 |  |                   |                              |
|----------------------------|------------------------------|------------------------------|---------------------------|-----------------|--|-------------------|------------------------------|
| Currencies Repayable       | Outstanding at December 2019 | Translation adjustment       | Net interest expense/paid | Draw-downs      | Currency swap amortisation <sup>1/</sup> | Repayments        | Outstanding at December 2020 |
| United States Dollars      | \$507,083                    | \$-                          | \$-                       | \$28,256        | \$-                                      | \$(83,460)        | \$451,879                    |
| Swiss Francs               | 150,166                      | 14,457                       | -                         | -               | -  | -                 | 164,623                      |
| Euro                       | 280,741                      | 26,120                       | -                         | -               | -  | -                 | 306,861                      |
| Japanese Yen               | 177,019                      | 9,229                        | -                         | -               | (969)                                    | -                 | 185,279                      |
| <b>Sub-total</b>           | <b>1,115,009</b>             | <b>49,806</b>                | <b>-</b>                  | <b>28,256</b>   | <b>(969)</b>                             | <b>(83,460)</b>   | <b>\$1,108,642</b>           |
| Amortised borrowing costs  | (17,798)                     | (1,434)                      | -                         | 1,038           | -  | -                 | (18,194)                     |
| Accrued interest           | 5,979                        | -                            | (2,326)                   | -               | -  | -                 | 3,653                        |
| <b>Total – December 31</b> | <b>\$1,103,190</b>           | <b>\$48,372<sup>2/</sup></b> | <b>\$(2,326)</b>          | <b>\$29,294</b> | <b>\$(969)</b>                           | <b>\$(83,460)</b> | <b>\$1,094,101</b>           |

| 2019                       |                              |                        |                           |                  |  |                   |                              |
|----------------------------|------------------------------|------------------------|---------------------------|------------------|--|-------------------|------------------------------|
| Currencies Repayable       | Outstanding at December 2018 | Translation adjustment | Net interest expense/paid | Draw-downs       | Currency swap amortisation <sup>1/</sup> | Repayments        | Outstanding at December 2019 |
| United States Dollars      | \$468,946                    | \$-                    | \$-                       | \$83,549         | \$-                                      | \$(45,412)        | \$507,083                    |
| Swiss Francs               | 147,358                      | 2,808                  | -                         | -                | -  | -                 | 150,166                      |
| Euro                       | -                            | -                      | -                         | 280,741          | -  | -                 | 280,741                      |
| Japanese Yen               | 175,822                      | 2,165                  | -                         | -                | (968)                                    | -                 | 177,019                      |
| <b>Sub-total</b>           | <b>792,126</b>               | <b>4,973</b>           | <b>-</b>                  | <b>364,290</b>   | <b>(968)</b>                             | <b>(45,412)</b>   | <b>\$1,115,009</b>           |
| Amortised borrowing costs  | (2,304)                      | (10)                   | -                         | (15,484)         | -  | -                 | (17,798)                     |
| Accrued interest           | 6,456                        | -                      | (477)                     | -                | -  | -                 | 5,979                        |
| <b>Total – December 31</b> | <b>\$796,278</b>             | <b>\$4,963</b>         | <b>\$(477)</b>            | <b>\$348,806</b> | <b>\$(968)</b>                           | <b>\$(45,412)</b> | <b>\$1,103,190</b>           |

<sup>1/</sup>Unwinding of terminated fair value hedge.

<sup>2/</sup> Includes translation amount of \$7,313 recorded in foreign exchange translation operating expenses detailed at Note 23.

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 20 – BORROWINGS...continued

A maturity analysis of borrowings as at December 31 is as follows:

|             | 2020               | 2019               |
|-------------|--------------------|--------------------|
| Current     | \$17,261           | \$88,002           |
| Non-current | 1,076,840          | 1,015,188          |
|             | <b>\$1,094,101</b> | <b>\$1,103,190</b> |

On May 26, 2020 Standard & Poor's reaffirmed the Bank's long-term issuer credit rating of 'AA+' and its short-term credit rating of 'A-1+', both with a Stable outlook.

On November 20, 2020 Moody's Investors Service reaffirmed the Bank's long-term issuer rating at 'Aa1' and maintained the Stable outlook.

On March 4, 2020 Fitch Ratings Limited affirmed the Bank's Long-Term Issuer Default rating of 'AA+' with a Stable Outlook and a Short-Term Issuer Default rating of 'F1+'.

#### NOTE 21 – EQUITY

Equity is comprised of capital stock, retained earnings and reserves.

The capital stock of the Bank was initially expressed in terms of United States dollars of the weight and fineness in effect on September 1, 1969 ("the 1969 dollar"). However, with effect from April 1, 1978, the Second Amendment to the Articles of Agreement of the International Monetary Fund came into force, as a result of which currencies no longer have par values in terms of gold.

Prior to December 1986, the Bank had not taken a decision on the implications of this change on the valuation of its capital stock and had translated its capital stock into current United States dollars at the rate of 1.206348 current United States dollars ("current dollars") per 1969 dollar. On December 11, 1986, the Board of Directors of the Bank agreed that, until such time as the Charter may be amended in respect of the standard of value, the expression "United States dollars of the weight and fineness in effect on September 1, 1969" be interpreted, pursuant to Article 59 of the Charter, to mean the "Special Drawing Right" (SDR) introduced by the International Monetary Fund as the SDR was valued in terms of United States dollars immediately before the introduction of the basket method of valuing the SDR on July 1, 1974, such value being 1.206348 current dollars for one SDR as at June 30, 1974 ("the 1974 SDR").

For the purposes of the financial statements, the Bank has expressed the value of its capital stock on the basis of the 1974 SDR.

The Bank's capital stock is divided into paid-in shares and callable shares. Payment of the amount subscribed to the callable capital is subject to call by the Bank to meet its obligations as and when required by the Bank subject to certain conditions. Payment for paid-in shares subscribed by its members is made over six (6) annual instalments. Of each installment, up to 50 percent is payable in non-negotiable, non-interest-bearing promissory notes or other obligations issued by the subscribing member and payable at their par value upon demand. Subscriptions that are not yet payable are presented as subscriptions not yet matured. Amounts paid in advance of the due dates by members are treated as a liability and classified as subscriptions in advance. The Charter states that payment of the amount subscribed to the callable capital is subject to call by the Bank to meet its obligations incurred pursuant to Article 7, paragraph 6 taking into account paragraphs (b) and (d) of Article 13 on borrowings of funds or on guarantees, only as and when required by the Bank.



# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 21 – EQUITY...continued

The Charter also allows for a member country to withdraw from the Bank, at which time the Bank is required to arrange for the repurchase of the former member's shares. There has been only one occurrence of membership withdrawal in the Bank's existence which occurred in 2000, and no other member has indicated to the Bank that it intends to withdraw its membership. The stability in the membership reflects the fact that the purpose of the Bank is to contribute to the harmonious economic growth and development of its BMCs individually and jointly. Moreover, there is a significant financial disincentive to withdrawing membership. The repurchase price of the shares is the value shown on the books of the Bank on the date a country ceases to be a member. However, the former member shall remain liable for direct obligations and contingent liabilities to the Bank for so long as any part of the loans or guarantees contracted before the date of withdrawal are outstanding. The Bank may partially or fully offset amounts due for shares purchased against the member's liabilities on loans and guarantees due to the Bank. Were a member to withdraw, the Bank may set the dates in respect of payments for shares repurchased. In the instance where paying a former member would have adverse consequences for the Bank's financial position, the Bank can exercise its option to defer payment until the risk has passed, and indefinitely if appropriate.

If the Bank were to terminate its operations, within six months of the termination date all liabilities of the Bank would first be settled out of the assets of the Bank and then, if necessary, out of members' callable capital, before any distribution could be made to any member country, including the withdrawing member. Management has therefore determined that members' shares are deemed to be a permanent investment in the Bank and are appropriately classified as equity.

- (a) At the fortieth meeting of the Board of Governors in May 2010, a general capital increase of 150% was approved. The Bank's capital as at December 31 was as follows:

|  | 2020               | 2019        |
|--|--------------------|-------------|
| Authorised capital: 312,971 shares (2019: 312,971) shares    |                    |             |
| Subscribed capital 279,399 shares (2019: 279,399) shares     | <b>\$1,763,656</b> | \$1,763,656 |
| Less callable capital: 218,050 shares (2019: 218,050) shares | <b>(1,375,135)</b> | (1,375,135) |
|  | <b>\$388,521</b>   | \$388,521   |
| Paid-up capital: 61,349 shares (2019: 61,349) shares         | <b>(344)</b>       | (1,334)     |
| Less: Prepayment discount                                    |                    |             |
|  | <b>\$388,177</b>   | \$387,187   |

**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

**NOTE 21 – EQUITY**...continued

(b) The movement in the Bank's paid-up capital during the year was as follows:

|   | <b>2020</b>          | <b>2019</b>          |
|---|----------------------|----------------------|
|   | <b>No. of shares</b> | <b>No. of shares</b> |
| <b>Balance at January 1 and December 31</b> | <b>61,349</b>        | 61,349               |

The movement in subscriptions matured during the year was as follows:

|  | <b>2020</b>      | <b>2019</b> |
|--|------------------|-------------|
| <b>Balance at January 1</b>  | <b>387,187</b>   | \$386,199   |
| <b>Regional States and Territories</b><br>Subscriptions maturing during the year | <b>990</b>       | 988         |
| <b>Balance at December 31</b>  | <b>\$388,177</b> | \$387,187   |

The determination of the par value of the Bank's shares is as disclosed hereto.

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

**For the year ended December 31, 2020**  
(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 21 – EQUITY ...continued

(c) The subscriptions by member countries and their voting power at December 31 were as follows:

| Member                                 | No. of Shares  | % of Total   | Total subscribed capital | Callable capital | Paid-up capital | Subscriptions Matured | Voting Power   |                  | Gross <sup>2/</sup> Receivable from members |
|--|----------------|--------------|--------------------------|------------------|-----------------|-----------------------|----------------|------------------|---|
|  |                |              |                          |                  |                 |                       | No. of votes   | % of total votes |   |
| Regional States and Territories:       |                |              |                          |                  |                 |                       |                |                  |   |
| Jamaica                                | 48,354         | 17.31        | \$291,659                | \$227,614        | \$64,045        | \$64,045              | 48,504         | 17.14            | 9,385                                       |
| Trinidad and Tobago                    | 48,354         | 17.31        | 291,659                  | 227,614          | 64,045          | 64,045                | 48,504         | 17.14            | 6,403                                       |
| Bahamas                                | 14,258         | 5.10         | 86,001                   | 67,115           | 18,886          | 18,886                | 14,408         | 5.09             | 1,612                                       |
| Guyana                                 | 10,417         | 3.73         | 62,833                   | 49,038           | 13,795          | 13,795                | 10,567         | 3.73             | 1,022                                       |
| Colombia                               | 7,795          | 2.79         | 47,017                   | 36,691           | 10,326          | 10,326                | 7,945          | 2.81             | -   |
| Mexico                                 | 7,795          | 2.79         | 47,017                   | 36,691           | 10,326          | 10,326                | 7,945          | 2.81             | -   |
| Venezuela                              | 7,795          | 2.79         | 47,017                   | 36,691           | 10,326          | 10,326                | 7,945          | 2.81             | -   |
| Barbados                               | 9,074          | 3.25         | 54,732                   | 42,717           | 12,015          | 12,015                | 9,224          | 3.26             | -   |
| Suriname                               | 4,166          | 1.49         | 25,128                   | 19,627           | 5,501           | 5,501                 | 4,316          | 1.53             | 2,806                                       |
| Belize                                 | 2,148          | 0.77         | 12,956                   | 10,109           | 2,847           | 2,847                 | 2,298          | 0.81             | -   |
| Dominica                               | 2,148          | 0.77         | 12,956                   | 10,109           | 2,847           | 2,847                 | 2,298          | 0.81             | 286   |
| Grenada                                | 1,839          | 0.66         | 11,093                   | 8,661            | 2,432           | 2,431                 | 1,989          | 0.70             | -   |
| St. Lucia                              | 2,148          | 0.77         | 12,956                   | 10,109           | 2,847           | 2,847                 | 2,298          | 0.81             | -   |
| St. Vincent and the Grenadines         | 2,148          | 0.77         | 12,956                   | 10,109           | 2,847           | 2,847                 | 2,298          | 0.81             | -   |
| Antigua and Barbuda                    | 2,148          | 0.77         | 12,956                   | 10,109           | 2,847           | 2,847                 | 2,298          | 0.81             | 296   |
| St. Kitts and Nevis                    | 2,148          | 0.77         | 12,956                   | 10,109           | 2,847           | 2,847                 | 2,298          | 0.81             | -   |
| Anguilla <sup>1/</sup>                 | 455            | 0.16         | 2,744                    | 2,141            | 603             | 603                   |                |                  | -   |
| Montserrat <sup>1/</sup>               | 533            | 0.19         | 3,215                    | 2,509            | 706             | 706                   |                |                  | -   |
| British Virgin Islands <sup>1/</sup>   | 533            | 0.19         | 3,215                    | 2,509            | 706             | 706                   | 2,737          | 0.97             | -   |
| Cayman Islands <sup>1/</sup>           | 533            | 0.19         | 3,215                    | 2,509            | 706             | 706                   |                |                  | 8   |
| Turks and Caicos Islands <sup>1/</sup> | 533            | 0.19         | 3,215                    | 2,509            | 706             | 706                   |                |                  | -   |
| Haiti                                  | 2,187          | 0.78         | 13,191                   | 10,296           | 2,894           | 2,894                 | 2,337          | 0.83             | -   |
| Brazil                                 | 3,118          | 1.12         | 18,807                   | 14,687           | 4,120           | 4,120                 | 3,268          | 1.15             | -   |
|  | <b>180,627</b> | <b>64.65</b> | <b>1,089,494</b>         | <b>850,273</b>   | <b>239,220</b>  | <b>239,218</b>        | <b>183,477</b> | <b>64.83</b>     | <b>21,818</b>                               |

<sup>1/</sup>In accordance with Article 3 of the Charter and Board of Governors Resolution No. 4/81, these territories are considered as a single member of the Bank for the purpose of Articles 26 and 32 of the Charter.

<sup>2/</sup>Gross of ECL.

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 21 – EQUITY...continued

| Member                          | No. of Shares  | % of Total   | Total subscribed capital | Voting Power       |                  |                       | Gross <sup>2/</sup> Receivable from members |
|---------------------------------|----------------|--------------|--------------------------|--------------------|------------------|-----------------------|---|
|                                 |                |              |                          | Callable capital   | Paid-up capital  | Subscriptions Matured |   |
| Non-Regional States:            |                |              |                          |                    |                  |                       |   |
| Canada                          | 26,004         | 9.31         | 156,849                  | 122,408            | 34,441           | 34,441                | -   |
| United Kingdom                  | 26,004         | 9.31         | 156,849                  | 122,408            | 34,441           | 34,441                | -   |
| Italy                           | 15,588         | 5.58         | 94,023                   | 73,376             | 20,647           | 20,647                | -   |
| Germany                         | 15,588         | 5.58         | 94,023                   | 73,376             | 20,647           | 20,647                | -   |
| China                           | 15,588         | 5.58         | 94,023                   | 73,376             | 20,647           | 20,647                | -   |
|                                 | 98,772         | 35.36        | 595,767                  | 464,944            | 130,823          | 130,823               | -   |
| <b>Sub-total</b>                | <b>279,399</b> | <b>100.0</b> | <b>1,685,261</b>         | <b>1,315,217</b>   | <b>370,044</b>   | <b>370,041</b>        | <b>21,818</b>                               |
| <b>Additional subscriptions</b> |                |              |                          |                    |                  |                       |   |
| China                           | -              | -            | 18,804                   | 14,688             | 4,116            | 4,116                 | -   |
| Colombia                        | -              | -            | 1,810                    | 905                | 905              | 905                   | -   |
| Germany                         | -              | -            | 12,546                   | 9,681              | 2,865            | 2,865                 | -   |
| Italy                           | -              | -            | 12,546                   | 9,681              | 2,865            | 2,865                 | -   |
| Mexico                          | -              | -            | 6,273                    | 4,841              | 1,432            | 1,432                 | -   |
| Venezuela                       | -              | -            | 1,810                    | 905                | 905              | 905                   | -   |
| Haiti                           | -              | -            | 2,639                    | 2,060              | 579              | 579                   | -   |
| Suriname                        | -              | -            | 12,564                   | 9,814              | 2,750            | 2,750                 | -   |
| Brazil                          | -              | -            | 9,403                    | 7,343              | 2,060            | 2,060                 | -   |
| <b>Sub-total</b>                | <b>-</b>       | <b>-</b>     | <b>78,395</b>            | <b>59,918</b>      | <b>18,477</b>    | <b>18,477</b>         | <b>-</b>                                    |
| Prepayment discount             | -              | -            | -                        | -                  | -                | (341)                 | -   |
| <b>Total - December 31</b>      | <b>279,399</b> | <b>100.0</b> | <b>\$1,763,656</b>       | <b>\$1,375,135</b> | <b>\$388,521</b> | <b>\$388,177</b>      | <b>\$21,818</b>                             |

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

**For the year ended December 31, 2020**  
(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 21 – EQUITY...continued

(d) The subscriptions by member countries and their voting power at December 31 were as follows:  
2019

| Member                                 | No. of Shares  | % of Total   | Total subscribed capital | Callable capital | Paid-up capital | Subscriptions Matured | Voting Power   |                  | Gross <sup>2</sup> Receivable from members non-negotiable demand notes |
|--|----------------|--------------|--------------------------|------------------|-----------------|-----------------------|----------------|------------------|--|
|  |                |              |                          |                  |                 |                       | No. of votes   | % of total votes |  |
| Regional States and Territories:       |                |              |                          |                  |                 |                       |                |                  |  |
| Jamaica                                | 48,354         | 17.31        | \$291,659                | \$227,614        | \$64,045        | \$64,045              | 48,504         | 17.14            | \$11,848   |
| Trinidad and Tobago                    | 48,354         | 17.31        | 291,659                  | 227,614          | 64,045          | 64,045                | 48,504         | 17.14            | 10,637   |
| Bahamas                                | 14,258         | 5.10         | 86,001                   | 67,115           | 18,886          | 18,885                | 14,408         | 5.09             | 1,612  |
| Guyana                                 | 10,417         | 3.72         | 62,833                   | 49,038           | 13,795          | 13,795                | 10,567         | 3.74             | 2,081  |
| Colombia                               | 7,795          | 2.79         | 47,017                   | 36,691           | 10,326          | 10,326                | 7,945          | 2.81             | -  |
| Mexico                                 | 7,795          | 2.79         | 47,017                   | 36,691           | 10,326          | 10,326                | 7,945          | 2.81             | -  |
| Venezuela                              | 7,795          | 2.79         | 47,017                   | 36,691           | 10,326          | 10,326                | 7,945          | 2.81             | 3,203  |
| Barbados                               | 9,074          | 3.24         | 54,732                   | 42,717           | 12,015          | 12,015                | 9,224          | 3.26             | 1,070  |
| Suriname                               | 4,166          | 1.49         | 25,128                   | 19,627           | 5,501           | 5,501                 | 4,316          | 1.53             | 2,806  |
| Belize                                 | 2,148          | 0.77         | 12,956                   | 10,109           | 2,847           | 2,847                 | 2,298          | 0.81             | -  |
| Dominica                               | 2,148          | 0.77         | 12,956                   | 10,109           | 2,847           | 2,847                 | 2,298          | 0.81             | 286  |
| Grenada                                | 1,839          | 0.66         | 11,093                   | 8,661            | 2,432           | 2,431                 | 1,989          | 0.70             | 106  |
| St. Lucia                              | 2,148          | 0.77         | 12,956                   | 10,109           | 2,847           | 2,847                 | 2,298          | 0.81             | 360  |
| St. Vincent and the Grenadines         | 2,148          | 0.77         | 12,956                   | 10,109           | 2,847           | 2,847                 | 2,298          | 0.81             | -  |
| Antigua and Barbuda                    | 2,148          | 0.77         | 12,956                   | 10,109           | 2,847           | 2,847                 | 2,298          | 0.81             | 296  |
| St. Kitts and Nevis                    | 2,148          | 0.77         | 12,956                   | 10,109           | 2,847           | 2,847                 | 2,298          | 0.81             | 127  |
| Anguilla <sup>1/</sup>                 | 455            | 0.16         | 2,744                    | 2,141            | 603             | 603                   |                |                  | -  |
| Montserrat <sup>1/</sup>               | 533            | 0.19         | 3,215                    | 2,509            | 706             | 706                   | 2,737          | 0.97             | -  |
| British Virgin Islands <sup>1/</sup>   | 533            | 0.19         | 3,215                    | 2,509            | 706             | 706                   |                |                  | -  |
| Cayman Islands <sup>1/</sup>           | 533            | 0.19         | 3,215                    | 2,509            | 706             | 706                   |                |                  | 8  |
| Turks and Caicos Islands <sup>1/</sup> | 533            | 0.19         | 3,215                    | 2,509            | 706             | 706                   |                |                  | -  |
| Haiti                                  | 2,187          | 0.78         | 13,191                   | 10,296           | 2,895           | 2,895                 | 2,337          | 0.83             | -  |
| Brazil                                 | 3,118          | 1.12         | 18,807                   | 14,687           | 4,120           | 3,459                 | 3,268          | 1.15             | -  |
|  | <b>180,627</b> | <b>64.64</b> | <b>1,089,494</b>         | <b>850,273</b>   | <b>239,221</b>  | <b>238,558</b>        | <b>183,477</b> | <b>64.84</b>     | <b>34,440</b>  |

<sup>1/</sup> In accordance with Article 3 of the Charter and Board of Governors Resolution No. 4/81, these territories are considered as a single member of the Bank for the purpose of Articles 26 and 32 of the Charter.

<sup>2/</sup> Gross of ECL.



# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 21 – EQUITY...continued

| Member                          | No. of Shares  | % of Total   | Total subscribed capital | Callable capital   | Paid-up capital  | Subscriptions Matured | Voting Power   |                  | Gross <sup>2</sup> Receivable from members |
|---------------------------------|----------------|--------------|--------------------------|--------------------|------------------|-----------------------|----------------|------------------|--|
|                                 |                |              |                          |                    |                  |                       | No. of votes   | % of total votes |  |
| Non-Regional States:            |                |              |                          |                    |                  |                       |                |                  |  |
| Canada                          | 26,004         | 9.31         | 156,849                  | 122,408            | 34,441           | 34,441                | 26,154         | 9.24             | -  |
| United Kingdom                  | 26,004         | 9.31         | 156,849                  | 122,408            | 34,441           | 34,441                | 26,154         | 9.24             | -  |
| Italy                           | 15,588         | 5.58         | 94,023                   | 73,376             | 20,647           | 20,647                | 15,738         | 5.56             | -  |
| Germany                         | 15,588         | 5.58         | 94,023                   | 73,376             | 20,647           | 20,647                | 15,738         | 5.56             | 5,549                                      |
| China                           | 15,588         | 5.58         | 94,023                   | 73,376             | 20,647           | 20,647                | 15,738         | 5.56             | -  |
|                                 | 98,772         | 35.36        | 595,767                  | 464,944            | 130,823          | 130,823               | 99,522         | 35.16            | 5,549                                      |
| <b>Sub-total</b>                | <b>279,399</b> | <b>100.0</b> | <b>1,685,261</b>         | <b>1,315,217</b>   | <b>370,044</b>   | <b>369,381</b>        | <b>282,999</b> | <b>100.0</b>     | <b>39,989</b>                              |
| <b>Additional subscriptions</b> |                |              |                          |                    |                  |                       |                |                  |  |
| China                           | -              | -            | 18,804                   | 14,688             | 4,116            | 4,116                 | -              | -                | -  |
| Colombia                        | -              | -            | 1,810                    | 905                | 905              | 905                   | -              | -                | -  |
| Germany                         | -              | -            | 12,546                   | 9,681              | 2,865            | 2,865                 | -              | -                | -  |
| Italy                           | -              | -            | 12,546                   | 9,681              | 2,865            | 2,865                 | -              | -                | -  |
| Mexico                          | -              | -            | 6,273                    | 4,841              | 1,432            | 1,432                 | -              | -                | -  |
| Venezuela                       | -              | -            | 1,810                    | 905                | 905              | 905                   | -              | -                | -  |
| Haiti                           | -              | -            | 2,639                    | 2,060              | 579              | 579                   | -              | -                | -  |
| Suriname                        | -              | -            | 12,564                   | 9,814              | 2,750            | 2,750                 | -              | -                | -  |
| Brazil                          | -              | -            | 9,403                    | 7,343              | 2,060            | 1,730                 | -              | -                | -  |
| <b>Sub-total</b>                | <b>-</b>       | <b>-</b>     | <b>78,395</b>            | <b>59,918</b>      | <b>18,477</b>    | <b>18,147</b>         | <b>-</b>       | <b>-</b>         | <b>-</b>                                   |
| Prepayment discount             | -              | -            | -                        | -                  | -                | (341)                 | -              | -                | -  |
| <b>Total - December 31</b>      | <b>279,399</b> | <b>100.0</b> | <b>\$1,763,656</b>       | <b>\$1,375,135</b> | <b>\$388,521</b> | <b>\$387,187</b>      | <b>282,999</b> | <b>100.0</b>     | <b>\$39,989</b>                            |

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 21 – EQUITY...continued

##### (d) Prepayment discounts

The Board of Governors of the Bank approved a “Variation of conditions of subscription of shares to permit a discount for prepayment” policy. The provision of this policy is that members are entitled to a discount from the Bank for prepayment of an instalment or part thereof (including those members which have already made prepayments) only if the prepayment is received more than three months prior to the date of the scheduled General Capital Increase (GCI) payments. The discount is computed based on a present value methodology and is disclosed as a charge against equity. During the year, no discounts were provided to members. The cumulative discount provided to date is \$341 (2019: \$341).

##### (e) Retained earnings and reserves

Retained earnings and reserves is comprised of:

|                                  | 2020             | 2019             |
|----------------------------------|------------------|------------------|
| Opening retained earnings        | \$546,396        | \$512,371        |
| Net income for the year          | 36,093           | 40,271           |
| Actuarial (losses)/gains         | (9,071)          | (11,894)         |
| Net change in fair value reserve | 6,796            | 5,648            |
|                                  | <b>\$580,214</b> | <b>\$546,396</b> |

##### (f) Other reserves

###### Special reserve

In accordance with Article 18 of the Charter, commissions and guarantee fees received on loans made out of OCR are required to be set aside in a Special Reserve which shall be kept for meeting liabilities of the Bank. The assets of the Special Reserve are to be held in such liquid form as the BOD may decide.

At the One Hundred and Nineteenth Meeting of the Board of Directors held on July 21, 1988, the Board decided that appropriations to the Special Reserve should be discontinued with effect from January 1, 1989. Pursuant thereto, no commission is charged on loans approved after January 1, 1989, and all amounts received after that date as commission on loans approved before that date are treated as interest and accounted for as such. During 1993, the Special Reserve was converted into United States dollars and is valued at \$6,254 (2019: \$6,254).

**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

**NOTE 21 – EQUITY...continued**

**(f) Other reserves...continued**

*Post-employment obligations reserve*

The post-employment obligations reserve comprises various gains/(losses) arising from the actuarial valuation where actual performance results differ from projected results due to changes in assumptions and in differences between actual investment returns and assumed returns from the previous year's calculations. These differences are classified as experience gains/(losses). A reconciliation of the cumulative loss of \$29,519 (2019: \$20,448) is shown in the statement of changes in equity.

*Fair value reserves*

The Bank's debt securities are classified as fair value through other comprehensive income (FVOCI). As a result, all fair value gains or losses are accounted for through a fair value reserve in equity. As at December 31, 2020, the cumulative fair value reserve amounted to \$8,451 (2019: (\$1,655)). An unrealised gain of \$6,250 was recorded as at December 31, 2020 (2019 - \$4,759) as a result of changes in the fair value of debt securities. For securities which were sold or which matured during the year, a fair value loss of \$546 (2019 - \$889) was reclassified to realised fair value (gains)/losses included in 'Operating expense' in the statement of comprehensive income.

**NOTE 22 – INTEREST INCOME/EXPENSE AND SIMILAR INCOME/CHARGES**

*Interest income and expense*

For instruments carried at amortised cost, interest income and expense are recognised in the statement of comprehensive income using the EIR method. Interest income and expense are recognised on a level yield basis for items classified as fair value through profit or loss.

In the event of an asset becoming credit-impaired and therefore being regarded as 'Stage 3', the Bank calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

*Other fees and charges*

Fees and other income are recognised on an accrual basis when the service has been provided.

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 22 – INTEREST INCOME/EXPENSE AND SIMILAR INCOME/CHARGES...continued

##### (a) Interest and similar income

Interest income earned from loans outstanding and debt securities at FVOCI was as follows:

|  | 2020            | 2019     |
|--|-----------------|----------|
| Interest income                          | \$51,597        | \$53,952 |
| Other fees and charges                   | 4,869           | 4,666    |
| <i>Income from loans and receivables</i> | <b>56,466</b>   | 58,618   |
| Bonds                                    | 7,946           | 6,001    |
| US Treasuries                            | 202             | 887      |
| Treasury bills                           | 279             | 69       |
| Time deposits                            | 437             | 993      |
| Cash                                     | 59              | 285      |
| Cash collateral balance                  | 3               | 125      |
| Management fees                          | (53)            | (51)     |
| <b>Interest and similar income</b>       | <b>\$65,339</b> | \$66,927 |

##### (b) Interest expense and similar charges

Interest expense and other charges from borrowings and interest income and expense from derivative financial instrument swaps were as follows:

|   | 2020             | 2019       |
|---|------------------|------------|
| <b>Financial liabilities carried at amortised cost (borrowings)</b>         |                  |            |
| Gross interest expense  | \$26,475         | \$24,212   |
| Other finance charges   | 1,562            | 772        |
| <i>Borrowings</i>   | <b>\$28,037</b>  | \$24,984   |
| <b>Financial assets at fair value through profit and loss (derivatives)</b> |                  |            |
| Interest income from derivative financial instruments                       | \$(19,465)       | \$(18,958) |
| Interest expense from derivative financial instruments                      | 13,002           | 20,932     |
| <i>Net interest (income)/expense from derivatives</i>                       | <b>\$(6,463)</b> | \$1,974    |
| <b>Interest expense and similar charges</b>                                 | <b>\$21,574</b>  | \$26,958   |

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 23 – OPERATING EXPENSE

##### *Administrative expenses*

Administrative expenses incurred by the Bank are allocated to the OCR and the SFR in accordance with a methodology approved by the Board of Directors.

##### *Other operating expenses*

Other operating expenses result from realised fair value losses/gains on debt securities at fair value through OCI and foreign exchange losses/gains as a result of daily transactions.

Operating expenses are broken down as follows:

|                                       | 2020             | 2019     |
|---------------------------------------|------------------|----------|
| Net realised fair value(gains)/losses | <b>\$(1,348)</b> | \$218    |
| Foreign exchange translation          | <b>8,632</b>     | 3,438    |
| <i>Administrative expenses:</i>       |                  |          |
| Employee related                      | <b>12,358</b>    | 10,668   |
| Professional fees and consultancies   | <b>780</b>       | 889      |
| Travel                                | <b>116</b>       | 686      |
| Depreciation                          | <b>574</b>       | 663      |
| Other expenses                        | <b>294</b>       | 388      |
| Utilities and maintenance             | <b>327</b>       | 345      |
| Training and seminars                 | <b>56</b>        | 115      |
| Supplies and printing                 | <b>61</b>        | 104      |
| Board of Governors and Directors      | <b>25</b>        | 316      |
| Computer services                     | <b>840</b>       | 558      |
| Communications                        | <b>308</b>       | 315      |
| Bank charges                          | <b>109</b>       | 79       |
| Insurance                             | <b>38</b>        | 38       |
|                                       | <b>\$23,170</b>  | \$18,820 |

Employee costs charged to the OCR were as follows:

|  | 2020            | 2019     |
|--|-----------------|----------|
| Salaries and allowances                            | <b>\$7,244</b>  | \$7,184  |
| Pension costs – hybrid scheme <sup>1/</sup>        | <b>143</b>      | 146      |
| Pension costs – defined benefit plan <sup>1/</sup> | <b>2,852</b>    | 2,482    |
| Medical costs                                      | <b>289</b>      | 290      |
| Other benefits                                     | <b>1,830</b>    | 566      |
|  | <b>\$12,358</b> | \$10,668 |

<sup>1/</sup>This represents the allocation of the net pension costs to the OCR. The full pension expense for the hybrid scheme amounted to \$334(2019: \$314), for the defined benefit new pension plan it amounted to \$6,522 (2019: \$5,447) and for the medical plan it was \$265 (2019: \$246).



# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 24 – IMPAIRMENT RECOVERY/(CHARGES) (ECL)

The table below shows the ECL (recoveries)/charges on financial assets recorded in profit or loss in the statement of comprehensive income.

|                           | 2020                      |                         |                     | Total     |
|---------------------------|---------------------------|-------------------------|---------------------|-----------|
|                           | Stage 1<br>12month<br>ECL | Stage 2<br>Lifetime ECL | Stage 3<br>Impaired |           |
| Loans outstanding         | \$(3,869)                 | \$(389)                 | \$(1,616)           | \$(5,874) |
| Debt Securities           | 18                        | -                       | -                   | 18        |
| Receivables               | 4                         | (83)                    | 198                 | 119       |
| Receivable from members   | (258)                     | (24)                    | (992)               | (1,274)   |
| Total Impairment recovery | \$(4,105)                 | \$(496)                 | \$(2,410)           | \$(7,011) |

|  | 2019                   |                         |                     | Total     |
|--|------------------------|-------------------------|---------------------|-----------|
|  | Stage 1<br>12month ECL | Stage 2<br>Lifetime ECL | Stage 3<br>Impaired |           |
| Loans outstanding                      | \$4,164                | \$380                   | \$(1,602)           | \$2,942   |
| Receivables                            | (1)                    | 83                      | (83)                | (1)       |
| Receivable from members                | (7,099)                | 24                      | 992                 | (6,083)   |
| Total Impairment<br>(recovery)/charges | \$(2,936)              | \$487                   | \$(693)             | \$(3,142) |

#### NOTE 25 – ALLOCATION FROM NET INCOME

In accordance with Article 39 of the Charter, the Board of Governors shall determine at least annually the disposition of the net income of the Bank arising from its OCR (“operating income”). The OCR net income is typically allocated to the Ordinary Reserves. These reserves are available to meet possible future losses on loans and guarantees made by the Bank in its Ordinary operations and possible future losses from currency devaluations.

As part of the Agreement governing the new Special Development Fund Cycle (SDF 9) which forms part of the Bank’s SFR, an allocation of \$15 million has been committed but not yet settled from the net income of the OCR to SDF 9 to be met over the 4-year cycle.

# CARIBBEAN DEVELOPMENT BANK

## ORDINARY CAPITAL RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### NOTE 26 – DERIVATIVE FAIR VALUE ADJUSTMENT

The derivative fair value adjustment of \$6,574 (2019: (\$15,691)) included in the statement of comprehensive income is derived as a result of the revaluation of the derivative financial instruments (cross currency and interest rate swaps) of \$47,633 (2019: (\$20,654)) and the foreign exchange effect thereon of (\$41,059) [2019: (\$4,963)].

#### NOTE 27 – RELATED PARTY TRANSACTIONS

(a) The movement in the net inter-fund receivable or payable during the year was as follows:

|                                       | 2020     | 2019     |
|---------------------------------------|----------|----------|
| Balance at January 1                  | \$5,342  | \$6,720  |
| Advances                              | 73,208   | 26,903   |
| Allocation of administrative expenses | 18,792   | 17,467   |
| Repayments                            | (83,776) | (45,748) |
| Inter-fund receivable December 31     | \$13,566 | \$5,342  |

The receivable account represents net amounts due from/(payable to) the SDF and OSF as a result of payments by OCR on their behalf as well as the allocation of administrative expenditure in accordance with Bank policy. Inter-fund balances are settled in cash on a quarterly basis.

The composition of the balances as at December 31 was as follows:

Included in "Receivables and prepaid assets":

|                          | 2020      | 2019      |
|--------------------------|-----------|-----------|
| Due from SDF             | \$13,553  | \$11,114  |
| Due (to)/from OSF        | \$(1,942) | \$(6,917) |
| Due from Pension schemes | \$1,977   | \$1,030   |
| Due to Others            | \$(22)    | \$115     |
|                          | \$13,566  | \$5,342   |

(b) Key management compensation for the year ended December 31 was as follows:

|                         | 2020  | 2019    |
|-------------------------|-------|---------|
| Salaries and allowances | \$780 | \$2,850 |
|                         | \$780 | \$2,850 |

**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

**NOTE 27 – RELATED PARTY TRANSACTIONS...***continued*

**(c) Interest subsidy fund**

In 2008, the interest subsidy fund was established by the Board of Directors of the Bank to subsidise part of the interest payments for which certain borrowers are liable on loans from the OCR. During the reporting period \$319 (2019: \$359) was received from the OSF in interest on behalf of the borrowers. The fund balance is included in Receivable and prepaid assets in the statement of financial position.

**NOTE 28 – COMMITMENTS AND GUARANTEES**

Legal claims are recognised when the Bank has a present legal or constructive obligation as a result of past events, and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. The Bank recognises no provisions for future operating expenses.

*Commitments*

The Bank's commitments are represented by loan disbursement obligations to its borrowers up to the approved amount of these loans (Refer to *Note 10 – Loans outstanding*) and OCR commitments to the operations of the SDF(U) (Refer to *Note 3: Risk Management*).

*Guarantees*

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantees are initially recognised as a liability in the financial statements at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee, on the date the guarantee was given. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

At its two hundred and forty-ninth meeting held on December 8, 2011, the Bank issued a guarantee in an amount not exceeding the equivalent of \$12 million with respect to Bonds issued by the Government of St. Kitts and Nevis (GOSKN) on a rolling, re-instatable and non-acceleratable basis.

The guarantee contains a Counter Guarantee and Indemnity clause whereby the GOSKN undertakes irrevocably and unconditionally agrees to reimburse the Bank for any amount paid under the guarantee together with interest and other charges at a rate specified by the Bank. Where reimbursement to the Bank is not made (in whole or in part) within a period of 90 days of such amounts being paid the Bank such unreimbursed amounts shall be converted to a loan due by the GOSKN to the Bank's OCR.

**CARIBBEAN DEVELOPMENT BANK**  
**ORDINARY CAPITAL RESOURCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**  
**(expressed in thousands of United States dollars, unless otherwise stated)**

---

**NOTE 29 – SUBSEQUENT EVENTS**

Subsequent to the end of the financial year, the COVID-19 pandemic continued to have an effect on economic and social conditions in the Bank's member countries. The development and distribution of vaccines, and continuing concerted efforts to fight the disease are expected to reduce gradually its ongoing impact. Consistent with its mandate, the Bank continues to take various actions to assist its BMCs such as the provision of grants for personal protective equipment and other equipment and for technical assistance, both from its own resources and in conjunction with regional and international agencies including international financial institutions.

The Bank has also made additional resources available from its concessionary window (Special Funds Resources) to qualifying BMCs, to address certain specific needs and has increased the volume of resources available for Policy Based Loans (PBLs) to deal with exogenous shocks such as natural disasters or COVID-19 or macro-economic issues. The Bank is also discussing with its BMCs the repurposing of existing loans and the application of undisbursed balances to appropriate COVID-19 related activities.

The Bank will continue to monitor developments in its BMCs and to mobilise resources aggressively to enable it to assist its members in these challenging times.

On May 20, 2021 Moody's Ratings affirmed the Bank's Long-Term Issuer Default Rating (IDR) of 'Aa1' with a Stable outlook.

On May 24, 2021 S&P Global Ratings affirmed the Bank's Long-Term IDR of 'AA+' and its Short-Term IDR of 'A-1+' with a Stable outlook.

On March 3, 2021 Fitch Ratings affirmed the Bank's Long-Term IDR of 'AA+' and its Short-Term IDR of 'F1+'. The outlook was lowered to Negative.

# **Caribbean Development Bank**

## **Special Funds Resources – Special Development Fund**

### **Financial Statements**

**For the year ended December 31, 2020**

**(Expressed in thousands of United States dollars unless otherwise stated)**



**CARIBBEAN DEVELOPMENT BANK  
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND**

**INDEX TO THE FINANCIAL STATEMENTS**

---

|   | <b>Page</b>    |
|---|----------------|
| <b>Independent Auditor's Report</b>                                 | <b>183</b>     |
| <b>Statement of Financial Position</b>                              | <b>188-189</b> |
| <b>Statement of Comprehensive Income and Accumulated Net Income</b> | <b>190</b>     |
| <b>Statement of Cash Flows</b>                                      | <b>191-192</b> |
| <b>Summary Statement of Investments</b>                             | <b>193</b>     |
| <b>Summary Statement of Loans</b>                                   | <b>194-200</b> |
| <b>Statement of Contributed Resources</b>                           | <b>201-206</b> |
| <b>Statement of Accumulated Net Income</b>                          | <b>207-208</b> |
| <b>Notes to the Financial Statements</b>                            | <b>209-216</b> |

**KPMG**

Hastings  
Christ Church, BB 15154  
Barbados West Indies  
Telephone: (246) 434-3900  
Fax: (246) 427-7123

P. O. Box 690C  
Bridgetown, Barbados

**INDEPENDENT AUDITOR'S REPORT****To the Board of Governors of Caribbean Development Bank****Report on the Audit of the Financial Statements*****Qualified Opinion***

We have audited the financial statements of the **Special Development Fund** ("the Fund") of the **Caribbean Development Bank** ("the Bank"), which comprise the statement of financial position as of December 31, 2020, and the statement of comprehensive income and accumulated net income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in Note 2.

***Basis for Qualified Opinion***

As part of our procedures we have sought to obtain direct confirmation from the counterparty in relation to cash equivalents totaling USD\$12.266M as at December 31, 2020. This is our initial audit engagement, and we are required to perform procedures on opening balances. In view of the modification of the report by the predecessor auditor on the same balance as December 31, 2019 (refer to the other matter paragraph), we have also sought to obtain direct confirmation from the counterparty in relation to that balance. We were unable to confirm or verify by alternative means the carrying amount of the balance as at December 31, 2020 and December 31, 2019. Accordingly, we were not able to determine whether any adjustments might be necessary to the amounts shown in the financial statements for the Fund for those periods and related corresponding entries in the statement of financial position and statement of comprehensive income, the statement of cashflow and/or the disclosure notes.

KPMG in Barbados and the Eastern Caribbean, a partnership registered in Barbados, Antigua and Barbuda, Saint Lucia and St. Vincent and the Grenadines, and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**To the Board of Governors of Caribbean Development Bank (continued)**

**Report on the Audit of the Financial Statements (continued)**

### ***Basis for Qualified Opinion (continued)***

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants ("IESBA Code"), together with the ethical requirements that are relevant to our audit of the financial statements in Barbados and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### ***Emphasis of Matter – Basis of Accounting***

We draw attention to Note 2 of the financial statements which describes the basis of accounting. The financial statements are prepared for the specific purpose of reflecting the sources and applications of member subscriptions and contributions and other development resources and as a result, may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### ***Other Matter***

The financial statements of the Fund as at and for the year ended December 31, 2019 were audited by another auditor who expressed a modified opinion on June 30, 2020. The opinion was qualified due to the possible impact on the financial statements as a result of the inability to obtain sufficient appropriate audit evidence on investments totaling USD\$12.266M.



## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**To the Board of Governors of Caribbean Development Bank (continued)**

**Report on the Audit of the Financial Statements (continued)**

### ***Other information included in the Bank's 2020 Annual Report***

Management is responsible for the other information. The other information comprises the *Management's Discussion and Analysis* but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of Management and the Oversight and Assurance Committee for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with select accounting policies as described in Note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Oversight and Assurance Committee is responsible for overseeing the Fund's financial reporting process.



## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**To the Board of Governors of Caribbean Development Bank (continued)**

**Report on the Audit of the Financial Statements (continued)**

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.





## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**To the Board of Governors of Caribbean Development Bank (continued)**

**Report on the Audit of the Financial Statements (continued)**

### ***Auditor's Responsibilities for the Audit of the Financial Statements (continued)***

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Oversight and Assurance Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### ***Other matter – the purpose of our audit work and to whom we owe responsibility***

This report is made solely to the Fund's contributors, as a body, in accordance with Article 38, sub-section 2 of the Agreement establishing the Caribbean Development Bank which entered into force on January 26, 1970. Our audit work has been undertaken so that we might state to the Fund's contributors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's contributors as a body, for our audit work, for this report, or for the opinion we have formed.

Chartered Accountants  
Bridgetown, Barbados  
June 30, 2021

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND

### STATEMENT OF FINANCIAL POSITION

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

|   | 2020               |                 |                    | 2019             |                 |                    |
|---|--------------------|-----------------|--------------------|------------------|-----------------|--------------------|
|   | Unified            | Other           | Total              | Unified          | Other           | Total              |
| <b>Assets</b>   |                    |                 |                    |                  |                 |                    |
| Cash and cash equivalents – Note 3                                | \$-                | \$13,142        | \$13,142           | \$47,136         | \$11,429        | \$58,565           |
| Debt securities at fair value through profit or loss (Schedule 1) | 333,440            | 13,128          | 346,568            | 310,078          | 22,647          | 332,725            |
| Loans outstanding (Schedule 2)                                    | 593,239            | 21,589          | 614,828            | 537,444          | 22,769          | 560,213            |
| <b>Receivables</b>  |                    |                 |                    |                  |                 |                    |
| Accounts receivable   | 206                | -               | 206                | 535              | -               | 535                |
|   | <b>926,885</b>     | <b>47,859</b>   | <b>974,744</b>     | <b>895,193</b>   | <b>56,845</b>   | <b>952,038</b>     |
| <b>Receivable from contributors</b>                               |                    |                 |                    |                  |                 |                    |
| Non-negotiable demand notes (Schedule 3)                          | 68,222             | -               | 68,222             | 71,526           | -               | 71,526             |
| Contribution in arrears   | 22,361             | -               | 22,361             | 16,671           | -               | 16,671             |
|   | <b>90,583</b>      | <b>-</b>        | <b>90,583</b>      | <b>88,197</b>    | <b>-</b>        | <b>88,197</b>      |
| <b>Total assets</b>   | <b>\$1,017,468</b> | <b>\$47,859</b> | <b>\$1,065,327</b> | <b>\$983,390</b> | <b>\$56,845</b> | <b>\$1,040,235</b> |
| <b>Liabilities and Funds</b>                                      |                    |                 |                    |                  |                 |                    |
| Liabilities Due to Bank (Note 3)                                  | \$11,618           | \$-             | \$11,618           | \$-              | \$5,552         | \$5,552            |
| Accounts payable – Note 9   | 46,488             | 1,157           | 47,645             | 40,279           | 791             | 41,070             |
| Subscriptions in advance  | -                  | -               | -                  | 3,328            | -               | 3,328              |
|   | <b>\$58,106</b>    | <b>\$1,157</b>  | <b>\$59,263</b>    | <b>\$43,607</b>  | <b>\$6,343</b>  | <b>\$49,950</b>    |

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

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND

### STATEMENT OF FINANCIAL POSITION... *continued*

**As of December 31, 2020**

**(expressed in thousands of United States dollars, unless otherwise stated)**

|   | 2020               |                 |                    | 2019        |          |             |
|---|--------------------|-----------------|--------------------|-------------|----------|-------------|
|   | Unified            | Other           | Total              | Unified     | Other    | Total       |
| <b>Funds – Note 5</b>                                     |                    |                 |                    |             |          |             |
| Contributed resources<br>(Schedule 3)                     |                    |                 |                    |             |          |             |
| Contributions   | <b>\$1,324,213</b> | <b>\$38,723</b> | <b>\$1,362,936</b> | \$1,319,655 | \$38,335 | \$1,357,990 |
| Less amounts not yet made<br>available                    | <b>(2,216)</b>     | <b>-</b>        | <b>(2,216)</b>     | (34,116)    | -        | (34,116)    |
| Amounts made available                                    | <b>1,321,997</b>   | <b>38,723</b>   | <b>1,360,720</b>   | 1,285,539   | 38,335   | 1,323,874   |
| Allocation to technical<br>assistance and grant resources | <b>(574,600)</b>   | <b>(10,000)</b> | <b>(584,600)</b>   | (544,850)   | (10,000) | (554,850)   |
|   | <b>747,397</b>     | <b>28,723</b>   | <b>776,120</b>     | 740,689     | 28,335   | 769,024     |
| Accumulated net income<br>(Schedule 4)                    | <b>64,002</b>      | <b>17,054</b>   | <b>81,056</b>      | 55,468      | 21,242   | 76,710      |
| Technical assistance and grant<br>resources – Note 7      | <b>147,963</b>     | <b>925</b>      | <b>148,888</b>     | 143,626     | 925      | 144,551     |
|   | <b>959,362</b>     | <b>46,702</b>   | <b>1,006,064</b>   | 939,783     | 50,502   | 990,285     |
| <b>Total liabilities and funds</b>                        | <b>\$1,017,468</b> | <b>\$47,859</b> | <b>\$1,065,327</b> | \$983,390   | \$56,845 | \$1,040,235 |

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

**CARIBBEAN DEVELOPMENT BANK**  
**SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND**  
**STATEMENT OF COMPREHENSIVE INCOME AND ACCUMULATED NET INCOME**  
**For the year ended December 31, 2020**

(expressed in thousands of United States dollars, unless otherwise stated)

|   | 2020            |                 |                 | 2019     |          |          |
|---|-----------------|-----------------|-----------------|----------|----------|----------|
|   | Unified         | Other           | Total           | Unified  | Other    | Total    |
| <b>Interest and similar income</b>          |                 |                 |                 |          |          |          |
| Loans                                       | \$12,190        | \$354           | \$12,544        | \$12,114 | \$381    | \$12,495 |
| Investments and cash balances               | 11,895          | 306             | 12,201          | 13,029   | 782      | 13,811   |
|   | <b>24,085</b>   | <b>660</b>      | <b>24,745</b>   | 25,143   | 1,163    | 26,306   |
| <b>Expenses</b>                             |                 |                 |                 |          |          |          |
| Administrative expenses                     | 16,495          | 1,205           | 17,700          | 15,407   | 1,060    | 16,467   |
| Foreign exchange translation                | (944)           | 440             | (504)           | 1,210    | (104)    | 1,106    |
|   | <b>15,551</b>   | <b>1,645</b>    | <b>17,196</b>   | 16,617   | 956      | 17,573   |
| Total comprehensive income for the year     | <b>\$8,534</b>  | <b>\$(985)</b>  | <b>\$7,549</b>  | \$8,526  | \$207    | \$8,733  |
| <b>Accumulated net income</b>               |                 |                 |                 |          |          |          |
| Accumulated net income – beginning of year  | \$55,468        | \$21,242        | \$76,710        | \$46,942 | \$21,035 | \$67,977 |
| Appropriations for technical assistance     | -               | (3,203)         | (3,203)         | -        | -        | -        |
| Total comprehensive income for the year     | <b>8,534</b>    | <b>(985)</b>    | <b>7,549</b>    | 8,526    | 207      | 8,733    |
| <b>Accumulated net income – end of year</b> | <b>\$64,002</b> | <b>\$17,054</b> | <b>\$81,056</b> | \$55,468 | \$21,242 | \$76,710 |

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

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND (UNIFIED)

### STATEMENT OF CASH FLOWS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

|   | 2020              | 2019     |
|---|-------------------|----------|
| <b>Operating activities</b>   |                   |          |
| Total comprehensive income for the year   | <b>\$8,534</b>    | \$8,526  |
| Adjustments for non-cash items  |                   |          |
| Unrealised gain on debt securities at fair value through profit or loss                                 | <b>(5,593)</b>    | (5,895)  |
| Interest income   | <b>(18,492)</b>   | (18,773) |
| Unrealised net foreign exchange loss  | <b>1,181</b>      | 310      |
| <i>Total cash flows used in operating activities before changes in operating assets and liabilities</i> | <b>(14,370)</b>   | (15,832) |
| Changes in operating assets and liabilities   |                   |          |
| Decrease/(Increase) in accounts receivable  | <b>329</b>        | (364)    |
| Increase in accounts payable  | <b>6,209</b>      | 6,835    |
| <i>Cash used in operating activities</i>  | <b>(7,832)</b>    | (9,361)  |
| Disbursements on loans  | <b>(87,287)</b>   | (32,234) |
| Principal repayments to the Bank on loans   | <b>31,559</b>     | 29,988   |
| Interest received   | <b>18,517</b>     | 18,456   |
| Net increase in debt securities at fair value through profit or loss                                    | <b>(17,861)</b>   | (10,740) |
| Technical assistance disbursements  | <b>(15,414)</b>   | (18,369) |
| <b>Net cash used in operating activities</b>  | <b>(78,318)</b>   | (22,260) |
| <b>Financing activities</b>   |                   |          |
| Increase in contributions to be on-lent to BMCs   | <b>5,527</b>      | 9,693    |
| (Increase)/decrease in receivables from contributors  | <b>(2,386)</b>    | 1,668    |
| Decrease in subscriptions in advance  | <b>(3,328)</b>    | (3,025)  |
| Technical assistance allocation   | <b>19,751</b>     | 19,750   |
| <b>Net cash provided by financing activities</b>  | <b>19,564</b>     | 28,086   |
| <b>Net (decrease)/ increase in cash and cash equivalents</b>  | <b>(58,754)</b>   | 5,826    |
| Cash and cash equivalents - beginning of year   | <b>47,136</b>     | 41,310   |
| <b>Cash and cash equivalents - end of year</b>  | <b>\$(11,618)</b> | \$47,136 |

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



# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND (OTHER)

### STATEMENT OF CASH FLOWS...continued

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

|   | 2020            | 2019    |
|---|-----------------|---------|
| <b>Operating activities</b>   |                 |         |
| Total comprehensive (loss)/income for the year  | <b>\$(985)</b>  | \$207   |
| Adjustments for non-cash items  |                 |         |
| Unrealised gain on debt securities at fair value through profit or loss                                 | <b>(80)</b>     | (300)   |
| Interest income   | <b>(580)</b>    | (842)   |
| Unrealised net foreign exchange loss/(gain)   | <b>388</b>      | (112)   |
| <i>Total cash flows used in operating activities before changes in operating assets and liabilities</i> | <b>(1,257)</b>  | (1,047) |
| <b>Changes in operating assets and liabilities</b>  |                 |         |
| Increase/(decrease) in accounts payable   | <b>366</b>      | (989)   |
| <i>Cash used in operating activities</i>  | <b>(891)</b>    | (2,036) |
| Disbursements on loans  |                 | -       |
| Principal repayments to the Bank on loans   | <b>1,173</b>    | 1,174   |
| Interest received   | <b>611</b>      | 898     |
| Net decrease in debt securities at fair value through profit or loss                                    | <b>9,575</b>    | 7,069   |
| <b>Net cash provided by operating activities</b>  | <b>10,468</b>   | 7,105   |
| <b>Financing activities:</b>  |                 |         |
| Appropriations of accumulated net income  | <b>(3,203)</b>  | -       |
| <b>Net cash used in financing activities</b>  | <b>(3,203)</b>  | -       |
| Net increase in cash and cash equivalents   | <b>7,265</b>    | 7,105   |
| Cash and cash equivalents – beginning of year   | <b>5,877</b>    | (1,228) |
| <b>Net cash and cash equivalents - end of year (Note 3)</b>   | <b>\$13,142</b> | \$5,887 |

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

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUND RESOURCES – SPECIAL DEVELOPMENT FUND

### SUMMARY STATEMENT OF INVESTMENTS

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### SCHEDULE 1

| Debt securities at fair value<br>through profit or loss – Note 4 | 2020             |                 |                  | 2019             |                 |                  |
|--|------------------|-----------------|------------------|------------------|-----------------|------------------|
|  | Market value     |                 |                  | Market value     |                 |                  |
|  | Unified          | Other           | Total            | Unified          | Other           | Total            |
| Government and Agency<br>Obligations                             | \$160,309        | \$8,618         | \$168,927        | \$135,876        | \$15,739        | \$151,615        |
| Supranationals   | 81,578           | 4,485           | 86,063           | 91,647           | 6,859           | 98,506           |
| Corporate Bonds  | 89,836           | -               | 89,836           | 80,746           | -               | 80,746           |
| <b>Sub-total</b>   | <b>331,723</b>   | <b>13,103</b>   | <b>344,826</b>   | <b>308,269</b>   | <b>22,598</b>   | <b>330,867</b>   |
| Accrued interest   | 1,717            | 25              | 1,742            | 1,809            | 49              | 1,858            |
| <b>Total – December 31</b>                                       | <b>\$333,440</b> | <b>\$13,128</b> | <b>\$346,568</b> | <b>\$310,078</b> | <b>\$22,647</b> | <b>\$332,725</b> |

#### Residual term to contractual maturity

|                                   | 2020             | 2019             |
|-----------------------------------|------------------|------------------|
| One month to three months         | \$33,023         | \$18,443         |
| Over three months to one year     | 25,586           | 89,175           |
| From one year to five years       | 196,271          | 198,691          |
| From five years to ten years      | 78,871           | 26,416           |
| From ten years to twenty years    | 12,440           | -                |
| From twenty years to thirty years | 377              | -                |
| <b>Total – December 31</b>        | <b>\$346,568</b> | <b>\$332,725</b> |

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND (UNIFIED)

### SUMMARY STATEMENT OF LOANS

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### SCHEDULE 2

| Member countries<br>in which loans<br>have been made | 2020  |                  |                           | % of<br>Total Loans<br>Outstanding |
|--|---|------------------|---------------------------|------------------------------------|
|  | Loans<br>approved<br>but not yet<br>effective | Undisbursed      | Outstanding <sup>1/</sup> |                                    |
| Anguilla   | \$-   | \$-              | \$1,258                   | 0.2                                |
| Antigua and Barbuda                                  | -   | 9,724            | 10,086                    | 1.7                                |
| Bahamas  | -   | -                | 227                       | 0.0                                |
| Belize   | 13,000  | 35,994           | 56,531                    | 9.6                                |
| British Virgin Islands                               | -   | 5,000            | 2,965                     | 0.5                                |
| Dominica   | -   | 14,068           | 61,547                    | 10.4                               |
| Grenada  | -   | 24,877           | 74,525                    | 12.6                               |
| Guyana   | 20,746  | 20,418           | 123,091                   | 20.9                               |
| Jamaica  | 30,000  | 4,684            | 92,114                    | 15.6                               |
| Montserrat   | -   | -                | 3,383                     | 0.6                                |
| St. Kitts and Nevis                                  | -   | 3,580            | 34,631                    | 5.9                                |
| St. Lucia  | -   | 36,176           | 66,677                    | 11.4                               |
| St. Vincent and the Grenadines                       | 8,573   | 44,154           | 45,074                    | 7.6                                |
| Suriname   | -   | 8,586            | 10,326                    | 1.7                                |
| Turks and Caicos Islands                             | -   | -                | 652                       | 0.1                                |
| Regional   | -   | -                | 7,096                     | 1.2                                |
| <b>Sub-total</b>                                     | <b>72,319</b>                                 | <b>207,261</b>   | <b>590,183</b>            | <b>100.0</b>                       |
| <b>Accrued interest</b>                              | <b>-</b>                                      | <b>-</b>         | <b>3,056</b>              |                                    |
| <b>Total – December 31</b>                           | <b>\$72,319</b>                               | <b>\$207,261</b> | <b>\$593,239</b>          |                                    |

1/ There are no overdue installments of principal (2019 - nil).

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND (UNIFIED)

### SUMMARY STATEMENT OF LOANS...continued

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

| 2019   |   |             |                           |                                    |
|--|---|-------------|---------------------------|------------------------------------|
| Member countries<br>in which loans<br>have been made | Loans<br>approved<br>but not yet<br>effective | Undisbursed | Outstanding <sup>1/</sup> | % of<br>Total Loans<br>Outstanding |
| Anguilla   | \$425   | \$-         | \$1,477                   | 0.3                                |
| Antigua and Barbuda                                  | -   | 6,119       | 947                       | 0.2                                |
| Bahamas  | 750   | -           | 309                       | 0.1                                |
| Barbados   | -   | -           | 31                        | 0.0                                |
| Belize   | -   | 37,143      | 46,209                    | 8.6                                |
| British Virgin Islands                               | -   | 5,000       | 3,352                     | 0.6                                |
| Dominica   | -   | 14,150      | 49,371                    | 9.2                                |
| Grenada  | -   | 25,001      | 71,923                    | 13.5                               |
| Guyana   | -   | 26,454      | 121,882                   | 22.7                               |
| Jamaica  | -   | 5,045       | 100,010                   | 18.7                               |
| Montserrat   | -   | 321         | 3,570                     | 0.7                                |
| St. Kitts and Nevis                                  | -   | 5,516       | 35,508                    | 6.6                                |
| St. Lucia  | -   | 33,968      | 50,524                    | 9.5                                |
| St. Vincent and the Grenadines                       | 10,000  | 29,490      | 40,441                    | 7.6                                |
| Suriname   | -   | 9,271       | 1,441                     | 0.3                                |
| Trinidad and Tobago                                  | 1,000   | -           | -                         | 0.0                                |
| Turks and Caicos Islands                             | -   | -           | 753                       | 0.1                                |
| Regional   | -   | 815         | 6,707                     | 1.3                                |
| <b>Sub-total</b>                                     | 12,175  | 198,293     | 534,455                   | 100.0                              |
| <b>Accrued interest</b>                              | -   | -           | 2,989                     |                                    |
| <b>Total – December 31</b>                           | \$12,175                                      | \$198,293   | \$537,444                 |                                    |

1/ There are no overdue installments of principal.

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND (OTHER)

### SUMMARY STATEMENT OF LOANS...continued

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### SCHEDULE 2

| Member countries<br>in which loans<br>have been made | 2020  |                           | % of<br>Total Loans<br>Outstanding |
|--|---|---------------------------|------------------------------------|
|  | Loans<br>approved but<br>not yet<br>effective | Outstanding <sup>1/</sup> |                                    |
| Antigua and Barbuda                                  | \$-   | \$12,040                  | 56.0                               |
| Belize   | -   | 3,861                     | 18.0                               |
| Dominica   | -   | 1,218                     | 5.8                                |
| Grenada  | -   | 107                       | 0.5                                |
| Jamaica  | -   | 500                       | 2.3                                |
| St. Kitts and Nevis                                  | -   | 2,919                     | 13.6                               |
| St. Lucia  | -   | 184                       | 0.9                                |
| St. Vincent and the Grenadines                       | -   | 674                       | 3.1                                |
| <b>Sub-total</b>                                     | -   | <b>21,503</b>             | <b>100.0</b>                       |
| <b>Accrued interest</b>                              | -   | <b>86</b>                 |                                    |
| <b>Total</b>   | <b>\$-</b>                                    | <b>\$21,589</b>           |                                    |

1/ There were no overdue installments of principal (2018 - nil). There were also no amounts undisbursed at December 31, 2019.

| Member countries<br>in which loans<br>have been made | 2019  |                           | % of<br>Total Loans<br>Outstanding |
|--|---|---------------------------|------------------------------------|
|  | Loans<br>approved but<br>not yet<br>effective | Outstanding <sup>1/</sup> |                                    |
| Antigua and Barbuda                                  | \$-   | \$12,068                  | 53.3                               |
| Belize   | -   | 4,336                     | 19.1                               |
| Dominica   | -   | 1,323                     | 5.8                                |
| Grenada  | -   | 116                       | 0.5                                |
| Jamaica  | -   | 633                       | 2.8                                |
| St. Kitts and Nevis                                  | -   | 3,228                     | 14.2                               |
| St. Lucia  | -   | 227                       | 1.0                                |
| St. Vincent and the Grenadines                       | -   | 746                       | 3.3                                |
| <b>Sub-total</b>                                     | -   | <b>22,677</b>             | <b>100.0</b>                       |
| <b>Accrued interest</b>                              | -   | <b>92</b>                 |                                    |
| <b>Total</b>   | <b>\$-</b>                                    | <b>\$22,769</b>           |                                    |



# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND

### SUMMARY STATEMENT OF LOANS...continued

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### SCHEDULE 2

|  | 2020                                 |             |                            |                              |
|--|--------------------------------------|-------------|----------------------------|------------------------------|
| Analysis by Contributor                    | Loans approved but not yet effective | Undisbursed | Out-standing <sup>1/</sup> | % of total loans outstanding |
| Special Development Fund (Unified)         |                                      |             |                            |                              |
| Members/Contributors                       | \$72,319                             | \$207,260   | \$590,183                  | 100.0                        |
| Accrued interest                           | -                                    | -           | 3,056                      |                              |
| Total - Special Development Fund (Unified) | \$72,319                             | \$207,260   | \$593,239                  |                              |
| Special Development Fund (Other)           |                                      |             |                            |                              |
| Members                                    |                                      |             |                            |                              |
| Germany                                    | \$-                                  | \$-         | \$84                       | 0.4                          |
| Mexico                                     | -                                    | -           | 1,077                      | 5.0                          |
| Venezuela                                  | -                                    | -           | 8,521                      | 39.6                         |
|  | -                                    | -           | 9,682                      |                              |
| Other contributors                         |                                      |             |                            |                              |
| Sweden                                     | -                                    | -           | 21                         | 0.1                          |
| United States of America                   | -                                    | -           | 11,800                     | 54.9                         |
| Sub-total – SDF (Other)                    | -                                    | -           | 11,821                     | 100.0                        |
| Accrued interest                           | -                                    | -           | 86                         |                              |
| Total – Special Development Fund (Other)   | \$-                                  | \$-         | \$21,589                   |                              |
| Total Special Development Fund             | \$72,319                             | \$207,260   | \$614,828                  |                              |

<sup>1/</sup>There were no overdue installments of principal (2019- nil).

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND

### SUMMARY STATEMENT OF LOANS...continued

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

| Analysis by Contributor                           | 2019                                 |                  |                            | SCHEDULE 2                   |
|---|--------------------------------------|------------------|----------------------------|------------------------------|
|   | Loans approved but not yet effective | Undisbursed      | Out-standing <sup>1/</sup> | % of total loans outstanding |
| <b>Special Development Fund (Unified)</b>         |                                      |                  |                            |                              |
| Members/Contributors                              | \$12,175                             | \$198,293        | \$534,455                  | 100.0                        |
| Accrued interest                                  | -                                    | -                | 2,989                      |                              |
| <b>Total - Special Development Fund (Unified)</b> | <b>\$12,175</b>                      | <b>\$198,293</b> | <b>\$537,444</b>           |                              |
| <b>Special Development Fund (Other)</b>           |                                      |                  |                            |                              |
| <b>Members</b>                                    |                                      |                  |                            |                              |
| Germany   | \$-                                  | \$-              | \$90                       | 0.4                          |
| Mexico  | -                                    | -                | 1,207                      | 5.3                          |
| Venezuela   | -                                    | -                | 9,557                      | 42.2                         |
|   | -                                    | -                | 10,854                     |                              |
| <b>Other contributors</b>                         |                                      |                  |                            |                              |
| Sweden  | -                                    | -                | 23                         | 0.1                          |
| United States of America                          | -                                    | -                | 11,800                     | 52.0                         |
| <b>Sub-total – SDF (Other)</b>                    | <b>-</b>                             | <b>-</b>         | <b>22,677</b>              | <b>100.0</b>                 |
| Accrued interest                                  | -                                    | -                | 92                         |                              |
| <b>Total – Special Development Fund (Other)</b>   | <b>-</b>                             | <b>-</b>         | <b>\$22,769</b>            |                              |
| <b>Total Special Development Fund</b>             | <b>\$12,175</b>                      | <b>\$198,293</b> | <b>\$560,213</b>           |                              |

<sup>1/</sup>There were no overdue installments of principal.

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND

### SUMMARY STATEMENT OF LOANS...continued

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### SCHEDULE 2

2020

| Currencies<br>Receivable                          | Loans<br>outstanding<br>2019 | Net<br>interest<br>earned | Disburse-<br>ments | Repay-<br>ments   | Loans<br>outstanding<br>2020 |
|---|------------------------------|---------------------------|--------------------|-------------------|------------------------------|
| <b>(a) Special Development Fund<br/>(Unified)</b> |                              |                           |                    |                   |                              |
| United States dollars                             | \$534,455                    | \$-                       | \$87,287           | \$(31,559)        | \$590,183                    |
| Accrued interest                                  | 2,989                        | 67                        | -                  | -                 | 3,056                        |
| <b>Total – December 31</b>                        | <b>\$537,444</b>             | <b>\$67</b>               | <b>\$87,287</b>    | <b>\$(31,559)</b> | <b>\$593,239</b>             |
| <b>(b) Special Development Fund<br/>(Other)</b>   |                              |                           |                    |                   |                              |
| United States dollars                             | \$22,676                     | \$-                       | \$-                | \$(1,173)         | \$21,503                     |
| Accrued interest <sup>1</sup>                     | 93                           | -                         | (7)                | -                 | 86                           |
| <b>Total – December 31</b>                        | <b>\$22,769</b>              | <b>\$-</b>                | <b>\$(7)</b>       | <b>\$(1,173)</b>  | <b>\$21,589</b>              |
|   |                              |                           |                    |                   |                              |
| January 1, 2020 to December 31, 2020              |                              | \$38,481                  |                    |                   |                              |
| January 1, 2021 to December 31, 2021              |                              | 35,712                    |                    |                   |                              |
| January 1, 2022 to December 31, 2022              |                              | 36,905                    |                    |                   |                              |
| January 1, 2023 to December 31, 2023              |                              | 37,189                    |                    |                   |                              |
| January 1, 2024 to December 31, 2024              |                              | 37,389                    |                    |                   |                              |
| January 1, 2025 to December 31, 2029              |                              | 184,741                   |                    |                   |                              |
| January 1, 2030 to December 31, 2034              |                              | 130,426                   |                    |                   |                              |
| January 1, 2035 to December 31, 2039              |                              | 83,843                    |                    |                   |                              |
| January 1, 2040 to December 31, 2044              |                              | 29,830                    |                    |                   |                              |
| January 1, 2045 to December 31, 2047              |                              | 312                       |                    |                   |                              |
| <b>Total – December 31</b>                        |                              | <b>\$614,828</b>          |                    |                   |                              |

<sup>1</sup>/Relates to amounts disbursed and outstanding.

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND

### SUMMARY STATEMENT OF LOANS...continued

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### SCHEDULE 2

2019

| Currencies<br>Receivable                          | Loans<br>outstanding<br>2018 | Net<br>interest<br>earned | Disburse-<br>ments | Repay-<br>ments   | Loans<br>outstanding<br>2019 |
|---|------------------------------|---------------------------|--------------------|-------------------|------------------------------|
| <b>(a) Special Development Fund<br/>(Unified)</b> |                              |                           |                    |                   |                              |
| United States dollars                             | \$532,209                    | \$-                       | \$32,234           | \$(29,988)        | \$534,455                    |
| Accrued interest                                  | 2,996                        | (7)                       | -                  | -                 | 2,989                        |
| <b>Total – December 31</b>                        | <b>\$535,205</b>             | <b>\$(7)</b>              | <b>\$32,234</b>    | <b>\$(29,988)</b> | <b>\$537,444</b>             |
| <b>(b) Special Development Fund<br/>(Other)</b>   |                              |                           |                    |                   |                              |
| United States dollars                             | \$23,850                     | \$-                       | \$-                | \$(1,174)         | \$22,676                     |
| Accrued interest <sup>1</sup>                     | 98                           | (5)                       | -                  | -                 | 93                           |
| <b>Total – December 31</b>                        | <b>\$23,948</b>              | <b>\$(5)</b>              | <b>\$-</b>         | <b>\$(1,174)</b>  | <b>\$22,769</b>              |

|                                      |          |
|--------------------------------------|----------|
| January 1, 2020 to December 31, 2020 | \$35,707 |
| January 1, 2021 to December 31, 2021 | 34,460   |
| January 1, 2022 to December 31, 2022 | 34,699   |
| January 1, 2023 to December 31, 2023 | 35,583   |
| January 1, 2024 to December 31, 2024 | 35,661   |
| January 1, 2025 to December 31, 2029 | 167,603  |
| January 1, 2030 to December 31, 2034 | 123,127  |
| January 1, 2035 to December 31, 2039 | 70,474   |
| January 1, 2040 to December 31, 2044 | 22,148   |
| January 1, 2045 to December 31, 2047 | 751      |

**Total – December 31** **\$560,213**

<sup>1</sup>/Relates to amounts disbursed and outstanding.

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND

### STATEMENT OF CONTRIBUTED RESOURCES

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 3

2020

| Contributors                                      | Total approved <sup>1/</sup> | Approved but not yet effective <sup>2/</sup> | Total contribution agreed | Amounts made available | Receivable from members non-negotiable demand notes |
|---|------------------------------|--|---------------------------|------------------------|---|
| <b>Special Development Fund (Unified) Members</b> |                              |  |                           |                        |   |
| Trinidad and Tobago                               | \$57,014                     | \$-  | \$57,014                  | \$54,798               | \$7,784   |
| Bahamas   | 31,855                       | -  | 31,855                    | 31,855                 | 14,908  |
| Barbados  | 31,851                       | 6,170  | 25,681                    | 25,681                 | 2,833   |
| Brazil  | 5,000                        | -  | 5,000                     | 5,000                  | -   |
| Jamaica   | 54,834                       | -  | 54,834                    | 54,834                 | 16,223  |
| Guyana  | 31,856                       | -  | 31,856                    | 31,856                 | 1,654   |
| Antigua and Barbuda                               | 3,553                        | 664  | 2,889                     | 2,889                  | 777   |
| Belize  | 8,088                        | -  | 8,088                     | 8,088                  | 3,788   |
| Dominica  | 7,828                        | -  | 7,828                     | 7,828                  | 2,065   |
| St. Kitts and Nevis                               | 8,088                        | 2,954  | 5,134                     | 5,134                  | 2,494   |
| St. Lucia   | 8,088                        | -  | 8,088                     | 8,088                  | 1,819   |
| St. Vincent and the Grenadines                    | 8,101                        | -  | 8,101                     | 8,101                  | 1,441   |
| Grenada   | 5,490                        | -  | 5,490                     | 5,490                  | 2,967   |
| Montserrat  | 3,341                        | -  | 3,341                     | 3,341                  | -   |
| British Virgin Islands                            | 3,341                        | -  | 3,341                     | 3,341                  | -   |
| Turks and Caicos Islands                          | 3,341                        | -  | 3,341                     | 3,341                  | -   |
| Cayman Islands                                    | 3,241                        | 1,901  | 1,340                     | 1,340                  | -   |
| Anguilla  | 3,341                        | 1,296  | 2,045                     | 2,045                  | 571   |
| Colombia  | 34,157                       | -  | 34,157                    | 34,157                 | -   |
| Venezuela   | 29,006                       | 7,024  | 21,982                    | 21,982                 | -   |
| Canada  | 375,867                      | -  | 375,867                   | 375,867                | -   |
| United Kingdom                                    | 283,185                      | -  | 283,185                   | 283,185                | 6,140   |
| Germany   | 110,474                      | -  | 110,474                   | 110,474                | -   |
| Italy   | 68,905                       | -  | 68,905                    | 68,905                 | -   |
| China   | 54,321                       | -  | 54,321                    | 54,321                 | -   |
| Haiti   | 3,497                        | 1,937  | 1,560                     | 1,560                  | -   |
| Suriname  | 8,330                        | -  | 8,330                     | 8,330                  | 2,758   |
| Mexico  | 24,024                       | 7,024  | 17,000                    | 17,000                 | -   |
|   | \$1,270,017                  | \$28,970                                     | \$1,241,047               | \$1,238,831            | \$68,222  |
| <b>Other contributors</b>                         |                              |  |                           |                        |   |
| France  | 58,254                       | -  | 58,254                    | 58,254                 | -   |
| Chile   | 10                           | -  | 10                        | 10                     | -   |
| Netherlands                                       | 24,902                       | -  | 24,902                    | 24,902                 | -   |
|   | 1,353,183                    | 28,970                                       | 1,324,213                 | 1,321,997              | 68,222  |
| Technical assistance allocation                   | (574,600)                    | -  | (574,600)                 | (574,600)              | -   |
|   | \$778,583                    | \$28,970                                     | \$749,613                 | \$747,397              | \$68,222  |



# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND

### STATEMENT OF CONTRIBUTED RESOURCES...continued

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### SCHEDULE 3

| 2020  |                              |  |                           |                                      |   |
|---|------------------------------|--|---------------------------|--------------------------------------|---|
| Contributors                                    | Total approved <sup>1/</sup> | Approved but not yet effective <sup>2/</sup> | Total contribution agreed | Amounts made available <sup>3/</sup> | Receivable from members non-negotiable demand notes |
| <b>Sub-total brought forward – SDF –Unified</b> | <b>\$778,583</b>             | <b>\$28,970</b>                              | <b>\$749,613</b>          | <b>\$747,397</b>                     | <b>\$68,222</b>                                     |
| <b>Special Development Fund – Other</b>         |                              |  |                           |                                      |   |
| <b>Members</b>                                  |                              |  |                           |                                      |   |
| Colombia  | 5,000                        | -  | 5,000                     | 5,000                                | -   |
| Mexico  | 13,067                       | -  | 13,067                    | 13,067                               | -   |
| Venezuela                                       | 17,473                       | -  | 17,473                    | 17,473                               | -   |
|   | <b>35,540</b>                | <b>-</b>                                     | <b>35,540</b>             | <b>35,540</b>                        | <b>-</b>  |
| <b>Other contributors</b>                       |                              |  |                           |                                      |   |
| Sweden  | 3,183                        | -  | 3,183                     | 3,183                                | -   |
|   | <b>3,183</b>                 | <b>-</b>                                     | <b>3,183</b>              | <b>3,183</b>                         | <b>-</b>  |
| <b>Technical Assistance Allocation</b>          | <b>(10,000)</b>              | <b>-</b>                                     | <b>(10,000)</b>           | <b>(10,000)</b>                      | <b>-</b>  |
| <b>Sub-total – SDF - Other</b>                  | <b>28,723</b>                | <b>-</b>                                     | <b>28,723</b>             | <b>28,723</b>                        | <b>-</b>  |
| <b>Total SDF</b>                                | <b>\$807,306</b>             | <b>\$28,970</b>                              | <b>\$778,336</b>          | <b>\$776,120</b>                     | <b>\$68,222</b>                                     |
| <b>Summary</b>                                  |                              |  |                           |                                      |   |
| Members   | \$702,957                    | \$28,970                                     | \$691,987                 | \$689,771                            | \$68,222  |
| Other contributors                              | 86,349                       | -  | 86,349                    | 86,349                               | -   |
| <b>Total SDF</b>                                | <b>\$807,306</b>             | <b>\$28,970</b>                              | <b>\$778,336</b>          | <b>\$776,120</b>                     | <b>\$68,222</b>                                     |

1/Net of repayments

2/Contributions not yet firmly pledged by Governments

3/ There were no amounts not yet made available

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND

### STATEMENT OF CONTRIBUTED RESOURCES...continued

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### SCHEDULE 3

| 2019                                       |                      |                                      |                           |                                      | Receivable from members non-negotiable demand notes |
|--|----------------------|--------------------------------------|---------------------------|--------------------------------------|---|
| Contributors                               | Total approved<br>1/ | Approved but not yet effective<br>2/ | Total contribution agreed | Amounts made available <sup>3/</sup> |   |
| Special Development Fund (Unified) Members |                      |                                      |                           |                                      |   |
| Trinidad and Tobago                        | \$57,014             | \$-                                  | \$57,014                  | \$52,582                             | \$7,784   |
| Bahamas                                    | 31,855               | -                                    | 31,855                    | 30,312                               | 14,908  |
| Barbados                                   | 31,851               | 6,170                                | 25,681                    | 25,681                               | 2,833   |
| Brazil                                     | 5,000                | -                                    | 5,000                     | 5,000                                | -   |
| Jamaica                                    | 54,834               | -                                    | 54,834                    | 52,064                               | 16,055  |
| Guyana                                     | 31,856               | -                                    | 31,856                    | 30,313                               | 2,889   |
| Antigua and Barbuda                        | 3,553                | 664                                  | 2,889                     | 2,889                                | 777   |
| Belize                                     | 8,088                | -                                    | 8,088                     | 7,710                                | 3,380   |
| Dominica                                   | 7,828                | -                                    | 7,828                     | 7,450                                | 2,064   |
| St. Kitts and Nevis                        | 8,088                | 2,954                                | 5,134                     | 5,134                                | 2,494   |
| St. Lucia                                  | 8,088                | -                                    | 8,088                     | 7,710                                | 2,168   |
| St. Vincent and the Grenadines             | 8,101                | -                                    | 8,101                     | 7,723                                | 2,487   |
| Grenada                                    | 5,490                | -                                    | 5,490                     | 5,112                                | 3,269   |
| Montserrat                                 | 3,341                | -                                    | 3,341                     | 3,175                                | -   |
| British Virgin Islands                     | 3,341                | -                                    | 3,341                     | 3,175                                | -   |
| Turks and Caicos Islands                   | 3,341                | -                                    | 3,341                     | 3,175                                | -   |
| Cayman Islands                             | 3,241                | 1,901                                | 1,340                     | 1,340                                | -   |
| Anguilla                                   | 3,341                | 1,296                                | 2,045                     | 2,045                                | 571   |
| Colombia                                   | 34,157               | -                                    | 34,157                    | 33,282                               | -   |
| Venezuela                                  | 29,006               | 7,024                                | 21,982                    | 21,982                               | -   |
| Canada                                     | 374,703              | -                                    | 374,703                   | 362,784                              | -   |
| United Kingdom                             | 280,368              | -                                    | 280,368                   | 278,371                              | 5,939   |
| Germany                                    | 109,903              | -                                    | 109,903                   | 106,733                              | 1,151   |
| Italy                                      | 68,647               | -                                    | 68,647                    | 68,023                               | -   |
| China                                      | 54,573               | -                                    | 54,573                    | 52,856                               | -   |
| Haiti                                      | 3,497                | 1,937                                | 1,560                     | 1,560                                | -   |
| Suriname                                   | 8,330                | -                                    | 8,330                     | 7,192                                | 2,757   |
| Mexico                                     | 24,024               | 7,024                                | 17,000                    | 17,000                               | -   |
|  | \$1,265,459          | \$28,970                             | \$1,236,489               | \$1,202,373                          | \$71,526  |
| Other contributors                         |                      |                                      |                           |                                      |   |
| France                                     | 58,254               | -                                    | 58,254                    | 58,254                               | -   |
| Chile                                      | 10                   | -                                    | 10                        | 10                                   | -   |
| Netherlands                                | 24,902               | -                                    | 24,902                    | 24,902                               | -   |
|  | 1,348,625            | 28,970                               | 1,319,655                 | 1,285,539                            | 71,526  |
| Technical assistance allocation            | (544,850)            | -                                    | (544,850)                 | (544,850)                            | -   |
|  | \$803,775            | \$28,970                             | \$774,805                 | \$740,689                            | \$71,526  |

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND

### STATEMENT OF CONTRIBUTED RESOURCES...continued

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### SCHEDULE 3

| 2019  |                              |  |                           |                                      |   |
|---|------------------------------|--|---------------------------|--------------------------------------|---|
| Contributors                                    | Total approved <sup>1/</sup> | Approved but not yet effective <sup>2/</sup> | Total contribution agreed | Amounts made available <sup>3/</sup> | Receivable from members non-negotiable demand notes |
| <b>Sub-total brought forward – SDF –Unified</b> | \$803,775                    | \$28,970                                     | \$774,805                 | \$740,689                            | \$71,526  |
| <b>Special Development Fund – Other</b>         |                              |  |                           |                                      |   |
| <b>Members</b>                                  |                              |  |                           |                                      |   |
| Colombia  | 5,000                        | -  | 5,000                     | 5,000                                | -   |
| Mexico  | 13,067                       | -  | 13,067                    | 13,067                               | -   |
| Venezuela                                       | 17,473                       | -  | 17,473                    | 17,473                               | -   |
|   | 35,540                       | -  | 35,540                    | 35,540                               | -   |
| <b>Other contributors</b>                       |                              |  |                           |                                      |   |
| Sweden  | 2,795                        | -  | 2,795                     | 2,795                                | -   |
|   | 2,795                        | -  | 2,795                     | 2,795                                | -   |
| <b>Technical Assistance Allocation</b>          |                              |  |                           |                                      |   |
|   | (10,000)                     | -  | (10,000)                  | (10,000)                             | -   |
| <b>Sub-total – SDF - Other</b>                  | 28,335                       | -  | 28,335                    | 28,335                               | -   |
| <b>Total SDF</b>                                | \$832,110                    | \$28,970                                     | \$803,140                 | \$769,024                            | \$71,526  |
| <b>Summary</b>                                  |                              |  |                           |                                      |   |
| Members   | \$746,149                    | \$28,970                                     | \$717,179                 | \$683,063                            | \$71,526  |
| Other contributors                              | 85,961                       | -  | 85,961                    | 85,961                               | -   |
| <b>Total SDF</b>                                | \$832,110                    | \$28,970                                     | \$803,140                 | \$769,024                            | \$71,526  |

1/Net of repayments

2/Contributions not yet firmly pledged by Governments

3/ There were no amounts not yet made available

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND

### STATEMENT OF CONTRIBUTED RESOURCES...continued

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### SCHEDULE 3

| 2020  |                                      |                           |  |            |                                      |
|---|--------------------------------------|---------------------------|--|------------|--------------------------------------|
| Currencies  | Amounts<br>made<br>available<br>2019 | Translation<br>adjustment | Drawdowns/<br>appropriations<br>from capital <sup>1/</sup> | Repayments | Amounts<br>made<br>available<br>2020 |
| <b>(a) Special<br/>Development Fund<br/>(Unified)</b> |                                      |                           |  |            |                                      |
| Euros   | \$1,895                              | \$176                     | \$(444)  | \$-        | \$1,627                              |
| Pounds sterling                                       | 29,695                               | 1,005                     | (24,560)   | -          | 6,140                                |
| United States dollar                                  | 709,099                              | -                         | 30,531   | -          | 739,630                              |
|   | <b>\$740,689</b>                     | <b>\$1,181</b>            | <b>\$5,527</b>   | <b>\$-</b> | <b>\$747,397</b>                     |
| <b>(b) Special<br/>Development Fund<br/>(Other)</b>   |                                      |                           |  |            |                                      |
| Swedish kroners                                       | \$2,795                              | \$388                     | \$-  | \$-        | \$3,183                              |
| United States dollars                                 | 25,540                               | -                         | -  | -          | 25,540                               |
|   | <b>\$28,335</b>                      | <b>\$388</b>              | <b>\$-</b>   | <b>\$-</b> | <b>\$28,723</b>                      |

<sup>1/</sup>Net of conversions to United States dollars in accordance with the funding Rules of the Unified Special Development Fund.

**CARIBBEAN DEVELOPMENT BANK**  
**SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND**

**STATEMENT OF CONTRIBUTED RESOURCES...continued**

**As of December 31, 2020**

(expressed in thousands of United States dollars, unless otherwise stated)

**SCHEDULE 3**

| 2019  |                                      |                           |  |            |                                      |
|---|--------------------------------------|---------------------------|--|------------|--------------------------------------|
| Currencies  | Amounts<br>made<br>available<br>2018 | Translation<br>adjustment | Drawdowns/<br>appropriations<br>from capital <sup>1/</sup> | Repayments | Amounts<br>made<br>available<br>2019 |
| <b>(a) Special<br/>Development Fund<br/>(Unified)</b> |                                      |                           |  |            |                                      |
| Euros   | \$2,348                              | \$(46)                    | \$(407)  | \$-        | \$1,895                              |
| Pounds sterling                                       | 11,522                               | 356                       | 17,817   | -          | 29,695                               |
| United States dollar                                  | 716,816                              | -                         | (7,717)  | -          | 709,099                              |
|   | <u>\$730,686</u>                     | <u>\$310</u>              | <u>\$9,693</u>   | <u>\$-</u> | <u>\$740,689</u>                     |
| <b>(b) Special<br/>Development Fund<br/>(Other)</b>   |                                      |                           |  |            |                                      |
| Swedish kroners                                       | \$2,907                              | \$(112)                   | \$-  | \$-        | \$2,795                              |
| United States dollars                                 | 25,540                               | -                         | -  | -          | 25,540                               |
|   | <u>\$28,447</u>                      | <u>\$(112)</u>            | <u>\$-</u>   | <u>\$-</u> | <u>\$28,335</u>                      |

<sup>1/</sup>Net of conversions to United States dollars in accordance with the funding Rules of the Unified Special Development Fund.



**CARIBBEAN DEVELOPMENT BANK**  
**SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND**

**STATEMENT OF ACCUMULATED NET INCOME**

**As of December 31, 2020**

(expressed in thousands of United States dollars, unless otherwise stated)

**SCHEDULE 4**

|   | <b>2020</b>                     |                                |                             |                                     |
|---|---------------------------------|--------------------------------|-----------------------------|-------------------------------------|
| <b>Contributors</b>                       | <b>Brought forward<br/>2019</b> | <b>Net<br/>income<br/>2019</b> | <b>Appro-<br/>priations</b> | <b>Carried<br/>forward<br/>2020</b> |
| <b>Special Development Fund (Unified)</b> | <b>\$55,468</b>                 | <b>\$8,534</b>                 | <b>\$-</b>                  | <b>\$64,002</b>                     |
| <b>Special Development Fund (Other)</b>   |                                 |                                |                             |                                     |
| <b>Members</b>                            |                                 |                                |                             |                                     |
| Colombia                                  | 1,408                           | 48                             | -                           | 1,456                               |
| Germany                                   | (1,705)                         | (176)                          | -                           | (1,881)                             |
| Mexico                                    | 506                             | (74)                           | -                           | 432                                 |
| Venezuela                                 | 7,566                           | (284)                          | (3,203)                     | 4,079                               |
|   | <b>\$7,775</b>                  | <b>\$(486)</b>                 | <b>\$(3,203)</b>            | <b>\$4,086</b>                      |
| <b>Other contributors</b>                 |                                 |                                |                             |                                     |
| Sweden                                    | \$2,019                         | (412)                          | \$-                         | \$1,607                             |
| United States of America                  | 11,448                          | (87)                           | -                           | 11,361                              |
|   | <b>13,467</b>                   | <b>(499)</b>                   | <b>-</b>                    | <b>12,968</b>                       |
| <b>Sub-total – SDF - Other</b>            | <b>21,242</b>                   | <b>(985)</b>                   | <b>-</b>                    | <b>17,054</b>                       |
| <b>Total Special Development Fund</b>     | <b>\$76,710</b>                 | <b>\$7,549</b>                 | <b>\$-</b>                  | <b>\$81,056</b>                     |
| <b>Summary</b>                            |                                 |                                |                             |                                     |
| Members                                   | \$63,243                        | \$8,048                        | \$(3,203)                   | \$68,088                            |
| Other contributors                        | 13,467                          | (499)                          | -                           | 12,968                              |
| <b>Total Special Development Fund</b>     | <b>\$76,710</b>                 | <b>\$7,549</b>                 | <b>\$(3,203)</b>            | <b>\$81,056</b>                     |

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND

### STATEMENT OF ACCUMULATED NET INCOME...continued

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### SCHEDULE 4

|   | 2019                 |                 |                |                      |
|---|----------------------|-----------------|----------------|----------------------|
| Contributors                              | Brought forward 2018 | Net income 2018 | Appropriations | Carried forward 2019 |
| <b>Special Development Fund (Unified)</b> | \$46,942             | \$8,526         | \$-            | \$55,468             |
| <b>Special Development Fund (Other)</b>   |                      |                 |                |                      |
| <b>Members</b>                            |                      |                 |                |                      |
| Colombia                                  | 1,249                | 159             | -              | 1,408                |
| Germany                                   | (1,603)              | (102)           | -              | (1,705)              |
| Mexico                                    | 406                  | 100             | -              | 506                  |
| Venezuela                                 | 7,625                | (59)            | -              | 7,566                |
|   | \$7,677              | \$98            | \$-            | \$7,775              |
| <b>Other contributors</b>                 |                      |                 |                |                      |
| Sweden                                    | \$1,974              | \$45            | \$-            | \$2,019              |
| United States of America                  | 11,384               | 64              | -              | 11,448               |
|   | 13,358               | 109             | -              | 13,467               |
| <b>Sub-total – SDF - Other</b>            | 21,035               | 207             | -              | 21,242               |
| <b>Total Special Development Fund</b>     | <b>\$67,977</b>      | <b>\$8,733</b>  | <b>\$-</b>     | <b>\$76,710</b>      |
| <b>Summary</b>                            |                      |                 |                |                      |
| Members                                   | \$54,619             | \$8,624         | \$-            | \$63,243             |
| Other contributors                        | 13,358               | 109             | -              | 13,467               |
| <b>Total Special Development Fund</b>     | <b>\$67,977</b>      | <b>\$8,733</b>  | <b>\$-</b>     | <b>\$76,710</b>      |

# **CARIBBEAN DEVELOPMENT BANK**

## **SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**

**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### **1. NATURE OF OPERATIONS**

The Special Development Fund (SDF) was established to carry out the special operations of the Caribbean Development Bank (the Bank) by providing resources on concessional terms to assist borrowing members primarily for poverty reduction. Resources are provided by contributions from members and other contributors.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Due to the nature of the SDF, these financial statements have been prepared for the specific purpose of reflecting the sources and applications of member subscriptions and contributions and other development resources. These financial statements are not intended to be presented in accordance with International Financial Reporting Standards (IFRS) and have been prepared in accordance with the accounting policies outlined below.

Preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from these estimates.

##### **Foreign currency translation**

###### *Functional and presentation currency*

The functional and presentation currency of the Fund is the United States dollar (USD\$) and the Fund's financial statements are rounded to the nearest thousand. Monetary assets and liabilities in currencies other than United States dollars are translated at market rates of exchange prevailing at the reporting date. Non-monetary items measured at historical cost in currencies other than United States dollars are translated using the exchange rates at the dates of the initial transactions.

Foreign currency transactions are initially translated into United States dollars at applicable rates of exchange on the transaction dates. Any gains or losses arising as a result of differences in rates applied to income and expenses and to assets and liabilities are shown as an exchange gain or loss in the statement of total comprehensive income for the year.

##### **Debt securities at fair value through profit or loss**

All debt securities are in a portfolio designated at fair value through the profit or loss and reported at fair market value. Securities are recognised on the statement of financial position when the Fund assumes related contractual rights and de-recognised when the rights to secure cash flows from the financial asset expire or when all risks and rewards of ownership have been substantially transferred.

# **CARIBBEAN DEVELOPMENT BANK**

## **SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**

**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued**

##### **Debt securities at fair value through profit or loss...continued**

Regular way purchases and sales of financial assets are recognised on the settlement date which is the date the Fund becomes a party to the contractual provisions of the instrument.

All securities are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income and accumulated net income. Gains and losses arising from changes in the fair value of debt securities through profit or loss are included in the profit for the year in the statement of comprehensive income and accumulated net income in the period in which they arise. Interest income earned whilst holding securities is reported as *“Interest and similar income - investments and cash balances”* in the statement of comprehensive income and accumulated net income.

##### *Determination of fair value*

For securities traded in active markets, the determination of fair values is based on quoted market prices or dealer price quotations. A security is regarded as quoted in an active market if prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

For securities in inactive markets, fair values are determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows, or other valuation techniques, using inputs (for example, LIBOR yield curves, FX rates, volatilities and counterparty spreads) existing at the reporting date.

The Fund uses widely recognised valuation models for determining fair values of non-standardised financial instruments. For these securities, inputs into models are generally market observable.

# **CARIBBEAN DEVELOPMENT BANK**

## **SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**

**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued**

##### **Loans**

Loans and receivables are non-derivative financial assets that have fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently measured at amortised cost using the effective interest rate method net of impairments if any.

All loans by the Fund are made either from currencies available from members' subscriptions or from currencies borrowed and the principal amounts are repayable to the Fund in the currencies lent. The balances outstanding on loans to members and their agencies are secured by guarantees of the Governments of the member countries in which the loans are made.

The Fund is one of very few lenders of development and structural adjustment loans to Caribbean countries. There is no secondary market for development loans nor does the Fund intend to sell these loans and as a result, the use of market data to arrive at the fair value of loans will not yield any meaningful results.

The Fund does not make provisions for impairment on loans as any loss that may occur is taken in the statement of comprehensive income and accumulated net income for that year.

##### **Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with maturities of three months or less from the date of acquisition.

##### **Technical assistance and grants**

Technical assistance and grants for capital projects to borrowing member countries are provided either from grants received from contributors or from other resources specifically allocated for this purpose. The contributions from donors are included in the financial statements from the date of the contribution agreement. Technical assistance is recognised when the project is approved and becomes effective.

##### **Interest income and charges on contributions**

For instruments carried at amortised cost, interest income and expense are recognised in the statement of comprehensive income and accumulated net income using the effective interest rate method. Interest income and expense are recognised as earned for items classified as fair value through profit or loss.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.



# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

### Administrative expenses

Administrative expenses incurred by the Bank which cannot be directly charged to individual funds are allocated between the Ordinary Capital Resources ("OCR"), the Other Special Funds ("OSF") and the SDF in accordance with a method of allocation approved by the Board of Directors.

## 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

|                | SDF Unified       |          | SDF Other       |           |
|----------------|-------------------|----------|-----------------|-----------|
|                | 2020              | 2019     | 2020            | 2019      |
| Due to Banks   | <b>\$(11,618)</b> | \$-      | -               | \$(5,552) |
| Due from banks | -                 | 22,582   | <b>3,221</b>    | -         |
| Time deposits  | -                 | 24,554   | <b>9,921</b>    | 11,429    |
|                | <b>\$(11,618)</b> | \$47,136 | <b>\$13,142</b> | \$5,877   |

The amount shown as Due to Banks comprises the net balance of items in transit and was cleared subsequent to the year end.

## 4. DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

As part of its overall portfolio management strategy, the Bank invests in Government, agency, supranational and bank obligations, including time deposits and euro commercial paper as well as corporate bonds. The Bank limits its activities of investing in securities to well established dealers and counterparties meeting minimum credit rating standards set by the Bank.

The annualised rate of return on the average investments held during the year, including realised and unrealised gains and losses was 1.67% (2019: 3.64%). Net realised gains on investments traded during 2020 for the Unified and Other funds amounted to \$425 (2019: \$495) and net unrealised gains were \$5,720 (2019: Losses of \$6,195).

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### 5. FUNDS

In accordance with the Agreement establishing the Bank (the Charter), Special Funds Resources comprise the Special Development Fund and Other Special Funds established or administered by the Bank, including technical assistance and other grant resources contributed on a non-reimbursable basis. The Special Development Fund was established to receive contributions or loans which may be used to make or guarantee loans of high developmental priority, comprising longer maturities, longer deferred commencement of repayment and lower interest rates than those determined by the Bank in its Ordinary Operations. As a result of Rules adopted by the Bank in May 1983 for the Special Development Fund, contributions to the Special Development Fund currently comprise funds made available to the Bank under the rules applicable to the old Special Development Fund (referred to herein as "Other") and shown separately from funds made available to the Bank from the Unified SDF (referred to herein as "Unified").

Details of contributions and loan resources to the Special Development Fund are stated at the equivalent in thousands of United States dollars where such contributions and loans have been made in currencies other than United States dollars, and are as follows:

##### (i) Special Development Fund – Unified

|                                   | 2020      | 2019      |
|-----------------------------------|-----------|-----------|
| Contributions (as per Schedule 3) | \$747,397 | \$740,689 |

All contributions to the Special Development Fund - Unified are interest-free with no date for repayment.

Effective October 27, 2000, France ceased to be a member of the Bank, however under the Rules of the Special Development Fund, its contributions are non-reimbursable.

##### (ii) Special Development Fund – Other

|                              | 2020    | 2019    |
|------------------------------|---------|---------|
| Colombia (as per Schedule 3) | \$5,000 | \$5,000 |

The contribution is interest-free and was not repayable before 2000. The agreement with the contributor provides that not less than 5% or more than 10% of the contribution may be used for technical assistance.

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### 5. FUNDS...continued

##### (ii) Special Development Fund – Other ...continued

|                                | 2020     | 2019     |
|--------------------------------|----------|----------|
| <b>Mexico</b>                  |          |          |
| First contribution             | \$7,000  | \$7,000  |
| Second contribution            | 5,000    | 5,000    |
| Third contribution             | 3,333    | 3,333    |
|                                | 15,333   | 15,333   |
| Less technical assistance      | (12,266) | (12,266) |
|                                | 3,067    | 3,067    |
| Technical assistance resources | \$16,285 | \$16,285 |

The contributions are interest-free and were not subject to call before 2009.

|                               | 2020     | 2019     |
|-------------------------------|----------|----------|
| <b>Venezuela</b>              |          |          |
| First contribution            | \$10,000 | \$10,000 |
| Less technical assistance     | (177)    | (177)    |
|                               | 9,823    | 9,823    |
| Second contribution           | 7,650    | 7,650    |
| Sub-total (as per Schedule 3) | \$17,473 | \$17,473 |

The contributions are interest-free and were not subject to call before 1999 and 2006, respectively. The agreement with the contributor provides that up to 10% of the first contribution may be used to finance technical assistance on the basis of contingent recovery.

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### 5. FUNDS...continued

##### (ii) Special Development Fund – Other...continued

|                                   | 2020           | 2019    |
|-----------------------------------|----------------|---------|
| <b>Sweden</b> (as per Schedule 3) | <b>\$3,183</b> | \$2,795 |

The contribution is interest-free with no definite date for repayment.

|                                 | 2020            | 2019     |
|---------------------------------|-----------------|----------|
| <b>United States of America</b> |                 |          |
| First contribution              | <b>\$10,000</b> | \$10,000 |
| Less repayments                 | <b>(10,000)</b> | (10,000) |
|                                 | <b>\$-</b>      | \$-      |
| Second contribution             | <b>12,000</b>   | 12,000   |
| Less repayments                 | <b>(12,000)</b> | (12,000) |
|                                 | <b>\$-</b>      | \$-      |
| Technical Assistance            | <b>\$302</b>    | \$302    |

#### 6. ACCUMULATED NET INCOME AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

In accordance with the rules of the Special Development Fund, the accumulated net income and total comprehensive income for the current year form part of the contributed resources of the fund and are not available for allocation by the Board of Governors.

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### 7. TECHNICAL ASSISTANCE AND GRANT RESOURCES – UNIFIED AND OTHER

In accordance with paragraph 4.9.2 of the Rules for the Special Development Fund, allocations/appropriations of income and capital of the Fund may be made for the purpose of the Bank's technical assistance and grant operations. The movements during the years ended December 31, 2020 and 2019 were as follows:

|                                     |                         |
|-------------------------------------|-------------------------|
| Balance at December 31, 2018        | <b>\$143,170</b>        |
| Allocations for the year            | <b>19,750</b>           |
| Expenditure for the year            | <b>(18,369)</b>         |
|                                     | <hr/>                   |
| Balance at December 31, 2019        | <b>\$144,551</b>        |
| Allocations for the year            | <b>19,750</b>           |
| Expenditure for the year            | <b>(15,413)</b>         |
|                                     | <hr/>                   |
| <b>Balance at December 31, 2020</b> | <b><u>\$148,888</u></b> |

#### 8. LOANS OUTSTANDING – UNIFIED AND OTHER

The average interest rate earned on loans outstanding was 1.925% (2019: 2.24%). There were no impaired loans at or during the financial years ended December 31, 2020 and 2019.

#### 9. ACCOUNTS PAYABLE – UNIFIED AND OTHER

|                            | <b>2020</b>     | <b>2019</b> |
|----------------------------|-----------------|-------------|
| Accounts payable – general | <b>\$34,300</b> | \$30,000    |
| Interfund payables         | <b>13,345</b>   | 11,070      |
|                            | <hr/>           | <hr/>       |
|                            | <b>\$47,645</b> | \$41,070    |
|                            | <hr/>           | <hr/>       |





# **Caribbean Development Bank Special Funds Resources - Other Special Funds**

## **Financial Statements**

**For the year ended December 31, 2020**  
**(Expressed in thousands of United States Dollars**  
**unless otherwise stated)**

# **CARIBBEAN DEVELOPMENT BANK SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS INDEX TO THE FINANCIAL STATEMENTS**

---

|   | <b>Page</b>    |
|---|----------------|
| <b>Independent Auditor's Report</b>                                 | <b>220-223</b> |
| <b>Statement of Financial Position</b>                              | <b>224</b>     |
| <b>Statement of Comprehensive Income and Accumulated Net Income</b> | <b>225</b>     |
| <b>Statement of Cash Flows</b>                                      | <b>226</b>     |
| <b>Summary Statement of Investments</b>                             | <b>227</b>     |
| <b>Summary Statement of Loans</b>                                   | <b>228-233</b> |
| <b>Summary Statement of Contributions</b>                           | <b>234-236</b> |
| <b>Statement of Accumulated Net Income</b>                          | <b>237</b>     |
| <b>Statement of Technical Assistance and other Grant Resources</b>  | <b>238-239</b> |
| <b>Notes to the Financial Statements</b>                            | <b>240-250</b> |

**KPMG**

Hastings  
Christ Church, BB 15154  
Barbados West Indies  
Telephone: (246) 434-3900  
Fax: (246) 427-7123

P. O. Box 690C  
Bridgetown, Barbados

**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Governors of Caribbean Development Bank**

**Report on the Audit of the Financial Statements*****Opinion***

We have audited the financial statements of the **Other Special Funds** ("the Funds") of the **Caribbean Development Bank** ("the Bank"), which comprise the statement of financial position as of December 31, 2020, and the statement of comprehensive income and accumulated net income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as of December 31, 2020 and its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in Note 2.

***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Funds in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), together with the ethical requirements that are relevant to our audit of the financial statements in Barbados and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Other Matter***

The financial statements of the Funds for the year ended December 31, 2019, were audited by another auditor who expressed an unmodified opinion on those financial statements on June 30, 2020.

KPMG in Barbados and the Eastern Caribbean, a partnership registered in Barbados, Antigua and Barbuda, Saint Lucia and St. Vincent and the Grenadines, and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**To the Board of Governors of Caribbean Development Bank (continued)**

**Report on the Audit of the Financial Statements (continued)**

### ***Emphasis of Matter – Basis of Accounting***

We draw attention to Note 2 of the financial statements which describes the basis of accounting. The financial statements are prepared for the specific purpose of reflecting the sources and applications of member subscriptions and contributions and other development resources and as a result, may not be suitable for any other purpose. Our opinion is not modified in respect of this matter.

### ***Other information included in the Bank's 2020 Annual Report***

Management is responsible for the other information. The other information comprises the *Management's Discussion and Analysis* but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of Management and the Oversight and Assurance Committee for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting as described in Note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.





## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**To the Board of Governors of Caribbean Development Bank (continued)**

**Report on the Audit of the Financial Statements (continued)**

### ***Responsibilities of Management and the Oversight and Assurance Committee for the Financial Statements (continued)***

The Oversight and Assurance Committee is responsible for overseeing the Funds' financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**To the Board of Governors of Caribbean Development Bank (continued)**

**Report on the Audit of the Financial Statements (continued)**

### ***Auditor's Responsibilities for the Audit of the Financial Statements (continued)***

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Oversight and Assurance Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### ***Other Matter***

This report is made solely to the Funds' contributors, as a body, in accordance with Article 38, sub-section 2 of the Agreement establishing the Caribbean Development Bank entered into force on January 26, 1970. Our audit work has been undertaken so that we might state to the Funds' contributors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Funds and the Funds' contributors as a body, for our audit work, for this report, or for the opinion we have formed.

Chartered Accountants  
Bridgetown, Barbados  
June 30, 2021

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – OTHER SPECIAL FUNDS

### STATEMENT OF FINANCIAL POSITION

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

|   | 2020             | 2019             |
|---|------------------|------------------|
| <b>Assets</b>   |                  |                  |
| Cash and cash equivalents – Note 3                          | \$52,192         | \$42,931         |
| Investments (Schedule 1)                                    | 47,615           | 39,708           |
| Loans outstanding (Schedule 2)                              | 78,594           | 85,105           |
| <b>Receivable from members</b>                              |                  |                  |
| Non-negotiable demand notes – Note 8                        | 235,647          | 246,569          |
| Accounts receivable – Note 9                                | 36,119           | 37,047           |
| <b>Total assets</b>   | <b>\$450,167</b> | <b>\$451,360</b> |
| <b>Liabilities and Funds</b>                                |                  |                  |
| <b>Liabilities</b>  |                  |                  |
| Accrued charges on contributions repayable                  | 194              | 206              |
|   | 194              | 206              |
| <b>Funds</b>  |                  |                  |
| Contributed resources (Schedule 3)                          | 52,678           | 54,602           |
| Accumulated net income (Schedule 4)                         | 68,506           | 65,027           |
|   | 121,184          | 119,629          |
| Technical assistance and other grant resources (Schedule 5) | 328,789          | 331,525          |
| <b>Total liabilities and funds</b>                          | <b>\$450,167</b> | <b>\$451,360</b> |

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

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES – OTHER SPECIAL FUNDS

### STATEMENT OF COMPREHENSIVE INCOME AND ACCUMULATED NET INCOME For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

|   | 2020            | 2019            |
|---|-----------------|-----------------|
| <b>Interest and similar income</b>                            |                 |                 |
| Loans   | \$1,718         | \$1,864         |
| Investments and cash balances                                 | 862             | 1,874           |
|   | <u>2,580</u>    | <u>3,738</u>    |
| <b>Expenses</b>   |                 |                 |
| Administrative expenses                                       | 1,118           | 991             |
| Charges on contributions repayable                            | 952             | 745             |
| Foreign exchange translation                                  | (2,969)         | (887)           |
| <b>Total expenses</b>   | <u>(899)</u>    | <u>849</u>      |
| <b>Total comprehensive income for the year</b>                | <u>\$3,479</u>  | <u>\$2,889</u>  |
| <b>Accumulated net income</b>                                 |                 |                 |
| <b>Accumulated net income – beginning of year</b>             | \$65,027        | \$62,170        |
| Appropriations  | -               | -               |
| Total comprehensive income for the year                       | 3,479           | 2,889           |
| Reimbursement of retained earnings on repayable contributions | -               | (32)            |
| <b>Accumulated net income – end of year</b>                   | <u>\$68,506</u> | <u>\$65,027</u> |

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

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

### STATEMENT OF CASH FLOWS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

|  | 2020            | 2019     |
|--|-----------------|----------|
| <b>Operating activities</b>  |                 |          |
| Total comprehensive income for the year  | \$3,479         | \$2,889  |
| Adjustments for non-cash items   |                 |          |
| Net unrealised gain on investments   | (295)           | (935)    |
| Interest income  | (2,285)         | (2,773)  |
| Interest expense   | 952             | 745      |
| Unrealised net foreign exchange losses (gains)   | 129             | 54       |
| <i>Total cash flow provided by (used in) operating activities before changes in operating assets and liabilities</i> | <b>1,980</b>    | (20)     |
| Changes in operating assets and liabilities  |                 |          |
| Decrease/(increase) in accounts receivable   | 928             | (6,795)  |
| Decrease in non-negotiable demand notes  | 10,922          | 3,164    |
| Decrease in accounts payable   | -               | (1,055)  |
| <i>Cash provided by (used in) operating activities</i>   | <b>13,830</b>   | (4,706)  |
| Disbursements on loans   | (57)            | (1,322)  |
| Principal repayments to the Bank on loans  | 6,925           | 6,871    |
| Technical assistance disbursements   | (62,623)        | (55,917) |
| Interest received  | 2,322           | 2,840    |
| Net (increase) decrease in investments   | (7,611)         | 3,693    |
| <b>Net cash used in operating activities</b>   | <b>(47,214)</b> | (48,541) |
| <b>Financing activities</b>  |                 |          |
| Interest paid  | (964)           | (760)    |
| Contributions:   |                 |          |
| Increase in contributions to fund loans  | 461             | 669      |
| Reimbursement of repayable contributions   | (2,909)         | (3,001)  |
| Technical assistance contributions   | 59,887          | 37,225   |
| Refund of retained earnings on repayable contributions   | -               | (32)     |
| <i>Net cash provided by financing activities</i>   | <b>56,475</b>   | 34,101   |
| Net increase (decrease) in cash and cash equivalents   | <b>9,261</b>    | (14,440) |
| Cash and cash equivalents at beginning of year   | <b>42,931</b>   | 57,371   |
| <b>Cash and cash equivalents at end of year</b>  | <b>\$52,192</b> | \$42,931 |

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



# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

### SUMMARY STATEMENT OF INVESTMENTS

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

|  | SCHEDULE 1      |                 |
|--|-----------------|-----------------|
| Investments  | 2020            | 2019            |
| <b>Debt securities at fair value through profit or loss – Note 4</b> |                 |                 |
| Government and Agency obligations                                    | \$17,777        | \$15,369        |
| Supranationals   | 13,851          | 8,549           |
| <b>Other securities</b>  |                 |                 |
| Mutual Funds   | 2,961           | 2,906           |
| Equity Investments   | 12,938          | 12,797          |
| <b>Sub-total</b>   | <b>47,527</b>   | 39,621          |
| Accrued interest   | 88              | 87              |
|  | <b>\$47,615</b> | <b>\$39,708</b> |
| <b>Residual Term to Contractual Maturity</b>                         |                 |                 |
|  | <b>2020</b>     | <b>2019</b>     |
| 1 – 3 months   | \$15,987        | \$31,175        |
| 3 months - 1 year  | 1,500           | 7,034           |
| 1 year - 5 years   | 30,128          | 1,499           |
|  | <b>\$47,615</b> | <b>\$39,708</b> |

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

### SUMMARY STATEMENT OF LOANS

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### SCHEDULE 2

2020

| Member countries<br>in which loans<br>have been made | Loans<br>approved<br>but not yet<br>effective | Undisbursed    | Outstanding <sup>1/</sup> | % of Total<br>Loans<br>Outstanding |
|--|---|----------------|---------------------------|------------------------------------|
| Antigua and Barbuda                                  | \$-   | \$-            | \$2,130                   | 2.7                                |
| Barbados   | -   | 6,000          | 3,468                     | 4.4                                |
| Dominica   | -   | 3              | 13,981                    | 17.9                               |
| Grenada  | -   | -              | 16,528                    | 21.1                               |
| Guyana   | -   | -              | 1,981                     | 2.5                                |
| Jamaica  | -   | -              | 20,127                    | 25.7                               |
| St. Kitts and Nevis                                  | -   | -              | 1,446                     | 1.9                                |
| St. Lucia  | -   | 923            | 12,581                    | 16.1                               |
| St. Vincent and the Grenadines                       | -   | 1              | 5,710                     | 7.3                                |
| Trinidad and Tobago                                  | -   | -              | 223                       | 0.3                                |
| <b>Sub-total</b>                                     | -   | <b>6,927</b>   | <b>78,175</b>             | <b>100.0</b>                       |
| Accrued interest                                     | -   | -              | 419                       |                                    |
|  | <b>\$-</b>                                    | <b>\$6,927</b> | <b>\$78,594</b>           |                                    |

<sup>1/</sup>There were no overdue installments of principal at December 31, 2020 (2019 - nil).

**CARIBBEAN DEVELOPMENT BANK**  
**SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS**

**SUMMARY STATEMENT OF LOANS...continued**

**As of December 31, 2020**

(expressed in thousands of United States dollars, unless otherwise stated)

**SCHEDULE 2**

**2019**

| <b>Member countries<br/>in which loans<br/>have been made</b> | <b>Loans<br/>approved<br/>but not yet<br/>effective</b> | <b>Undisbursed</b> | <b>Outstanding<sup>1/</sup></b> | <b>% of Total<br/>Loans<br/>Outstanding</b> |
|---|---|--------------------|---------------------------------|---|
| Antigua and Barbuda   | \$-   | \$-                | \$2,476                         | 2.9   |
| Barbados  | -   | 6,000              | 3,977                           | 4.7   |
| Dominica  | -   | 10                 | 14,927                          | 17.6  |
| Grenada   | -   | -                  | 17,637                          | 20.8  |
| Guyana  | -   | -                  | 2,221                           | 2.6   |
| Jamaica   | -   | -                  | 21,732                          | 25.7  |
| St. Kitts and Nevis   | -   | -                  | 1,616                           | 1.9   |
| St. Lucia   | -   | 974                | 13,612                          | 16.1  |
| St. Vincent and the Grenadines                                | -   | 1                  | 6,145                           | 7.3   |
| Trinidad and Tobago   | -   | -                  | 305                             | 0.4   |
| <b>Sub-total</b>  | -   | 6,985              | 84,648                          | 100.0                                       |
| Accrued interest  | -   | -                  | 457                             |   |
|   | \$-   | \$6,985            | \$85,105                        |   |

<sup>1/</sup>There were no overdue installments of principal at December 31, 2019.

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

### SUMMARY STATEMENT OF LOANS...continued

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### SCHEDULE 2

| 2020                                  |                                      |                |                           |                              |
|---------------------------------------|--------------------------------------|----------------|---------------------------|------------------------------|
| Analysis by Contributor               | Loans approved but not yet effective | Undisbursed    | Outstanding <sup>1/</sup> | % of Total Loans Outstanding |
| <b>Members</b>                        |                                      |                |                           |                              |
| Trinidad and Tobago                   | \$-                                  | \$-            | \$2                       | 0.0                          |
| <b>Other contributors</b>             |                                      |                |                           |                              |
| Caribbean Development Bank            | -                                    | 6,000          | 37,488                    | 48.0                         |
| Nigeria                               | -                                    | -              | 2,014                     | 2.6                          |
| Inter-American Development Bank       | -                                    | 927            | 28,962                    | 37.0                         |
| European Union                        | -                                    | -              | 520                       | 0.7                          |
| International Development Association | -                                    | -              | 9,189                     | 11.8                         |
| <b>Sub-total</b>                      | -                                    | 6,927          | 78,175                    | 100.0                        |
| Accrued interest                      | -                                    | -              | 419                       |                              |
|                                       | <b>\$-</b>                           | <b>\$6,927</b> | <b>\$78,594</b>           |                              |

<sup>1/</sup>There were no overdue installments of principal at December 31, 2020 (2019 – nil).

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

### SUMMARY STATEMENT OF LOANS...continued

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### SCHEDULE 2

| 2019                                  |                                      |             |                           |                              |
|---------------------------------------|--------------------------------------|-------------|---------------------------|------------------------------|
| Analysis by Contributor               | Loans approved but not yet effective | Undisbursed | Outstanding <sup>1/</sup> | % of Total Loans Outstanding |
| <b>Members</b>                        |                                      |             |                           |                              |
| Trinidad and Tobago                   | \$-                                  | \$-         | \$2                       | 0.0                          |
| <b>Other contributors</b>             |                                      |             |                           |                              |
| Caribbean Development Bank            | -                                    | 6,000       | 40,705                    | 48.1                         |
| Nigeria                               | -                                    | -           | 2,261                     | 2.7                          |
| Inter-American Development Bank       | -                                    | 985         | 31,110                    | 36.8                         |
| European Union                        | -                                    | -           | 710                       | 0.8                          |
| International Development Association | -                                    | -           | 9,860                     | 11.6                         |
| <b>Sub-total</b>                      | \$-                                  | \$6,985     | \$84,648                  | 100.0                        |
| Accrued interest                      | -                                    | -           | 457                       |                              |
|                                       | \$-                                  | \$6,985     | \$85,105                  |                              |

<sup>1/</sup> There were no overdue installments of principal at December 31, 2019.

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

### SUMMARY STATEMENT OF LOANS...continued

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### SCHEDULE 2

| 2020                          |                                   |                           |                           |                    |                  |                                   |
|-------------------------------|-----------------------------------|---------------------------|---------------------------|--------------------|------------------|-----------------------------------|
| Currencies receivable         | Loans<br>out-<br>standing<br>2019 | Translation<br>adjustment | Net<br>Interest<br>earned | Disburse-<br>ments | Repay-<br>ments  | Loans<br>out-<br>standing<br>2020 |
| Euros                         | \$710                             | \$66                      | \$-                       | \$-                | \$(256)          | \$520                             |
| Special Drawing Rights        | 7,892                             | 329                       | -                         | -                  | (803)            | 7,418                             |
| United States dollars         | 76,046                            | -                         | -                         | 57                 | (5,866)          | 70,237                            |
| <b>Sub-total</b>              | <b>84,648</b>                     | <b>395</b>                | <b>-</b>                  | <b>57</b>          | <b>(6,925)</b>   | <b>78,175</b>                     |
| Accrued interest <sup>1</sup> | 457                               | -                         | (38)                      | -                  | -                | 419                               |
|                               | <b>\$85,105</b>                   | <b>\$395</b>              | <b>\$(38)</b>             | <b>\$57</b>        | <b>\$(6,925)</b> | <b>\$78,594</b>                   |

1/ Relates to amounts disbursed and outstanding.

#### Maturity structure of loans outstanding

|                                      |                 |
|--------------------------------------|-----------------|
| January 1, 2021 to December 31, 2021 | \$7,332         |
| January 1, 2022 to December 31, 2022 | 6,915           |
| January 1, 2023 to December 31, 2023 | 6,654           |
| January 1, 2024 to December 31, 2024 | 6,633           |
| January 1, 2025 to December 31, 2029 | 26,329          |
| January 1, 2030 to December 31, 2034 | 16,673          |
| January 1, 2035 to December 31, 2039 | 2,181           |
| January 1, 2040 to December 31, 2044 | 653             |
| January 1, 2045 to December 31, 2049 | 147             |
| January 1, 2050 to December 31, 2054 | 5,077           |
|                                      | <b>\$78,594</b> |



# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

### SUMMARY STATEMENT OF LOANS...continued

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### SCHEDULE 2

| 2019                          |                                   |                           |                           |                    |                  |                                   |
|-------------------------------|-----------------------------------|---------------------------|---------------------------|--------------------|------------------|-----------------------------------|
| Currencies receivable         | Loans<br>out-<br>standing<br>2018 | Translation<br>adjustment | Net<br>interest<br>earned | Disburse-<br>ments | Repay-<br>ments  | Loans<br>out-<br>standing<br>2019 |
| Euros                         | \$961                             | \$(19)                    | \$-                       | \$-                | \$(232)          | \$710                             |
| Special Drawing Rights        | 8,712                             | (48)                      | -                         | -                  | (772)            | 7,892                             |
| United States dollars         | 80,591                            | -                         | -                         | 1,322              | (5,867)          | 76,046                            |
| <b>Sub-total</b>              | 90,264                            | (67)                      | -                         | 1,322              | (6,871)          | 84,648                            |
| Accrued interest <sup>1</sup> | 494                               | -                         | (37)                      | -                  | -                | 457                               |
|                               | <b>\$90,758</b>                   | <b>\$(67)</b>             | <b>\$(37)</b>             | <b>\$1,322</b>     | <b>\$(6,871)</b> | <b>\$85,105</b>                   |

1/ Relates to amounts disbursed and outstanding.

#### Maturity structure of loans outstanding

|                                      |                 |
|--------------------------------------|-----------------|
| January 1, 2020 to December 31, 2020 | \$7,326         |
| January 1, 2021 to December 31, 2021 | 6,858           |
| January 1, 2022 to December 31, 2022 | 6,860           |
| January 1, 2023 to December 31, 2023 | 6,622           |
| January 1, 2024 to December 31, 2024 | 6,601           |
| January 1, 2025 to December 31, 2029 | 26,242          |
| January 1, 2030 to December 31, 2034 | 16,605          |
| January 1, 2035 to December 31, 2039 | 2,168           |
| January 1, 2040 to December 31, 2044 | 654             |
| January 1, 2045 to December 31, 2049 | 147             |
| January 1, 2050 to December 31, 2054 | 5,022           |
|                                      | <b>\$85,105</b> |

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

### SUMMARY STATEMENT OF CONTRIBUTIONS

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

| Contributors                                       | SCHEDULE 3          |                        |
|--|---------------------|------------------------|
|  | 2020                |                        |
|  | Contributions       |                        |
|  | Total <sup>1/</sup> | Amounts made available |
| <b>Members</b>                                     |                     |                        |
| Canada   | \$6,570             | \$6,570                |
| <b>Other contributors</b>                          |                     |                        |
| Inter-American Development Bank                    | 148                 | 148                    |
| <b>Contributed resources</b>                       | <b>6,718</b>        | <b>6,718</b>           |
| <b>Other contributors</b>                          |                     |                        |
| Inter-American Development Bank <sup>1/</sup>      | 34,248              | 34,248                 |
| United States Agency for International Development | -                   | -                      |
| European Union                                     | 680                 | 680                    |
| International Development Association              | 11,032              | 11,032                 |
| <b>Repayable contributions</b>                     | <b>45,960</b>       | <b>45,960</b>          |
|  | <b>\$52,678</b>     | <b>\$52,678</b>        |

<sup>1/</sup>Net of cancellations and repayments.

### Maturity structure of repayable contributions outstanding

|                                      |                 |
|--------------------------------------|-----------------|
| January 1, 2021 to December 31, 2021 | \$2,745         |
| January 1, 2022 to December 31, 2022 | 2,471           |
| January 1, 2023 to December 31, 2023 | 2,471           |
| January 1, 2024 to December 31, 2024 | 2,414           |
| January 1, 2025 to December 31, 2025 | 2,355           |
| January 1, 2026 to December 31, 2030 | 11,423          |
| January 1, 2031 to December 31, 2035 | 8,615           |
| January 1, 2036 to December 31, 2040 | 5,443           |
| January 1, 2041 to December 31, 2045 | 2,965           |
| January 1, 2046 to December 31, 2053 | 5,058           |
|                                      | <b>\$45,960</b> |

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

### SUMMARY STATEMENT OF CONTRIBUTIONS...continued

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### SCHEDULE 3

|  | 2019                |                        |
|--|---------------------|------------------------|
|  | Contributions       |                        |
| Contributors                                       | Total <sup>1/</sup> | Amounts made available |
| <b>Members</b>                                     |                     |                        |
| Canada   | \$6,538             | \$6,538                |
| <b>Other contributors</b>                          |                     |                        |
| Inter-American Development Bank                    | 148                 | 148                    |
| <b>Contributed resources</b>                       | 6,686               | 6,686                  |
| <b>Other contributors</b>                          |                     |                        |
| Inter-American Development Bank <sup>1/</sup>      | 35,193              | 35,193                 |
| United States Agency for International Development | 167                 | 167                    |
| European Union                                     | 975                 | 975                    |
| International Development Association              | 11,581              | 11,581                 |
| <b>Repayable contributions</b>                     | 47,916              | 47,916                 |
|  | \$54,602            | \$54,602               |

<sup>1/</sup>Net of cancellations and repayments.

#### Maturity structure of repayable contributions outstanding

|                                      |                 |
|--------------------------------------|-----------------|
| January 1, 2020 to December 31, 2020 | \$2,683         |
| January 1, 2021 to December 31, 2021 | 2,688           |
| January 1, 2022 to December 31, 2022 | 2,437           |
| January 1, 2023 to December 31, 2023 | 2,438           |
| January 1, 2024 to December 31, 2024 | 2,386           |
| January 1, 2025 to December 31, 2029 | 11,659          |
| January 1, 2030 to December 31, 2034 | 8,963           |
| January 1, 2035 to December 31, 2039 | 6,074           |
| January 1, 2040 to December 31, 2044 | 3,654           |
| January 1, 2045 to December 31, 2053 | 4,934           |
|                                      | <u>\$47,916</u> |

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

### SUMMARY STATEMENT OF CONTRIBUTIONS...continued

As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### SCHEDULE 3

| 2020                   |                                   |                        |   |                  |                                   |
|------------------------|-----------------------------------|------------------------|---|------------------|-----------------------------------|
| Currencies Repayable   | Contributions made available 2019 | Translation adjustment | Draw-downs/ appropriations from capital | Repayments       | Contributions made available 2020 |
| Canadian dollars       | \$1,538                           | \$32                   | \$-                                     | \$-              | \$1,570                           |
| Euros                  | 975                               | 91                     | -                                       | (386)            | 680                               |
| Special Drawing Rights | 9,637                             | 401                    | -                                       | (756)            | 9,282                             |
| United States dollars  | 42,452                            | -                      | 461                                     | (1,767)          | 41,146                            |
|                        | <b>\$54,602</b>                   | <b>\$524</b>           | <b>\$461</b>                            | <b>\$(2,909)</b> | <b>\$52,678</b>                   |

| 2019                   |                                   |                        |   |                  |                                   |
|------------------------|-----------------------------------|------------------------|---|------------------|-----------------------------------|
| Currencies Repayable   | Contributions made available 2018 | Translation adjustment | Draw-downs/ appropriations from capital | Repayments       | Contributions made available 2019 |
| Canadian dollars       | \$1,467                           | \$71                   | \$-                                     | \$-              | \$1,538                           |
| Euros                  | 1,351                             | (26)                   | -                                       | (350)            | 975                               |
| Special Drawing Rights | 10,420                            | (58)                   | -                                       | (725)            | 9,637                             |
| United States dollars  | 43,709                            | -                      | 669                                     | (1,926)          | 42,452                            |
|                        | <b>\$56,947</b>                   | <b>\$(13)</b>          | <b>\$669</b>                            | <b>\$(3,001)</b> | <b>\$54,602</b>                   |

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

### STATEMENT OF ACCUMULATED NET INCOME

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### SCHEDULE 4

| Contributors                           | 2020                 |                        | Appropriations | Carried forward 2020 |
|--|----------------------|------------------------|----------------|----------------------|
|  | Brought forward 2019 | Net Income/(Loss) 2019 |                |                      |
| General Funds                          | \$56,075             | \$1,430                | \$-            | \$57,478             |
| European Investment Bank               | (763)                | 23                     | -              | (740)                |
| European Union                         | 2,560                | 66                     | -              | 2,626                |
| Inter-American Development Bank        | (1,909)              | (636)                  | -              | (2,545)              |
| International Development Association  | 341                  | (72)                   | -              | 269                  |
| Nigeria                                | 5,778                | (65)                   | -              | 5,713                |
| United States of America               | 1,893                | 39                     | -              | 1,932                |
| United Kingdom                         | 736                  | 2,040                  | -              | 2,776                |
| Venezuela                              | 41                   | 5                      | -              | 46                   |
| European Commission                    | 273                  | 710                    | -              | 983                  |
| BMZ/ The Federal Government of Germany | 2                    | 11                     | -              | 13                   |
| Agence Francaise de Developpement      | -                    | (45)                   | -              | (45)                 |
|  | <b>\$65,027</b>      | <b>\$3,479</b>         | <b>\$-</b>     | <b>\$68,506</b>      |

| Contributors                           | 2019                 |                        | Appropriations | Carried forward 2019 |
|--|----------------------|------------------------|----------------|----------------------|
|  | Brought forward 2018 | Net Income/(Loss) 2019 |                |                      |
| General Funds                          | \$54,014             | \$2,061                | \$-            | \$56,075             |
| European Investment Bank               | (757)                | (6)                    | -              | (763)                |
| European Union                         | 2,541                | 19                     | -              | 2,560                |
| Inter-American Development Bank        | (1,700)              | (209)                  | -              | (1,909)              |
| International Development Association  | 323                  | 18                     | -              | 341                  |
| Nigeria                                | 5,791                | (13)                   | -              | 5,778                |
| United States of America               | 1,823                | 70                     | -              | 1,893                |
| United Kingdom                         | (76)                 | 812                    | -              | 736                  |
| Venezuela                              | 24                   | 17                     | -              | 41                   |
| European Commission                    | 187                  | 118                    | (32)           | 273                  |
| BMZ/ The Federal Government of Germany | -                    | 2                      | -              | 2                    |
|  | <b>\$62,170</b>      | <b>\$2,889</b>         | <b>\$(32)</b>  | <b>\$65,027</b>      |

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

### STATEMENT OF TECHNICAL ASSISTANCE AND OTHER GRANT RESOURCES As of December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 5

| Contributors   | 2020                |                              |                     |                      |
|--|---------------------|------------------------------|---------------------|----------------------|
|  | Contributors        |                              |                     | Net                  |
|  | Total <sup>1/</sup> | Amounts<br>made<br>available | Amounts<br>utilised | Amounts<br>available |
| <b>Members</b>   |                     |                              |                     |                      |
| Canada   | \$83,796            | \$83,796                     | \$67,094            | \$16,702             |
| United Kingdom   | 303,143             | 303,143                      | 74,293              | 228,850              |
| Italy  | 522                 | 522                          | 252                 | 270                  |
| China  | 677                 | 677                          | 270                 | 407                  |
| Venezuela  | 586                 | 586                          | -                   | 586                  |
| Germany  | 496                 | 496                          | 498                 | (2)                  |
|  | <b>389,220</b>      | <b>389,220</b>               | <b>142,407</b>      | <b>246,813</b>       |
| <b>Other contributors</b>                                |                     |                              |                     |                      |
| Caribbean Development Bank                               | 275,639             | 275,639                      | 210,593             | \$65,046             |
| United States of America                                 | 1,407               | 1,407                        | 1,407               | -                    |
| Inter-American Development Bank                          | 26,455              | 26,455                       | 23,662              | 2,793                |
| Nigeria  | 193                 | 193                          | 148                 | 45                   |
| European Commission                                      | 41,138              | 41,138                       | 29,662              | 11,476               |
| European Investment Bank Climate Action Support          | 2,184               | 2,184                        | 590                 | \$1,594              |
| Agence Francaise de Developpement                        | 1,172               | 1,172                        | 150                 | \$1,022              |
| Improve Public Investment Management through Procurement | 320                 | 320                          | 320                 | -                    |
| <b>Sub-total</b>   | <b>348,508</b>      | <b>348,508</b>               | <b>266,532</b>      | <b>81,976</b>        |
| <b>Total – December 31</b>                               | <b>\$737,718</b>    | <b>\$737,728</b>             | <b>\$408,939</b>    | <b>\$328,789</b>     |
| <b>Summary</b>   |                     |                              |                     |                      |
| Basic Needs Trust Fund                                   | \$199,750           | \$199,750                    | \$170,928           | \$28,822             |
| Other resources  | 537,978             | \$537,978                    | 238,011             | 299,967              |
|  | <b>\$737,718</b>    | <b>\$737,728</b>             | <b>\$408,939</b>    | <b>\$328,789</b>     |

<sup>1/</sup>Net of cancellation and resources fully utilized and expended in non-reimbursable operations.



**CARIBBEAN DEVELOPMENT BANK**  
**SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS**  
**STATEMENT OF TECHNICAL ASSISTANCE AND OTHER GRANT**  
**RESOURCES...continued**  
**As of December 31, 2020**

(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 5

| Contributors   | 2019                |                        |                  |                       |
|--|---------------------|------------------------|------------------|-----------------------|
|  | Total <sup>1/</sup> | Amounts made available | Amounts utilised | Net Amounts available |
| <b>Members</b>   |                     |                        |                  |                       |
| Canada   | \$61,702            | \$61,702               | \$51,890         | \$9,812               |
| United Kingdom   | 292,974             | 292,974                | 50,191           | 242,783               |
| Italy  | 522                 | 522                    | 252              | 270                   |
| China  | 677                 | 677                    | 270              | 407                   |
| Venezuela  | 586                 | 586                    | -                | 586                   |
| Germany  | 476                 | 476                    | 405              | 71                    |
|  | 356,937             | 356,937                | 103,008          | 253,929               |
| <b>Other contributors</b>                                |                     |                        |                  |                       |
| Caribbean Development Bank                               | 265,636             | 265,636                | 195,913          | 69,723                |
| United States of America                                 | 1,407               | 1,407                  | 1,407            | -                     |
| Inter-American Development Bank                          | 17,903              | 17,903                 | 19,296           | (1,393) <sup>2/</sup> |
| Nigeria  | 193                 | 193                    | 148              | 45                    |
| European Commission                                      | 33,261              | 33,261                 | 25,704           | 7,557                 |
| European Investment Bank Climate Action Support          | 2,184               | 2,184                  | 504              | 1,680                 |
| Agence Francaise de Developpement                        | -                   | -                      | 16               | (16) <sup>3/</sup>    |
| Improve Public Investment Management through Procurement | 320                 | 320                    | 320              | -                     |
| <b>Sub-total</b>   | 320,904             | 320,904                | 243,308          | 77,596                |
| <b>Total – December 31</b>                               | <b>\$677,841</b>    | <b>\$677,841</b>       | <b>\$346,316</b> | <b>\$331,525</b>      |
| <b>Summary</b>   |                     |                        |                  |                       |
| Basic Needs Trust Fund                                   | \$189,750           | \$189,750              | \$158,333        | \$31,417              |
| Other resources  | 488,091             | 488,091                | 187,983          | 300,108               |
|  | \$677,841           | \$677,841              | \$346,316        | \$331,525             |

<sup>1/</sup> Net of cancellation and resources fully utilized and expended in non-reimbursable operations.

<sup>2/</sup> Expenditure to be reimbursed.

<sup>3/</sup> Approved grant of EUR 3,000,000. Expenditure to be reimbursed.

# **CARIBBEAN DEVELOPMENT BANK**

## **SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED DECEMBER 31, 2020**

**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### **1. NATURE OF OPERATIONS**

The Other Special Fund Group ("OSF" or "the Fund") was established to carry out the special operations of the Caribbean Development Bank ("the Bank") by providing resources on concessional terms to assist borrowing members primarily for poverty reduction. Resources are provided by contributions from members and other contributors.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Due to the nature of the OSF, these financial statements have been prepared for the specific purpose of reflecting the sources and applications of member subscriptions and contributions and other development resources. These financial statements are not intended to be presented in accordance with International Financial Reporting Standards (IFRS). These financial statements have been prepared in accordance with the accounting policies outlined below.

Preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from these estimates.

##### **Foreign currency translation**

###### *Functional and presentation currency*

The functional and presentation currency of the Fund is the United States dollar (US\$) and the Fund's financial statements are rounded to the nearest thousand. Monetary assets and liabilities in currencies other than United States dollars are translated at market rates of exchange prevailing at the reporting date. Non-monetary items measured at historical cost in currencies other than United States dollars are translated using the exchange rates at the dates of the initial transactions.

Foreign currency transactions are initially translated into United States dollars at applicable rates of exchange on the transaction dates. Any gains or losses arising as a result of differences in rates applied to income and expenses and to assets and liabilities are shown as an exchange gain or loss in profit or loss in the statement of comprehensive income and accumulated net income for the year.

##### **Investments**

All investment securities with the exception of equities are in a portfolio designated at fair value through profit or loss and reported at fair market value. Securities are recognised on the statement of financial position when the Fund assumes related contractual rights and de-recognised when the rights to secure cash flows from the financial asset expire or when all risks and rewards of ownership have been substantially transferred. Equity instruments are carried at cost where they do not have a quoted market price in an active market and their fair value cannot be reliably measured.

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

---

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Regular way purchases and sales of financial assets are recognised on the settlement date which is the date the Fund becomes a party to the contractual provisions of the instrument.

All securities are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income and accumulated net income in the period during which they arise. Gains and losses arising from changes in the fair value of securities designated at fair value through profit or loss are included in technical assistance (TA) contributions/expenses for the year based on the terms of the specific fund. Interest or dividend income earned whilst holding securities is reported as "Interest and similar income - investments and cash balances" in the statement of comprehensive income and accumulated net income.

Equity investments are assessed for impairment annually. The impairment assessment is based on the net book value of the underlying asset and adjusted if the carrying value is less than the Fund's proportionate share of net assets. Impairment losses are recorded within "Interest and similar income - investments and cash balances" in the statement of comprehensive income and accumulated net income. Amounts distributed to the Fund are recorded as a return on investment until such investments are disposed and recorded as gains or losses.

##### *Determination of fair value*

For securities traded in active markets, the determination of fair values is based on quoted market prices or dealer price quotations. A security is regarded as quoted in an active market if prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

For debt securities in inactive markets fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows, or other valuation techniques, using inputs (for example, LIBOR yield curves, FX rates, volatilities and counterparty spreads) existing at the reporting date.

The Fund uses widely recognised valuation models for determining fair values of non-standardised financial instruments. For these securities, inputs into models are generally market-observable.

##### **Loans**

Loans and receivables are non-derivative financial assets that have fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently measured at amortised cost using the effective interest rate method less any impairment.

All loans by the Fund are made either from currencies available from members' subscriptions or from currencies borrowed and the principal amounts are payable to the Fund in the currencies lent. The balances outstanding on loans to members and their agencies are secured by guarantees of the Governments of the member countries in which the loans are made.

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

The Fund is one of very few lenders of development and structural adjustment loans to Caribbean countries. There is no secondary market for development loans nor does the Fund intend to sell these loans. As a result, the use of market data to arrive at the fair value of loans will not yield any meaningful results.

The Fund does not make provisions for impairment on loans as in the event of any such occurrences, the impairment would be taken into the statement of comprehensive income and accumulated net income in the year that it occurred.

##### Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with maturities of three months or less from the date of acquisition.

##### Technical assistance and grants

Technical assistance and grants for capital projects to borrowing member countries are provided either from non-reimbursable grants received from contributors or from other resources specifically allocated for this purpose. The contributions from donors are included in the financial statements from the date of the contribution agreement. Technical assistance is recognised when the project is approved and becomes effective.

##### Interest income and charges on contributions

Interest income and charges on contributions are recognised in the statement of comprehensive income and accumulated net income for all interest-bearing instruments carried at amortised cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

##### Administrative expenses

Administrative expenses incurred by the Bank which cannot be directly charged to individual funds are allocated between the Ordinary Capital Resources (OCR), the Other Special Funds (OSF) and the Special Development Fund (SDF) in accordance with a method of allocation which is approved by the Board of Directors.

#### 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

|                          | 2020            | 2019            |
|--------------------------|-----------------|-----------------|
| Due from banks           | \$45,660        | \$30,731        |
| Time deposits            | -               | 5,682           |
| Money Market Instruments | 6,532           | 6,518           |
|                          | <b>\$52,192</b> | <b>\$42,931</b> |

# **CARIBBEAN DEVELOPMENT BANK**

## **SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**

**(expressed in thousands of United States dollars, unless otherwise stated)**

---

#### **4. INVESTMENTS**

As part of its overall portfolio management strategy, the Fund invests in Government agency, supranational and bank obligations, including time deposits. The Fund limits its activities of investing in securities to well established dealers and counterparties meeting minimum credit rating standards set by the Fund.

The annualized rate of return on the average investments held during the year, including realised and unrealised gains and losses was 1.31%. Net realised gains on investments traded during 2020 amounted to \$38 and net unrealised gains \$295.

#### **5. FUNDS**

In accordance with the Agreement establishing the Bank (the Charter), Special Funds Resources comprise the SDF and OSF established or administered by the Bank, including technical assistance and other grant resources contributed on a non-reimbursable basis. For the purposes of these financial statements, the OSF have been presented separately from the SDF. The OSF are established in accordance with agreements between the Bank and the contributors and are for specific types of projects as agreed between the Bank and the contributors. In accordance with the Agreement, each Special Fund, its resources and accounts are kept entirely separate from other Special Funds, their resources and accounts.

These financial statements reflect the aggregated position of all the funds that comprise the OSF.

Technical assistance and other grant resources include resources for the Basic Needs Trust Fund and other resources established for specific purposes as determined between the Bank and contributors.

**CARIBBEAN DEVELOPMENT BANK**  
**SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

(expressed in thousands of United States dollars, unless otherwise stated)

**5. FUNDS...continued**

Details of contributions, loans and technical assistance resources of the OSF are stated at the equivalent in thousands of United States dollars where such contributions, loans and technical assistance grants have been made in currencies other than United States dollars and are as follows:

|   | <b>2020</b>      | <b>2019</b> |
|---|------------------|-------------|
| <b>Canada</b>                               |                  |             |
| Agricultural <sup>1/</sup> (Schedule 3)     | <b>\$6,570</b>   | \$6,538     |
| Technical assistance resources (Schedule 5) | <b>83,796</b>    | 61,702      |
| <b>Italy</b>                                |                  |             |
| Technical assistance resources (Schedule 5) | <b>\$522</b>     | \$522       |
| <b>China</b>                                |                  |             |
| Technical assistance resources (Schedule 5) | <b>\$677</b>     | \$677       |
| <b>Venezuela</b>                            |                  |             |
| Technical assistance resources (Schedule 5) | <b>\$586</b>     | \$586       |
| <b>Nigeria</b>                              |                  |             |
| Technical assistance resources (Schedule 5) | <b>\$193</b>     | \$193       |
| <b>United Kingdom</b>                       |                  |             |
| Technical assistance resources (Schedule 5) | <b>\$303,143</b> | \$292,974   |
| <b>Inter-American Development Bank</b>      |                  |             |
| 975/SF-RG                                   | <b>\$14,211</b>  | \$14,211    |
| Less repayments                             | <b>(7,717)</b>   | (7,298)     |
|   | <b>\$6,494</b>   | \$6,913     |
| <b>1108/SF-RG Global Credit</b>             |                  |             |
| Less repayments                             | <b>\$20,000</b>  | \$20,000    |
|   | <b>(5,573)</b>   | (4,917)     |
|   | <b>\$14,427</b>  | \$15,083    |

<sup>1/</sup> The contributions are interest-free with no date for repayment.



# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### 5. FUNDS...continued

##### Inter-American Development Bank...continued

|   | 2020            | 2019            |
|---|-----------------|-----------------|
| 1637/SF-RG Credit                           | \$9,923         | \$9,923         |
| Less repayments                             | (1,654)         | (1,323)         |
|   | <u>8,269</u>    | <u>8,600</u>    |
| 2798/BL Regional Global Loan - OECS         | <u>5,058</u>    | <u>4,597</u>    |
| Repayable contributions (Schedule 3)        | <u>\$34,248</u> | <u>\$35,193</u> |
| Technical assistance resources (Schedule 5) | <u>\$26,455</u> | <u>\$17,903</u> |

Loan 975/SF-RG is subject to interest at the rate of 1% per annum until 2006 and thereafter at 2% per annum and is repayable during the period 2003 to 2036.

Global Credit 1108/SF-RG was subject to interest at the rate of 1% for the first ten years and 2% thereafter and is repayable during the period 2012 to 2042.

Grenada Reconstruction 1637/SF-RG is subject to interest at the rate of 1% per annum until 2015 and thereafter at 2% per annum and is repayable during the period 2016 to 2045.

2798/BL Regional Global Loan is subject to interest at the rate of 0.5% fixed and is repayable in 2053.

The loans are subject to a credit fee of 0.5% per annum on any undrawn balance.

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### 5. FUNDS...continued

|  | 2020           | 2019    | Due Dates |
|--|----------------|---------|-----------|
| <b>United States of America</b>                |                |         |           |
| Contributions                                  |                |         |           |
| Agricultural                                   | <b>\$7,052</b> | \$7,052 | 1988-2018 |
| Less repayments                                | <b>(7,052)</b> | (7,052) |           |
|  |                | -       | -         |
| Employment Investment Promotion                | <b>6,732</b>   | 6,732   | 1990-2020 |
| Less repayments                                | <b>(6,732)</b> | (6,565) | 167       |
|  |                | -       |           |
| Repayable contributions (Schedule 3)           |                | -       | 167       |
| Technical Assistance resources<br>(Schedule 5) | <b>\$1,407</b> | \$1,407 |           |

All contributions are subject to interest at the rate of 2% per annum on the amount outstanding for the first ten years after first disbursement and thereafter, at the rate of 3% per annum.

|                                      | 2020           | 2019    |     |
|--------------------------------------|----------------|---------|-----|
| <b>European Union</b>                |                |         |     |
| First Contribution                   | <b>\$7,181</b> | \$6,570 |     |
| Less repayments                      | <b>(6,905)</b> | (6,068) | 502 |
|                                      |                |         |     |
| Second Contribution                  | <b>2,916</b>   | 2,785   |     |
| Less repayments                      | <b>(2,512)</b> | (2,312) | 473 |
|                                      |                |         |     |
| Repayable contributions (Schedule 3) | <b>\$680</b>   | \$975   |     |

The contributions are subject to interest at the rate of 1% per annum. The first contribution is repayable during the period 1992 to 2021 and the second contribution is repayable over the period 1994 to 2024.

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### 5. FUNDS...continued

##### International Development Association

|   | 2020           |                 | 2019    |                 | Due dates |
|---|----------------|-----------------|---------|-----------------|-----------|
|   |                |                 |         |                 | 1990-2029 |
| Credit No. 960/CRG                      | <b>\$6,480</b> |                 | \$6,480 |                 |           |
| Less repayments                         | <b>(4,730)</b> | <b>1,750</b>    | (4,536) | 1,944           |           |
| Credit No. 1364/CRG                     | <b>7,813</b>   |                 | 7,501   |                 |           |
| Less repayments                         | <b>(4,883)</b> | <b>2,930</b>    | (4,463) | 3,038           | 1993-2033 |
| Credit No. 1785/CRG                     | <b>6,673</b>   |                 | 6,407   |                 |           |
| Less repayments                         | <b>(3,370)</b> | <b>3,303</b>    | (3,043) | 3,364           | 1997-2030 |
| Credit No. 2135/CRG                     | <b>8,023</b>   |                 | 7,702   |                 |           |
| Less repayments                         | <b>(4,974)</b> | <b>3,049</b>    | (4,467) | 3,235           | 2000-2030 |
| Repayable contributions<br>(Schedule 3) |                | <b>\$11,032</b> |         | <b>\$11,581</b> |           |

The credits are subject to a service charge of 0.75% per annum on amounts outstanding.

|  | 2020             | 2019      |
|--|------------------|-----------|
| <b>Caribbean Development Bank</b>                      |                  |           |
| Technical assistance resources (Schedule 5)            | <b>\$275,639</b> | \$265,636 |
| <b>BMZ/ The Federal Government of Germany</b>          |                  |           |
| Technical assistance resources (Schedule 5)            | <b>\$496</b>     | \$476     |
| <b>European Investment Bank Climate Action Support</b> |                  |           |
| Technical assistance resources (Schedule 5)            | <b>\$2,184</b>   | \$2,184   |
| <b>European Commission</b>                             |                  |           |
| Technical assistance resources (Schedule 5)            | <b>\$41,138</b>  | \$33,261  |

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### 5. FUNDS...continued

|   | 2020         | 2019  |
|---|--------------|-------|
| <b>Improve Public Investment Management through Procurement</b> |              |       |
| Technical assistance resources (Schedule 5)                     | <b>\$320</b> | \$320 |

Included in the amounts shown against each contributor in Schedule 5 – “Statement of Technical Assistance & Other Grant Resources” are the following programmes for which specific disclosures are included in these financial statements.

|  | 2020            |                        |                  |                       |
|--|-----------------|------------------------|------------------|-----------------------|
|  | Approved amount | Amounts made available | Amounts utilised | Net Amounts available |
| <b>European Union</b>  |                 |                        |                  |                       |
| <i>Sustainable Energy for the Eastern Caribbean (SEEC)</i>   | €4,450          | \$4,477                | \$1,115          | \$3,362               |
| <i>Geothermal Risk Mitigation for the Eastern Caribbean (EU-CIF)</i>                                       | €12,350         | \$6,849                | \$6,517          | \$332                 |
| <b>United Kingdom</b>  |                 |                        |                  |                       |
| <i>Increasing Renewable Energy and Energy Efficiency in the Eastern Caribbean</i>                          | £4,305          | \$5,873                | \$5,790          | \$83                  |
| <i>Sustainable Energy for the Eastern Caribbean (SEEC)</i>   | £2,500          | \$2,200                | \$1,014          | \$1,186               |
| <b>Inter-American Development Bank [Acting as Administrator for the Global Environment Facility (GEF)]</b> |                 |                        |                  |                       |
| <i>Sustainable Energy Facility for the Eastern Caribbean (SEF)</i>   | \$3,014         | \$1,856                | \$1,258          | \$598                 |
| <b>Inter-American Development Bank [Acting as Implementing entity for the Clean Technology Fund (CTF)]</b> |                 |                        |                  |                       |
| <i>Sustainable Energy Facility for the Eastern Caribbean (SEF)</i>   | \$19,050        | \$19,050               | \$19,050         | \$-                   |
| <b>Canada</b>  |                 |                        |                  |                       |
| <i>Canadian Support to the Energy Sector in the Caribbean Fund (CSES-C)</i>                                | CAD5,000        | \$3,841                | \$2,091          | \$1,750               |

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### 5. FUNDS...continued

|  | 2019            |                        |                  |                         |
|--|-----------------|------------------------|------------------|-------------------------|
|  | Approved amount | Amounts made available | Amounts utilised | Net Amounts available   |
| <b>European Union</b>  |                 |                        |                  |                         |
| <i>Sustainable Energy for the Eastern Caribbean (SEEC)</i>   | €4,450          | \$1,303                | \$1,038          | \$265                   |
| <i>Geothermal Risk Mitigation for the Eastern Caribbean (EU-CIF)</i>   | €12,350         | \$3,473                | \$5,995          | \$(2,522) <sup>1/</sup> |
| <b>United Kingdom</b>  |                 |                        |                  |                         |
| <i>Increasing Renewable Energy and Energy Efficiency in the Eastern Caribbean</i>                              | £4,200          | \$5,681                | \$5,354          | \$327                   |
| <i>Sustainable Energy for the Eastern Caribbean (SEEC)</i>   | £2,500          | \$1,597                | \$975            | \$622                   |
| <b>Inter-American Development Bank<br/>[Acting as Administrator for the Global Environment Facility (GEF)]</b> |                 |                        |                  |                         |
| <i>Sustainable Energy Facility for the Eastern Caribbean (SEF)</i>   | \$3,014         | \$346                  | \$442            | \$(96)                  |
| <b>Inter-American Development Bank<br/>[Acting as Implementing entity for the Clean Technology Fund (CTF)]</b> |                 |                        |                  |                         |
| <i>Sustainable Energy Facility for the Eastern Caribbean (SEF)</i>   | \$19,050        | \$14,008               | \$15,500         | \$(1,492)               |
| <b>Canada</b>  |                 |                        |                  |                         |
| <i>Canadian Support to the Energy Sector in the Caribbean Fund (CSES-C)</i>                                    | CAD5,000        | \$2,605                | \$1,507          | \$1,098                 |

<sup>1/</sup> Expenditure to be reimbursed.

#### 6. TOTAL ACCUMULATED INCOME AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

On an annual basis the Board of Governors determine the disposition of the accumulated net income and net income for the current year of each of the OSF, subject to any rules and regulations governing each Fund and any agreement relating thereto.

# CARIBBEAN DEVELOPMENT BANK

## SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

(expressed in thousands of United States dollars, unless otherwise stated)

#### 7. LOANS

The average interest rate earned on loans outstanding was 2.13% (2019: 2.15%). There were no impaired loans at December 31, 2020 and 2019.

#### 8. NON-NEGOTIABLE DEMAND NOTES

The non-negotiable demand notes of \$235,647 (2018: \$246,569) represent the equivalent of GBP 172.7 million (2019: GBP186.8 million) submitted to the Bank by the UK Department for International Development (DFID) against commitments under the UK Caribbean Infrastructure Fund (UKCIF). The UK Government has committed to donating GBP300 million over a four (4) year period 2016 - 2024, from which grants are to be provided to build economic infrastructure which have been identified by DFID in countries eligible for overseas development assistance. By amendment letter dated July 26, 2018 the donation commitment from the UK Government under the UKCIF was increased to GBP330 million.

#### 9. ACCOUNTS RECEIVABLE

|                           | 2020            | 2019            |
|---------------------------|-----------------|-----------------|
| Institutional receivables | \$34,300        | \$30,000        |
| Accounts receivable       | 1,819           | 7,047           |
|                           | <b>\$36,119</b> | <b>\$37,047</b> |



# APPENDICES

## BOARD OF GOVERNORS

### CHAIR AND VICE-CHAIR 2020-2021

|                                   |                                      |                      |
|-----------------------------------|--------------------------------------|----------------------|
| <b>Barbados</b>                   | <b>Hon. Mia Amor Mottley, QC, MP</b> | <b>Chairman</b>      |
| <b>People's Republic of China</b> | <b>Mr. Yi Gang</b>                   | <b>Vice-Chairman</b> |
| <b>Mexico</b>                     | <b>Mr. Arturo Herrera Gutiérrez</b>  | <b>Vice-Chairman</b> |

| COUNTRY   | GOVERNOR   | ALTERNATE GOVERNOR   |
|---|--|--|
| <b>Anguilla, Cayman Islands, Montserrat, Turks and Caicos Islands and Virgin Islands,</b> | Dr. the Hon. Ellis Lorenzo Webster<br>Premier and Minister of Finance and Health<br>Office of the Premier<br>Government Headquarters   |  |
| <b>Antigua and Barbuda</b>  | Hon. Gaston A. Browne<br>Prime Minister and Minister of Finance and Corporate Governance<br>Office of the Prime Minister<br>Government Complex<br>Queen Elizabeth Highway,<br>St. John's | Mr. Whitfield Harris, Jr.<br>Financial Secretary<br>Office of the Financial Secretary,<br>Ministry of Finance, the Economy and Public Administration<br>Parliament Drive<br>St. John's |
| <b>Bahamas</b>  | Sen. the Hon. James Kwasi Thompson<br>Minister of State for Finance<br>Ministry of Finance<br>P.O. Box N-3017<br>Cable Beach<br>Nassau   |  |

| COUNTRY         | GOVERNOR  | ALTERNATE GOVERNOR  |
|-----------------|---|---|
| <b>Barbados</b> | Hon. Mia Amor Mottley, Q.C., M.P.<br>Prime Minister and Minister of Finance,<br>Economic Affairs and Investment<br>Office of the Prime Minister<br>Government Headquarters<br>Bay Street<br>St. Michael | Mr. Ian St. C. Carrington<br>Director of Finance and Economic Affairs<br>Ministry of Finance, Economic Affairs<br>and Investment<br>Government Headquarters<br>Bay Street,<br>St. Michael                   |
| <b>Belize</b>   | Hon. John Antonio Briceño<br>Prime Minister and Minister of Finance,<br>Economic Development and Investment<br>Office of the Prime Minister<br>New Administration Building<br>Belmopan                  | Hon. Christopher Coye<br>Minister of State<br>Ministry of Finance<br>New Administration Building,<br>Belmopan   |
| <b>Brazil</b>   | Mr. Roberto Fendt Junior<br>Deputy Minister for Foreign Trade<br>and International Affairs<br>Ministry of the Economy<br>Esplanada dos Ministerios<br>Block K, 8° andar, CEP 70040-906                  | Mr. Erivaldo Alfredo Gomes<br>Secretary of International Affairs<br>Ministry of Economy<br>Esplanada dos Ministerios,<br>Bloco K - 8° Andar<br>CEP 70040-906 - Brasilia/DF                                  |
| <b>Canada</b>   | Hon. Karina Gould, MP<br>Minister of International Development<br>Office of the Minister<br>Global Affairs Canada<br>125 Sussex Drive<br>Ottawa K1A 0G2   | Mr. Rick Stewart<br>Assistant Deputy Minister<br>Int. Trade and Finance Branch<br>Department of Finance Canada<br>James Michael Flaherty Building<br>90 Elgin Street, 14th Floor,<br>Ottawa, Canada K1A 0G5 |
| <b>Colombia</b> | Dr. the Hon. Alberto Carrasquilla Barrera<br>Minister of Finance and Public Credit<br>Ministry of Finance and Public Credit<br>Carrera 7a, Numero 6-64<br>Bogota  | Mr. Juan Jose Echavarría<br>Governor Banco de la Republica<br>Banco de la Republica Carrera 7a<br>Numero 14-18 Oficina Principal<br>Bogota  |
| <b>Dominica</b> | Hon. Roosevelt Skerrit<br>Prime Minister and Minister for Finance,<br>Foreign Affairs and Information Technology<br>Office of the Prime Minister<br>Financial Centre<br>Kennedy Avenue<br>Roseau        |   |

| COUNTRY        | GOVERNOR  | ALTERNATE GOVERNOR  |
|----------------|---|---|
| <b>Germany</b> | Mr. Norbert Barthle<br>Parliamentary State Secretary<br>Federal Ministry for Economic<br>Cooperation and Development<br>Europhaus, Stresemanstr. 94<br>10963 Berlin | Ms. Marianne Kothé<br>Deputy Director General<br>International Financial and<br>Monetary Policy<br>Federal Ministry of Finance<br>WilhelmstraBe 97, 10117<br>Berlin                                       |
| <b>Grenada</b> | Dr. the Rt. Hon. Keith Mitchell<br>Prime Minister and Minister of Finance<br>Office of the Prime Minister<br>Financial Complex<br>The Carenage<br>St. George's      |   |
| <b>Guyana</b>  | Hon. Dr. Bharrat Jagdeo<br>Vice President<br>Office of the Vice President<br>Ministry of Finance<br>49 Main & Urquhart Streets<br>Georgetown                        | Hon. Dr. Ashni K. Singh<br>Senior Minister in the Office of the<br>President with responsibility for Finance<br>Office of the Minister<br>Ministry of Finance<br>49 Main & Urquhart Streets<br>Georgetown |
| <b>Haiti</b>   | Hon. Michel Patrick Boisvert<br>Minister of Economy and Finance<br>Ministry of Economy and Finance<br>#5 Avenue Charles Summer<br>Port-au-Prince                    | Mr. Jean Baden Dubois<br>Governor<br>Bank of the Republic of Haiti<br>Angle rues Pavée et du Quai<br>Rue de Quai<br>Port-au-Prince  |
| <b>Italy</b>   | Hon. Roberto Gualtier<br>Minister of Economy and Finance<br>Ministry of Economy and Finance<br>Direzione III Ufficio VIII<br>Via XX Settembre 97<br>Rome 00187      | Ms. Gelsomina Vigliotti<br>Head of International Financial Relations<br>Treasury Department, Ministry of Economy<br>and Finance<br>Direzione III Ufficio VIII Via<br>XX Settembre 97 00187<br>Roma        |

| COUNTRY                           | GOVERNOR  | ALTERNATE GOVERNOR  |
|-----------------------------------|---|---|
| <b>Jamaica</b>                    | Hon. Nigel Clarke, DPhil, MP<br>Minister of Finance and the Public Service<br>Ministry of Finance and the Public Service<br>30 National Heroes Circle<br>P.O. Box 512<br>Kingston 4   | Ms. Darlene Morrison<br>Financial Secretary (Ag.)<br>Ministry of Finance and the Public Service<br>30 National Heroes Circle,<br>P.O. Box 512, Kingston   |
| <b>Mexico</b>                     | Mr. Arturo Herrera Gutiérrez<br>Minister of Finance and Public Credit<br>Secretariat of Finance and Public Credit<br>Insurgentes Sur no. 1971<br>Torre III, Piso 3,<br>Col. Guadalupe Inn<br>Del. Alvaro Obregón<br>C.P. 010200 | Mr. Gabriel Yorio Gonzalez<br>Deputy Minister of Finance<br>and Public Credit<br>Secretaria de Hacienda y Credito Publico<br>Insurgentes Sur 1971<br>Torre III, Piso 13, Col. Guadalupe Inn<br>Alc. Alvaro Obregon, Ciudad de Mexico<br>01020 |
| <b>People's Republic of China</b> | Mr. Yi Gang<br>Governor<br>People's Bank of China<br>32 Cheng Fang Street<br>West District<br>Beijing 10080   |   |
| <b>St. Kitts and Nevis</b>        | Dr. the Hon. Timothy Harris<br>Prime Minister and Minister of Finance<br>Office of the Prime Minister<br>Government Headquarters<br>Golden Rock<br>Basseterre   | Mrs. Hilary Hazel<br>Financial Secretary<br>Ministry of Finance<br>Golden Rock<br>Basseterre  |
| <b>Saint Lucia</b>                | Hon. Guy Joseph<br>Minister of Economic Development,<br>Housing, Urban Renewal, Transport<br>and Civil Aviation<br>Office of the Minister<br>3rd Floor Greaham Louisy Administrative<br>Building<br>Castries                    |   |

| COUNTRY                               | GOVERNOR  | ALTERNATE GOVERNOR   |
|---------------------------------------|---|--|
| <b>St. Vincent and the Grenadines</b> | Hon. Camillo Gonsalves<br>Minister of Economic Planning,<br>Sustainable Development,<br>Industry, Internal Trade, Information<br>and Labour<br>Ministry of Economic Planning and<br>Sustainable Development<br>1st Floor Administrative Building<br>Bay Street<br>Kingstown |  |
| <b>Suriname</b>                       | Hon. Armand K Achaibersing<br>Minister of Finance and Planning<br>Ministry of Finance<br>Tamarindelaan #3,<br>Paramaribo  |  |
| <b>Trinidad and Tobago</b>            | Hon. Camille Robinson-Regis<br>Office of the Minister<br>Minister of Planning and Development<br>Level 14 Eric Williams Finance Building<br>Port of Spain   | Hon. Colm Imbert<br>Minister of Finance<br>Office of the Minister<br>Ministry of Finance<br>Eric Williams Finance Building<br>Independence Square<br>Port of Spain         |
| <b>United Kingdom</b>                 | The Rt. Hon. Dominic Raab, MP<br>First Secretary and Secretary of State for<br>Foreign Commonwealth and Development<br>Affairs<br>Foreign, Commonwealth & Development<br>Office<br>22 Whitehall<br>London SW1A 2EG  | Baroness Sugg, CBE<br>Minister for Overseas Territories and<br>Sustainable Development<br>Foreign, Commonwealth & Development<br>Office<br>22 Whitehall<br>London SW1A 2EG |
| <b>Venezuela</b>                      | Mr. Simon Alejandro Zerpa Delgado<br>President<br>Venezuela Economic and Social<br>Development Bank (BANDES)<br>Avenida Universidad<br>Traposos a Colon, Torre BANDES<br>Caracas 1010   | Ambassador Raul Icausi<br>Director for Latin America and<br>the Caribbean<br>Ministry of Popular Power for<br>Foreign Affairs<br>Caracas 1010                              |

## BOARD OF DIRECTORS AND ALTERNATES 2020-2022

| DIRECTOR  | ALTERNATE DIRECTOR  |
|---|---|
| <b>Jamaica</b>  |   |
| Ms. Dian Black<br>Principal Director for Debt Management Branch<br>Economic Management Division<br>Ministry of Finance and the Public Service<br>30 National Heroes Circle<br>P.O. Box 512<br>Kingston<br>JAMAICA | Mr. Trevor Anderson<br>Chief Fiscal Economist<br>Ministry of Finance and the Public Service<br>30 National Heroes Circle<br>P.O. Box 512<br>Kingston<br>JAMAICA                     |
| TEL: (876) 932-5402<br>FAX: (876) 922-5975<br>Email: dian.black@mof.gov.jm  | TEL: (876) 932-5441<br>FAX: (876) 932-5975<br>EMAIL: trevor.anderson@mof.gov.jm   |
| <b>Trinidad and Tobago, and Haiti</b>   |   |
| Mrs. Joanne Deoraj<br>Permanent Secretary<br>Ministry of Planning and Development<br>Level 14 Eric Williams Financial Complex<br>Independence Square<br>Port-of-Spain<br>TRINIDAD AND TOBAGO                      | Ms. Suzette Taylor Lee Chee<br>Permanent Secretary<br>Ministry of Finance<br>Level II Eric Williams Finance Building<br>Independence Square<br>Port of Spain<br>TRINIDAD AND TOBAGO |
| TEL: (868) 627-9700/612-3000 Ext. 2015<br>EMAIL: Joanne.Deoraj@planning.gov.tt  | TEL: (868) 627-9700 Ext. 5132-4<br>FAX: (868) 627-6108<br>EMAIL: leeches@gov.tt   |
| <b>ADVISER</b>  |   |
| Dr. Pierre Marie Du Mény<br>Ministry of the Economy and Finance, #5 Avenue Charles<br>Sumner Port-au-Prince,<br>HAITI   |   |
| TEL: (509) 3818-4444<br>EMAIL: pierremariedumeny@yahoo.fr   |   |



| DIRECTOR   | ALTERNATE DIRECTOR  |
|--|---|
| <b>Bahamas</b>   |   |
| <p>Mr. Marlon Johnson<br/>Financial Secretary<br/>Ministry of Finance<br/>P.O. Box N-3017<br/>Nassau<br/>BAHAMAS</p> <p>TEL: (242) 327-1530<br/>FAX: (242) 327-1618/1620<br/>EMAIL: Marlon.Johnson@bahamas.gov.bs</p>  | <p>Mr. Anthony A. Cartwright Jr.<br/>Director<br/>Int. Financial Institutions Management Unit<br/>Ministry of Finance<br/>P.O. Box CB-10980<br/>West Bay Street<br/>Nassau,<br/>BAHAMAS</p> <p>TEL: (242) 702-1549<br/>FAX: (242) 327-1618/1620<br/>EMAIL: anthonyandrewcartwright@bahamas.gov.bs</p> |
| <b>Guyana</b>  |   |
| <p>Ms. Denise Dawn DeSouza<br/>Head, Multilateral Financial Institutions Department<br/>Ministry of Finance<br/>49 Main &amp; Urquhart Streets<br/>Georgetown<br/>GUYANA</p> <p>TEL: (592) 225-4834<br/>FAX: (592) 227-1114<br/>EMAIL: ddesouza@finance.gov.gy</p>                         | <p>Ms. Donna Levi<br/>Head<br/>Bilateral Department<br/>Ministry of Finance<br/>49 Main and Urquhart Street<br/>Georgetown<br/>GUYANA</p> <p>TEL: (592) 227-2440<br/>EMAIL: dlevi@finance.gov.gy</p>  |
| <b>Barbados</b>  |   |
| <p>Mr. Ian St. C Carrington<br/>Director of Finance and Economic Affairs<br/>Ministry of Finance, Economic Affairs and Investment<br/>Government Headquarters<br/>Bay Street St. Michael<br/>BARBADOS</p> <p>TEL: (246) 535-5668<br/>FAX: (246) 535 5630<br/>EMAIL: carringtoni@gob.bb</p> | <p>Ms. Nancy Headley<br/>Permanent Secretary (Finance)<br/>Economic Affairs Division<br/>Ministry of Finance and Economic Affairs<br/>3rd Floor Warrens Office Complex<br/>Warrens<br/>St. Michael<br/>BARBADOS</p> <p>TEL: (246) 535-5336/7<br/>EMAIL: headleyn@gob.bb</p>                           |

| DIRECTOR   | ALTERNATE DIRECTOR   |
|--|--|
| <b>Dominica and Saint Lucia</b>  |  |
| <p>Ms. Denise Edwards<br/>Financial Secretary<br/>Ministry of Finance and Planning, 5th Floor,<br/>Financial Centre, Kennedy Avenue,<br/>Roseau,<br/>DOMINICA</p> <p>TEL: (767) 266-3221/448-1868<br/>FAX: (767) 448-0054<br/>EMAIL: finsecfinance@dominica.gov.dm</p>   | <p>Mr. Claudius Emmanuel<br/>Permanent Secretary<br/>Department of Economic Development, Transport<br/>and Civil Aviation, First Floor Financial Complex,<br/>Castries,<br/>SAINT LUCIA</p> <p>TEL: (758) 468-5825<br/>FAX: (758) 451-9706<br/>EMAIL: cemmanuel@gosl.gov.lc</p>                                  |
| <b>Grenada, and St. Vincent and the Grenadines</b>   |  |
| <p>Mr. Recardo Frederick<br/>Director of Economic Planning<br/>Ministry of Finance, Economic Planning, Sustainable<br/>Development and Information Technology<br/>1st Floor Administrative Centre<br/>Kingstown<br/>ST. VINCENT AND THE GRENADINES</p> <p>TEL: (784) 457-1746<br/>FAX: (784) 456-2430<br/>EMAIL: rfrederick@svgcpd.com</p> | <p>Mrs. Ophelia Wells-Cornwall<br/>Permanent Secretary (Ag.)<br/>Ministry of Finance, Planning, Economic Development<br/>and Physical Development<br/>Financial Complex<br/>The Carenage<br/>St. George's<br/>GRENADA</p> <p>TEL: (473) 440-2928<br/>FAX: (473) 440-4115<br/>EMAIL: opheliawells@hotmail.com</p> |
| <b>Belize and Anguilla, Cayman Islands, Montserrat, Turks and Caicos Islands and Virgin Islands</b>  |  |
| <p>Mrs. Yvette Alvarez<br/>Senior Advisor<br/>Government of Belize<br/>Ministry of Finance<br/>Belmopan<br/>BELIZE</p> <p>TEL: (501) 822-3866<br/>FAX: (501) 822-2886<br/>EMAIL: Yvette.Alvarez@mof.gov.bz</p>   | <p>Mr. Glenroy Forbes<br/>Director, Finance<br/>Ministry of Finance<br/>Central Administration Complex<br/>Road Town<br/>Tortola<br/>VIRGIN ISLANDS</p> <p>TEL: (284) 494-3701<br/>EMAIL: gaforbes@gov.vg</p>  |

| DIRECTOR   | ALTERNATE DIRECTOR   |
|--|--|
| <b>Antigua and Barbuda, and St. Kitts and Nevis</b>  |  |
| <p>Mrs. Hilary Hazel<br/>Financial Secretary<br/>Ministry of Finance<br/>P.O. Box 186<br/>Basseterre<br/>ST. KITTS AND NEVIS</p> <p>TEL: (869) 467- 1091<br/>FAX: (869) 465-1532<br/>EMAIL: finsec@gov.kn / sknmof@gmail.com</p> | <p>Mr. Whitfield Harris, Jr.<br/>Financial Secretary<br/>Ministry of Finance and Corporate Governance<br/>Government Office Complex<br/>Parliament Drive<br/>St. John's<br/>ANTIGUA AND BARBUDA</p> <p>TEL: (268) 462-5002<br/>FAX: (268) 462-5093<br/>EMAIL: Whitfield.Harris@ab.gov.ag</p> |

### Suriname

Mrs. Iris Sandel  
Director, Development Planning  
Ministry of Finance  
Tamarindelaan #3  
Paramaribo  
SURINAME

TEL: (597) 472610  
EMAIL: iris.sandel@finance.gov.sr, cciris@yahoo.com

### Brazil

|  |  |
|--|--|
| <p>Mr. Marcos Machado Guimaraes<br/>Director of the Department for Development Finance<br/>Ministry of Economy<br/>Esplanada dos Ministerios<br/>Block K, 8<br/>CEP 70040-906 – Brasília,DF<br/>BRAZIL</p> <p>TEL: +55 61 2020-4827<br/>EMAIL: marcos.m.guimaraes@fazenda.gov.br</p> | <p>Mr. Eduardo Rolim de Pontes Vieira<br/>General Coordinator of Relations with International Organisations<br/>Secretariat of Foreign Affairs<br/>Esplanada dos Ministerios,<br/>Bloco K<br/>CEP 70040-906 – Brasília,DF<br/>BRAZIL</p> <p>TEL: +55 61 2020-4876<br/>EMAIL: eduardo.rolim@planejamento.gov.br</p> |
|--|--|

| DIRECTOR  | ALTERNATE DIRECTOR   |
|---|--|
| <b>Colombia</b>   |  |
| <p>Ms. Gabriela Edne Cohen Daza<br/> Advisor, Sub-directorate for Financing with Multilateral Organizations and Governments<br/> Ministry of Finance and Public Credit<br/> Carrera 8 #6-64<br/> Santafe de Bototá<br/> COLOMBIA</p> <p>TEL: (091) 2971310<br/> EMAIL: gabriela.cohen@minhacienda.gov.co</p>  | <p>Ms. Dora Lucía Solano<br/> Advisor, Sub-directorate for Financing with Multilateral Organizations and Governments<br/> Ministry of Finance and Public Credit<br/> Carrera 8 #6-64<br/> Santafe de Bototá<br/> COLOMBIA</p> <p>EMAIL: dora.solano@minhacienda.gov.co</p>             |
| <b>Venezuela</b>  |  |
| <p>Mr. Augustin Enrique Leon Navas<br/> Executive Manager of International Cooperation and Financing<br/> Venezuelan Economic and Social Development Bank (BANDES)<br/> Avenida Universidad<br/> Traposos a Colon<br/> Torre Bandes,<br/> Caracas 1010<br/> VENEZUELA</p> <p>TEL: +58 424 273-2716/212-505-8779<br/> EMAIL: aleon@bandes.gob.ve</p> | <p>Mrs. Mariangelina Urbina<br/> Executive Manager<br/> Venezuelan Economic and Social Development Bank (BANDES)<br/> Avenida Universidad<br/> Traposos a Colon<br/> Torre Bandes,<br/> Caracas 1010<br/> VENEZUELA</p> <p>TEL: +58 212 505-8725<br/> EMAIL: murbina@bandes.gob.ve</p> |

| DIRECTOR  | ALTERNATE DIRECTOR   |
|---|--|
| <b>Mexico</b>   |  |
| <p>Mr. José De Luna Martínez<br/> Head of Public Credit Unit<br/> Ministry of Finance and Public Credit<br/> Insurgentes Sur 1971<br/> Torre III, Piso 7<br/> Col. Guadalupe Inn<br/> C. P. 01020<br/> Ciudad de México<br/> MEXICO</p> <p>EMAIL: jose_deluna@hacienda.gob.mx</p> | <p>Ms. Brenda Guadalupe Ciuk Cano.<br/> General Director of the International Financial Institutions<br/> Ministry of Finance and Public Credit<br/> Insurgentes Sur 1971<br/> Torre III, Piso 3<br/> Col. Guadalupe Inn<br/> C. P. 01020<br/> Ciudad de México<br/> MEXICO</p> <p>TEL: +52 553 688-2610<br/> EMAIL: brenda_ciuk@hacienda.gob.mx</p> |
| <b>Canada</b>   |  |
| <p>Ms. Patricia McCullagh<br/> Executive Director Haiti Division<br/> Canadian Director to the Caribbean Development Bank<br/> Global Affairs Canada</p> <p>TEL: (613) 371-3244<br/> Email: Patricia.McCullagh@international.gc.ca</p>  | <p>Mr. Matthew Straub<br/> First Secretary (Development)<br/> High Commission of Canada<br/> Bishop's Court Hill<br/> P.O. Box 404<br/> Bridgetown<br/> BARBADOS</p> <p>TEL: (246) 629-3586<br/> FAX: (246) 629-3623<br/> Email: matthew.straub@international.gc.ca</p>  |

| DIRECTOR  | ALTERNATE DIRECTOR  |
|---|---|
| <b>United Kingdom</b>   |   |
| <p>Mr. Stefan Kossoff<br/>Head<br/>Department for International Development – Caribbean<br/>British High Commission<br/>Lower Collymore Rock<br/>P.O. Box 167<br/>Bridgetown<br/>BARBADOS</p> <p>TEL: (246) 430-7901<br/>FAX: (246) 430-7959<br/>EMAIL: S-Kossoff@dfid.gov.uk</p>         | <p>Mr. Ian Mills<br/>Deputy Head, Growth Team Leader<br/>Department for International Development Caribbean<br/>British High Commission<br/>Lower Collymore Rock<br/>P.O. Box 167<br/>Bridgetown<br/>BARBADOS</p> <p>TEL: (246) 430-7981<br/>FAX: (246) 430-7959<br/>EMAIL: i-mills@dfid.gov.uk</p> |
| <b>Italy</b>  |   |
| <p>Ms. Stefania Bazzoni<br/>Senior Advisor to Executive Director<br/>Office of the Executive Director, EDS21<br/>Italy,<br/>The World Bank<br/>1818 H Street, NW<br/>Washington, D.C. 20433<br/>UNITED STATES OF AMERICA</p> <p>TEL: (202) 458 1794<br/>EMAIL: sbazzoni@worldbank.org</p> | <p>Ms. Ludovica Soderini<br/>Senior Advisor<br/>Office of the Executive Director, EDS21<br/>Italy,<br/>The World Bank<br/>1818 H Street, NW<br/>Washington, D.C. 20433<br/>UNITED STATES OF AMERICA</p> <p>TEL: (202) 473-8998<br/>EMAIL: lsoderini@worldbank.org</p>                               |



| DIRECTOR   | ALTERNATE DIRECTOR   |
|--|--|
| <b>Germany</b>   |  |
| <p>Mr. Christian Thiel<br/>CDB's Director for Germany<br/>Office of the Director<br/>c/o World Bank<br/>1818 H Street NW<br/>Washington DC 20433<br/>UNITED STATES OF AMERICA</p> <p>TEL: (202) 458-1182<br/>FAX: (202) 522-0222<br/>EMAIL: cthiel@worldbank.org</p>               | <p>Mrs. Louisa Frey<br/>Senior Policy Officer, Division of Regional<br/>Development Banks and IFAD<br/>Federal Ministry for Economic Cooperation<br/>and Development<br/>Stresemannstraße 94 10963 Berlin<br/>GERMANY</p> <p>EMAIL: Louisa.Frey@bmz.bund.de</p>  |
| <b>People's Republic of China</b>  |  |
| <p>Ms. Zhu Jun<br/>Director-General<br/>International Department<br/>The People's Bank of China<br/>32 Cheng Fang Street<br/>West District<br/>Beijing 100800<br/>PEOPLE'S REPUBLIC OF CHINA</p> <p>TEL: +86 10 6619-4266<br/>FAX: +86 10 6601-6725<br/>EMAIL: zjun@pbc.gov.cn</p> | <p>Mr. Zhou Ye<br/>Chief Representative of the Liaison Office<br/>of the People's Bank of China and<br/>CDB's Alternate Director for China<br/>Embassy of the People's Republic of China<br/>25 Foursquare<br/>Rockley Golf &amp; Country Club<br/>Golf Club Road<br/>Christ Church<br/>BARBADOS</p> <p>TEL: (246) 435-9702<br/>FAX: (246) 435-9702<br/>EMAIL: zhouye@pbc.gov.cn</p> |

## PRINCIPAL OFFICERS OF THE BANK AS AT DECEMBER 31, 2020

### Office of the President

#### President

|  |   |
|--|---|
| Chief Risk Officer                                       | W <sup>m</sup> Warren Smith, Ph.D., CD* |
| Chief Transformation Officer                             | Mr. Malcolm Buamah**                    |
| Deputy Director, Internal Audit Division                 | Mr. Phillip Brown**                     |
| Head, Office of Integrity, Compliance and Accountability | Mr. Denis Bergevin                      |
| Head of Evaluation, Office of Independent Evaluation     | Dr. Toussant Boyce                      |
| Head, Corporate Communications                           | Mr. James Melanson                      |
|  | Miss Camille Taylor                     |

### Corporate Services

#### Vice-President (Corporate Services) and Bank Secretary

|  |                                  |
|--|----------------------------------|
| Director, Finance and Information Technology Solutions | Mrs. Yvette Lemonias Seale**     |
| Deputy Director, Finance                               | Mr. Earl Estrado (Ag.)**         |
| Chief Information Officer                              | Mrs. Faye Hardy (Ag.)            |
| Director, Human Resources and Administration           | Mr. Julio Cesar Goncalves Lima   |
| General Counsel  | Mrs. Katrina Sam-Prescod (Ag.)** |
| Deputy General Counsel                                 | Mrs. S. Nicole Jordan (Ag.)**    |
|  | Mr. Dave Waithe (Ag.)            |

### Operations

#### Vice-President (Operations)

|   |                                   |
|---|-----------------------------------|
| Director, Economics                           | Mrs. Diana Wilson Patrick (Ag.)** |
| Deputy Director, Economics                    | Mr. Ian Durant (Ag.)**            |
| Director, Projects                            | Mrs. Christine Dawson (Ag.)       |
| Division Chief, Social Sector                 | Mr. Daniel Best**                 |
| Head of Procurement, Procurement Policy       | Ms. Deidre Clarendon              |
| Division Chief, Economic Infrastructure       | Mr. Douglas Fraser                |
| Division Chief, Technical Cooperation         | Mr. L. O'Reilly Lewis             |
| Head, Infrastructure Partnerships             | Dr. Darran Newman (Ag.)           |
| Head, Renewable Energy/Energy Efficiency Unit | Mr. Andrew Dupigny                |
| Deputy Director, Corporate Strategy           | Mr. Joseph Williams (Ag.)         |
|   | Ms. Ann-Marie Warner (Ag.)        |

\*Chairman, Advisory Management Team

\*\*Member, Advisory Management Team

# APPENDIX I-A

## DISTRIBUTION OF LOANS, SECONDARY MORTGAGE, EQUITY AND GRANTS APPROVED (NET) BY COUNTRY AND BY FUND - 2020 (\$'000)

| Country                        | Ordinary Capital Resources | Special Development Fund | Other Special Fund | Total          | Percentage of Total |
|--------------------------------|----------------------------|--------------------------|--------------------|----------------|---------------------|
| Antigua and Barbuda            | -                          | 13,000                   | 616                | 13,616         | 2.6%                |
| Bahamas                        | 40,000                     | -                        | 750                | 40,750         | 7.8%                |
| Barbados                       | (31,468)                   | 150                      | -                  | (31,318)       | -6.0%               |
| Belize                         | 16,691                     | 28,564                   | 19,706             | 64,961         | 12.5%               |
| Dominica                       | 7,000                      | 15,677                   | 1,701              | 24,378         | 4.7%                |
| Grenada                        | 7,590                      | 14,900                   | 1,555              | 24,045         | 4.6%                |
| Guyana                         | 101,466                    | 20,509                   | 66,025             | 188,000        | 36.1%               |
| Haiti                          | -                          | 11,811                   | -                  | 11,811         | 2.3%                |
| Jamaica                        | -                          | 30,069                   | 4,555              | 34,624         | 6.7%                |
| St. Kitts and Nevis            | -                          | -                        | (235)              | (235)          | 0.0%                |
| St. Lucia                      | 34,523                     | 21,959                   | 38,120             | 94,602         | 18.2%               |
| Montserrat                     | -                          | (321)                    | -                  | (321)          | -0.1%               |
| Suriname                       | -                          | 8,200                    | -                  | 8,200          | 1.6%                |
| Trinidad and Tobago            | -                          | -                        | 248                | 248            | 0.0%                |
| St. Vincent and the Grenadines | 12,002                     | 20,212                   | 4,578              | 36,792         | 7.1%                |
| Virgin Islands                 | -                          | -                        | 250                | 250            | 0.0%                |
| Regional                       | (2,201)                    | 6,909                    | 5,129              | 9,837          | 1.9%                |
| <b>Total</b>                   | <b>185,603</b>             | <b>191,639</b>           | <b>142,998</b>     | <b>520,240</b> |                     |

|                            |             |             |             |  |              |
|----------------------------|-------------|-------------|-------------|--|--------------|
| <b>Percentage of Total</b> | <b>35.7</b> | <b>36.8</b> | <b>27.5</b> |  | <b>100.0</b> |
|----------------------------|-------------|-------------|-------------|--|--------------|

|          |         |         |        |         |       |
|----------|---------|---------|--------|---------|-------|
| LDCs     | 77,806  | 134,002 | 66,291 | 278,099 | 53.5% |
| MDCs     | 109,998 | 50,728  | 71,578 | 232,304 | 44.7% |
| Regional | (2,201) | 6,909   | 5,129  | 9,837   | 1.9%  |

## APPENDIX I-B

### DISTRIBUTION OF LOANS, SECONDARY MORTGAGE, EQUITY AND GRANTS APPROVED (NET) BY SECTOR AND BY FUND - 2020 (\$'000)

| Sector  | Ordinary Capital Resources | Special Development Fund | Other Special Funds | Total          |
|---|----------------------------|--------------------------|---------------------|----------------|
| <b>Total All Sectors</b>  | <b>185,603</b>             | <b>191,639</b>           | <b>142,998</b>      | <b>520,240</b> |
| <b>Agriculture and Rural Development</b>                        | -                          | <b>10,190</b>            | -                   | <b>10,190</b>  |
| Agriculture (excluding Crop Farming)                            | -                          | 580                      | -                   | 580            |
| Irrigation, Drainage and Land Reclamation                       | -                          | 1,013                    | -                   | 1,013          |
| Feeder Roads and Bridges  | -                          | 8,597                    | -                   | 8,597          |
| <b>Manufacturing and Industry</b>                               | -                          | <b>(5)</b>               | -                   | <b>(5)</b>     |
| Micro and Small-Scale Enterprises                               | -                          | (5)                      | -                   | (5)            |
| <b>Tourism</b>  | -                          | <b>125</b>               | -                   | <b>125</b>     |
| Tourism   | -                          | 125                      | -                   | 125            |
| <b>Transportation and Communication</b>                         | <b>126,102</b>             | <b>25,575</b>            | <b>121,325</b>      | <b>273,002</b> |
| Transport Policy and Administrative Management                  | -                          | 1,573                    | 516                 | 2,089          |
| Road Transport  | 126,102                    | 24,002                   | 120,809             | 270,913        |
| <b>Power, Energy, Water and Sanitation</b>                      | <b>12,831</b>              | <b>30,721</b>            | <b>6,250</b>        | <b>49,802</b>  |
| Power and Energy  | 5,453                      | 748                      | 4,535               | 10,736         |
| Electric Power  | -                          | (321)                    | -                   | (321)          |
| Water and Sanitation  | 7,378                      | 30,294                   | 1,715               | 39,387         |
| <b>Social Infrastructure and Services</b>                       | <b>11,938</b>              | <b>31,003</b>            | <b>3,014</b>        | <b>45,955</b>  |
| Education - General   | 14,139                     | 26,249                   | -                   | 40,388         |
| Education - Post Secondary                                      | (2,201)                    | -                        | -                   | (2,201)        |
| Other Social Infrastructure and Services                        | -                          | 4,754                    | 3,014               | 7,768          |
| <b>Environmental Sustainability and Disaster Risk Reduction</b> | -                          | <b>3,123</b>             | -                   | <b>3,123</b>   |
| Environmental Sustainability                                    | -                          | 123                      | -                   | 123            |
| Disaster Prevention and Preparedness                            | -                          | 3,000                    | -                   | 3,000          |
| <b>Financial, Business and Other Services</b>                   | -                          | <b>176</b>               | -                   | <b>176</b>     |
| Financial Policy and Administrative Management                  | -                          | 176                      | -                   | 176            |
| <b>Multi-Sector and Other</b>                                   | <b>34,732</b>              | <b>90,731</b>            | <b>12,409</b>       | <b>137,872</b> |
| Government and Civil Society                                    | -                          | (88)                     | 750                 | 662            |
| Policy-Based Loans/Structural Adjustment Programme              | 66,200                     | 90,400                   | -                   | 156,600        |
| Regional/Multilateral Trade Agreements                          | -                          | 419                      | 1,213               | 1,632          |
| Other   | (31,468)                   | -                        | 10,446              | (21,022)       |

# APPENDIX I-C

## DISTRIBUTION OF LOANS, SECONDARY MORTGAGE, EQUITY AND GRANTS APPROVED (NET) BY COUNTRY AND BY SECTOR - (\$'000)

| Country                        | Agriculture and Rural Development | Manufacturing and Industry | Tourism    | Transportation and Communication | Power, Energy, Water and Sanitation | Social Infrastructure and Services | Environmental Sustainability and Disaster Risk Reduction | Financial, Business and Other Services | Multi-Sector and Other | Total          |
|--------------------------------|-----------------------------------|----------------------------|------------|----------------------------------|-------------------------------------|------------------------------------|--|--|------------------------|----------------|
| Antigua and Barbuda            | -                                 | -                          | -          | (305)                            | -                                   | -                                  | -  | -                                      | 13,921                 | 13,616         |
| Barbados                       | -                                 | -                          | -          | -                                | -                                   | -                                  | -  | -                                      | 40,750                 | 40,750         |
| Bahamas                        | -                                 | -                          | -          | -                                | -                                   | 150                                | -  | -                                      | (31,468)               | (31,318)       |
| Belize                         | 1,063                             | -                          | -          | 48,607                           | -                                   | (472)                              | -  | -                                      | 15,763                 | 64,961         |
| Dominica                       | -                                 | -                          | -          | 516                              | -                                   | 140                                | -  | -                                      | 23,722                 | 24,378         |
| Grenada                        | -                                 | -                          | -          | -                                | 305                                 | 16,590                             | -  | -                                      | 7,150                  | 24,045         |
| Guyana                         | -                                 | -                          | -          | 178,220                          | -                                   | 9,780                              | -  | -                                      | -                      | 188,000        |
| Haiti                          | 7,500                             | -                          | -          | -                                | 748                                 | 563                                | 3,000  | -                                      | -                      | 11,811         |
| Jamaica                        | -                                 | -                          | -          | -                                | 30,965                              | 69                                 | -  | -                                      | 3,590                  | 34,624         |
| St. Kitts and Nevis            | -                                 | -                          | -          | -                                | (235)                               | -                                  | -  | -                                      | -                      | (235)          |
| Saint Lucia                    | 165                               | -                          | -          | 44,091                           | 7,672                               | -                                  | -  | -                                      | 42,674                 | 94,602         |
| Montserrat                     | -                                 | -                          | -          | -                                | (321)                               | -                                  | -  | -                                      | -                      | (321)          |
| Suriname                       | -                                 | -                          | -          | -                                | -                                   | -                                  | -  | -                                      | 8,200                  | 8,200          |
| Trinidad and Tobago            | -                                 | -                          | -          | -                                | -                                   | -                                  | -  | -                                      | 248                    | 248            |
| St. Vincent and the Grenadines | -                                 | -                          | -          | 1,573                            | 9,268                               | 13,888                             | -  | -                                      | 12,063                 | 36,792         |
|                                | -                                 | -                          | -          | -                                | 250                                 | -                                  | -  | -                                      | -                      | 250            |
| Regional                       | 1,462                             | (5)                        | 125        | 300                              | 1,150                               | 5,247                              | 123  | 176                                    | 1,259                  | 9,837          |
| <b>Total</b>                   | <b>10,190</b>                     | <b>(5)</b>                 | <b>125</b> | <b>273,002</b>                   | <b>49,802</b>                       | <b>45,955</b>                      | <b>3,123</b>   | <b>176</b>                             | <b>137,872</b>         | <b>520,240</b> |

## APPENDIX I-D

### DISTRIBUTION OF LOANS APPROVED (NET) BY COUNTRY AND BY FUND - 2020 (\$'000)

| Country                        | Ordinary Capital Resources | Special Development Fund | Other Special Funds | Total          | Percentage of Total |
|--------------------------------|----------------------------|--------------------------|---------------------|----------------|---------------------|
| Antigua and Barbuda            | -                          | 13,000                   | -                   | 13,000         | 3.6%                |
| Barbados                       | (31,468)                   | -                        | -                   | (31,468)       | -8.8%               |
| Bahamas                        | 40,000                     | -                        | -                   | 40,000         | 11.2%               |
| Belize                         | 16,691                     | 28,414                   | -                   | 45,105         | 12.6%               |
| Dominica                       | 7,000                      | 15,500                   | -                   | 22,500         | 6.3%                |
| Grenada                        | 7,590                      | 14,900                   | -                   | 22,490         | 6.3%                |
| Guyana                         | 101,466                    | 20,709                   | -                   | 122,175        | 34.2%               |
| Jamaica                        | -                          | 30,000                   | -                   | 30,000         | 8.4%                |
| Saint Lucia                    | 34,523                     | 21,794                   | -                   | 56,317         | 15.7%               |
| Montserrat                     | -                          | (321)                    | -                   | (321)          | -0.1%               |
| Suriname                       | -                          | 8,200                    | -                   | 8,200          | 2.3%                |
| St. Vincent and the Grenadines | 12,002                     | 19,873                   | -                   | 31,875         | 8.9%                |
| Regional                       | (2,201)                    | -                        | -                   | (2,201)        | -0.6%               |
| <b>Total</b>                   | <b>185,603</b>             | <b>172,069</b>           | <b>-</b>            | <b>357,672</b> |                     |

|                            |             |             |            |  |              |
|----------------------------|-------------|-------------|------------|--|--------------|
| <b>Percentage of Total</b> | <b>51.9</b> | <b>48.1</b> | <b>0.0</b> |  | <b>100.0</b> |
|----------------------------|-------------|-------------|------------|--|--------------|

|          |         |         |   |         |       |
|----------|---------|---------|---|---------|-------|
| LDCs     | 77,806  | 121,360 | 0 | 199,166 | 55.7% |
| MDCs     | 109,998 | 50,709  | 0 | 160,707 | 44.9% |
| Regional | -2,201  | 0       | 0 | -2,201  | -0.6% |



## APPENDIX I-E

### DISTRIBUTION OF LOANS APPROVED (NET) BY SECTOR AND BY FUND - 2020 (\$'000)

| Sector   | Ordinary Capital Resources | Special Development Fund | Other Special Funds | Total          |
|--|----------------------------|--------------------------|---------------------|----------------|
| <b>Total All Sectors</b>                           | <b>185,603</b>             | <b>172,069</b>           | <b>-</b>            | <b>357,672</b> |
| <b>Agriculture and Rural Development</b>           | <b>-</b>                   | <b>1,013</b>             | <b>-</b>            | <b>1,013</b>   |
| Irrigation, Drainage and Land Reclamation          | -                          | 1,013                    | -                   | 1,013          |
| <b>Transportation and Communication</b>            | <b>126,102</b>             | <b>25,375</b>            | <b>-</b>            | <b>151,477</b> |
| Transport Policy and Administrative Management     | -                          | 1,573                    | -                   | 1,573          |
| Road Transport                                     | 126,102                    | 23,802                   | -                   | 149,904        |
| <b>Power, Energy, Water and Sanitation</b>         | <b>12,831</b>              | <b>29,973</b>            | <b>-</b>            | <b>42,804</b>  |
| Power and Energy                                   | 5,453                      | -                        | -                   | 5,453          |
| Electric Power                                     | -                          | (321)                    | -                   | (321)          |
| Water and Sanitation                               | 7,378                      | 30,294                   | -                   | 37,672         |
| <b>Social Infrastructure and Services</b>          | <b>11,938</b>              | <b>25,308</b>            | <b>-</b>            | <b>37,246</b>  |
| Education - General                                | 14,139                     | 25,308                   | -                   | 39,447         |
| Education - Post Secondary                         | (2,201)                    | -                        | -                   | (2,201)        |
| <b>Multi-Sector and Other</b>                      | <b>34,732</b>              | <b>90,400</b>            | <b>-</b>            | <b>125,132</b> |
| Policy-Based Loans/Structural Adjustment Programme | 66,200                     | 90,400                   | -                   | 156,600        |
| Other  | (31,468)                   | -                        | -                   | (31,468)       |

# APPENDIX I-F

## LOAN APPROVALS - 2020 (\$'000)

| Country                        | No. of Loan Projects | CDB            | Public         | Private  | Unknown  |
|--------------------------------|----------------------|----------------|----------------|----------|----------|
| Antigua and Barbuda            | 1                    | 13,000         | 13,000         | -        | -        |
| Bahamas                        | 1                    | 40,000         | 40,000         | -        | -        |
| Belize                         | 3                    | 50,313         | 50,313         | -        | -        |
| Dominica                       | 3                    | 22,500         | 22,500         | -        | -        |
| Grenada                        | 2                    | 22,490         | 22,490         | -        | -        |
| Guyana                         | 2                    | 122,212        | 122,212        | -        | -        |
| Jamaica                        | 1                    | 30,000         | 30,000         | -        | -        |
| St. Lucia                      | 5                    | 56,317         | 56,317         | -        | -        |
| St. Vincent and the Grenadines | 6                    | 31,875         | 31,875         | -        | -        |
| Suriname                       | 1                    | 8,200          | 8,200          | -        | -        |
| <b>Total</b>                   | <b>25</b>            | <b>396,907</b> | <b>396,907</b> | <b>-</b> | <b>-</b> |

|             |           |                |                |          |          |
|-------------|-----------|----------------|----------------|----------|----------|
| <b>LDCs</b> | <b>15</b> | <b>204,695</b> | <b>204,695</b> | <b>-</b> | <b>-</b> |
| <b>MDCs</b> | <b>4</b>  | <b>192,212</b> | <b>192,212</b> | <b>-</b> | <b>-</b> |
|             |           |                |                |          |          |

# APPENDIX I-G

## GROSS LOANS APPROVALS BY PROJECT AND LOAN EQUIVALENT - 2020 (\$'000)

|    | Project Name   | Country             | OCR     |                 | SDF    |                 | OSF    |                 | Total   |
|----|--|---------------------|---------|-----------------|--------|-----------------|--------|-----------------|---------|
|    |  |                     | Amount  | Loan Equivalent | Amount | Loan Equivalent | Amount | Loan Equivalent |         |
| 1  | Coronavirus Disease 2019 Emergency Response Support Loan   | Antigua and Barbuda | -       | -               | 13,000 | 1.00            | -      | -               | 13,000  |
| 2  | Second Programmatic Fiscal Stability and Resilience Building Policy-Based Loan With Supplementary Financing for the Coronavirus Disease 2019 | Bahamas             | 40,000  | 1.00            | -      | -               | -      | -               | 40,000  |
| 3  | Coronavirus Disease 2019 Emergency Response Support Loan   | Belize              | -       | -               | 15,000 | 1.00            | -      | -               | 15,000  |
| 4  | Enhancing Sugarcane Farmers Resilience To Natural Hazard Events  | Belize              | -       | -               | 1,013  | 1.00            | -      | -               | 1,013   |
| 5  | Philip Goldson Highway and Remate Bypass Upgrading Project   | Belize              | 21,300  | 0.62            | 13,000 | 0.38            | -      | -               | 34,300  |
| 6  | Coronavirus Disease 2019 Emergency Response Support Loan   | Dominica            | -       | -               | 2,500  | 1.00            | -      | -               | 2,500   |
| 7  | Strengthening Resilience and Recovery Crisis Response Policy-Based Loan  | Dominica            | -       | -               | 13,000 | 1.00            | -      | -               | 13,000  |
| 8  | Strengthening Resilience And Recovery Crisis Response Policy-Based Loan  | Dominica            | 7,000   | 1.00            | -      | -               | -      | -               | 7,000   |
| 9  | Coronavirus Disease 2019 Emergency Response Support Loan   | Grenada             | -       | -               | 5,900  | 1.00            | -      | -               | 5,900   |
| 10 | Grenada Education Enhancement Project - Phase II   | Grenada             | 7,590   | 0.46            | 9,000  | 0.54            | -      | -               | 16,590  |
| 11 | Hospitality and Tourism Training Institute Project   | Guyana              | -       | -               | 9,780  | 1.00            | -      | -               | 9,780   |
| 12 | Linden To Mabura Hill Road Upgrade   | Guyana              | 101,466 | 0.90            | 10,966 | 0.10            | -      | -               | 112,432 |
| 13 | Rural Water Supply Programme   | Jamaica             | -       | -               | 30,000 | 1.00            | -      | -               | 30,000  |
| 14 | Coronavirus Disease 2019 Crisis Response Policy-Based Loan   | St. Lucia           | 19,200  | 0.64            | 10,800 | 0.36            | -      | -               | 30,000  |
| 15 | Coronavirus Disease 2019 Emergency Response Support Loan   | St. Lucia           | -       | -               | 10,700 | 1.00            | -      | -               | 10,700  |

## APPENDIX I-G continued

### GROSS LOANS APPROVALS BY PROJECT AND LOAN EQUIVALENT - 2020 (\$'000)

|              |  |                                | OCR            |                 | SDF            |                 | OSF      |                 |                |
|--------------|--|--------------------------------|----------------|-----------------|----------------|-----------------|----------|-----------------|----------------|
|              | Project Name   | Country                        | Amount         | Loan Equivalent | Amount         | Loan Equivalent | Amount   | Loan Equivalent | Total          |
| 16           | Millennium Highway And West Coast Road Reconstruction  | St. Lucia                      | 7,945          | 1.00            | -              | -               | -        | -               | 7,945          |
| 17           | Sixth Water - Vieux Fort Water Supply Redevelopment - additional Loan  | St. Lucia                      | 7,378          | 1.00            | -              | -               | -        | -               | 7,378          |
| 18           | Taln - Closure Plan for Vieux Fort Landfill- St. Lucia   | St. Lucia                      | -              | -               | 294            | 1.00            | -        | -               | 294            |
| 19           | Coronavirus Disease 2019 Emergency Response Support Loan   | St. Vincent and the Grenadines | -              | -               | 11,300         | 1.00            | -        | -               | 11,300         |
| 20           | Coronavirus Disease 2019 Emergency Response Support Loan   | St. Vincent and the Grenadines | 6,549          | 1.00            | -              | -               | -        | -               | 6,549          |
| 21           | School Improvement Project - Phase 1   | St. Vincent and the Grenadines | -              | -               | 7,000          | 1.00            | -        | -               | 7,000          |
| 22           | School Improvement Project - Phase 1   | St. Vincent and the Grenadines | 3,415          | 1.00            | -              | -               | -        | -               | 3,415          |
| 23           | St. Vincent Electricity Services Ltd. Utility Battery Storage and Grid-Connected Solar Photovoltaic Project    | St. Vincent and the Grenadines | 2,038          | 1.00            | -              | -               | -        | -               | 2,038          |
| 24           | St. Vincent Electricity Services Ltd. Utility Battery Storage and Grid-Connected Solar Photovoltaic Project    | St. Vincent and the Grenadines | -              | -               | 1,573          | 1.00            | -        | -               | 1,573          |
| 25           | Taln - Project Management Support for the Ministry of Transport, Works, Urban Development and Local Government | Suriname                       | -              | -               | 8,200          | 1.00            | -        | -               | 8,200          |
| <b>Total</b> |  |                                | <b>223,881</b> |                 | <b>173,026</b> |                 | <b>-</b> |                 | <b>396,907</b> |

|      |         |      |         |      |   |   |         |
|------|---------|------|---------|------|---|---|---------|
| LDCs | 82,415  | 0.40 | 122,280 | 0.60 | - | - | 204,695 |
| MDCs | 141,466 | 0.74 | 50,746  | 0.26 | - | - | 192,212 |

|      |      |      |   |      |
|------|------|------|---|------|
| LDCs | 0.37 | 0.71 | - | 0.52 |
| MDCs | 0.63 | 0.29 | - | 0.48 |

|              |             |  |             |  |
|--------------|-------------|--|-------------|--|
| <b>Total</b> | <b>0.56</b> |  | <b>0.44</b> |  |
|--------------|-------------|--|-------------|--|

## APPENDIX II-A

### SUMMARY OF TOTAL FINANCING APPROVED (NET) (1970 - 2020) LOANS, CONTINGENT LOANS, EQUITIES AND GRANTS (\$'000)

| Financing Type   | 1970-2019        | 2020           | Total            |
|------------------|------------------|----------------|------------------|
| Loans            | 5,186,464        | 357,672        | 5,544,136        |
| Contingent Loans | 5,204            | -              | 5,204            |
| Equity           | 43,193           | -              | 43,193           |
| Grants           | 683,440          | 37,542         | 720,982          |
| Other            | 248,559          | 125,026        | 373,585          |
| <b>Total</b>     | <b>6,166,860</b> | <b>520,240</b> | <b>6,687,100</b> |

## APPENDIX II-B

### SUMMARY OF TOTAL FINANCING APPROVED (NET) BY SECTOR (1970 - 2020) LOANS, CONTINGENT LOANS, EQUITIES AND GRANTS (\$'000)

| Sector   | 1970-2019        | 2020           | Total            |
|--|------------------|----------------|------------------|
| Agriculture and Rural Development                        | 453,542          | 10,190         | 463,732          |
| Environmental Sustainability and Disaster Risk Reduction | 602,235          | 3,123          | 605,358          |
| Financial, Business and Other Services                   | 172,705          | 176            | 172,881          |
| Manufacturing and Industry                               | 344,204          | (5)            | 344,199          |
| Mining and Quarrying                                     | 36,143           | -              | 36,143           |
| Multi-Sector and Other                                   | 1,157,476        | 137,872        | 1,295,348        |
| Power, Energy, Water and Sanitation                      | 720,924          | 49,802         | 770,726          |
| Social Infrastructure and Services                       | 1,258,302        | 45,955         | 1,304,257        |
| Tourism  | 102,636          | 125            | 102,761          |
| Transportation and Communication                         | 1,325,586        | 273,002        | 1,598,588        |
| <b>Total</b>   | <b>6,173,753</b> | <b>520,240</b> | <b>6,693,993</b> |



## APPENDIX II-C

### DISTRIBUTION OF LOANS, CONTINGENT LOANS, EQUITY AND GRANTS APPROVED (NET) BY SECTOR AND BY FUND (1970 - 2020) (\$'000)

| Sector   | Ordinary Capital Resources | Special Development Fund | Other Special Funds | Total            |
|--|----------------------------|--------------------------|---------------------|------------------|
| <b>Total All Sectors</b>                       | <b>3,717,809</b>           | <b>2,057,876</b>         | <b>911,015</b>      | <b>6,687,100</b> |
| <b>Agriculture and Rural Development</b>       | <b>188,424</b>             | <b>165,003</b>           | <b>110,305</b>      | <b>463,732</b>   |
| Agriculture (excluding Crop Farming)           | 127,840                    | 38,504                   | 20,778              | 187,122          |
| Crop Farming                                   | 3,725                      | 6,215                    | 2,919               | 12,859           |
| Export Crops                                   | 39,223                     | 23,389                   | 4,732               | 67,344           |
| Mixed Farming                                  | 207                        | 279                      | 3,070               | 3,556            |
| Irrigation, Drainage and Land Reclamation      | 10,948                     | 7,967                    | 565                 | 19,480           |
| Fishing  | -                          | 2,478                    | 872                 | 3,350            |
| Land Settlement and Rural Development          | 3,947                      | 36,889                   | 684                 | 41,520           |
| Feeder Roads and Bridges                       | 2,534                      | 49,282                   | 76,685              | 128,501          |
| <b>Mining and Quarrying</b>                    | <b>31,409</b>              | <b>3,875</b>             | <b>859</b>          | <b>36,143</b>    |
| Fossil Fuels                                   | 30,862                     | 926                      | 853                 | 32,641           |
| Metal Ores                                     | 547                        | 190                      | -                   | 737              |
| Non-Metallic Minerals                          | -                          | 2,759                    | 6                   | 2,765            |
| <b>Manufacturing and Industry</b>              | <b>185,140</b>             | <b>93,794</b>            | <b>65,265</b>       | <b>344,199</b>   |
| Industrial Development                         | 178,828                    | 61,914                   | 27,614              | 268,356          |
| Micro and Small Scale Enterprises              | -                          | 22,328                   | 1,992               | 24,320           |
| Agro-Industries                                | (175)                      | 6,674                    | 34,714              | 41,213           |
| Textile, Wearing Apparel and Leather Goods     | -                          | 297                      | 311                 | 608              |
| Forest Industries                              | 3,502                      | 348                      | -                   | 3,850            |
| Chemicals and Chemical Products                | -                          | 13                       | 541                 | 554              |
| Non-Metallic Mineral Products                  | 2,985                      | 73                       | -                   | 3,058            |
| Construction                                   | -                          | 2,147                    | 93                  | 2,240            |
| <b>Tourism</b>                                 | <b>78,611</b>              | <b>13,063</b>            | <b>11,087</b>       | <b>102,761</b>   |
| Tourism  | 78,611                     | 13,063                   | 11,087              | 102,761          |
| <b>Transportation and Communication</b>        | <b>1,013,575</b>           | <b>267,483</b>           | <b>317,530</b>      | <b>1,598,588</b> |
| Transport Policy and Administrative Management | 39,204                     | 21,327                   | 4,210               | 64,741           |
| Road Transport                                 | 557,227                    | 166,294                  | 207,617             | 931,138          |
| Water Transport                                | 142,948                    | 51,544                   | 71,814              | 266,306          |
| Air Transport                                  | 265,946                    | 27,665                   | 33,636              | 327,247          |
| Communication                                  | 8,250                      | 518                      | 106                 | 8,874            |
| Storage  | -                          | 135                      | 147                 | 282              |

## APPENDIX II-C continued

DISTRIBUTION OF LOANS, CONTINGENT LOANS, EQUITY AND GRANTS  
APPROVED (NET) BY SECTOR AND BY FUND (1970 - 2020) (\$'000)

| Sector  | Ordinary Capital Resources | Special Development Fund | Other Special Funds | Total            |
|---|----------------------------|--------------------------|---------------------|------------------|
| <b>Power, Energy, Water and Sanitation</b>                      | <b>515,383</b>             | <b>177,476</b>           | <b>77,867</b>       | <b>770,726</b>   |
| Power and Energy  | 256,142                    | 18,625                   | 41,849              | 316,616          |
| Electric Power  | 66,755                     | 32,489                   | 1,860               | 101,104          |
| Alternative Energy  | 8,250                      | -                        | 1,791               | 10,041           |
| Water and Sanitation  | 184,236                    | 126,362                  | 32,367              | 342,965          |
| <b>Social Infrastructure and Services</b>                       | <b>467,888</b>             | <b>657,567</b>           | <b>178,802</b>      | <b>1,304,257</b> |
| Education - General   | 144,412                    | 139,811                  | 32,462              | 316,685          |
| Education - Basic   | 8,253                      | 60,690                   | 13,173              | 82,116           |
| Education - Secondary/Vocational                                | 36,332                     | 48,075                   | 6,051               | 90,458           |
| Education - Post Secondary                                      | 159,467                    | 107,628                  | 2,570               | 269,665          |
| Health  | 4,091                      | 2,467                    | 2,151               | 8,709            |
| Housing   | 74,658                     | 36,959                   | 23,049              | 134,666          |
| Other Social Infrastructure and Services                        | 40,675                     | 261,937                  | 99,346              | 401,958          |
| <b>Environmental Sustainability and Disaster Risk Reduction</b> | <b>254,822</b>             | <b>316,654</b>           | <b>33,482</b>       | <b>605,358</b>   |
| Environmental Sustainability                                    | 441                        | 5,420                    | 1,186               | 7,047            |
| Sea Defence/Flood Prevention/Control                            | 15,249                     | 5,026                    | 801                 | 21,076           |
| Disaster Prevention and Preparedness                            | 21,149                     | 76,956                   | 15,002              | 113,507          |
| Reconstruction Relief and Rehabilitation                        | 217,983                    | 229,252                  | 16,493              | 463,728          |
| <b>Financial, Business and Other Services</b>                   | <b>118,376</b>             | <b>44,491</b>            | <b>3,121</b>        | <b>165,988</b>   |
| Financial Policy and Administrative Management                  | 32,083                     | 10,952                   | 2,345               | 45,380           |
| Financial Intermediaries  | 86,293                     | 33,539                   | 776                 | 120,608          |
| <b>Multi-Sector and Other</b>                                   | <b>864,181</b>             | <b>318,470</b>           | <b>112,697</b>      | <b>1,295,348</b> |
| Government and Civil Society                                    | 229,021                    | 23,175                   | 15,391              | 267,587          |
| Urban Development   | 29,912                     | 10,327                   | 156                 | 40,395           |
| Policy-Based Loans/Structural Adjustment Programme              | 636,100                    | 257,296                  | 38,800              | 932,196          |
| Regional/Multilateral Trade Agreements                          | -                          | 3,967                    | 13,182              | 17,149           |
| Other   | (30,852)                   | 23,705                   | 45,168              | 38,021           |

# APPENDIX II-D

## DISTRIBUTION OF LOANS, CONTINGENT LOANS, EQUITY AND GRANTS APPROVED (NET) BY COUNTRY AND BY SECTOR (1970 - 2020) (\$'000)

| Country                        | Agriculture and Rural Development | Mining and Quarrying | Manufacturing and Industry | Tourism        | Transportation and Communication | Power, Energy, Water and Sanitation | Social Infrastructure and Services | Environmental Sustainability and Disaster Risk Reduction | Financial, Business and Other Services | Multi-Sector and Other | Total            |
|--------------------------------|-----------------------------------|----------------------|----------------------------|----------------|----------------------------------|-------------------------------------|------------------------------------|--|--|------------------------|------------------|
| Anguilla                       | 2,871                             | -                    | 6,578                      | 1,193          | 20,712                           | 14,734                              | 9,228                              | 9,425  | 22,404                                 | 69,906                 | 157,051          |
| Antigua and Barbuda            | 6,638                             | 0                    | 4,055                      | 1,922          | 115,856                          | 8,476                               | 40,829                             | 48,114   | (615)                                  | 97,752                 | 323,027          |
| Bahamas                        | 10,086                            | -                    | 11,468                     | 2,187          | 21,778                           | 58,375                              | 5,807                              | 1,378  | 274                                    | 91,052                 | 202,405          |
| Barbados                       | 18,869                            | 100                  | 31,863                     | 40,061         | 167,459                          | 44,666                              | 110,738                            | 7,647  | 7,593                                  | 194,439                | 623,435          |
| Belize                         | 30,284                            | -                    | 15,207                     | 1,251          | 233,469                          | 84,219                              | 147,490                            | 19,381   | 38,439                                 | 63,181                 | 632,921          |
| Cayman Islands                 | 1,308                             | 388                  | 1,671                      | 6,429          | 23,047                           | 9,775                               | 5,551                              | -  | 44                                     | (13)                   | 48,200           |
| Dominica                       | 21,952                            | -                    | 17,876                     | 7,506          | 36,795                           | 34,318                              | 67,610                             | 70,011   | 12,926                                 | 40,413                 | 309,407          |
| Dominican Republic             | 519                               | -                    | -                          | -              | -                                | -                                   | 17                                 | -  | -                                      | 259                    | 795              |
| Grenada                        | 25,327                            | 451                  | 19,626                     | 4,553          | 69,871                           | 20,957                              | 88,088                             | 44,182   | 11,034                                 | 57,211                 | 341,300          |
| Guyana                         | 64,150                            | -                    | 18,506                     | 128            | 284,238                          | 13,718                              | 75,972                             | 25,935   | (2)                                    | 55,794                 | 538,439          |
| Haiti                          | 25,500                            | -                    | 909                        | -              | -                                | 959                                 | 87,846                             | 17,977   | -                                      | 19,086                 | 152,277          |
| Jamaica                        | 146,990                           | 932                  | 99,030                     | 15,646         | 105,466                          | 72,735                              | 127,034                            | 116,240  | 49,825                                 | 171,030                | 904,928          |
| Montserrat                     | 1,408                             | 87                   | 1,948                      | 168            | 25,371                           | 3,174                               | 10,833                             | -  | 378                                    | (12)                   | 43,355           |
| St. Kitts and Nevis            | 6,164                             | 123                  | 10,854                     | 1,746          | 46,817                           | 30,529                              | 75,374                             | 13,310   | 520                                    | 40,201                 | 225,638          |
| St. Lucia                      | 22,723                            | 62                   | 25,226                     | 14,197         | 121,524                          | 79,132                              | 139,279                            | 45,372   | 5,625                                  | 95,879                 | 549,019          |
| Suriname                       | 215                               | -                    | 25                         | -              | -                                | 160,730                             | 23,208                             | -  | -                                      | 59,298                 | 243,476          |
| Trinidad and Tobago            | 42,214                            | 30,875               | 32,650                     | 4              | 38,262                           | 43,249                              | (16,502)                           | 204  | 10,008                                 | 33,685                 | 214,649          |
| Turks and Caicos Islands       | 1,510                             | 18                   | 1,015                      | 1,302          | 3,140                            | 913                                 | 21,806                             | 1,096  | (207)                                  | 5,088                  | 35,681           |
| St. Vincent and the Grenadines | 16,899                            | 2,939                | 13,174                     | 541            | 226,848                          | 74,710                              | 94,048                             | 75,576   | 5                                      | 77,502                 | 582,242          |
| Virgin Islands                 | 3,503                             | -                    | 5,378                      | 403            | 36,018                           | 5,062                               | 11,677                             | 84,663   | 1                                      | 50,000                 | 196,705          |
| Regional                       | 3,313                             | 0                    | 4,182                      | 1,430          | 2,995                            | 8,311                               | 81,952                             | 22,894   | 4,626                                  | 28,295                 | 157,998          |
| Regional: IDC Focus            | 1,365                             | 119                  | 605                        | 430            | 11,059                           | 1,091                               | 12,690                             | 617  | 491                                    | 5,346                  | 33,813           |
| Regional: MDC Focus            | 25                                | -                    | -                          | -              | 6,313                            | -                                   | 9,602                              | -  | -                                      | 3,020                  | 18,960           |
| Regional: IDC/MDC Focus        | 9,899                             | 49                   | 22,353                     | 1,664          | 1,550                            | 893                                 | 74,080                             | 1,336  | 2,619                                  | 36,936                 | 151,379          |
| <b>Total</b>                   | <b>463,732</b>                    | <b>36,143</b>        | <b>344,199</b>             | <b>102,761</b> | <b>1,598,588</b>                 | <b>770,726</b>                      | <b>1,304,257</b>                   | <b>605,358</b>   | <b>172,881</b>                         | <b>1,295,348</b>       | <b>6,687,100</b> |

## APPENDIX II-E

### APPROVALS OF LOANS, CONTINGENT LOANS, EQUITY AND GRANTS (NET) BY COUNTRY AND BY YEAR (1970 - 2020) (\$'000)

| Country                        | 1970 - 2014      | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           | Total            |
|--------------------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Anguilla                       | 112,124          | 2,357          | 22,046         | 5,590          | 14,923         | 11             | -              | 157,051          |
| Antigua and Barbuda            | 136,507          | 50,610         | 24,853         | 90,881         | 2,705          | 3,855          | 13,616         | 323,027          |
| Bahamas                        | 86,329           | 28,951         | (15,560)       | 281            | 11,441         | 50,213         | 40,750         | 202,405          |
| Barbados                       | 450,459          | 46,003         | (1,460)        | (30,966)       | 115,746        | 74,971         | (31,318)       | 623,435          |
| Belize                         | 398,365          | 36,759         | 35,628         | 6,052          | 82,897         | 8,259          | 64,961         | 632,921          |
| Cayman Islands                 | 48,247           | -              | 12             | (47)           | (12)           | -              | -              | 48,200           |
| Dominica                       | 238,224          | 3,685          | 3,479          | 14,343         | 23,364         | 1,934          | 24,378         | 309,407          |
| Dominican Republic             | 527              | 234            | 17             | -              | -              | 17             | -              | 795              |
| Grenada                        | 257,990          | 35,979         | 12,835         | 10,390         | 21             | 40             | 24,045         | 341,300          |
| Guyana                         | 323,552          | 225            | 12,396         | 8,347          | 5,557          | 362            | 188,000        | 538,439          |
| Haiti                          | 82,186           | 15,303         | 12,424         | 24,575         | 2,961          | 3,017          | 11,811         | 152,277          |
| Jamaica                        | 783,600          | (3,310)        | 1,015          | 79,440         | 21,592         | (12,033)       | 34,624         | 904,928          |
| St. Kitts and Nevis            | 209,997          | 8,407          | 6,271          | 1,048          | 150            | -              | (235)          | 225,638          |
| St. Lucia                      | 409,224          | 14,284         | 44,509         | 5,013          | (12,383)       | (6,230)        | 94,602         | 549,019          |
| Montserrat                     | 23,540           | 41             | 11             | 20,092         | (8)            | -              | (321)          | 43,355           |
| Suriname                       | 21,981           | 592            | 180,808        | 31,539         | 310            | 46             | 8,200          | 243,476          |
| Trinidad and Tobago            | 203,473          | 233            | 410            | 9              | 200            | 10,076         | 248            | 214,649          |
| Turks and Caicos Islands       | 29,254           | 5,200          | 13             | 440            | 655            | 119            | -              | 35,681           |
| St. Vincent and the Grenadines | 304,170          | 512            | 34,579         | 13,453         | 40,831         | 151,905        | 36,792         | 582,242          |
| Virgin Islands                 | 77,459           | 23             | 13             | 68,760         | 50,200         | -              | 250            | 196,705          |
| Regional                       | 72,816           | 11,206         | 12,561         | 28,296         | 11,019         | 12,263         | 9,837          | 157,998          |
| Regional: LDC Focus            | 33,813           | -              | -              | -              | -              | -              | -              | 33,813           |
| Regional: MDC Focus            | 18,960           | -              | -              | -              | -              | -              | -              | 18,960           |
| Regional: LDC/ MDC Focus       | 151,379          | -              | -              | -              | -              | -              | -              | 151,379          |
| <b>Total</b>                   | <b>4,474,176</b> | <b>257,294</b> | <b>386,860</b> | <b>377,536</b> | <b>372,169</b> | <b>298,825</b> | <b>520,240</b> | <b>6,687,100</b> |

|          |           |         |         |         |         |         |         |           |
|----------|-----------|---------|---------|---------|---------|---------|---------|-----------|
| LDCs     | 2,382,905 | 173,752 | 377,481 | 292,129 | 206,614 | 162,956 | 278,099 | 3,873,936 |
| MDCs     | 1,866,549 | 72,102  | (3,199) | 57,111  | 154,536 | 123,589 | 232,304 | 2,502,992 |
| Regional | 224,722   | 11,440  | 12,578  | 28,296  | 11,019  | 12,280  | 9,837   | 310,172   |

Note: Cancellations prior to 2009 are deducted in the year in which approvals were made.

## APPENDIX II-F

### DISTRIBUTION OF LOANS APPROVED (NET) BY COUNTRY AND BY FUND (1970 - 2020) (\$'000)

| Country                        | Ordinary Capital Resources | Special Development Fund | Other Special Funds | Total            | Percentage of Total |
|--------------------------------|----------------------------|--------------------------|---------------------|------------------|---------------------|
| Anguilla                       | 142,156                    | 11,599                   | 500                 | 154,255          | 2.8%                |
| Antigua and Barbuda            | 233,480                    | 45,174                   | 9,346               | 288,000          | 5.2%                |
| Bahamas                        | 192,326                    | 3,036                    | 3,240               | 198,602          | 3.6%                |
| Barbados                       | 560,377                    | 6,909                    | 35,779              | 603,065          | 10.9%               |
| Belize                         | 340,177                    | 182,137                  | 11,265              | 533,579          | 9.6%                |
| Cayman Islands                 | 39,884                     | 4,703                    | 3,313               | 47,900           | 0.9%                |
| Dominica                       | 85,103                     | 137,364                  | 36,322              | 258,789          | 4.7%                |
| Grenada                        | 106,990                    | 165,862                  | 32,483              | 305,335          | 5.5%                |
| Guyana                         | 172,144                    | 224,703                  | 22,164              | 419,011          | 7.6%                |
| Jamaica                        | 505,111                    | 217,478                  | 74,831              | 797,420          | 14.4%               |
| St. Kitts and Nevis            | 102,148                    | 96,151                   | 9,025               | 207,324          | 3.7%                |
| St. Lucia                      | 259,284                    | 175,139                  | 38,811              | 473,234          | 8.5%                |
| Montserrat                     | 485                        | 10,857                   | 1,372               | 12,714           | 0.2%                |
| Suriname                       | 214,702                    | 25,755                   | -                   | 240,457          | 4.3%                |
| Trinidad and Tobago            | 203,808                    | 5,018                    | 2,566               | 211,392          | 3.8%                |
| Turks and Caicos Islands       | 17,399                     | 12,100                   | -                   | 29,499           | 0.5%                |
| St. Vincent and the Grenadines | 304,757                    | 152,375                  | 23,522              | 480,654          | 8.7%                |
| Virgin Islands                 | 169,833                    | 22,041                   | 1,894               | 193,768          | 3.5%                |
| Regional                       | 10,467                     | 5,175                    | -                   | 15,642           | 0.3%                |
| Regional: LDC Focus            | 10,000                     | 5,232                    | 2,626               | 17,858           | 0.3%                |
| Regional: MDC Focus            | 7,266                      | 5,544                    | 2,174               | 14,984           | 0.3%                |
| Regional: LDC/MDC Focus        | 39,912                     | 742                      | -                   | 40,654           | 0.7%                |
| <b>Total</b>                   | <b>3,717,809</b>           | <b>1,515,094</b>         | <b>311,233</b>      | <b>5,544,136</b> |                     |

|                     |      |      |     |  |       |
|---------------------|------|------|-----|--|-------|
| Percentage of Total | 67.1 | 27.3 | 5.6 |  | 100.0 |
|---------------------|------|------|-----|--|-------|

|          |           |           |         |           |       |
|----------|-----------|-----------|---------|-----------|-------|
| LDCs     | 2,026,398 | 1,046,489 | 170,479 | 3,243,366 | 58.5% |
| MDCs     | 1,641,032 | 462,688   | 140,754 | 2,244,474 | 40.5% |
| Regional | 50,379    | 5,917     | 0       | 56,296    | 1.0%  |

## APPENDIX II-G

### DISTRIBUTION OF LOANS APPROVED (NET) BY SECTOR AND BY FUND (1970 - 2020) (\$'000)

| Sector   | Ordinary Capital Resources | Special Development Fund | Other Special Funds | Total            |
|--|----------------------------|--------------------------|---------------------|------------------|
| <b>Total All Sectors</b>                       | <b>3,717,809</b>           | <b>1,515,094</b>         | <b>311,233</b>      | <b>5,544,136</b> |
| <b>Agriculture and Rural Development</b>       | <b>188,424</b>             | <b>129,805</b>           | <b>36,835</b>       | <b>355,064</b>   |
| Agriculture (excluding Crop Farming)           | 127,840                    | 35,704                   | 18,865              | 182,409          |
| Crop Farming                                   | 3,725                      | 5,895                    | 2,780               | 12,400           |
| Export Crops                                   | 39,223                     | 23,314                   | 4,674               | 67,211           |
| Mixed Farming                                  | 207                        | 100                      | 1,421               | 1,728            |
| Irrigation, Drainage and Land Reclamation      | 10,948                     | 7,816                    | 409                 | 19,173           |
| Fishing  | -                          | 2,437                    | 694                 | 3,131            |
| Land Settlement and Rural Development          | 3,947                      | 25,567                   | 312                 | 29,826           |
| Feeder Roads and Bridges                       | 2,534                      | 28,972                   | 7,680               | 39,186           |
| <b>Mining and Quarrying</b>                    | <b>31,409</b>              | <b>3,294</b>             | <b>436</b>          | <b>35,139</b>    |
| Fossil Fuels                                   | 30,862                     | 535                      | 430                 | 31,827           |
| Metal Ores                                     | 547                        | -                        | -                   | 547              |
| Non-Metallic Minerals                          | -                          | 2,759                    | 6                   | 2,765            |
| <b>Manufacturing and Industry</b>              | <b>185,140</b>             | <b>73,426</b>            | <b>47,544</b>       | <b>306,110</b>   |
| Industrial Development                         | 178,828                    | 59,702                   | 13,383              | 251,913          |
| Micro and Small Scale Enterprises              | -                          | 8,563                    | 1,137               | 9,700            |
| Agro-Industries                                | (175)                      | 5,086                    | 32,318              | 37,229           |
| Textile, Wearing Apparel and Leather Goods     | -                          | 2                        | 260                 | 262              |
| Forest Industries                              | 3,502                      | -                        | -                   | 3,502            |
| Chemicals and Chemical Products                | -                          | -                        | 446                 | 446              |
| Non-Metallic Mineral Products                  | 2,985                      | 73                       | -                   | 3,058            |
| <b>Tourism</b>                                 | <b>78,611</b>              | <b>10,803</b>            | <b>6,935</b>        | <b>96,349</b>    |
| Tourism  | 78,611                     | 10,803                   | 6,935               | 96,349           |
| <b>Transportation and Communication</b>        | <b>1,013,575</b>           | <b>259,864</b>           | <b>76,340</b>       | <b>1,349,779</b> |
| Transport Policy and Administrative Management | 39,204                     | 19,130                   | -                   | 58,334           |
| Road Transport                                 | 557,227                    | 163,971                  | 31,162              | 752,360          |
| Water Transport                                | 142,948                    | 50,982                   | 15,041              | 208,971          |
| Air Transport                                  | 265,946                    | 25,744                   | 30,137              | 321,827          |
| Communication                                  | 8,250                      | 37                       | -                   | 8,287            |
| <b>Power, Energy, Water and Sanitation</b>     | <b>515,383</b>             | <b>167,607</b>           | <b>25,444</b>       | <b>708,434</b>   |
| Power and Energy                               | 256,142                    | 15,206                   | -                   | 271,348          |
| Electric Power                                 | 66,755                     | 32,304                   | 1,577               | 100,636          |
| Alternative Energy                             | 8,250                      | -                        | -                   | 8,250            |
| Water and Sanitation                           | 184,236                    | 120,097                  | 23,867              | 328,200          |



## APPENDIX II-G continued

### DISTRIBUTION OF LOANS APPROVED (NET) BY SECTOR AND BY FUND (1970 - 2020) (\$'000)

| Sector  | Ordinary Capital Resources | Special Development Fund | Other Special Funds | Total            |
|---|----------------------------|--------------------------|---------------------|------------------|
| <b>Social Infrastructure and Services</b>                       | <b>467,888</b>             | <b>305,100</b>           | <b>62,998</b>       | <b>835,986</b>   |
| Education - General   | 144,412                    | 86,798                   | 16,400              | 247,610          |
| Education - Basic   | 8,253                      | 31,767                   | 12,050              | 52,070           |
| Education - Secondary/Vocational                                | 36,332                     | 41,919                   | 5,769               | 84,020           |
| Education - Post Secondary                                      | 159,467                    | 97,576                   | 2,170               | 259,213          |
| Health  | 4,091                      | 1,157                    | 1,875               | 7,123            |
| Housing   | 74,658                     | 35,347                   | 22,884              | 132,889          |
| Other Social Infrastructure and Services                        | 40,675                     | 10,536                   | 1,850               | 53,061           |
| <b>Environmental Sustainability and Disaster Risk Reduction</b> | <b>254,822</b>             | <b>273,983</b>           | <b>11,501</b>       | <b>540,306</b>   |
| Environmental Sustainability                                    | 441                        | -                        | -                   | 441              |
| Sea Defence/Flood Prevention/Control                            | 15,249                     | 5,006                    | (54)                | 20,201           |
| Disaster Prevention and Preparedness                            | 21,149                     | 44,098                   | 1,495               | 66,742           |
| Reconstruction Relief and Rehabilitation                        | 217,983                    | 224,879                  | 10,060              | 452,922          |
| <b>Financial, Business and Other Services</b>                   | <b>118,376</b>             | <b>35,858</b>            | <b>-</b>            | <b>154,234</b>   |
| Financial Policy and Administrative Management                  | 32,083                     | 4,577                    | -                   | 36,660           |
| Financial Intermediaries  | 86,293                     | 31,281                   | -                   | 117,574          |
| <b>Multi-Sector and Other</b>                                   | <b>864,181</b>             | <b>255,354</b>           | <b>43,200</b>       | <b>1,162,735</b> |
| Government and Civil Society                                    | 229,021                    | 5,690                    | 4,400               | 239,111          |
| Urban Development   | 29,912                     | 750                      | -                   | 30,662           |
| Policy-Based Loans/Structural Adjustment Programme              | 636,100                    | 247,160                  | 38,800              | 922,060          |
| Other   | (30,852)                   | 1,754                    | -                   | (29,098)         |

## APPENDIX II-H

### CONTINGENT LOANS APPROVED (NET) BY COUNTRY AND BY FUND (1970 - 2020) (\$'000)

| Country                        | Ordinary Capital Resources | Special Development Fund | Other Special Funds | Total        | Percentage of Total |
|--------------------------------|----------------------------|--------------------------|---------------------|--------------|---------------------|
| Anguilla                       | -                          | -                        | 71                  | 71           | 1.4%                |
| Antigua and Barbuda            | -                          | 4                        | -                   | 4            | 0.1%                |
| Barbados                       | -                          | 384                      | 156                 | 540          | 10.4%               |
| Belize                         | -                          | 829                      | 152                 | 981          | 18.9%               |
| Dominica                       | -                          | -                        | 809                 | 809          | 15.5%               |
| Grenada                        | -                          | 241                      | -                   | 241          | 4.6%                |
| Jamaica                        | -                          | 286                      | -                   | 286          | 5.5%                |
| St. Kitts and Nevis            | -                          | 178                      | 56                  | 234          | 4.5%                |
| St. Lucia                      | -                          | 145                      | 50                  | 195          | 3.7%                |
| Montserrat                     | -                          | 87                       | -                   | 87           | 1.7%                |
| Trinidad and Tobago            | -                          | 200                      | -                   | 200          | 3.8%                |
| Turks and Caicos Islands       | -                          | 1,054                    | -                   | 1,054        | 20.3%               |
| St. Vincent and the Grenadines | -                          | 217                      | 131                 | 348          | 6.7%                |
| Virgin Islands                 | -                          | 50                       | 104                 | 154          | 3.0%                |
| <b>Total</b>                   | <b>-</b>                   | <b>3,675</b>             | <b>1,529</b>        | <b>5,204</b> |                     |

|                            |            |             |             |  |              |
|----------------------------|------------|-------------|-------------|--|--------------|
| <b>Percentage of Total</b> | <b>0.0</b> | <b>70.6</b> | <b>29.4</b> |  | <b>100.0</b> |
|----------------------------|------------|-------------|-------------|--|--------------|

|      |   |       |       |       |       |
|------|---|-------|-------|-------|-------|
| LDCs | 0 | 2,805 | 1,373 | 4,178 | 80.3% |
| MDCs | 0 | 870   | 156   | 1,026 | 19.7% |

## APPENDIX II-I

### CONTINGENT LOANS APPROVED (NET) BY SECTOR AND BY FUND (1970 - 2020) (\$'000)

| Sector   | Ordinary Capital Resources | Special Development Fund | Other Special Funds | Total        |
|--|----------------------------|--------------------------|---------------------|--------------|
| <b>Total All Sectors</b>                       | -                          | <b>3,675</b>             | <b>1,529</b>        | <b>5,204</b> |
| <b>Agriculture and Rural Development</b>       | -                          | <b>460</b>               | <b>147</b>          | <b>607</b>   |
| Agriculture (excluding Crop Farming)           | -                          | 185                      | 96                  | 281          |
| Crop Farming                                   | -                          | -                        | 51                  | 51           |
| Export Crops                                   | -                          | 75                       | -                   | 75           |
| Land Settlement and Rural Development          | -                          | 200                      | -                   | 200          |
| <b>Mining and Quarrying</b>                    | -                          | <b>391</b>               | <b>131</b>          | <b>522</b>   |
| Fossil Fuels                                   | -                          | 391                      | 131                 | 522          |
| <b>Manufacturing and Industry</b>              | -                          | <b>52</b>                | -                   | <b>52</b>    |
| Industrial Development                         | -                          | 52                       | -                   | 52           |
| <b>Tourism</b>                                 | -                          | <b>93</b>                | -                   | <b>93</b>    |
| Tourism  | -                          | 93                       | -                   | 93           |
| <b>Transportation and Communication</b>        | -                          | <b>2,096</b>             | <b>243</b>          | <b>2,339</b> |
| Transport Policy and Administrative Management | -                          | 1,267                    | 104                 | 1,371        |
| Road Transport                                 | -                          | 245                      | 38                  | 283          |
| Air Transport                                  | -                          | 584                      | 101                 | 685          |
| <b>Power, Energy, Water and Sanitation</b>     | -                          | <b>583</b>               | <b>852</b>          | <b>1,435</b> |
| Power and Energy                               | -                          | 222                      | 824                 | 1,046        |
| Water and Sanitation                           | -                          | 361                      | 28                  | 389          |
| <b>Multi-Sector and Other</b>                  | -                          | -                        | <b>156</b>          | <b>156</b>   |
| Urban Development                              | -                          | -                        | 156                 | 156          |

## APPENDIX II-J

### GRANTS APPROVED (NET) BY COUNTRY AND BY FUND (1970 - 2020) (\$'000)

| Country                        | Ordinary Capital Resources | Special Development Fund | Other Special Funds | Total            | Percentage of Total |
|--------------------------------|----------------------------|--------------------------|---------------------|------------------|---------------------|
| Anguilla                       | -                          | 1,760                    | 965                 | 2,725            | 0.3%                |
| Antigua and Barbuda            | -                          | 2,520                    | 32,303              | 35,023           | 3.2%                |
| Bahamas                        | -                          | 2,086                    | 1,704               | 3,790            | 0.3%                |
| Barbados                       | -                          | 1,458                    | 17,925              | 19,383           | 1.8%                |
| Belize                         | -                          | 31,852                   | 65,067              | 96,919           | 8.9%                |
| Cayman Islands                 | -                          | 268                      | 32                  | 300              | 0.0%                |
| Dominica                       | -                          | 20,160                   | 29,449              | 49,809           | 4.6%                |
| Dominican Republic             | -                          | -                        | 778                 | 778              | 0.1%                |
| Grenada                        | -                          | 21,442                   | 14,262              | 35,704           | 3.3%                |
| Guyana                         | -                          | 44,475                   | 74,953              | 119,428          | 11.0%               |
| Haiti                          | -                          | 151,292                  | 968                 | 152,260          | 14.0%               |
| Jamaica                        | -                          | 29,863                   | 76,708              | 106,571          | 9.8%                |
| St. Kitts and Nevis            | -                          | 10,649                   | 7,242               | 17,891           | 1.6%                |
| St. Lucia                      | -                          | 26,989                   | 48,581              | 75,570           | 7.0%                |
| Montserrat                     | -                          | 8,376                    | 22,178              | 30,554           | 2.8%                |
| Suriname                       | -                          | 2,210                    | 809                 | 3,019            | 0.3%                |
| Trinidad and Tobago            | -                          | 921                      | 1,862               | 2,783            | 0.3%                |
| Turks and Caicos Islands       | -                          | 3,843                    | 1,285               | 5,128            | 0.5%                |
| St. Vincent and the Grenadines | -                          | 20,656                   | 80,194              | 100,850          | 9.3%                |
| Virgin Islands                 | -                          | 1,535                    | 1,248               | 2,783            | 0.3%                |
| Regional                       | -                          | 89,686                   | 33,342              | 123,028          | 11.3%               |
| Regional: LDC Focus            | -                          | 6,931                    | 5,924               | 12,855           | 1.2%                |
| Regional: MDC Focus            | -                          | 976                      | -                   | 976              | 0.1%                |
| Regional: LDC/MDC Focus        | -                          | 58,951                   | 27,774              | 86,725           | 8.0%                |
| <b>Total</b>                   | <b>-</b>                   | <b>538,899</b>           | <b>545,553</b>      | <b>1,084,852</b> |                     |

|                            |            |             |             |  |              |
|----------------------------|------------|-------------|-------------|--|--------------|
| <b>Percentage of Total</b> | <b>0.0</b> | <b>49.7</b> | <b>50.3</b> |  | <b>100.0</b> |
|----------------------------|------------|-------------|-------------|--|--------------|

|          |   |         |         |         |       |
|----------|---|---------|---------|---------|-------|
| LDCs     | 0 | 310,339 | 310,475 | 621,214 | 57.3% |
| MDCs     | 0 | 79,923  | 173,184 | 253,107 | 23.3% |
| Regional | 0 | 148,637 | 61,894  | 210,531 | 19.4% |

# APPENDIX II-K

## GRANTS APPROVED (NET) BY SECTOR AND BY FUND (1970 - 2020) (\$'000)

| Sector   | Ordinary Capital Resources | Special Development Fund | Other Special Funds | Total            |
|--|----------------------------|--------------------------|---------------------|------------------|
| <b>Total All Sectors</b>                       | -                          | <b>538,899</b>           | <b>545,553</b>      | <b>1,084,852</b> |
| <b>Agriculture and Rural Development</b>       | -                          | <b>34,738</b>            | <b>71,658</b>       | <b>106,396</b>   |
| Agriculture (excluding Crop Farming)           | -                          | 2,615                    | 1,594               | 4,209            |
| Crop Farming                                   | -                          | 320                      | 88                  | 408              |
| Export Crops                                   | -                          | -                        | 58                  | 58               |
| Mixed Farming                                  | -                          | 179                      | 207                 | 386              |
| Irrigation, Drainage and Land Reclamation      | -                          | 151                      | 156                 | 307              |
| Fishing  | -                          | 41                       | 178                 | 219              |
| Land Settlement and Rural Development          | -                          | 11,122                   | 372                 | 11,494           |
| Feeder Roads and Bridges                       | -                          | 20,310                   | 69,005              | 89,315           |
| <b>Mining and Quarrying</b>                    | -                          | <b>190</b>               | <b>292</b>          | <b>482</b>       |
| Fossil Fuels                                   | -                          | -                        | 292                 | 292              |
| Metal Ores                                     | -                          | 190                      | -                   | 190              |
| <b>Manufacturing and Industry</b>              | -                          | <b>20,127</b>            | <b>6,983</b>        | <b>27,110</b>    |
| Industrial Development                         | -                          | 2,160                    | 4,007               | 6,167            |
| Micro and Small Scale Enterprises              | -                          | 13,765                   | 712                 | 14,477           |
| Agro-Industries                                | -                          | 1,588                    | 2,025               | 3,613            |
| Textile, Wearing Apparel and Leather Goods     | -                          | 106                      | 51                  | 157              |
| Forest Industries                              | -                          | 348                      | -                   | 348              |
| Chemicals and Chemical Products                | -                          | 13                       | 95                  | 108              |
| Construction                                   | -                          | 2,147                    | 93                  | 2,240            |
| <b>Tourism</b>                                 | -                          | <b>2,148</b>             | <b>3,080</b>        | <b>5,228</b>     |
| Tourism  | -                          | 2,148                    | 3,080               | 5,228            |
| <b>Transportation and Communication</b>        | -                          | <b>5,523</b>             | <b>240,947</b>      | <b>246,470</b>   |
| Transport Policy and Administrative Management | -                          | 930                      | 4,106               | 5,036            |
| Road Transport                                 | -                          | 2,078                    | 176,417             | 178,495          |
| Water Transport                                | -                          | 562                      | 56,773              | 57,335           |
| Air Transport                                  | -                          | 1,337                    | 3,398               | 4,735            |
| Communication                                  | -                          | 481                      | 106                 | 587              |
| Storage  | -                          | 135                      | 147                 | 282              |

## APPENDIX II-K continued

### GRANTS APPROVED (NET) BY SECTOR AND BY FUND (1970 - 2020) (\$'000)

| Sector  | Ordinary Capital Resources | Special Development Fund | Other Special Funds | Total          |
|---|----------------------------|--------------------------|---------------------|----------------|
| <b>Power, Energy, Water and Sanitation</b>                      | -                          | <b>9,286</b>             | <b>51,571</b>       | <b>60,857</b>  |
| Power and Energy  | -                          | 3,197                    | 41,025              | 44,222         |
| Electric Power  | -                          | 185                      | 283                 | 468            |
| Alternative Energy  | -                          | -                        | 1,791               | 1,791          |
| Water and Sanitation  | -                          | 5,904                    | 8,472               | 14,376         |
| <b>Social Infrastructure and Services</b>                       | -                          | <b>352,467</b>           | <b>107,302</b>      | <b>459,769</b> |
| Education - General   | -                          | 53,013                   | 16,062              | 69,075         |
| Education - Basic   | -                          | 28,923                   | 1,123               | 30,046         |
| Education - Secondary/Vocational                                | -                          | 6,156                    | 282                 | 6,438          |
| Education - Post Secondary                                      | -                          | 10,052                   | 400                 | 10,452         |
| Health  | -                          | 1,310                    | 276                 | 1,586          |
| Housing   | -                          | 1,612                    | 165                 | 1,777          |
| Other Social Infrastructure and Services                        | -                          | 251,401                  | 88,994              | 340,395        |
| <b>Environmental Sustainability and Disaster Risk Reduction</b> | -                          | <b>42,671</b>            | <b>21,981</b>       | <b>65,052</b>  |
| Environmental Sustainability                                    | -                          | 5,420                    | 1,186               | 6,606          |
| Sea Defence/Flood Prevention/Control                            | -                          | 20                       | 855                 | 875            |
| Disaster Prevention and Preparedness                            | -                          | 32,858                   | 13,507              | 46,765         |
| Reconstruction Relief and Rehabilitation                        | -                          | 4,373                    | 6,433               | 10,806         |
| <b>Financial, Business and Other Services</b>                   | -                          | <b>8,633</b>             | <b>3,021</b>        | <b>11,654</b>  |
| Financial Policy and Administrative Management                  | -                          | 6,375                    | 2,245               | 8,620          |
| Financial Intermediaries  | -                          | 2,258                    | 776                 | 3,034          |
| <b>Multi-Sector and Other</b>                                   | -                          | <b>63,116</b>            | <b>38,718</b>       | <b>101,834</b> |
| Government and Civil Society                                    | -                          | 17,485                   | 10,991              | 28,476         |
| Urban Development   | -                          | 9,577                    | -                   | 9,577          |
| Policy-Based Loans/Structural Adjustment Programme              | -                          | 10,136                   | -                   | 10,136         |
| Regional/Multilateral Trade Agreements                          | -                          | 3,967                    | 11,969              | 15,936         |
| Other   | -                          | 21,951                   | 15,758              | 37,709         |



## APPENDIX II-L

### GRANTS APPROVED (NET) BY COUNTRY AND BY YEAR (1970 - 2020) (\$'000)

| Country                        | 1970 - 2014    | 2015          | 2016          | 2017           | 2018          | 2019          | 2020           | Total            |
|--------------------------------|----------------|---------------|---------------|----------------|---------------|---------------|----------------|------------------|
| Anguilla                       | 2,352          | 16            | 46            | 277            | 23            | 11            | -              | 2,725            |
| Antigua and Barbuda            | 6,873          | 610           | 18,872        | 1,271          | 2,926         | 3,855         | 616            | 35,023           |
| Bahamas                        | 1,414          | 712           | 436           | 281            | (3)           | 200           | 750            | 3,790            |
| Barbados                       | 17,752         | 594           | 267           | 12             | 408           | 200           | 150            | 19,383           |
| Belize                         | 32,763         | 1,759         | 3,087         | 6,052          | 31,863        | 1,541         | 19,847         | 96,912           |
| Cayman Islands                 | 347            | -             | 12            | (47)           | (12)          | -             | -              | 300              |
| Dominica                       | 32,961         | 1,322         | 1,252         | 2,898          | 7,669         | 2,047         | 1,878          | 50,027           |
| Dominican Republic             | 527            | 234           | 17            | -              | -             | -             | -              | 778              |
| Grenada                        | 24,783         | 979           | 2,603         | 5,053          | 21            | 710           | 1,555          | 35,704           |
| Guyana                         | 42,741         | 637           | 857           | 9,081          | (34)          | 2,049         | 65,825         | 121,156          |
| Haiti                          | 82,356         | 15,303        | 12,424        | 24,575         | 2,961         | 3,000         | 11,811         | 152,430          |
| Jamaica                        | 22,339         | 834           | 1,015         | 54,440         | 21,697        | 1,727         | 4,624          | 106,676          |
| St. Kitts and Nevis            | 16,042         | 407           | 479           | 1,048          | 150           | -             | (235)          | 17,891           |
| St. Lucia                      | 29,010         | 1,033         | 2,011         | 4,263          | -             | 968           | 38,285         | 75,570           |
| Montserrat                     | 10,535         | 41            | 11            | 20,092         | (8)           | -             | -              | 30,671           |
| Suriname                       | 41             | 592           | 309           | 1,721          | 310           | 46            | -              | 3,019            |
| Trinidad and Tobago            | 1,881          | 233           | 410           | 9              | 200           | 50            | -              | 2,783            |
| Turks and Caicos Islands       | 4,815          | 200           | 13            | (1)            | (18)          | 119           | -              | 5,128            |
| St. Vincent and the Grenadines | 25,047         | 748           | 16,062        | 8,418          | 5,657         | 40,001        | 4,917          | 100,850          |
| Virgin Islands                 | 1,078          | 23            | 13            | 1,219          | 200           | -             | 250            | 2,783            |
| Regional                       | 44,018         | 11,467        | 12,561        | 28,296         | 11,019        | 3,794         | 9,542          | 120,697          |
| Regional: IDC Focus            | 12,855         | -             | -             | -              | -             | -             | -              | 12,855           |
| Regional: MDC Focus            | 976            | -             | -             | -              | -             | -             | -              | 976              |
| Regional: IDC/ MDC Focus       | 86,725         | -             | -             | -              | -             | -             | -              | 86,725           |
| <b>Total</b>                   | <b>500,231</b> | <b>37,744</b> | <b>72,757</b> | <b>168,958</b> | <b>85,029</b> | <b>60,318</b> | <b>162,652</b> | <b>1,084,852</b> |

|          |         |        |        |        |        |        |        |         |
|----------|---------|--------|--------|--------|--------|--------|--------|---------|
| IDCs     | 281,682 | 23,033 | 57,194 | 76,839 | 51,742 | 52,298 | 78,924 | 621,712 |
| MDCs     | 87,279  | 3,010  | 2,985  | 63,823 | 22,268 | 4,226  | 71,349 | 254,940 |
| Regional | 131,270 | 11,701 | 12,578 | 28,296 | 11,019 | 3,794  | 12,379 | 211,037 |

Note: Cancellations prior to 2009 are deducted in the year in which approvals were made.

# ABBREVIATIONS AND ACRONYMS

|                |   |  |
|----------------|---|--|
| <b>BMC</b>     | - | Borrowing Member Country                           |
| <b>BNTF</b>    | - | Basic Needs Trust Fund                             |
| <b>CAPE</b>    | - | Caribbean Advanced Proficiency Examination         |
| <b>CARICOM</b> | - | Caribbean Community                                |
| <b>CCRIF</b>   | - | Caribbean Catastrophe Risk Insurance Facility      |
| <b>CDB</b>     | - | Caribbean Development Bank                         |
| <b>CTCS</b>    | - | Caribbean Technological Consultancy Services       |
| <b>EDGE</b>    | - | Economic Dividends for Gender Equality             |
| <b>ERC</b>     | - | Enterprise Risk Committee                          |
| <b>GCF</b>     | - | Green Climate Fund                                 |
| <b>GDP</b>     | - | Gross domestic product                             |
| <b>IAD</b>     | - | Internal Audit Division                            |
| <b>ICA</b>     | - | Office of Integrity, Compliance and Accountability |
| <b>IDB</b>     | - | Inter-American Development Bank                    |
| <b>IFRS</b>    | - | International Financial Reporting Standards        |
| <b>IMF</b>     | - | International Monetary Fund                        |
| <b>km</b>      | - | kilometres   |
| <b>mn</b>      | - | million  |
| <b>MSME</b>    | - | micro, small and medium-sized enterprise           |
| <b>OAC</b>     | - | Oversight and Assurance Committee                  |
| <b>OCR</b>     | - | Ordinary Capital Resources                         |
| <b>OECS</b>    | - | Organisation of Eastern Caribbean States           |
| <b>OIE</b>     | - | Office of Independent Evaluation                   |
| <b>ORM</b>     | - | Office of Risk Management                          |
| <b>OSF</b>     | - | Other Special Funds                                |
| <b>P&amp;L</b> | - | Profit and loss                                    |
| <b>PPAM</b>    | - | Public Policy Analysis and Management              |

*\$ refers to U.S. Dollars throughout unless otherwise stated*

|                |   |   |
|----------------|---|---|
| <b>PPE</b>     | - | Personal protective equipment                   |
| <b>RMF</b>     | - | Results Management Framework                    |
| <b>S&amp;P</b> | - | Standard and Poor's                             |
| <b>SDF</b>     | - | Special Development Fund                        |
| <b>SFR</b>     | - | Special Funds Resources                         |
| <b>SDGs</b>    | - | Sustainable Development Goals                   |
| <b>SEF</b>     | - | Sustainable Energy Facility                     |
| <b>TA</b>      | - | Technical Assistance                            |
| <b>TVET</b>    | - | Technical and vocational education and training |
| <b>UKCIF</b>   | - | United Kingdom Caribbean Infrastructure Fund    |

*\$ refers to U.S. Dollars throughout unless otherwise stated*











