

EZSHARE-23248154-5923

CCB/CBA/558/2020
November 10, 2020

Dr. William Warren Smith
President
Caribbean Development Bank
Wilkey
St. Michael

**Loans to the Caribbean Development Bank Subject to a LIBOR Based Interest Rate.
Changes to the Interest Rate Calculation Basis and Other Provisions.
Amendment Letter.**

Dear Dr. Smith:

I am writing to inform you, hereby, that the Board of Executive Directors of the Inter-American Development Bank (the "Bank") authorized on September 23, 2020 the modification of loan contracts financed through certain financial products in order to allow for a uniform transition from the LIBOR-based interest rate to an alternate base rate, which, once determined, will be promptly communicated to you.

In connection with the above, the Bank is adopting corresponding measures to implement the relevant contractual modifications.

In this sense, the purpose of this amendatory letter (the "Amendatory Letter"), which includes the attached Annexes I and II, is to agree with the Borrower and the Guarantor, if any, the necessary contractual amendments related to the modification of the interest rate calculation basis in the Loan Contracts identified in Annex I hereto.

The Bank, the Borrower and the Guarantor, if any, (collectively, the "Parties"), agree as follows:

- (a) The wording of the provisions related to changes to the interest rate calculation basis included in the General Conditions of each of the Loan Contracts identified in Annex I to this Amendatory Letter (the "Amended Loan Contracts") is hereby replaced with the wording contained in Annex II.
- (b) In case of any contradiction or inconsistency between provisions of the same part of the Amended Loan Contracts and the provisions set forth in Annex II, the provisions of this Amendatory Letter shall prevail.

- (c) The Parties ratify the validity and enforceability of all other provisions of the Amended Loan Contracts that are not expressly amended by this Amendatory Letter.

The Borrower, with the consent of the Guarantor, if any, accepts the terms and conditions of this Amendatory Letter upon the execution of two (2) original copies in the same form and substance, by duly authorized representatives, and shall return a signed original of this Amendatory Letter to the Office of the Bank's Representative in Barbados, and send a copy thereof by electronic mail to the Bank officers indicated below once the Amendatory Letter has entered into effect, no later than April 30, 2021. The Borrower shall inform the Bank in writing of the date of the entry into effect of the Amendatory Letter.

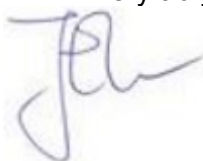
If you have any questions regarding this Amendatory Letter, please contact the following people:

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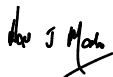
Very truly yours,



Jean-Eric Theinhardt
Chief of Operations
Officer-in-Charge

ACCEPTED:

Caribbean Development Bank



[Authorized Representative(s)]

Place: Wildey, St. Michael, Barbados

Date: April 27, 2021

ANNEX I

AMENDED LOAN CONTRACTS

Financial Product	Loan Number
1. Single Currency Facility - Libor	2798/BL-RG

ANNEX II

AMENDED CONTRACT CLAUSE

New language governing changes to the interest rate calculation basis. For the purposes of this provision, "Calculation Agent" means the Bank.

"Changes to the Interest Rate Calculation Basis. The Parties agree that, notwithstanding any change in market practice that may, at any moment, affect the determination of the LIBOR Interest Rate, the Borrower's payments shall remain linked to the Bank's funding. For purposes of obtaining and maintaining such link under such circumstances, the Parties expressly agree that the Calculation Agent, seeking to reflect the Bank's corresponding funding, shall determine: (i) the occurrence of such changes; and (ii) the alternate base rate applicable to determine the appropriate amount to be paid by the Borrower. The Calculation Agent shall provide no less than sixty (60) days prior notice to the Borrower and the Guarantor, if any, of the applicable alternate base rate. The alternate base rate shall become effective on the expiration of such notice period."