

CONFIDENTIAL | June 2016



Caribbean Development Bank

Investor Presentation



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Presenters



Name & Position	Brief Bio	
Dr. William Warren Smith <i>President</i>	<p>The President is Chairman of the Board of Directors and Chief Executive Officer of the Bank. He conducts, under the direction of the Board of Directors, the current business of the Bank. He has had an illustrious career over the years with previous experience spanning a plethora of Senior Management roles. Dr. Smith, is an alumnus of Cornell University in the United States of America, and graduated magna cum laude with an AB in Economics (Hon). He went on to read for a M.Sc. in Agricultural Economics, and for a Ph.D. in Resource Economics and Public Policy.</p>	
Mrs. Yvette Lemonias Seale <i>Vice President (Corporate Services) and Bank Secretary</i>	<p>Responsible for the management of the Legal Department, Finance and Corporate Planning Department, Information and Technology Solutions Department, Human Resources and Administration Department and the Secretariat. Her role extends to external relations with member countries, donor and other international organizations. She holds a Master of Laws degree in Corporate Law from Cambridge University in the United Kingdom, a Certificate in Legal Education from the Norman Manley Law School, Jamaica, and a Bachelor of Laws from the University of the West Indies, Cave Hill Campus, Barbados.</p>	
Mr. Carlyle Assue <i>Director, Finance and Corporate Planning Department</i>	<p>Responsible for the effective planning and management of the financial operations of the Bank covering capital markets, treasury, accounting activities and the strategic planning process. He has over thirty years of experience in the areas of finance and accounting with over twenty years in developmental banking. He is a Certified Public Accountant (CPA), State of Maryland, a Fellow of the Association of Chartered Certified Accountants (FCCA) and a Certified Global Management Accountant (CGMA).</p>	
Mr. Malcolm Buamah <i>Chief Risk Officer</i>	<p>Reporting to the Board of Directors and President with responsibility for managing Strategic and Enterprise risks. He also chairs the Bank's Enterprise Risk Committee. He has over 25 years' previous experience mostly in senior risk management positions across major international institutions including Credit Suisse and UBS in the UK. He possesses a Bachelor of Arts Philosophy degree from the University of Ghana; MBA Finance from Georgia Mercer University USA; and an MSc Risk Management and Insurance from City University UK.</p>	
Mrs. Faye Hardy <i>Manager, Treasury Unit</i>	<p>She has responsibility for managing the treasury operations of the Bank, including its investment portfolio management. She has over twenty years of experience in the areas of finance and accounting. She is a certified investment professional holding Chartered Financial Analyst (CFA) designation, as well as a Fellow of the Association of Chartered Certified Accountants (FCCA). She also holds an MBA from Heriot-Watt University in Scotland.</p>	

Agenda



1 Introduction and Investment Highlights

2 Company Overview

3 Appendix



Introduction and Investment Highlights



Caribbean Development Bank at a Glance



Brief Institution Overview

- The Caribbean Development Bank (“CDB”) is a multilateral financial institution dedicated to the development of the economies of its Borrowing Member Countries (“BMC”)
 - CDB was established on October 18, 1969 by an international agreement, and commenced operations on January 26, 1970
- The purpose of the Bank is to contribute to the harmonious economic growth and development of its members in the Caribbean and to promote economic cooperation and integration among them
- CDB provides:
 - Loan financing to BMCs’ governments and to public sector entities with a government guarantee
 - Technical assistance to governments, public sector enterprises and non-governmental organizations and regional institutions
 - Financing to the private sector where there is a socio-economic or other developmental impact
- Current membership includes 28 countries consisting of:
 - 19 regional borrowing members
 - 4 regional non-borrowing members
 - 5 non-regional non-borrowing members

Institution History

1969	CDB is created by an international agreement
1970	CDB commenced operations
1988-1989	Italy and Germany join as non regional members
1995-1998	Debut issuance of \$11.5mm through a private placement China joins as non regional member
2012	CDB issues \$300mm bond in international capital markets
2013	Suriname joins as borrowing member
2015	Brazil joins as regional non-borrowing member

Key Financial Highlights

(US\$ in mm)	FY2015	YoY (%)
Gross Loans	\$989.5	1.0%
Total Assets	\$1,407.1	2.1%
Borrowings Outstanding	\$502.8	(5.2%)
Total Equity	\$874.0	64.8%
Net Interest Income	\$31.4	(3.3%)
Operating Income ⁽¹⁾	\$17.3	(20.3%)
ROAA ⁽²⁾	1.28%	(18.0%)
Available Capital / Economic Capital ⁽³⁾	216.5%	6.1%
Equity / Total Assets	62.1%	4.2%
NPLs / Gross Loans	0.5%	–
LLR ⁽⁴⁾ / Gross Loans	0.6%	–

Issuer Credit Rating

	Moody's	S&P
Date of Initial Rating	March 1992	May 2004
Date of Last Rating Report	Nov 2015	May 2016
Short-term	NA	A-1+
Long-term	Aa1	AA
Outlook	Stable	Stable

Source: Caribbean Development Bank as of December 31, 2015.

(1) Defined as comprehensive income adjusted for the effects of derivative adjustments, foreign exchange translation on related Japanese yen borrowings and actuarial re-measurements.

(2) Return is defined as operating income.

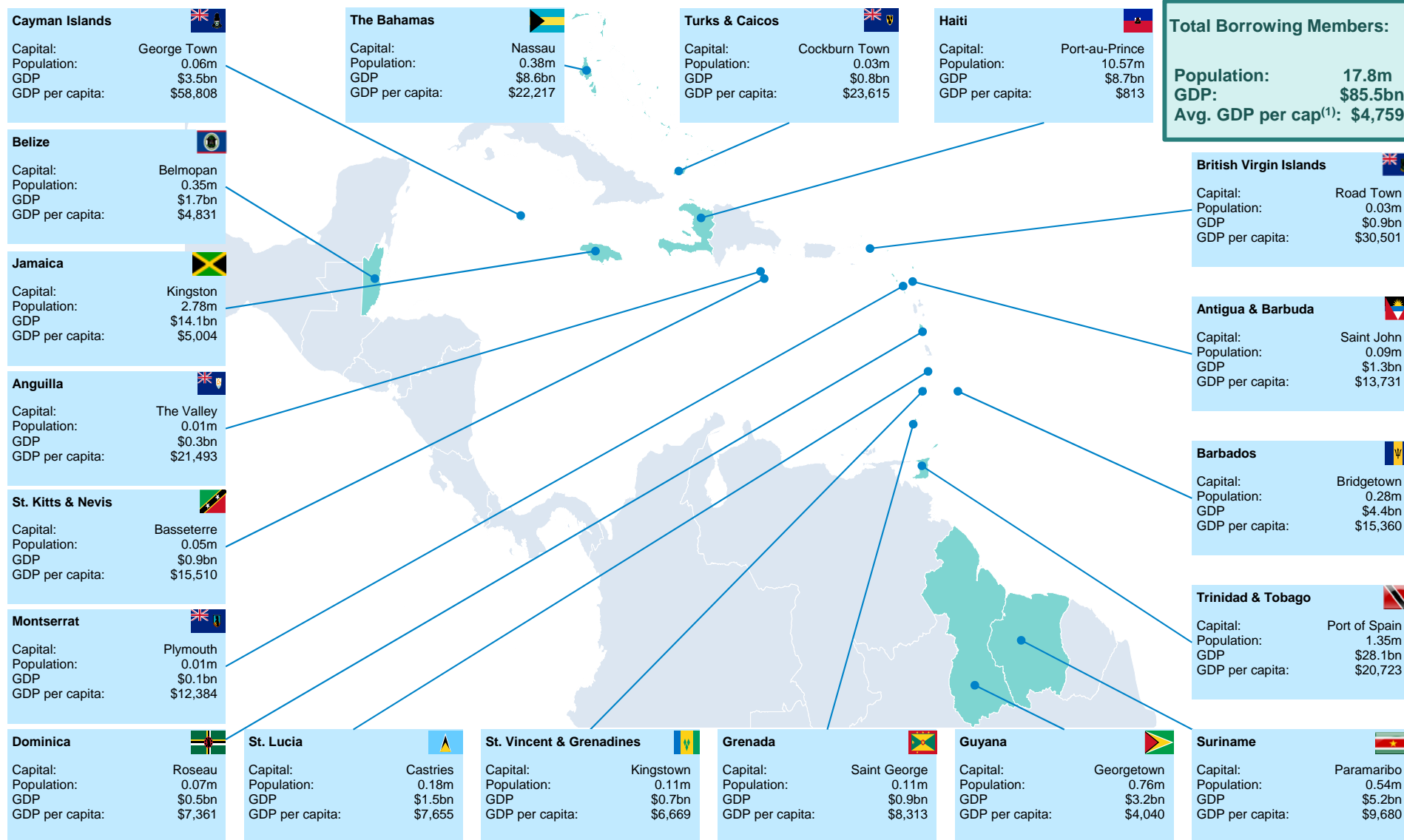
(3) Available capital defined as sum of paid-in capital, total reserves, retained earnings after adjustment for derivatives and the currency translation on related borrowings and subscriptions paid in advance, less the General Banking Reserve, subscriptions not yet due or overdue and demand obligations from borrowers. Economic Capital defined as capital required to mitigate all business risks. The capital adequacy policy requires a minimum of 150% of the total calculated economic capital to be maintained.

(4) Represents loan loss reserves.

Operating Environment



Overview of CDBs Borrowing Member Region



Source: Caribbean Development Bank. Note: Population and GDP per capita as of 2014. GDP as of 2015.

(1) 2014 total GDP divided by 2014 total population.

Investment Highlights



Proven History of Shareholder Support

- ✓ Total member group has expanded to 28 countries since inception
- ✓ Strong support from G20 countries such as Canada, Germany, UK and China
- ✓ Retain 100% of earnings
- ✓ In 2010, Member's approved \$985mm general capital increase, including \$217mm paid-in capital (22% of total), payable 2011-2016

Seasoned Management Team with Strong Focus on Governance

- ✓ Seasoned Senior Management team with ample industry experience
- ✓ World-Class standards in Corporate Governance, covering Enterprise Risk, Integrity, Compliance & Accountability, Independent Evaluation, Internal Audit, Oversight and Assurance Committee of the Board

Prominent Regional Development Bank with an Established Track Record

- ✓ 45 years of service to the Region, promoting poverty reduction and sustainable growth
- ✓ Cornerstone lender to Caribbean governments
- ✓ Close relationship with and in-depth knowledge of its BMCs affords CDB a distinct advantage over other agencies



Superb Asset Performance

- ✓ Preferred creditor treatment from BMCs a key factor behind CDB's superior asset performance
- ✓ There have been no default on sovereign loans in CDB's history

Compelling Financial Profile, Evidenced by Both Strong Capital & Liquidity Positions

- ✓ High capitalization level helps anchor CDB's creditworthiness
- ✓ Conservative culture of liquidity management reflected through compliance with internal monitoring thresholds



Company Overview

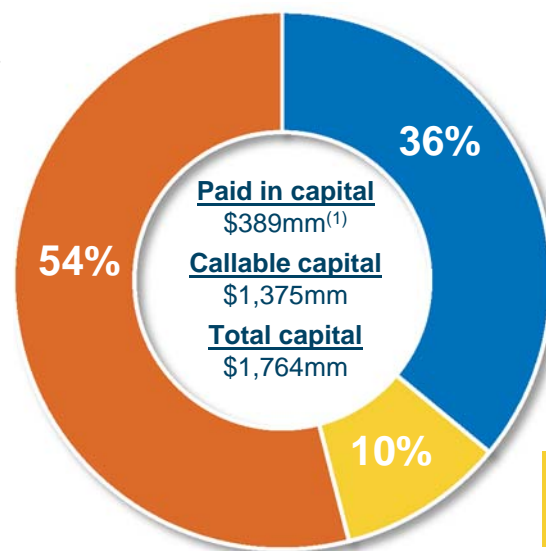


Strong Shareholder Support



Borrowing members with entitlement to borrow and voting rights

Borrowing members	Subscribed capital	%	Moody's / S&P
(\$ in millions)			
Jamaica	291.7	17%	Caa2/B
Republic of Trinidad and Tobago	291.7	17%	Baa3/A-
Commonwealth of The Bahamas	86.0	5%	Baa2/BBB-
Co-operative Republic of Guyana	62.8	4%	NR/NR
Barbados	54.7	3%	Caa1/B
Republic of Suriname	37.7	2%	B1/B+
Republic of Haiti	15.8	1%	NR/NR
Antigua and Barbuda	13.0	1%	NR/NR
Belize	13.0	1%	Caa2/B-
Commonwealth of Dominica	13.0	1%	NR/NR
St. Kitts and Nevis	13.0	1%	NR/NR
St. Lucia	13.0	1%	NR/NR
St. Vincent and the Grenadines	13.0	1%	B3/NR
Grenada	11.1	1%	NR/NR
Anguilla	2.7	<1%	NR/NR
British Virgin Islands	3.2	<1%	NR/NR
Cayman Islands	3.2	<1%	Aa3/NR
Montserrat	3.2	<1%	NR/BBB-
Turks and Caicos Islands	3.2	<1%	NR/BBB+
Total	944.8	54%	



Non-borrowing members with voting rights

Non borrowing members	Subscribed capital	%	Moody's / S&P
(\$ in millions)			
Canada	156.8	9%	Aaa/AAA
United Kingdom	156.8	9%	Aa1/AAA
People's Republic of China	112.8	6%	Aa3/AA-
Germany	106.6	6%	Aaa/AAA
Italy	106.6	6%	Baa2/BBB-
Total	639.7	36%	

Regional non-borrowing members with voting rights

Regional non borrowing members	Subscribed Capital	%	Moody's / S&P
Mexico	53.3	3%	A3/BBB+
Bolivarian Republic of Venezuela	48.8	3%	Caa3/CCC
Colombia	48.8	3%	Baa2/BBB
Brazil	28.2	2%	Ba2/BB
Total	179.2	10%	

Solid Capital Base

- ✓ **Preferred status:** Granted preferred creditor treatment by its borrowing members
- ✓ **Solid capital base:** \$1,375mm of capital identified as “callable capital,” which serves as an additional cushion as CDB can call these funds if needed

Source: Caribbean Development Bank. Data as of 12/31/15.

(1) \$389mm includes \$45.2mm of subscriptions not yet matured. Netting out this amount, paid in capital as per the balance sheet is \$343.3mm as of December 2015.

Strategic Objective with a Clear Focus on Benefitting the Caribbean Region

Strategic Objectives

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 members, and other development partners, towards the systematic reduction of poverty in their countries through social and economic development

Strategic Objective #1

Supporting inclusive and sustainable growth and development

- Strengthen / modernize economic and social infrastructure
- Support agriculture and rural development
- Improve quality of / access to education, training and citizen security
- Promote environmental sustainability (climate change resilience, environmental management and disaster risk management)
- Promote private sector operations

Strategic Objective #2

Promoting good governance

- Improve economic, fiscal and debt management
- Adopt MfDR (Managing for Development Results) approach to long-term planning
- Strengthen evidence-based policymaking
- Promote private sector development and competitiveness and innovation



Regional cooperation and integration, gender equality, energy security

Strategic Objective #3

Enhancing organizational efficiency and effectiveness

Continuing internal reform:

- Strengthen human resource management
- Improve selectivity and focus
- Promote value for money
- Improve client responsiveness
- Strengthen results measuring, monitoring and reporting
- Support knowledge management
- Enhancement disclosure, transparency and risk management

Core Financing Operations

Main products

- Lending: Loans, mainly in USD
- Grants
- Guarantees
- Trust fund management



Target sectors

- | | | |
|----------|---------------------------|--------------------|
| ■ Power | ■ Sanitation | ■ Financial sector |
| ■ Energy | ■ Social infrastructure | ■ Education |
| ■ Water | ■ Disaster risk reduction | ■ Agriculture |

Main clients

- Governments and agencies
- Public or private enterprises

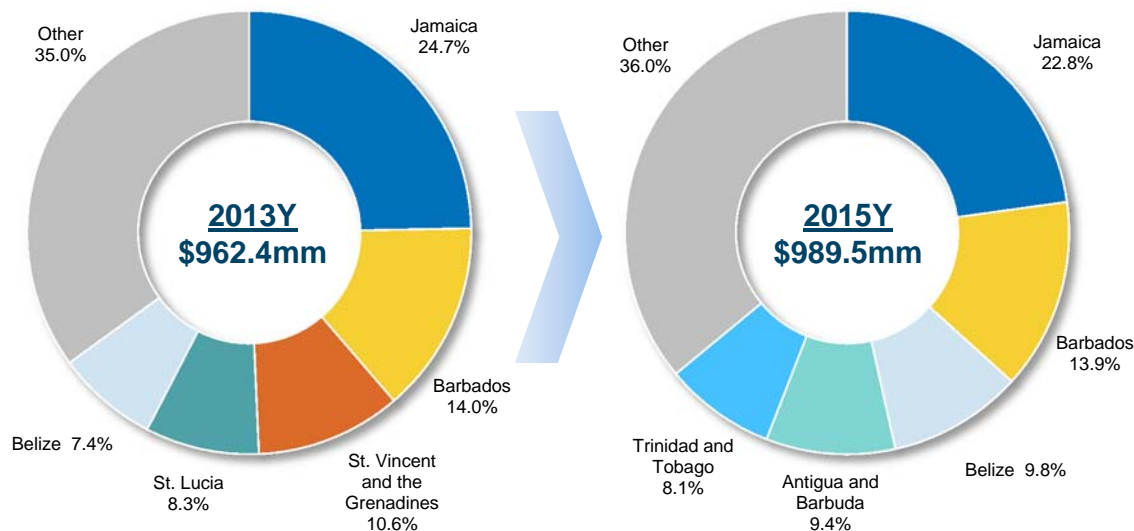
Loan Portfolio Focused on Further Diversification



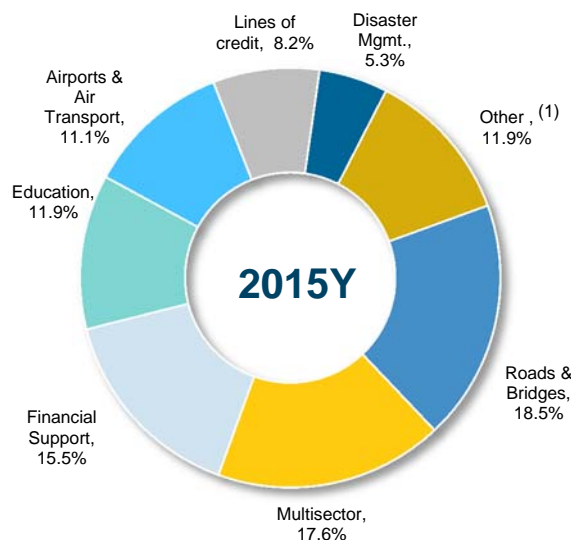
Key Loan Terms

- CDB loans cover a portion of the total cost of a project with the remainder being provided by the borrower
- Upper lending limit for public sector loans is 70-80% of the cost of the project, depending on the Borrowing Member Country to which the loan is made
- Upper lending limit for loans to the private sector is normally 40% of the cost of the project
- CDB's loans are mostly at variable rates of interest
- Current rates are 2.97% per annum for public sector loans and 4.97% for private sector loans
- Commitment fee on loans of 1% per annum on the undisbursed portion of the loans
- Front-end fee of up to 1% of the principal amount of direct loans to the private sector

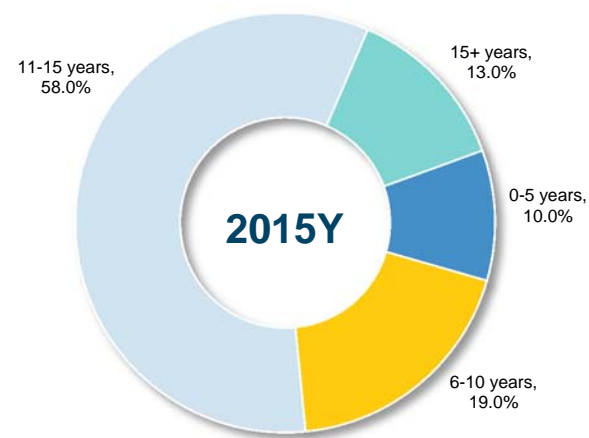
Historical Loan Portfolio – Top 5 Borrowers



Loan Portfolio by Sector



Loan Maturity Profile



Source: Company filings.

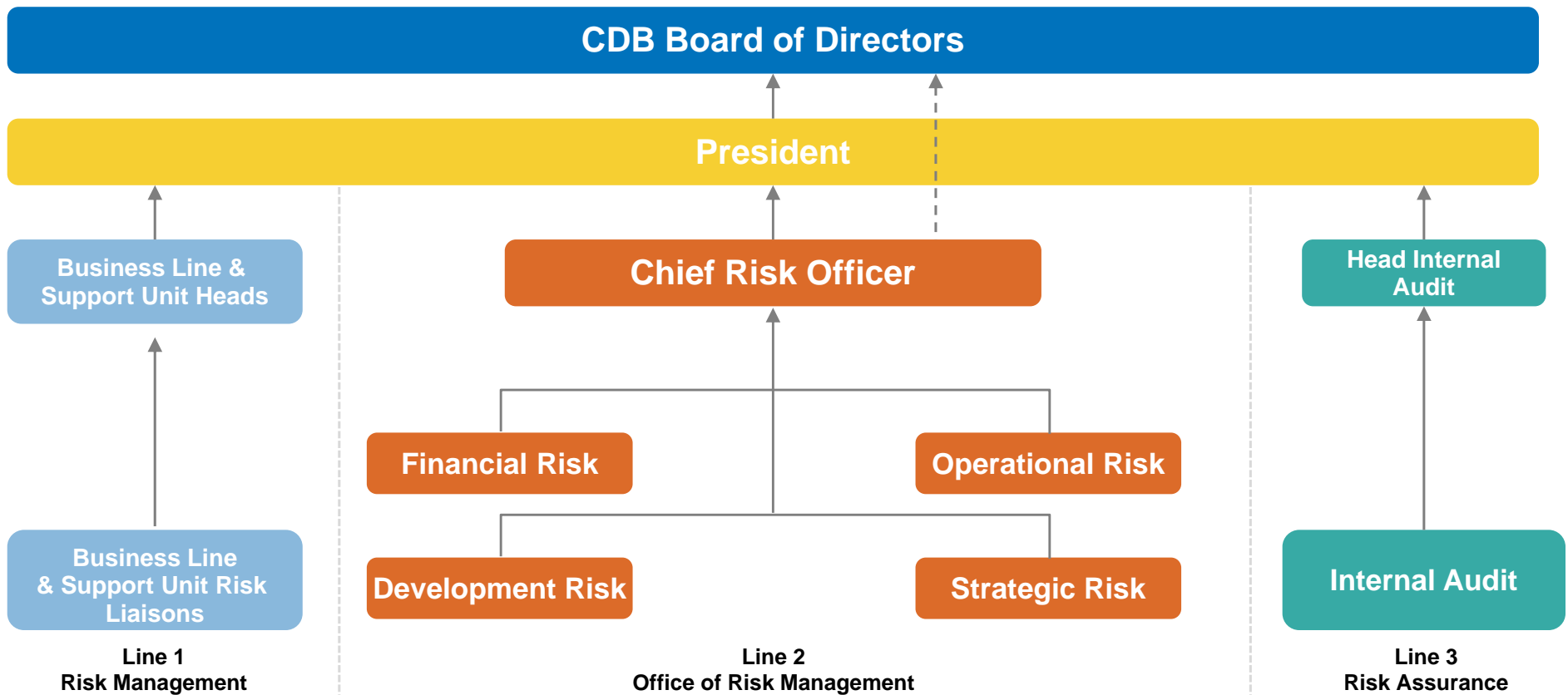
Note: Financial data shown as of 2013 and 2015 year end, as noted. Historical Loan Portfolio does not include provisions for impairments and accrued interest/other charges.

(1) Individual exposure of less than 5%, which includes ports, piers and waterways; rural development; trade; waste management; mortgage financing; social investment; health; power; agriculture; housing; water supply; manufacturing; urban development; and tourism.



Independent Risk Management Approach

- The Office of Risk Management (ORM) remains an independent but integral part of the Bank's activities, free from influence and reporting to a three-tiered governance structure
- Ensures continuous development, implementation and application of multiple controls in managing exposures to all type of risks
 - During 2015, the Bank completed and signed off on its first firm-wide Risk Control Self-Assessment (RCSA) initiative, enabling ORM to gain firsthand insight into the Bank's universe of actual and potential operational risks



- **Line 1: Front Line Functions:** This represents areas where risk-taking activities are directly implemented either in the front, middle or back office
- **Line 2: The Office of Risk Management (ORM):** The ORM, in a Line 2 capacity, provides leadership, guidance, monitoring and independent oversight of Line 1 activities
- **Line 3: Internal Audit:** Responsible for and provides assurance on the internal compliance with controls

Office of Risk Management Overview



Risk Governance

- Dedicated office of risk management
- Comprehensive enterprise risk reporting
- Chief Risk Officer Reporting Line to the Board

Credit Risk

- Conservative lending practices
- Utilization of limits covering counterparty and portfolios
- Active exposure management
- Portfolio diversification

Operational Risk

- Basel style operational risk management
- Risk control self assessments completed at December year end 2015
- Monthly operational risk loss reporting process in place

Regulatory Risks

- Regulatory status
- Basel regulatory rules and framework applied

Capital Adequacy

- Basel II voluntary capital calculations
- Strong capital adequacy improving with limit controls and portfolio diversification
- Active capital adequacy monitoring

Investment Risk

- Investments geared to the preservation of capital
- Minimum credit rating of A- on investment portfolio

Market Risk

- Interest rates are set at cost of borrowings plus a spread
- Exchange rate risk managed through use of cross currency swaps
- Swaps used for hedging only

Liquidity Risk

- Conservative objectives: meet operating expenses, loan commitments and debt service
- Liquidity position monitored on a daily basis
- Forward looking liquidity scenario analysis

Operates Well in Excess of Policy Limits



Ratio	Policy Limit	Results as of December 31, 2015
Capital Adequacy	Minimum 150% of Economic Capital	216.5%
Liquidity Risk (Leg 1) ⁽¹⁾	Minimum 40% of undisbursed loans and agreements not effective	57.8%
Liquidity Risk (Leg 2) ⁽¹⁾	100% of net 3-year funding	570.0%
Loans Outstanding to Charter limit	Maximum 100%	43.4%
Borrowings to OCR Borrowing limit	Maximum 100%	43.1%
Interest Coverage	Minimum 1.5x	3.0x
Debt / Equity Ratio	Maximum 1.65x	0.62x

Key ratios are continually reviewed and enhanced, and are monitored monthly

Source: Caribbean Development Bank as of December 31, 2015.

(1) Dominant liquidity risk leg depends on whichever requires the greater liquidity requirement.

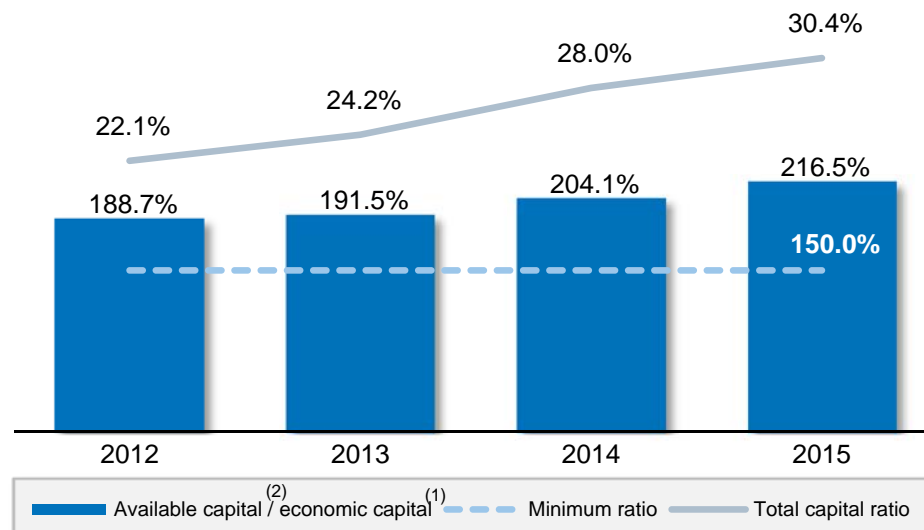
Strong Balance Sheet & Capital Position



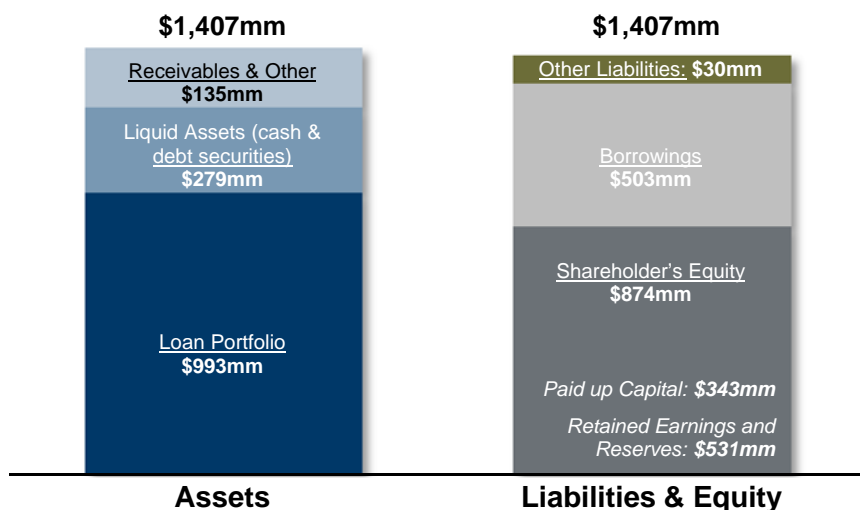
Leading Capital Position

- CDB's capitalization remains strong, as evidenced by internal economic capital⁽¹⁾ and capital adequacy calculations
 - Measures degree to which risk capital is sufficient for absorbing unexpected credit shocks from its loan portfolio, while still being able to lend for development purposes
 - Protects shareholders from possible call on capital, to preserve CDB's credit rating, and reduce borrowing and lending rates
- In 2010, member countries approved a general capital increase of \$985mm which included \$217mm of paid-in capital, with the additional paid-in capital to be spread across six annual installments
 - Capital increase allows CDB to establish new loan projects without increasing Development Related Exposure risk
- CDB's Office of Risk Management (ORM) voluntarily computes the Bank's capital adequacy, utilizing the Basel II framework

Continued Improvement in Capital Adequacy



Balance Sheet Composition



Funding Breakdown

(US\$ in millions)	Original	December 31, 2015		Maturity
		Undrawn	Outstanding	
CDB Market Borrowings				
4.35% Notes - Yen	\$60.0	–	\$53.8	2030
2.75% Notes - Yen	100.0	–	109.8	2022
4.375% Bonds - US\$	300.0	–	300.0	2027
Unamortised transaction costs	(1.8)	–	(1.8)	
	\$458.2	–	\$461.8	
European Investment Bank				
Global Loan III - US\$	\$34.9	–	\$26.6	2023
Climate Action Credit - US\$	65.3	(65.3)	–	
	\$100.2	(\$65.3)	\$26.6	
Inter-American Development Bank				
Loan 926/OC-RG-US\$	\$19.3	–	\$6.1	2021
Loan 2798/BL-RG	\$14.0	(7.3)	6.7	2043
	33.3	(7.3)	12.8	
Sub-total	\$591.8	(\$72.6)	\$501.2	
Accrued interest	1.6	–	1.6	
Total	\$593.3	(\$72.6)	\$502.8	

Source: Caribbean Development Bank as of December 31, 2015.

Note: Financial data as of 2015Y.

(1) Economic capital defined as capital required to mitigate all business risks. The capital adequacy policy requires a minimum of 150% of the total calculated economic capital to be maintained.

(2) Available capital 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.

Conservative Liquidity Management



Highlights

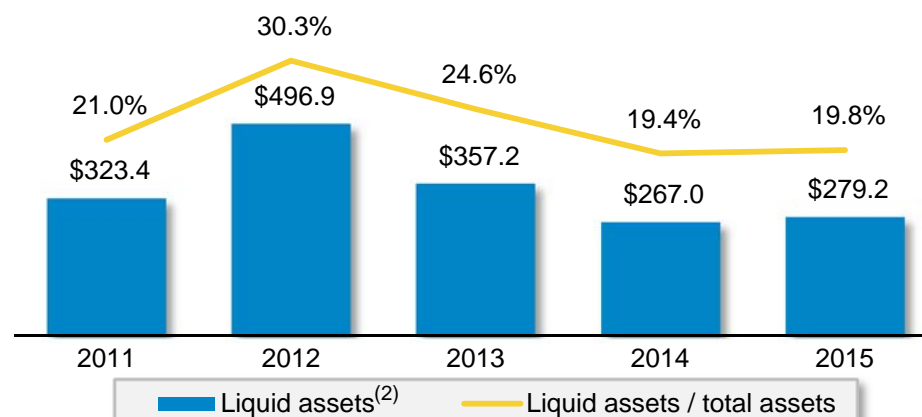
- CDB actively maintains a stable and strong liquidity position, retaining appropriate levels of high quality balance sheet liquidity, which allows the Bank to navigate potential stressed situations that might arise
- Strong liquidity risk policy employs a two-leg requirement:
 - Maintain the greater of a minimum net 3 year funding requirement (\$48mm at Dec. 31, 2015⁽¹⁾) or 40% of undisbursed loan commitments and loans not yet effective (\$189mm at Dec. 31, 2015)
 - Currently the Bank surpasses its minimum liquidity requirement by a good margin
- Investment portfolio profile is high quality with around 49% of securities rated AAA and most of the instruments related to sovereign risk

Investment Principles

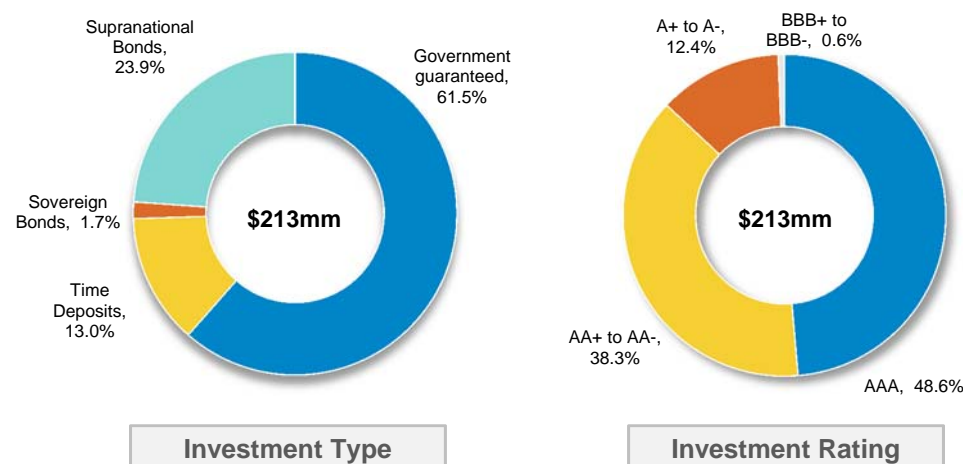
- Conservative investment guidelines
 - Highly liquid assets
 - Sovereign, Government Agency, Supranational or Bank exposure
 - Limited to G7 or EU issuers
 - Minimum credit rating of A-/A3

Liquidity Evolution

(US\$ in millions)



Investment Portfolio⁽³⁾



Source: Caribbean Development Bank as of December 31, 2015.

(1) Established by the Bank's policy.

(2) Includes cash and equivalents and debt securities at fair value.

(3) Includes debt securities at fair value.

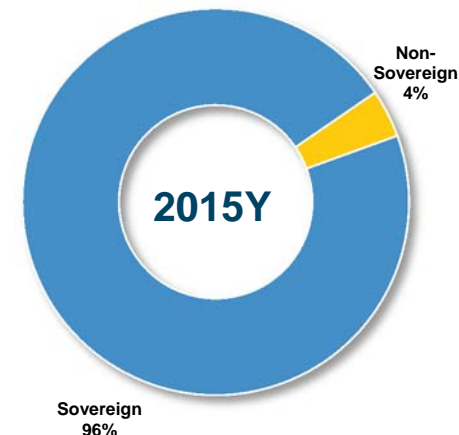
Track Record of Superior Asset Performance



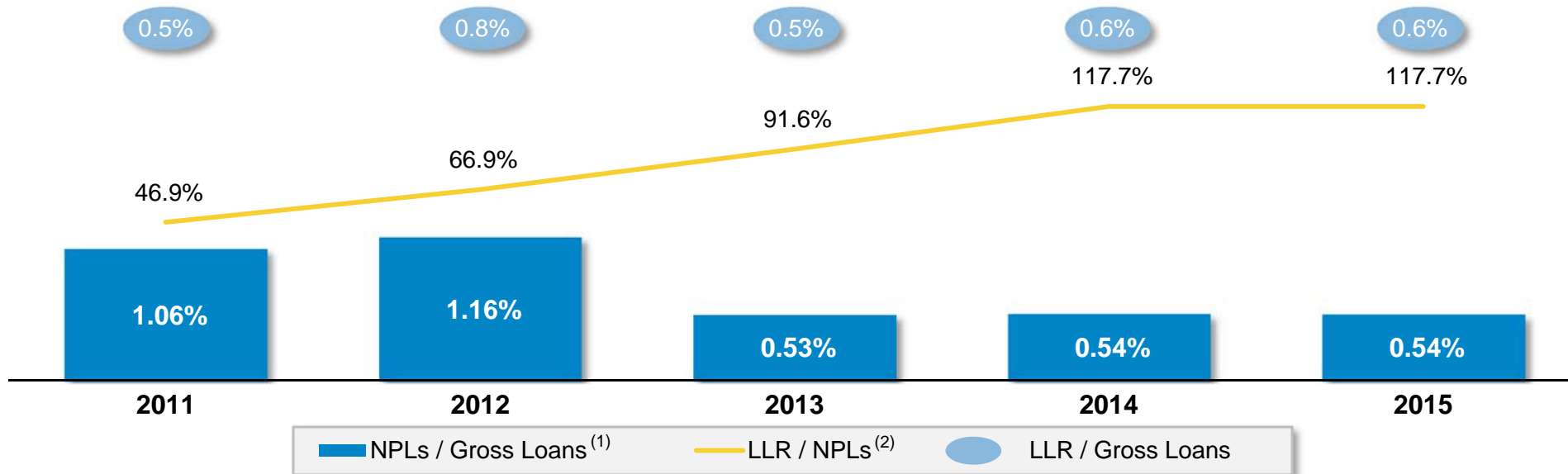
Key Highlights

- CDB's loan portfolio has consistently maintained industry leading asset quality by employing a rigorous governance framework and conservative risk management practices
 - Loan portfolio almost entirely comprised of sovereign risk
- CDB enjoys preferred creditor status from BMCs
 - BMCs will repay loans to CDB before repaying obligations to other lenders such as commercial banks
 - No defaults on the sovereign loan portfolio in CDB's history
- CDB maintains constant dialogue with borrowers to ensure prompt settlement of debt, minimizing lending operations non-performance

Loan Exposure by Type of Borrower



Asset Quality Evolution



Source: Caribbean Development Bank as of December 31, 2015.

(1) NPLs defined as Non-performing loans.

(2) LLR defined as Loan loss reserves.

Strong Performance Relative to Peers



(\$ in millions, unless otherwise noted)

2015

2015

1Q'16

2015

2015

2015

	2015	2015	1Q'16	2015	2015	2015
Metrics						
Gross Loans	US\$990	US\$6,082	US\$21,303	US\$542 ⁽³⁾	US\$1,140 ⁽⁵⁾	US\$1,632
Total Assets	1,407	8,813	33,424	6,194	1,400 ⁽⁵⁾	2,881
Key ratios						
NIM ⁽¹⁾	2.39%	3.37%	1.18%	0.84%	3.42%	2.77%
Operating expenses/ Average gross loan portfolio	1.43%	0.78%	0.61%	1.46%	1.86%	1.80%
NPLs/Gross Loans	0.54%	1.63%	0.03%	- ⁽⁴⁾	1.24%	4.14%
ROAE	2.04% ⁽²⁾	6.42%	1.24%	1.19%	2.03%	N.A.
ROAA	1.28% ⁽²⁾	1.89%	0.35%	0.53%	1.23%	N.A.
Equity/Assets	62.1%	29.2%	28.9%	48.8%	56%	52%
Liquid Assets/Total Assets	19.8%	26.9%	31.6%	90.2%	22.2%	31.0%
Debt/Equity	0.6x	2.2x	2.4x	1.1x	0.7x	0.8x
Other						
Ratings (Moody's/S&P/Fitch)	Aa1/AA	A1/A/A	Aa3/AA-/AA-	Aa2/AA/AA	A2/A-	Baa1/BBB-

Source: Caribbean Development Bank. Peer data from company filings.

Note: Data is as of most recent period available.

(1) Excludes provision expense and unrealized gains/losses.

(2) Based on operating income.

(3) Loans to Central Banks.

(4) Does not report NPLs.

(5) Original figures in Euros converted to US\$ using an FX of 1.0863 US\$ per EUR as of December 2015.

Experienced Management Team Supported by High Governance Standards



Overview of Roles

Dr. William Warren Smith
President



Mrs. Yvette Lemonias Seale
Vice President (Corporate Services) and Bank Secretary



Mrs. Patricia McKenzie
Vice-President (Operations)



Mr. Mark Taitt
Director, Information and Technological Services Department



Mr. Phillip Brown
Director, Human Resources and Administration Department



Mrs. Diana Wilson Patrick
General Counsel



Mr. Malcolm Buamah
Chief Risk Officer



Mr. Justine Ram
Director, Economics Department



Mr. Carlyle Assue
Director, Finance and Corporate Planning Department



Mr. Daniel Best
Director, Projects Department



Overview of Functions

- Board of Governors
 - One Governor and Alternate Governor nominated by each country
 - Key functions include admission of new members, capital structure changes, Board of Directors and Charter modifications
- Board of Directors
 - Board is comprised of Chairman and 14 Directors representing regional members and 5 Directors for non-regional members
 - Key functions of the Board include the general policy and operations of the Bank
- Management
 - Chairman of the Board of Directors is also the President of the Bank and his office leads all the operational areas of CDB
 - The President of the Bank is assisted by two Vice Presidents –Corporate Services and Operations– and an advisory management team comprising of Directors in each Department

High Governance Standards and Oversight



- Office of Risk Management
 - Independent office managing all Bank risks
- Office of Integrity, Compliance and Accountability
 - Independent office managing matters related to Integrity, Ethics, Whistleblowing, Compliance and Accountability
- Office of Independent Evaluation
 - Independent office responsible for independently evaluating the Bank's projects and performance
- Internal Audit Division with new Charter
 - Independent office responsible for assuring that the risk management, governance and internal control processes are operating effectively
- Establishment of the Oversight and Assurance Committee of the Board of Directors
 - Committee that provides technical and operational oversight to the functions within its remit and to assist Board of Directors in fulfilling its overarching fiduciary responsibilities



Appendix



Financial Highlights – Balance Sheet



(US\$ in 000's, unless otherwise noted)	2011	2012	2013	2014	2015
Assets					
Cash and cash equivalents	\$79,163	\$96,401	\$67,723	\$34,202	\$65,412
Debt securities at fair value through profit or loss	244,242	400,509	289,525	232,766	213,765
Gross loans	1,001,959	968,716	962,435	978,699	989,528
Provision for impairment	(5,046)	(7,584)	(4,766)	(6,309)	(6,309)
Accrued interest and other charges	10,624	11,200	10,267	10,281	9,311
Loans outstanding	1,007,537	972,332	967,936	982,671	992,530
Other assets	212,183	171,564	127,089	128,866	135,356
Total Assets	\$1,543,125	\$1,640,806	\$1,452,273	\$1,378,505	\$1,407,063
Liabilities					
Short term facility	20,000	20,000	–	30,000	–
Long term borrowings	837,875	900,246	675,377	500,301	502,752
Other liabilities	11,038	26,422	33,306	26,653	30,359
Total liabilities	\$868,913	\$946,668	\$708,683	\$556,954	\$533,111
Equity					
Subscriptions matured (net)	\$186,361	\$218,745	\$256,374	\$299,468	\$343,324
Retained earnings and reserves	487,851	475,393	487,216	522,083	530,628
Total Equity	\$674,212	\$694,138	\$743,590	\$821,551	\$873,952
Total Liabilities and Equity	\$1,543,125	\$1,640,806	\$1,452,273	\$1,378,505	\$1,407,063

Financial Highlights – Income Statement



US\$ in thousands unless otherwise noted	2011	2012	2013	2014	2015
Loans	\$40,582	\$39,639	\$39,107	\$40,504	\$37,730
Investments and cash balances	2,667	3,445	3,909	2,795	2,449
Interest and similar income	43,249	43,084	43,016	43,299	40,179
Interest expense and similar charges	(7,525)	(9,783)	(15,585)	(10,772)	(8,736)
Net interest income	35,724	33,301	27,431	32,527	31,443
Provision for loan impairment	(3,000)	(2,538)	(850)	(1,543)	–
Administrative expenses	(10,183)	(10,917)	(10,749)	(11,253)	(14,234)
Other operating income / (expenses)	(993)	2,727	(4,218)	1,966	81
Operating income	21,548	22,573	11,614	21,697	17,290
Other income / (expenses) ⁽¹⁾	19,236	(12,284)	209	13,170	(8,745)
Total comprehensive income for the year	\$40,784	\$10,289	\$11,823	\$34,867	\$8,545

Source: Caribbean Development Bank.

(1) Other income / (expenses) mainly includes the accounting effect of some derivative fair value adjustment positions which are part of a hedge strategy. In accordance with policy, the Bank excludes the impact of the fair value adjustments and related foreign exchange translation adjustments associated with these financial instruments from its operating income and performance ratios.

Financial Highlights – Key Ratios



	2011	2012	2013	2014	2015
Profitability					
NIM ⁽¹⁾	2.68%	2.20%	1.86%	2.43%	2.39%
ROAA ⁽²⁾	1.66%	1.52%	1.17%	1.46%	1.28%
ROAE ⁽²⁾	1.38%	3.30%	1.62%	2.77%	2.04%
Loan Yield	4.15%	4.02%	4.19%	4.33%	3.99%
Cost of Funding	1.11%	1.26%	2.04%	1.83%	1.73%
Administrative expenses/Average loan portfolio (Efficiency Ratio)	1.04%	1.12%	1.17%	1.20%	1.43%
Asset Quality					
NPL Ratio ⁽³⁾	1.06%	1.16%	0.53%	0.54%	0.54%
Coverage Ratio ⁽⁴⁾	46.9%	66.9%	91.6%	117.7%	117.7%
Liquidity					
Liquid assets / Assets ⁽⁵⁾	21.0%	30.3%	24.6%	19.4%	19.8%
Capitalization					
Leverage ratio (Debt/Equity)	1.57x	1.40x	0.95x	0.70x	0.62x
Equity / Assets	43.7%	42.3%	51.2%	59.6%	62.1%
Available Capital / Economic Capital ⁽⁶⁾	NA	188.7%	191.5%	204.1%	216.5%

Source: Caribbean Development Bank.

(1) Before provisions and excluding unrealized gains.

(2) Computed out of operating income.

(3) Represents NPL / Gross loans.

(4) Represents loan loss reserves / NPL.

(5) Liquid assets includes cash and cash equivalents and debt securities at fair value.

(6) Available capital defined as 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. Economic Capital defined as capital required to mitigate all business risks. The capital adequacy policy requires a minimum of 150% of the total calculated economic capital to be maintained.

Organizational Structure

