CARIBBEAN DEVELOPMENT BANK

ANNUAL REPORT 2024

SECTION 6

FINANCIAL STATEMENTS

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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 of 31 December 2024 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

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 Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), 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.

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE BOARD OF GOVERNORS OF CARIBBEAN DEVELOPMENT BANK

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	***How our audit addressed the key audit matter***
Allowance for expected credit losses (ECL)	
Related disclosures in the financial statements are included in Notes 3, 5, 7, 8, 10, 11 and 22. IFRS 9 requires the Bank to record an allowance for expected credit losses ("ECL") for loans outstanding and all other financial assets not held at fair value through profit and loss, along with undisbursed loan balances. This is a key audit matter as the estimation of 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. Management compensates for any model and data deficiencies by applying judgmental overlays to ECL model outputs.	We evaluated the modelling techniques and methodologies developed by the Bank in order to estimate the ECL and assessed their compliance with the requirements of IFRS 9. We tested the completeness and accuracy of data inputs into the model used to determine the ECL and assessed the reasonableness of the "preferred creditor treatment" (PCT) factor applied. We assessed the reasonableness of the methodologies and assumptions applied in determining 12 month and lifetime probabilities of default (PD), loss given default (LGD), exposure at default (EAD) and triggers for significant increase/decrease in credit risk. We involved our internal financial services risk management specialists to evaluate the methodology for validating models and analysing modelling accuracy and consistency of impairment parameters. We assessed the reasonableness of all qualitative adjustments or overlays derived outside of specific model output. In addition, we assessed the adequacy of the disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE BOARD OF GOVERNORS OF CARIBBEAN DEVELOPMENT BANK

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	***How our audit addressed the key audit matter***
Fair value of financial instruments – derivatives and hedge accounting	
Related disclosures in the Financial Statements are included in Notes 3 and 12. This is a key audit matter due to the complexity of valuation models used to determine fair value. These valuation models can be subjective in nature and involve observable and unobservable data and various assumptions. These include the valuation of financial instruments with higher estimation uncertainty for which observable market prices or market parameters are not available. The use of different valuation techniques and assumptions could result in significantly different estimates of fair value. Inaccurate application of hedge accounting estimates could result in incorrect classification and could have a significant impact on the statement of comprehens-ive income. The associated risk management disclosure is also complex and dependent upon high quality data.	We involved our internal derivative valuation specialists on our team who independently recomputed the fair value of all derivatives held by the Bank and who also tested the reasonableness of hedge effectiveness in accordance with IFRS 9. We also assessed the adequacy of the disclosures in the financial statements, including the disclosure of valuation sensitivity and fair value hierarchy.

INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE BOARD OF GOVERNORS OF CARIBBEAN DEVELOPMENT BANK

Report on the Audit of the Financial Statements (continued)

Other information included in the Bank's 2024 Annual Report

Other information consists of the information included in the Bank's 2024 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Bank's 2024 Annual Report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

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 Accounting Standards 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.

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.

INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE BOARD OF GOVERNORS OF CARIBBEAN DEVELOPMENT BANK

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 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 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.

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 to 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.

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INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE BOARD OF GOVERNORS OF CARIBBEAN DEVELOPMENT BANK

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated to 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 auditor's 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.

Report on other Legal and Regulatory Requirements

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 Caribbean Development Bank entered into force on 26 January 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 and subject to any enactment or rule of law to the contrary, 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 partner in charge of the audit resulting in this independent auditor's report is Mr. John-Paul Kowlessar.

Ernst + Young Ltd

BARBADOS
23 April 2025

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF FINANCIAL POSITION
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

	Notes	2024	2023
Assets			
Cash and cash equivalents	6	**$99,179**	$86,104
Debt securities at fair value through other comprehensive income	7	**407,348**	457,012
Receivables and prepaid assets	8	**14,086**	27,228
Loans receivable	10	**1,465,566**	1,426,063
Receivable from members	11	**11,474**	13,129
Property and equipment	13	**19,644**	22,343
Total Assets		**$2,017,297**	$2,031,879

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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF FINANCIAL POSITION
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

	Notes	2024	2023
Liabilities and Equity			
Liabilities			
Accounts payable and accrued liabilities	15	**$19,207**	$16,925
Maintenance of value on currency holdings	11	**47**	74
Deferred income	16	**875**	875
Post-employment obligations	17	**5,499**	21,820
Borrowings	18	**967,297**	1,014,081
Derivative financial instruments	12	**115,997**	100,198
Total Liabilities		**$1,108,922**	$1,153,973
Equity			
Subscriptions matured (net)	19(a)	**$388,177**	$388,177
Retained earnings and reserves	19(e)	**520,198**	489,729
Total Equity		**$908,375**	$877,906
Total Liabilities and Equity		**$2,017,297**	$2,031,879

Approved by the Board of Directors on April 23, 2025 and signed on their behalf by:

Daniel M. Best
President

German Deffit
Chief Financial Officer

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, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

	Subscriptions Matured (net)	Retained Earnings	Post Employment Obligations Reserve	Fair value Reserve	Other Reserves	Total
Balance as at January 1, 2023	$388,177	$507,867	$(4,776)	$(54,809)	$9,594	$846,053
Net income for the year	-	11,958	-	-	-	11,958
Other comprehensive income/(loss)	-	-	3,783	16,665	(553)	19,895
Balance as at December 31, 2023	**$388,177**	**$519,825**	**$(993)**	**$(38,144)**	**$9,041**	**$877,906**
Net income for the year	**-**	**14,689**	**-**	**-**	**-**	**14,689**
Other comprehensive income/(loss)	**-**	**-**	**14,178**	**8,146**	**(6,544)**	**15,780**
Balance as at December 31, 2024	**$388,177**	**$534,514**	**$13,185**	**$(29,998)**	**$2,497**	**$908,375**

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, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

	Notes	2024	2023
Interest and similar income	20(a)	$85,794	$81,616
Interest expense and similar charges	20(b)	(44,445)	(42,219)
Net interest income		41,349	39,397
Other income		1,688	3,927
Total income		43,037	43,324
Operating expenses	21	(24,473)	(17,559)
Impairment recovery	22	1,461	2,809
Operating income before fair value adjustment on borrowings and derivatives		20,025	28,574
Net fair value adjustment on borrowings and derivatives	24	(5,336)	(16,616)
Net income for the year		$14,689	$11,958
Other comprehensive income that will not be reclassified to the statement of net income			
Re-measurements – Actuarial gain	17	14,178	3,783
Other comprehensive income/(loss) that will be reclassified to net income			
Fair value gain on debt securities at fair value through other comprehensive income	19(g)	8,146	16,665
Net change in costs of hedging	19(h)	(6,544)	(553)
Total other comprehensive income		$15,780	$19,895
Total comprehensive income for the year		$30,469	$31,853

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, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

	Notes	2024	2023
Operating activities:			
Net income for the year		**$14,689**	$11,958
Adjustments for:			
Depreciation	**13**	**3,997**	6,356
Impairment recovery on financial assets	**22**	**(1,461)**	(2,809)
Derivative fair value loss/(gain) adjustment	**24**	**25,333**	(10,591)
Interest income	**20(a)**	**(85,794)**	(81,616)
Interest expense	**20(b)**	**44,445**	42,219
Foreign exchange (gain)/loss in translation - borrowings	**18(b)**	**(31,628)**	20,527
Fair value adjustment – borrowings	**18(b)**	**11,631**	6,680
Foreign exchange loss/(gain) in translation – loans	**10(b)**	**4,242**	(926)
(Increase)/decrease in maintenance of value on currency holdings		**(521)**	253
Gain on disposal of property and equipment		**(7)**	(4)
Foreign exchange gain – other		**-**	(101)
Total cash flows used in operating activities before changes in operating assets and liabilities		**(15,074)**	(8,054)
Changes in operating assets and liabilities:			
Decrease/(increase) in receivables and prepaid assets		**13,346**	(292)
Decrease in cash collateral on derivatives		**-**	8,100
Increase in accounts payable and accrued liabilities		**2,282**	2,728
Decrease in post-employment obligations		**(2,143)**	(439)
Net decrease in debt securities at fair value through other comprehensive income		**57,709**	55,611
Cash from operating activities		**56,120**	57,654
Disbursements on loans	**10(b)**	**(203,837)**	(233,090)
Principal repayments on loans	**10(b)**	**164,275**	136,629
Interest received		**82,855**	79,802
Net cash from operating activities		**99,413**	40,995
Investing activities:			
Purchase of property and equipment	**13**	**(1,334)**	(3,162)
Proceeds of disposal of property and equipment		**43**	4
Net cash used in investing activities		**(1,291)**	(3,158)
Financing activities:			
New borrowings	**18(b)**	**97,240**	38,655
Repayments on borrowings	**18(b)**	**(124,802)**	(102,003)
Interest paid on borrowings		**(59,747)**	(58,831)
Decrease in receivables from members		**2,262**	6,705
Net cash used in financing activities		**(85,047)**	(115,474)
Net increase/(decrease) in cash and cash equivalents		**13,075**	(77,637)
Cash and cash equivalents at beginning of year		**86,104**	163,741
Cash and cash equivalents at end of year		**$99,179**	$86,104

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

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 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 (2023: 23 regional states and territories and 5 non-regional states). A detailed listing of the membership is provided at Note 19(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.

NOTE 1 – NATURE OF OPERATIONS *…continued*

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 whom are not 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.

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

All policies have been consistently applied to the years presented, except where otherwise stated. Accounting policies which are specific in nature are included as part of the relevant Notes to the financial statements. The accounting policies that are of a general nature 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.

NOTE 2 – ACCOUNTING POLICIES *…continued*

Basis of preparation

Statement of compliance
These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

- the measurement of debt securities at fair value through other comprehensive income (FVOCI)
- net post-employment obligations, which are measured at the fair value of plan assets less the present value of the defined benefit obligation
- the measurement of derivative financial instruments (cross currency interest rate swaps and interest rate swaps) at fair value
- land which is measured at fair value
- the carrying values of recognised assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to recognise changes in the fair values attributable to the risks that are being hedged in effective hedge relationships

The financial statements are presented in United States dollars and all values are rounded to the nearest thousand ($000), except where otherwise indicated.

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 – 18 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

NOTE 2 – ACCOUNTING POLICIES *…continued*

Basis of preparation *…continued*

Presentation of financial statements …continued
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.

Effective October 1, 2022, the Bank designated certain of its interest rate and cross currency interest rate swaps, into a hedging relationship. These are presented in Note 12.

Certain immaterial comparative amounts have been reclassified to conform to the presentation adopted in the current year.

Material 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.

Judgements
Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes.

- Note 5: Financial Assets

    - establishing the criteria for determining whether credit risk on a financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of Expected Credit Losses (ECL) and selection and approval of models used to measure ECL.

NOTE 2 – ACCOUNTING POLICIES *…continued*

Material accounting judgements, estimates and assumptions *…continued*

Assumptions and estimation uncertainties
Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Note 3: Measurement of fair value of financial instruments with significant unobservable inputs.
- Note 5: Financial Assets - impairment of financial instruments; determination of inputs into the ECL measurement model, including assumptions used in estimating recoverable cash flows and incorporation of forward-looking information.
- Note 17: Post-employment obligations - measurement of defined benefit obligations; key actuarial assumptions.

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.

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 the adoption of these new accounting standards are described below. The new and amended standards and interpretations are effective for annual periods beginning on or after January 1, 2024, 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 IAS 1– Classification of liabilities as current and non-current
Clarifies that the classification of liabilities as current or non-current is based solely on a reporting entity'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 an entity'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. In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. These amendments had no impact on the financial statements of the Bank.

Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements
In May 2023, the IASB issued amendments to IAS 7, *Statement of Cash Flows* and IFRS 7, *Financial Instruments: Disclosures* to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. These amendments had no impact on the financial statements of the Bank.

NOTE 2 – ACCOUNTING POLICIES *…continued*

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

Other standards, interpretations and amendments

Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback also became effective January 1, 2024 but was not applicable to the Bank, as the Bank did not hold assets or liabilities within its scope as at the date of adoption.

Standards in issue not yet effective that may be applicable to the Bank

The following is a list of standards and interpretations issued that may be applicable but are 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.

Lack of exchangeability – Amendments to IAS 21

Effective for annual periods beginning on or after January 1, 2025

In August 2023, the Board issued Lack of Exchangeability (Amendments to IAS 21). The amendment to IAS 21 *The Effects of Changes in Foreign Exchange Rates* specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

Effective for annual periods beginning on or after January 1, 2026.

In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

- Clarifies that a financial liability is de-recognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition.

NOTE 2 – ACCOUNTING POLICIES *…continued*

Standards in issue not yet effective that may be applicable to the Bank*…continued*

Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7…continued

- It also introduces an accounting policy option to de-recognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met
- Clarifies how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features
- Clarifies the treatment of non-recourse assets and contractually linked instruments
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income

Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.

IFRS 18 – Presentation and Disclosure in Financial Statements
Effective for annual periods beginning on or after January 1, 2027.

In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (MPMs) and includes new requirements for the location, aggregation and disaggregation of financial information. Narrow-scope amendments have been made to IAS 7, *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method from ‘profit or loss’ to ‘operating profit or loss’. The optionality around classification of cash flows from dividends and interest in the statement of cash flows has also largely been removed. Some requirements previously included within IAS 1 have been moved to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, which has been renamed IAS 8, *Basis of Preparation of Financial Statements*. IAS 34, *Interim Financial Reporting* has been amended to require disclosure of MPMs. IFRS 18, and the consequential amendments to the other accounting standards must be applied retrospectively. Early adoption is permitted and must be disclosed.

Annual Improvements to IFRS Accounting Standards — Volume 11
The IASB’s annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11 which identified various amendments to IFRS 7, *Financial Instruments: Disclosures*, IFRS 9, *Financial Instruments* and IAS 7, *Statement of Cash Flows* which may be applicable to the Bank.

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 its 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 Adjudication and Review Committee (ARC) 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.
(iv) ICA operationalises 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;
(v) The Strategic Advisory Team (SAT) which is the highest decision-making body of the Bank.

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 exposed 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 and the OAC respectively.

(a) 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, 2024 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.

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

NOTE 3 – RISK MANAGEMENT *…continued*

(a) Credit risk *…continued*

(i) 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

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 results.

(ii) 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.

	2024	2023
Single largest borrower's exposure to total outstanding loans	**16.7%**	15.9%
Three largest borrowers' exposure to total outstanding loans	**39.9%**	40.2%
Three largest borrowers' exposure to available capital	**58.9%**	57.7%

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

NOTE 3 – RISK MANAGEMENT *…continued*

(a) Credit risk *…continued*

(ii) Risk limit control and mitigation measures …continued

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)	**2024**	2023
Single entity	10%	**3.3%**	2.9%
US Treasury or US Government Agency	35%	**28.6%**	27.5%
Commercial entity	50%	**28.8%**	28.8%

(iii) 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 (2023 - $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.

(iv) 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 other 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 two counterparties.

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

NOTE 3 – RISK MANAGEMENT…*continued*

(a) Credit risk…*continued*

(v) 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(a)(i) and policies about the calculation of the ECL allowance are disclosed in Note 5.

	2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Cash and cash equivalents	**$99,179**	**$-**	**$-**	**$99,179**
Debt securities fair value through OCI	**398,034**	**9,314**	**-**	**407,348**
Receivables	**12,518**	**-**	**501**	**13,019**
Sovereign loans outstanding	**1,127,674**	**272,746**	**-**	**1,400,420**
Non-sovereign loans outstanding	**65,146**	**-**	**-**	**65,146**
Non-negotiable demand notes	**5,208**	**-**	**-**	**5,208**
Maintenance of value on currency holdings	**4,952**	**-**	**-**	**4,952**
Subscriptions in arrears	**1,314**	**-**	**-**	**1,314**
	$1,714,025	**$282,060**	**$501**	**$1,996,586**
Commitments				
Undisbursed sovereign loan balances	**$333,716**	**$-**	**$-**	**$333,716**
Undisbursed non-sovereign loan balances	**379**	**-**	**-**	**379**
Guarantees	**12,000**	**-**	**-**	**12,000**
	$346,095	**$-**	**$-**	**$346,095**
	$2,060,120	**$282,060**	**$501**	**$2,342,681**

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

NOTE 3 – RISK MANAGEMENT…*continued*

(a) Credit risk…*continued*

(v) Maximum exposure to credit risk before collateral held or other credit enhancements …continued

	2023			
	Stage 1	Stage 2	Stage 3	Total
Cash and cash equivalents	$86,104	$-	$-	$86,104
Debt securities fair value through OCI	448,233	8,779	-	457,012
Receivables	25,137	-	1,305	26,442
Sovereign loans outstanding	821,180	530,858	-	1,352,038
Non-sovereign loans outstanding	74,025	-	-	74,025
Non-negotiable demand notes	7,393	-	-	7,393
Maintenance of value on currency holdings	4,458	-	-	4,458
Subscriptions in arrears	1,278	-	-	1,278
	$1,467,808	$539,637	$1,305	$2,008,750
Commitments				
Undisbursed sovereign loan balances	412,029	-	-	412,029
Undisbursed non-sovereign loan balances	379	-	-	379
Guarantees	12,000	-	-	12,000
	$424,408	$-	$-	$424,408
	$1,892,216	$539,637	$1,305	$2,433,158

The above tables represent a worst-case scenario of credit risk exposure as at the reporting date, 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 to sovereign loans and commitments was **74.0%** (2023: 72.5%), and to the non-sovereign was **2.8%** (2023: 3.1%).

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

NOTE 3 – RISK MANAGEMENT…*continued*

(a) Credit risk…*continued*

(vi) 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 optimal 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 at December 31, 2024, the Bank's debt securities were classified as fair value through other comprehensive income. These assets were individually assessed for ECL. Amounts totalling **$398,034** (2023: $448,233) were classified as Stage 1 and amounts totalling **$9,314** (2023: $8,779) were classified as Stage 2 financial assets.

	2024				
	AAA	**AA+ to AA-**	**A+ to A-**	**BBB+ to BBB-**	**Total**
Obligations guaranteed by Governments[1]	**$31,465**	**$128,588**	**$6,940**	**$-**	**$166,993**
Time Deposits	**-**	**452**	**-**	**-**	**452**
Sovereign Bonds	**9,792**	**26,109**	**14,236**	**-**	**50,137**
Supranational Bonds[2]	**72,314**	**3,168**	**-**	**-**	**75,482**
Corporate Bonds	**11,801**	**36,187**	**61,276**	**5,020**	**114,284**
	$125,372	**$194,504**	**$82,452**	**$5,020**	**$407,348**

[1] Freely convertible currencies in Government and Government-guaranteed obligations which are members of the G7 or EU and its agencies.

[2] 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.

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

NOTE 3 – RISK MANAGEMENT…*continued*

(a) Credit risk…*continued*

(vi) Credit quality…continued

Debt securities, treasury bills and other eligible bills…*continued*

	2023				
	AAA	**AA+ to AA-**	**A+ to A-**	**BBB+ to BBB-**	**Total**
Obligations guaranteed by Governments[1]	$47,119	$140,936	$11,350	-	$199,405
Time Deposits	-	763	3,350	-	4,113
Sovereign Bonds	12,299	23,489	13,359	-	49,147
Supranational Bonds[2]	68,436	8,355	-	-	76,791
Corporate Bonds	8,313	29,437	84,947	4,859	127,556
	$136,167	$202,980	$113,006	$4,859	$457,012

In accordance with the Bank's internal rating scale **98.7%** (2023: 98.9%) of debt securities, treasury bills and other eligible bills are classified as 'Basic monitoring'.

[1] Freely convertible currencies in Government and Government-guaranteed obligations which are members of the G7 or EU and its agencies.
[2] 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.

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

NOTE 3 – RISK MANAGEMENT…*continued*

(a) Credit risk…*continued*

(vi) Credit quality…continued

Loans and advances

As at December 31, 2024, loans that were classified as Stage 1 and Stage 2 represented **99.9%** (2023: 99.9%) of gross loans outstanding. Loans are summarised as follows:

	2024		
	Sovereign	**Non-sovereign**	**Total**
Stage 1	**$1,128,534**	**$66,757**	**$1,195,291**
Stage 2	**273,044**	**-**	**273,044**
Stage 3	**-**	**1,549**	**1,549**
Gross	**1,401,578**	**68,306**	**1,469,884**
Less: allowance for ECL	**(1,158)**	**(3,160)**	**(4,318)**
Net	**$1,400,420**	**$65,146**	**$1,465,566**

	2023		
	Sovereign	**Non-sovereign**	**Total**
Stage 1	$821,780	$75,816	$897,596
Stage 2	532,341	-	532,341
Stage 3	-	1,586	1,586
Gross	1,354,121	77,402	1,431,523
Less: allowance for ECL	(2,083)	(3,377)	(5,460)
Net	$1,352,038	$74,025	$1,426,063

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

NOTE 3 – RISK MANAGEMENT…*continued*

(a) Credit risk…*continued*

(vi) Credit quality…continued

Loans and advances…continued
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.

	2024		
	Sovereign	**Non-Sovereign**	**Total Loans**
Standard monitoring	**$1,002,656**	**$51,249**	**$1,053,905**
Special monitoring	**370,496**	**13,897**	**384,393**
Sub-Standard	**27,268**	**-**	**27,268**
	$1,400,420	**$65,146**	**$1,465,566**

	2023		
	Sovereign	**Non-Sovereign**	**Total Loans**
Standard monitoring	$928,433	$24,918	$953,351
Special monitoring	393,785	49,107	442,892
Sub-Standard	29,820	-	29,820
	$1,352,038	$74,025	$1,426,063

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

NOTE 3 – RISK MANAGEMENT…*continued*

(a) Credit risk…*continued*

(vi) 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
There were no other assets classified as Sub-Standard as at December 31, 2024 or 2023.

	2024			
	Basic Monitoring	**Standard Monitoring**	**Special Monitoring**	**Total**
Cash and cash equivalents	**$89,457**	**$8,170**	**$1,552**	**$99,179**
Receivables	**-**	**-**	**12,518**	**12,518**
Non-negotiable demand notes	**8**	**2,125**	**3,075**	**5,208**
Maintenance of value on currency holdings	**1,250**	**3,702**	**-**	**4,952**
Subscriptions in arrears	**-**	**1**	**1,313**	**1,314**
	$90,715	**$13,998**	**$18,458**	**$123,171**

	2023			
	Basic Monitoring	**Standard Monitoring**	**Special Monitoring**	**Total**
Cash and cash equivalents	$28,111	$10,957	$47,036	$86,104
Receivables	-	-	25,137	25,137
Non-negotiable demand notes	8	4,387	2,998	7,393
Maintenance of value on currency holdings	1,250	3,208	-	4,458
Subscriptions in arrears	-	1	1,277	1,278
	$29,369	$18,553	$76,448	$124,370

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

NOTE 3 – RISK MANAGEMENT...*continued*

(a) Credit risk...*continued*

(vi) Credit quality...continued

Other financial assets...*continued*

Other financial assets – Fair value through profit or loss

There were no derivative financial assets as at December 31, 2024 or 2023.

(vii) 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. 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.

	2024				
	Borrowing Member Countries	**Non-Regional Members**	**USA**	**Other**	**Total**
Cash and cash equivalents	**$12,624**	**$59,023**	**$25,912**	**$1,620**	**$99,179**
Debt securities at fair value through OCI	**2,476**	**72,890**	**215,822**	**116,160**	**407,348**
Sovereign loans outstanding	**1,400,420**	**-**	**-**	**-**	**1,400,420**
Non-sovereign loans outstanding	**65,146**	**-**	**-**	**-**	**65,146**
Maintenance of value on currency Holdings	**672**	**4,280**	**-**	**-**	**4,952**
Non-negotiable demand notes	**5,208**	**-**	**-**	**-**	**5,208**
Subscriptions in arrears	**1,314**	**-**	**-**	**-**	**1,314**
Receivables	**13,019**	**-**	**-**	**-**	**13,019**
	$1,500,879	**$136,193**	**$241,734**	**$117,780**	**$1,996,586**

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

NOTE 3 – RISK MANAGEMENT…*continued*

(a) Credit risk…*continued*

(vii) Risk concentration of financial assets with exposure to credit risk…continued

Geographical sectors…*continued*

	2023				
	Borrowing Member Countries	**Non-Regional Members**	**USA**	**Other**	**Total**
Cash and cash equivalents	$68,330	$785	$15,810	$1,179	$86,104
Debt securities at fair value through OCI	2,515	83,600	225,626	145,271	457,012
Sovereign loans outstanding	1,352,038	-	-	-	1,352,038
Non-sovereign loans outstanding	74,025	-	-	-	74,025
Maintenance of value on currency Holdings	663	3,795	-		4,458
Non-negotiable demand notes	7,393	-	-	-	7,393
Subscriptions in arrears	1,278	-	-	-	1,278
Receivables	26,442	-	-	-	26,442
	$1,532,684	$88,180	$241,436	$146,450	$2,008,750

NOTE 3 – RISK MANAGEMENT…*continued*

(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.

(i) 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, with the exception of three which are denominated in Euros.

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

NOTE 3 – RISK MANAGEMENT…*continued*

(b) Market risk…*continued*

(i) *Foreign currency risk*…*continued*

Concentrations of foreign currency risk

	2024					
As at December 31	**US$**	**Yen**	**CHF**	**Euro**	**Other**	**Total**
Assets						
Cash and cash equivalents	**$28,484**	**$-**	**$-**	**$54,019**	**$16,676**	**$99,179**
Debt securities at fair value through OCI	**404,844**	**-**	**-**	**-**	**2,504**	**407,348**
Loans outstanding	**1,366,826**	**-**	**-**	**98,740**	**-**	**1,465,566**
Receivable from members	**7,194**	**-**	**-**	**-**	**4,280**	**11,474**
Receivables	**12,971**	**-**	**-**	**-**	**48**	**13,019**
Total financial assets	**$1,820,319**	**$-**	**$-**	**$152,759**	**$23,508**	**$1,996,586**
Liabilities						
Accounts payable	**$19,004**	**$-**	**$-**	**$-**	**$203**	**$19,207**
Borrowings	**453,952**	**42,244**	**166,997**	**304,104**	**-**	**967,297**
Derivative financial instruments	**5,661**	**10,526**	**5,597**	**94,213**	**-**	**115,997**
Total financial liabilities	**$478,617**	**$52,770**	**$172,594**	**$398,317**	**$203**	**$1,102,501**
Net on-balance sheet financial position	**$1,341,702**	**$(52,770)**	**$(172,594)**	**$(245,558)**	**$23,305**	**$894,085**
Credit commitments	**$346,095**	**$-**	**$-**	**$-**	**$-**	**$346,095**

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

NOTE 3 – RISK MANAGEMENT…*continued*

(b) Market risk…*continued*

(i) Foreign currency risk…continued

Concentrations of foreign currency risk …*continued*

	2023					
As at December 31	**US$**	**Yen**	**CHF**	**Euro**	**Other**	**Total**
Assets						
Cash and cash equivalents	$22,149	$1	$-	$(1,275)	$65,229	$86,104
Debt securities at fair value through OCI	447,956	-	-	-	9,056	457,012
Loans outstanding	1,350,803	-	-	75,260	-	1,426,063
Receivable from members	8,671	-	-	-	4,458	13,129
Receivables	26,384	-	-	-	58	26,442
Total financial assets	$1,855,963	$1	$-	$73,985	$78,801	$2,008,750
Liabilities						
Accounts payable	$16,925	$-	$-	$-	$-	$16,925
Borrowings	545,875	46,845	173,998	247,363	-	1,014,081
Derivative financial instruments	8,735	2,820	1,816	86,827	-	100,198
Total financial liabilities	$571,535	$49,665	$175,814	$334,190	$-	1,131,204
Net on-balance sheet financial position	$1,284,428	$(49,664)	$(175,814)	$(260,205)	$78,801	$877,546
Credit commitments	$424,408	$-	$-	$-	$-	$424,408

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

NOTE 3 – RISK MANAGEMENT…*continued*

(b) Market risk…*continued*

(i) Foreign currency risk…continued

Foreign currency sensitivity

In calculating these sensitivities management made the assumption 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 one 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.

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

	Effect on profit or loss (Income)/Expense	
YEN	**2024**	2023
Exchange rate movements		
Increase of 5%	**$(1,967)**	$(2,185)
Decrease of 5%	**2,173**	2,417
Increase of 10%	**$(3,754)**	$(4,172)
Decrease of 10%	**4,588**	5,101
CHF		
Exchange rate movements		
Increase of 5%	**$(9,541)**	$(6,051)
Decrease of 5%	**6,525**	11,225
Increase of 10%	**$(16,478)**	$(13,512)
Decrease of 10%	**15,897**	21,303
EURO		
Exchange rate movements		
Increase of 5%	**$(1,684)**	$(887)
Decrease of 5%	**24,412**	26,779
Increase of 10%	**$(12,953)**	$(12,833)
Decrease of 10%	**39,634**	42,918

NOTE 3 – RISK MANAGEMENT…*continued*

(b) Market risk…*continued*

(i) Foreign currency risk…continued

Foreign currency sensitivity…continued

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

(ii) 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.

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

NOTE 3 – RISK MANAGEMENT…*continued*

(b) Market risk…*continued*

(ii) Interest rate risk…continued

Exposure to interest rate risk

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.

	2024					
At December 31	**0-3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**Non-interest generating/bearing**	**Total**
Assets						
Cash and cash equivalents	**$99,179**	**$-**	**$-**	**$-**	**$-**	**$99,179**
Debt securities at fair value through OCI	**51,236**	**83,506**	**122,449**	**150,157**	**-**	**407,348**
Loans outstanding	**1,465,566**	**-**	**-**	**-**	**-**	**1,465,566**
Receivable from members	**-**	**-**	**-**	**-**	**11,474**	**11,474**
Receivables	**-**	**-**	**-**	**-**	**13,019**	**13,019**
Total Assets	**$1,615,981**	**$83,506**	**$122,449**	**$150,157**	**$24,493**	**$1,996,586**
Liabilities						
Accounts payable	**$-**	**$-**	**$-**	**$-**	**$19,207**	**$19,207**
Borrowings	**-**	**116,284**	**321,422**	**529,591**	**-**	**967,297**
Derivative financial instruments	**16,123**	**99,874**	**-**	**-**	**-**	**115,997**
Total Liabilities	**$16,123**	**$216,158**	**$321,422**	**$529,591**	**$19,207**	**$1,102,501**
Total interest sensitivity Gap	**$1,599,858**	**$(132,652)**	**$(198,973)**	**$(379,434)**	**$5,286**	**$894,085**

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

NOTE 3 – RISK MANAGEMENT…*continued*

(b) Market risk…*continued*

(ii) Interest rate risk…continued

Exposure to interest rate risk…continued

At December 31	2023					
	0-3 months	**3-12 months**	**1-5 years**	**Over 5 years**	**Non-interest generating/bearing**	**Total**
Assets						
Cash and cash equivalents	$86,104	$-	$-	$-	$-	$86,104
Debt securities at fair value through OCI	21,857	70,544	224,680	139,931	-	457,012
Loans outstanding	1,426,063	-	-	-	-	1,426,063
Receivable from members	-	-	-	-	13,129	13,129
Receivables	-	-	-	-	26,442	26,442
Total Assets	$1,534,024	$70,544	$224,680	$139,931	$39,571	$2,008,750
Liabilities						
Accounts payable	$-	$-	$-	$-	$16,925	$16,925
Borrowings	28,798	108,909	389,085	487,289	-	1,014,081
Derivative financial instruments	4,636	95,562	-	-	-	100,198
Total Liabilities	$33,434	$204,471	$389,085	$487,289	$16,925	$1,131,204
Total interest sensitivity Gap	$1,500,590	$(133,927)	$(164,405)	$(347,358)	$22,646	$877,546

NOTE 3 – RISK MANAGEMENT…*continued*

(b) Market risk…*continued*

(ii) Interest rate risk…continued

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 **$4,348** (2023: $4,029). 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 **$9,980** (2023: $13,201). Had interest rates been 50 bps lower, net income for the year would have increased by **$10,852** (2023: $12,987).

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.

(c) 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 **$306.0** million (2023: $466.0 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 **$133.6 million** (2023: $164.9 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.

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

NOTE 3 – RISK MANAGEMENT…*continued*

(c) Liquidity risk…*continued*

(i) 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.

			2024		
At December 31	**0 – 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
Assets					
Cash and cash equivalents	**$99,179**	**$-**	**$-**	**$-**	**$99,179**
Debt securities at fair value through OCI	**55,565**	**90,507**	**147,221**	**183,515**	**476,808**
Loans outstanding	**86,652**	**177,949**	**863,625**	**664,869**	**1,793,095**
Receivable from members	**-**	**11,474**	**-**	**-**	**11,474**
Receivables	**12,590**	**184**	**78**	**167**	**13,019**
Total Assets	**$253,986**	**$280,114**	**$1,010,924**	**$848,551**	**$2,393,575**
Liabilities					
Accounts payable	**$-**	**$14,791**	**$1,324**	**$3,092**	**$19,207**
Borrowings	**449**	**90,602**	**390,246**	**673,747**	**1,155,044**
Total Liabilities	**$449**	**$105,393**	**$391,570**	**$676,839**	**$1,174,251**

			2023		
At December 31	**0 – 3 Months**	**3-12 Months**	**1-5 years**	**Over 5 years**	**Total**
Assets					
Cash and cash equivalents	$86,104	$-	$-	$-	$86,104
Debt securities at fair value through OCI	26,287	79,787	275,089	153,224	534,387
Loans outstanding	78,381	162,593	845,799	689,954	1,776,727
Receivable from members	-	13,129	-	-	13,129
Receivables	59	26,114	269	-	26,442
Total Assets	$190,831	$281,623	$1,121,157	$843,178	$2,436,789
Liabilities					
Accounts payable	$-	$5,779	$7,891	$3,255	$16,925
Borrowings	25,694	90,351	295,085	795,881	1,207,011
Total Liabilities	$25,694	$96,130	$302,976	$799,136	$1,223,936

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

NOTE 3 – RISK MANAGEMENT*…continued*

(c) Liquidity risk*…continued*

(ii) 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.

			2024		
At December 31	**0 - 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
Derivative financial instruments:					
Derivative liability	**\$(5,976)**	**\$(18,275)**	**\$(37,505)**	**\$(82,698)**	**\$(144,454)**

			2023		
At December 31	**0 - 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
Derivative financial instruments:					
Derivative liability	$(5,818)	$(25,802)	$(23,725)	$(66,036)	$(121,381)

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

NOTE 3 – RISK MANAGEMENT…*continued*

(c) Liquidity risk…*continued*

(iii) 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. Balances are aged based on expected disbursement dates.

	2024		
At December 31	**0-12 months**	**1-5 years**	**Total**
Loan commitments	**$178,000**	**$156,095**	**$334,095**
Guarantees	**12,000**	**-**	**12,000**
	$190,000	**$156,095**	**$346,095**

	2023		
At December 31	0-12 months	1-5 years	Total
Loan commitments	$240,000	$172,408	$412,408
Guarantees	12,000	-	12,000
	$252,000	$172,408	$424,408

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

NOTE 3 – RISK MANAGEMENT…*continued*

(d) Fair value of financial assets and liabilities

(i) 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.

(ii) Financial assets and liabilities measured at fair value

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

December 31	**2024**	2023
Financial assets at fair value through OCI		
Debt securities	**$407,348**	$457,012
	$407,348	$457,012
Financial liabilities at fair value through profit or loss		
Derivative financial instruments	**$115,997**	100,198
	$115,997	$100,198

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

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

NOTE 3 – RISK MANAGEMENT…*continued*

(d) Fair value of financial assets and liabilities…*continued*

(ii) 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:

	Carrying value		Fair value	
	2024	2023	**2024**	2023
Financial assets – loans and receivables				
Loans outstanding	**$1,465,566**	$1,426,063	**$1,284,932**	$1,237,241
Financial liabilities – amortised cost				
Borrowings	**$967,297**	$1,014,081	**$981,467**	$992,686

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 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.

Other financial assets/liabilities are not shown above as their carrying values approximate their fair value.

NOTE 3 – RISK MANAGEMENT…*continued*

(e) 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 uses a Risk Adjusted Capital (RAC) policy framework to measure and manage its capital adequacy. This methodology permits the consideration of a comprehensive scope of risks including credit, operational, concentration, and market risk. It also captures the mitigating impact of Preferred Credit Treatment, which is a beneficial factor unique to Multi-Lateral Institutions. The policy requires the Bank to maintain risk adjusted capital (as defined in the Bank's Board approved policy) at a minimum level of 24% of risk weighted assets.

As at December 31, 2024 the Bank's RAC ratio was **26.0%** (2023: 25.9%).

(f) Interest rate benchmark reform

A fundamental reform of major interest rates benchmarks is being undertaken globally, replacing some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform').

The Bank conducted a review of its LIBOR exposures from financial, legal and risk management perspectives in order to manage its transition to alternative rates. The review evaluated the extent to which borrowings, liabilities, and derivatives reference LIBOR cash flows, and whether such contracts need to be amended as a result of IBOR reform. The results of the review were reported to the Bank's Enterprise Risk Committee and Board of Directors.

For contracts indexed to LIBOR that mature after the expected cessation of the LIBOR rate the Bank has signed fallback mechanisms for centrally cleared derivatives to transfer exposures to the new benchmark rate ahead of the activation date of the fallback provisions.

Non-derivative borrowings
During 2022 and 2023, the Bank had one principal LIBOR exposure in respect of non-derivative borrowings subject to the reform. This was a USD borrowing indexed to LIBOR with Agence Francaise de Developpement. This borrowing remains unreformed as at December 31, 2024 with a carrying value of **$14,295** (2023: $18,412). There are no unreformed non-derivative financial assets.

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

NOTE 3 – RISK MANAGEMENT…*continued*

(f) Interest rate benchmark reform…*continued*

Derivatives and hedge accounting
The Bank holds derivatives for risk management purposes (see Notes 3 and 12). Derivatives held for risk management purposes are designated in hedging relationships. The interest rate and cross-currency swaps have floating legs that are indexed to LIBOR. The Bank's derivative instruments are governed by ISDA's 2006 definitions and the Bank is adhering to the ISDA 2020 IBOR Fallbacks Protocol.

There were no unreformed derivative instruments at December 31, 2024 or 2023.

NOTE 4 – COUNTRY ANALYSIS & REPORTING

The Bank's operations are managed as a single business unit and it does not have multiple components for which discrete financial information is produced.

The following table presents CDB's outstanding loan balances inclusive of accrued interest and net of impairment provisions as at December 31, 2024 and 2023, and associated interest income by countries which generated in excess of 10% of the loan interest income for the years ended December 31, 2024 and 2023:

	Interest income		**Loans outstanding**	
Country	**2024**	2023	**2024**	2023
Bahamas	**$13,001**	$8,700	**$245,478**	$204,285
Barbados	**11,026**	11,712	**197,716**	226,797
Belize	**7,524**	7,200	**140,690**	142,601
Others	**43,661**	42,621	**881,682**	852,380
	$75,212	$70,233	**$1,465,566**	$1,426,063

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 recognizes 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 assets' contractual terms, measured at either:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or 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).

NOTE 5 – FINANCIAL ASSETS…*continued*

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 recognised 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 charge/(recovery)'.

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. 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) 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.

NOTE 5 – FINANCIAL ASSETS…*continued*

Subsequent measurement …continued

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.

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.

NOTE 5 – FINANCIAL ASSETS…*continued*

Subsequent measurement …*continued*

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 12. Changes in the fair value of derivatives are presented as '*Derivative fair value adjustment*' 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 expense from derivatives'* in Note 20 (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(d)(ii).

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.

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.

NOTE 5 – FINANCIAL ASSETS…*continued*

Impairment of financial assets…*continued*

Determination of significant increase in credit risk…*continued*
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 recognizes 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.

- 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.

NOTE 5 – FINANCIAL ASSETS…*continued*

Impairment of financial assets…*continued*

The calculation of ECLs…continued
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 de-recognised 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 realization 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 "haircuts" 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 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.

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 or 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, especially for its sovereign borrowers, such as:

- GDP growth projections
- Unemployment rate trends
- Debt profiles, debt management and projected debt 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 reporting date. 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 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 borrowers 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.

NOTE 5 – FINANCIAL ASSETS…*continued*

Impairment of financial assets…*continued*

Definition of default and cure…continued
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 in order 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
- 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 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.

The Bank's internal rating and PD estimation process
The Bank's ORM uses 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.

NOTE 5 – FINANCIAL ASSETS…*continued*

Impairment of financial assets…*continued*

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.

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 PDs to the individual ratings;
- The Bank's criteria for assessing if there has been a significant increase in credit risk;
- 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, EADs and 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.

NOTE 5 – FINANCIAL ASSETS…*continued*

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 three non-sovereign borrowers amounting to **$5.1 million** (2023: $4.4 million).

Write-offs

The Bank does not write-off, renegotiate or take "haircuts" on its sovereign loans in accordance with its business model, polices 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.

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.

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.

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

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 and are used by the Bank in the management of its short-term commitments. Cash and cash equivalents include cash, time deposits, and amounts due from other banks.

Cash and cash equivalents comprise the following balances:

	2024	2023
Due from banks	**$90,253**	$86,104
Time deposits	**8,926**	-
	$99,179	$86,104

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

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 is as follows:

			2024		
	USD	**EUR**	**CAD**	**Other**	**Total**
December 31					
Obligations guaranteed by Governments[1]	**$217,130**	**$-**	**$-**	**$-**	**$217,130**
Multilateral organisations	**73,430**	**-**	**2,052**	**-**	**75,482**
Corporations	**114,284**	**-**	**-**	**-**	**114,284**
Time deposits	**-**	**-**	**-**	**452**	**452**
	$404,844	**$-**	**$2,052**	**$452**	**$407,348**

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

NOTE 7 – DEBT SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME…*continued*

	2023				
	USD	**EUR**	**CAD**	**Other**	**Total**
December 31					
Obligations guaranteed by Governments[1]	$242,542	$-	$2,800	$-	$245,342
Multilateral organisations	77,206	-	2,144	-	79,350
Corporations	128,208	-	-	-	128,208
Time deposits	-	3,343	-	769	4,112
	$447,956	$3,343	$4,944	$769	$457,012

The ECL computed for debt securities at FVOCI was **$10** as at December 31, 2024 (2023: $12).

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, 2023	$20	$-	$-	$20
Impairment recovery (Note 22)	(8)	-	-	(8)
Balance as at December 31, 2023	$12	$-	$-	$12
Impairment recovery (Note 22)	(3)	1	-	(2)
Balance as at December 31, 2024	**$9**	**$1**	**$-**	**$10**

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

	2024	2023
Current	**$136,054**	$93,940
Non-current	**271,294**	363,072
	$407,348	$457,012

(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. They are recorded on the statement of financial position when cash is paid and expensed 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:

	2024	2023
Inter-fund receivable – Note 25	**$11,297**	$24,510
Staff loans and other receivables	**1,222**	616
Value added tax receivable	**389**	1,070
Institutional receivables	**253**	592
Prepaid assets	**1,067**	786
	14,228	27,574
Allowance for ECL	**(142)**	(346)
	$14,086	$27,228

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, 2023	$-	$-	$414	$414
Impairment recovery (Note 22)	-	-	(68)	(68)
Balance as at December 31, 2023	$-	$-	$346	$346
Impairment recovery (Note 22)	-	-	(204)	(204)
Balance as at December 31, 2024	**$-**	**$-**	**$142**	**$142**

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's 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 was subject to such an arrangement. This swap was novated to JP Morgan Chase Bank NA on July 3, 2024 under the same terms and conditions as those which existed with Credit Suisse International.

As at December 31, 2024, there was no collateral receivable from JP Morgan Chase Bank NA (2023: Nil from Credit Suisse International) in respect of this cross-currency interest rate swap and no interest was earned on this account for the year (2023: $70 from Credit Suisse International).

NOTE 10 – LOANS RECEIVABLE

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, 2024 was **5.60%** (2023: 4.90%).

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.

NOTE 10 – LOANS RECEIVABLE …*continued*

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.

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

NOTE 10 – LOANS RECEIVABLE…*continued*

(a) Credit exposure

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.

2024

Borrowers	Loans not yet effective[1]	Undisbursed	Outstanding	% of Loans outstanding
Anguilla	$-	$926	$51,030	3.5
Antigua and Barbuda	-	31,835	111,557	7.7
Bahamas	-	59,552	240,918	16.7
Barbados	-	5,719	195,282	13.5
Belize	43,982	20,534	137,954	9.5
British Virgin Islands	-	10,036	84,040	5.8
Dominica	-	813	21,360	1.5
Grenada	-	13,551	27,050	1.9
Guyana	26,699	49,580	65,539	4.5
Jamaica	-	-	56,407	3.9
St. Kitts and Nevis	-	1,850	11,564	0.8
St. Lucia	-	12,631	118,897	8.2
St. Vincent and the Grenadines	-	38,882	140,424	9.7
Suriname	-	15,330	93,742	6.5
Trinidad and Tobago	-	-	17,133	1.2
Turks and Caicos Islands	-	311	253	0.2
Regional	-	1,485	6,468	0.4
Non-sovereign	-	379	65,584	4.5
	70,681	263,414	1,445,202	100.0
Sub-total				
Allowance for ECL			(4,318)	
Accrued interest and other charges			24,682	
	$70,681	$263,414	$1,465,566	

	2024
Current	$196,717
Non-current	1,268,849
	$1,465,566

[1] Loans not yet effective are loans which have been approved by the Board of Directors but for which the official loan agreement has not yet been signed by the BMC.

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

NOTE 10 – LOANS RECEIVABLE…*continued*

(a) Credit exposures…*continued*

2023

Borrowers	Loans not yet effective[1]	Undisbursed	Outstanding	% of Loans outstanding
Anguilla	$-	$1,247	$58,941	4.2
Antigua and Barbuda	-	37,850	123,485	8.8
Bahamas	-	20,711	200,886	14.2
Barbados	-	5,719	224,402	15.9
Belize	-	30,924	140,545	10.0
British Virgin Islands	-	15,036	87,218	6.2
Dominica	-	1,829	23,781	1.7
Grenada	9,970	6,020	29,612	2.1
Guyana	26,699	81,739	36,342	2.6
Jamaica	-	1	69,526	4.9
St. Kitts and Nevis	-	2,077	14,547	1.0
St. Lucia	42,700	21,554	76,891	5.5
St. Vincent and the Grenadines	10,000	70,050	119,060	8.4
Suriname	-	24,030	101,737	7.2
Trinidad and Tobago	-	1,765	20,272	1.4
Turks and Caicos Islands	-	498	335	0.0
Regional	-	1,610	7,415	0.5
Non-sovereign	-	379	74,887	5.3
	89,369	323,039	1,409,882	100.0
Sub-total				
Allowance for ECL			(5,460)	
Accrued interest and other charges			21,641	
	$89,369	$323,039	$1,426,063	

	2023
Current	$174,873
Non-current	1,251,190
	$1,426,063

[1] Loans not yet effective are loans which have been approved by the Board of Directors but for which the official loan agreement has not yet been signed by the BMC.

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

NOTE 10 – LOANS RECEIVABLE…*continued*

(b) An analysis of the composition of outstanding loans was as follows:

	2024						
Currencies receivable	**Loans outstanding 1 January 2024**	**Translation adjustment**	**Net interest**	**Disbursements**	**Repayments**	**Impairment recovery**	**Loans outstanding 31 December 2024**
United States dollars	**$1,335,125**	**$-**	**$-**	**$175,303**	**$(164,275)**	**$-**	**$1,346,153**
Euros	**74,757**	**$(4,242)**	**-**	**28,534**	**-**	**-**	**99,049**
Sub-total	**1,409,882**	**(4,242)**	**-**	**203,837**	**(164,275)**	**-**	**1,445,202**
Allowance for ECL	**(5,460)**	**-**	**-**	**-**	**-**	**1,142**	**(4,318)**
Accrued interest	**21,641**	**-**	**3,041**	**-**	**-**	**-**	**24,682**
Total – December 31	**$1,426,063**	**$(4,242)**	**$3,041**	**$203,837**	**$(164,275)**	**$1,142**	**$1,465,566**

	2023						
Currencies receivable	**Loans outstanding 1 January 2023**	**Translation adjustment**	**Net interest**	**Disbursements**	**Repayments**	**Impairment recovery**	**Loans outstanding 31 December 2023**
United States dollars	$1,285,160	$-	$-	$186,587	$(136,622)	$-	$1,335,125
Euros	27,335	$926	-	46,503	(7)	-	74,757
Sub-total	1,312,495	926	-	233,090	(136,629)	-	1,409,882
Allowance for ECL	(8,017)	-	-	-	-	2,557	(5,460)
Accrued interest	19,665	-	1,976	-	-	-	21,641
Total – December 31	$1,324,143	$926	$1,976	$233,090	$(136,629)	$2,557	$1,426,063

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

NOTE 10 – LOANS RECEIVABLE…*continued*

(c) Reconciliation of the allowance account for ECL on loans is as follows:

	Stage 1	Stage 2	Stage 3	Total
Balance as at January 1, 2023	$4,808	$1,583	$1,626	$8,017
Impairment (recovery)/charge (Note 22)	(2,417)	(99)	(41)	(2,557)
Balance as at December 31, 2023	$2,391	$1,484	$1,585	$5,460
Impairment recovery (Note 22)	80	(1,185)	(37)	(1,142)
Balance as at December 31, 2024	**$2,471**	**$299**	**$1,548**	**$4,318**

NOTE 11 – RECEIVABLE FROM MEMBERS

The accounting policy for receivable from members is as defined at Note 5. Receivable from members comprise the following:

	2024	2023
Non-negotiable demand notes (NNDN)	**$5,208**	$7,393
Maintenance of value on currency holdings (MOV)	**4,952**	4,458
Subscriptions in arrears (ARR)	**1,314**	1,278
	$11,474	$13,129

Amounts payable to members are made up as follows:

	2024	2023
Maintenance of value on currency holdings	**$47**	$74
	$47	$74

All asset values were classified as Stage 1. An assessment of the allowance for ECL as at December 31 is as follows:

	NNDN	MOV	ARR	Total
Balance as at January 1, 2023	$215	$-	$99	$314
Impairment recovery (Note 22)	(120)	-	(56)	(176)
Balance as at December 31, 2023	$95	$-	$43	$138
Impairment recovery (Note 22)	(77)	-	(36)	(113)
Balance as at December 31, 2024	**$18**	**$-**	**$7**	**$25**

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

NOTE 11 – RECEIVABLE FROM MEMBERS…*continued*

(a) Non-negotiable demand notes

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: -

	2024	2023
Gross carrying amount	**$5,226**	$7,488
Allowance for ECL	**(18)**	(95)
	$5,208	$7,393

(b) Maintenance of value (MOV) on currency holdings

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 unfavourable 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.

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

NOTE 11 – RECEIVABLE FROM MEMBERS...*continued*

(b) Maintenance of value (MOV) on currency holdings...*continued*

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:

	2024	2023
Gross carrying amount	**$4,952**	$4,458

Allowance for ECL was Nil (2023: Nil).

Amounts payable to members

As at December 31, 2024 **$47** (2023: $74) was due by the Bank.

(c) Subscriptions in arrears

Member countries are required to meet their obligations for paid-in shares in six instalments. Subscriptions in arrears therefore represent amounts that are due and not yet paid by certain members.

The amount reported as subscriptions in arrears is comprised as follows:

	2024	2023
Gross carrying amount	**$1,321**	$1,321
Allowance for ECL	**(7)**	(43)
	$1,314	$1,278

NOTE 12 – DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The accounting policy is described in Note 5.

The Bank is party to five swaps with two counterparties.

One dual-currency interest rate swap was executed in February 2000 and used to transform an underlying fixed rate borrowing in Japanese Yen to a floating rate obligation in USD. The fixed rate Japanese Yen note which matures in 2030 carries an interest rate of 4.35%. The principal amount due upon maturity is in Japanese Yen, while the interest payments are due in USD.

Two plain vanilla interest rate swaps were executed in August 2013 and September 2014, which transformed a 4.375% fixed rate borrowing of USD300 million due in 2027, into floating rate obligations based on US LIBOR.

One cross currency interest rate swap was executed in July 2016 related to a bond issue of 145 million Swiss Francs. This swap was used to transform the underlying 0.297% fixed rate borrowing in Swiss Francs due in 2028, into a floating rate obligation in USD and based on US LIBOR.

One cross currency interest rate swap was executed in September 2021 related to a pre-existing 0.875% fixed rate bond issue of 250 million Euros which matures in 2039. This swap was used to transform 180 million Euros of the underlying fixed rate borrowing into a floating rate obligation in USD based on US LIBOR.

All swaps held mature concurrently with their related borrowings and each of the Bank's floating rate swap obligations contractually linked to US LIBOR are now governed by the ISDA IBOR Fallbacks Protocol to which the Bank adheres.

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.

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

NOTE 12 – DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING
…continued

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:

		2024	2023
	Notional Amount	**Fair values**	
Derivative financial liability			
Cross currency interest rate swaps	**$422,247**	**$106,049**	$86,432
Interest rate swaps	**180,000**	**5,042**	7,518
Bilateral non-performance risk adjustment		**(2,727)**	(1,789)
Accrued interest		**7,633**	8,037
		$115,997	$100,198

For the purpose of hedge accounting, hedges are classified as fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

At the inception of a hedge relationship, the Bank formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Bank will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

NOTE 12 – DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

…continued

Cross-currency interest rate swaps are held to manage the fair value or cash flow exposures of borrowings denominated in foreign currencies and are designated as fair value hedges and cash flow hedges as appropriate. Interest rate swaps are held to manage the interest rate exposures of fixed rate borrowings and may be designated as fair value hedges or cash flow hedges as appropriate.

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Bank actually hedges and the quantity of the hedging instrument that the Bank actually uses to hedge that quantity of hedged item.

Hedge accounting will be discontinued when the hedging instrument is sold, matured, terminated, exercised, or no longer qualifies for hedge accounting.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in profit or loss in the statement of comprehensive income as 'derivative fair value adjustment'. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in profit or loss in the statement of comprehensive income as 'fair value and foreign exchange movement on borrowings'.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is de-recognised, the unamortised fair value is recognised immediately in profit or loss in the statement of comprehensive income.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss in the statement of comprehensive income.

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

NOTE 12 – DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

…continued

Impact of Hedges

USD Debt - Fair Value Hedge

The Bank hedges fair value risk due to interest rates on $300m of fixed rate debt using pay floating/ receive fixed interest rate swaps. These swaps were entered into in prior periods, however they were designated in hedge relationships for accounting purposes prospectively from October 1, 2022. Within the fair value hedge, the component designated is the risk-free interest rate.

Although ineffectiveness is expected to arise due to the day 1 fair value of the derivative, the Bank considers that an economic relationship exists as the hedged item and hedging instrument are impacted in opposite directions by movements in interest rates.

The hedge ratio is 1:1. The Bank therefore performs a qualitative and quantitative assessment of effectiveness. During the period, ineffectiveness of **$(336)** (2023: $(3,938)) was recognised in profit or loss in the statement of comprehensive income in relation to this relationship. Ineffectiveness might arise:

- due to the fair value of the derivative at hedge inception;
- if the timing of the forecast transaction changes from originally estimated; or
- if there are changes in the credit risk of the derivative counterparty.

Summary information relating to the hedge relationship is as follows:

	2024	2023
Fair Value Hedge		
Notional amount of the derivative	**$240,000**	$240,000
Maturity date	**9-Nov-27**	9-Nov-27
Carrying amount of hedging instrument	**$5,661**	$8,735
Carrying amount of hedged item	**$179,523**	$240,119
Periodic change in value of the hedging instrument used to determine hedge ineffectiveness	**$(932)**	$(2,864)
Periodic change in value of hedged item used to determine hedge ineffectiveness	**$596**	$(1,074)
Cumulative change in the value of hedged item included in 'fair value and foreign exchange movement on borrowings'	**$477**	$(119)
Weighted average hedged rate for the year	**USD LIBOR -0.02648%**	USD LIBOR -0.02648%

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

NOTE 12 – DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING
…continued

Impact of Hedges*…continued*

CHF & EUR Debt - Fair Value Hedges
The Bank hedges fair value risk due to interest rates and foreign currency risk on the interest and principal of:

- CHF145m of fixed rate debt and commission costs using a cross-currency interest rate swap.
- EUR180m of EUR 250m fixed rate debt using a cross-currency interest rate swap.

The fair value risk due to movements in interest rates arising on the risk-free component of the interest payments are designated in a fair value hedge.

The CHF swap was entered into at the same time as the related debt, and the EUR swap was entered into after the issuance of the related debt, however they were both designated in hedge relationships for accounting purposes prospectively from October 1, 2022.

Although ineffectiveness is expected to arise due to the day 1 fair value of the derivative, the Bank considers that an economic relationship exists as the hedged item and hedging instrument are impacted in opposite directions by movements in interest and foreign exchange rates. The hedge ratio is 1:1. The Bank therefore performs a qualitative and quantitative assessment of effectiveness.

During the period, ineffectiveness was recognised in profit or loss in the statement of comprehensive income in relation to these relationships as follows:

CHF145m	**$(222)** (2023: $(3,374))
EUR180m	**$6,422** (2023: $(8,558)

Ineffectiveness might arise:

- due to the fair value of the derivative at hedge inception;
- if the timing of the forecast transaction changes from originally estimated; or
- if there are changes in the credit risk of the derivative counterparty.

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

NOTE 12 – DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING
…continued

Impact of Hedges*…continued*

CHF & EUR Debt - Fair Value Hedges *…continued*

Summary information relating to the hedge relationship is as follows:

	2024	
	CHF Debt	**EUR Debt**
Notional amount of the derivative	**$151,341**	**$210,906**
Maturity date	**7-Jul-28**	**29-Nov-39**
Fair Value Hedge		
Carrying amount of hedging instrument	**$5,597**	**$94,213**
Carrying amount of hedged item	**$167,042**	**$256,947**
Periodic change in value of the hedging instrument used to determine hedge ineffectiveness	**$(7,422)**	**$(1,887)**
Periodic change in value of hedged item used to determine hedge ineffectiveness	**$7,200**	**$8,309**
Cumulative change in the value of hedged item included in Borrowings	**$7,200**	**$8,309**
	USD LIBOR	**USD LIBOR**
Weighted average hedged interest rate	**-1.77%**	**-2.36%**
Weighted average hedged foreign exchange rate	**1.020825**	**0.976181**

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

NOTE 12 – DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING
…continued

Impact of Hedges*…continued*

CHF & EUR Debt - Fair Value Hedges *…continued*

	2023	
	CHF Debt	EUR Debt
Notional amount of the derivative	$151,341	$210,906
Maturity date	7-Jul-28	29-Nov-39
Fair Value Hedge		
Carrying amount of hedging instrument	$1,816	$86,827
Carrying amount of hedged item	$174,241	$265,257
Periodic change in value of the hedging instrument used to determine hedge ineffectiveness	$15,857	$2,027
Periodic change in value of hedged item used to determine hedge ineffectiveness	$(19,231)	$(10,585)
Cumulative change in the value of hedged item included in Borrowings	$(19,231)	$(10,585)
Weighted average hedged interest rate	USD LIBOR -1.77%	USD LIBOR -2.36%
Weighted average hedged foreign exchange rate	1.020825	0.976181

JPY Debt

The Bank hedges fair value risk due to USD interest rates and foreign currency risk on the principal of JPY6,500mn of fixed rate debt using a cross-currency interest rate swap. No hedge accounting was applied at this time.

NOTE 13 – PROPERTY AND EQUIPMENT

Land is measured at fair value and is not depreciated as it is deemed to have an indefinite life. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in other comprehensive income and credited to other reserves (specifically the asset revaluation surplus) in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset.

Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

All other categories of fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment. 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.

Depreciation of all categories of fixed assets subject to such, 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:

	Years
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.

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.

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

NOTE 13 – PROPERTY AND EQUIPMENT…*continued*

The carrying values of property and equipment were as follows:

	2024						
	Projects in Progress	**Land**	**Buildings & Ancillary Works**	**Computers**	**Furniture & Equipment**	**Motor Vehicles**	**Total**
Opening net book value	**$2,967**	**$4,350**	**$3,997**	**$10,235**	**$775**	**$19**	**$22,343**
Additions	**1,045**	**-**	**30**	**143**	**32**	**84**	**$1,334**
Transfers from projects in progress	**(289)**	**-**	**29**	**259**	**1**	**-**	**-**
Disposals – Cost	**-**	**-**	**-**	**(496)**	**(63)**	**-**	**(559)**
Disposals – accumulated depreciation	**-**	**-**	**-**	**496**	**27**	**-**	**523**
Depreciation expense	**-**	**-**	**(306)**	**(3,457)**	**(202)**	**(32)**	**(3,997)**
Closing net book value	**$3,723**	**$4,350**	**$3,750**	**$7,180**	**$570**	**$71**	**$19,644**
At December 31							
Cost	**$3,723**	**$4,350**	**$12,981**	**$27,672**	**$5,543**	**$255**	**$54,524**
Accumulated depreciation	**-**	**-**	**(9,231)**	**(20,492)**	**(4,973)**	**(184)**	**(34,880)**
Closing net book value	**$3,723**	**$4,350**	**$3,750**	**$7,180**	**$570**	**$71**	**$19,644**

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

NOTE 13 – PROPERTY AND EQUIPMENT…*continued*

	2023						
	Projects in Progress	**Land**	**Buildings & Ancillary Works**	**Computers**	**Furniture & Equipment**	**Motor Vehicles**	**Total**
Opening net book value	$15,335	$4,350	$2,888	$2,511	$406	$47	$25,537
Additions	2,914	-	1	141	106	-	3,162
Transfers from projects in progress	(15,156)	-	1,431	13,222	503	-	-
Disposals – Cost	-	-	-	(1,966)	(177)	(207)	(2,350)
Disposals – accumulated depreciation	-	-	-	1,966	177	207	2,350
Depreciation expense	(126)	-	(323)	(5,639)	(240)	(28)	(6,356)
Closing net book value	$2,967	$4,350	$3,997	$10,235	$775	$19	$22,343
At December 31							
Cost	$2,967	$4,350	$12,922	$27,765	$5,573	$171	$53,748
Accumulated depreciation	-	-	(8,925)	(17,530)	(4,798)	(152)	(31,405)
Closing net book value	$2,967	$4,350	$3,997	$10,235	$775	$19	$22,343

Valuation techniques and significant unobservable inputs

The Bank's land was appraised by a professional, independent property appraiser and is stated at fair market value. The value for the property was determined using the market approach which best reflects the nature of the property.

Land shown at revalued amounts are included in Level 2 on the fair value hierarchy. The original cost of the land was $880. There were no transfers between levels for both years.

NOTE 13 – PROPERTY AND EQUIPMENT…*continued*

Valuation techniques and significant unobservable inputs…*continued*

The following table shows the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Category	Valuation techniques	Significant unobservable Inputs	Inter-relationship between key unobservable inputs and fair value measurement
Land	Market Approach	• Adjustment to price based on commercial land sales in the area – USD$9.05 to USD$16.50 per square foot for commercial	The estimated fair value would increase /(decrease) if: • Sales value of comparable properties was higher/(lower) • Comparability adjustment was higher/(lower)

NOTE 14 – 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. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Bank’s financial liabilities include accounts payable and borrowings. Further information is included at Notes 15 and 18 respectively. All financial liabilities are recognised initially at fair value and, in the case of borrowings and accounts payable, net of directly attributable transaction costs.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:
- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include derivative financial instruments entered into by the Bank that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

Gains or losses on are recognised in the statement of comprehensive income.

NOTE 14 – FINANCIAL LIABILITIES…*continued*

Financial liabilities at amortised cost
This is the category most relevant to the Bank. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or 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.

Fair value measurement
Fair value disclosures for financial liabilities are contained in Note 3(d)(ii). 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, 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.

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

NOTE 15 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounting policy for accounts payable is as defined at Note 14.

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:

	2024	2023
Accounts payable	**$14,094**	$12,386
Accrued liabilities	**5,113**	4,539
	$19,207	$16,925

NOTE 16 – DEFERRED INCOME

Deferred income comprises freehold land donated to the Bank as a Government grant and is stated at historical value of **$875** (2023: $875). The grant was recorded using the income approach and will be recognised in profit or 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.

NOTE 17 – 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 gains or loss on settlement and net interest expense or income on the net defined liability are recognised immediately in profit or 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.

NOTE 17 – POST-EMPLOYMENT OBLIGATIONS…*continued*

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, 2023. 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.

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, 2023 as certified by the Actuary and applied by the Bank is **33.76%** (2023: 31.1%) 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 65:35, respectively.

NOTE 17 – POST-EMPLOYMENT OBLIGATIONS…*continued*

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.

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 **58.11%** (2023: 57.97%) 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.

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

NOTE 17 – POST-EMPLOYMENT OBLIGATIONS...*continued*

Net post-employment obligations

	2024	2023
Defined benefit pension (asset)/liability	**$(2,926)**	$11,639
Hybrid pension liability	**4,911**	7,176
Post-retirement medical obligation	**3,514**	3,005
	$5,499	$21,820

Net pension costs recognised in profit or loss

Defined benefit pension liability (Note 21)	**$5,142**	$4,731
Hybrid pension liability (Note 21)	**284**	374
Post-retirement medical obligation (Note 21)	**309**	321
	$5,735	$5,426

Net re-measurement gain recognised in other comprehensive income

Defined benefit obligation	**$(13,718)**	$(3,679)
Hybrid pension liability	**(859)**	39
Post-retirement medical obligation	**399**	(143)
	$(14,178)	$(3,783)

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**	
	2024	2023	**2024**	2023
Present value of funded obligations	**$97,884**	$100,425	**$20,854**	$21,990
Fair value of plan assets	**(100,810)**	(88,786)	**(15,943)**	(14,814)
Net defined benefit (asset)/ liability	**$(2,926)**	$11,639	**$4,911**	$7,176

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

NOTE 17 – POST-EMPLOYMENT OBLIGATIONS...*continued*

The amounts recognised in profit or loss are as follows:

	Pensions			
	Defined Benefit Pension Plan		Hybrid Pension Scheme	
	2024	2023	**2024**	2023
Current service costs	**$4,482**	$3,873	**$-**	$17
Net interest on net defined benefit liability	**660**	858	**284**	357
Net pension cost	**$5,142**	$4,731	**$284**	$374

Re-measurement recognised in other comprehensive income are as follows:

	Pensions			
	Defined Benefit Pension Plan		Hybrid Pension Scheme	
	2024	2023	**2024**	2023
Experience (gains)/losses	**$(13,718)**	$(3,679)	**$(859)**	$39
Total amount recognised in other comprehensive income	**$(13,718)**	$(3,679)	**$(859)**	$39

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

NOTE 17 – POST-EMPLOYMENT OBLIGATIONS...*continued*

Movement in the liability recognised in the statement of financial position was as follows:

	Pensions			
	Defined Benefit Pension Plan		Hybrid Pension Scheme	
	2024	2023	**2024**	2023
Opening defined benefit liability	**$11,639**	$15,234	**$7,176**	$7,796
Net pension cost	**5,142**	4,731	**284**	374
Re-measurement recognised in other comprehensive income	**(13,718)**	(3,679)	**(859)**	39
Bank contributions paid	**(5,989)**	(4,647)	**(1,690)**	(1,033)
Balance as at December 31	**$(2,926)**	$11,639	**$4,911**	$7,176

Movement in the defined benefit obligation over the year was as follows:

	Pensions			
	Defined Benefit Pension Plan		Hybrid Pension Scheme	
	2024	2023	**2024**	2023
Balance at January 1	**$100,425**	$93,898	**$21,990**	$21,800
Current service costs	**4,482**	3,873	**-**	17
Interest costs	**5,021**	4,801	**964**	1,039
Members' contributions	**1,187**	1,015	**497**	371
Re-measurements				
Experience adjustments	**440**	2,667	**(121)**	(308)
Actuarial losses from changes in financial assumptions	**(10,251)**	(1,841)	**(1,032)**	599
Benefits paid	**(3,420)**	(3,988)	**(1,444)**	(1,528)
Balance as at December 31	**$97,884**	$100,425	**$20,854**	$21,990

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

NOTE 17 – 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	
	2024	2023	**2024**	2023
Balance at January 1	**$88,786**	$78,664	**$14,814**	$14,004
Return on plan assets, excluding interest	**8,268**	8,448	**386**	934
Bank contributions	**5,989**	4,647	**1,690**	1,033
Members' contributions	**1,187**	1,015	**497**	371
Benefits paid	**(3,420)**	(3,988)	**(1,444)**	(1,528)
Balance as at December 31	**$100,810**	$88,786	**$15,943**	$14,814

The asset allocation as at December 31 for the Defined benefit pension plan is as follows:

	2024	2023
Quoted in active markets		
Equity securities	**$58,584**	$51,462
	$58,584	$51,462
Unquoted investments		
Cash and cash equivalents	**316**	447
Debt securities	**46,052**	42,714
	$46,368	$43,161
Net accruals	**$(4,142)**	$(5,837)
Total	**$100,810**	$88,786

The asset allocation as at December 31 for the Hybrid pension scheme is as follows:

	2024	2023
Unquoted investments		
Government and Government guaranteed bonds	**$6,983**	$6,904
Supranational bonds	**3,027**	2,781
Corporate bonds	**3,125**	3,563
Cash, cash equivalents and net accruals	**2,808**	1,566
Total	**$15,943**	$14,814

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

NOTE 17 – POST-EMPLOYMENT OBLIGATIONS...*continued*

The principal actuarial assumptions used for accounting purposes are:

	Defined Benefit Pension Plans	
	2024	2023
Discount rate – Defined benefit pension plan	**5.51%**	4.96%
Discount rate – Hybrid pension scheme	**5.22%**	4.89%
Future salary increases	**4.00%**	4.00%
Future pension increases – Defined benefit pension plan	**2.10%**	2.50%

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 for members opting for pension was assumed to be **75%** (2023: 75%). The proportion of other members opting for pension was assumed to be **75%** (2023: 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:

	2024	2023
	Years	Years
Male	**25.27**	25.19
Female	**27.16**	27.11

The average life expectancy at age 60 for current members age 40 as at the reporting date is as follows:

	2024	2023
	Years	Years
Male	**26.82**	26.75
Female	**27.98**	27.94

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

NOTE 17 – 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, 2024 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	**$(12,055)**	**$15,192**	**$3,744**	**$(3,310)**	**$10,108**	**$(8,530)**

	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	**$1,066**	**$(1,062)**	**$1,273**	**$(1,241)**

A quantitative sensitivity analysis for significant assumptions as at December 31, 2023 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	$(13,142)	$16,673	$4,178	$(3,676)	$10,931	$(9,229)

	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	$1,207	$(1,124)	$1,387	$(1,333)

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

NOTE 17 – POST-EMPLOYMENT OBLIGATIONS...*continued*

Sensitivity analysis and liability profile...*continued*

(a) Defined benefit pension plan...continued

The sensitivity analyses 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:

	2024	2023
Within the next 12 months (annual reporting period)	**$4,155**	$3,960
Between 1 and 2 years	**4,734**	4,123
Between 2 and 5 years	**15,828**	14,559
Over 5 years	**35,176**	32,169

The defined benefit obligation is allocated among the plan members as follows:

Active members	**50.58**%	(2023: 50.02%)
Deferred members	**2.65%**	(2023: 1.91%)
Pensioners	**46.77%**	(2023: 48.07%)

The weighted average duration of the defined benefit obligation was **13.92 years** (2023: 14.84 years).

91.5% (2023: 92.8%) of the benefits for active members were vested, **22.64%** (2023: 24.61%) of the defined benefit obligation for active members was conditional on future salary increases.

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

NOTE 17 – 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, 2024 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	**$(1,073)**	**$1,447**	**$15**	**$(13)**

	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	**$166**	**$(146)**	**$224**	**$(237)**

A quantitative sensitivity analysis for significant assumptions as at December 31, 2023 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	$(1,342)	$1,804	$22	$(20)

	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	$185	$(174)	$237	$(241)

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.

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

NOTE 17 – POST-EMPLOYMENT OBLIGATIONS…*continued*

Sensitivity analysis and liability profile…*continued*

(b) *Hybrid pension scheme…continued*

The following payments are expected contributions to be made in the future years to the defined benefit obligation:

	2024	2023
Within the next 12 months	**$1,265**	$1,251
Between 1 and 2 years	**1,399**	1,267
Between 2 and 5 years	**4,061**	4,036
Over 5 years	**7,226**	7,232

The defined benefit obligation is allocated among the plan members as follows:

Active members	**27.39%** (2023: 27.06%)
Additional Voluntary Contributions	**9.07%** (2023: 7.22%)
Pensioners	**63.54%**(2023: 65.72%)

The weighted average duration of the hybrid pension scheme was **6.65 years** (2023: 7.71 years).

100% (2023: 100%) of the benefits for active members were vested, **0.72%** (2023: 1.19%) of the hybrid pension scheme for active members is conditional on future salary increases.

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

NOTE 17 – POST-EMPLOYMENT OBLIGATIONS…*continued*

Post-retirement medical plan

Changes to the medical obligation are determined as follows:

		Pension charged to profit & loss			Remeasurement (gains)/losses in OCI				
	1-Jan-24	**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-24**
Medical obligation	**$3,005**	$63	$246	$309	$399	$-	$399	$(199)	**$3,514**

		Pension charged to profit & loss			Remeasurement (gains)/losses in OCI				
	1-Jan-23	**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-23**
Medical obligation	$3,012	$73	$248	$321	$(143)	$-	$(143)	$(185)	$3,005

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

NOTE 17 – POST-EMPLOYMENT OBLIGATIONS…*continued*

Post-Retirement Medical Plan…*continued*

Principal actuarial assumptions

The principal actuarial assumptions used for accounting purposes are:

	Post-employment medical obligation	
	2024	2023
Discount rate	**8.30%**	8.30%
Medical cost increase	**4.00%**	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 **$89** (2023: $75).

Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions as at December 31, 2024 is as shown below:

	Discount rate		Medical cost increases	
	1% p.a. increase	**1% p.a. decrease**	**1% p.a. increase**	**1% p.a. decrease**
Impact on medical obligation	**$(334)**	**$397**	**$412**	**$(350)**

A quantitative sensitivity analysis for significant assumptions as at December 31, 2023 is as shown below:

	Discount rate		Medical cost increases	
	1% p.a. increase	**1% p.a. decrease**	**1% p.a. increase**	**1% p.a. decrease**
Impact on medical obligation	$(287)	$341	$354	$(301)

The expected contributions to be made to the post-retirement medical obligation within the next twelve months is **$199** (2023: $186).

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

NOTE 17 – POST-EMPLOYMENT OBLIGATIONS…*continued*

Post-retirement medical plan…*continued*

Liability profile

The post-retirement medical obligation is allocated among the plan members as follows:

Active members	**30%** (2023: 28%)
Pensioners	**70%** (2023: 72%)

The weighted average duration of the post-retirement medical obligation was **10.40** years (2023: 10.45 years).

81% (2023: 74%) of the benefits of active members were vested.

NOTE 18 – BORROWINGS

The accounting policy for borrowings is as defined at Note 14.

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).

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 at December 31, 2024, the ratio of total outstanding borrowings and undrawn commitments of **$1,331,626** (2023: $1,143,752) to the borrowing limit of **$1,533,889** (2023: $1,534,632) was **86.8%** (2023: 74.5%).

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

NOTE 18 – BORROWINGS…*continued*

(a) A summary of the borrowings was as follows:

	2024						
	Original amounts[1/]	**Translation adjustments & other**	**Repayments to date**	**Fair value hedge adjustment**	**Undrawn**	**Outstanding**	**Due dates**
Short term Borrowing							
Line of credit	**$78,000**	**$-**	**$(50,000)**	**$-**	**$(28,000)**	**$-**	**2024**
CDB Market Borrowings							
4.35% Notes – Yen	**$60,000**	**$(18,706)**	**$-**	**$-**	**$-**	**$41,294**	**2030**
4.375% Bonds – US$	**300,000**	**-**	**(120,000)**	**(477)**	**-**	**179,523**	**2027**
2.55% Notes - US$	**100,000**	**-**	**-**	**-**	**-**	**100,000**	**2041**
2.50%Notes - US$	**50,000**	**-**	**-**	**-**	**-**	**50,000**	**2043**
0.297% Bonds – CHF	**151,341**	**8,916**	**-**	**6,785**	**-**	**167,042**	**2028**
0.875% Notes – EUR	**275,550**	**(15,242)**	**-**	**(3,361)**	**-**	**256,947**	**2039**
3.5% Bonds – EUR	**35,011**	**(1,692)**	**-**	**-**	**-**	**33,319**	**2044**
3.2% Bonds – EUR	**31,208**	**29**	**-**	**-**	**-**	**31,237**	**2044**
Unamortised transaction costs	**(19,212)**	**385**	**-**	**-**	**-**	**(18,827)**	
	983,898	**(26,310)**	**(120,000)**	**2,947**	**-**	**840,535**	
European Investment Bank							
Climate Action Credit – US$	**$65,320**	**$-**	**$(22,307)**	**$-**	**$-**	**$43,013**	**2032/2033**
Climate Action Credit 2 – US$	**39,030**	**-**	**(11,384)**	**-**	**-**	**27,646**	**2033**
Climate Action Credit 2 - EUR	**86,796**	**3,579**	**-**	**-**	**(90,375)**	**-**	**2033**
Water & Clean Oceans - EUR	**104,123**	**-**	**-**	**-**	**(104,123)**	**-**	
Unamortised transaction costs	**-**	**(162)**	**-**	**-**	**-**	**(162)**	
	295,269	**3,417**	**(33,691)**	**-**	**(194,498)**	**70,497**	

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

NOTE 18 – BORROWINGS...*continued*

(a) A summary of the borrowings was as follows: ...*continued*

	2024						
	Original amounts[1/]	**Translation adjustments & other**	**Repayments to date**	**Fair value hedge adjustment**	**Undrawn**	**Outstanding**	**Due dates**
Inter-American Development Bank							
Loan 2798/BL-RG	**$14,000**	**$-**	**$(3,343)**	**$-**	**$-**	**$10,657**	**2043**
Loan 3561/OC – RG	**20,000**	**-**	**(1,429)**	**-**	**-**	**18,571**	**2037**
Loan 5414/OC – RG	**50,000**	**-**	**-**	**-**	**(50,000)**	**-**	**2043**
	84,000	**-**	**(4,772)**	**-**	**(50,000)**	**29,228**	
Agence Francaise de Developpement							
Loan 15601/CZZ 185L01 C	**$33,000**	**$-**	**$(18,562)**	**$-**	**$-**	**$14,438**	**2028**
Loan 15602/CZZ 297501 L	**50,000**	**-**	**-**	**-**	**(41,831)**	**8,169**	**2043**
Unamortised transaction costs	**(150)**	**7**	**-**	**-**	**-**	**(143)**	
	82,850	**7**	**(18,562)**	**-**	**(41,831)**	**22,464**	
Sub-total	**1,524,017**	**(22,886)**	**(227,025)**	**2,947**	**(314,329)**	**962,724**	
Accrued interest	**-**	**-**	**-**	**-**	**-**	**4,573**	
Total – December 31	**$1,524,017**	**$(22,886)**	**$(227,025)**	**$2,947**	**$(314,329)**	**$967,297**	

[1]/ Net of cancellations and borrowings fully paid.

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

NOTE 18 – BORROWINGS…*continued*

(a) A summary of the borrowings was as follows: …*continued*

	2023						
	Original amounts[1/]	**Translation adjustments & other**	**Repayments to date**	**Fair value hedge adjustment**	**Undrawn**	**Outstanding**	**Due dates**
Short term Borrowing							
Line of credit	$78,000	$-	$-	$-	$(53,000)	$25,000	2024
CDB Market Borrowings							
4.35% Notes – Yen	$60,000	$(14,098)	$-	$-	$-	$45,902	2030
4.375% Bonds – US$	300,000	-	(60,000)	119	-	240,119	2027
2.55% Notes - US$	100,000	-	-	-	-	100,000	2041
2.50%Notes - US$	50,000	-	-	-	-	50,000	2043
0.297% Bonds – CHF	151,341	20,991	-	1,909	-	174,241	2028
0.875% Notes – EUR	275,550	419	-	(10,712)	-	265,257	2039
Unamortised transaction costs	(19,978)	766	-	-	-	(19,212)	
	916,913	8,078	(60,000)	(8,684)	-	856,307	
European Investment Bank							
Global Loan 111 – US$	$34,857	$-	$(34,857)	$-	$-	$-	2023
Climate Action Credit I– US$	65,320	-	(16,888)	-	-	48,432	2032/2033
Climate Action Credit II– US$	115,701	-	(8,131)	-	(76,671)	30,899	2033
Unamortised transaction costs	(201)	201	-	-	-	-	
	215,677	201	(59,876)	-	(76,671)	79,331	

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

NOTE 18 – BORROWINGS*…continued*

(a) A summary of the borrowings was as follows: *…continued*

	2023						
	Original amounts[1/]	**Translation adjustments & other**	**Repayments to date**	**Fair value hedge adjustment**	**Undrawn**	**Outstanding**	**Due dates**
Inter-American Development Bank							
Loan 2798/BL-RG	$14,000	$-	$(2,767)	$-	$-	$11,233	2043
Loan 3561/OC – RG	20,000	-	-	-	-	20,000	2037
	34,000	-	(2,767)	-	-	31,233	
Agence Francaise de Developpement	$33,000	$-	$(14,438)	$-	$-	$18,562	2028
Unamortised transaction costs	-	(150)	-	-	-	(150)	
	33,000	(150)	(14,438)	-	-	18,412	
Sub-total	1,277,590	8,129	(137,081)	(8,684)	(129,671)	1,010,283	
Accrued interest	-	-	-	-	-	3,798	
Total – December 31	$1,277,590	$8,129	$(137,081)	$(8,684)	$(129,671)	$1,014,081	

[1/] Net of cancellations and borrowings fully paid.

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

NOTE 18 – BORROWINGS...*continued*

(b) Currencies repayable on outstanding borrowings were as follows:

2024

Currencies Repayable	Outstanding at January 1, 2024	Translation adjustment	Fair value hedge adjustment	Draw-downs	Net interest expense / paid	Repayments	Outstanding at December 31, 2024
United States Dollars	**$544,247**	**$-**	**$(596)**	**$33,169**	**$-**	**$(124,802)**	**$452,018**
Swiss Francs	**174,241**	**(12,075)**	**4,876**	**-**	**-**	**-**	**167,042**
Euro	**265,256**	**(15,660)**	**7,351**	**64,556**	**-**	**-**	**321,503**
Japanese Yen	**45,901**	**(4,608)**	**-**	**-**	**-**	**-**	**41,293**
Sub-total	**1,029,645**	**(32,343)**	**11,631**	**97,725**	**-**	**(124,802)**	**981,856**
Amortised borrowing costs	**(19,362)**	**715**	**-**	**(485)**	**-**	**-**	**(19,132)**
Accrued interest	**3,798**	**-**	**-**	**-**	**775**	**-**	**4,573**
Total – December 31	**$1,014,081**	**$(31,628)**	**$11,631**	**$97,240**	**$775**	**$(124,802)**	**$967,297**

2023

Currencies Repayable	Outstanding at January 1, 2023	Translation adjustment	Fair value hedge adjustment	Draw-downs	Net interest expense / paid	Repayments	Outstanding at December 31, 2023
United States Dollars	$607,775	$-	$1,074	$37,401	$-	$(102,003)	$544,247
Swiss Francs	155,010	15,167	4,064	-	-	-	174,241
Euro	254,669	9,045	1,542	-	-	-	265,256
Japanese Yen	49,149	(3,248)	-	-	-	-	45,901
Sub-total	1,066,603	20,964	6,680	37,401	-	(102,003)	1,029,645
Amortised borrowing costs	(20,179)	(437)	-	1,254	-	-	(19,362)
Accrued interest	4,333	-		-	(535)	-	3,798
Total – December 31	$1,050,757	$20,527	$6,680	$38,655	$(535)	$(102,003)	$1,014,081

1/Includes the final portion of the unwinding of previously terminated fair value hedges (2022: $220).

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

NOTE 18 – BORROWINGS…*continued*

A maturity analysis of borrowings as at December 31 is as follows:

	2024	2023
Current	**$79,375**	$103,420
Non-current	**887,922**	910,661
	$967,297	$1,014,081

The most recent credit ratings are as follows:

	Credit Rating	Last Updated
Moody's Ratings	Long-Term Issuer Default Rating (IDR) - ‘Aa1’ Stable outlook.	11-Jun-24
S&P Global Ratings	Long-Term IDR - ‘AA+’ Short-Term IDR - ‘A-1+’ Stable outlook	27-Nov-24
Fitch Ratings	Long-Term IDR - ‘AA+’ Stable outlook	Note 27

NOTE 19 – 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”).

NOTE 19 – EQUITY…*continued*

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.

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.

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

NOTE 19 – EQUITY…continued

A puttable financial instrument that includes a contractual obligation for the Bank to repurchase or redeem that instrument for cash or another financial asset is classified as equity if it meets all of the following conditions:

- it entitles the holder to a pro rata share of the Bank's net assets in the event of the Bank's liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the Bank to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Bank over the life of the instrument.

The Bank's subscriptions matured meet these conditions and are classified as equity. Incremental costs directly attributable to the issue or redemption of the subscriptions matured are recognised directly in equity as a deduction from the proceeds or part of the acquisition cost. To date, no incremental costs were recognised in 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:

	2024	2023
Authorised capital: 312,971 shares (2023: 312,971) shares		
Subscribed capital: 279,399 shares (2023: 279,399) shares	**$1,763,656**	$1,763,656
Less callable capital: 218,050 shares (2023: 218,050) shares	**(1,375,135)**	(1,375,135)
Paid-up capital: 61,349 shares (2023: 61,349) shares	**$388,521**	$388,521
Less: Prepayment discount	**(344)**	(344)
	$388,177	$388,177

(b) There was no movement in the Bank's paid-up capital or subscriptions matured during the year. The determination of the par value of the Bank's shares is as disclosed above.

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

NOTE 19 – EQUITY…*continued*

(c) The subscriptions by member countries and their voting power at December 31 were as follows:

2024

Member	No. of Shares	% of Total	Total subscribed capital	Callable capital	Paid-up capital	Subscriptions Matured	Voting Power: No. of votes	Voting Power: % of total votes	Gross[2/] Receivable from members non-negotiable demand notes
Regional States and Territories:									
Jamaica	48,354	17.31	$291,659	$227,614	$64,045	$64,045	48,504	17.14	-
Trinidad and Tobago	48,354	17.31	291,659	227,614	64,045	64,045	48,504	17.14	2,126
Bahamas	14,258	5.10	86,001	67,115	18,886	18,886	14,408	5.09	-
Guyana	10,417	3.72	62,833	49,038	13,795	13,795	10,567	3.74	-
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	3.24	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	2,432	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	-
St. Kitts and Nevis	2,148	0.77	12,956	10,109	2,847	2,847	2,298	0.81	-
Anguilla[1/]	455	0.16	2,744	2,141	603	603			-
Montserrat[1/]	533	0.19	3,215	2,509	706	706			-
British Virgin Islands[1/]	533	0.19	3,215	2,509	706	706	2,737	0.97	-
Cayman Islands[1/]	533	0.19	3,215	2,509	706	706			8
Turks and Caicos Islands[1/]	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	4,120	3,268	1.15	-
	180,627	**64.64**	**$1,089,494**	**$850,273**	**$239,221**	**$$239,221**	**183,477**	**64.84**	**5,226**

[1/]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.
[2/]Gross of ECL.

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

NOTE 19 – EQUITY*…continued*

(c) The subscriptions by member countries and their voting power at December 31 were as follows: *…continued*

2024

Member	No. of Shares	% of Total	Total subscribed capital	Callable capital	Paid-up capital	Subscriptions Matured	Voting Power No. of votes	Voting Power % of total votes	Gross[2/] Receivable from members non-negotiable Demand notes
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	-
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**	**-**
Sub-total	**279,399**	**100.00**	**$1,685,261**	**$1,315,217**	**$370,044**	**370,044**	**282,999**	**100.00**	**5,226**
Additional subscriptions									
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	-	-	-
Sub-total	-	-	78,395	59,918	18,477	18,477	-	-	-
Prepayment discount	**-**	**-**	**-**	**-**	**-**	**(344)**	**-**	**-**	**-**
Total - December 31	**279,399**	**100.00**	**$1,763,656**	**$1,375,135**	**$388,521**	**$388,177**	**282,999**	**100.00**	**5,226**

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

NOTE 19 – EQUITY…*continued*

(c) The subscriptions by member countries and their voting power at December 31 were as follows:

2023

Member	No. of Shares	% of Total	Total subscribed capital	Callable capital	Paid-up capital	Subscriptions Matured	Voting Power No. of votes	Voting Power % of total votes	Gross[2/] Receivable from members non-negotiable demand notes
Regional States and Territories:									
Jamaica	48,354	17.31	$291,659	$227,614	$64,045	$64,045	48,504	17.14	2,262
Trinidad and Tobago	48,354	17.31	291,659	227,614	64,045	64,045	48,504	17.14	2,127
Bahamas	14,258	5.10	86,001	67,115	18,886	18,886	14,408	5.09	-
Guyana	10,417	3.72	62,833	49,038	13,795	13,795	10,567	3.74	-
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	3.24	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	2,805
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	2,432	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	-
St. Kitts and Nevis	2,148	0.77	12,956	10,109	2,847	2,847	2,298	0.81	-
Anguilla[1/]	455	0.16	2,744	2,141	603	603			-
Montserrat[1/]	533	0.19	3,215	2,509	706	706			-
British Virgin Islands[1/]	533	0.19	3,215	2,509	706	706	2,737	0.97	-
Cayman Islands[1/]	533	0.19	3,215	2,509	706	706			8
Turks and Caicos Islands[1/]	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	4,120	3,268	1.15	-
	180,627	**64.64**	**$1,089,494**	**$850,273**	**$239,221**	**$239,221**	**183,477**	**64.84**	**7,488**

[1/] 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.
[2/]Gross of ECL.

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

NOTE 19 – EQUITY…*continued*

(c) The subscriptions by member countries and their voting power at December 31 were as follows: …*continued*

2023

Member	No. of Shares	% of Total	Total subscribed capital	Callable capital	Paid-up capital	Subscriptions Matured	Voting Power No. of votes	Voting Power % of total votes	Gross[2/] Receivable from members non-negotiable Demand notes
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	-
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**	**-**
Sub-total	**279,399**	**100.00**	**$1,685,261**	**$1,315,217**	**$370,044**	**370,044**	**282,999**	**100.00**	**7,488**
Additional subscriptions									
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	-	-	-
Sub-total	-	-	78,395	59,918	18,477	18,477	-	-	-
Prepayment discount	-	-	-	-	-	(344)	-	-	-
Total - December 31	**279,399**	**100.00**	**$1,763,656**	**$1,375,135**	**$388,521**	**$388,177**	**282,999**	**100.00**	**7,488**

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

NOTE 19 – 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 **$344** (2023: $344).

(e) Retained earnings and reserves

Retained earnings and reserves is comprised of:

	2024	2023
Opening retained earnings and reserves	**$489,729**	$457,876
Net income for the year	**14,689**	11,958
Actuarial gain	**14,178**	3,783
Net change in fair value reserve	**8,146**	16,665
Cost of hedging reserve	**(6,544)**	(553)
	$520,198	$489,729

(f) 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 gain of **$13,185** (2023: Loss of $993) is shown in the statement of changes in equity.

NOTE 19 – EQUITY…*continued*

(g) 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, 2024, the cumulative fair value reserve amounted to a loss of **$29,998** (2023: $38,144). An unrealised gain of **$8,146** was reported through OCI as at December 31, 2024 (2023: $16,665) as a result of changes in the fair value of debt securities. For securities which matured during the year, a fair value loss of **$1,055** (2023: $1,240) was reclassified to realised fair value (gains)/losses included in 'Operating expense' in the statement of comprehensive income.

(h) Other reserves

Special reserve
In accordance with Article 18 of the Charter, commissions and guarantee fees received on loans made from 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** (2023: $6,254).

Revaluation surplus
The Bank's revaluation surplus arises on the increase in the fair value of the Land owned upon the assessment of an independent valuer. As at December 31, 2024 and 2023, the cumulative revaluation surplus amounted to $3,550 as no gains/losses were recorded during the financial year.

Cost of hedging reserve
The Bank's cost of hedging reserve relates to the cross-currency basis adjustment on its cross-currency interest rate swaps. A net loss of **$6,544** (2023: $553) was recorded as at December 31, 2024 related to **CHF (Loss - $1,085)** and **EUR (Loss - $5,459)** swaps.

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

NOTE 20 – INTEREST INCOME/EXPENSE AND SIMILAR INCOME/CHARGES

Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income using the effective interest method.

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.

(a) Interest and similar income

Interest income earned from loans outstanding and debt securities at FVOCI was as follows:

	2024	2023
Loans outstanding – amortised cost		
Interest income	**$71,866**	$66,400
Other fees and charges	**3,346**	3,833
Income from loans and receivables	**75,212**	70,233
Debt securities – FVOCI		
Bonds	**8,170**	7,820
US Treasuries	**105**	639
Time deposits	**977**	2,237
Management fees	**(56)**	(52)
Cash and cash equivalents		
Cash	**1,386**	647
Cash collateral balance	**-**	92
Interest and similar income	**$85,794**	$81,616

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

NOTE 20 – INTEREST INCOME/EXPENSE AND SIMILAR INCOME/CHARGES…*continued*

(a) Interest and similar income…*continued*

Interest income earned under the effective interest method was as follows:

	2024	2023
Loans outstanding – amortised cost		
Interest income	**$71,866**	$66,400
Debt securities – FVOCI		
Bonds	**$8,170**	$7,820
US Treasuries	**105**	639
Time deposits	**977**	2,237
	$81,118	$77,096

(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:

	2024	2023
Financial liabilities carried at amortised cost (borrowings)		
Gross interest expense	**$26,116**	$ 26,826
Other finance charges	**2,090**	2,645
Borrowings	**$28,206**	$29,471
Financial assets at fair value through profit or loss (derivatives)		
Interest income from derivative financial instruments	**$(14,948)**	$(17,990)
Interest expense from derivative financial instruments	**46,860**	49,251
Adjustment – hedge accounting	**(15,673)**	(18,513)
Net interest expense from derivatives	**$16,239**	$12,748
Interest expense and similar charges	**$44,445**	$42,219

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

NOTE 21 – 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 realized 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:

	2024	2023
Net realised fair value gain	**$(36)**	$-
Foreign exchange translation	**5,353**	(1,704)
Administrative expenses:		
Employee related	**11,828**	10,853
Professional fees and consultancies	**1,368**	1,542
Travel	**830**	1,034
Depreciation	**1,671**	2,737
Other expenses	**909**	498
Utilities and maintenance	**289**	413
Training and seminars	**147**	204
Supplies and printing	**16**	20
Board of Governors and Directors	**376**	204
Computer services	**1,215**	1,105
Communications	**310**	476
Bank charges	**142**	125
Insurance	**55**	52
	$24,473	$17,559

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

NOTE 21 – OPERATING EXPENSE…*continued*

Employee costs charged to the OCR were as follows:

	2024	2023
Salaries and allowances	**$8,381**	$7,501
Pension costs – hybrid scheme[1/]	**119**	161
Pension costs – defined benefit plan[1/]	**2,149**	2,037
Medical costs	**205**	258
Other benefits	**944**	896
	$11,828	$10,853

[1/]This represents the allocation of the net pension costs to the OCR. The full pension expense for the hybrid scheme amounted to **$284** (2023: $374), for the defined benefit new pension plan it amounted to **$5,142** (2023: $4,731) and for the medical plan it was **$309** (2023: $321).

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

NOTE 22 – IMPAIRMENT (RECOVERY)/CHARGE (ECL)

The table below shows the ECL (recoveries)/charges on financial assets recorded in profit or loss in the statement of comprehensive income.

	2024			
	Stage 1 12month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Impaired**	**Total**
Loans outstanding	**$80**	**$(1,185)**	**$(37)**	**$(1,142)**
Debt Securities	**(3)**	**1**		**(2)**
Receivables	**-**	**-**	**(204)**	**(204)**
Receivable from members				
Non-negotiable demand notes	**(77)**	**-**	**-**	**(77)**
Maintenance of value on currency holdings	**-**	**-**	**-**	**-**
Subscription in arrears	**(36)**	**-**	**-**	**(36)**
Total impairment recovery	**$(36)**	**$(1,184)**	**$(241)**	**$(1,461)**

	2023			
	Stage 1 12month ECL	Stage 2 Lifetime ECL	Stage 3 Impaired	Total
Loans outstanding	$(2,417)	$(99)	$(41)	$(2,557)
Debt Securities	(8)	-	-	(8)
Receivables	-	-	(68)	(68)
Receivable from members				
Non-negotiable demand notes	(120)	-	-	(120)
Maintenance of value on currency holdings	-	-	-	-
Subscription in arrears	(56)	-	-	(56)
Total impairment recovery	$(2,601)	$(99)	$(109)	$(2,809)

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

NOTE 23 – 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.

NOTE 24 – DERIVATIVE AND FOREIGN DENOMINATED BORROWING ADJUSTMENTS

The revaluation of the derivative financial instruments (cross currency and interest rate swaps) gave rise to a loss of **$25,333** (2023: gain of $10,591). This was inclusive of the cross-currency basis adjustment of **$6,544** (2023: $553) which was recorded in the cost of hedging reserve. The foreign exchange effect thereon was **$(31,628)** (2023: $(20,527). The fair value adjustment as a result of the application of hedge accounting was **$11,631** (2023: $(6,680)). In total these adjustments resulted in derivative and foreign denominated borrowings adjustments of **$(5,336)** (2023: $(16,616)).

NOTE 25 – RELATED PARTY TRANSACTIONS

(a) The movement in the net inter-fund receivable or payable during the year was as follows:

	2024	2023
Balance at January 1	**$24,510**	$24,223
Advances	**37,536**	22,307
Allocation of administrative expenses	**26,686**	25,474
Repayments	**(77,435)**	(47,494)
Inter-fund receivable December 31	**$11,297**	$24,510

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.

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

NOTE 25 – RELATED PARTY TRANSACTIONS…*continued*

(a) The movement in the net inter-fund receivable or payable during the year was as follows: …*continued*

The composition of the balances (*included in "Receivables and prepaid assets")* as at December 31 was as follows:

	2024	2023
Due (to)/from SDF	**$(4,184)**	$8,876
Due from OSF	**$13,260**	$10,159
Due from Pension Plan	**$3,702**	$5,478
Due to Pension Scheme	**$(1,603)**	$-
Due from/(to) Others	**$122**	$(3)
	$11,297	$24,510

(b) Key management compensation for the year ended December 31 was as follows:

	2024	2023
Salaries, benefits and allowances	**$3,487**	$2,799
	$3,487	$2,799

(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 **$340** in interest (2023: $54) was received from the OSF on behalf of the borrowers. The fund balance is included in Receivable and prepaid assets in the statement of financial position.

NOTE 26 – 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 (*Note 3(c)(iii) and Note 10)*.

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.

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-accelerable 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.

NOTE 27 – SUBSEQUENT EVENTS

On February 18, 2025 Fitch Ratings affirmed the Bank's Long-Term IDR of 'AA+' with a stable outlook.

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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 **Special Development Fund** ("the Fund") of the **Caribbean Development Bank** ("the Bank"), which comprise the statement of financial position as of 31 December 2024, 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 material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as of 31 December 2024 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 Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), 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.

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 2024 Annual Report

Other information consists of the information included in the Bank's 2024 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Bank's 2024 Annual Report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE BOARD OF GOVERNORS OF CARIBBEAN DEVELOPMENT BANK

Report on the Audit of the Financial Statements (continued)

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.

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 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

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.

Report on other Legal and Regulatory Requirements

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 entered into force on 26 January 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 members as a body, for our audit work, for this report, or for the opinion we have formed.

Ernst + Young Ltd
BARBADOS
23 April 2025

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND
STATEMENT OF FINANCIAL POSITION
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

	2024			2023		
	Unified	**Other**	**Total**	Unified	Other	Total
Assets						
Cash and cash equivalents – Note 3	**$76,675**	**$7,683**	**$84,358**	$34,467	$6,339	$40,806
Debt securities at fair value through profit or loss (Schedule 1)	**232,246**	**16,892**	**249,138**	254,720	16,593	271,313
Loans outstanding (Schedule 2)	**625,538**	**16,078**	**641,616**	628,181	17,719	645,900
Accounts receivable	**6,831**	**-**	**6,831**	232	-	232
	941,290	**40,653**	**981,943**	917,600	40,651	958,251
Receivable from contributors						
Non-negotiable demand notes (Schedule 3)	**$92,857**	**$-**	**$92,857**	$86,366	$-	$86,366
Contributions in arrears	**22,304**	**-**	**22,304**	32,548	-	32,548
	115,161	**-**	**115,161**	118,914	-	118,914
Total assets	**$1,056,451**	**$40,653**	**$1,097,104**	$1,036,514	$40,651	$1,077,165
Liabilities and Funds						
Accounts payable – Note 9	**$59,839**	**$2,723**	**$62,562**	$56,682	$2,152	$58,834
Subscriptions in advance	**-**	**-**	**-**	443	-	443
	$59,839	**$2,723**	**$62,562**	$57,125	$2,152	$59,277

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 at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

	2024			2023		
	Unified	**Other**	**Total**	Unified	Other	Total
Funds – Note 5						
Contributed resources (Schedule 3)	**$1,488,553**	**$37,904**	**$1,526,457**	$1,491,756	$38,121	$1,529,877
Less amounts not yet made available (Schedule 3)	**-**	**-**	**-**	(41,614)	-	(41,614)
Amounts made available	**1,488,553**	**37,904**	**1,526,457**	1,450,142	38,121	1,488,263
Allocation to technical assistance and grant resources	**(706,600)**	**(10,000)**	**(716,600)**	(673,600)	(10,000)	(683,600)
	781,953	**27,904**	**809,857**	776,542	28,121	804,663
Accumulated net income (Schedule 4)	**41,456**	**9,101**	**50,557**	39,534	9,453	48,987
Technical assistance and grant resources – Note 7	**173,203**	**925**	**174,128**	163,313	925	164,238
	996,612	**37,930**	**1,034,542**	979,389	38,499	1,017,888
Total liabilities and funds	**$1,056,451**	**$40,653**	**$1,097,104**	$1,036,514	$40,651	$1,077,165

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, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

	2024			2023		
	Unified	**Other**	**Total**	Unified	Other	Total
Interest and similar income						
Loans	**$12,167**	**$244**	**$12,411**	$12,498	$270	$12,768
Investments and cash balances	**6,277**	**199**	**6,476**	6,127	209	6,336
	18,444	**443**	**18,887**	18,625	479	19,104
Net realised and unrealised gains on investments	**4,287**	**476**	**4,763**	7,855	542	8,397
	22,731	**919**	**23,650**	26,480	1,021	27,501
Expenses						
Administrative expenses	**21,671**	**1,521**	**23,192**	20,482	1,543	22,025
Foreign exchange translation	**(862)**	**(250)**	**(1,112)**	1,198	93	1,291
	20,809	**1,271**	**22,080**	21,680	1,636	23,316
Total comprehensive income/(loss) for the Year	**$1,922**	**$(352)**	**$1,570**	$4,800	$(615)	$4,185
Accumulated net income						
Accumulated net income – beginning of year	**$39,534**	**$9,453**	**$48,987**	$34,734	$10,068	$44,802
Total comprehensive income/(loss) for the year	**1,922**	**(352)**	**1,570**	4,800	(615)	4,185
Accumulated net income – end of year	**$41,456**	**$9,101**	**$50,557**	$39,534	$9,453	$48,987

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, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

	2024	2023
Operating activities		
Total comprehensive income for the year	**$1,922**	$4,800
Adjustments for non-cash items		
Unrealised gain on debt securities at fair value through profit or loss	**(4,218)**	(7,845)
Interest income	**(18,444)**	(18,625)
Unrealised net foreign exchange (gain)/loss	**(1,135)**	1,413
Total cash flows used in operating activities before changes in operating assets and liabilities	**(21,875)**	(20,257)
Changes in operating assets and liabilities		
Increase in accounts receivable	**(6,599)**	(30)
Increase in accounts payable	**3,157**	2,669
Cash used in operating activities	**(25,317)**	(17,618)
Disbursements on loans	**(36,705)**	(35,763)
Principal repayments to the Bank on loans	**39,278**	37,883
Interest received	**18,526**	18,815
Net decrease in debt securities at fair value through profit or loss	**26,680**	11,884
Technical assistance disbursements	**(13,110)**	(17,027)
Net cash provided by /(used in) operating activities	**9,352**	(1,826)
Financing activities		
Increase in contributions to be on-lent to BMCs	**6,546**	14,406
Decrease/(increase) in receivables from contributors	**3,753**	(18,810)
Increase/(Decrease) subscriptions in advance	**(443)**	(887)
Technical assistance allocation	**23,000**	23,000
Net cash provided by financing activities	**32,856**	17,709
Net increase in cash and cash equivalents	**42,208**	15,883
Cash and cash equivalents - beginning of year	**34,467**	18,584
Cash and cash equivalents - end of year	**$76,675**	$34,467

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, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

	2024	2023
Operating activities		
Total comprehensive loss for the year	**$(352)**	$(615)
Adjustments for non-cash items		
Unrealised gain on debt securities at fair value through profit or loss	**(476)**	(542)
Interest income	**(443)**	(479)
Unrealised net foreign exchange (gain)/ loss	**(217)**	75
Total cash flows used in operating activities before changes in operating assets and liabilities	**(1,488)**	(1,561)
Changes in operating assets and liabilities		
Increase in accounts payable	**571**	373
Cash used in operating activities	**(917)**	(1,188)
Principal repayments to the Bank on loans	**1,636**	1,522
Interest received	**447**	488
Net increase in debt securities at fair value through profit or loss	**178**	977
Net cash provided by operating activities	**1,344**	1,799
Net increase in cash and cash equivalents	**1,344**	1,799
Cash and cash equivalents – beginning of year	**6,339**	4,540
Net cash and cash equivalents - end of year	**$7,683**	$6,339

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

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND
SUMMARY STATEMENT OF INVESTMENTS
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

Debt securities at fair value through profit or loss – Note 4 **SCHEDULE 1**

	2024			2023		
	Market value			**Market value**		
	Unified	**Other**	**Total**	**Unified**	**Other**	**Total**
Government and Agency Obligations	**$135,751**	**$11,665**	**$147,416**	$144,985	$12,328	$157,313
Supranationals	**43,845**	**1,383**	**45,228**	51,130	1,929	53,059
Time Deposits	**2,505**	**-**	**2,505**	-	-	-
Corporate Bonds	**48,896**	**3,792**	**52,688**	57,344	2,285	59,629
Sub-total	**230,997**	**16,840**	**247,837**	253,459	16,542	270,001
Accrued interest	**1,249**	**52**	**1,301**	1,261	51	1,312
Total – December 31	**$232,246**	**$16,892**	**$249,138**	$254,720	$16,593	$271,313

Residual term to contractual maturity

	2024	2023
One month to three months	**$37,950**	$6,282
Over three months to one year	**54,386**	37,429
From one year to five years	**89,464**	157,229
From five years to ten years	**62,433**	65,122
From ten years to twenty years	**4,905**	5,251
Total – December 31	**$249,138**	$271,313

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND (UNIFIED)
SUMMARY STATEMENT OF LOANS
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 2

	2024			
Member countries in which loans have been made	**Loans approved but not yet effective**	**Undisbursed**	**Outstanding[1/]**	**% of Total Loans Outstanding**
Anguilla	**$-**	**$-**	**$478**	**0.1**
Antigua and Barbuda	**-**	**3,166**	**15,301**	**2.5**
Belize	**-**	**26,914**	**85,940**	**13.8**
British Virgin Islands	**-**	**5,000**	**844**	**0.1**
Dominica	**-**	**10,151**	**56,562**	**9.1**
Grenada	**-**	**18,052**	**74,238**	**11.9**
Guyana	**-**	**14,977**	**120,340**	**19.3**
Jamaica	**-**	**4,684**	**63,473**	**10.2**
Montserrat	**-**	**-**	**2,414**	**0.4**
St. Kitts and Nevis	**-**	**12**	**26,745**	**4.3**
St. Lucia	**294**	**18,434**	**81,515**	**13.1**
St. Vincent and the Grenadines	**-**	**18,260**	**73,314**	**11.8**
Suriname	**-**	**1,959**	**15,730**	**2.5**
Turks and Caicos Islands	**-**	**-**	**305**	**0.0**
Regional	**-**	**2,000**	**5,336**	**0.9**
Sub-total	**294**	**123,609**	**622,535**	**100.0**
Accrued interest	**-**	**-**	**3,003**	
Total – December 31	**$294**	**$123,609**	**$625,538**	

1/ There are no overdue installments of principal (2023 - nil).

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND (UNIFIED)
SUMMARY STATEMENT OF LOANS…*continued*
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

	2023			
Member countries in which loans have been made	**Loans approved but not yet effective**	**Undisbursed**	**Outstanding[1/]**	**% of Total Loans Outstanding**
Anguilla	$-	$-	$663	0.1
Antigua and Barbuda	-	3,947	14,928	2.4
Belize	-	32,108	83,720	13.4
British Virgin Islands	-	5,000	1,275	0.2
Dominica	-	10,218	60,265	9.6
Grenada	-	21,751	74,000	11.8
Guyana	11,440	23,270	120,652	19.3
Jamaica	30,000	4,684	70,184	11.2
Montserrat	-	-	2,625	0.4
St. Kitts and Nevis	-	76	29,484	4.7
St. Lucia	11,765	13,303	79,147	12.7
St. Vincent and the Grenadines	-	27,191	67,807	10.9
Suriname	-	3,996	14,190	2.3
Turks and Caicos Islands	-	-	392	0.1
Regional	-	2,000	5,776	0.9
Sub-total	53,205	147,544	625,108	100.0
Accrued interest	-	-	3,073	
Total – December 31	$53,205	$147,544	$628,181	

1/ There are no overdue installments of principal (2023 - nil).

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

SCHEDULE 2

2024

Member countries in which loans have been made	Undisbursed	Outstanding1/	% of Total Loans Outstanding
Antigua and Barbuda	**$-**	**$10,894**	**68.0**
Belize	**-**	**2,178**	**13.6**
Dominica	**-**	**795**	**5.0**
Grenada	**-**	**74**	**0.4**
St. Kitts and Nevis	**-**	**1,685**	**10.5**
St. Lucia	**-**	**10**	**0.1**
St. Vincent and the Grenadines	**-**	**385**	**2.4**
Sub-total	**-**	**16,021**	**100.0**
Accrued interest	**-**	**57**	
Total	**$-**	**$16,078**	

1/ There were no overdue installments of principal (2023 - Nil). There were no loans approved but not yet effective at December 31, 2024 (2023 – Nil).

2023

Member countries in which loans have been made	Undisbursed	Outstanding1/	% of Total Loans Outstanding
Antigua and Barbuda	$-	$11,513	65.2
Belize	-	2,556	14.5
British Virgin Islands	2	1	0.0
Dominica	-	900	5.1
Grenada	-	82	0.4
Jamaica	-	100	0.6
St. Kitts and Nevis	-	1,994	11.3
St. Lucia	-	54	0.3
St. Vincent and the Grenadines	-	457	2.6
Sub-total	2	17,657	100.0
Accrued interest	-	62	
Total	$2	$17,719	

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND
SUMMARY STATEMENT OF LOANS…*continued*
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 2

Analysis by Contributor	2024 Loans approved but not yet effective	Undisbursed	Outstanding[1/]	% of total loans outstanding
Special Development Fund (Unified)				
Members/Contributors	**$294**	**$123,609**	**$622,535**	**100.0%**
Accrued interest	**-**	**-**	**3,003**	
Total - Special Development Fund (Unified)	**$294**	**$123,609**	**$625,538**	
Special Development Fund (Other)				
Members				
Germany	**$-**	**$-**	**$59**	**0.4%**
Mexico	**-**	**-**	**555**	**3.4%**
Venezuela	**-**	**-**	**4,624**	**28.9%**
	-	**-**	**5,238**	
Other contributors				
Sweden	**-**	**-**	**16**	**0.1%**
United States of America	**-**	**-**	**10,767**	**67.2%**
Sub-total – SDF (Other)	**-**	**-**	**16,021**	**100.0%**
Accrued interest	**-**	**-**	**57**	
Total – Special Development Fund (Other)	**$-**	**$-**	**$16,078**	
Total Special Development Fund	**$294**	**$123,609**	**$641,616**	

1/ There were no overdue installments of principal (2023- nil).

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND
SUMMARY STATEMENT OF LOANS...*continued*
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 2

2023

Analysis by Contributor	Loans approved but not yet effective	Undisbursed	Outstanding[1/]	% of total loans outstanding
Special Development Fund (Unified)				
Members/Contributors	$53,205	$147,544	$625,108	100.0
Accrued interest	-	-	3,073	
Total - Special Development Fund (Unified)	$53,205	$147,544	$628,181	
Special Development Fund (Other)				
Members				
Colombia	$-	$2	$-	-
Germany	-	-	65	0.4
Mexico	-	-	685	3.9
Venezuela	-	-	5,532	31.3
	-	2	6,282	
Other contributors				
Sweden	-	-	16	0.1
United States of America	-	-	11,359	64.3
Sub-total – SDF (Other)	-	2	17,657	100.0
Accrued interest	-	-	62	
Total – Special Development Fund (Other)	$-	$2	$17,719	
Total Special Development Fund	$53,205	$147,546	$645,900	

1/ There were no overdue installments of principal (2023- nil).

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND
SUMMARY STATEMENT OF LOANS...*continued*
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 2

	2024				
Currencies Receivable	**Loans outstanding 2023**	**Net interest earned**	**Disbursements**	**Repayments**	**Loans outstanding 2024**
(a) Special Development Fund (Unified)					
United States dollars	**$625,108**	**$-**	**$36,705**	**$(39,278)**	**$622,535**
Accrued interest	**3,073**	**(70)**	**-**	**-**	**3,003**
Total – December 31	**$628,181**	**$(70)**	**$36,705**	**$(39,278)**	**$625,538**
(b) Special Development Fund (Other)					
United States dollars	**$17,657**	**$-**	**$-**	**$(1,636)**	**$16,021**
Accrued interest	**62**	**(5)**	**-**	**-**	**57**
Total – December 31	**$17,719**	**$(5)**	**$-**	**$(1,636)**	**$16,078**

Maturity structure of loans outstanding

January 1, 2025 to December 31, 2025	**$46,327**
January 1, 2026 to December 31, 2026	**47,608**
January 1, 2027 to December 31, 2027	**47,856**
January 1, 2028 to December 31, 2028	**46,664**
January 1, 2029 to December 31, 2029	**44,581**
January 1, 2030 to December 31, 2034	**190,720**
January 1, 2035 to December 31, 2039	**135,840**
January 1, 2040 to December 31, 2044	**72,742**
January 1, 2045 to December 31, 2049	**9,278**
Total – December 31	**$641,616**

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

SCHEDULE 2

2023

Currencies Receivable	Loans outstanding 2023	Net interest earned	Disbursements	Repayments	Loans outstanding 2023
(c) Special Development Fund (Unified)					
United States dollars	$627,228	$-	$35,763	$(37,883)	$625,108
Accrued interest	3,137	(64)	-	-	3,073
Total – December 31	$630,365	$(64)	$35,763	$(37,883)	$628,181
(d) Special Development Fund (Other)					
United States dollars	$19,179	$-	$-	$(1,522)	$17,657
Accrued interest	72	(10)	-	-	62
Total – December 31	$19,251	$(10)	$-	$(1,522)	$17,719

Maturity structure of loans outstanding

January 1, 2024 to December 31, 2024	$43,729
January 1, 2025 to December 31, 2025	42,136
January 1, 2026 to December 31, 2026	45,954
January 1, 2027 to December 31, 2027	45,885
January 1, 2028 to December 31, 2028	44,613
January 1, 2029 to December 31, 2033	192,072
January 1, 2034 to December 31, 2038	134,512
January 1, 2039 to December 31, 2043	81,043
January 1, 2044 to December 31, 2048	15,956
Total – December 31	$645,900

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND
STATEMENT OF CONTRIBUTED RESOURCES…*continued*
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 3

	2024				
Contributors	**Total approved[1/]**	**Approved but not yet effective[2/]**	**Total contribution agreed**	**Amounts made available**	**Receivable from members non-negotiable demand notes**
Special Development Fund (Unified) Members					
Trinidad and Tobago	**$68,305**	**$-**	**$68,305**	**$68,305**	**$27,896**
Bahamas	**39,086**	**-**	**39,086**	**39,086**	**20,332**
Barbados	**35,851**	**10,170**	**25,681**	**25,681**	**2,832**
Brazil	**5,000**	**-**	**5,000**	**5,000**	**-**
Jamaica	**67,818**	**-**	**67,818**	**67,818**	**20,026**
Guyana	**39,087**	**-**	**39,087**	**39,087**	**-**
Antigua and Barbuda	**5,326**	**2,437**	**2,889**	**2,889**	**777**
Belize	**9,861**	**1,773**	**8,088**	**8,088**	**3,788**
Dominica	**9,601**	**1,773**	**7,828**	**7,828**	**2,064**
St. Kitts and Nevis	**9,861**	**4,727**	**5,134**	**5,134**	**-**
St. Lucia	**9,861**	**-**	**9,861**	**9,861**	**2,263**
St. Vincent and the Grenadines	**9,874**	**-**	**9,874**	**9,874**	
Grenada	**7,263**	**-**	**7,263**	**7,263**	**2,967**
Montserrat	**4,119**	**-**	**4,119**	**4,119**	**-**
British Virgin Islands	**4,119**	**-**	**4,119**	**4,119**	**-**
Turks and Caicos Islands	**4,119**	**-**	**4,119**	**4,119**	**-**
Cayman Islands	**4,019**	**2,679**	**1,340**	**1,340**	**-**
Anguilla	**4,119**	**2,074**	**2,045**	**2,045**	**571**
Colombia	**37,657**	**-**	**37,657**	**37,657**	**-**
Venezuela	**37,124**	**15,142**	**21,982**	**21,982**	**-**
Canada	**438,166**	**-**	**438,166**	**438,166**	**-**
United Kingdom	**309,204**	**-**	**309,204**	**309,204**	**6,583**
Germany	**123,385**	**-**	**123,385**	**123,385**	**-**
Italy	**71,693**	**-**	**71,693**	**71,693**	**-**
China	**61,654**	**-**	**61,654**	**61,654**	**-**
Haiti	**4,660**	**-**	**4,660**	**4,660**	**-**
Suriname	**15,561**	**7,231**	**8,330**	**8,330**	**2,758**
Mexico	**27,591**	**10,591**	**17,000**	**17,000**	**-**
	1,463,984	**58,597**	**1,405,387**	**1,405,387**	**92,857**
Other contributors					
France	**$58,254**	**$-**	**$58,254**	**$58,254**	**$-**
Chile	**10**	**-**	**10**	**10**	**-**
Netherlands	**24,902**	**-**	**24,902**	**24,902**	**-**
	1,547,150	**58,597**	**1,488,553**	**1,488,553**	**92,857**
Technical assistance allocation	**(706,600)**	**-**	**(706,600)**	**(706,600)**	**-**
	$840,550	**$58,597**	**$781,953**	**$781,953**	**$92,857**

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND
STATEMENT OF CONTRIBUTED RESOURCES...*continued*
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 3

	2024				
Contributors	**Total approved [1/]**	**Approved but not yet effective [2/]**	**Total contribution agreed**	**Amounts made available [3/]**	**Receivable from members non-negotiable demand notes**
Sub-total brought forward – SDF –Unified	**$840,550**	**$58,597**	**$781,953**	**$781,953**	**$92,857**
Special Development Fund – Other					
Members					
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**	**-**
Other contributors					
Sweden	**2,364**	**-**	**2,364**	**2,364**	**-**
	2,364	**-**	**2,364**	**2,364**	**-**
Technical Assistance Allocation	**(10,000)**	**-**	**(10,000)**	**(10,000)**	
Sub-total – SDF - Other	**27,904**	**-**	**27,904**	**27,904**	**-**
Total SDF	**$868,454**	**$58,597**	**$809,857**	**$809,857**	**$92,857**
Summary					
Members	**$782,924**	**$58,597**	**$724,327**	**$724,327**	**$92,857**
Other contributors	**85,530**	**-**	**85,530**	**85,530**	**-**
Total SDF	**$868,454**	**$58,597**	**$809,857**	**$809,857**	**$92,857**

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 at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 3

	2023				
Contributors	**Total approved[1/]**	**Approved but not yet effective[2/]**	**Total contribution agreed**	**Amounts made available**	**Receivable from members non-negotiable demand notes**
Special Development Fund (Unified) Members					
Trinidad and Tobago	$68,305	$-	$68,305	$65,482	$25,635
Bahamas	39,086	-	39,086	37,278	14,908
Barbados	35,851	10,170	25,681	25,681	2,833
Brazil	5,000	-	5,000	5,000	-
Jamaica	67,818	-	67,818	64,572	19,570
Guyana	39,087	-	39,087	37,279	-
Antigua and Barbuda	5,326	2,437	2,889	2,889	777
Belize	9,861	1,773	8,088	8,088	3,788
Dominica	9,601	1,773	7,828	7,828	2,065
St. Kitts and Nevis	9,861	4,727	5,134	5,134	-
St. Lucia	9,861	-	9,861	9,418	2,263
St. Vincent and the Grenadines	9,874	-	9,874	9,431	
Grenada	7,263	-	7,263	6,820	3,410
Montserrat	4,119	-	4,119	3,925	-
British Virgin Islands	4,119	-	4,119	3,925	-
Turks and Caicos Islands	4,119	-	4,119	4,119	-
Cayman Islands	4,019	2,679	1,340	1,340	-
Anguilla	4,119	2,074	2,045	2,045	571
Colombia	37,657	-	37,657	36,782	-
Venezuela	37,124	15,142	21,982	21,982	-
Canada	438,513	-	438,513	423,144	-
United Kingdom	309,229	-	309,229	302,545	6,684
Germany	124,162	-	124,162	120,740	1,104
Italy	71,959	-	71,959	71,959	-
China	61,632	-	61,632	59,871	-
Haiti	4,660	-	4,660	4,369	-
Suriname	15,561	7,231	8,330	8,330	2,758
Mexico	27,591	10,591	17,000	17,000	-
	1,465,377	58,597	1,406,780	1,366,976	86,366
Other contributors					
France	$58,254	$-	$58,254	$58,254	$-
Chile	10	-	10	10	-
Netherlands	24,902	-	24,902	24,902	-
	1,548,543	58,597	1,489,946	1,450,142	86,366
Technical assistance allocation	(673,600)	-	(673,600)	(673,600)	-
	$874,943	$58,597	$816,346	$776,542	$86,366

STATEMENT OF CONTRIBUTED RESOURCES…*continued*

As at December 31, 2024

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

SCHEDULE 3

	2023				
Contributors	**Total approved [1/]**	**Approved but not yet effective [2/]**	**Total contribution agreed**	**Amounts made available [3/]**	**Receivable from members non-negotiable demand notes**
Sub-total brought forward – SDF –Unified	$874,943	$58,597	$816,346	$776,542	$86,366
Special Development Fund – Other					
Members					
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	-
Other contributors					
Sweden	2,581	-	2,581	2,581	-
	2,581	-	2,581	2,581	-
Technical Assistance Allocation	(10,000)	-	(10,000)	(10,000)	-
Sub-total – SDF - Other	28,121	-	28,121	28,121	-
Total SDF	$903,064	$58,597	$844,467	$804,663	$86,366
Summary					
Members	$817,317	$58,597	$758,720	$718,916	$86,366
Other contributors	85,747	-	85,747	85,747	-
Total SDF	$903,064	$58,597	$844,467	$804,663	$86,366

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 ACCUMULATED NET INCOME
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 3

	2024			
Currencies	**Amounts made available 2024**	**Translation adjustment**	**Drawdowns/ appropriations from capital[1/]**	**Amounts made available 2024**
(a) Special Development Fund (Unified)				
Euros	**$14,947**	**$(848)**	**$3,227**	**$17,326**
Pounds sterling	**19,096**	**(287)**	**-**	**18,809**
United States dollar	**742,499**	**-**	**3,319**	**745,818**
	$776,542	**$(1,135)**	**$6,546**	**$781,953**
(b) Special Development Fund (Other)				
Swedish krona	**$2,581**	**$(217)**	**$-**	**$2,364**
United States dollars	**25,540**	**-**	**-**	**25,540**
	$28,121	**$(217)**	**$-**	**$27,904**

1/ Net of conversations 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…*continued*
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 3

2023

Currencies	Amounts made available 2023	Translation adjustment	Drawdowns/ appropriations from capital[1/]	Amounts made available 2023
(c) Special Development Fund (Unified)				
Euros	$ 11,147	$378	$3,422	$14,947
Pounds sterling	18,061	1,035	-	19,096
United States dollar	731,515	-	10,984	742,499
	$760,723	$1,413	$14,406	$776,542
(d) Special Development Fund (Other)				
Swedish krona	$ 2,506	$75	$-	$2,581
United States dollars	25,540	$-	$-	25,540
	$28,046	$75	$-	$28,121

1/ Net of conversations 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…*continued*
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 4

2024			
Contributors	**Brought forward 2023**	**Net income 2024**	**Carried forward 2024**
Special Development Fund (Unified)	$39,534	**$1,922**	$41,456
Special Development Fund (Other)			
Members			
Colombia	$1,189	**$135**	$1,324
Germany	(2,242)	**(153)**	(2,395)
Mexico	(195)	**(12)**	(207)
Venezuela	(1,932)	**(306)**	(2,238)
	(3,180)	**(336)**	(3,516)
Other contributors			
Sweden	1,691	**123**	1,814
United States of America	10,942	**(139)**	10,803
	12,633	**(16)**	12,617
Sub-total – SDF - Other	9,453	**(352)**	9,101
Total Special Development Fund	$48,987	**$1,570**	$50,557
Summary			
Members	$36,354	**$1,586**	$37,940
Other contributors	12,633	**(16)**	12,617
Total Special Development Fund	$48,987	**$1,570**	$50,557

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

SCHEDULE 4

2023

Contributors	**Brought forward 2022**	**Net income 2023**	**Carried forward 2023**
Special Development Fund (Unified)	$34,734	$4,800	$39,534
Special Development Fund (Other)			
Members			
Colombia	$987	$202	$1,189
Germany	(2,046)	(196)	(2,242)
Mexico	(117)	(78)	(195)
Venezuela	(1,636)	(296)	(1,932)
	(2,812)	(368)	(3,180)
Other contributors			
Sweden	$1,822	(131)	1,691
United States of America	11,058	(116)	10,942
	12,880	(247)	12,633
Sub-total – SDF - Other	10,068	(615)	9,453
Total Special Development Fund	$44,802	$4,185	$48,987
Summary			
Members	$31,922	$4,432	$36,354
Other contributors	12,880	(247)	12,633
Total Special Development Fund	$44,802	$4,185	$48,987

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 MATERIAL 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.

2. SUMMARY OF MATERIAL 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. Unrealised 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, floating rate 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.

2. SUMMARY OF MATERIAL 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.

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.

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

2. SUMMARY OF MATERIAL 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	
	2024	2023	**2024**	2023
Due to Banks	**$-**	$-	**$(2,238)**	$(3,582)
Due from banks	**62,686**	5,492	**-**	-
Time deposits	**13,989**	28,975	**9,921**	9,921
	$76,675	$34,467	**$7,683**	$6,339

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 a gain of **4.16%** (2023: 3.98%). Net realised gains on investments traded during 2024 for the Unified and Other funds amounted to **$69** (2023: $10) and net unrealised gains were **$4,694** (2023: $8,387).

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

	2024	2023
Contributions (as per Schedule 3)	**$781,953**	$776,542

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

	2024	2023
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.

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

5. FUNDS…*continued*

(ii) Special Development Fund – Other …*continued*

	2024	2023
Mexico		
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.

	2024	2023
Venezuela		
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.

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

5. FUNDS…*continued*

(ii) Special Development Fund – Other…*continued*

	2024	2023
Sweden (as per Schedule 3)	**$2,364**	$2,581

The contribution is interest-free with no definite date for repayment.

	2024	2023
United States of America		
First contribution	**$10,000**	$10,000
Less repayments	**(10,000)**	(10,000)
	$-	$-
Second contribution	**12,000**	12,000
Less repayments	**(12,000)**	(12,000)
	$-	$-
Technical Assistance	**$302**	$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.

(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, 2024 and 2023 were as follows:

Balance at December 31, 2022	$158,265
Allocations for the year	23,000
Expenditure for the year	(17,027)
Balance at December 31, 2023	$164,238
Allocations for the year	23,000
Expenditure for the year	(13,110)
Balance at December 31, 2024	**$174,128**

8. LOANS OUTSTANDING – UNIFIED AND OTHER

The average interest rate earned on loans outstanding was **1.80%** (2023: 1.76%). There were no impaired loans at or during the financial years ended December 31, 2024 and 2023.

9. ACCOUNTS PAYABLE – UNIFIED AND OTHER

	2024	2023
Accounts payable – general	**$59,838**	$51,993
Interfund payables	**2,724**	6,841
	$62,562	$58,834

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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 31 December 2024, 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 material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as of 31 December 2024 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 Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), 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.

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 2024 Annual Report

Other information consists of the information included in the Bank's 2024 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Bank's 2024 Annual Report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE BOARD OF GOVERNORS OF CARIBBEAN DEVELOPMENT BANK

Report on the Audit of the Financial Statements (continued)

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 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.

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.
- 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE BOARD OF GOVERNORS OF CARIBBEAN DEVELOPMENT BANK

Report on the Audit of the Financial Statements (continued)

Auditor's 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.

Report on other Legal and Regulatory Requirements

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 26 January 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' members as a body, for our audit work, for this report, or for the opinion we have formed.

Ernst & Young Ltd

BARBADOS
23 April 2025

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – OTHER SPECIAL FUNDS
STATEMENT OF FINANCIAL POSITION
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

	2024	2023
Assets		
Cash and cash equivalents – Note 3	**$80,235**	$41,795
Investments (Schedule 1)	**54,382**	50,105
Loans outstanding (Schedule 2)	**98,486**	100,406
Non-negotiable demand notes – Note 8	**19,084**	78,390
Accounts receivable – Note 9	**59,300**	39,252
Total assets	**$311,487**	$309,948
Liabilities and Funds		
Liabilities		
Accounts payable	**$13,223**	$226
Accrued charges on contributions repayable	**193**	311
	13,416	537
Funds		
Contributed resources (Schedule 3)	**$109,712**	$103,373
Accumulated net income (Schedule 4)	**63,748**	62,495
	173,460	165,868
Technical assistance and other grant resources (Schedule 5)	**124,611**	143,543
Total liabilities and funds	**$311,487**	$309,948

The accompanying schedules and notes 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, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

	2024	2023
Interest and similar income		
Loans	**$3,248**	$2,829
Investments and cash balances	**3,042**	2,525
	6,290	5,354
Unrealised gains on investments	**1,344**	1,510
Total income	**7,634**	6,864
Expenses		
Administrative expenses	**$3,494**	$3,452
Charges on contributions repayable	**3,126**	2,631
Foreign exchange translation	**(239)**	(1,916)
Total expenses	**6,381**	4,167
Total comprehensive income for the year	**$1,253**	$2,697
Accumulated net income		
Accumulated net income – beginning of year	**$62,495**	$59,798
Total comprehensive income for the year	**1,253**	2,697
Accumulated net income – end of year	**$63,748**	$62,495

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, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

	2024	2023
Operating activities:		
Total comprehensive income for the year	**$1,253**	$2,697
Adjustments for non-cash items:		
Net unrealised gain on investments	**(1,344)**	(1,510)
Interest income	**(6,290)**	(5,354)
Interest expense	**3,126**	2,631
Unrealised net foreign exchange (gain)/loss	**(1,746)**	28
Total cash flow used in operating activities before changes in operating assets and liabilities	**(5,001)**	(1,508)
Changes in operating assets and liabilities		
Increase in accounts receivable	**(20,048)**	(4,549)
Decrease in non-negotiable demand notes	**59,306**	76,712
Increase in accounts payable	**12,997**	96
Cash provided by operating activities	**47,254**	70,751
Disbursements on loans	**(5,309)**	(11,151)
Principal repayments to the Bank on loans	**7,215**	6,757
Technical assistance disbursements	**(53,420)**	(108,323)
Interest received	**6,147**	5,249
Net (increase)/decrease in investments	**(2,917)**	3,765
Net cash used in operating activities	**(1,030)**	(32,952)
Financing activities:		
Interest paid	**(3,244)**	(2,531)
Contributions:		
Increase in contributions to fund loans	**10,560**	36,285
Reimbursement of repayable contributions	**(2,334)**	(2,511)
Increase in Technical assistance contributions	**34,488**	33,379
Net cash provided by financing activities	**39,470**	64,622
Net increase in cash and cash equivalents	**38,440**	31,670
Cash and cash equivalents at beginning of year	**41,795**	10,125
Cash and cash equivalents at end of year	**$80,235**	$41,795

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 at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 1

Investments	**2024**	2023
Debt securities at fair value through profit or loss – Note 4		
Government and Agency obligations	**$12,349**	$9,004
Supranational	**16,036**	13,140
Corporate bonds	**585**	-
Mutual Funds	**12,238**	11,550
Equity investments	**12,971**	13,465
Time Deposit	**-**	2,759
Sub-total	**54,179**	49,918
Accrued interest	**203**	187
	$54,382	$50,105

Residual Term to Contractual Maturity

	2024	2023
1 – 3 months	**$27,398**	$29,460
3 months - 1 year	**18,927**	400
1 year - 5 years	**8,057**	20,245
	$54,382	$50,105

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF LOANS
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 2

	2024			
Member countries in which loans have been made	**Loans approved but not yet effective[2/]**	**Undisbursed**	**Outstanding[1/]**	**% of Total Loans Outstanding**
Antigua and Barbuda	**$-**	**$2,507**	**$3,932**	**4.0**
Barbados	**-**	**-**	**6,962**	**7.1**
Dominica	**-**	**870**	**19,397**	**19.9**
Grenada	**-**	**-**	**20,716**	**21.2**
Guyana	**$11,440**	**-**	**1,045**	**1.1**
Jamaica	**-**	**-**	**13,875**	**14.2**
St. Kitts and Nevis	**-**	**586**	**3,751**	**3.8**
St. Lucia	**-**	**3,891**	**15,211**	**15.6**
St. Vincent and the Grenadines	**-**	**1,218**	**12,753**	**13.1**
Sub-total	**11,440**	**9,072**	**97,642**	**100.0**
Accrued interest	**-**	**-**	**844**	
	$11,440	**$9,072**	**$98,486**	

[1/] There were no overdue installments of principal at December 31, 2024 (2023 - nil).

[2/] There was an amount of $8,560 approved for Belize but not yet effective at December 31, 2024. Total loans approved not yet effective at December 31, 2024 was $20,000.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF LOANS...*continued*
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 2

	2023			
Member countries in which loans have been made	**Loans approved but not yet effective**	**Undisbursed**	**Outstanding[1/]**	**% of Total Loans Outstanding**
Antigua and Barbuda	$-	$3,577	$3,208	3.2
Barbados	-	-	7,951	8.0
Dominica	-	2,370	18,910	19.0
Grenada	-	-	21,894	22.0
Guyana	38,110	-	1,265	1.3
Jamaica	-		15,382	15.4
St. Kitts and Nevis	-	631	4,090	4.1
St. Lucia	-	6,450	13,851	13.9
St. Vincent and the Grenadines	-	1,357	13,138	13.2
Sub-total	38,110	14,385	99,689	100.0
Accrued interest	-	-	717	
	$38,110	$14,385	$100,406	

[1/]There were no overdue installments of principal at December 31, 2023 (2022 - nil).

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF LOANS...*continued*
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 2

	2024			
Analysis by Contributor	**Loans approved but not yet effective[2/]**	**Undisbursed**	**Outstanding[1/]**	**% of Total Loans Outstanding**
Members				
Trinidad and Tobago	**$-**	**$-**	**$1**	**0.0**
Other contributors				
Caribbean Development Bank	**-**	**-**	**30,192**	**30.9**
Nigeria	**-**	**-**	**1,045**	**1.1**
Inter-American Development Bank	**-**	**9,072**	**61,616**	**63.1**
International Development Association	**-**	**-**	**4,788**	**4.9**
Sub-total	**-**	**9,072**	**97,642**	**100.0**
Accrued interest	**-**	**-**	**844**	
	$-	**$9,072**	**$98,486**	

[1/] There were no overdue installments of principal at December 31, 2024 (2023 – nil).

[2/] Italy contributed $20,000 which was approved but not yet effective at December 31, 2024.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF LOANS...*continued*
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 2

2023				
Analysis by Contributor	**Loans approved but not yet effective**	**Undisbursed**	**Outstanding[1/]**	**% of Total Loans Outstanding**
Members				
Trinidad and Tobago	$-	$-	$2	0.0
Other contributors				
Caribbean Development Bank	-	-	33,892	34.0
Nigeria	38,110	1	1,273	1.3
Inter-American Development Bank	-	14,384	58,669	58.8
International Development Association	-	-	5,853	5.9
Sub-total	38,110	14,385	99,689	100.0
Accrued interest	-	-	717	
	$38,110	$14,385	$100,406	

[1/] There were no overdue installments of principal at December 31, 2023 (2022 – nil).

SUMMARY STATEMENT OF LOANS...*continued*

As at December 31, 2024

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

SCHEDULE 2

			2024			
Currencies receivable	**Loans outstanding 2023**	**Translation adjustment**	**Net Interest earned**	**Disbursements**	**Repayments**	**Loans outstanding 2024**
Special Drawing Rights	**$4,673**	**$(141)**	**$-**	**$-**	**$(728)**	**$3,804**
United States dollars	**95,016**	**-**	**-**	**5,309**	**(6,487)**	**93,838**
Sub-total	**99,689**	**(141)**	**-**	**5,309**	**(7,215)**	**97,642**
Accrued	**717**	**-**	**127**	**-**	**-**	**844**
	$100,406	**$(141)**	**$127**	**$5,309**	**$(7,215)**	**$98,486**

Maturity structure of loans outstanding

January 1, 2025 to December 31, 2025	**$8,607**
January 1, 2026 to December 31, 2026	**8,101**
January 1, 2027 to December 31, 2027	**7,994**
January 1, 2028 to December 31, 2028	**7,177**
January 1, 2029 to December 31, 2033	**32,567**
January 1, 2034 to December 31, 2038	**15,687**
January 1, 2039 to December 31, 2043	**10,685**
January 1, 2044 to December 31, 2047	**2,269**
January 1, 2048 to December 31, 2054	**5,399**
	$98,486

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF LOANS...*continued*
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 2

			2023			
Currencies receivable	**Loans outstanding 2022**	**Translation adjustment**	**Net Interest earned**	**Disbursements**	**Repayments**	**Loans outstanding 2023**
Special Drawing Rights	$5,368	$56	$-	$-	$(751)	$4,673
United States dollars	89,871	-	-	11,151	$(6,006)	95,016
Sub-total	95,239	56	-	11,151	(6,757)	99,689
Accrued interest	606	-	111	-	-	717
	$95,845	$56	$111	$11,151	$(6,757)	$100,406

Maturity structure of loans outstanding

January 1, 2024 to December 31, 2024	**$7,954**
January 1, 2025 to December 31, 2025	**7,729**
January 1, 2026 to December 31, 2026	**7,914**
January 1, 2027 to December 31, 2027	**7,694**
January 1, 2028 to December 31, 2033	**37,935**
January 1, 2034 to December 31, 2038	**14,266**
January 1, 2039 to December 31, 2043	**9,546**
January 1, 2044 to December 31, 2047	**1,969**
January 1, 2048 to December 31, 2054	**5,399**
	$100,406

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF CONTRIBUTIONS
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 3

	2024 Contributions	
Contributors	**Total[1/]**	**Amounts made available**
Members		
Canada	**$6,390**	**$6,390**
Other contributors		
Inter-American Development Bank	**148**	**148**
Contributed resources	**6,538**	**6,538**
Other contributors[1/]		
Inter-American Development Bank	**70,503**	**70,503**
Italy	**26,031**	**26,031**
International Development Association	**6,640**	**6,640**
Repayable contributions	**103,174**	**103,174**
	$109,712	**$109,712**

[1/]Net of cancellations and repayments.

Maturity structure of repayable contributions outstanding

January 1, 2025 to December 31, 2025	**$2,285**
January 1, 2026 to December 31, 2026	**4,337**
January 1, 2027 to December 31, 2027	**4,337**
January 1, 2028 to December 31, 2028	**4,337**
January 1, 2029 to December 31, 2033	**23,896**
January 1, 2034 to December 31, 2038	**30,581**
January 1, 2039 to December 31, 2043	**22,763**
January 1, 2044 to December 31, 2053	**10,638**
	$103,174

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF CONTRIBUTIONS...*continued*
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 3

	2023	
	Contributions	
Contributors	**Total[1/]**	**Amounts made available**
Members		
Canada	$6,510	$6,510
Other contributors		
Inter-American Development Bank	148	148
Contributed resources	6,658	6,658
Other contributors[1/]		
Inter-American Development Bank	61,348	61,348
Italy	27,597	27,597
European Union	53	53
International Development Association	7,717	7,717
Repayable contributions	96,715	96,715
	$103,373	$103,373

[1/]Net of cancellations and repayments.

Maturity structure of repayable contributions outstanding

January 1, 2024 to December 31, 2024	$2,358
January 1, 2025 to December 31, 2025	2,305
January 1, 2026 to December 31, 2026	3,831
January 1, 2027 to December 31, 2027	3,831
January 1, 2028 to December 31, 2033	25,405
January 1, 2034 to December 31, 2038	28,785
January 1, 2039 to December 31, 2042	18,762
January 1, 2043 to December 31, 2053	11,438
	$96,715

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF CONTRIBUTIONS...*continued*
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 3

2024

Currencies Repayable	Contributions made available 2023	Translation adjustment	Drawdowns/ appropriations from capital	Repayments	Contributions made available 2024
Canadian dollars	**$1,510**	**$(120)**	**$-**	**$-**	**$1,390**
Euros	**27,650**	**(1,569)**	**-**	**(50)**	**26,031**
Special Drawing Rights	**6,551**	**(198)**	**-**	**(684)**	**5,669**
United States dollars	**67,662**	**-**	**10,560**	**(1,600)**	**76,622**
	$103,373	**$(1,887)**	**$10,560**	**$(2,334)**	**$109,712**

2023

Currencies Repayable	Contributions made available 2022	Translation adjustment	Drawdowns/ appropriations from capital	Repayments	Contributions made available 2023
Canadian dollars	$1,479	$31	$-	$-	$1,510
Euros	152	5	27,597	(104)	$27,650
Special Drawing Rights	7,181	48	-	(678)	$6,551
United States dollars	60,703	-	8,688	(1,729)	$67,662
	$69,515	$84	$36,285	$(2,511)	$103,373

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF ACCUMULATED NET INCOME
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 4

Contributors	Brought forward 2023	Net income/(loss) 2024	Carried forward 2024
General Funds	$63,835	$3,784	$67,619
European Investment Bank	(761)	(6)	(767)
European Union	2,609	18	2,627
Inter-American Development Bank	(9,068)	(3,264)	(12,332)
International Development Association	358	52	410
Nigeria	5,360	(203)	5,157
United States of America	1,787	(124)	1,663
United Kingdom	(2,059)	(249)	(2,308)
Venezuela	53	-	53
European Commission	21	265	286
BMZ/ The Federal Government of Germany	5	(3)	2
Agence Francaise de Developpement	(19)	120	101
Italy	374	863	1,237
	$62,495	$1,253	$63,748

STATEMENT OF ACCUMULATED NET INCOME…*continued*

For the year ended December 31, 2024

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

SCHEDULE 4

Contributors	Brought forward 2022	Net income/(loss) 2023	Carried forward 2023
General Funds	$61,005	$2,830	$63,835
European Investment Bank	(778)	17	(761)
European Union	2,539	70	2,609
Inter-American Development Bank	(5,681)	(3,387)	(9,068)
International Development Association	371	(13)	358
Nigeria	5,497	(137)	5,360
United States of America	1,828	(41)	1,787
United Kingdom	(4,468)	2,409	(2,059)
Venezuela	49	4	53
European Commission	(621)	642	21
BMZ/ The Federal Government of Germany	2	3	5
Agence Francaise de Developpement	55	(74)	(19)
Italy	-	374	374
	$59,798	$2,697	$62,495

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF TECHNICAL ASSISTANCE AND OTHER GRANT RESOURCES
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 5

	2024			
	Contributors			
Contributors	**Total[1/]**	**Amounts made available**	**Amounts utilised**	**Net Amounts available**
Members				
Canada	$112,388	$112,388	$77,194	$35,194
United Kingdom	307,898	307,898	297,021	10,877
Italy	1,563	1,563	704	859
China	677	677	270	407
Venezuela	585	585	-	585
Germany	452	452	470	(18)
	423,563	423,563	375,659	47,904
Other contributors				
Caribbean Development Bank	$318,261	$318,261	$255,846	$62,415
United States of America	1,407	1,407	1,407	-
Inter-American Development Bank	26,855	26,855	25,995	860
Nigeria	193	193	193	-
European Commission	49,249	49,249	36,928	12,321
European Investment Bank Climate Action Support	2,184	2,184	1,338	846
Agence Francaise de Developpement	2,121	2,121	2,274	(153)
United Nations	9,733	9,733	9,315	418
Improve Public Investment Management through Procurement	320	320	320	-
Sub-total	410,323	410,323	333,616	76,707
Total – December 31	$833,886	$833,886	$709,275	$124,611
Summary				
Basic Needs Trust Fund	$229,750	$229,750	$212,527	$17,223
Other resources	604,136	604,136	496,748	107,388
	$833,886	$833,886	$709,275	$124,611

[1/]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
As at December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

SCHEDULE 5

	2023			
	Contributors			
Contributors	**Total[1/]**	**Amounts made available**	**Amounts utilised**	**Net Amounts available**
Members				
Canada	$87,467	$87,467	$76,432	$11,035
United Kingdom	309,631	309,631	258,757	50,874
Italy	1,616	1,616	595	1,021
China	677	677	270	407
Venezuela	585	585	-	585
Germany	463	463	484	(21)
	400,439	400,439	336,538	63,901
Other contributors				
Caribbean Development Bank	$308,270	$308,270	$246,381	$61,889
United States of America	1,407	1,407	1,407	-
Inter-American Development Bank	26,455	26,455	25,231	1,224
Nigeria	193	193	193	-
European Commission	48,833	48,833	35,152	13,681
European Investment Bank Climate Action Support	2,184	2,184	1,338	846
Agence Francaise de Developpement	2,249	2,249	1,263	986
United Nations	9,048	9,048	8,032	1,016
Improve Public Investment Management through Procurement	320	320	320	-
Sub-total	398,959	398,959	319,317	79,642
Total – December 31	$799,398	$799,398	$655,855	$143,543
Summary				
Basic Needs Trust Fund	$229,750	$229,750	$204,066	$25,684
Other resources	569,648	569,648	451,789	117,859
	$799,398	$799,398	$655,855	$143,543

[1/]Net of cancellation and resources fully utilized and expended in non-reimbursable operations.

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 MATERIAL 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.

2. SUMMARY OF MATERIAL 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. Unrealised 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, floating rate 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.

2. SUMMARY OF MATERIAL 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 recognised in 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:

	2024	2023
Due from banks	**$53,247**	$41,795
Time deposits	**26,988**	-
	$80,235	$41,795

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 annualised rate of return on the average of these investment types held during the year, including realised and unrealised gains and losses was 2.98% (2023: 3.85%). There were no realised gains/losses on investments traded during 2024 or 2023 and net unrealised gains amounted to $656 (2023: $539).

Net realised gains on equities and mutual funds were $362 (2023: $90) and net unrealised gains amounted to $688 (2023: $971).

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 has been presented separately from the SDF. The OSF was established in accordance with agreements between the Bank and the contributors and is 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 the contributors.

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:

	2024	2023
Canada		
Agricultural[1/] (Schedule 3)	**$6,390**	$6,510
Technical assistance resources (Schedule 5)	**112,388**	87,467
Italy		
Cassa Depositi e Prestiti[2/] (Schedule 3)	**$26,031**	$27,597
Technical assistance resources (Schedule 5)	**1,563**	1,616
China		
Technical assistance resources (Schedule 5)	**$677**	$677
Venezuela		
Technical assistance resources (Schedule 5)	**$585**	$585
Nigeria		
Technical assistance resources (Schedule 5)	**$193**	$193
United Kingdom		
Technical assistance resources (Schedule 5)	**$307,898**	$309,631
Inter-American Development Bank		
975/SF-RG	**$14,212**	$14,212
Less repayments	**(9,393)**	(8,975)
	4,819	$5,237
1108/SF-RG Global Credit	**$20,000**	$20,000
Less repayments	**(8,196)**	(7,540)
	$11,804	$12,460

[1/] The contributions are interest-free with no date for repayment.
[2/] The loan is subject to a fixed interest rate of 0.4% per annum and is repayable during the period 2032 to 2041.

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

5. FUNDS...*continued*

Inter-American Development Bank...*continued*

	2024	2023
1637/SF-RG Credit	**$9,923**	$9,923
Less repayments	**(2,977)**	(2,646)
	6,946	7,277
2798/BL Regional Global Loan – OECS	**$6,000**	$6,000
Less repayments	**(130)**	(130)
	5,870	5,870
5156/OC-RG Global Loan Covid19-OECS	**$41,064**	$30,504
Repayable contributions (Schedule 3)	**$70,503**	$61,348
Technical assistance resources (Schedule 5)	**$26,855**	$26,455

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.

5156/OC-RG Global Loan Covid19-OECS is subject to interest at the rate of 1.2% per annum and is repayable in full by 2045.

The loans are subject to a credit fee of 0.5% per annum on any undrawn balance.

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

5. FUNDS*…continued*

	2024	2023
United States of America		
Technical Assistance resources (Schedule 5)	**$1,407**	$1,407

	2024	2023
European Union		
Second Contribution	**$1,516**	$1,516
Less repayments	**(1,516)**	(1,463)
Repayable contributions (Schedule 3)	**$-**	$53

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.

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

5. FUNDS...*continued*

International Development Association

	2024		2023		**Due dates**
Credit No. 960/CRG	**$6,480**		$6,480		1990-2029
Less repayments	**(5,508)**	**972**	(5,314)	1,166	
Credit No. 1364/CRG	**7,075**		7,295		
Less repayments	**(5,271)**	**1,804**	(5,216)	2,079	1993-2033
Credit No. 1785/CRG	**6,043**		6,231		
Less repayments	**(3,777)**	**2,266**	(3,707)	2,524	1997-2030
Credit No. 2135/CRG	**7,264**		7,491		
Less repayments	**(5,666)**	**1,598**	(5,543)	1,948	2000-2030
Repayable contributions (Schedule 3)		**$6,640**		$7,717	

The credits are subject to a service charge of 0.75% per annum on amounts outstanding.

	2024	2023
Caribbean Development Bank		
Technical assistance resources (Schedule 5)	**$318,261**	$308,270
BMZ/ The Federal Government of Germany		
Technical assistance resources (Schedule 5)	**$452**	$463
European Investment Bank Climate Action Support		
Technical assistance resources (Schedule 5)	**$2,184**	$2,184
European Commission		
Technical assistance resources (Schedule 5)	**$49,249**	$48,833
Agence Francaise de Developpement		
Technical assistance resources (Schedule 5)	**$2,121**	$2,249
United Nations		
Technical assistance resources (Schedule 5)	**$9,733**	$9,048

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

5. FUNDS…*continued*

	2024	2023
Improve Public Investment Management through Procurement		
Technical assistance resources (Schedule 5)	**$320**	$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.

2024

	Approved amount	**Amounts made available**	**Amounts utilised**	**Net Amounts available**
European Union				
Sustainable Energy for the Eastern Caribbean (SEEC)	**€4,450**	**$3,798**	**$2,392**	**$1,406**
Geothermal Risk Mitigation for the Eastern Caribbean (EU-CIF)	**€12,350**	**$7,606**	**$6,394**	**$1,212**
United Kingdom				
Increasing Renewable Energy and Energy Efficiency in the Eastern Caribbean	**£4,305**	**$5,397**	**$5,321**	**$76**
Sustainable Energy for the Eastern Caribbean (SEEC)	**£2,500**	**$2,876**	**$1,659**	**$1,217**
Inter-American Development Bank [Acting as Administrator for the Global Environment Facility (GEF)]				
Sustainable Energy Facility for the Eastern Caribbean (SEF)	**$3,014**	**$1,856**	**$1,879**	**($23)**
Inter-American Development Bank [Acting as Implementing entity for the Clean Technology Fund (CTF)]				
Sustainable Energy Facility for the Eastern Caribbean (SEF)	**$19,050**	**$19,050**	**$19,050**	**$-**
Canada				
Canadian Support to the Energy Sector in the Caribbean Fund (CSES-C)	**CAD5,000**	**$3,841**	**$3,545**	**$296**

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

5. FUNDS...*continued*

2023

	Approved amount	Amounts made available	Amounts utilised	Net Amounts available
European Union				
Sustainable Energy for the Eastern Caribbean (SEEC)	€4,450	$4,026	$2,406	$1,620
Geothermal Risk Mitigation for the Eastern Caribbean (EU-CIF)	€12,350	$8,064	$6,280	$1,784
United Kingdom				
Increasing Renewable Energy and Energy Efficiency in the Eastern Caribbean	£4,305	$5,480	$5,402	$78
Sustainable Energy for the Eastern Caribbean (SEEC)	£2,500	$2,920	$1,615	$1,305
Inter-American Development Bank [Acting as Administrator for the Global Environment Facility (GEF)]				
Sustainable Energy Facility for the Eastern Caribbean (SEF)	$3,014	$1,856	$1,981	$(125)
Inter-American Development Bank [Acting as Implementing entity for the Clean Technology Fund (CTF)]				
Sustainable Energy Facility for the Eastern Caribbean (SEF)	$19,050	$19,050	$19,050	$-
Canada				
Canadian Support to the Energy Sector in the Caribbean Fund (CSES-C)	CAD5,000	$3,841	$3,122	$719

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.

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

7. LOANS

The average interest rate earned on loans outstanding was 3.36% (2023: 3.02%). There were no impaired loans at December 31, 2024 and 2023.

8. NON-NEGOTIABLE DEMAND NOTES

The non-negotiable demand notes of $19,084 (2023: $78,390) represent the equivalent of GBP 15,220 million (2023: GBP61,575 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 an eight (8) 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

	2024	2023
Institutional receivables	**$59,300**	$49,300
Interfund payable	**-**	(10,048)
	$59,300	$39,252