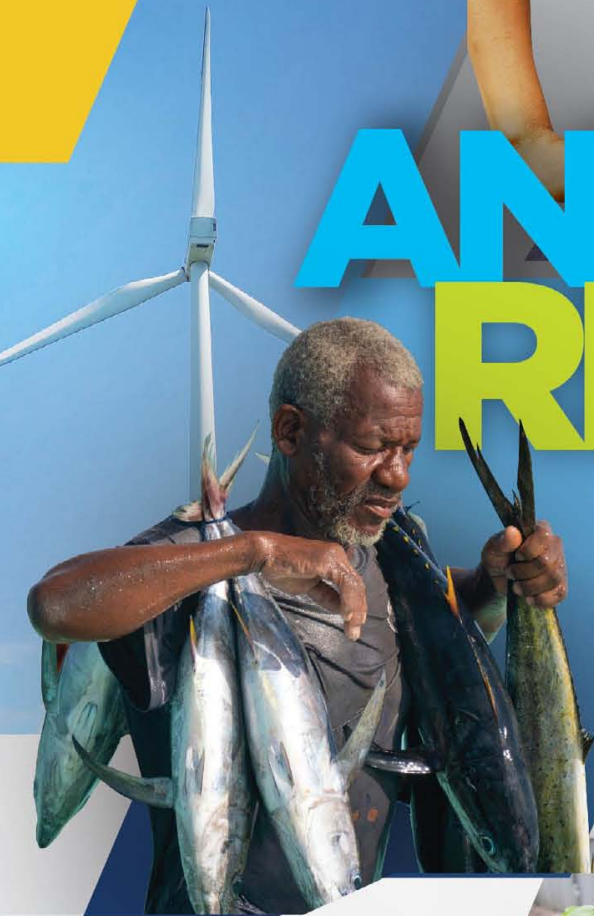




ANNUAL REPORT 2024





2024 ANNUAL REPORT





TABLE OF CONTENTS

HIGHLIGHTS AT-A-GLANCE	4
THE PRESIDENT'S STATEMENT	15
SECTION 1: 2024 CARIBBEAN ECONOMIC REVIEW AND 2025 OUTLOOK	19
SECTION 2: PERFORMANCE REVIEW	27
SOCIAL RESILIENCE	29
Basic Needs Trust Fund	29
Education and Training	31
Water and Sanitation	32
Agriculture	33
Youth Empowerment	34
Mainstreaming Disability Inclusion: Building a More Inclusive Caribbean	35
PRODUCTION RESILIENCE	36
Transportation	36
Coastal Protection	37
Private Sector	38
ENVIRONMENTAL RESILIENCE	41
Environmental Sustainability	41
Sustainable Energy	44
FINANCIAL RESILIENCE	45
CDB's Financial Performance	45
Expanding Access to Finance for BMCs	46



INSTITUTIONAL RESILIENCE	47
Internal Focus	47
Procurement and Disbursements	47
Internal Audit	47
Integrity, Compliance, and Accountability	48
Internal Evaluation	49
External Capacity Building Initiatives	50
Progress in Procurement Reform	50
Procurement Training	51
Anti-Corruption Training	51
GENDER	53
SECTION 3: IMPACT STORIES - DEVELOPMENT IN ACTION	55
SOCIAL RESILIENCE Safeguarding Inclusion: CDB Working to Advance Disability Rights in the Caribbean	57
PRODUCTION RESILIENCE Caribshopper and the Caribbean Development Bank: Connecting Caribbean Entrepreneurs to Global Markets	59
ENVIRONMENTAL RESILIENCE Building Back Better: Dominica's Journey Toward Climate Resilience	61
INSTITUTIONAL RESILIENCE CDB's Procurement Scholarship Programme Strengthens Governance and Careers	63
SECTION 4: RISK REVIEW	65
SECTION 5: MANAGEMENT'S DISCUSSION AND ANALYSIS	71
SECTION 6: FINANCIAL STATEMENTS	85
APPENDICES	269



PURPOSE

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

Article 1 - Agreement establishing the Caribbean Development Bank



MISSION STATEMENT

Reducing poverty and transforming lives through sustainable, resilient and inclusive development.



Wilkey, St. Michael
Barbados, West Indies

June 11, 2025

Ms. Viviane Vecchi Mendes Muller
Chairperson
Board of Governors
Caribbean Development Bank

Dear Chairperson,

I enclose the Annual Report of the Caribbean Development Bank for the year ended December 31, 2024, which the Board of Directors, acting pursuant to Paragraph 2 of Article 38 of the Agreement establishing the Caribbean Development Bank and in accordance with Section 18 of the By-Laws of the Bank, has requested me to submit to the Board of Governors.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Isaac", followed by a long horizontal flourish.

Mr. Isaac Solomon
President, (Ag)
Caribbean Development Bank

.....

2024 HIGHLIGHTS AT A GLANCE

Optimising resilience to propel Sustainable Development

TOTAL VALUE OF
PROJECTS APPROVED

\$303.5
million (mn)

\$244.9mn in loans
\$58.6mn in grants

TOTAL
DISBURSMENTS

\$312.3
mn

\$245.8 mn in loans
\$66.5 mn in grants



SOCIAL RESILIENCE

Building capacity of individuals, communities and institutions to sustain well-being and improve quality of life.

BASIC NEEDS TRUST FUND (BNTF) TENTH CYCLE

- Approximately **4,780 people** are benefitting from road upgrade projects.
- Over **900 households** have access to improved water facilities.
- Almost **850 students** are benefitting from refurbished classrooms.
- **19.74 kilometres** of roadway built or upgraded.
- **484 m³ of water storage** facilities and **4.8 km of supply lines** installed.
- **271 teachers and principals** have received specialised training to work with children with learning disabilities.

EDUCATION

- **\$17 mn** in loans & **\$18 mn** in grants approved to drive transformative education initiatives across the Caribbean.
- **\$14 mn in grant funding** from the Global Partnership for Education to accelerate critical education reforms in Grenada, Saint Lucia, and Saint Vincent & the Grenadines.
- **\$13 mn grant** from the Special Development Fund to expand access to quality primary education for vulnerable communities in Haiti.
- **150 educators** engaged in the inaugural CDB Regional Symposium and Policy Dialogue on Transforming Education, shaping the future of regional learning.
- **Model Special Education Needs and Inclusive Education Policy and Strategy launched** for greater inclusion and equity.

WATER AND SANITATION

- **\$22.8 mn upgrade** of John Compton Dam in Saint Lucia **to improve water access** for over **33,000 households**.



AGRICULTURE

- **\$26 mn loan** approved to expand the scope of the United Kingdom Caribbean Infrastructure Partnership Fund (UKCIF) Essex Valley Agricultural Development Project in Jamaica from 700 to 810 hectares, **benefiting over 700 farmers**.
- **\$7 mn grant** for Phase II of the Community-Based Agriculture and Rural Development Project to provide water infrastructure, **boost farming output by 50%**, and improve security for over **3,000 citizens** in Haiti.

MAINSTREAMING DISABILITY INCLUSION

- National Disabilities Assessments and Policy Briefs completed for **4 Borrowing Member Countries (BMCs)** to inform targeted interventions and policy development.
- Inaugural Caribbean Disability Conference convened nearly **300 stakeholders** to facilitate dialogue, share best practices, and develop strategies for enhanced accessibility and empowerment.

PRODUCTION RESILIENCE

Fostering inclusive, sustainable, economic growth and development.

PHYSICAL INFRASTRUCTURE & TRANSPORTATION

- **\$161 mn approved** for physical infrastructure enhancement projects across the region.
- Over **\$34 mn** provided to upgrade the George Price Highway in Belize to improve resilience and drive productivity.
- **\$10.8 mn** additional loan financing allocated to expand Saint Lucia's Millennium Highway Project under the UKCIF, **upgrading 40.2 km** of the northwest coastal road.
- **\$4.4 mn** supplementary loan provided to improve the Sir George Walter Highway and Friars Hill Road in Antigua and Barbuda.

COASTAL PROTECTION

- **\$15 mn** Sauteurs Coastal Protection Project in Grenada to stabilise the coastline and safeguard livelihoods of over 11,000 people.
- **\$13 mn** in additional support for the critical Sandy Bay Sea Defences Resilience Project in Saint Vincent and the Grenadines.
- **\$1.4 mn grant** financing to support pre-investment studies for climate-resilient coastal protection around Kingston Harbour in Jamaica.

PRIVATE SECTOR

- **\$20 mn in blended credit** to the Development Finance Corporation in Belize for student loans, low-income housing, energy initiatives and micro, small and medium-sized enterprises (MSME) in agriculture and industry.
- **\$30 mn line of credit** to Corporación Interamericana para el Financiamiento de Infraestructura, SA for private sector-led infrastructure and energy projects.
- **\$9.9 mn** approved for MSME financing and capacity-building initiatives.
- **\$1 mn** for Compete Caribbean programme to support climate-smart and gender-responsive businesses.
- Over **1,300 women-led MSMEs** received support from the SheTrades Caribbean Regional Hub.
- Study commissioned to guide establishment of a **Regional Credit Enhancement Facility** to strengthen credit markets across BMCs.



ENVIRONMENTAL RESILIENCE

Promoting environmental sustainability.

PROMOTING ENVIRONMENTAL SUSTAINABILITY

- CDB's **GCF financing capacity increased to \$250 mn** from \$50 mn per initiative to enable larger-scale projects.
 - **\$14 mn in technical assistance** provided to support Disaster Risk Management and climate resilience initiatives.
 - **\$5.5 mn support packages** provided for both Grenada and Saint Vincent & the Grenadines for Hurricane Beryl response.
 - **Insurance payments totalling \$72 mn** paid out to Grenada, Jamaica, and Saint Vincent & The Grenadines after Hurricane Beryl through the Canada-CARICOM Climate Adaptation Fund (CCAF).
-

SUSTAINABLE ENERGY

- **CAN\$58 mn agreement signed** with Global Affairs Canada (GAC) to provide concessional financing for energy transition initiatives through the Supporting Resilient Green Energy (SuRGE) programme.
- **\$34.8 mn** approved for 10 MW geothermal power plant project in Dominica, the first initiative funded under SuRGE.
- **\$5 mn grant** approved for the Rural Electrification Mini-grid project **to increase electricity access** for rural communities in Haiti.



FINANCIAL RESILIENCE

Building financial capacity in CDB and BMCs

ACCESS TO FINANCE FOR BMCS

- **100 mn** in financing obtained from European Investment Bank (EIB) to support essential water supply, wastewater treatment, and flood protection projects.
- **CAN\$58 mn** in concessional financing from GAC is now available for sustainable energy initiatives.

CREDIT RATINGS

CDB's credit ratings remained strong across all three major agencies.

- Fitch Ratings reaffirmed **CDB's Long-Term Issuer Default Rating at "AA+"** with a stable outlook, citing high governance standards, strong capitalisation, and exceptional liquidity.
- Moody's upheld its **"Aa1" rating** with a stable outlook, recognising CDB's strong capital adequacy, high liquidity, and sound asset performance.
- Standard and Poor's (S&P) Global Ratings affirmed **CDB's Long-Term Issuer Credit Rating of "AA+"** and **Short-Term Issuer Credit Rating of "A-1+"** noting that despite external challenges the Bank is expected to sustain its high capitalisation and strong liquidity over the next two years, having sustained a strong record of preferred creditor treatment in its borrowing member countries and strengthened its risk management functions.

INSTITUTIONAL RESILIENCE

Building a result-based, client-centric, agile, transparent, gender-sensitive, and cost-efficient organisation.

PROCUREMENT

- CDB **expanded private sector engagement** through procurement fairs, including targeted training for women and under-represented groups, in partnership with the OECS Commission, World Bank and Inter-American Bank.
- **Procurement Agreement signed** with International Fund for Agricultural Development (IFAD), advancing mutual reliance arrangements to reduce transaction costs on co-financed projects.
- Work advanced significantly on **new client portal for procurement reviews**, set for launch in early 2025, which will streamline processes and integrate with the Bank's portfolio management system.
- **Provided technical support** for the development of a new Public Procurement Act and supporting regulations for Antigua and Barbuda currently pending Government approval.
- In collaboration with the World Bank, CDB **supported the finalisation of Emergency Procurement Regulations** for Antigua and Barbuda.
- **Collaborated with IDB** to support finalisation of new procurement regulations for The Bahamas.
- **Supported the drafting of a new Public Procurement Act** for Belize with final refinements expected to be concluded in early 2025 through a joint CDB-IDB technical working group.
- In partnership with the IDB, CDB **supported the development of procurement regulations** for Belize including provisions to enable e-procurement and Sustainable Public Procurement (SPP).



GENDER

- CDB, as chair of the MDB Working Group on Gender, **launched the Gender Equality Knowledge Exchange Innovative Marketplace platform** for knowledge sharing and best practice promotion among member institutions.
- CDB convened its **first Gender Equality Forum** at the 4th Conference on Small Island Developing States (SIDS4) in collaboration with UN Women Multi-Country Office Caribbean and UN Women Pacific.
- The **Caribbean Gender Equality Knowledge Exchange Lab launched**, providing **150 policymakers** with specialised gender mainstreaming training.
- The **Gender-based Violence (GBV) Practice Network established**, exposing **80 regional professionals** to Caribbean-tailored innovative practices for addressing GBV.



THE PRESIDENT'S STATEMENT

Faced with yet another year marked by unprecedented uncertainty, the people and institutions of the Caribbean once again demonstrated remarkable resilience, advancing post-pandemic recovery while confronting new challenges and persistent existential threats. As the region's premier development institution, the Caribbean Development Bank (CDB) remained a steadfast partner, responding swiftly and strategically to support our Borrowing Member Countries (BMCs). Throughout 2024, we continued our efforts to mobilise resources, strengthen institutions, and enhance the impact of our interventions to meet the evolving needs of the region.

The economic landscape reflected both progress and persistent challenges for our BMCs. Excluding Guyana, regional GDP grew by 1.7% growth, though at a slower pace than the 2.5% recorded in 2023. When Guyana's robust oil-driven expansion is included, regional growth surged to 8.8%, up from 6.6% the previous year. An encouraging sign was the positive fiscal outcomes across most BMCs, although vulnerabilities persisted, with 9 countries still carrying debt ratios exceeding 60%.

Despite external shocks and demanding economic conditions, CDB approved USD\$303.5 million (mn) in projects in 2024, down from \$461.6 mn the previous year, when three significant policy-based loans totalling \$192.7mn were approved. For a more direct year-on-year comparison, CDB approved USD\$303.5 mn in loans and grants for capital projects and technical assistance, in 2024, up from \$268.9 mn the previous year. Disbursements stood at \$312.3 mn, compared to \$405.4 mn in 2023,



“Looking forward, we will intensify efforts to mobilise development financing, accelerate the deployment of climate-resilient infrastructure and advance the transition to sustainable energy.”

with the difference primarily due to implementation delays. The Bank is working with its clients to grow and build a more robust pipeline by increasing the number and diversity (by type and by country) of projects in the portfolio. The Bank is increasing direct engagement with BMCs, and will support their capacity building in procurement and project management, and by leveraging partnerships with institutions such as the Global Infrastructure Partnership, IDB, and World Bank.

In alignment with our objective to expand financing options for BMCs, CDB secured major commitments to support priority development areas. A landmark EUR100 mn Water Management and Clean Oceans Framework Loan from the EIB will enhance integrated water resource management. In addition, the new CAD58.5 mn Supporting Resilient Green Energy (SuRGE) programme, an initiative of the Government of Canada, will assist the transition to a more inclusive and sustainable energy sector in the

Caribbean. CDB also upgraded its accreditation scope with the Green Climate Fund (GCF) from \$50 mn to \$250 mn, enabling the Bank to execute larger, more impactful climate resilience projects across the region.

CDB's strong financial position remained a cornerstone of its ability to support regional development. The Bank closed the year with an operating income of \$20.0 mn, compared to \$28.6 mn in 2023. Total comprehensive income stood at \$30.5 mn, slightly lower than \$31.8 mn at the end of the previous year, while total assets reached \$2,017.3 mn, down from \$2,031.9 mn. All three major credit rating agencies reaffirmed CDB's standing, citing the Bank's high governance standards, strong capital adequacy, and high liquidity. These endorsements underscore our financial strength and capacity to negotiate favourable financing terms for our BMCs.



Outgoing Chair of the CDB's Board of Governors, Hon. Ahmed Hussen, (right) Canada's then Minister of International Development, officially handing over the chairmanship to Dr. Renata Vargas Amaral, Brazil's then Secretary for International Affairs and Development. The exchange marked the ending of the CDB's 54th Annual Meeting which was held in Ottawa, Canada from June 17 – 20, 2024.



Mr. Isaac Solomon, (right) Acting President of the CDB in conversation with Hon. Dickon Mitchell, Prime Minister of Grenada at the Maurice Bishop Airport in St. George's, Grenada in July 2024. Mr. Solomon and a high-level CDB Team visited in Grenada to fast-track recovery support following the passage of hurricane Beryl which caused extensive damage on the islands of Carriacou and Petit Martinique.

Beyond financing, CDB played a leading role in knowledge-sharing and regional and international policy consultations in 2024. As chair of the Multilateral Development Banks (MDBs) Working Group on Gender, the Bank is driving peer learning and best-practice sharing to advance gender equality. CDB also hosted the 2024 MDB Chief Risk Officers Forum, providing a platform for senior risk experts to exchange insights on strengthening risk management frameworks and adopting best practices to ensure the long-term financial sustainability of their institutions. We demonstrated our commitment to modernising education by convening the inaugural Regional Symposium and Policy Dialogue on Transforming Education. Moreover, we continued to strengthen institutions across our BMCs by providing data-driven guidance to shape policy and project implementation in resilient infrastructure, sustainable energy, water and sanitation, and gender mainstreaming.



Members of the MDBs' Chief Risk Officer Group at the CDB's headquarters in Bridgetown, Barbados for their 2024 Forum which was held from September 9 – 10, 2024. The Forum, which brought together over 20 senior risk management professionals, is held annually to facilitate enhanced collaboration among MDBs on risk management strategies, responses to global issues, and mobilising resources.

Our consistent advocacy for concessional climate resilience resources was fully borne out when Hurricane Beryl devastated sections of Saint Vincent and the Grenadines and the tri-island state of Grenada, Carriacou, and Petite Martinique in July. Within 72 hours of the storm, CDB deployed personnel to affected areas to provide emergency support. The Bank also approved a \$5.5 mn relief package for each country. This swift response reflects our unwavering commitment to standing with our BMCs during times of crisis and ensuring that recovery efforts are well-coordinated and effective.

Looking forward, we will intensify efforts to mobilise development financing, accelerate the deployment of climate-resilient infrastructure and advance the transition to sustainable energy. At the same time, we will deepen institutional capacity-building efforts and harness the transformative power of technology and artificial intelligence (AI) to drive innovation and enhance development outcomes across our BMCs. Our commitment to socioeconomic transformation remains steadfast, as we continue to champion gender equality, expand opportunities for vulnerable groups, and foster more inclusive and stable societies.

As we advance these priorities, our success is made possible by the strength of our partnerships and the unwavering commitment of our stakeholders. I extend my deepest gratitude to our Board of Governors, Board of Directors, member countries, valued partners, Staff, and the communities we serve, for your dedicated support and cooperation throughout 2024. CDB remains resolute in its mission of building a stronger, more resilient Caribbean. Together, we will turn today's challenges into tomorrow's opportunities, ensuring that no country is left behind on the path to sustainable development.

Isaac Solomon
President, (Ag.)

A photograph of two construction workers in the foreground, seen from the back and side. They are wearing hard hats (one blue, one yellow) and high-visibility safety vests (one orange, one yellow). They are looking towards a large building under construction in the background, which is heavily scaffolded. The sky is blue with some clouds.

SECTION 1

2024 CARIBBEAN ECONOMIC REVIEW AND 2025 OUTLOOK



OVERVIEW

Real regional GDP, excluding Guyana, expanded by 1.7% in 2024¹, a slowdown from 2.5% in 2023. Both service and commodity exporting economies grew, though four BMCs remained below their pre-pandemic real output levels. Tourism and construction were the key growth drivers. Including Guyana's oil-driven growth, regional growth reached 8.8%, up from 6.6%. Disinflation trends were supported by declining global commodity prices, although price levels remained elevated compared with pre-pandemic norms.

Fiscal outturns were generally positive, with most governments achieving primary surpluses. However, expenditures rose in many countries, reflecting increased outlays for personal emoluments and critical infrastructure. Regional central government debt-to-GDP declined to 50.9%, primarily driven by the increase in nominal economic growth. While several economies, such as Antigua and Barbuda, and Suriname, made significant strides in debt reduction, debt ratios exceeded 60% in nine BMCs, underscoring ongoing fiscal vulnerabilities.

CDB projects regional growth (excluding Guyana) of 2.5% in 2025, underpinned by continued growth in key sectors such as tourism, construction, and commodities. Including Guyana, the forecast rises to 4.6%. Most governments are expected to maintain fiscal surpluses which, combined with economic expansion, should support further debt reduction. Nevertheless, significant downside risks persist including potential slowdowns in major source markets such as the United States of America (US), geopolitical tensions, adverse weather events, and rising protectionism which could weigh on exports, commodity prices, and economic growth.

¹ The data presented in this section was accessed and analysed before February 21, 2025. More recent data may have become available since then. All estimates for 2024 are preliminary. All data reported refer to the year 2024, and comparisons are with respect to 2023, unless otherwise stated.



BMCs Output Performance

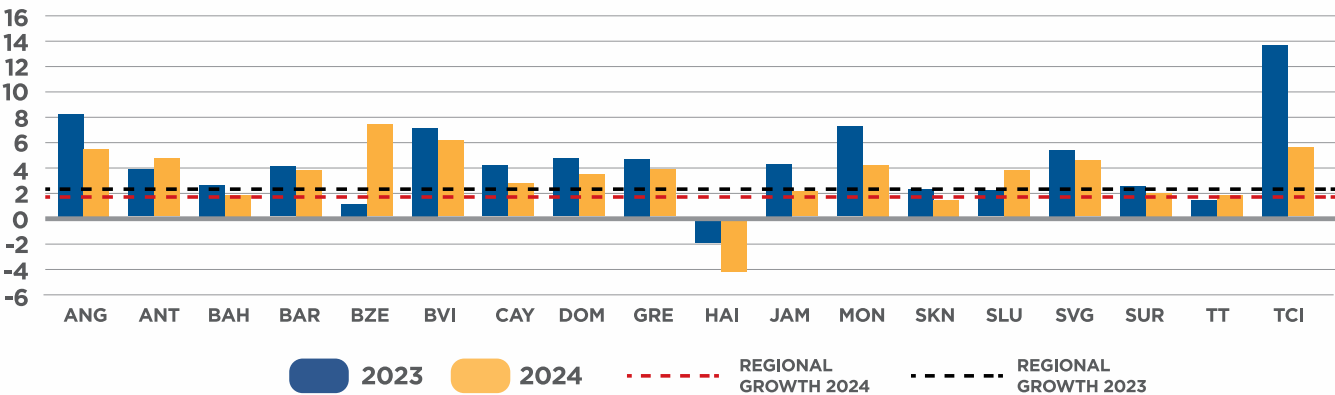
The regional economy (excluding Guyana) continued to grow in 2024, although at a slower pace. Regional real GDP, excluding Guyana, grew by 1.7% in 2024, down from growth of 2.5% recorded in the previous year (see Chart 1). Both service and commodity-exporting economies contributed positively to this outturn, with four BMCs² still lagging their pre-pandemic levels. Including Guyana’s strong performance, regional growth rose to 8.8%, up from 6.6% in 2023. The Region benefited from a steady global growth rate of 3.2%, largely driven by strong demand from the US, a key market for Caribbean exports.

Service-exporting economies grew by 1.6%, following growth of 2.8% in the previous year. Key contributors to that outcome include Belize (7.5%), Barbados (4.0%), the Cayman Islands (2.8%), and Trinidad and Tobago (1.9%). The growth was

underpinned by the continued expansion of tourism, with stayover arrivals from January to September reaching 6.8 mn, 7.1% higher than 2023, and 6.6% above the corresponding period of 2019. Ten BMCs surpassed 2019 levels of stayover arrivals, with some setting record highs. The expansion in tourism activity benefitted related sectors such as wholesale and retail, and transportation. Construction activity contributed positively to economic growth, with public investments focusing on upgrading economic and social infrastructure, including transport and utilities, and large-scale private sector investments concentrating primarily on hotel construction and commercial properties.

Natural hazards impacted several service-exporting BMCs in 2024. Hurricane Beryl caused agricultural disruptions in Barbados and Jamaica, cruise cancellations in the Cayman Islands, and significant infrastructure damage in Grenada and Saint Vincent and the Grenadines.

Chart 1: 2024 vs 2023 Real GDP Growth (Excluding Guyana) (%)



Sources: Central Banks, Ministries of Finance, Statistical Offices, CDB

Excluding Guyana, commodity-exporting economies have experienced a slower recovery to pre-pandemic levels. In 2024, the economy of Trinidad and Tobago expanded by 1.9%, up from 1.4%, fuelled by increased activity in non-energy sectors and a rebound in the energy sector. Suriname’s economy grew by 2.0%, down from 2.5%, as a contraction in wholesale and retail weighed on overall growth. However, the expansion was supported by growth in manufacturing, agriculture, and other services including information and communication. Guyana remained a standout performer, growing by 43.5%, up from 33% in 2023. This was attributed to increased oil production, which reached a capacity

of 660,000 barrels per day. The non-oil economy also demonstrated strong growth.

Haiti continued to grapple with political instability, a security crisis, and high inflation, ultimately contributing to the country’s sixth consecutive contraction and a deepening humanitarian crisis.

In the external sector, strong tourism receipts and increases in export values generally supported BMCs’ external positions. However, these gains were counterbalanced by a rise in merchandise imports, driven by economic expansion and hurricane-induced reconstruction efforts. Elevated

² Haiti, St. Kitts and Nevis, Suriname, and Trinidad and Tobago.

imports of food, fuel, and raw materials, alongside increased purchases of equipment and machinery for construction, tourism infrastructure upgrades, and mining and manufacturing activities, contributed to this trend. Despite this, most BMCs sustained healthy reserve asset positions.

Labour Market

Labour market outcomes showed signs of improvement in 2024, through trends varied across countries. Labour force participation rates³ increased in several countries including Barbados (63.4%), Saint Lucia (69.8%), and the Cayman Islands (83.6%), while Belize (56.5%) and Trinidad and Tobago (54.8%), saw slight declines. Meanwhile, average unemployment rates fell in most BMCs, supported by growth in tourism, services, and construction, reaching 2.5% in Belize, 2.8% in the Cayman Islands, 7.2% in Barbados, 8.5% in Grenada, 8.7% in The Bahamas, and 11.3% in Saint Lucia—all below pre-pandemic levels. However, unemployment rose to 4.8% in Trinidad and Tobago. Moreover, in Jamaica, the unemployment rate stood at 4.2% based on updated methodology⁴. Notably, significant disparities persist in labour markets across the Region. Unemployment rates among

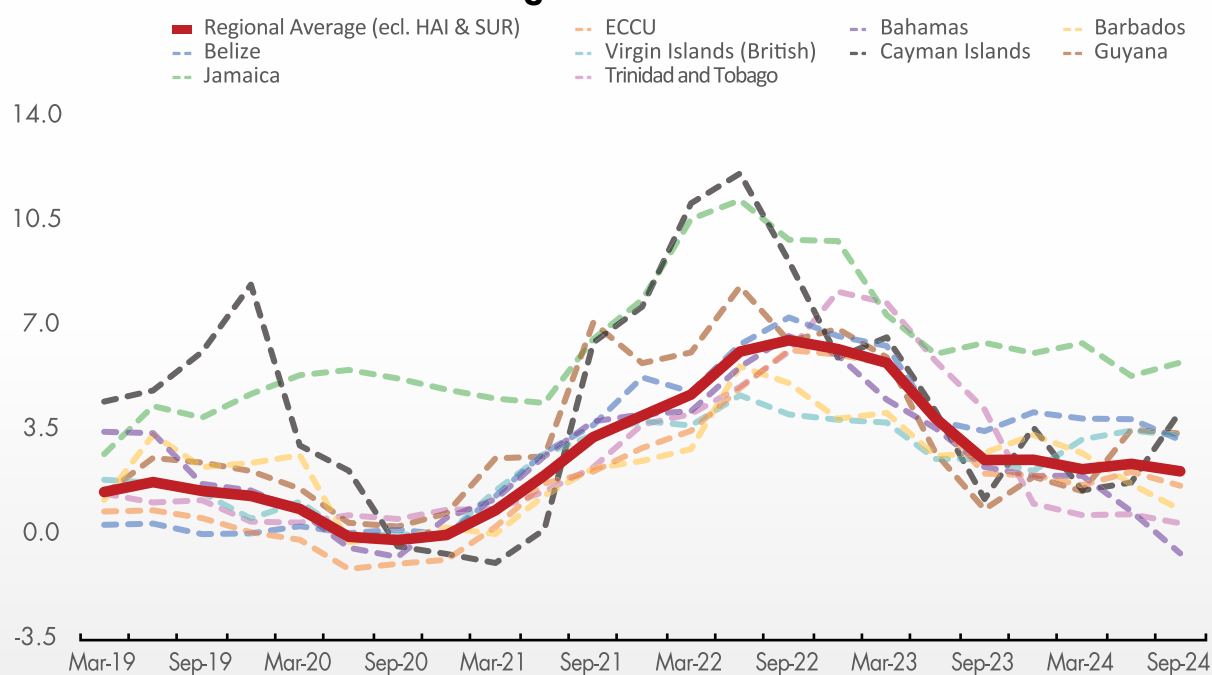
women consistently exceed those of men, and youth unemployment remains higher than national averages. Similarly, labour force participation rates are higher among men, with gender gaps of as much as 26.2 percentage points in Belize.

Prices

Prices showed a disinflationary trend, aligning with lower global commodity prices influenced by improved supply chains and tighter global monetary policies⁵. The regional inflation rate dropped to 4.3%, from 8.0% the year prior, pulled down by reductions in the heavily weighted consumer price subindices for gas, electricity, other fuels, and food (see Chart 2). However, it remained above the pre-COVID (2015-19) average of 1.5%.

This improvement largely reflected a significant reduction in inflation in Suriname, aided by a stronger Surinamese dollar. However, Haiti had the highest inflation in the Region at 26.9%, exacerbated by instability which affected the supply of goods and services. At the same time, Antigua and Barbuda, the British Virgin Islands, and Montserrat experienced slight inflation increases.

Chart 2: Regional Trends in Inflation



Sources: Statistical Offices, CDB

³ Labour force participation rates and unemployment rates for 2024 represent the average of available data from January to the time of writing and are compared with the same period in 2023.

⁴ As a result of methodological improvements made to Jamaica's

Labour Force Survey in 2024, labour force statistics from 2024 are not directly comparable with data from previous years.

⁵ After peaking at 8.6% in 2022, global inflation eased to 5.8% in 2024.

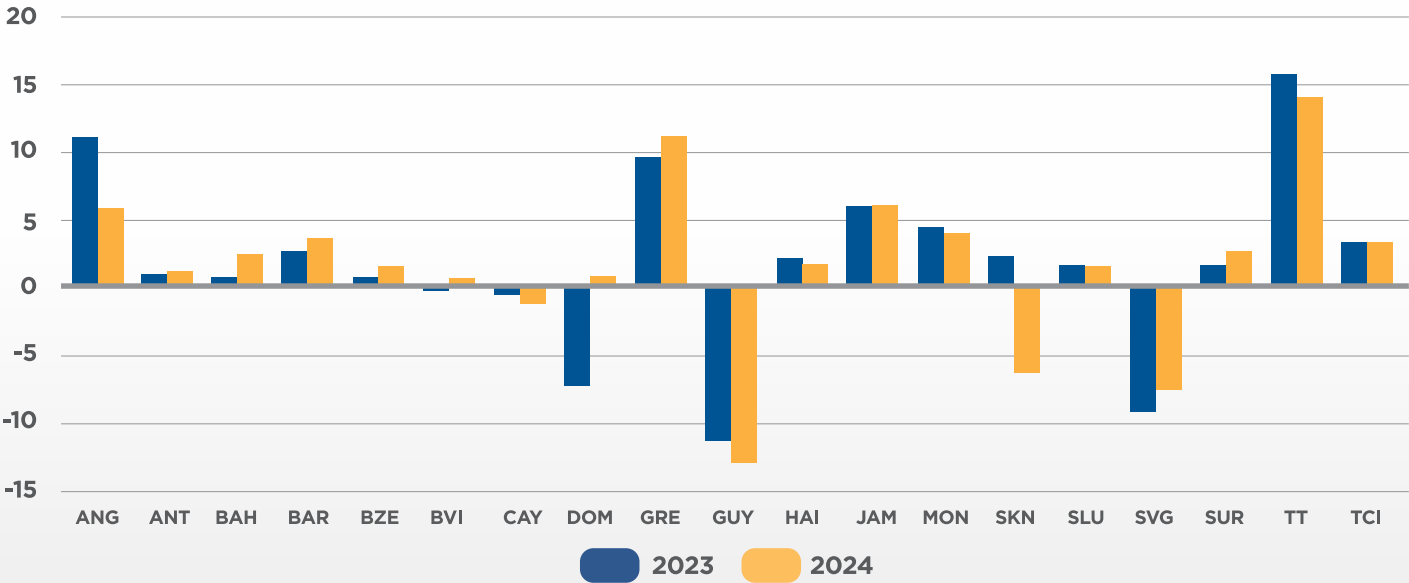
While food inflation eased, it remained well above the pre-COVID average, at 5.7%. When excluding Haiti and Suriname, the rate moderated to 3.6%, closely aligning with the global food inflation rate of 3.0%. In some BMC economies, localised factors like adverse weather events led to supply shortages, pushing up food prices in both the affected countries and those dependent on imports from them. Governments maintained measures in 2024 to protect consumers’ purchasing power, which had been significantly weakened by three years of high inflation. Such measures included reduced taxation on fuel, food and other essential items, as well as limits on markups for some basic goods.

Revenue-boosting measures, such as an increase in the sales tax rate in Antigua and Barbuda from 15% to 17% and the implementation of tax compliance and collection strategies in Grenada and The Bahamas, contributed to increased tax revenue.

Fiscal and Debt Performance

Most BMC Governments achieved a primary surplus (see Chart 3). Higher revenue collections and continued fiscal consolidation efforts, resulted in a regional primary surplus of 1.6% of GDP, excluding Guyana. When including Guyana, the regional primary surplus shrinks to 0.1% of GDP, reflecting the country’s large primary deficit. Total revenue grew in tandem with the economic expansion, keeping the tax revenue-to-GDP ratio consistent with historical averages at approximately 21.1%. Key contributors to this growth included increases in taxes on domestic goods and services, as well as taxes on international trade. Revenue-boosting measures, such as an increase in the sales tax rate in Antigua and Barbuda from 15% to 17% and the implementation of tax compliance and collection strategies in Grenada and The Bahamas, contributed to increased tax revenue. Non-tax revenue also rose, but at a slower pace. Antigua and Barbuda and Grenada recorded higher Citizenship-by-Investment (CBI) programme revenues but there was a substantial decline in CBI receipts in St. Kitts and Nevis. Concurrently, Anguilla continued to benefit from robust growth in domain name registration fees, while Guyana gained significantly from oil revenues and carbon credit sales.

Chart 3: 2024 vs 2023 Primary Balance to GDP (%) by Country



Sources: Central Banks, Ministries of Finance, Statistical Offices, CDB

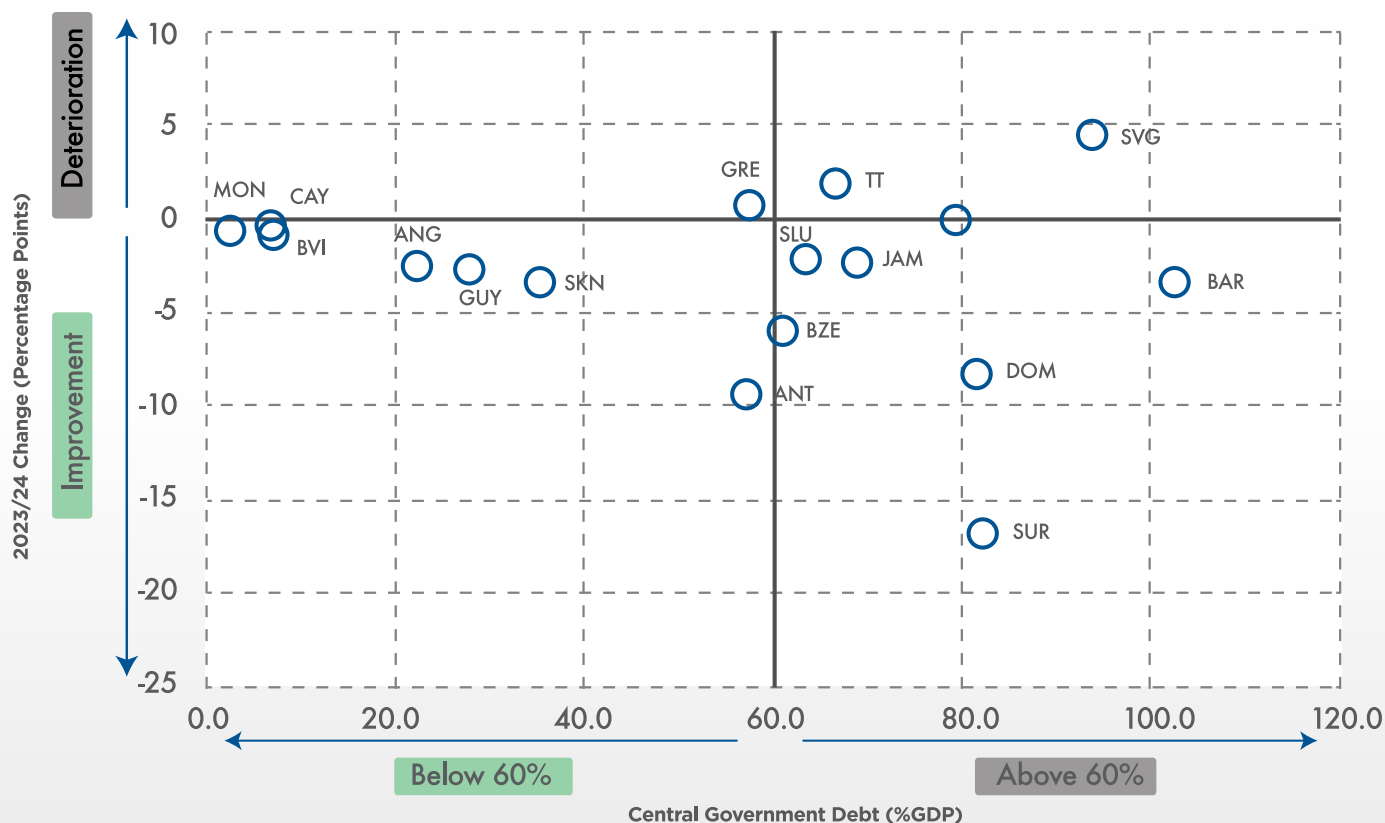
Total expenditure grew but remained consistent with historical averages at 23.5%. All recurrent spending categories increased, particularly personal emoluments which grew by 11.3% due to public sector wage increases in 10 BMCs, spending on goods and services, and on higher interest payments.

Capital expenditure growth reflected ongoing infrastructure development, including roads, bridges, utilities, schools, housing, energy projects, and expansions of air and seaports, as well as rehabilitation works following adverse weather events in Grenada, Saint Vincent and the Grenadines, and the Cayman Islands. In Guyana, capital expenditure surged by an extraordinary 53.2% to reach 12.6% of GDP, as the Government accelerated priority investments.

Central government debt-to-GDP ratios declined in most BMCs, reducing the regional ratio to 50.9%,

although debt ratios remain above 60% in 9 BMCs (see Chart 4). The decline in the regional debt ratio was primarily driven by nominal GDP growth which countered a 3.3% increase in overall debt levels. In the five overseas territories, debt ratios continued to fall, averaging just 6.6% of GDP. Guyana's debt ratio dropped to 27.8%, supported by its oil-driven economic expansion. In Suriname, a strengthened exchange rate, debt restructuring, and high nominal GDP growth significantly improved debt dynamics, lowering the debt ratio to 82.4% from 99%. In Jamaica, amortisation payments fell by 22.9%, reflecting the success of the Government's liability management efforts in reducing debt levels. Notably, Guyana, Saint Lucia, Saint Vincent and the Grenadines, and Trinidad and Tobago incurred additional debt to finance fiscal deficits. In Saint Vincent and the Grenadines, borrowing for post-hurricane reconstruction raised the country's debt ratio to 93.8%.

Chart 4: 2024 vs 2023 Central Government Debt to GDP (%) Across BMCs



Sources: Central Banks, Ministries of Finance, Statistical Offices, CDB



2025 Outlook

Excluding Guyana, CDB forecasts regional growth of 2.5% in 2025. Guyana is projected to grow by 11.9%. Including Guyana, the regional growth forecast climbs to 4.6%. Other commodity-exporting economies are expected to accelerate as their post-COVID recovery continues, supported by growth in both the commodity and non-commodity sectors. In contrast, service-exporting economies are expected to grow by 2.2% with tourism and related sectors, along with construction activity, remaining the main impetus of growth. Disinflationary trends are forecast to persist across BMCs, consistent with anticipated declines in global commodity prices.

Most BMC governments will continue to target primary fiscal surpluses, supported by rising revenues in line with economic growth. However, these surpluses will be limited by higher expenditures as governments prioritise critical capital investments. Additionally, sustained primary surpluses, alongside economic expansion, are expected to contribute to a continued reduction in debt-to-GDP ratios.

The outlook remains subject to downside risks and heightened global policy uncertainty. A slowdown in key source markets could dampen demand for the Region's exports. Geopolitical tensions and the resurgence of protectionist trade policies present further risks to global trade and commodity prices, potentially suppressing growth. Additionally, the persistent threat of adverse weather events remains a significant concern. Considering these risks, it is imperative to pursue robust regional initiatives aimed at enhancing resilience. BMC governments will need to continue to upgrade infrastructure and institutions to drive competitiveness and diversify exports. Increased focus on climate change adaptation will also be necessary to reduce the impact of climate-related hazards. Strengthening internal and external buffers will play a critical role in mitigating vulnerabilities and ensuring sustainable growth.

A photograph of a tropical street scene. In the foreground, there are several tall palm trees with green fronds. Behind them, a small building with a corrugated metal roof is visible. The sky is blue with some white clouds. The overall scene is bright and sunny.

SECTION 2

PERFORMANCE REVIEW



SOCIAL RESILIENCE

PERFORMANCE HIGHLIGHTS: CDB's targeted investments built social resilience, improved livelihoods, strengthened communities, enhanced social services, promoted greater inclusion, and expanded support for marginalised groups.

Basic Needs Trust Fund

Sub-project Implementation

Basic Needs Trust Fund (BNTF) 10, the current programme cycle that began in 2021 with a total commitment of \$47 mn, focuses on improving the living conditions and quality of life of citizens in vulnerable communities across nine participating countries, namely, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Lucia, Saint Vincent and the Grenadines, and Suriname. Community-based initiatives target three priority areas: basic education, rural water and sanitation systems, and community road infrastructure. A total of 114 sub-projects were earmarked for financing under this cycle, with 96 having been approved for implementation by the end of 2023. At the end of 2024, the following results were achieved:

- 37 initiatives were completed, benefiting communities in five⁶ BMCs.
- 19.74 km of roads were built or upgraded.
- 4,782 people (comprising 2,509 men and 2,273 women) benefited from road upgrades.
- 484 m³ of water storage and 4.8 km of supply lines were installed.
- 900+ households benefited from improved access to water.
- Approximately 850 students benefited from 24 refurbished classrooms.
- 271 teachers and principals were trained to teach students with learning disabilities.
- \$24 mn (60%) of BNTF 10 grant funds were disbursed.



(From left): Mr. Ian Durant, Director of Economics at the Caribbean Development Bank (CDB); Mr. Kishan Khoday, Resident Representative, United Nations Development Programme (UNDP) Multi-Country Office in Jamaica; the Honourable Parnell Charles Jr., Minister of Labour and Social Security, Jamaica; and Mr. Omar Sweeney, Managing Director, Jamaica Social Investment Fund, engage in a panel discussion as part of a series of activities which were held to mark International Day for the Eradication of Poverty in October 2024. The discussion, which was organised through CDB's BNTF brought together key stakeholders to explore innovative strategies for poverty reduction and sustainable development in Jamaica.

⁶ Guyana, Jamaica, Montserrat, Saint Lucia, and Saint Vincent and the Grenadines.

Capacity Building

Under BNTF 10's community development approach, capacity gaps identified through the BNTF Pilot Assessment and Capacity Development Plan were addressed to strengthen management and implementation competencies within beneficiary groups and civil society organisations. Support included training in the following areas:

- Proposal writing, which led to five community-resilience projects securing a total of \$186,000 in financing
- Use of online data collection and analysis tools, benefiting 64 development professionals and civil society organisation leaders from 13 Caribbean countries
- Applying data to enhance community involvement in designing and implementing poverty alleviation projects, thus benefiting 115 participants



Stakeholders touring the Mendez Town Farm Road in Trelawny, Jamaica, during an October 2024 site visit to assess work in progress. The roadway is being rehabilitated under the 10th cycle of CDB's BNTF. Once upgrades are completed, the improved infrastructure will increase connectivity, enhance economic activity and strengthen community resilience.

Education and Training

The Bank invested \$17 mn in loans and \$18 mn in grant resources to strengthen education systems across the region in 2024. These investments financed projects that expanded access to inclusive learning opportunities for students with special education needs (SEN) and other vulnerable groups, enhanced climate-resilient educational infrastructure, and supported the integration of digital technology into teaching and learning.

As a Grant Agent of the Global Partnership for Education, CDB accessed financing to support education reform in three BMCs. The Bank obtained \$5 mn grants for both Grenada and Saint Vincent and the Grenadines, as well as a \$4 mn allotment for Saint Lucia, to strengthen education systems in these Organisation of Eastern Caribbean States (OECS) countries. Additionally, through CDB's Special Development Fund (SDF), \$13 mn in grant financing was approved for the second Quality Enhancement in Public Education Project in Haiti. The overall goal of the initiative is to increase access to quality primary education for poor and vulnerable communities in Haiti's Centre Department.

Furthermore, CDB continued to implement education projects across 15 BMCs⁷, focusing on the following key priorities:

- Expanding skills development and learning enhancement to address learning loss related to COVID-19
- Training teachers and principals in differentiated instruction
- Improving access to education for learners with SEN
- Advancing digital transformation in education
- Increasing access to early childhood learning and secondary education

A significant achievement during the review period was the successful convening of the inaugural Regional Symposium and Policy Dialogue on Transforming Education in October 2024. During this three-day event, more than 150 stakeholders explored strategies to improve education quality and delivery. Discussions addressed decolonising



CDB's inaugural Regional Symposium and Policy Dialogue on Transforming Education, brought together more than 150 participants, including government representatives, educators, youth representatives, civil society, and private sector leaders to co-create actionable solutions for reshaping education systems across the Caribbean. The event was held in October 2024 in Cayman Islands.

⁷ Anguilla, Antigua and Barbuda, Bahamas, Belize, British Virgin Islands, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, and Suriname.

education systems, fostering safe and inclusive learning environments, leveraging AI and digital technologies, and tackling other critical challenges in Caribbean education.

One of the main outcomes of the Symposium was the development of an Agenda for Action, which encapsulated the collective vision, rich insights, and actionable strategies developed by participants, including the youth contingent. The Agenda for Action was formally endorsed by CARICOM's Council for Human and Social Development (COHSOD) in October 2024, underscoring its relevance to the region's education sector priorities and affirming countries' shared commitment to its implementation.

Another key accomplishment was the launch of the Model Special Education Needs and Inclusive Education Policy and Strategy for the Caribbean, a framework that provides BMCs with a structured approach to aligning legislation and policies, thereby ensuring a comprehensive and inclusive public education system.

Water and Sanitation

CDB advanced water security and sanitation improvements across the region through key investments and strategic partnerships. A major achievement was securing the EUR100 mn (\$109.4 mn) Water Management and Clean Oceans Framework Loan from the EIB. This facility will support water supply expansion, wastewater treatment, solid waste management, and flood protection

efforts. Moreover, the financing will also help BMCs adapt to shifting rainfall patterns caused by climate change and mitigate ocean pollution. Several water and sanitation projects currently in the pipeline will be implemented through this funding.

Another significant initiative was the approval of a loan of \$22.8 mn to the Government of Saint Lucia to upgrade the John Compton Dam's water supply and transmission system. This project will enhance potable water access for over 33,000 households. The loan was secured through joint financing from Agence Française de Développement, the Government of Italy's Programme to Support Sustainable Development Projects in Caribbean Community (CARICOM) countries, and CDB's SDF.

CDB also reinforced regional knowledge-sharing and capacity-building in the water and sanitation sector. In December 2024, the Bank backed the second Caribbean Coastal Conference in Jamaica, which brought together representatives from public and private sector entities and multilateral organisations. The discussions focused on the emerging Blue Economy, financing options for climate change adaptation, coastal governance, and shoreline planning. Additionally, CDB supported the Caribbean Water and Wastewater Association Annual Conference in Trinidad in October and hosted a stakeholder consultation to review findings from its recent regional study on the water and sanitation sector.



Mr. Ambroise Fayolle, (left) Vice President, EIB and Mr. Isaac Solomon, CDB's President (Ag.) display the signed agreement for a €100 mn (\$109.4 mn) loan which will finance projects to improve water supply, wastewater management, and solid waste management in up to 14 Caribbean countries. The agreement was signed in Washington, D.C. in October of 2024.

SOCIAL RESILIENCE

Agriculture

As the region continued to grapple with significant food and nutrition security challenges, exacerbated by ongoing global food supply chain disruptions, the Bank responded by financing initiatives designed to enhance efficiency, productivity, and resilience in the regional agriculture sector.

In this vein, \$26 mn in loan financing was approved to expand the Essex Valley Agricultural Development Project in Jamaica. Originally funded through a GBP35.5 mn grant from the UKCIF, the project initially involved the development of irrigation and produce handling infrastructure for 700 hectares of arable land. The additional funding will increase the project scope to cover 810 hectares, further strengthening agricultural production and sustainability.

Similarly, CDB provided a \$7 mn grant for Phase II of the Community-Based Agriculture and Rural Development Project in Haiti. This expansion will establish water management infrastructure on more than 300 hectares of farmland, increasing productivity and market access in targeted areas by 50%. Over 3,000 citizens stand to benefit from improved food security, poverty reduction, and greater climate resilience.

Recognising the importance of market expansion in unlocking the sector's full potential, CDB supported several initiatives aimed at strengthening the enabling environment for intra-regional trade. One key intervention is the "Strengthening the Framework for Intra-Regional Trade in Agricultural Products" project being implemented by the Caribbean Agricultural Health and Food Safety Agency, which addresses trade barriers caused by inconsistent standards and procedures by developing harmonised sanitary and



Lush scallion fields in Essex Valley in St. Elizabeth, Jamaica where CDB is installing modern irrigation systems across 810 hectares of agricultural lands through the UKCIF programme. The upgraded infrastructure will benefit more than 700 farmers.

phytosanitary measures across the region. Beyond standard setting, the project involves auditing national sanitary and phytosanitary systems to identify areas for improvement and providing targeted training and capacity-building for stakeholders throughout the agricultural value chain, from farmers to exporters. This capacity building ensures that the standards are not only developed but also effectively implemented.

Acknowledging the significance of information access in driving agricultural transformation, the Bank, in collaboration with regional development partners, is piloting the Caribbean Agriculture Knowledge Portal. This centralised platform will connect farmers, entrepreneurs, extension officers, researchers, and policymakers, providing them with agricultural data, training resources, and collaboration opportunities. By facilitating access to climate-smart technologies, data-driven insights, and best practices, the Caribbean Agriculture Knowledge Portal is expected to boost productivity, enhance farm incomes, strengthen food security, and promote climate resilience across the region.

Youth Empowerment

The Bank, in line with its Youth Policy and Operational Strategy, facilitated youth participation in key regional and international events, empowering young men and women from its BMCs to contribute to development discourse and policy formulation. These fora included the Small Island Developing States (SIDS) Global Children and Youth Action Summit, the 4th International Conference on SIDS, the Caribbean Urban Forum, CDB's Youth for Innovation and Resilience Forum, and the Bank-convened Regional Symposium and Policy Dialogue on Transforming Education.

The CDB-supported participants included young leaders, innovators, youth with disabilities, and representatives from underserved communities and Indigenous Peoples, ensuring diverse perspectives shaped the outcomes. The key recommendations emphasised gender-responsive and inclusive development interventions, strengthened life skills development, the provision of youth leadership



Regional youth leaders participating in a panel discussion at CDB's Inaugural Regional Symposium and Policy Dialogue on Transforming Education, held in October 2024 in Cayman Islands. Giving the youth perspective was (from left) Asha-Gaye Cowell, from Jamaica who serves as Co-Chair of CDB's Future Leaders Network, Anjalie Sookra, a Youth Leader for the GPE and a member of the Guyana Council of Organisations for Persons with Disabilities, Vuroon Sam a university student from Trinidad and Tobago, and Rianka Chance from Saint Vincent and the Grenadines, a Youth Leader for GPE and Secretary of the United Nations Youth Advisory Group.

SOCIAL RESILIENCE



Senator Professor Floyd Morris, the first visually impaired individual to serve in the Jamaican Senate and Director of the Centre for Disability Studies at UWI Mona, addressing the Inaugural Caribbean Disabilities Conference which was held in St. George, Grenada from October 9-13, 2024.

opportunities, support for innovation and entrepreneurship ecosystems, and funding for youth-led solutions to pressing challenges like citizen insecurity and climate change adaptation.

Mainstreaming Disability Inclusion

During the review period, CDB significantly advanced its commitment to mainstreaming disability inclusion across its BMCs. A key achievement was the completion of National Disabilities Assessments and accompanying Policy Briefs for Grenada, Jamaica, Saint Lucia, and Trinidad and Tobago. These studies provide crucial data on and insights into the lived experiences of persons with disabilities, informing targeted interventions and policy development.

A landmark event in 2024 was the inaugural Caribbean Disability Conference, which the CDB was instrumental in supporting. This conference convened nearly 300 stakeholders from across the region, representing the public sector, private sector, civil society, and diaspora communities. Critically, persons with disabilities were active participants, ensuring their voices and perspectives were central to the discussions. The conference facilitated dialogue

on challenges, the sharing of best practices, and the development of strategies to enhance accessibility and empowerment.

The event also showcased the practical application of recommendations and tools developed through CDB's collaboration with the UK Government on disability-inclusive infrastructure projects under the UKCIF programme. These tools, namely the UKCIF Disabilities Inclusion Checklist and the Persons with Disabilities User Assessment Tool, are useful for ensuring accessibility is integrated into project design and implementation.

The conference yielded tangible results, including the identification of strategic priority areas for programme support and policy guidance over the short, medium, and long term. Furthermore, the participants adopted actionable recommendations to foster a more inclusive Caribbean society. These recommendations provide a framework for collaborative action by governments, organisations, and individuals to create a region where persons with disabilities can fully participate in all aspects of life.

PRODUCTION RESILIENCE

PERFORMANCE HIGHLIGHTS: CDB focused investments on road and port infrastructure to improve connectivity, trade efficiency, and disaster preparedness. Simultaneously, it implemented coastal protection measures to safeguard communities and critical assets from climate-related threats. The Bank continues to support private sector development, fostering business growth and job creation for economic stability and long-term sustainability across the region.

During 2024, CDB approved \$161 mn in financing to expand, modernise, and strengthen the resilience of physical infrastructure in its BMCs.

Transportation

In collaboration with the Government of Italy, CDB provided over \$34 mn to enhance the efficiency, safety, accessibility, and resilience of a 24 km corridor along the George Price Highway between Belize City and Hattieville. This investment will significantly improve conditions for users of the most heavily trafficked East–West trade corridor in Belize. The highway connects major industrial, agricultural, and commercial hubs and serves as a critical evacuation route for coastal and low-lying communities in the event of natural hazards.

Primarily funded by an initial allocation of GDP28.5 million (\$43.2 million) from the UKCIF, Saint Lucia’s Millennium Highway Project, focused on upgrading 40.2 km of the northwest coastal road, received an additional \$10.8 million loan in 2024. Another UKCIF initiative, the Antigua and Barbuda Road Infrastructure Rehabilitation project, which is improving the heavily used Sir George Walter Highway and Friars Hill Road, received a supplementary loan of \$4.43 million. Adding to the initial GDP13.8 million (\$16.93 million) UKCIF allocation, the new investment raises the total to \$21.36 million.

Also under the UKCIF, surplus funds from the pre-investment studies for the \$188.8 mn Kingstown Port Modernisation Project in Saint Vincent and the Grenadines were reallocated to contribute an Additional Grant of approximately GDP800,000 (\$1.02 mn) to the capital works phase of the Port





PRODUCTION RESILIENCE

Project. The amount, together with a counterpart contribution from the Government, will assist in funding the increased cost of the design-build works contract which exceeded the budget originally planned in 2019, before the start of the COVID-19 pandemic. The works remain on track for completion in 2025.

As part of its work to build resilience, CDB supported the development of Sustainable Public Transport Plans for Saint Lucia and Grenada through a consultative process involving a wide range of stakeholders. These plans have strengthened both countries' capacity to deliver efficient, inclusive, and environmentally sustainable transport systems, with ongoing Bank support for implementation. Interventions in Grenada and Carriaco have included recommendations for a pilot project to provide safe and inclusive school transportation, aligned with national education access goals. In Saint Lucia, CDB also provided technical advice for the Castries Bus Terminal project, helping to guide infrastructure development in line with broader social, environmental, and economic objectives.

In The Bahamas and Jamaica, CDB partnered with the International Road Assessment Programme to launch Road Network Safety Assessments. More than 1,500 km of roadways were surveyed, laying the groundwork for national plans to significantly reduce the human and social costs of traffic-related fatalities and serious injuries.

Coastal Protection

In 2024, CDB advanced coastal protection efforts across its BMCs, strengthening resilience against shoreline hazards and climate change. A major achievement was the approval of over \$15 mn for

the Sauteurs Coastal Protection Project in Grenada. Years of severe erosion have caused the Sauteurs Bay shoreline to retreat by at least 50 metres since 2014, resulting in property loss, economic setbacks, and diminished community amenities. This project will stabilise the coastline, safeguard livelihoods, and enhance resilience for more than 11,000 people.

CDB also provided an additional \$13 mn for the Sandy Bay Sea Defences Resilience Project in Saint Vincent and the Grenadines. This investment supports the construction of climate-resilient sea defences to protect Sandy Bay and other North Windward communities. By reducing the risk of loss of life, physical and economic damage, and post-disaster recovery time, the project will improve long-term resilience. Funding partners include the Government of Italy's Programme to Support Sustainable Development in the Caribbean Community, Agence Française de Développement's Second Credit Facility Agreement, and CDB's SDF.

Further strengthening regional coastal resilience, CDB approved \$1.4 mn in grant financing to support pre-investment studies for climate-resilient coastal protection around Kingston Harbour in Jamaica. The Harbour, although vital to both the local economy and marine ecosystem, faces increasing climate-related threats. This initiative will lay the groundwork for a larger intervention, benefiting over 600,000 people across southeast Jamaica. It is jointly funded by the 11th European Development Fund Intra-ACP European Union (EU) Natural Disaster Risk Management Programme, the Caribbean Action for Resilience Enhancement (CARE) Programme, the Programme to Support Sustainable Development Projects in the Caribbean Community, and CDB's SDF.



Private Sector

Strengthening Regional Economic Growth and Private Sector Development

In 2024, CDB intensified its efforts to drive regional economic growth by advancing private sector development in alignment with its Private Sector Strategy. Recognising the financing challenges faced by regional businesses, particularly MSMEs, CDB explored innovative solutions to mitigate risk, improve credit distribution, and harness concessional financing to lower borrowing costs.

The Bank commissioned research on a Regional Credit Enhancement Facility designed to provide guarantees and counter-guarantees to strengthen credit markets across its BMCs. The study assessed the structure of regional credit markets, evaluated existing guarantee schemes, and identified opportunities to enhance financial access for businesses struggling to obtain capital.

CDB also approved \$350,000 in grant funding to support the development of a legal and institutional framework within the Eastern Caribbean Currency Union to facilitate the use of movable property as collateral for business and consumer credit. Additionally, the Bank allocated \$280,000 for an assessment of the regional private equity and venture capital ecosystem, including the feasibility of establishing an impact investment fund.

Financing for Sustainable Development and Enterprise Growth

As part of its commitment to private sector growth and economic resilience, CDB approved strategic financing initiatives in 2024, including the following:

- \$20 mn in blended credit to the Development Finance Corporation in Belize for student loans, low-income housing, renewable energy, energy

efficiency transitions, and MSMEs in agriculture and industry

- \$30 mn in a line of credit to Corporación Interamericana para el Financiamiento de Infraestructura, SA, to support private sector-led infrastructure and energy projects
- \$9.9 mn for MSME financing and capacity-building initiatives

Empowering MSMEs through Capacity Building and Technical Assistance

CDB continued to support MSME development through capacity-building and technical assistance under the Caribbean Technological Consultancy Services Programme. Its key initiatives included the following:

- A \$400,000 grant to the Caribbean Tourism Organisation for the Tourism Human Capital Development Project, providing training for approximately 400 individuals—including teachers, instructors, and curriculum developers—to enhance the tourism sector's competitiveness
- Two regional Train-the-Trainer Workshops on Project Management for Innovation and Entrepreneurship and Customer Service for MSMEs, aimed at strengthening the capacity of business support organisations and development consultants
- A \$65,000 grant, in partnership with the Caribbean Institute of Management Consultants, to train 52 Caribbean consultants (out of which 15 were men and 37 women) to improve their service delivery
- A comprehensive small business policy and strategy developed in collaboration with the Cayman Islands Centre for Business Development, focusing on gender-inclusive development



PRODUCTION RESILIENCE

Climate Action in the Private Sector

Building on previous work under the Compete Caribbean Partnership Facility, CDB approved \$1 mn for the Compete Caribbean programme in collaboration with the IDB, the UK Foreign, Commonwealth and Development Office, and the Government of Canada. This initiative will strengthen government capacity to support climate-smart and gender-responsive businesses while promoting scientific research and innovation in both public and private sectors.

Advancing Women Entrepreneurs through SheTrades Caribbean

As part of its commitment to empowering women entrepreneurs, the SheTrades Caribbean Regional Hub supported over 1,300 women-led MSMEs in 2024. Its key achievements included the following:

- Onboarding 1,723 women-led businesses
- Organising 14 online training courses benefiting 687 participants
- Training 75 policymakers in gender mainstreaming for trade

- Supporting 12 women-led businesses at market access events in Germany, Abu Dhabi, and Antigua and Barbuda
- Launching a landmark study on access to finance for women MSMEs, conducted in partnership with the ACP Investment Climate Reform Facility, with results to be released in June 2025
- Approving \$500,000 for the SheTrades Caribbean Grow and Go Grant Fund, thus offering non-reimbursable grants to women-owned businesses to strengthen their technical, operational, and financial capacities

The Cultural and Creative Industries Innovation Fund

Re-launched in 2024, the Cultural and Creative Industries Innovation Fund (CIIF) focused on capacity-building, digital skills training, and regional market access for the music and audio-visual sectors. This initiative benefited 76 creative enterprises across 16 BMCs, 70% of which were women-led MSMEs.

The CIIF's 2022 Data Intelligence Project produced four country reports analysing the contribution of intellectual property to GDP in Grenada, Jamaica, Saint Lucia, and Trinidad and Tobago. Findings were presented at CDB's 2024 Annual Meeting

in Ottawa, Canada, during a seminar titled “Imagineering: Using Creative Industry Research to Devise Development Strategies”. Additionally, CIIF co-chaired a coalition under the Finance in Common Summit and co-funded a research study on public development banks, culture, and the arts, scheduled for launch in February 2025.

Supporting Private Sector Development and Regional Integration

CDB’s ongoing partnership with the EU continued to drive private sector development, supporting 9 of 27 projects under the 11th European Development Fund and CARICOM Single Market and Economy Standby Facility. Its key initiatives included the following:

- Strengthening the St. Kitts and Nevis Bureau of Standards to enhance national quality infrastructure

- Improving the export readiness of 20 enterprises under the Trinidad and Tobago Fit 4 Europe II project
- Supporting Haiti’s macroeconomic stabilisation through the Capacity Building for Strengthening Quality Infrastructure Project, aimed at enhancing trade competitiveness

Strengthening Food Security and Resilient Agri-Food Systems

CDB launched a call for proposals under the EU-CDB Food Security Programme to enhance the resilience and sustainability of agri-food systems across CARIFORUM. This initiative addresses key bottlenecks in regional agri-food value chains by improving access to finance, innovation, and distribution systems for agri-MSMEs and producers.





ENVIRONMENTAL RESILIENCE

PERFORMANCE HIGHLIGHTS: CDB expanded its climate finance capacity and advanced sustainable energy solutions to strengthen environmental resilience in its BMCs. A significant increase in the Bank's GCF financing threshold will accelerate large-scale regional climate resilience efforts, while the new SuRGE initiative has boosted funding for the Caribbean's sustainable energy transition.

Environmental Sustainability

CDB's strategic imperative of mainstreaming climate resilience across its BMCs received a significant boost in 2024 with the expansion of the Bank's GCF financing capacity from \$50 mn to \$250 mn per initiative. This fivefold increase enhances the Bank's ability to provide concessional climate finance to the Caribbean, thereby accelerating climate action across the region. Moreover, the higher threshold enables CDB to support client countries in developing larger climate change adaptation and mitigation projects, particularly in capital-intensive sectors. It also strengthens the Bank's ability to implement regional programmes, maximising impact through economies of scale.

To leverage this increased capacity, CDB is actively assisting its BMCs in developing an ambitious pipeline of programmes and projects for GCF co-financing. The first CDB-led proposal was submitted to GCF in late 2024, and two others are slated for submission in the first quarter of 2025.

The 2024 hurricane season highlighted the region's extreme vulnerability, as Hurricane Beryl inflicted catastrophic damage across several Caribbean

territories in early July. In particular, Grenada and Saint Vincent and the Grenadines were severely impacted, resulting in widespread destruction of homes, schools, farms, and community facilities, along with damage to roads, telecommunications, and electricity infrastructure. In response, CDB provided each country with a \$5.5 mn support package, which included a \$5 mn Immediate Response Loan, a \$300,000 emergency assistance grant, and a \$200,000 emergency technical cooperation grant from the IDB.

The CDB-implemented Canada-CARICOM Climate Adaptation Fund (CCAF) served as another source of assistance for the BMCs affected by Hurricane Beryl. Financed by Global Affairs Canada (GAC), the CCAF has supported premium payments for the Caribbean Catastrophe Risk Insurance Facility (CCRIF) for several BMCs. Following Hurricane Beryl, CCRIF disbursed nearly \$72 mn to Grenada, Jamaica, and Saint Vincent and The Grenadines, with \$5.6 mn allocated to social protection systems. This social protection initiative is financed through a partnership among CDB, GAC, the World Food Programme, and participating countries.



Ms. Nelcia Hadaway, (far left) Manager of the Canouan Airport in Saint Vincent and the Grenadines briefs CDB representatives on the extensive damage to the facility following the passage of Hurricane Beryl in July 2024. A high-level CDB team which visited the islands in the wake of the Category 4 storm included Acting President, Mr. Isaac Solomon, (second left) and Mr. Paul Saunders, (far right) Operations Officer. The Bank representatives were joined on the ground by Mr. Recardo Frederick, Director of Economic Planning in Ministry of Finance, Economic Planning, Sustainable Development and Information Technology who serves as CDB's Director for Saint Vincent and the Grenadines.



ENVIRONMENTAL RESILIENCE

In 2024, CDB approved 18 technical assistance projects focused on disaster risk management and climate resilience, with a combined value exceeding \$14 mn in grant resources. These initiatives, financed through SDF 10 and the EU-funded CARE Programme, aim to strengthen disaster governance, improve financial response mechanisms, enhance early warning systems, and build community and infrastructure resilience.

CDB continued to implement the \$9.8 mn Adaptation Fund (AF)-financed project titled “Building Resilience for Adaptation to Climate Change and Climate Variability in Agriculture in Saint Lucia”. This initiative supports approximately 12,000 farmers and their dependents by improving livelihood security, food production, and income stability. Additionally, the Bank secured a \$100,000 grant to develop a \$4 mn climate resilience intervention aimed at strengthening the agriculture sectors across three BMCs: Antigua and Barbuda, St. Kitts and Nevis, and Saint Vincent and the Grenadines. Moreover, the AF also invited CDB to prepare a regional project under the new Global Locally-led Aggregator Programme, which will focus on scaling up local and community-led resilience-building efforts in Antigua and Barbuda, Belize, Grenada, Jamaica, and Saint Vincent and the Grenadines, targeting hazard risk management,

disaster mitigation, ecosystem protection, and sustainable livelihoods in watershed and coastal areas.

Another milestone was the establishment of CDB’s Climate Change Project Preparation Fund, which will become fully operational in the first half of 2025. This fund will assist BMCs in identifying and preparing climate action programmes and projects for financing or co-financing by CDB, thereby contributing to the Bank’s mandate to increase climate financing for the region.

At the 29th United Nations (UN) Climate Change Conference in Baku, Azerbaijan, CDB continued to champion Caribbean priorities, advocating for increased climate finance and technical assistance for adaptation, as well as loss and damage funding. The Bank also participated in its first biodiversity conference in Cali, Colombia, engaging in high-level dialogues and MDB Pavilion events. Further, CDB reinforced its commitment to integrating biodiversity into development frameworks, aligning with the Kunming–Montreal Global Biodiversity Framework. Key achievements included advancing collaboration on biodiversity finance tracking, promoting nature-based solutions, and progressing the preparation of its Biodiversity Strategy and Action Plan.



Sustainable Energy

In March 2024, CDB signed a CAN\$58 mn financing agreement with GAC to support the SuRGE programme. Announced by the Government of Canada the previous year, SuRGE provides concessional funding to advance the region's energy transition by supporting more sustainable, resilient, and gender-equitable energy systems.

CDB's 10-megawatt geothermal power plant project in Dominica became one of the first recipients of SuRGE funding. The \$34.8 mn project is jointly financed with \$25.4 mn from IDB's Sustainable Energy Facility for the Eastern Caribbean and a \$9.4 mn allocation from SuRGE. This initiative marks CDB's first private-sector, limited-recourse project financing in the energy sector and falls under the CDB GeoSmart Initiative, which promotes geothermal energy development in the region. Scheduled for completion in early 2026, the plant will enhance Dominica's energy security and lower electricity production costs, which currently hinder business growth and progress towards key Sustainable Development Goals.

In Haiti, CDB implemented the First Power (Rural Electrification Mini-grid) Project in 2024. This \$5

mn grant-funded initiative represents the Bank's first energy sector investment in the country and will expand electricity access to several rural communities in northern Haiti, which currently rely on candles, kerosene, wood, and charcoal for lighting and cooking.

During the year, CDB also approved a \$6.2 mn loan to expand the scope of the Seventh Power Project. Initially financed through a \$6.84 mn loan, this electricity transmission interconnection and expansion initiative is currently being executed by Belize Electricity Limited.

Throughout 2024, CDB advanced two key sustainable energy initiatives under its Accelerated Sustainable Energy and Resilience Transition framework. The first involved assessing regulatory frameworks across all 19 CDB BMCs to inform a regional regulatory initiative aimed at driving electricity sector reforms. Based on these evaluations, CDB is developing a technical assistance programme for BMCs, set for implementation in 2025. The Bank also increased awareness of its Caribbean Regional Electricity Interconnection and Renewable Energy Scaling initiative by engaging stakeholders through regional and international dialogues and presentations.



FINANCIAL RESILIENCE

PERFORMANCE HIGHLIGHTS: CDB demonstrated strong financial resilience in 2024, maintaining profitability, expanding access to development finance, and maintaining top-tier credit ratings that reinforce investor confidence and enhance its ability to support sustainable growth in the Caribbean.

CDB's Financial Performance

CDB maintained robust financial performance in 2024, closing the year with an operating income of \$20.0 mn and a total comprehensive income of \$30.5 mn. Notably, the total assets stood at \$2,017.3 mn. Strengthening its liquidity position, the Bank successfully issued EUR62 mn in long-dated, fixed-rate bonds in the German market while continuing to attract interest from investors and arrangers.

CDB's credit ratings remained strong across all three major agencies. In February, Fitch Ratings reaffirmed the Bank's Long-Term Issuer Default Rating at "AA+" with a stable outlook, citing high governance standards, strong capitalisation, and exceptional

liquidity. In June, Moody's upheld its "Aa1" rating with a stable outlook, recognising CDB's strong capital adequacy, high liquidity, and sound asset performance.

Further reinforcing confidence in the Bank's financial strength, S&P Global Ratings affirmed CDB's Long-Term Issuer Credit Rating of "AA+" and Short-Term Issuer Credit Rating of "A-1+" in November. The agency noted that despite external challenges, including natural disasters and slowing global growth, CDB is expected to sustain its high capitalisation over the next two years.

Maintaining strong and uniform ratings across these agencies enhances the Bank's ability to negotiate favourable terms with potential lenders.



Expanding Access to Finance for BMCs

In a significant step to expand financing options for BMCs, CDB signed an agreement with the EIB in October for a loan of up to EUR100 mn under its Ordinary Capital Resources (OCR). The funds will support projects that enhance water security, improve sanitation, and strengthen flood prevention infrastructure.

Moreover, CDB also secured a substantial increase in its GCF accreditation status, with the eligible project or programme financing limit rising from \$50 mn to \$250 mn. This expansion allows the Bank to implement larger, more impactful climate resilience initiatives in collaboration with the GCF. Additionally, a new CAD58.5 mn line of credit

was established through an agreement with the Government of Canada to support sustainable energy projects under the SuRGE programme.



INSTITUTIONAL RESILIENCE

PERFORMANCE HIGHLIGHTS: CDB reinforced governance, transparency, and accountability in its internal operations by strengthening oversight functions and enhancing compliance measures. Simultaneously, the Bank expanded capacity-building efforts across its BMCs to deliver targeted anti-corruption and procurement training to both public and private sector stakeholders.

Internal Focus

Procurement and Disbursements

The Procurement Policy Unit continued to play a vital role in ensuring efficiency, transparency, and inclusivity in the procurement of goods, works, and services on CDB-financed projects. Consistent with historical trends, the average project and contract sizes grew in 2024. Companies in BMCs secured 76% of contracts and accounted for 88% of the total value of contracts during the reporting period.

Efforts to establish mutual reliance arrangements with partners also progressed, reducing transaction costs on co-financed projects. In 2024, CDB signed a Procurement Agreement with the IFAD, adding to previous agreements with the EIB, IDB, and the World Bank.

Additionally, to further streamline procurement processes, CDB is developing a new client portal for procurement reviews, set for launch in early 2025, which will be integrated with the Bank's new portfolio management system.

Internal Audit

Throughout 2024, the Internal Audit Division (IAD) strengthened CDB's governance, risk management, and internal controls, directly enhancing institutional resilience. Through a comprehensive work programme, IAD improved operational processes, increased transparency, ensured greater value for money, and promoted good governance and innovation.

Demonstrating its commitment to international best practices, IAD began adopting the new Global Internal Audit Standards set by the Institute of Internal Auditors, thereby strengthening CDB's



audit capabilities and enhancing its implementation capacity.

During the period under review, IAD completed critical assurance, advisory, and consultancy engagements focused on key risk areas, which include IT security, data privacy, and protection. The Division actively supported the Privacy Working Group, the Corporate Policy Framework being developed, the Risk Committee, and CDB's ISO 27001 certification process. Additionally, IAD conducted quarterly follow-ups on management's actions related to completed assurance engagements and assessed the adequacy of Management Action Plans in response to the 2023 External Auditors Management Letter.

Furthermore, IAD also carried out CDB's internal independent attestation for compliance with the SWIFT Know-Your-Customer Self-Attestation for

2024, ensuring continued compliance with the SWIFT Know-Your-Customer Security Attestation Programme.

Integrity, Compliance, and Accountability

The Office of Integrity, Compliance, and Accountability (ICA) continued to play a crucial role in safeguarding CDB's governance, reputation, and internal systems throughout the year. In alignment with the Bank's Strategic Framework for Integrity, Compliance, and Accountability, ICA strengthened institutional safeguards and reinforced adherence to CDB's high ethical standards.

ICA's strategy to adopt a proactive approach to detecting and preventing wrongdoing remained central to its work. For detection, reports of wrongdoing were received and handled confidentially through six channels of the Whistleblower System, while for prevention,



INSTITUTIONAL RESILIENCE

mandatory orientation and targeted training sessions equipped staff with case studies and lessons learned from previous occurrences. Moreover, advisory support further strengthened compliance across the Bank's internal systems and external operations. Beyond internal oversight, ICA guided various Bank offices and engaged with stakeholders in BMCs to promote integrity and accountability. Contributions to various outreach sessions with beneficiaries reinforced best governance practices, ensuring CDB's operations upheld the highest ethical standards.

Furthermore, ICA conducted independent internal and external investigations to address complaints relating to integrity, ethics, and accountability, ensuring timely and impartial resolution of alleged violations of CDB's policies and procedures. ICA also expanded its thought leadership by fostering collaboration with international organisations, leveraging global expertise to address modern compliance challenges.

To ensure continuous improvement, ICA updated its self-review process, assessing its five core functions and policies. This review aligned ICA's evolution with CDB's expanding scope, risk landscape, and resource needs, ensuring that the function remains agile and effective in a changing operational environment.

Independent Evaluation

During 2024, the Office of Independent Evaluation (OIE) enhanced its role in learning, accountability, and decision-making. To make evaluation findings

more accessible, actionable, and influential, OIE adopted innovative approaches that improved knowledge sharing and engagement.

These efforts resulted in the completion of six major evaluations, six Project Completion Validation Reports, and the office's first-ever Synthesis Study, which consolidated lessons from five country strategy evaluations covering Barbados, Belize, Jamaica, Suriname, and The Bahamas.

Key evaluations completed in 2024 included the following:

- Peer Review of CDB's Evaluation Function
- Corporate Review of CDB's Resilience Approach
- Bahamas Country Strategy and Programme Evaluation
- Multi-Cycle Evaluation of the SDF (Cycles 8 & 9)
- Water Sector Evaluation
- Environmental and Social Review Procedures Evaluation
- Synthesis Study of Country Strategy Evaluations

A major milestone was the Peer Review of CDB's Evaluation Function, conducted by experts from IDB, the IFAD, and the World Bank. The review provided critical recommendations to improve evaluation quality, independence, and stakeholder engagement. In response, OIE has begun refining methodologies, strengthening dissemination strategies, and significantly increasing human and financial resources for 2025.



To facilitate greater utilisation of evaluation findings, OIE is fostering collaboration with CDB Staff and management. Co-creation workshops now bring together evaluators, management, and project teams to refine recommendations, thus ensuring that they are practical, relevant, and aligned with CDB's operational needs. By embedding stakeholder engagement throughout the evaluation cycle, OIE is cultivating a stronger culture of learning and evidence-based decision-making across the Bank.

Besides, digital innovation and communication improvements have also been prioritised. The introduction of an AI-powered chatbot, a Recommendation Tracking Dashboard, and a Project Completion Validation Database enable CDB Staff, management, and Board members to quickly access lessons learned and integrate them into future programming.

External Capacity Building Initiatives

Progress in Procurement Reform

CDB's Procurement Reform efforts seek to enhance the efficiency and effectiveness of government procurement processes in BMCs. In this regard, the main accomplishments in 2024 included:

- **Antigua and Barbuda:** The new Public Procurement Act and accompanying Regulations – both developed with technical support from CDB – were finalised and are currently pending approval by the Government. CDB also collaborated with the World Bank to support the finalisation of Emergency Procurement Regulations.
- **Bahamas:** New procurement regulations were finalised with assistance from CDB and the IDB, following CDB support for the drafting of the Public Procurement Act (2023).
- **Belize:** The drafting of a new Public Procurement Act was completed, with final refinements expected to be concluded in early 2025 through a joint CDB-IDB technical working group. During 2024, CDB and IDB also supported the development of implementing regulations, including provisions to enable the use of e-procurement and Sustainable Public Procurement implementation, which are to be finalised in 2025.
- **British Virgin Islands:** A complete set of Standard Bidding Documents (SBDs) for Goods, Works, and Services, as well as evaluation report templates, were developed and finalised with CDB's support during 2024.
- **Dominica:** Having previously supported the government in developing the Public Procurement and Contract Administration Act (2021), and the supporting Regulations (2022), in collaboration with the World Bank, CDB provided further support to develop SBDs, which are harmonised with similar documents expected to be introduced in Grenada, Saint Lucia and Saint Vincent and the Grenadines. CDB expects to partner with the World Bank to provide training on the SBDs and to members of the Procurement Board and Review Council in early 2025.



INSTITUTIONAL RESILIENCE

- **Saint Lucia:** CDB, in collaboration with the World Bank, supported the review of the Public Procurement Act (2015) and its Amendment and the associated Public Procurement Regulations, to propose enhancements and address inconsistencies.
- **Saint Vincent and the Grenadines:** CDB financed the development of a Procurement Manual.
- **CARICOM Secretariat:** CDB approved a grant to the CARICOM Secretariat to assess their procurement systems and manual to inform downstream reform. The assessment is expected to be undertaken in 2025.

Procurement Training

Recognising the critical role played by the private sector in development and innovation, CDB expanded its efforts to enhance private sector participation in procurement, particularly within BMCs. A key initiative was a procurement fair, which was hosted in partnership with the OECS Commission and the World Bank. This outreach provided businesses with information on upcoming opportunities, bid preparation guidance, and offered training for small and medium-sized contractors. Three similar events were undertaken in Belize, in collaboration with the country's Government and the IDB, with an emphasis on building capacity among women and other under-represented groups to improve their access to contract opportunities.

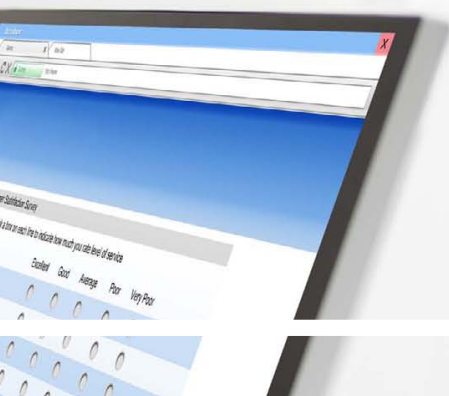
Anti-Corruption Training

On December 9, 2024, ICA hosted the Expert Forum on Anti-Corruption in the Age of AI to mark International Anti-Corruption Day. This virtual forum brought together international experts to examine



CDB held three procurement fairs in Belize in November 2024 in collaboration with the Government and the IDB. The objective was to provide businesses with information on upcoming opportunities and procurement processes with an emphasis on deepening engagement with women and other under-represented groups. Pictured here, at one of the events, are (from left) CDB's Head of Procurement, Mr. Douglas Fraser, and Procurement Officer, Ms. Naomi Akoy-Bouguenon along with Procurement Consultant, Mr. Marlon Marin.

the urgent and complex challenges that AI presents in the fight against corruption, with a specific focus on implications for the Caribbean. Discussions explored how AI is transforming the risk landscape, influencing governance frameworks, and affecting public trust and institutional accountability. The event featured sessions on regional and global perspectives, academic research, and practical strategies for leveraging AI to detect, prevent, and address corruption. Speakers explored both the



risks and opportunities posed by AI, emphasizing the need for innovation, ethical safeguards, and strengthened oversight mechanisms.

The Forum was part of CDB's ongoing efforts to support its BMCs through capacity-building initiatives in anti-corruption, compliance, and cybercrime prevention. It reaffirmed the Bank's commitment to promoting good governance and institutional resilience in an increasingly digital world.

In a similar vein in November 2024, ICA hosted the Corruption, Compliance and Cybercrime (3Cs) Youth Forum under the theme "Youth Combatting Corruption in the Age of AI." This virtual event

brought together young people from across the region to engage with anti-corruption and compliance professionals, exploring the evolving risks and opportunities that artificial intelligence presents for governance in the Caribbean.

The Forum provided a platform for youth to voice their perspectives on strengthening anti-corruption efforts, contribute to the development of a Caribbean Youth Anti-Corruption Policy Statement, and lay the groundwork for a regional Youth Anti-Corruption Working Group. The initiative reflects CDB's commitment to fostering youth engagement, innovation, and leadership in support of transparency, accountability, and good governance.



ICA hosted an "Expert Forum on Anti-Corruption in the Age of AI" on Monday, 9 December 2024, in observance of International Anti-Corruption Day. The expert panel included Dr Nils Köbis, (top right) Professor for Human Understanding of Algorithms and Machines at the University of Duisburg-Essen; Mr Krishna Kesari, (bottom right) Head of the Data Lab at the World Bank's Integrity Vice Presidency and Mr Marcelo Donolo, Manager of Prevention, Risk, and Knowledge Management at the World Bank's Integrity Vice Presidency. Head of ICA, Dr. Toussant Boyce moderated the discussion.



GENDER

PERFORMANCE HIGHLIGHTS: CDB intensified its efforts to advance gender equality across the region through targeted interventions, capacity-building activities, and strategic collaborations.

CDB assumed a two-year chairmanship of the MDB Working Group on Gender at the start of 2024. In this capacity, the Bank spearheaded the launch of the Gender Equality Knowledge Exchange Innovative Marketplace, which provided a platform for peer-to-peer learning and best practice sharing, thereby enhancing gender equality mechanisms within MDBs. By year-end, four MDBs had leveraged this marketplace to strengthen internal systems and improve gender-related outcomes in operations.

CDB also convened its first Gender Equality Forum in collaboration with the UN Women Multi-Country Office Caribbean and UN Women Pacific at SIDS4. The Forum featured a Gender Equality Entrepreneurial Village, showcasing beneficiaries of CDB's SheTrades Hub. In addition, CDB staged a side event on "Re-Aligning Climate Finance: Accelerating Equal Access and Inclusion", in partnership with Caribbean Women in Leadership. More than 200 stakeholders, including policymakers, high-level officials, business leaders, and gender advocates, contributed to the SIDS4 Communique on Gender Equality, reinforcing regional commitments to inclusive development.

Capacity-building efforts remained a priority, with the launch of the Caribbean Gender Equality Knowledge Exchange Lab. Through this initiative, 150 policymakers from CDB's 19 BMCs received specialised training on gender mainstreaming in trade and strengthening national gender focal point systems. Furthering its commitment to tackling gender-based violence, CDB, in partnership with UN Women and the University of the West Indies' Institute for Gender and Development Studies, established the Caribbean Gender-based Violence Practice Network, which engaged 80 regional professionals and introduced a knowledge product on innovative gender-based violence practices tailored to the Caribbean context.

Additionally, CDB delivered critical training to 36 Community Liaison Officers and Social and Gender Specialists on integrating gender equality and social inclusion into UKCIF-funded infrastructure projects. Internally, 30 CDB staff members participated in specialised sessions to enhance oversight of gender-related requirements in large works contracts. A consultancy on Gender and Social Inclusion in Geothermal Energy Institutions was also



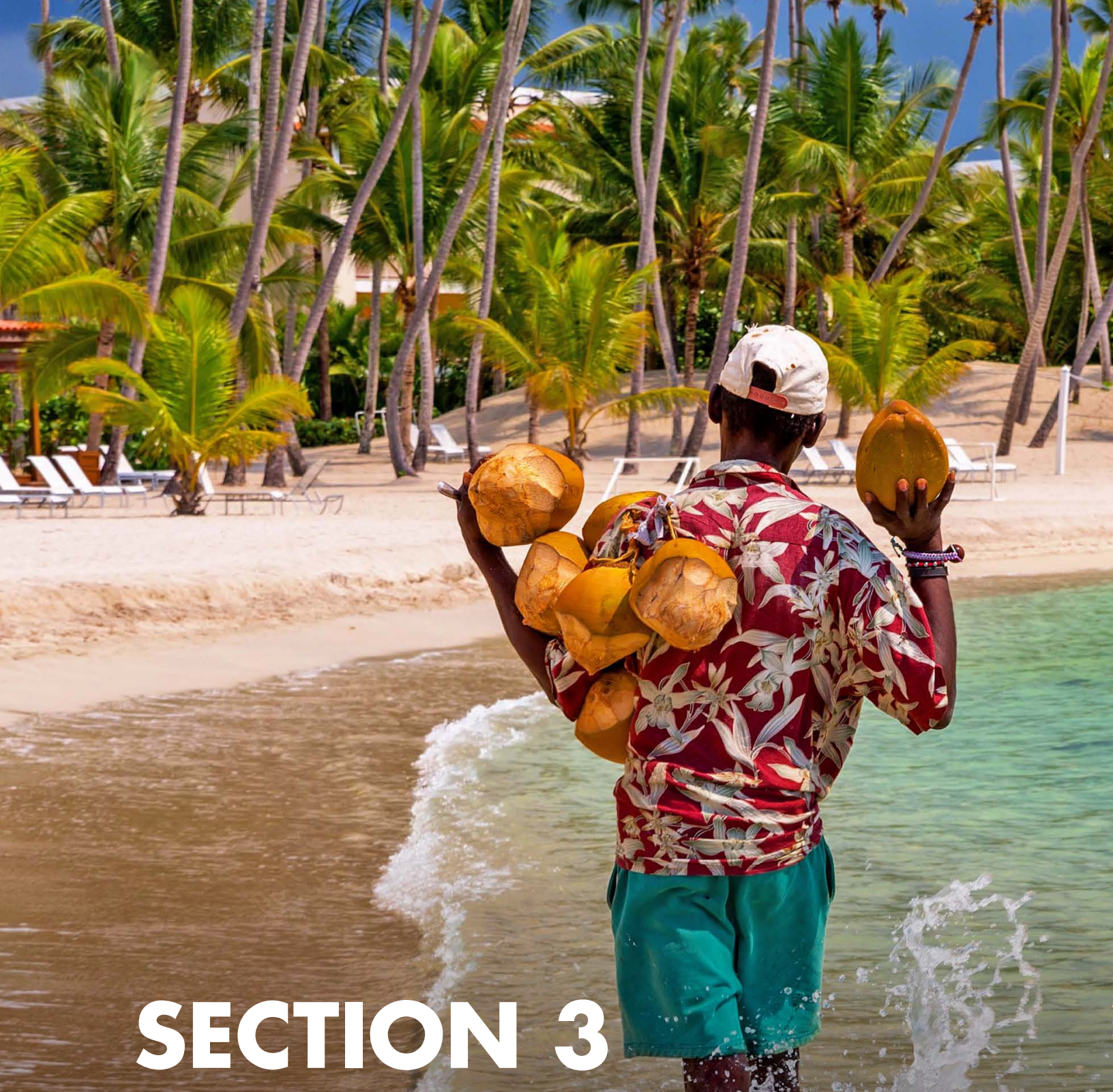
undertaken under the Sustainable Energy Facility, in collaboration with the IDB.

To solidify its long-term impact, CDB finalised the revised Gender Equality Action Plan 2025–2027, outlining a multi-sectoral approach to

gender equality as a driver of inclusive economic growth and productivity. The plan defines priority intervention areas, funding requirements, and allocation modalities, equipping BMCs with the tools to respond effectively to evolving gender-related challenges and opportunities.



Mrs. Terry Ince, Founder and Convener of the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) Committee of Trinidad and Tobago (left), and CDB Gender Specialist, Ms. Farmala Jacobs (right), at the regional consultation on the CEDAW, hosted by CDB and UN Women in Barbados in April 2024. The consultation brought together civil society and private sector leaders to discuss strategies for advancing gender-inclusive leadership and implementing CEDAW provisions across the Caribbean.



SECTION 3

IMPACT STORIES DEVELOPMENT IN ACTION



SOCIAL RESILIENCE

Safeguarding Inclusion: CDB Working to Advance Disability Rights in the Caribbean

Inclusion matters, and the spirited mantra of Caribbean people living with disabilities of “nothing about us without us” has resonated with the CDB as the institution continues to mainstream disability issues. The Bank is ensuring the inclusion of persons with disabilities in its planning and programming and is also collaborating with partners for similar approaches in their projects.

According to Dr. Anthony George, Operations Officer at CDB who has spearheaded education, policy, and infrastructure initiatives for the community, “We see the ability and not the disability and have sought to integrate the views of this community in our initiatives.”

From its partnership with Authentic Caribbean and the Government of Grenada to host the 2024 Caribbean Disability Conference to the completion of National Disabilities Assessments for Grenada, Jamaica, Saint Lucia, and Trinidad and Tobago, CDB is taking meaningful action.



Participant Mr. Michael Andrews, makes a point during one of the discussions at the inaugural Caribbean Disabilities Conference which was held in Grenada in October 2024. The CDB was instrumental in supporting the event which brought together nearly 300 stakeholders from across the Caribbean for dialogue on strategies to enhance accessibility and empowerment of the region’s disabled community.

"We continue to seek out these voices, including and engaging this community in our efforts," Dr. Anthony George explains.

Disability advocates like Janeil Odle, are pushing the Bank to accelerate its interventions. An Attorney-at-Law and member of CDB's Future Leaders Network, Ms. Odle leverages her influence and strong advocacy skills to drive youth-focused change. Through the Bank's youth forum, stakeholder engagement sessions, and other activities, she amplifies the call for inclusivity, ensuring that the voices of the disabled community resonate loudly.

"We are not invisible," she emphasises. "We live here and are adding value. The disabled community matters as much as anyone else. As a young black, disabled Caribbean woman, I am keen to share my unique world perspective. I have been working to highlight the numerous systemic disadvantages we face and while there are many, much more needs to be done."

CDB has worked with the Foreign, Commonwealth and Development Office to embed disability inclusion into its largest infrastructure investment programme, UKCIF, funded by the UK Government. The programme prioritises managing and monitoring social and gender issues across the project cycle, including a focus on persons with disabilities.

"This involves clear standards for disability accessibility embedded in tenders and contracts,

informing the design and implementation of infrastructure projects. It also includes user review and testing by persons with disabilities," says Ms. Sharon Griffith, CDB's Programme Manager, Infrastructure Partnerships.

Beyond mainstreaming disability and inclusion of the community in its programmes, CDB is at the cusp of releasing findings from a new study conducted with regional partners, which sheds light on the interests of this special group. This study highlights the challenges faced by persons with disabilities and underscores the significant policy gaps that persist across the Caribbean.

Reflecting on the four-country assessments the Bank completed, Dr. Martin Baptiste, CDB's Division Chief, Social Sector says, "Although experiences vary between countries, the challenges are consistent. Issues of inclusion, equity, access, care, social protection, dignity, invisibility, and communication persist. It is imperative that the region rallies together to create a paradigm shift ensuring our disabled community is not disadvantaged."

While progress is evident, disparities remain. By leading with action and amplifying the voices of the community, the Bank continues to champion the rights of persons with disabilities, advocating for their dignity, agency, and full inclusion in development efforts.

PRODUCTION RESILIENCE

Caribshopper and the Caribbean Development Bank: Connecting Caribbean Entrepreneurs to Global Markets

Caribshopper, a CDB-supported e-commerce platform, is connecting Caribbean products to a vast diaspora, offering over 6,000 items to more than 40,000 subscribers. According to Chief Executive Officer Kadion Preston, “This isn’t just business—it’s a chance for our far-flung diaspora to reconnect with their culture, heritage, and more importantly with the place they call home.”



Ms. Gale Charles, of Charlo Farms Ltd in Trinidad and Tobago shows off products from her line of all-natural seasonings.

With over 90 million Caribbean migrants longing for a taste of home, the potential for entrepreneurs is infinite. Dubbed the number one Caribbean marketplace, shoppers can find everything from world-famous Blue Mountain coffee to steelpanns from Panland and the latest music from Sean Paul or Beres Hammond.

Kadion’s vision has helped nearly 800 businesses from Jamaica and Trinidad and Tobago connect with millions of customers in the United States and Canada. Now, with the support of CDB, national businesses and support organisations, he plans to expand into the United Kingdom and other markets. By the end of 2024, his team aims to onboard businesses from Barbados, Guyana, and Saint Kitts and Nevis onto the Caribshopper platform.

The benefits of Caribshopper’s reach to both entrepreneurs and economies are clear. One of the platform’s top performers is Gale Charles, of Charlo Farms Ltd in Trinidad and Tobago. From modest origins and a passion for home gardening, the startup is today a thriving family-run enterprise producing high-quality, all-natural seasonings.

"Caribshopper came to us during COVID when we needed it most. Their involvement gave us the boost we wanted to expand into international markets," Ms. Charles explains.

Similarly, Sonya Dunstan, Creative Director of A Taste of the Caribbean Limited in Jamaica, has seen her business flourish through the platform. Her small team transforms authentic Jamaican produce into a range of products like jams, sauces, and seasonings for export.

"Our dry seasonings are performing exceptionally well. Thanks to our export-focused business model, we've been able to stabilise prices for consumers despite market shifts and climate challenges. Now, Caribbean flavours are available year-round to locals and the diaspora alike," she says.

Michel Thomas, Senior Operations Officer at CDB, emphasises the effects of supporting MSMEs and private sector growth and development as demonstrated by the impact on the two companies.

"These successes are exactly what the Bank envisions for the MSME sector. Growing these businesses means growing our economies, bringing us closer to economic prosperity for all," he says.

Caribbean businesses are at a critical juncture, with the need for growth higher than ever. MSMEs are the backbone of the region, making up 60-70% of the Gross Domestic Product (GDP). Understanding their crucial role, the Bank has partnered with Caribshopper to provide substantial support to these businesses. This collaboration aims to help these enterprises expand to global markets, boost revenue, and generate more opportunities for economic development.

ENVIRONMENTAL RESILIENCE

Building Back Better: Dominica's Journey Toward Climate Resilience

Dominica, a small island in the Eastern Caribbean, has taken on the challenge of building back better and protecting its communities, children, and livelihoods from the unpredictability of nature. After being devastated by Hurricane Maria in 2017, Dominica set a bold goal: to become the world's first climate-resilient nation. This decision isn't just about recovery; it's about survival.



The climate resilient Morne Jaune, Primary School in Dominica.

Dominica's approach, with the support of the CDB and grant funding from the Government of Canada through the Dominica Climate Resilience and Restoration Fund, focuses on building stronger, climate-resilient infrastructure to protect its people. Climate resilient infrastructure is about the development of the built environment with structures

capable of withstanding or recovering from natural hazards made worse by climate change. Schools like Morne Jaune, Delices, Grand Bay, Salisbury, and W.S. Stevens Primary have been at the forefront of this transformation. These schools, many of which also serve as emergency shelters, are essential to the community's safety and future.

Students at these institutions are just some of the beneficiaries of Dominica's intentional plan to strengthen its public infrastructure. The country was ravaged but survived Hurricane Maria, a record-breaking Category 5 storm, which wreaked havoc on the majority of the island's built environment. The Government has been working to ensure no recurrence since that time.

"We're not just rebuilding schools, we're building resilience. Schools are critical because they double as shelters during disasters. By ensuring they can withstand storms, we're protecting both the education of our children and the safety of our communities," says Robert Guiste, Permanent Secretary at Dominica's Ministry of Education

At Delices Primary School, the upgrades have brought peace of mind.

"Since the project was completed, we no longer fear the worst when storms approach. Our retrofitted schools are now capable of withstanding severe weather, giving us confidence that our students and community will be safe," shares Mrs. Althea St. Ville, Delice's Primary School, Dominica Principal.

Delices, which is located in eastern Dominica, houses 56 students from the La Plaine district and

has experienced minimal weather-related disruption since the project completion. The students and faculty have also been trained in disaster resilience while a pool of local contractors now have greater knowledge in construction best practices with CDB's support. Community members were also afforded skills development training.

L. O'Reilly Lewis, Director of Projects (Ag) at CDB, emphasises the broader significance of this effort. "Hurricane Maria destroyed 40% of the country's housing and severely impacted education. By investing in disaster-resilient schools, we're not just helping Dominica recover, we're securing a stronger future for its people. CDB has invested in the country using the principles of Build Back Better, with disaster resilience technology, to create a better learning environment and service delivery for all."

He also highlighted the importance of the project in the context of the Bank's focus on increasing climate resilient infrastructure across the region.

"This is more than just rebuilding, it's building back better, with the future in mind."

INSTITUTIONAL RESILIENCE

CDB's Procurement Scholarship Programme Strengthens Governance and Careers

A scholarship can be more than just an academic opportunity—it can be a catalyst for systemic change. Through the CDB International Master's in Public Procurement Management (IMPPM) scholarship, selected professionals are not only advancing their careers but also strengthening public procurement reform and governance in their respective countries. Funded by CDB with support from the Italian Government, the IMPPM, offered by the University of Rome Tor Vergata, is recognised as a premier programme in public procurement management.



CDB International Master's in Public Procurement Management (IMPPM) scholarship winners Ms. Samantha Marchan, (left) 2022 and Ms. Amoi Romeo 2024.

Samantha Marchan was the first to benefit from this transformative initiative, receiving the inaugural IMPPM scholarship in 2022. Graduating as valedictorian, she returned to Trinidad and Tobago, where she now serves as a Senior Capacity Development Specialist at the Office of Procurement Regulation. Armed with advanced training, she is driving improvements in procurement processes, ensuring they are transparent, fair, and efficient across public bodies.

Describing the scholarship as a “game-changer,” Samantha reflects,

“The programme equipped me with the skills to enhance procurement practices and drive meaningful change in my country’s procurement landscape.”

Building on this success, Amoi Romeo became the next recipient of the IMPPM scholarship in 2024. As the Technical Advisor to the Secretary of Finance at the Division of Finance, Tobago House of Assembly, she plays a critical role in overseeing procurement operations. Following four and a half months of intensive in-person instruction in Rome, she returned to Tobago to apply her expertise through a traineeship and dissertation, while completing her final module remotely.

“Throughout my career in public procurement, I’ve focused on fostering a learning environment for my team and promoting competition and vendor

inclusion. The IMPPM programme has further developed my capabilities and allows me to share valuable knowledge with my organisation, advancing our procurement practices.” Amoi explains.

Doug Fraser, CDB’s Head of Procurement, underscores the programme’s broader impact: “By investing in the education of senior procurement professionals, we are enhancing institutional capacity and equipping individuals with the expertise to implement best practices. This leads to tangible improvements in transparency, efficiency, and accountability in public services.”

Through strategic investments in human capital, CDB is fostering stronger institutions and driving sustainable development across the Caribbean. By equipping professionals like Samantha and Amoi with the tools to lead procurement reform, the Bank is reinforcing governance systems that deliver more effective public services and support long-term economic resilience.

Recognising the programme’s success and its potential for greater regional impact, CDB joined forces with the IDB in 2024 to expand its reach. This collaboration resulted in three additional scholarships for 2025, with candidates from Belize, the Cayman Islands, and Trinidad and Tobago set to make up the cohort.



SECTION 4

RISK REVIEW



PERFORMANCE HIGHLIGHTS

CDB strengthened its risk management framework, reinforcing financial resilience and ensuring stability in an evolving economic landscape. The Bank maintained a strong credit profile with no non-performing loans and increased its S&P risk-adjusted capital (RAC) ratio to 29.7%.

Strengthening Risk Management for Resilience and Growth

In 2024, CDB made significant strides in refining its risk management framework to align with international best practices and enhance its resilience in an increasingly complex financial landscape. By strengthening risk oversight and reinforcing financial stability, the Bank continues to safeguard its AA+/Aa1 (stable outlook) credit rating and optimise capital allocation in response to evolving economic conditions.

Advancing Enterprise Risk Management

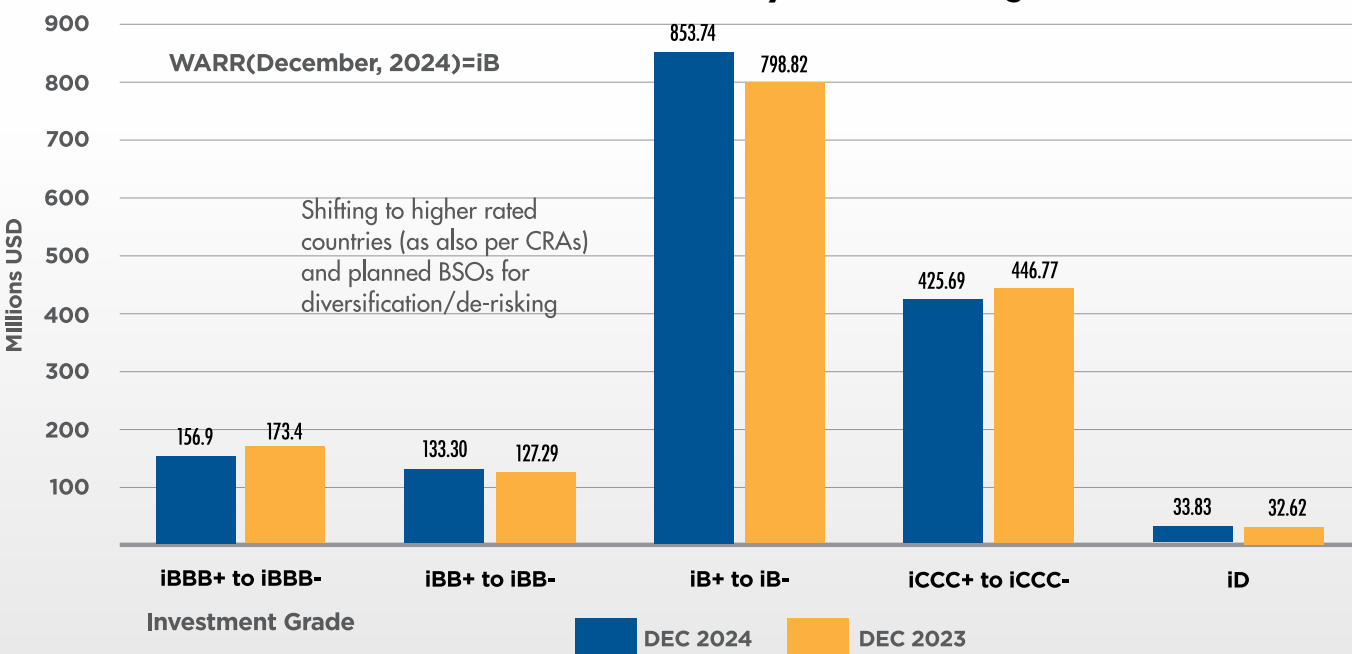
The Office of Risk Management (ORM) upscaled CDB’s Enterprise Risk Management Framework, ensuring a structured and systematic approach to risk governance. This framework remains central to the Bank’s ability to assess and mitigate risks while supporting strategic decision-making. In 2024, CDB completed its Enterprise Risk Taxonomy, establishing

a comprehensive classification system for risk exposure. Additionally, the development of the Risk Rating Criteria standardised risk assessments, enabling more robust, data-driven decision-making. The Bank also finalised its Enterprise Risk Assessment process, further strengthening its ability to proactively manage risks.

Mitigating Market and Liquidity Risks

CDB actively managed market risks, including interest rate volatility and foreign exchange fluctuations, by employing dynamic hedging strategies and making strategic balance sheet adjustments. The Bank applied hedge accounting frameworks to minimise currency and interest rate mismatches, preserving asset value and ensuring financial stability. Stringent liquidity risk management measures remained in place, with internal policy thresholds requiring a minimum of three years’ net funding availability and robust liquidity reserves.

Chart 5: OCR Portfolio Distribution by Internal Rating Classes



Ensuring Credit Risk Stability

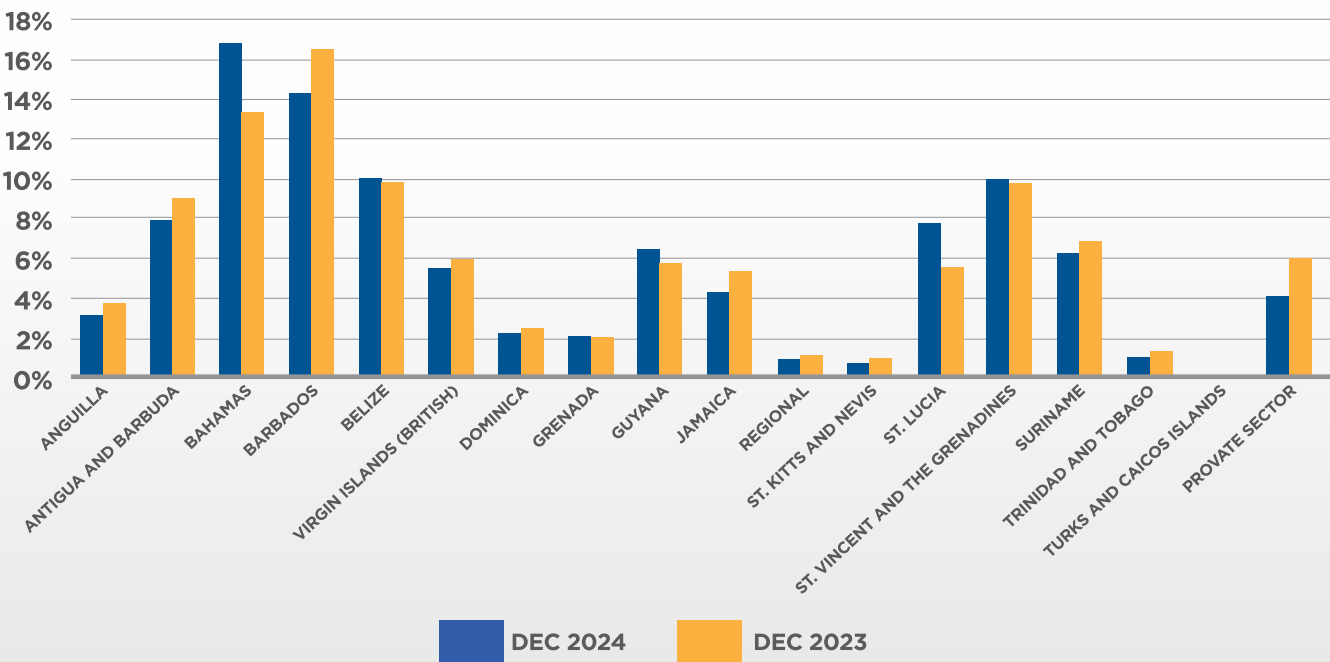
CDB maintained a stable credit risk profile through a disciplined credit risk assessment framework designed to protect against external shocks. The Weighted Average Risk Rating (WARR) for BMCs remained within the B category, reflecting moderate creditworthiness. To reduce single-borrower and sectoral concentration risks, the Bank diversified its loan portfolio and upheld rigorous standards for credit risk pricing, collateralisation, and exposure monitoring. Notably, CDB reported no non-performing loans in 2024, underscoring the effectiveness of its credit risk management approach. Moreover, the Bank expanded its private sector lending, with private sector exposure reaching 4.1% of total OCR exposure. Notably, CDB approved its

first non-OCR-funded geothermal project, a \$34.8 mn investment that highlights its commitment to sustainable energy financing.

Managing Portfolio Concentration

CDB continued to address portfolio concentration risks by diversifying its lending portfolio while maintaining strong support for BMCs, with The Bahamas and Barbados representing the largest exposures at 16.8% and 14.3%, respectively. While Barbados saw a 13% reduction in exposure, The Bahamas experienced a 26% year-on-year increase. To further mitigate risks, the Bank prioritised approvals for stronger-rated BMCs and implemented targeted portfolio reviews to ensure a balanced distribution of new lending.

Chart 6: OCR Portfolio Exposure by Country



Strengthening Capital Adequacy

CDB enhanced its capital adequacy framework by developing a new economic capital model, which underwent initial testing in 2024 and is scheduled for full implementation in 2025. The Bank's capital adequacy remained strong, with the S&P RAC ratio increasing to 29.7%, while the internal RAC ratio stood at 26%. The equity-to-total-assets ratio rose to 45.2%, reinforcing the Bank's capacity to absorb financial shocks. Additionally, CDB formalised its callable capital framework, further strengthening its ability to leverage additional financial resources when needed.

Optimising the Balance Sheet

To enhance capital efficiency and expand lending capacity, CDB advanced its balance sheet optimisation initiatives in line with global best practices. Key developments in 2024 included the following:

- **Exposure Exchange Agreement:** CDB is pursuing an Exposure Exchange Agreement to facilitate the synthetic exchange of top sovereign exposures, reducing concentration risks and improving portfolio diversification.
- **Portfolio Credit Guarantee:** The Bank is exploring a Portfolio Credit Guarantee to provide credit protection on sovereign exposures, lowering capital requirements while preserving its preferred creditor status.

These initiatives align with MDBs' best practice risk transfer mechanisms and the recommendations of the G20 CAF Report, reinforcing financial stability and strengthening the Bank's ability to support development financing.

Enhancing Operational Risk Management

As part of the operationalisation of the new Enterprise Risk Management Framework (ERMF), the Bank has undertaken significant reforms to strengthen its operational risk management practices. Key developments include the introduction of new risk

criteria and an expanded risk taxonomy that captures Level 2 and Level 3 risks, along with their associated risk drivers. Operational risk procedures, tools and systems have been updated under a structured multi-year implementation plan to be led by the Operational Risk Officer. These enhancements are designed to improve the Bank's ability to identify, assess and manage operational risks in a more comprehensive and proactive manner. In alignment with the Risk Management Roadmap, the Bank will also initiate efforts in 2025 to refine its approach to developmental risk management, thereby further embedding risk oversight into both strategic and operational decision-making.

Integrating Sustainability Risk Management

Recognising the growing impact of climate-related risks, CDB is developing a sustainability risk management framework to enhance resilience and risk-informed decision-making. This framework aligns with the recommendations of the Task Force on Climate-related Financial Disclosures and integrates environmental, social, and governance principles into the Bank's risk management approach.

The Bank identified key sustainability risks, including the following:

- Environmental risks such as rising sea levels, extreme weather events, and biodiversity loss
- Social risks including inequalities in resource access, migration pressures, and community resilience challenges
- Governance risks related to regulatory compliance, institutional capacity, and transparency

To address these risks, ORM conducted a climate-contingent survey across BMCs, assessing the feasibility of incorporating climate-contingent clauses into financing arrangements. These efforts position CDB at the forefront of climate risk management, ensuring its operations remain sustainable and responsive to emerging global challenges.

Table 1- Policy Ratio Analysis:

CDB RISK MEASURES & POLICY RATIOS SCORECARD		RAG STATUS			
		THRESHOLD	DEC 2023	DEC 2024	RAG STAUS
CAPITAL ADEQUACY					
Risk Adjusted Capital ⁸		24%	25.6%	26.0%	✓
CREDIT RISK					
SINGLE SOVEREIGN EXPOSURE	GREATER OF:				
	40% of Outstanding Loans	40%	15.9%	16.7%	✓
	50% of Total Available Capital	50%	22.6%	24.3%	✓
EXPOSURE TO 3 LARGEST BORROWERS	60% Of Outstanding Loans	60%	40.1%	39.9%	✓
	90% of Total Available Capital	90%	56.9%	58.0%	✓
NON-SOVEREIGN EXPOSURE LIMIT	GREATER OF:				
Single Exposure	6% of Total Available Capital	6%	3.5%	3.2%	✓
Portfolio Limit	43% of Total Available Capital	43%	7.5%	6.6%	✓
INVESTMENT RISK					
Single Entity Limit	Maximum - 10% of Total Investment Portfolio	10%	2.1%	3.3%	✓
Single Entity Limit - US Treasury or Government Agency	Maximum - 35% of Total Investment Portfolio	35%	27.5	28.6%	✓
Commercial Entity Exposure Limit	Maximum - 50% of Total Investment Portfolio	50%	28.7%	28.8%	✓
LIQUIDITY RISK					
LIQUIDITY RISK	GREATER OF:-				
	40% of Undisbursed & Loans not yet effective	40%	129.1%	148.6%	✓
	3 Years of Net Funding Requirements	100%	114.2%	162.2%	✓
Policy Based Loans & Guarantees	Maximum - 38% of Total Outstanding Loans & Guarantees	38%	33.1%	33.5%	✓
Limit on Operations (Article14.1)	Equal to or less than Limit	100%	62.5%	64.7%	✓
Borrowing Limit – Proforma	Equal to or Less than 100% Capital Limit (as defined)	100%	66.1%	63.1%	✓
Borrowing Limit – Capitalisation	Equal to or Less than 65% of Capitalisation	65%	50.2%	49.0%	✓

Maintaining Compliance with Risk Policies

As of December 31, 2024, CDB remained fully compliant with its internal risk policy thresholds. The S&P RAC ratio exceeded the 24% internal limit, standing at 29.7%⁹, affirming the Bank's strong capital adequacy position. International credit rating improvements in Barbados, Belize, Jamaica and Suriname contributed to this performance, alongside continued portfolio

diversification efforts. In addition, Guyana and St. Kitts and Nevis received internal rating upgrades, reflecting their strong economic performance.

Through proactive risk management and strategic financial planning, CDB continues to strengthen its ability to navigate uncertainties, sustain its development mandate, and enhance its resilience in an evolving global financial environment.

⁸ Internal RAC Ratio

⁹ based on RAC calculation by S&P in their 2024 Rating Review



SECTION 5

MANAGEMENT'S DISCUSSION AND ANALYSIS





OVERVIEW

CDB is a multilateral financial institution dedicated to developing the economies of its BMCs, with special and urgent regard to the needs of the less developed members of the region, primarily through project loans and technical assistance to governments, public agencies, and other entities in those countries. The Bank's main goals are to promote sustainable economic development, reduce poverty, and facilitate regional integration. Established in 1969, the Bank is owned by its member countries, comprising nineteen BMCs and nine non-borrowing members.

The operations of the Bank are divided into two fund resource categories through which it delivers on its mandate: Ordinary Capital Resources (OCR) and Special Funds Resources (SFR). The OCR operations are financed from CDB's share capital, capital market borrowings, lines of credit from commercial banks and other multilateral institutions, and internally generated equity. The SFR operations represent the Bank's concessionary resource pool, comprising the Special Development Fund (SDF), financed through contributions from members and non-members of the Bank, and the Other Special Funds (OSF), financed by reimbursable and non-reimbursable contributions.

Three major international rating agencies rate the Bank highly. In June 2024, Moody's Investor Services affirmed CDB's long-term issuer rating as Aa1 with a stable outlook. In November 2024, S&P affirmed its long-term issuer credit Rating of AA+ with a stable outlook. In February 2025, Fitch Rating reaffirmed CDB's long-term IDR of AA+ with a stable outlook.

The following discussions should be read in conjunction with the audited financial statements of the Bank and accompanying notes as set out in Section 6 of this report.

Ordinary Capital Resources

Financial Statement Reporting

The financial statements of the OCR are prepared in accordance with IFRS Accounting Standards on a historical cost basis, except as modified by the measurement of debt securities held at fair value through Other Comprehensive Income (OCI) and derivative financial instruments, which are reflected at fair value through profit and loss. Additionally, the Bank applies hedge accounting for the fair value exposures of its borrowings. The carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost, are adjusted to reflect changes in fair values



attributable to the risks being hedged using the effective hedge relationship principles. All amounts shown in the financial statements are stated in US dollar equivalents.

Management Reporting

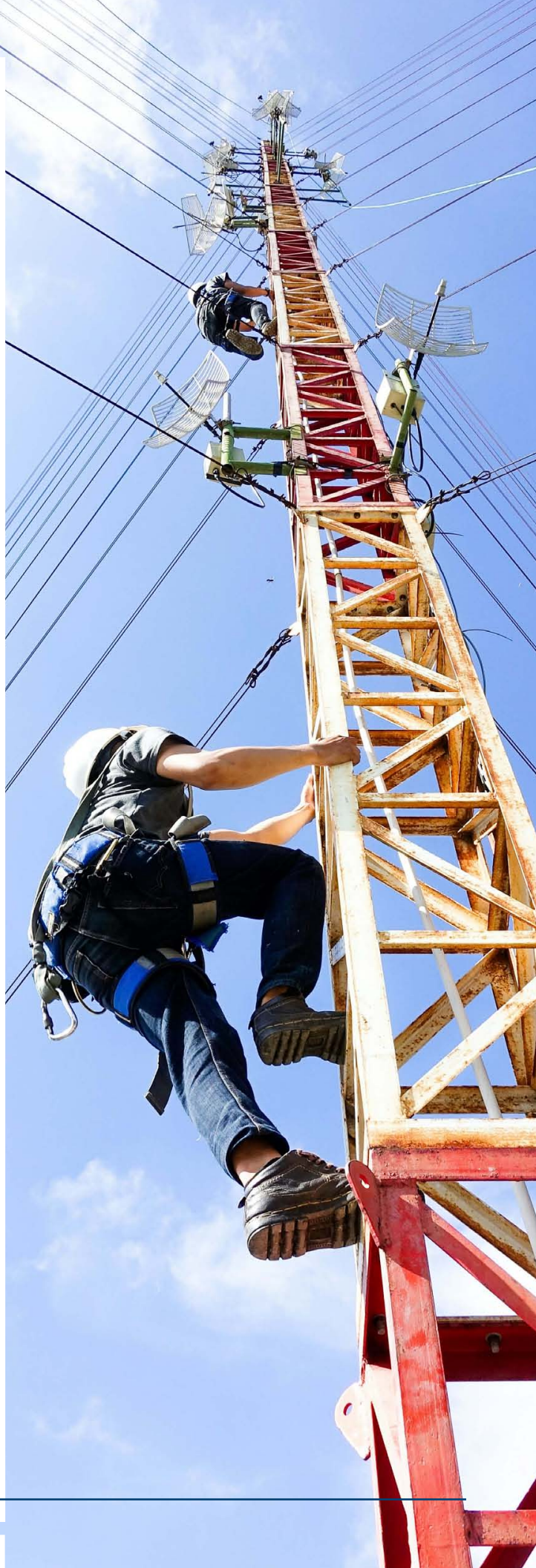
Management has determined that its operating income is the best representation of the results of the Bank's core activities and it is therefore used in the determination of CDB's financial performance evaluations, liquidity, and other ratios and analyses. Operating income is allocated to reserves by the Board of Governors in accordance with the Bank's Charter. The accounting treatment in accordance with IFRS Accounting Standards requires that derivatives are recorded at their fair value through profit and loss. This created significant income volatility due to foreign exchange and interest rate movements and is not representative of the underlying strategy or economics of the transactions since it is the Bank's policy to hold these instruments to maturity. Consequently, the Bank excludes the impact of these fair value and related foreign exchange translation adjustments associated with these derivatives from the determination of its operating income. Moreover,

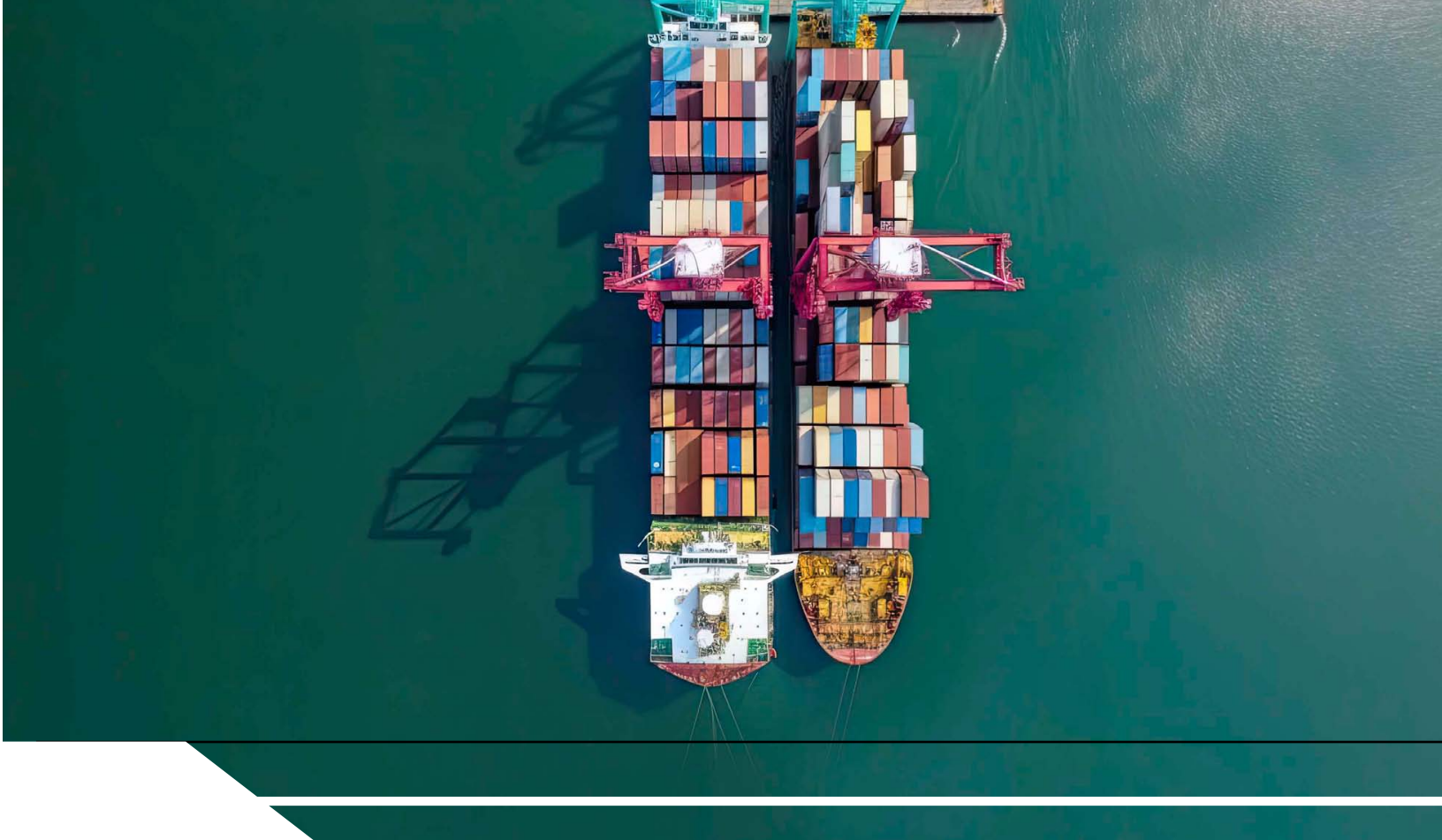
the Bank also elected to adopt hedge accounting effective from October 2022 to mitigate the resulting volatilities experienced in the determination of comprehensive income. The impact of this is also excluded from operating income. Notably, loans are recorded on an amortised cost basis.

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

Results of Operations of the OCR

- **Operating income:** Operating income is defined as income before derivative fair value, hedge accounting, and debt security adjustments. Operating income for the year ended December 31, 2024, was \$20.0 mn, a decrease of 30.0% from 2023 \$28.6 mn. This reduction was largely attributable to the unrealised adverse movement in foreign exchange translation, which recorded an expense of \$5.3 mn compared to income of \$1.7 mn in 2023.
- **Total comprehensive income:** Total comprehensive income or loss is defined as the sum of operating income and the effects of foreign exchange and interest rate adjustments related to derivative and hedge adjustments, fair value gains or losses on debt securities, and actuarial re-measurements relating to post-employment obligations. The OCR operations of the Bank for the year ended December 31, 2024, recorded total comprehensive income of \$30.5 mn compared to \$31.8 mn in 2023. Unrealised gains or losses do not impact the Bank's cash flow or liquidity or impair its ability to meet its ongoing commitments.
- **Income from loans:** Loan income for the year increased from \$70.2 mn in 2023 to \$75.2 mn. This was primarily a result of the growth of the loan portfolio from \$1,337.6 mn in 2023 to an average balance of \$1,400.0 mn in 2024, with contributions also resulting from the higher prevailing interest rate. The average interest rate on the loan portfolio in 2024 was 5.4% compared to 4.9% in 2023.
- **Income from cash and investments:** For the year, income from cash and investments was \$10.6mn compared to \$11.4 mn in 2023, showing a decrease of \$0.8 mn due to a lower average portfolio volume in 2024.
- **Interest expense:** Interest expense for the year was \$44.5 mn compared to \$42.2mn in 2023. This increase of \$2.3 mn resulted from higher average interest rates, although this was dampened by the decreased portfolio of borrowings across the period due to repayments.





- **Operating expenses:** In 2024, operating expenses amounted to \$21.3 mn compared to \$10.8 mn in 2023. This change was largely associated with the unrealised adverse movement in foreign exchange translation. Additionally, there was an impairment recovery of \$1.5 mn reflecting the improved creditworthiness of some BMCs. (See table below).

OPERATING EXPENSES		
	2024 \$mn	2023 \$mn
Administrative expenses	\$19.2	\$19.3
Impairment recovery on financial assets	(1.5)	(2.8)
Other income	(1.7)	(4.0)
Other adjustments – forex translations	5.3	(1.7)
Total operating expenses	21.3	10.8

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

RATE/VOLUME ANALYSIS			
	Increase/ (Decrease) Due to		
	Rate	Volume	Total
Interest-earning assets			
Cash & Investments	\$0.2	\$(1.0)	\$(0.8)
Loans	2.3	3.2	5.5
Total interest-earning assets	2.5	2.2	4.7
Interest-bearing liabilities	4.2	(2.0)	2.2
Net change in interest income	\$(1.7)	\$4.2	\$2.5

Financial Position of the OCR

- **Total assets:** On December 31, 2024, total assets were \$2,017.3 mn compared to \$2,031.9 mn in 2023, representing a decrease of \$14.6 mn (0.7%). This was largely due to decreases in cash and investments as funds were utilised to make repayments on our borrowings and reinvested into our loans portfolio, which saw positive net transfers of \$39.5 mn.
- **Loans:** In 2024, the loan portfolio was \$1,465.6 mn compared to \$1,426.1 mn in 2023, an increase of 2.8%. Net transfers on December 31, 2024, totalled \$39.5 mn compared to \$96.5 mn on December 31, 2023. The Bank has only two impaired loans with one counterparty in its non-sovereign portfolio. The impaired amount is \$1.5 mn, and a full provision for this amount is reflected in financial records.
- **Borrowings and other liabilities:** Total liabilities decreased from \$1,154.0 mn in 2023 to \$1,108.9 mn at a rate of 3.9%. This decrease resulted from borrowings repaid during the year and reductions in post-employment obligations, partially offset by increases in derivative liabilities.
- **Shareholders' equity:** On December 31, 2024, CDB's equity was \$908.4 mn compared to \$877.9 mn in 2023 due to the capitalization of the total comprehensive income of \$30.5mn into retained earnings and reserves. Total equity currently represents 45.0% (2023: 43.2%) of the total assets.



SELECTED FINANCIAL DATA

(Expressed in \$ mn)

	Years Ended December 31				
	2024	2023	2022	2021	2020
Balance Sheet Data					
Cash and investments	506.5	543.1	659.8	789.8	633.3
Loans outstanding ⁽¹⁾	1,465.6	1,426.1	1,324.1	1,332.8	1,332.1
Loans undisbursed	334.1	412.4	489.4	537.0	617.3
Total assets	2,017.3	2,031.9	2,066.1	2,220.6	2,121.3
Borrowings	967.3	1,014.1	1,050.8	1,190.6	1,094.1
Callable capital	1,375.1	1,375.1	1,375.1	1,375.1	1,375.1
Paid-in capital	388.2	388.2	388.2	388.2	388.2
Retained earnings & Reserves	520.2	489.7	457.9	561.2	580.2
Income Statement Data					
Loan income	75.2	70.2	56.6	47.9	56.5
Investment income	10.6	11.4	7.8	7.2	8.9
Borrowing costs	44.5	42.2	36.0	20.1	21.6
Foreign exchange translation	5.3	(1.7)	(6.0)	(1.0)	8.6
Derivative adjustment	(5.3)	(16.6)	(93.1)	(37.6)	6.6
Operating income	20.0	28.6	21.2	22.4	29.5
Comprehensive income / (loss)	30.5	31.8	(103.3)	(19.0)	33.8
Ratios					
Return on:					
Average assets	1.0%	1.4%	1.0%	1.1%	1.4%
Average investments	4.2%	5.0%	(7.6)%	(1.3)%	3.2%
Average loans outstanding	5.4%	4.9%	3.9%	3.7%	4.2%
Cost of borrowings	4.1%	3.7%	3.3%	1.8%	1.9%
Risk Adjusted Capital ⁽²⁾	26.0%	25.9%	23.3%	27.2%	N.A.

⁽¹⁾ Net of provisions.

⁽²⁾ Risk adjusted capital came into effect from the financial year ended December 2021.



Special Development Fund

The SDF was established in 1970 and is the Bank's largest pool of concessionary funding, offering loans on more favourable terms and conditions than those applied in the Bank's OCR. The SDF also provides grants and technical assistance to BMCs.

The SDF is a significant enabler in the Bank's mission to reduce poverty and contribute to sustained welfare enhancement in eligible BMCs. Successive replenishments of the SDF since its inception have served as a critical tool in CDB's contribution to transforming the lives of underserved and at-risk members of the population, particularly those in rural communities.

The SDF is composed of SDF (Unified) and SDF (Other) fund groups. SDF (Other) comprises a conglomeration of funds that operate under varied terms and conditions fixed by the Fund's various contributors. These differing terms and conditions created several complexities in the Fund's management and operations. Notably, the SDF (Other) no longer accepts new funds.

All members of the Bank are required to contribute to SDF (Unified), and contributions are also sought from non-members. These contributions are interest-free and provided on a multi-year basis for an indefinite term at predetermined times known as cycles, which currently run for four years. SDF

(Unified) has consistent terms, objectives, and procurement conditions, thus overcoming the challenges associated with individual donors and funding arrangements. There is a supplementary governance structure through an Annual Meeting of Contributors that focuses on the operations of SDF (Unified), and an annual report on the performance of the fund is provided. Non-members are also invited to participate as observers in meetings of the Bank's Board of Directors and Board of Governors.

Prior to new cycles, contributors enter into negotiations with the Bank to agree on the priority areas and programmes that should be addressed and the amount of SDF (Unified) resources necessary to realise the agreed objectives. The tenth cycle of SDF (Unified) was formally agreed by contributors with effect for the 2021–2024 period to address the themes of building social, economic, and environmental resilience.

Summary of Results

Result of Operations of the SDF

For the year ended December 31, 2024, comprehensive income was \$1.6 mn compared to \$4.2 mn in 2023. Total interest income for the year was \$18.9 mn, a marginal decrease from 2023. Net realised and unrealised gains of \$4.8 mn (being \$8.4 mn in 2023) resulted from declines in longer-term yields at the end of the year.



Total expenses were \$22.1 mn in 2024 compared to \$23.3 mn in 2023, with the increase in administrative expenses of \$1.2 mn being offset by the favourable movement in foreign exchange translation of \$2.4 mn.

- **Income from loans:** Loan income of \$12.4 mn declined marginally from \$12.8 mn in the prior year, as the average portfolio size remained relatively stable. The lending rates on this portfolio are set based on development objectives rather than market rates.
- **Income from cash and investments:** Income from cash and investments recorded an outturn of \$6.5 mn in 2024 as opposed to \$6.3 mn in 2023, reflecting a marginal increase over the prior period.
- **Administrative expenses:** Administrative expenses totalled \$23.2 mn in 2024 compared to \$22.0 mn in 2023, representing a 5.5% increase. The SDF's share of the Bank's total administrative expenses is determined by a predetermined cost-sharing formula, which is driven by the number of loan accounts and their status.

Financial Position of the SDF

- **Total assets:** As of December 31, 2024, total assets amounted to \$1,097.1 mn compared to \$1,077.2 mn in 2023.
- **Cash and Investments:** As of December 31, 2024, SDF cash and investments totalled \$333.5 mn compared to \$312.1 mn in 2023.
- **Loan portfolio:** Total outstanding loans were \$641.6 mn in 2024 compared to \$645.9 mn in 2023, reflecting a decrease of \$4.3 mn (0.7%).
- **Receivable from contributors:** This amount was \$115.2 mn in 2024 compared to \$118.9 mn in 2023, indicating additional settlements from members.
- **Liabilities and Contributions:** At year-end, liabilities and contributions totalled \$872.4 mn in 2024 compared to \$863.9 mn in 2023, with the change attributed to increases in contributions and accounts payable.
- **Contributed resources:** Contributions to the SDF, net of allocations to technical assistance and grant resources, went from \$164.2 mn in 2023 to \$174.1 mn in 2024, increasing by \$9.9 mn. This increase was due to contributions received in relation to SDF10.



Other Special Funds

The OSF were established to facilitate the Bank’s special operations by providing resources on concessionary terms to assist BMCs in achieving poverty reduction. The Bank accepts resources from members and other contributors to the OSF for on-lending or administration on terms agreed with these contributors, provided that the purposes align with the Bank’s objectives and functions.

Summary of Results

Results of Operations of the OSF

For 2024, comprehensive income amounted to \$1.2 mn compared to \$2.7 mn in 2023, representing a decrease of \$1.5 mn. This change was primarily due to adverse movements in unrealised foreign exchange translation, resulting in an unrealised gain of \$0.2 mn compared to a gain of \$1.9 mn in 2023.

- **Income from loans:** Income from loans was \$3.2 mn in 2024 compared to \$2.8 mn in 2023, reflecting an increase of \$0.4 mn.
- **Interest income from cash and investments:** This was recorded at \$3.0 mn in 2024 compared to \$2.5 mn in 2023, showing an increase of \$0.5 mn that was attributable to the rising interest rate environment.
- **Administrative expenses:** Administrative expenses totalled \$3.5 mn in 2024 compared to \$3.4 mn in 2023. The OSF’s share of the total administrative expenses for the Bank is based on a predetermined cost-sharing formula, which is driven by the number of loans and accounts and their status.

Financial Position of the OSF

- **Total assets:** This registered \$311.5 mn in 2024 compared to \$309.9 mn in 2023, representing an increase of \$1.6 mn.
- **Receivable from contributors:** This declined to \$19.1 mn from \$78.4 mn, resulting from the encashment of promissory notes related to the UKCIF.
- **Cash and investments:** Cash and investments amounted to \$134.6 mn compared to \$91.9 mn the previous year, reflecting additional contributed resources.
- **Accounts receivable:** This totalled \$59.3mn compared to \$39.3 mn the previous year, representing increased resources due from contributors.
- **Loan portfolio:** Total outstanding loans were \$98.5 mn compared to \$100.4 mn the previous year, representing a decrease of 1.9% from the prior period.
- **Liabilities and funds:** Liabilities and funds totalled \$311.5 mn compared to \$309.9 mn the previous year. This decrease largely reflects the decline in Technical Assistance and Grant resources.



Operations

In 2024, the Bank approved \$303.5 mn in loans, grants, and equity compared to \$461.6 mn the previous year. Loan and grant disbursements amounted to \$312.3 mn as opposed to the previous year's \$405.4 mn. Details are shown in the table below.

	Gross Approvals (\$ mn)		Disbursements (\$ mn)	
	2024	2023	2024	2023
OCR Loans	132.2	285.2	203.8	233.1
SFR Loans	112.7	102.8	42.0	47.0
Total Loans	244.9	388.0	245.8	280.1
SFR Grants and Equity	58.6	52.8	25.4	51.7
UKCIF	-	20.8	41.1	73.6
Total Grants	58.6	73.6	66.5	125.3
TOTAL	303.5	461.6	312.3	405.4

The three largest portfolios held across the Bank's Funds were by The Bahamas (11.0%), Saint Vincent and the Grenadines (10.4%), and Belize (10.4%).

- **Resource Transfers:** In 2024, there was a positive net transfer of resources (i.e., the net of disbursements of loans and grants less repayments of principal, interest, and charges) between CDB and its BMCs. The net flow of resources amounted to \$100.0 mn as opposed to \$222.6 mn in 2023, showing a decrease of 55.1%. The Bank continued to draw down on existing facilities mainly held with development partners and global funds, including the IDB, GCF, AF, EIB, and the Governments of Canada, the UK, and Italy during the year.
- **Repayments:** During the year, CDB received repayments totalling 104.2% (compared to 99.4% the previous year) of the total amounts charged to its borrowers. The excess of repayments over amounts billed was due to prepayments on certain loans. A breakdown by fund group is as follows:

	December 31, 2024			December 31, 2023		
	AMOUNTS IN \$ MN			AMOUNTS IN \$ MN		
	PRINCIPAL	INTEREST & CHARGES		PRINCIPAL	INTEREST & CHARGES	
	Billed	Received	%	Billed	Received	%
OCR	220.7	232.6	105.4	218.0	216.4	99.3
SDF	52.6	52.6	100.0	58.7	58.7	100.0
OSF	10.2	10.7	100.0	12.0	12.0	100.0
Total	283.5	295.4	104.2	288.7	287.1	99.4

Total Administrative Expenses

A comparative analysis of major administrative expenditure items is shown below. As of December 31, 2024, total administrative expenses amounted to \$45.8 mn, increasing by \$1.1 mn over the expenditures of \$44.7 mn experienced in 2023, primarily due to increased employee costs, partially offset by reduced depreciation expenses.

ANALYSIS OF ACTUAL EXPENSES FOR 2024 AND 2023

Stated in \$ mn

	2024	2023	VARIANCE
Employee costs	28.3	25.1	3.2
Professional fees and consultants	3.3	3.6	(0.3)
Travel	1.5	2.4	(0.9)
Maintenance and utilities	0.7	0.8	(0.1)
IT services	2.9	2.6	0.3
Other	5.1	3.9	1.2
Sub-total	41.8	38.4	3.4
Depreciation	4.0	6.3	(2.3)
Total	45.8	44.7	1.1





SECTION 6

FINANCIAL STATEMENTS





Ernst & Young Ltd
P.O. Box 261
Bridgetown, BB11000
Barbados, W.I.

Tel: 246 430 3900
Fax: 246 426 9551
246 430 3879
www.ey.com

Street Address
One Welches
Welches
St. Thomas, BB22025
Barbados, W.I.

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)

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
Allowance for expected credit losses (ECL)	
<p>Related disclosures in the financial statements are included in Notes 3, 5, 7, 8, 10, 11 and 22.</p> <p>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.</p> <p>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.</p> <p>Management compensates for any model and data deficiencies by applying judgmental overlays to ECL model outputs.</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>We assessed the reasonableness of all qualitative adjustments or overlays derived outside of specific model output.</p> <p>In addition, we assessed the adequacy of the disclosures in the financial statements.</p>

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)

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
Fair value of financial instruments – derivatives and hedge accounting	
<p>Related disclosures in the Financial Statements are included in Notes 3 and 12.</p> <p>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.</p> <p>Inaccurate application of hedge accounting estimates could result in incorrect classification and could have a significant impact on the statement of comprehensive income.</p> <p>The associated risk management disclosure is also complex and dependent upon high quality data.</p>	<p>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.</p> <p>We also assessed the adequacy of the disclosures in the financial statements, including the disclosure of valuation sensitivity and fair value hierarchy.</p>

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.



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.

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)

		<u>2024</u>	<u>2023</u>
	Notes		
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		<u>\$2,017,297</u>	<u>\$2,031,879</u>

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)

		<u>2024</u>	<u>2023</u>
	Notes		
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		<u>\$1,108,922</u>	<u>\$1,153,973</u>
Equity			
Subscriptions matured (net)	19(a)	\$388,177	\$388,177
Retained earnings and reserves	19(e)	520,198	489,729
Total Equity		<u>\$908,375</u>	<u>\$877,906</u>
Total Liabilities and Equity		<u><u>\$2,017,297</u></u>	<u><u>\$2,031,879</u></u>

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	Retained	Post Employment Obligations	Fair value	Other	
	Matured (net)	Earnings	Reserve	Reserve	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
(expresses in thousands of United States dollars, unless otherwise stated)

		<u>2024</u>	<u>2023</u>
	Notes		
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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

NOTE 1 – NATURE OF OPERATIONS

Corporate structure

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

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

Purpose and objectives

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

Membership

The membership of the Bank is open to:

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

The Bank’s members are classified as either:

- Borrowing member countries (“BMCs”) which comprise members of the Region that are qualified to borrow from the Bank.
- Non-regional members (“NRMs”) which comprise 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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

NOTE 3 – RISK MANAGEMENT

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

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

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

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

The Bank's Office of Risk Management (ORM) manages, coordinates, monitors and reports on the mitigation of all risks that the Bank faces such as strategic, financial, operational, and reputational risks. The ORM also has the responsibility for recommending and implementing new or amended policies and procedures for effective risk management to the BOD for approval and to ensure that risk awareness is embedded within the Bank's operations and among 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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

NOTE 3 – RISK MANAGEMENT...continued

The Bank is exposed to credit risk, market risk (currency and interest rate risk), liquidity risk and operational risk. By its very nature the Bank is also 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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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%

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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%).

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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				Total
	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	
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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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
	<u>\$136,167</u>	<u>\$202,980</u>	<u>\$113,006</u>	<u>\$4,859</u>	<u>\$457,012</u>

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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

As at December 31	2024					Total
	US\$	Yen	CHF	Euro	Other	
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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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

As at December 31	2023					Total
	US\$	Yen	CHF	Euro	Other	
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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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:

YEN	Effect on profit or loss (Income)/Expense	
	2024	2023
<u>Exchange rate movements</u>		
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		
<u>Exchange rate movements</u>		
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		
<u>Exchange rate movements</u>		
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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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...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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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.

At December 31	2024					Total
	0-3 months	3-12 months	1-5 years	Over 5 years	Non-interest generating/bearing	
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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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					Total
	0-3 months	3-12 months	1-5 years	Over 5 years	Non-interest generating/bearing	
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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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.

At December 31	2024				
	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
At December 31	2023				
	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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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.

At December 31	2024				Total
	0 - 3 months	3-12 months	1-5 years	Over 5 years	
Derivative financial instruments:					
Derivative liability	\$(5,976)	\$(18,275)	\$(37,505)	\$(82,698)	\$(144,454)
At December 31	2023				Total
	0 - 3 months	3-12 months	1-5 years	Over 5 years	
Derivative financial instruments:					
Derivative liability	\$(5,818)	\$(25,802)	\$(23,725)	\$(66,036)	\$(121,381)

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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			
<i>At December 31</i>	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			
<i>At December 31</i>	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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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	<u>2024</u>	<u>2023</u>
<i>Financial assets at fair value through OCI</i>		
Debt securities	<u>\$407,348</u>	<u>\$457,012</u>
	<u>\$407,348</u>	<u>\$457,012</u>
<i>Financial liabilities at fair value through profit or loss</i>		
Derivative financial instruments	<u>\$115,997</u>	<u>100,198</u>
	<u>\$115,997</u>	<u>\$100,198</u>

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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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:

Country	Interest income		Loans outstanding	
	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
	<u>\$75,212</u>	<u>\$70,233</u>	<u>\$1,465,566</u>	<u>\$1,426,063</u>

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

NOTE 5 – FINANCIAL ASSETS

Initial recognition and measurement of financial assets

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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

NOTE 5 – FINANCIAL ASSETS...continued

Fair Value Measurement...continued

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

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

Impairment of financial assets

Overview of the ECL principles

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

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

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

Determination of significant increase in credit risk

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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

NOTE 5 – FINANCIAL ASSETS...continued

Impairment of financial assets...continued

Debt instruments measured at fair value through OCI

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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

NOTE 5 – FINANCIAL ASSETS...continued

Impairment of financial assets...continued

Definition of default and cure...continued

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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, policies and its legal status. Financial assets of a non-sovereign nature are written off either partially or in their entirety only when the Bank has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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	-
	<u>\$99,179</u>	<u>\$86,104</u>

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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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 effective¹	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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

NOTE 10 – LOANS RECEIVABLE...continued

(a) Credit exposures...continued

2023				
Borrowers	Loans not yet effective¹	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	
	<u>\$89,369</u>	<u>\$323,039</u>	<u>\$1,426,063</u>	
2023				
Current			\$174,873	
Non-current			1,251,190	
			<u>\$1,426,063</u>	

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expresses 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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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:

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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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: -

	<u>2024</u>	<u>2023</u>
Gross carrying amount	\$5,226	\$7,488
Allowance for ECL	<u>(18)</u>	<u>(95)</u>
	<u>\$5,208</u>	<u>\$7,393</u>

(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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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:

	<u>2024</u>	<u>2023</u>
Gross carrying amount	<u><u>\$4,952</u></u>	<u><u>\$4,458</u></u>

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:

	<u>2024</u>	<u>2023</u>
Gross carrying amount	<u><u>\$1,321</u></u>	<u><u>\$1,321</u></u>
Allowance for ECL	<u><u>(7)</u></u>	<u><u>(43)</u></u>
	<u><u>\$1,314</u></u>	<u><u>\$1,278</u></u>

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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
		Fair values	
	Notional Amount		
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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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
<u>Fair Value Hedge</u>		
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%

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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
<u>Fair Value Hedge</u>		
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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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
<u>Fair Value Hedge</u>		
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)
	USD LIBOR	USD LIBOR
Weighted average hedged interest rate	-1.77%	-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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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	<ul style="list-style-type: none"> Adjustment to price based on commercial land sales in the area – USD\$9.05 to USD\$16.50 per square foot for commercial 	<p>The estimated fair value would increase /(decrease) if:</p> <ul style="list-style-type: none"> 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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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:

	<u>2024</u>	<u>2023</u>
Accounts payable	\$14,094	\$12,386
Accrued liabilities	<u>5,113</u>	<u>4,539</u>
	<u>\$19,207</u>	<u>\$16,925</u>

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

(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
<i>Quoted in active markets</i>		
Equity securities	\$58,584	\$51,462
	\$58,584	\$51,462
<i>Unquoted investments</i>		
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
<i>Unquoted investments</i>		
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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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)	

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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:

	<u>2024</u>	<u>2023</u>
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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expresses 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:

	<u>Pension charged to profit & loss</u>				<u>Remeasurement (gains)/losses in OCI</u>				
	<u>1-Jan-24</u>	<u>Current Service Cost</u>	<u>Net interest cost</u>	<u>Sub-total included in profit or loss</u>	<u>Experience adjustments</u>	<u>Net gain from change in financial & demographic assumptions</u>	<u>Sub-total included in OCI</u>	<u>Premiums paid by the bank</u>	
Medical obligation	\$3,005	\$63	\$246	\$309	\$399	\$-	\$399	\$(199)	\$3,514

	<u>Pension charged to profit & loss</u>				<u>Remeasurement (gains)/losses in OCI</u>				
	<u>1-Jan-23</u>	<u>Current Service Cost</u>	<u>Net interest cost</u>	<u>Sub-total included in profit or loss</u>	<u>Experience adjustments</u>	<u>Net gain from change in financial & demographic assumptions</u>	<u>Sub-total included in OCI</u>	<u>Premiums paid by the bank</u>	
Medical obligation	\$3,012	\$73	\$248	\$321	\$(143)	\$-	\$(143)	\$(185)	\$3,005

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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).

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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%).

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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	

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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	

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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							
Unamortised transaction costs	\$33,000	\$-	\$(14,438)	\$-	\$-	\$18,562	2028
	-	(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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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).

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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:

	<u>2024</u>	<u>2023</u>
Current	\$79,375	\$103,420
Non-current	887,922	910,661
	<u>\$967,297</u>	<u>\$1,014,081</u>

The most recent credit ratings are as follows:

	<u>Credit Rating</u>	<u>Last Updated</u>
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").

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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							Voting Power		Gross ^{2/} Receivable from members non- negotiable demand notes
Member	No. of Shares	% of Total	Total subscribed capital	Callable capital	Paid-up capital	Subscriptions Matured	No. of votes	% of total votes	
Regional States and Territories:									
Jamaica	48,354	17.31	\$291,659	\$227,614	\$64,045	\$64,045	48,504	17.14	-
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	2,737	0.97	-
Montserrat ^{1/}	533	0.19	3,215	2,509	706	706			-
British Virgin Islands ^{1/}	533	0.19	3,215	2,509	706	706			-
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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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		Gross ^{2/} Receivable from members non negotiable Demand notes
							No. of votes	% of total votes	
Non-Regional States:									
Canada	26,004	9.31	\$156,849	\$122,408	\$34,441	34,441	26,154	9.24	-
United Kingdom	26,004	9.31	156,849	122,408	34,441	34,441	26,154	9.24	-
Italy	15,588	5.58	94,023	73,376	20,647	20,647	15,738	5.56	-
Germany	15,588	5.58	94,023	73,376	20,647	20,647	15,738	5.56	-
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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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									
							Voting Power		Gross ^{2/} Receivable from members non-negotiable demand notes
Member	No. of Shares	% of Total	Total subscribed capital	Callable capital	Paid-up capital	Subscriptions Matured	No. of votes	% of total votes	
Regional States and Territories:									
Jamaica	48,354	17.31	\$291,659	\$227,614	\$64,045	\$64,045	48,504	17.14	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	2,737	0.97	-
Montserrat ^{1/}	533	0.19	3,215	2,509	706	706			-
British Virgin Islands ^{1/}	533	0.19	3,215	2,509	706	706			-
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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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									
<div>Voting Power</div>									Gross ^{2/} Receivable from members non- negotiable Demand notes
Member	No. of Shares	% of Total	Total subscribed capital	Callable capital	Paid-up capital	Subscriptions Matured	No. of votes	% of total votes	
Non-Regional States:									
Canada	26,004	9.31	\$156,849	\$122,408	\$34,441	\$34,441	26,154	9.24	-
United Kingdom	26,004	9.31	156,849	122,408	34,441	34,441	26,154	9.24	-
Italy	15,588	5.58	94,023	73,376	20,647	20,647	15,738	5.56	-
Germany	15,588	5.58	94,023	73,376	20,647	20,647	15,738	5.56	-
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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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:

	<u>2024</u>	<u>2023</u>
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)
	<u>\$520,198</u>	<u>\$489,729</u>

(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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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
<i>Loans outstanding – amortised cost</i>		
Interest income	\$71,866	\$66,400
Other fees and charges	3,346	3,833
<i>Income from loans and receivables</i>	75,212	70,233
<i>Debt securities – FVOCI</i>		
Bonds	8,170	7,820
US Treasuries	105	639
Time deposits	977	2,237
Management fees	(56)	(52)
<i>Cash and cash equivalents</i>		
Cash	1,386	647
Cash collateral balance	-	92
Interest and similar income	\$85,794	\$81,616

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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
<i>Loans outstanding – amortised cost</i>		
Interest income	\$71,866	\$66,400
<i>Debt securities – FVOCI</i>		
Bonds	\$8,170	\$7,820
US Treasuries	105	639
Time deposits	977	2,237
	<u>\$81,118</u>	<u>\$77,096</u>

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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

NOTE 21 – OPERATING EXPENSE...continued

Employee costs charged to the OCR were as follows:

	<u>2024</u>	<u>2023</u>
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
	<u>\$11,828</u>	<u>\$10,853</u>

^{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).

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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)

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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:

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

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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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:

	<u>2024</u>	<u>2023</u>
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	<u>\$122</u>	<u>\$(3)</u>
	<u>\$11,297</u>	<u>\$24,510</u>

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

	<u>2024</u>	<u>2023</u>
Salaries, benefits and allowances	<u>\$3,487</u>	<u>\$2,799</u>
	<u>\$3,487</u>	<u>\$2,799</u>

- (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.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.



**Shape the future
with confidence**

Ernst & Young Ltd
P.O. Box 261
Bridgetown, BB11000
Barbados, W.I.

Tel: 246 430 3900
Fax: 246 426 9551
246 430 3879
www.ey.com

Street Address
One Welches
Welches
St. Thomas, BB22025
Barbados, W.I.

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.



**Shape the future
with confidence**

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.



**Shape the future
with confidence**

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)

	<u>2024</u>	<u>2023</u>
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)

	<u>2024</u>	<u>2023</u>
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
<i>Total cash flows used in operating activities before changes in operating assets and liabilities</i>	(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).

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND (OTHER)
SUMMARY STATEMENT OF LOANS...continued
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	Undisbursed	Outstanding^{1/}	% 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	Outstanding^{1/}	% 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			% of total loans outstanding
	Loans approved but not yet effective	Undisbursed	Outstanding ^{1/}	
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

Analysis by Contributor	2023			% of total loans outstanding
	Loans approved but not yet effective	Undisbursed Outstanding ^{1/}		
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

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					
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)

2023					SCHEDULE 3
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

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 ^{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 conversions to United States dollars in accordance with the funding Rules of the Unified Special Development Fund.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND
STATEMENT OF ACCUMULATED NET INCOME...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
	<u>\$760,723</u>	<u>\$1,413</u>	<u>\$14,406</u>	<u>\$776,542</u>
(d) Special Development Fund (Other)				
Swedish krona	\$ 2,506	\$75	\$-	\$2,581
United States dollars	25,540	\$-	\$-	25,540
	<u>\$28,046</u>	<u>\$75</u>	<u>\$-</u>	<u>\$28,121</u>

1/ Net of conversions to United States dollars in accordance with the funding Rules of the Unified Special Development Fund.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND
STATEMENT OF ACCUMULATED NET INCOME...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

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

	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

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

1. NATURE OF OPERATIONS

The Special Development Fund (SDF) was established to carry out the special operations of the Caribbean Development Bank (the Bank) by providing resources on concessional terms to assist borrowing members primarily for poverty reduction. Resources are provided by contributions from members and other contributors.

2. SUMMARY OF 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.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND
NOTES TO THE FINANCIAL STATEMENTS...continued
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND
NOTES TO THE FINANCIAL STATEMENTS...continued
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND
NOTES TO THE FINANCIAL STATEMENTS...continued
For the year ended December 31, 2024
(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).

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND
NOTES TO THE FINANCIAL STATEMENTS...continued
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

5. FUNDS

In accordance with the Agreement establishing the Bank (the Charter), Special Funds Resources comprise the Special Development Fund and Other Special Funds established or administered by the Bank, including technical assistance and other grant resources contributed on a non-reimbursable basis. The Special Development Fund was established to receive contributions or loans which may be used to make or guarantee loans of high developmental priority, comprising longer maturities, longer deferred commencement of repayment and lower interest rates than those determined by the Bank in its Ordinary Operations. As a result of Rules adopted by the Bank in May 1983 for the Special Development Fund, contributions to the Special Development Fund currently comprise funds made available to the Bank under the rules applicable to the old Special Development Fund (referred to herein as "Other") and shown separately from funds made available to the Bank from the Unified SDF (referred to herein as "Unified").

Details of contributions and loan resources to the Special Development Fund are stated at the equivalent in thousands of United States dollars where such contributions and loans have been made in currencies other than United States dollars, and are as follows:

(i) Special Development Fund – Unified

	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.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND
NOTES TO THE FINANCIAL STATEMENTS...continued
For the year ended December 31, 2024
(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.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – SPECIAL DEVELOPMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(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)
	<hr/>
Balance at December 31, 2023	\$164,238
Allocations for the year	23,000
Expenditure for the year	(13,110)
	<hr/>
Balance at December 31, 2024	<u><u>\$174,128</u></u>

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
	<hr/>	<hr/>
Accounts payable – general	\$59,838	\$51,993
Interfund payables	2,724	6,841
	<hr/>	<hr/>
	<u><u>\$62,562</u></u>	<u><u>\$58,834</u></u>



Ernst & Young Ltd
P.O. Box 261
Bridgetown, BB11000
Barbados, W.I.

Tel: 246 430 3900
Fax: 246 426 9551
246 430 3879
www.ey.com

Street Address
One Welches
Welches
St. Thomas, BB22025
Barbados, W.I.

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.



**Shape the future
with confidence**

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.



**Shape the future
with confidence**

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)

	<u>2024</u>	<u>2023</u>
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).

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

Currencies receivable	Loans outstanding 2023	Translation adjustment	2024		Repayments	Loans outstanding 2024
			Net Interest earned	Disbursements		
Special Drawing Rights United States dollars	\$4,673	\$(141)	\$-	\$-	\$(728)	\$3,804
	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

Currencies receivable	Loans outstanding 2022	Translation adjustment	2023		Repayments	Loans outstanding 2023
			Net Interest earned	Disbursements		
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
	<u>\$95,845</u>	<u>\$56</u>	<u>\$111</u>	<u>\$11,151</u>	<u>\$(6,757)</u>	<u>\$100,406</u>

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
	<u>\$100,406</u>

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)

Contributors	SCHEDULE 3	
	2024	
	Contributions	
	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)

Contributors	SCHEDULE 3	
	2023	
	Contributions	
	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

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
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

Contributors	2024			
	Contributors			Net Amounts available
	Total ^{1/}	Amounts made available	Amounts utilised	
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

Contributors	2023			
	Contributors			Net Amounts available
	Total ^{1/}	Amounts made available	Amounts utilised	
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.

CARIBBEAN DEVELOPMENT BANK

SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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

1. NATURE OF OPERATIONS

The Other Special Fund Group ("OSF" or "the Fund") was established to carry out the special operations of the Caribbean Development Bank ("the Bank") by providing resources on concessional terms to assist borrowing members primarily for poverty reduction. Resources are provided by contributions from members and other contributors.

2. SUMMARY OF 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.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

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	-
	<u>\$80,235</u>	<u>\$41,795</u>

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
(expressed in thousands of United States dollars, unless otherwise stated)

4. INVESTMENTS

As part of its overall portfolio management strategy, the Fund invests in Government agency, supranational and bank obligations, including time deposits. The Fund limits its activities of investing in securities to well established dealers and counterparties meeting minimum credit rating standards set by the Fund.

The 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.

CARIBBEAN DEVELOPMENT BANK

SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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

5. FUNDS...continued

Details of contributions, loans and technical assistance resources of the OSF are stated at the equivalent in thousands of United States dollars where such contributions, loans and technical assistance grants have been made in currencies other than United States dollars and are as follows:

	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.

CARIBBEAN DEVELOPMENT BANK

SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

(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.

CARIBBEAN DEVELOPMENT BANK

SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

(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
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.

CARIBBEAN DEVELOPMENT BANK

SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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	<u>(5,508)</u>	972	<u>(5,314)</u>	1,166	
Credit No. 1364/CRG	7,075		7,295		1993-2033
Less repayments	<u>(5,271)</u>	1,804	<u>(5,216)</u>	2,079	
Credit No. 1785/CRG	6,043		6,231		1997-2030
Less repayments	<u>(3,777)</u>	2,266	<u>(3,707)</u>	2,524	
Credit No. 2135/CRG	7,264		7,491		2000-2030
Less repayments	<u>(5,666)</u>	1,598	<u>(5,543)</u>	1,948	
Repayable contributions (Schedule 3)		<u>\$6,640</u>		<u>\$7,717</u>	

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

CARIBBEAN DEVELOPMENT BANK

SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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

CARIBBEAN DEVELOPMENT BANK

SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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

CARIBBEAN DEVELOPMENT BANK

SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

(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



APPENDICES



BOARD OF GOVERNORS AND ALTERNATES AS AT DECEMBER 2024

CHAIR AND VICE-CHAIR 2024-2025

Dr. Renata Vargas Amaral Hon. Lennox Andrews Hon. PAN Gongsheng	Brazil Grenada China	Chair Vice-Chair Vice-Chair
---	----------------------------	-----------------------------------

COUNTRY	GOVERNOR	ALTERNATE GOVERNOR
Anguilla, British Virgin Islands, Montserrat and Turks and Caicos Islands	The Hon. Reuben T. Meade, Premier MONTSERRAT	Dr. The Hon. Ellis L. Webster, Premier ANGUILLA
Antigua and Barbuda	Hon. Gaston Browne, Prime Minister and Minister, of Finance and Corporate Governance	Mr. Whitfield Harris, Jr., Special Advisor, Ministry of Finance and Corporate Governance
The Bahamas	Senator the Hon. Michael Halkitis, Minister of Economic Affairs and Leader of Govt Business in the Senate, Ministry of Finance	Mr. Simon Wilson, Financial Secretary, Ministry of Finance
Barbados	Hon. Mia Amor Mottley, QC. MP, Prime Minister and Minister of Finance, Economic Affairs and Investment	Mr. Ian St. C. Carrington, Director of Finance and Economic Affairs Ministry of Finance, Economic Affairs and Investment
Belize	Hon. John Antonio Briceño, Prime Minister and Minister of Finance, Economic Development and Investment	Hon. Christopher Coye, Minister of State, Ministry of Finance
Brazil	Dr. Renata Vargas Amaral, Secretary for International Affairs and Development, Ministry of Planning and Budget	Mr. João Luis Rossi, Director for International Organisations and Development, Ministry of Planning and Budget
Canada	The Hon. Ahmed Hussen, Minister of International Development, Global Affairs Canada	Mr. Rick Stewart Assistant Deputy Minister, International Trade and Finance, Branch Department of Finance Canada
Colombia	Hon. Richardo Bonilla González, Minister of Finance and Public Credit,	Mrs Luz Stella, Campillo Hernandez, Deputy Director of Financing with Multilateral Banks, Ministry of Finance and Public Credit

BOARD OF GOVERNORS AND ALTERNATES AS AT DECEMBER 2024

COUNTRY	GOVERNOR	ALTERNATE GOVERNOR
Dominica	Dr. The Hon. Irving McIntyre, Minister of Finance and Economic Development, Climate Resilience and Social Security	
Germany	Mr. Niels Annen, Parliamentary State Secretary, Federal Ministry for Economic Cooperation and Development	Dr. Rüdiger Wilhelm von Kleist, Acting Deputy Director General, International Finance, Federal Ministry of Finance
Grenada	Hon. Lennox Andrews, Minister of Economic Development, Planning, Tourism, ICT, Creative Economy, Agriculture and Lands, Fisheries and Co-operatives	Mr. Mike Sylvester, Permanent Secretary, Ministry of Finance, Economic and Physical Development, Public Utilities and Energy
Guyana	Hon. Dr. Bharrat Jagdeo, Vice-President	Dr. The Hon. Ashni Singh, Senior Minister with Responsibility for Finance, Office of the President
Haiti	Hon. Alfred Fils Metellus, Minister of the Economy and Finance	Mr. Ronald Gabriel, Governor, Central Bank of Haiti
Italy	Mr. Giancarlo Giorgetti, Minister of Economy and Finance	Ms. Francesca Utili, Head of International Financial Relations, Treasury Department, Ministry of Economy and Finance
Jamaica	Dr. Nigel Clarke*, DPhil, MP Minister of Finance and the Public Service	Ms. Darlene Morrison, Financial Secretary (Ag.), Ministry of Finance and the Public Service
Mexico	Mr. Rogelio Eduardo Ramírez de la O, Minister of Finance and Public Credit	Mr. Edgar Amador Zamora, Deputy Minister of Finance and Public Credit

*Until October 2024

BOARD OF GOVERNORS AND ALTERNATES AS AT DECEMBER 2024

COUNTRY	GOVERNOR	ALTERNATE GOVERNOR
People's Republic of China	Hon. PAN Gongsheng Governor People's Bank of China	Mr. Xuan Changneng, Deputy Governor People's Bank of China
St. Kitts and Nevis	Dr. The Hon. Terrance Michael Drew, Prime Minister and Minister of Finance, National Security, Citizenship and Immigration, Health and Social Security	Mrs. Hilary Hazel, Financial Secretary, Ministry of Finance
Saint Lucia	Hon. Philip J. Pierre, Prime Minister and Minister for Finance, Economic Development and the Youth Economy	Mr. Paul Hilaire, Permanent Secretary, Department of Economic Development and the Youth Economy
Saint Vincent and the Grenadines	Hon. Camillo Gonsalves, Minister of Finance, Economic Planning and Information Technology	
Suriname	Mr. Kermechend Raghoebarsing, Minister of Finance and Planning	
Trinidad and Tobago	Hon. Pernelle Beckles, Minister of Planning and Development	Hon. Colm Imbert, Minister of Finance
United Kingdom	Ms Anneliese Dodds, MP Minister of State (Development and Africa), Foreign, Commonwealth and Development Office	Baroness Jennifer Chapman, MP Minister of State (International Development, Latin America and Caribbean), Foreign, Commonwealth and Development Office
Venezuela	Mr. Simon Zerpa Delgado, President, Venezuelan Economic and Social Development Bank (BANDES)	Ambassador Raul Licausi, Deputy Foreign Minister for Caribbean Affairs, Ministry of People's Power for Foreign Affairs

BOARD OF DIRECTORS LISTING AS AT DECEMBER 2024

DIRECTOR	ALTERNATE DIRECTOR
<p>JAMAICA</p> <p>Ms. Dian Black, Deputy Financial Secretary, Economic Management Division, Ministry of Finance and the Public Service, 30 National Heroes Circle, P.O. Box 512, Kingston</p>	<p>Mr. Trevor Anderson, Chief Fiscal Economist, Ministry of Finance and the Public Service, 30 National Heroes Circle, P.O. Box 512, Kingston</p>
<p>TRINIDAD AND TOBAGO AND HAITI</p> <p>Ms. Aarti Bedassie Maharaj, Permanent Secretary (Ag), Ministry of Planning and Development, Level 14, Eric Williams Financial Complex, Independence Square, Port of Spain</p> <p>ADVISER</p> <p>Mr. David J. Mompont Head, Inter-Ministerial Investment Committee, Ministry of the Economy and Finance, 9 b Senghor Street, Martin Luther King Avenue Port-au-Prince</p>	<p>Ms. Suzette Taylor Lee Chee, Permanent Secretary, Ministry of Finance, Level II, Eric Williams Finance Building, Independence Square, Port of Spain</p>
<p>THE BAHAMAS</p> <p>Mr. Simon Wilson, Financial Secretary, Ministry of Finance, P.O. Box N-3017, Nassau</p>	<p>Ms. Christine Thompson Deputy Director, Economic Unit Ministry of Finance P.O.Box N-3017 Nassau</p>
<p>GUYANA</p> <p>Dr. Tarachand Balgobin Chief Planning Officer, Ministry of Finance 49 Main & Urquhart Streets Georgetown</p>	<p>Mr. Bernard Lord, Director of Projects, Project Cycle Management Division, Ministry of Finance, 49 Main & Urquhart Streets, Georgetown</p>

BOARD OF DIRECTORS LISTING AS AT DECEMBER 2024

DIRECTOR	ALTERNATE DIRECTOR
BARBADOS Mr. Ian St. C. Carrington Director of Finance and Economic Affairs Ministry of Finance, Economic Affairs and Investment Government Headquarters Bay Street St. Michael	Mrs. Nancy Headley Permanent Secretary Ministry of Finance, Economic Affairs and Investment Government Headquarters Bay Street St. Michael
DOMINICA AND SAINT LUCIA Mrs. Denise Edwards, Financial Secretary, Ministry of Finance and Planning, 5th Floor, Financial Centre, Kennedy Avenue, Roseau DOMINICA	Mr. Paul Hilaire, Permanent Secretary, Department of Economic Development and Youth Economy, First Floor, Financial Complex SAINT LUCIA
GRENADA AND SAINT VINCENT AND THE GRENADINES Mr. Recardo Frederick, Director of Economic Planning, Ministry of Finance, Economic Planning, Sustainable Development and Information Technology, 1st Floor, Administrative Centre Kingstown SAINT VINCENT AND THE GRENADINES	Mr. Kendall Alexander, Advisor, Economic Development and Planning, Ministry of Economic Planning, Tourism, ICT, and Creative Economy, Ministerial Complex, Botanical Gardens, The Carenage, St. George's, GRENADA
BELIZE AND ANGUILLA, BRITISH VIRGIN ISLANDS, CAYMAN ISLANDS, MONTserrat, AND TURKS AND CAICOS ISLANDS Mr. Valentino Shal, Chief Executive Officer, Ministry of Rural Transformation, Community Development, Local Government and Labour, Belmopan BELIZE	Mr. Kenya Lee, Honourable Financial Secretary (Ag), Ministry of Finance and Economic Management, Government Headquarters, MONTserrat

BOARD OF DIRECTORS LISTING AS AT DECEMBER 2024

DIRECTOR	ALTERNATE DIRECTOR
ANTIGUA AND BARBUDA AND ST. KITTS AND NEVIS Mrs. Hilary Hazel Financial Secretary Ministry of Finance P.O. Box 186 Basseterre ST. KITTS AND NEVIS	Mr. Whitfield Harris, Jr., Special Advisor Ministry of Finance and Corporate Governance Government Office Complex Parliament Drive St. John's ANTIGUA AND BARBUDA
SURINAME Mrs. Iris Sandel Director, Development Planning, Ministry of Finance, Tamarindelaan #3 Paramaribo	
BRAZIL Dr. Fabio Marvulle Bueno Coordinator for International Organisations, Secretariat for International Affairs and Development Ministry of Planning and Budget Esplanada dos Ministérios, Bloco K, 8º Andar, CEP: 70040-906, Brasília-F	Ms. Daniele Beche Head of Relations Division with International Organisations Ministry of Planning and Budget Esplanada dos Ministérios, Bloco K, 8º Andar CEP 70040-906 Brasília-DF
COLOMBIA Ms. Olga Lucía Moncayo Adviser of the Deputy Director of Financing with Multilaterals and Governments Ministry of Finance and Public Credit Carrera 8 #6-64 Santafe Bogota	Mr. Gerardo Romel Espitia Peña Sub-Directorate for Financing with Multilateral Organisations and Governments, General Directorate of Public Credit and National Treasury Ministry of Finance and Public Credit Carrera 8 #6-64, Santafe Bogota

BOARD OF DIRECTORS LISTING AS AT DECEMBER 2024

DIRECTOR	ALTERNATE DIRECTOR
VENEZUELA Mr. Augustin Enrique Leon Navas, Executive Manager of International Cooperation and Financing, Economic and Social Development Bank (BANDES), Avenida Universidad, Traposos a Colon Torre Bandes, Caracas 1010	Mrs. Mariangelina Urbina, Executive Manager, Economic and Social Development Bank (BANDES), Avenida Universidad, Traposos a Colon Torre Bandes, Caracas 1010
MEXICO Ms. Dulce María Rivera Maza, Director of Politics with the International Financial Organizations, Ministry of Finance and Public Credit, Av. Insurgentes Sur 1971 Torre III Piso 7, Colonia Guadalupe Inn, Alcaldía Alvaro Obregon, Ciudad de Mexico, C.P. 01020	Mr. Luis Ismael López Salas, Deputy Director for Financial Affairs with International Financial Institutions Ministry of Finance and Public Credit
CANADA Mr. Geoff Black, Director, International Financial Institutions, Global Affairs Canada, RT-A112, Rideau Pavilion, 111 Promenade Sussex Drive Ottawa CANADA	Ms. Katie Birks, Alternate Director to CDB, High Commission of Canada, Bishop's Court Hill P.O. Box 404 Bridgetown BARBADOS
UNITED KINGDOM Mr. Malcolm Geere Development Director for the Caribbean Foreign, Commonwealth and Development Office British High Commission Lower Collymore Rock PO Box 167 Bridgetown BARBADOS	Ms. Victoria Penson Deputy Development Director for the Caribbean Foreign, Commonwealth and Development Office British High Commission Lower Collymore Rock PO Box 167 Bridgetown BARBADOS

BOARD OF DIRECTORS LISTING AS AT DECEMBER 2024

DIRECTOR	ALTERNATE DIRECTOR
ITALY Ms. Paola Pettinari Senior Advisor, Multilateral Development Banks Ministry of Economy and Finance Department of the Treasury Directorate for International Financial Relations Via XX Settembre 97 00187 Roma	Mr. Simone Alberto Platania Ministry of Economy and Finance Department of the Treasury Directorate for International Financial Relations Via XX Settembre 97 00187 Roma
GERMANY Dr. Katrin Schroeder Advisor to the Executive Director for Germany The World Bank Group 1818 H Street NW Washington DC 20433 UNITED STATES OF AMERICA	Mr. Marcel Rafael Grella Senior Policy Officer, Federal Ministry for Economic Cooperation and Development (BMZ) Division 414: Regional Development Banks Stresemannstr. 94 10961 Berlin GERMANY
CHINA Dr. ZHOU Yu Director-General International Department The People's Bank of China 32 Cheng Fang Street West District Beijing 100800	Mr. LIU Wenzhong Chief Representative of the Liaison Office of the People's Bank of China and CDB's Alternate Director for China Embassy of the People's Republic of China No. 25 Foursquare Rockley Golf & Country Club Golf Club Road Christ Church BARBADOS

PRINCIPAL OFFICERS OF THE BANK AS AT DECEMBER 31, 2024

OFFICE OF THE PRESIDENT

President (Ag.)
Advisor to the President (Ag.)
Chief Risk Officer
Head, Internal Audit
Head, Office of Integrity, Compliance and Accountability
Head of Evaluation, Office of Independent Evaluation (Ag.)
General Counsel & Bank Secretary
Advisor to the General Counsel
Deputy General Counsel
Director, Human Resources & Administration
Advisor to the Director, Human Resources & Administration
Chief Strategy and Accountability Officer
Deputy Director, Corporate Strategy

Mr. Isaac Solomon*
Mr. Elbert Ellis
Mr. Stefano Capodagli**
Mrs. Tamara Baugh-Brissett
Dr. Toussant Boyce
Dr. Serena Rossignoli
Mrs. Diana Wilson Patrick**
Ms. Frances Okosi
Mr. Dave Waithe
Mr. Phillip Brown**
Mr. Filip Borkowy
Ms. Onika Miller**
Ms. Ann-Marie Warner

CORPORATE SERVICES

Vice-President, Finance & Corporate Services (VPFCS)
Advisor to the VPFCS
Director, Finance (Ag.)
Deputy Director, Finance (Ag.)
Deputy Chief, Information and Technology Officer (Ag)
Director, Communications and Corporate Affairs
Head, Corporate Communications

Mr. Gregory Hill**
Mrs. Fay Alleyne Kirnon
Mrs. Faye Hardy**
Mrs. Deniece Yarde
Mr. Angus Aird
Ms. Valerie Poiré**
Ms. Camille Taylor

OPERATIONS

Vice-President, Operations (VPO) (Ag.)
Advisor to the VPO
Director, Economics
Deputy Director, Economics
Director, Projects (Ag.)
Advisor to the Director of Projects
Division Chief, Social Sector
Head of Procurement, Procurement Policy Unit
Division Chief, Environmental Sustainability
Division Chief, Economic Infrastructure (Ag.)
Coordinator, Sustainable Energy Unit
Programme Manager, Infrastructure Partnerships

Mrs. Therese Turner-Jones**
Dr. Darran Newman
Mr. Ian Durant**
Ms. Christine Dawson
Mr. L. O'Reilly Lewis**
Mr. Stephen Sandiford
Dr. Martin Baptiste
Mr. Douglas Fraser
Ms. Valerie Isaac
Mr. William Ashby
Mr. Joseph Williams
Mrs. Sharon Griffith

*Chairman, Strategic Advisory Team

**Member, Strategic Advisory Team

ABBREVIATIONS AND ACRONYMS

\$ refers to US Dollars throughout unless otherwise stated.

AF	-	Adaptation Fund
AI	-	Artificial Intelligence
BMC	-	Borrowing Member Country
BNTF	-	Basic Needs Trust Fund
BOD	-	Board of Directors
CAF	-	Capital Adequacy Framework
CARICOM	-	Caribbean Community
CCRIF	-	Caribbean Catastrophe Risk Insurance Facility
CDB	-	Caribbean Development Bank
CGF	-	Green Climate Fund
CI	-	Cultural Industries
CIIF	-	Cultural and Creative Industries Innovation Fund
EEA	-	Exposure Exchange Agreement
EIB	-	European Investment Bank
EU	-	European Union
GDP	-	Gross Domestic Product
IAD	-	Internal Audit Division
ICA	-	Office of Integrity, Compliance, and Accountability
IDB	-	Inter-American Development Bank
IFRS	-	International Financial Reporting Standards
IMF	-	International Monetary Fund
Km	-	Kilometres
MDB	-	Multilateral Development Bank
Mn	-	Million
MSME	-	Micro-, small-, and medium-sized enterprise
OCR	-	Ordinary Capital Resources
OCI	-	Other Comprehensive Income
OECS	-	Organisation of Eastern Caribbean States
OIE	-	Office of Independent Evaluation
ORM	-	Office of Risk Management
PPF	-	Project Preparation Facilities
RAC	-	Risk-adjusted Capital
SDF	-	Special Development Fund
SEN	-	Special Education Needs
SFR	-	Special Funds Resources
S&P	-	Standard and Poor
SIDS	-	Small Island Developing States
TA	-	Technical Assistance
UK	-	United Kingdom
UKCIF	-	United Kingdom Caribbean Infrastructure Partnership Fund
UN	-	United Nations
US	-	United States of America



2024 ANNUAL REPORT



ANNUAL REPORT 2024

