

PUBLIC DISCLOSURE AUTHORISED

CARIBBEAN DEVELOPMENT BANK



Statement of Interim Financial Position (Unaudited)

For the Period Ended June 30, 2011

(Expressed in thousands of United States Dollars unless otherwise stated)

This Document is being made publicly available in accordance with the Bank's Information Disclosure Policy.

October 2011

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

As of June 30, 2011

(expressed in thousands of United States dollars)

	June 30	December 31
	2011	2010
Assets		
Cash Resources		
Cash and cash equivalents	\$55,143	\$9,434
Investments		
Debt securities at fair value through profit or loss (Schedule 1)	109,245	103,212
Loans		
Loans outstanding (Schedule 2)	979,838	993,548
Derivative financial instruments		
Cross currency interest rate swaps	100,689	98,964
Amounts required to meet maintenance of value on currency holdings	108	998
	100,797	99,962
Receivable from members		
Non-negotiable demand notes (Schedule 3)	44,465	44,368
Subscriptions in arrears	1,250	1,250
	45,715	45,618
Receivables - other	15,928	11,048
Other assets		
Property and equipment at cost	8,217	8,305
Total assets	\$1,314,883	\$1,271,127

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF FINANCIAL POSITION
As of June 30, 2011
(expressed in thousands of United States dollars)**

	<u>June 30 2011</u>	<u>December 31 2010</u>
Liabilities and Equity		
Liabilities		
Accounts payable and accrued liabilities	\$1,493	\$1,903
Subscriptions in advance	5,172	6,207
Deferred income	875	875
Post-employment benefits	1,832	1,832
Derivative financial instruments		
Amounts payable to meet maintenance of value on currency holdings	352	297
Borrowings		
Short term facility (Schedule 4)	20,000	-
Long term borrowings (Schedule 4)	<u>655,843</u>	<u>653,240</u>
Total liabilities	<u>685,567</u>	<u>664,354</u>
Equity		
Capital stock - (Schedule 3)		
Authorised capital - 312,971 (2010 - 312,971) shares		
Subscribed capital - 184,387 (2010 - 146,022) shares	1,176,376	937,193
Less callable capital - 143,683 (2010 - 113,759) shares	<u>916,989</u>	<u>730,433</u>
Paid-up capital - 40,704 (2010 - 32,263) shares	259,387	206,760
Less subscriptions not yet matured	<u>93,556</u>	<u>49,327</u>
Subscriptions matured	165,831	157,433
Retained earnings & Reserves	<u>463,485</u>	<u>449,340</u>
Total equity	<u>629,316</u>	<u>606,773</u>
Total liabilities and equity	<u>\$1,314,883</u>	<u>\$1,271,127</u>

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF CHANGES IN EQUITY
For the period ended June 30, 2011
(expressed in thousands of United States dollars)**

	Capital stock	Retained earnings	Reserves	Total
Balance at January 1, 2010	157,433	393,990	14,110	565,533
Comprehensive income for the period	-	25,377	-	25,377
Balance at June 30, 2010	157,433	419,367	14,110	590,910
Balance at January 1, 2011	157,433	435,230	14,110	606,773
Issued Share Capital	8,398	-	-	8,398
Comprehensive income for the period	-	14,145	-	14,145
Balance at June 30, 2011	165,831	449,375	14,110	629,316

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF COMPREHENSIVE INCOME
For the period ended June 30, 2011
(expressed in thousands of United States dollars)**

	<u>2011</u>	<u>2010</u>
Interest and similar income		
Loans	\$21,236	\$21,035
Investments and cash balances	<u>1,325</u>	<u>2,677</u>
	<u>22,561</u>	<u>23,712</u>
Interest expense and similar charges		
Borrowings	4,878	5,911
Other financial expenses	<u>(1,886)</u>	<u>(1,621)</u>
	<u>2,992</u>	<u>4,290</u>
Net interest income	<u>19,569</u>	<u>19,422</u>
Other expenses/(income)		
Other income	(59)	31
Realised and unrealised fair value (gains)/losses	206	375
Administrative expenses	4,578	4,243
Foreign exchange translation	2,906	8,179
Derivative fair value adjustment	<u>(2,207)</u>	<u>(18,783)</u>
	<u>5,424</u>	<u>(5,955)</u>
Comprehensive income for the period	<u>\$ 14,145</u>	<u>\$25,377</u>

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
(expressed in thousands of United States dollars)

	<u>Apr - Jun 2011</u>	<u>Apr - Jun 2010</u>
Interest and similar income		
Loans	\$10,618	\$10,466
Investments and cash balances	<u>651</u>	<u>1,170</u>
	<u>11,269</u>	<u>11,636</u>
Interest expense and similar charges		
Borrowings	2,458	2,785
Other financial expenses	<u>(948)</u>	<u>(686)</u>
	<u>1,510</u>	<u>2,099</u>
Net interest income	<u>9,759</u>	<u>9,537</u>
Other expenses/(income)		
Other income	(9)	68
Realised and unrealised fair value (gains)/losses	(2)	391
Administrative expenses	2,325	2,252
Foreign exchange losses/(gains)	6,965	11,031
Derivative fair value adjustment	<u>(14,476)</u>	<u>(23,437)</u>
Total expenses	<u>(5,197)</u>	<u>(9,695)</u>
Comprehensive income for the period	<u>\$14,956</u>	<u>\$19,232</u>

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF CASH FLOWS
For the period ended June 30, 2011
(expressed in thousands of United States dollars)

	<u>2011</u>	<u>2010</u>
Operating activities:		
Comprehensive (loss)/income for the period	\$ 14,145	\$ 25,377
Adjustments:		
Unrealised loss/(gain) on debt securities	203	509
Depreciation	740	719
Gain on disposal of fixed assets	-	-
Derivative fair value adjustment	(2,207)	(18,835)
Interest income	(22,561)	(23,712)
Interest expense	2,992	4,290
Total cash flows from operating profits before changes in operating assets and liabilities	<u>(6,688)</u>	<u>(11,652)</u>
Changes in operating assets and liabilities:		
(Increase)/decrease in accounts receivable	(4,880)	6,255
Decrease in accounts payable	(410)	(783)
Net (increase)/decrease in debt securities at fair value through profit and loss	<u>(6,528)</u>	<u>41,749</u>
Cash used in/(from) operating activities	<u>(18,506)</u>	<u>35,569</u>
Disbursements on loans	(26,817)	(83,854)
Principal repayments to the Bank on loans	40,249	34,213
Interest received	23,131	25,703
Interest paid	<u>(2,532)</u>	<u>(3,158)</u>
Net cash from operating activities	<u>15,525</u>	<u>8,473</u>
Investing activities:		
Purchases of property and equipment	(649)	(556)
Proceeds from sale of property and equipment	<u>-</u>	<u>-</u>
Net cash used in investing activities	<u>(649)</u>	<u>(556)</u>
Financing activities:		
Borrowings:		
Drawdowns	20,608	607
Repayments	(556)	(60,556)
Capital subscriptions	8,398	-
Increase in amounts required to maintain the value of currency holdings	(74)	(1,716)
Decrease in other receivables from members	<u>(97)</u>	<u>(147)</u>
Net cash from/(used in) financing activities	<u>28,829</u>	<u>61,812</u>
Net decrease in cash and cash equivalents	43,155	(53,895)
Net foreign exchange difference	2,554	8,321
Cash and cash equivalents at beginning of year	<u>9,434</u>	<u>98,519</u>
Cash and cash equivalents at end of period	<u><u>\$ 55,143</u></u>	<u><u>\$ 52,945</u></u>

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
SUMMARY STATEMENT OF INVESTMENTS
June 30, 2011
(expressed in thousands on United States dollars)

Schedule 1

	June 30, 2011				
	USD	EUR	CAD	Other Currencies	All Currencies
Government and Agency Obligations	\$65,480	6,630	4,968	-	\$77,078
Supranationals	6,654	1,987	4,997	-	13,638
Time Deposits	-	-	-	1,539	1,539
Euro Commercial Paper	16,269	-	-	-	16,269
Sub-total	88,403	8,617	9,965	1,539	108,524
Accrued interest	547	110	60	4	721
Total	\$88,950	8,727	\$10,025	\$1,543	\$109,245

	December 31, 2010				
	USD	EUR	CAD	Other Currencies	All Currencies
Government and Agency Obligations	\$72,969	\$7,627	\$4,839	1,564	\$86,999
Supranationals	6,101	-	4,862	-	10,963
Time Deposits	-	-	-	1,834	1,834
Euro Commercial Paper	2,403	-	-	-	2,403
Sub-total	81,473	7,627	9,701	3,398	102,199
Accrued interest	754	177	81	1	1,013
Total	\$82,227	\$7,804	\$9,782	\$3,399	\$103,212

RESIDUAL TERM TO CONTRACTUAL MATURITY

	2011	2010
One month to three months	\$21,635	\$14,588
Over three months to one year	42,472	31,562
Over one year to five years	39,751	50,805
Over five years to ten years	5,387	6,257
Total	\$109,245	\$103,212

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
SUMMARY STATEMENT OF LOANS
June 30, 2011
(expressed in thousands of United States dollars)**

Schedule 2

Member countries in which loans have been made	Effective Loans						Percent- age of total loans out- standing
	Total loans approved 1/	Loans approved but not yet effective	Signed agree- ments	Principal repaid to bank	Undis- bursed	Loans Out- standing	
Anguilla	75,721	-	75,721	8,753	815	66,153	6.8
Antigua and Barbuda	69,600	-	69,600	15,638	23,744	30,218	3.1
Bahamas	59,185	-	59,185	44,115	10,109	4,961	0.5
Barbados	276,132	-	276,132	105,386	48,193	122,553	12.6
Belize	170,947	-	170,947	51,200	47,518	72,229	7.4
British Virgin Islands	60,153	15,672	44,481	23,787	4,700	15,994	1.7
Cayman Islands	45,105	-	45,105	39,383	-	5,722	0.6
Dominica	43,929	-	43,929	18,545	6,191	19,193	2.0
Grenada	56,452	-	56,452	17,834	8,629	29,989	3.1
Guyana	58,325	-	58,325	22,365	6,939	29,021	3.0
Jamaica	465,496	-	465,496	167,516	81,398	216,582	22.3
Montserrat	485	-	485	485	-	-	-
St. Kitts and Nevis	99,865	-	99,865	23,687	17,130	59,048	6.1
St. Lucia	173,558	7,371	166,187	58,404	11,067	96,716	10.0
St. Vincent and the Grenadines	138,478	-	138,478	23,616	8,696	106,166	10.9
Trinidad and Tobago	130,059	-	130,059	94,750	-	35,309	3.6
Turks & Caicos Islands	12,067	-	12,067	3,661	1,856	6,550	0.7
Regional	14,658	-	14,658	6,240	5,226	3,192	0.3
Private Sector	161,144	-	161,144	73,166	36,606	51,372	5.3
Sub-total	2,111,359	23,043	2,088,316	798,531	318,817	970,968	100.0
Provision for losses	-	-	-	-	-	(2,046)	
Accrued interest	-	-	-	-	-	10,916	
Total - June 30, 2011	\$2,111,359	\$23,043	\$2,088,316	\$798,531	\$318,817	\$979,838	
Total - December 31, 2010	\$2,113,439	\$112,733	\$2,000,706	\$753,218	\$263,088	\$993,548	

1/ Net of lapses and cancellations.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
SUMMARY STATEMENT OF LOANS (continued)
June 30, 2011
(expressed in thousands of United States dollars)

Schedule 2

Currencies Receivable	Loans Outstanding 2010	Translation Adjustments	Disbursements	Sub-Total	Repayments	Provision for Losses	Loans Outstanding 2011	Percentage of total loans outstanding
United States dollars	\$ 984,400	-	\$ 26,817	\$ 1,011,217	\$ (40,249)	-	\$ 970,968	100.0
Sub-Total	984,400	-	26,817	1,011,217	(40,249)	-	970,968	100.0
Provision for losses	(2,046)					-	(2,046)	
Accrued interest	11,194	-	-	-	-	-	10,916	
Total - March 31, 2011	\$993,548	-	\$26,817	\$1,011,217	(\$40,249)	-	\$979,838	
Total - December 31, 2010	\$818,330	-	\$246,358	\$1,055,197	\$70,797	-	\$993,548	

MATURITY STRUCTURE OF LOANS OUTSTANDING

April 1, 2011 to December 31, 2011	\$51,389
January 1, 2012 to December 31, 2012	75,656
January 1, 2013 to December 31, 2013	76,046
January 1, 2014 to December 31, 2014	77,931
January 1, 2015 to December 31, 2015	71,503
January 1, 2016 to December 31, 2020	338,724
January 1, 2021 to December 31, 2025	206,175
January 1, 2026 to December 31, 2030	83,820
January 1, 2031 to December 31, 2032	<u>640</u>
Total	<u>\$981,884</u>

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENTS OF SUBSCRIPTION TO CAPITAL STOCK AND VOTING POWER
June 30, 2011
(expressed in thousands of United States dollars)

Schedule 3

Member	No. of Shares	% of Total	Total subscribed capital	Callable capital	Paid-Up capital	Subscriptions Matured	Voting Power		Receivable from members Non-negotiable Demand Notes
							No. of Votes	% of total votes	
Regional States and Territories									
Jamaica	19,342	10.42	\$116,666	\$91,122	\$25,544	\$25,544	19,492	10.31	\$13,794
Trinidad and Tobago	48,354	26.04	291,659	227,614	64,045	25,544	48,504	25.67	10,987
Bahamas	14,258	7.68	86,000	67,115	18,885	7,534	14,408	7.62	1,612
Guyana	4,167	2.23	25,134	19,633	5,501	5,501	4,317	2.28	3,148
Colombia	7,795	4.20	47,017	36,691	10,326	5,154	7,945	4.20	628
Mexico	3,118	1.68	18,807	14,687	4,120	4,120	3,268	1.73	-
Venezuela	3,118	1.68	18,807	14,687	4,120	4,120	3,268	1.73	3,203
Barbados	9,074	4.89	54,732	42,717	12,015	5,999	9,224	4.88	1,070
Belize	2,148	1.16	12,956	10,109	2,847	1,134	2,298	1.22	-
Dominica	859	0.46	5,181	4,047	1,134	1,134	1,009	0.53	286
Grenada	736	0.40	4,439	3,468	971	971	886	0.47	213
St. Lucia	2,148	1.16	12,956	10,109	2,847	1,419	2,298	1.22	360
St. Vincent and the Grenadines	2,148	1.16	12,956	10,109	2,847	1,419	2,298	1.22	97
Antigua and Barbuda	859	0.46	5,181	4,047	1,134	1,134	1,009	0.53	296
St. Kitts and Nevis	859	0.46	5,181	4,047	1,134	1,134	1,009	0.53	255
Anguilla/1	182	0.10	1,098	857	241	241))	14
Montserrat/1	213	0.11	1,285	1,002	283	283	1,504	0.80	-
British Virgin Islands/1	213	0.11	1,285	1,002	283	283))	-
Cayman Islands/1	213	0.11	1,285	1,002	283	283))	8
Turks and Caicos Islands/1	533	0.29	3,215	2,509	706	354))	-
Haiti	875	0.47	5,278	4,120	1,158	1,158	1,025	0.54	-
	<u>121,212</u>	<u>65.27</u>	<u>731,118</u>	<u>570,694</u>	<u>160,424</u>	<u>94,463</u>	<u>123,762</u>	<u>65.49</u>	<u>35,971</u>
Non-Regional States									
Canada	26,004	14.10	156,849	122,408	34,441	17,190	26,154	13.84	-
United Kingdom	10,402	5.60	62,742	48,902	13,740	13,740	10,552	5.58	2,150
Italy	6,235	3.36	37,608	29,374	8,234	8,234	6,385	3.38	795
Germany	6,235	3.36	37,608	29,374	8,234	8,234	6,385	3.38	5,549
China	15,588	8.40	94,023	73,376	20,647	10,303	15,738	8.33	-
	<u>64,464</u>	<u>34.73</u>	<u>388,830</u>	<u>303,534</u>	<u>85,296</u>	<u>57,701</u>	<u>65,214</u>	<u>34.51</u>	<u>8,494</u>
Sub-total	<u>185,676</u>	<u>100.00</u>	<u>1,119,948</u>	<u>874,228</u>	<u>245,720</u>	<u>152,164</u>	<u>188,976</u>	<u>100.00</u>	<u>44,465</u>
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			
Sub-total	<u>-</u>	<u>-</u>	<u>56,428</u>	<u>42,761</u>	<u>13,667</u>	<u>13,667</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total – June 30, 2011	<u>185,676</u>	<u>100.00</u>	<u>\$1,176,376</u>	<u>\$916,989</u>	<u>\$259,387</u>	<u>\$165,831</u>	<u>188,976</u>	<u>100.00</u>	<u>\$44,465</u>
Total – December 31, 2010	146,022	100.00	\$937,193	\$730,433	\$206,760	\$157,433	149,322	100.00	\$44,368

1. In accordance with Article 3 paragraph 4 of the Agreement establishing the Bank 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 Agreement.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
SUMMARY STATEMENT OF BORROWINGS
June 30, 2011
(expressed in thousands of United States dollars)

Schedule 4

	Original amounts 1/	Trans- lation adjust- ments	Repay- ments to date	Currency swap agreements	Undrawn	Out- stand- ing	Due Dates
Short term borrowing:							
Floating Rate Note - US\$	20,000	-	-	-	-	20,000	2011
CDB Market Borrowings:							
4.35% Notes - Yen	60,000	20,512	-	-	-	80,512	2030
2.75% Notes - Yen	100,000	44,793	-	10,660	-	155,453	2022
1.12% Two Year Bonds - US\$	75,000	-	-	-	-	75,000	2012
One Year Discount Note - US\$	9,911	-	-	-	-	9,911	2011
Floating Rate Note - US\$	60,000	-	(60,000)	-	-	-	2013
Floating Rate Note - US\$	149,845	-	-	-	-	149,845	2014
Floating Rate Note - US\$	119,696	-	-	-	-	119,696	2012
	<u>574,452</u>	<u>65,306</u>	<u>(60,000)</u>	<u>10,660</u>	<u>-</u>	<u>590,418</u>	
European Investment Bank							
Global Loan II - A - US\$	13,034	-	(11,409)	-	-	1,625	2011
Global Loan III - US\$	51,157	-	-	-	-	51,157	2023
	<u>64,191</u>	<u>-</u>	<u>(11,409)</u>	<u>-</u>	<u>-</u>	<u>52,782</u>	
Inter-American Development Bank:							
Loan 926/OC-RG - US\$	19,347	-	(8,220)	-	-	11,127	2021
Sub-total	677,990	65,306	(79,629)	10,660	-	674,327	
Accrued interest	-	-	-	-	-	1,516	
Total – June 30, 2011	<u>\$679,506</u>	<u>\$65,306</u>	<u>(\$79,629)</u>	<u>\$10,660</u>	<u>-</u>	<u>675,843</u>	
Total - December 31, 2010	<u>\$658,891</u>	<u>\$62,288</u>	<u>(\$79,073)</u>	<u>\$11,123</u>	<u>-</u>	<u>\$653,240</u>	

1/ Net of cancellations and borrowings fully repaid.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
SUMMARY STATEMENT OF BORROWINGS (continued)
June 30, 2011
(expressed in thousands of United States dollars)

Schedule 4

Currencies repayable	Out-standing borrow-ings December 2010	Trans-lation adjust-ments	Draw-downs	Currency swap agreements	Repay-ments	Out-standing borrow-ings March 2011
United States dollars	\$419,699	-	\$20,608	-	(\$556)	439,751
Yen	232,485	2,554	-	(463)	-	234,576
Sub-total	652,184	2,554	20,608	(463)	(556)	674,327
Accrued interest	1,056	-	-	-	-	1,516
Total – June 30, 2011	\$653,240	\$2,554	\$20,608	(\$463)	(\$556)	\$675,843
Total - December 31, 2010	\$718,069	\$27,964	\$86,126	(\$927)	\$177,507	\$653,240

MATURITY STRUCTURE OF BORROWINGS OUTSTANDING

April 1, 2011 to December 31, 2011	\$33,609
January 1, 2012 to December 31, 2012	202,3287
January 1, 2013 to December 31, 2013	9,293
January 1, 2014 to December 31, 2014	157,538
January 1, 2015 to December 31, 2015	4,432
January 1, 2016 to December 31, 2020	22,162
January 1, 2021 to December 31, 2025	165,969
January 1, 2026 to December 31, 2030	<u>80,512</u>
Total	<u>\$675,843</u>

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
June 30, 2011**

NOTE A – KEY EVENTS

On January 1, 2011, the Caribbean Development Bank (CDB) or “the Bank” reset the interest rate on its variable rate loans to 4.09% from 4.50% at December 31, 2010, a reduction of 41 basis points. This was in line with the policy of basing the interest rate on the cost of borrowings for the previous six months plus an adjustable spread.

The Bank recorded comprehensive income of \$14.15 million for the six month period comprising of net interest income and translation gains from the revaluation of two borrowings which are denominated in Japanese Yen offset by the derivative fair value loss and administrative expenses.

NOTE B – NATURE OF OPERATIONS

The Bank is a regional financial institution established by an Agreement signed in Kingston, Jamaica, in 1969. The Bank was established for the purpose of contributing to the harmonious economic growth and development of the member countries in the Caribbean, having special and urgent regard to the needs of the Less Developed Countries (LDCs) of the Region. The Bank’s headquarters is located in Wildey, St. Michael, Barbados.

Reducing poverty in the region is CDB’s main objective. CDB finances development projects primarily through its Ordinary Capital Resources (OCR) in its Borrowing Member Countries. In advancing this objective, the Bank participates in the selection, study and preparation of projects contributing to such development and where necessary, provides technical assistance.

CDB finances its ordinary operations through borrowings, paid-in capital and retained earnings.

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

This condensed interim financial information for the six months ended June 30, 2011 has been prepared in accordance with IAS 34, ‘Interim financial reporting’. The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2010, which have been prepared in accordance with International Financial Reporting Standards.

Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2010, as described in those annual financial statements.

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
June 30, 2011**

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Bank has determined that the Senior Management Group (SMG) as its chief operating decision maker.

In accordance with IFRS 8, the Bank has one operating segment, its Ordinary Capital Resources (OCR).

Standards, amendments and interpretations not yet effective but will be relevant to the Bank

IFRS 9 Financial instruments part 1: Classification and measurement. IFRS 9 was issued in November 2009 and replaces those parts of IAS 39 relating to the classification and measurement of financial assets. Key features are as follows:

- Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.
- An instrument is subsequently measured at amortised cost only if it is a debt instrument and both the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and the asset's contractual cash flows represent only payments of principal and interest (that is, it has only 'basic loan features'). All other debt instruments are to be measured at fair value through profit or loss.
- All equity instruments are to be measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition, to recognize unrealised and realised fair value gains and losses through other comprehensive income rather than profit or loss. There is to be no recycling of fair value gains and losses to profit or loss. This election may be made on an instrument-by-instrument basis. Dividends are to be presented in profit or loss, as long as they represent a return on investment.
- While adoption of IFRS 9 is mandatory from 1 January 2013, earlier adoption is permitted.

The Bank is considering the implications of the standard, the impact on the Bank and the timing of its adoption by the Bank.

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

June 30, 2011

Standards, amendments and interpretations effective on or after January 1, 2011 and are not relevant to the Bank

IAS 24 (Amendment), Related Party Disclosures
IAS 28 (Amendment), Investment in Associates
IAS 31 (Amendment), Investment in Joint Ventures
IAS 39 (Amendment), Eligible Financial Instruments: Recognition and Measurement
IAS 41 (Amendment), Agriculture
IFRS 2 (Amendment), Share Based Payments
IFRS 3, Business Combinations
IFRS 5 (Amendment), Non-Current Assets Held for Sale and Discontinued Operations

NOTE D – LOANS

The distribution of the Bank's loans by country and the analysis of the movement at June 30, 2011 are shown in Schedule 2.

NOTE E – RISK MANAGEMENT

The most important types of risk faced by CDB are country credit risk, liquidity risk, market risk and operational risk. The risk management policies and practices applied to manage the above mentioned risks are consistent with those of the annual financial statements for the year ended December 31, 2010, as described in further detail in those financial statements.

Credit Risk

The major risk to CDB as a multilateral development bank is its exposure to country credit risk. This risk relates to potential losses to CDB in the event that a borrowing member is unable or unwilling to service its obligations to the Bank. CDB manages its country credit risk through its financial policies and lending strategies, including individual country exposure limits and overall creditworthiness assessments. These include ongoing assessments of a country's macroeconomic performance as well as its socio-political conditions and future growth prospects.

Liquidity Risk

Liquidity risk relates to the probability that the Bank is unable to meet the payment obligations associated with its financial liabilities when they fall due. The consequence may be the failure to meet obligations to disburse on its commitments. CDB's policy is to maintain its liquidity (i.e. the ratio of freely convertible cash and investments to undisbursed commitments and agreements not yet signed) at a minimum of 40%. As at June 30, 2011 the liquidity ratio was 45.4% (2010 – 71.7%).

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
June 30, 2011**

Liquidity risk management process

CDB's liquidity management process includes:

- Day-to-day disbursements, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or is borrowed by its BMCs. CDB maintains an active presence in international money markets to enable this to happen;
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow; and
- Managing the concentration and profile of debt maturities.

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. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, and foreign exchange rates.

Borrowings

It is the Bank's policy to limit borrowing and guarantees chargeable to the Bank's Ordinary Capital Resources to 100 percent of the callable capital of its investment grade non-borrowing members plus the cash reserves. At June 30, 2011, total borrowings amounted to \$675,843 (2010: \$667,109). Also at June 30, 2011, the ratio of total outstanding borrowings to the borrowing limit of \$902,124 (2010 -\$735,145) was 74.9% (2010 -90.8%).

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
STATEMENT OF FINANCIAL POSITION
As at June 30, 2011
(expressed in thousands of United States dollars)

	June 30, 2011			December 31, 2010		
	UNIFIED	OTHER	TOTAL	UNIFIED	OTHER	TOTAL
Assets						
Due from banks	79,153	18,363	97,516	57,660	11,259	68,919
Investments - Trading (Schedule 1)	217,965	48,634	266,599	202,615	54,340	256,955
Loans (Schedule 2)	437,544	21,008	458,552	431,044	21,453	452,497
Receivables - Other						
Accounts receivable including interfund receivables	1	-	1	1	-	1
	<u>734,663</u>	<u>88,005</u>	<u>822,668</u>	<u>691,320</u>	<u>87,052</u>	<u>778,372</u>
Receivable from contributors						
Non-negotiable demand notes (Schedule 3)	46,196	-	46,196	62,917	-	62,917
Contributions in arrears	11,867	-	11,867	11,867	-	11,867
	<u>58,063</u>	<u>-</u>	<u>58,063</u>	<u>74,784</u>	<u>-</u>	<u>74,784</u>
Total assets	<u>\$ 792,726</u>	<u>\$ 88,005</u>	<u>\$ 880,731</u>	<u>\$ 766,104</u>	<u>\$ 87,052</u>	<u>\$ 853,156</u>
Liabilities and Funds						
Accounts payable including interfund payables	69,484	1,361	70,845	65,371	953	66,324
Accrued charges on contributions	-	10	10	-	12	12
	<u>69,484</u>	<u>1,371</u>	<u>70,855</u>	<u>65,371</u>	<u>965</u>	<u>66,336</u>
Funds						
Contributed resources (Schedule 3)						
Amounts made available	894,644	44,627	939,271	868,411	44,907	913,318
Allocation to technical assistance and grant resources	(286,300)	(2,266)	(288,566)	(286,300)	(2,266)	(288,566)
	<u>608,344</u>	<u>42,361</u>	<u>650,705</u>	<u>582,111</u>	<u>42,641</u>	<u>624,752</u>
Accumulated net income (Schedule 4)	\$42,067	\$43,367	85,434	\$40,957	\$42,540	83,497
Technical assistance and grant resources	72,831	906	73,737	77,665	906	78,571
	<u>723,242</u>	<u>86,634</u>	<u>809,876</u>	<u>700,733</u>	<u>86,087</u>	<u>786,820</u>
Total liabilities and funds	<u>\$ 792,726</u>	<u>\$ 88,005</u>	<u>\$ 880,731</u>	<u>\$ 766,104</u>	<u>\$ 87,052</u>	<u>\$ 853,156</u>

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
STATEMENT OF NET INCOME AND ACCUMULATED NET INCOME
For the period ended June 30, 2011
(expressed in thousands of United States dollars)

	2011			2010		
	UNIFIED	OTHER	TOTAL	UNIFIED	OTHER	TOTAL
Income						
From loans	\$4,994	\$246	\$5,240	\$4,741	\$262	\$5,003
From investments and cash balances	2,392	543	2,935	2,616	603	3,219
Gross income	<u>7,386</u>	<u>789</u>	<u>8,175</u>	<u>7,357</u>	<u>865</u>	<u>8,222</u>
Expenses						
Administrative expenses	5,838	468	6,306	5,547	439	5,986
Charges on contributions	-	47	47	-	62	62
Exchange	438	(553)	(115)	(880)	501	(379)
Total expenses	<u>6,276</u>	<u>(38)</u>	<u>6,238</u>	<u>4,667</u>	<u>1,002</u>	<u>5,669</u>
Net income and total comprehensive for the period	<u>\$1,110</u>	<u>\$827</u>	<u>\$1,937</u>	<u>\$2,690</u>	<u>(\$137)</u>	<u>\$2,553</u>
<hr/>						
Accumulated net income and total comprehensive income						
Accumulated net income and total comprehensive income -						
income - beginning of year	\$40,957	\$42,540	\$83,497	\$38,266	\$42,757	\$81,023
Appropriations	-	-	-	-	-	-
Net income for the period	1,110	827	1,937	2,690	(137)	2,553
Accumulated net income and total comprehensive income -						
income - end of period	<u>\$42,067</u>	<u>\$43,367</u>	<u>\$85,434</u>	<u>\$40,956</u>	<u>\$42,620</u>	<u>\$83,576</u>

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
STATEMENT OF NET INCOME AND ACCUMULATED NET INCOME
(expressed in thousands of United States dollars)

	April - June			April - June		
	2011			2010		
	UNIFIED	OTHER	TOTAL	UNIFIED	OTHER	TOTAL
Income						
From loans	\$2,510	\$122	\$2,632	\$2,381	\$134	\$2,515
From investments and cash balances	1,889	429	2,318	1,103	201	1,304
Gross income	4,399	551	4,950	3,484	335	3,819
Expenses						
Administrative expenses	3,035	247	3,282	2,876	234	3,110
Charges on contributions	-	23	23	-	30	30
Exchange	1	(90)	(89)	(525)	435	(90)
Total expenses	3,036	180	3,216	2,351	699	3,050
Net income for the period	\$1,363	\$371	\$1,734	\$1,133	(\$364)	\$769
<hr/>						
Accumulated Net Income and total comprehensive income						
Accumulated Net income and total comprehensive income - beginning of period	\$40,704	\$42,996	\$83,700	\$39,823	\$42,984	\$82,807
Net income for the period	1,363	371	1,734	1,133	(364)	769
Accumulated Net income and total comprehensive income - end of period	\$42,067	\$43,367	\$85,434	\$40,956	\$42,620	\$83,576

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND (UNIFIED)
STATEMENT OF CASH FLOWS
For the period ended June 30, 2011
(expressed in thousands of United States dollars)

	<u>2011</u>	<u>2010</u>
Operating activities:		
Net income for the period	\$1,110	\$2,690
Adjustments for non-cash items:		
Unrealised gain trading portfolio	(671)	(350)
Interest income	(6,715)	(7,007)
Total cash flows from operating profits before changes in operating assets and liabilities	(7,386)	(7,357)
Changes in operating assets and liabilities:		
Decrease in accounts receivable	-	(1)
Increase/(decrease) in accounts payable	4,113	(3,875)
Cash used in operating activities	(3,273)	(11,233)
Disbursements on loans	(15,326)	(14,607)
Principal repayments on loans	8,956	8,185
Interest received	7,278	7,488
Net increase in trading securities	(15,372)	(5,378)
Technical assistance disbursements	(4,856)	(5,529)
Net cash used in operating activities	(22,593)	(21,074)
Financing activities:		
Contributions:		
Increase in contributions for loans	24,723	30,095
Decrease/(increase) in receivables from contributors	16,721	(4,351)
Technical assistance allocation	22	41
Net cash provided by financing activities	41,466	25,785
Net increase in cash and cash equivalents	19,983	7,401
Net foreign exchange difference	1,510	(2,725)
Cash and cash equivalents at beginning of year	57,660	38,642
Cash and cash equivalents at end of period	\$ 79,153	\$43,318

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND (OTHER)
STATEMENT OF CASH FLOWS
For the period ended June 30, 2011
(expressed in thousands of United States dollars)

	<u>2011</u>	<u>2010</u>
Operating activities:		
Net income for the period	\$827	\$(137)
Adjustments:		
Unrealised gain on trading portfolio	(11)	107
Interest income	(778)	(972)
Interest expense	<u>47</u>	<u>62</u>
Total cash flows used in operating profits before changes in operating assets and liabilities	(742)	(803)
Changes in operating assets and liabilities:		
Decrease in accounts receivable	-	-
Decrease/(increase) in accounts payable	<u>408</u>	<u>(21)</u>
Cash used in operating activities	(334)	(824)
Disbursements on loans	(165)	(52)
Principal repayments on loans	607	479
Interest received	1,058	1,111
Interest paid		(64)
Net decrease in trading securities	<u>5,440</u>	<u>1,702</u>
Net cash provided by operating activities	6,557	2,352
Financing activities:		
Contributions:		
Repayments of contributions	<u>(505)</u>	<u>(490)</u>
Net cash used in financing activities	(505)	(490)
Net increase in cash and cash equivalents	6,879	1,725
Net foreign exchange difference	225	(306)
Cash and cash equivalents at beginning of year	<u>11,259</u>	<u>7,320</u>
Cash and cash equivalents at end of period	<u>\$18,363</u>	<u>\$8,739</u>

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUND RESOURCES - SPECIAL DEVELOPMENT FUND
SUMMARY STATEMENT OF INVESTMENTS
June 30, 2011
(expressed in thousands of United States dollars)

SCHEDULE 1

	<u>June 30, 2011</u>			<u>December 31, 2010</u>		
	<u>Market value</u>			<u>Market value</u>		
	<u>UNIFIED</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>UNIFIED</u>	<u>OTHER</u>	<u>TOTAL</u>
Government and Agency						
Obligations	144,519	34,570	179,089	155,892	41,228	197,120
Supranationals	23,857	3,257	27,114	10,429	2,763	13,192
Euro Commercial Paper	48,926	10,551	59,477	34,938	9,816	44,754
Sub-total	\$217,302	\$48,378	\$265,680	\$201,259	\$53,807	\$255,066
Accrued Interest	663	256	919	1,356	533	1,889
Total	<u>\$217,965</u>	<u>\$48,634</u>	<u>\$266,599</u>	<u>\$202,615</u>	<u>\$54,340</u>	<u>\$256,955</u>

RESIDUAL TERM TO CONTRACTUAL MATURITY

	<u>2011</u>	<u>2010</u>
One month to three months	48,036	67,937
Over three months to one year	64,817	32,034
From one year to five years	111,683	115,436
From five years to ten years	42,063	41,548
TOTAL	<u>266,599</u>	<u>256,955</u>

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND (UNIFIED)
SUMMARY STATEMENT OF LOANS
June 30, 2011
(expressed in thousands of United States dollars)

SCHEDULE 2

Member countries in which loans have been made	Total loans approved 1/	Loans approved but not yet effective	Signed agreements	Effective Loans			Percentage of total loans outstanding
				Principal repaid to bank	Undisbursed	Outstanding 2/	
Anguilla	10,349	695	9,654	5,862	300	3,492	0.8
Antigua and Barbuda	11,940	-	11,940	7,590	1,123	3,227	0.7
Bahamas	1,626	-	1,626	1,626	-	-	0.0
Barbados	5,745	-	5,745	5,245	-	500	0.1
Belize	79,479	350	79,129	24,474	16,528	38,127	8.8
British Virgin Islands	11,018	-	11,018	8,845	300	1,873	0.4
Cayman Islands	4,349	-	4,349	4,284	65	-	0.0
Dominica	89,539	-	89,539	28,236	12,662	48,641	11.2
Grenada	107,024	-	107,024	25,207	16,498	65,319	15.0
Guyana	140,494	-	140,494	22,976	20,649	96,869	22.3
Jamaica	152,378	-	152,378	33,448	59,699	59,231	13.6
Montserrat	10,439	2,500	7,939	4,969	-	2,970	0.7
St. Kitts and Nevis	59,239	-	59,239	19,991	3,496	35,752	8.2
St. Lucia	95,323	11,339	83,984	24,547	20,673	38,764	8.9
St. Vincent and the Grenadines	58,867	-	58,867	23,309	5,879	29,679	6.8
Trinidad and Tobago	5,218	1,000	4,218	4,218	-	-	0.0
Turks & Caicos Islands	12,898	-	12,898	5,229	1,079	6,590	1.6
Regional	9,008	-	9,008	4,999	-	4,009	0.9
Sub-total	\$864,933	\$15,884	\$849,049	\$255,055	\$158,951	\$435,043	100.0
Accrued interest	-	-	-	-	-	2,501	
Total - June 30, 2011	\$867,434	\$15,884	851,550	\$255,055	\$158,951	\$437,544	
Total -December 31, 2010	\$847,706	\$25,540	\$822,166	\$244,996	\$146,126	\$431,044	

1/ Net of lapses and cancellations.

2/ There are no overdue instalments of principal (2010 - nil).

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND (OTHER)
SUMMARY STATEMENT OF LOANS
June 30, 2011
(expressed in thousands of United States dollars)

SCHEDULE 2

Member countries in which loans have been made	Effective Loans						Percentage of total loans outstanding
	Total loans approved 1/	Loans approved but not yet effective	Signed agreements	Principal repaid to bank	Undisbursed	Outstanding 2/	
Anguilla	1,463	-	1,463	1,463	-	-	0.0
Antigua and Barbuda	3,881	-	3,881	3,373	-	508	2.4
Bahamas	773	-	773	773	-	-	0.0
Barbados	1,621	-	1,621	1,621	-	-	0.0
Belize	28,017	-	28,017	19,652	-	8,365	40.1
British Virgin Islands	4,827	-	4,827	4,652	-	175	0.8
Cayman Islands	650	-	650	650	-	-	0.0
Dominica	14,626	-	14,626	12,530	-	2,096	10.0
Grenada	5,159	-	5,159	4,990	-	169	0.8
Guyana	22	-	22	22	-	-	0.0
Jamaica	6,870	-	6,870	4,943	-	1,927	9.2
Montserrat	788	-	788	788	-	-	0.0
St. Kitts and Nevis	11,967	-	11,967	6,009	355	5,603	26.9
St. Lucia	22,601	-	22,601	21,430	478	693	3.3
St. Vincent and the Grenadines	12,361	-	12,361	11,011	-	1,350	6.5
Turks & Caicos Islands	1,559	-	1,559	1,559	-	-	0.0
Regional	2,519	-	2,519	2,519	-	-	0.0
Sub-total	\$119,704	-	\$119,704	\$97,985	\$833	\$20,886	100.0
Accrued interest	-	-	-	-	-	122	
Total - June 30, 2011	\$119,826	-	119,826	\$97,985	\$833	\$21,008	
Total -December 31, 2010	\$117,950	-	\$117,950	\$95,501	\$996	\$21,453	

1/ Net of lapses and cancellations.

2/ There were no overdue instalments of principal (2010 - nil).

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
SUMMARY STATEMENT OF LOANS (Continued)
June 30, 2011
(expressed in thousands of United States dollars)

SCHEDULE 2

Analysis by contributor	Total loans approved 1/	Loans approved but not yet effective	Signed agreements	Principal repaid to bank	Effective Loans		Percentage of total loans outstanding
					Undisbursed	Outstanding 2/	
<u>SPECIAL DEVELOPMENT FUND - UNIFIED</u>							
MEMBERS/CONTRIBUTORS	864,933	15,884	849,049	255,055	158,951	435,043	100.0
Accrued interest	-	-	-	-	-	2,501	
Total SDF - (Unified)	\$867,434	\$15,884	\$851,550	\$255,055	\$158,951	\$437,544	
<u>SPECIAL DEVELOPMENT FUND - OTHER</u>							
<u>MEMBERS</u>							
Colombia	8,533	-	8,533	8,182	-	351	1.7
Germany	20,908	-	20,908	20,786	-	122	0.6
Mexico	8,816	-	8,816	6,499	-	2,317	11.1
Venezuela	52,797	-	52,797	33,899	833	18,065	86.5
	91,054	-	91,054	69,366	833	20,855	
OTHER CONTRIBUTORS		-					
Sweden	5,815	-	5,815	5,784	-	31	0.1
United States of America	22,833	-	22,833	22,833	-	-	-
	28,648	-	28,648	28,617	-	31	100.0
Sub-total	\$119,702	-	\$119,702	\$97,983	\$833	\$20,886	
Accrued interest	-	-	-	-	-	122	
Total - SDF (Other)	\$119,824	-	\$119,824	\$97,983	\$833	\$21,008	
Total SDF - June 30, 2011	\$987,380	\$15,884	\$971,496	\$353,038	\$159,784	\$458,552	
Total SDF - December 31, 2010	\$965,781	\$25,540	\$940,241	\$340,497	\$147,122	\$452,497	

1/Net of lapses and cancellations.

2/ There are no overdue instalments of principal (2010 - nil).

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
SUMMARY STATEMENT OF LOANS (Continued)
June 30, 2011
(expressed in thousands of United States dollars)

SCHEDULE 2

Currencies receivable	Loans out-standing 2010	Trans-lation adjust-ments	Disburse-ments	Sub-Total	Repay-ments	Loans out-standing 2011
(a) Special Development Fund - Unified						
United States dollars	428,673	-	15,326	443,999	(8,956)	435,043
Subtotal	428,673	-	15,326	443,999	(8,956)	435,043
Accrued interest	2,371	-	-	-	-	2,501
Total - June 30, 2011	\$431,044	-	\$15,326	\$443,999	(\$8,956)	\$437,544
Total - December 31, 2010	\$412,935	-	\$34,570	\$445,144	(\$16,471)	\$431,044
(b) Special Development Fund - Other						
United States dollars	21,328	-	165	21,493	(607)	20,886
Subtotal	21,328	-	165	21,493	(607)	20,886
Accrued interest	125	-	-	-	-	122
Total - June 30, 2011	\$21,453	-	\$165	\$21,493	(\$607)	\$21,008
Total - December 31, 2010	\$22,248	-	\$180	\$22,299	(\$971)	\$21,453

MATURITY STRUCTURE OF LOANS OUTSTANDING

July 1, 2011 to December 31, 2011	12,315
January 1, 2012 to December 31, 2012	20,303
January 1, 2013 to December 31, 2013	20,798
January 1, 2014 to December 31, 2014	22,326
January 1, 2015 to December 31, 2015	24,718
January 1, 2016 to December 31, 2020	123,663
January 1, 2021 to December 31, 2025	100,668
January 1, 2026 to December 31, 2030	82,652
January 1, 2031 to December 31, 2042	51,109
Total	\$458,552

**CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
STATEMENT OF CONTRIBUTED RESOURCES
June 30, 2011
(expressed in thousands of United States dollars)**

SCHEDULE 3

CONTRIBUTORS	CONTRIBUTIONS					Receivable from members Non negotiable demand notes
	Total approved 1/	Approved but not yet effective 2/	Total contri- bution agreed	Amounts not yet made available	Amounts made available	
Special Development Fund - Unified Members						
Trinidad and Tobago	\$35,384	-	\$35,384	\$3,564	\$31,820	\$9,057
Bahamas	19,809	-	19,809	4,249	15,560	6,931
Barbados	19,805	-	19,805	-	19,805	4,249
Jamaica	33,204	-	33,204	5,092	28,112	5,491
Guyana	26,857	-	26,857	9,880	16,977	-
Antigua and Barbuda	2,997	605	2,392	740	1,652	32
Belize	5,134	-	5,134	697	4,437	1,246
Dominica	5,228	-	5,228	702	4,526	1,698
St. Kitts and Nevis	5,134	-	5,134	697	4,437	1,797
St. Lucia	5,134	-	5,134	697	4,437	1,247
St. Vincent and the Grenadines	5,147	-	5,147	697	4,450	1,797
Grenada	3,345	-	3,345	-	3,345	2,712
Montserrat	2,415	605	1,810	370	1,440	-
British Virgin Islands	2,045	-	2,045	302	1,743	-
Turks and Caicos Islands	2,045	605	1,440	-	1,440	-
Cayman Islands	2,155	605	1,550	210	1,340	-
Anguilla	2,197	-	2,197	454	1,743	1,051
Colombia	27,133	3,600	23,533	-	23,533	-
Venezuela	21,982	-	21,982	1,800	20,182	-
Canada	282,222	-	282,222	34,915	247,307	-
United Kingdom	218,125	-	218,125	34,915	183,210	-
Germany	90,492	-	90,492	9,417	81,075	8,888
Italy	64,101	7,083	57,018	-	57,018	-
China	41,298	-	41,298	4,049	37,249	-
Haiti	1,560	-	1,560	910	650	-
Mexico	20,000	3,000	17,000	3,000	14,000	-
	944,948	16,103	928,845	117,357	811,488	46,196
Other Contributors						
France	58,254	-	58,254	-	58,254	-
Netherlands	24,902	-	24,902	-	24,902	-
Technical Assistance Allocation	1,028,104	16,103	1,012,001	117,357	894,644	46,196
	(286,300)	-	(286,300)	-	(286,300)	-
Sub-total	\$741,804	\$16,103	\$725,701	\$117,357	\$608,344	46,196
Special Development Fund - Other Members						
Colombia	5,000	-	5,000	-	5,000	-
Mexico 3/	13,067	-	13,067	-	13,067	-
Venezuela	17,473	-	17,473	-	17,473	-
	35,540	-	35,540	-	35,540	-
Other Contributors						
Sweden	4,099	-	4,099	-	4,099	-
United States of America 4/	2,722	-	2,722	-	2,722	-
	6,821	-	6,821	-	6,821	-
Sub-total	42,361	-	42,361	-	42,361	-
Total SDF - 2011	\$784,165	\$16,103	\$768,062	\$117,357	\$650,705	\$46,196
SUMMARY						
Members	694,188	16,103	678,085	117,357	560,728	46,196
Other contributors	89,977	-	89,977	-	89,977	-
Total SDF - 2011	\$784,165	\$16,103	\$768,062	\$117,357	\$650,705	\$46,196
Total SDF - 2010	\$753,026	\$17,013	\$736,013	\$111,261	\$624,752	\$62,917

1/ Net of repayments.

2/ Contributions not yet formally pledged by Governments.

3/ Net of appropriation for Technical Assistance of \$2,266,000.

4/ Contributions with fixed repayment dates.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
STATEMENT OF CONTRIBUTED RESOURCES (Continued)

June 30, 2011

(expressed in thousands of United States dollars)

SCHEDULE 3

Currencies	Amounts made available 2010	Trans- lation adjust- ments	Drawdowns/ Appropri- ations from Capital 1/	Sub-total	Repay- ments	Amounts made available 2011
(a) Special Development Fund - Unified						
Canadian dollars	185	-	(185)	-	-	-
Euros	8,552	666	(325)	8,893	-	8,893
Pounds sterling	9,070	844	(9,914)	-	-	-
United States dollars	564,304	-	35,147	599,451	-	599,451
Total - June 30, 2011	\$582,111	\$1,510	\$24,723	\$608,344	-	\$608,344
Total -December 31, 2010	\$556,577	(\$1,359)	\$26,893	\$582,111	-	\$582,111
(b) Special Development Fund - Other						
Swedish kroners	3,874	225	-	4,099	-	4,099
United States dollars	38,767	-	-	38,767	(505)	38,262
Total - June 30, 2011	\$42,641	\$225	-	\$42,866	(505)	\$42,361
Total -December 31, 2010	\$43,410	\$218	-	\$43,628	(\$987)	\$42,641

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

MATURITY STRUCTURE OF REPAYABLE CONTRIBUTIONS OUTSTANDING*

July 1, 2011 to December 31, 2011	512
January 1, 2012 to December 31, 2012	1,047
January 1, 2013 to December 31, 2013	577
January 1, 2014 to December 31, 2014	586
TOTAL	\$2,722

* Relates to SDF(O) contributions the United States of America.

**CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
STATEMENT OF ACCUMULATED NET INCOME**

June 30, 2011

(expressed in thousands of United States dollars)

SCHEDULE 4

	Brought forward 2010	Net Income 2011	Appro- priations	Carried forward 2011
CONTRIBUTORS				
Special Development Fund - Unified	\$40,957	\$1,110	-	\$42,067
Special Development Fund - Other Members				
Colombia	2,327	44	-	2,371
Germany	(674)	(54)	-	(728)
Mexico	7,082	17	-	7,099
Venezuela	15,901	57	-	15,958
	24,636	64	-	24,700
Other contributors				
Sweden	6,876	682	-	7,558
United States of America	11,028	81	-	11,109
	17,904	763	-	18,667
	42,540	827	-	43,367
Total SDF	\$83,497	\$1,937	-	\$85,434
Summary				
Members	65,593	1,174	-	66,767
Other contributors	17,904	763	-	18,667
Total - June 30, 2011	\$83,497	\$1,937	-	\$85,434
Total SDF - December 31, 2010	\$81,023	\$3,374	(\$900)	\$83,497

**CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF FINANCIAL POSITION
June 30, 2011
(expressed in thousands of United States dollars)**

	<u>2011</u>	<u>2010</u>
Assets		
Due from banks	\$13,487	\$11,124
Investments (Schedule 1)	66,579	72,418
Loans (Schedule 2)	116,953	118,010
Receivables - other		
Accounts receivable	<u>63,908</u>	<u>63,607</u>
Total assets	<u>\$260,927</u>	<u>\$265,159</u>
Liabilities and Funds		
Liabilities		
Accounts payable	9,003	8,843
Accrued charges on contributions	<u>234</u>	<u>241</u>
	<u>9,237</u>	<u>9,084</u>
Funds		
Contributed resources (Schedule 3)		
Amounts made available	77,650	78,107
Accumulated net income (Schedule 4)	<u>48,925</u>	<u>48,392</u>
	126,575	126,499
Technical assistance and other grant resources (Schedule 5)	<u>125,115</u>	<u>129,576</u>
Total liabilities and funds	<u>\$260,927</u>	<u>\$265,159</u>

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF COMPREHENSIVE INCOME
For the period ended June 30, 2011
(expressed in thousands of United States dollars)

	<u>2011</u>	<u>2010</u>
Income		
From loans	\$1,251	\$1,181
From investments and cash balances	<u>601</u>	<u>1,572</u>
Gross income	<u>1,852</u>	<u>2,753</u>
Expenses		
Administrative expenses	658	933
Charges on contributions	475	494
Exchange	<u>186</u>	<u>(177)</u>
Total expenses	<u>1,319</u>	<u>1,250</u>
Net income and total comprehensive income for the period	<u>\$533</u>	<u>\$1,503</u>
Accumulated net income and total comprehensive income		
Accumulated net income and total comprehensive income - beginning of year	48,392	44,446
Net income and total comprehensive income for the period	<u>533</u>	<u>1,503</u>
Accumulated net income and total comprehensive income - end of period	<u>\$48,925</u>	<u>\$45,949</u>

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF INCOME AND ACCUMULATED NET INCOME
(expressed in thousands of United States dollars)

	<u>Apr - Jun 2011</u>	<u>Apr - Jun 2010</u>
Income		
From loans	624	631
From investments and cash balances	<u>351</u>	<u>1,042</u>
Gross Income	<u>975</u>	<u>1,673</u>
Expenses		
Administrative expenses	323	549
Charges on contributions	243	249
Exchange	<u>31</u>	<u>(170)</u>
Total expenses	<u>597</u>	<u>628</u>
Net income for the period	<u><u>\$378</u></u>	<u><u>\$1,045</u></u>
<hr/>		
Statement of Changes in Accumulated Net Income		
Accumulated net income - beginning of period	48,547	44,558
Net income for the period	<u>378</u>	<u>1,045</u>
Accumulated net income - end of period	<u><u>\$48,925</u></u>	<u><u>\$45,603</u></u>

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF CASH FLOWS
For the period ended June 30, 2011
(expressed in thousands of United States dollars)

	<u>2011</u>	<u>2010</u>
Operating activities:		
Net income for the period	\$533	\$1,503
Adjustments for non-cash items:		
Unrealised gain on debt securities	(406)	33
Interest income	(1,852)	(2,786)
Interest expense	475	494
Disbursements on loans	(271)	(13,186)
Principal repayments on loans	2,199	1,729
Technical assistance disbursements	(4,757)	(7,717)
Net cash used in lending activities	(4,612)	(21,433)
(Increase)/decrease in accounts receivable	(301)	3,944
Increase/(decrease) in accounts payable	160	(2,430)
Total adjustments	(141)	1,514
Interest received	1,961	2,813
Interest paid	(482)	(511)
Net decrease in debt securities at fair value through profit or loss	6,141	6,862
Net cash provided by operating activities	3,400	(9,252)
Financing activities:		
Contributions:		
Repayments	(1,701)	(1,530)
Technical assistance contributions	296	9,688
Net cash used in financing activities	(1,405)	8,158
Net decrease in cash and cash equivalents	1,995	(1,094)
Net foreign exchange difference	368	(574)
Cash and cash equivalents at beginning of year	11,124	15,992
Cash and cash equivalents at end of period	<u>\$13,487</u>	<u>\$14,324</u>

**CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF INVESTMENTS**

June 30, 2011

(expressed in thousands of United States dollars)

SCHEDULE 1

	<u>2011</u>	<u>2010</u>
	Market	Market
Trading		
Government and Agency obligations	\$23,748	\$29,122
Supranationals	8,581	8,743
Euro Commercial Paper	4,222	2,822
Mutual funds	7,851	7,705
Managed Funds	<u>11,583</u>	<u>11,428</u>
Available for sale	55,985	59,820
Equity investments	<u>10,469</u>	<u>12,369</u>
Sub-total	66,454	72,189
Accrued interest	<u>125</u>	<u>229</u>
Total	<u>\$66,579</u>	<u>\$72,418</u>

Residual Term to Contractual Maturity

	<u>2011</u>	<u>2010</u>
One month to three months	\$32,361	\$26,579
From three months to one year	9,189	6,716
From one year to five years	19,508	25,655
From five years to ten years	<u>5,521</u>	<u>13,468</u>
Total	<u>\$66,579</u>	<u>\$72,418</u>

**CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF LOANS**

June 30, 2011

(expressed in thousands of United States dollars)

SCHEDULE 2

Member countries in which loans have been made	Total loans approved 1/	Loans approved but not yet effective	Signed agree- ments	Effective Loans			Percent- age of total loans out- standing
				Principal repaid	Undis- bursed	Out- standing	
Anguilla	500	-	500	381	-	119	0.1
Antigua and Barbuda	8,615	-	8,615	3,240	848	4,527	3.9
Barbados	26,204	-	26,204	17,863	1,286	7,055	6.1
Belize	9,809	-	9,809	9,809	-	-	0.0
British Virgin Islands	1,953	-	1,953	1,953	-	-	0.0
Cayman Islands	3,230	-	3,230	3,230	-	-	0.0
Dominica	35,502	-	35,502	15,136	-	20,366	17.5
Grenada	31,079	-	31,079	7,171	320	23,588	20.3
Guyana	20,841	-	20,841	16,466	-	4,375	3.8
Jamaica	69,238	-	69,238	37,809	10,000	21,429	18.4
Montserrat	1,273	-	1,273	1,273	-	-	0.0
St. Kitts and Nevis	8,890	-	8,890	4,848	95	3,947	3.4
St. Lucia	38,832	-	38,832	15,266	3,521	20,045	17.2
St. Vincent and the Grenadines	22,142	-	22,142	12,914	212	9,016	7.8
Trinidad and Tobago	3,784	-	3,784	2,342	-	1,442	1.2
Regional	2,269	-	2,269	1,830	36	403	0.4
Sub-total	284,161	-	284,161	151,531	16,318	116,312	100.0
Accrued interest	-	-	-	-	-	641	
Total - June 30, 2011	\$284,802	-	\$284,802	\$151,531	\$16,318	\$116,953	
Total - December 31, 2010	\$282,348	-	\$282,348	\$147,749	\$16,589	\$118,010	

1/ Net of lapses and cancellations.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF LOANS - continued
June 30, 2011
(expressed in thousands of United States dollars)

SCHEDULE 2

Analysis by Special Fund	Effective Loans						Percent- age of loans out- standing
	Total loans approved 1/	Loans approved but not yet effective	Signed agree- ments	Principal repaid	Undis- bursed	Out- standing 2/	
MEMBERS							
Trinidad and Tobago	1,330	-	1,330	1,327	-	3	0.0
OTHER CONTRIBUTORS							
Caribbean Development Bank	76,564	-	76,564	14,302	14,616	47,646	41.0
Nigeria	9,635	-	9,635	4,869	-	4,766	4.1
United States of America	93,007	-	93,007	92,888	-	119	0.1
Inter-American Development Bank	58,397	-	58,397	17,025	1,288	40,084	34.5
European Union	11,842	-	11,842	8,445	37	3,360	2.9
International Development Association	33,386	-	33,386	12,675	377	20,334	17.5
Sub-total	284,161	-	284,161	151,531	16,318	116,312	100.0
Accrued interest	-	-	-	-	-	641	
Total - June 30, 2011	\$284,802	-	\$284,802	\$151,531	\$16,318	\$116,953	
Total - December 31, 2010	\$282,348	-	\$282,348	\$147,749	\$16,589	\$118,010	

1/ Net of lapses and cancellations.

2/ There are no overdue instalments of principal (2010 - nil).

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF LOANS (continued)
June 30, 2011
(expressed in thousands of United States dollars)

SCHEDULE 2

Currencies receivable	Loans Outstanding 2010	Translation adjustments	Disbursements	Sub-Total	Repayments	Provision for losses	Loans Outstanding 2011
Euros	3,235	262	-	3,497	(137)	-	3,360
Special Drawing Rights	16,527	614	-	17,141	(446)	-	16,695
United States dollars	97,602	-	271	97,873	1,616)	-	96,257
Sub-total	\$117,364	\$876	\$271	\$118,511	(\$2,199)	-	\$116,312
Accrued interest	646						641
Total - June 30, 2011	\$118,010	\$876	\$271	\$119,152	(\$2,199)	-	\$116,953
Total - December 31, 2010	\$107,332	(\$515)	\$14,605	\$121,490	(\$3,480)	-	\$118,010

Maturity structure of loans outstanding

April 1, 2011 to December 31, 2011	2,841
January 1, 2012 to December 31, 2012	3,891
January 1, 2013 to December 31, 2013	3,927
January 1, 2014 to December 31, 2014	4,883
January 1, 2015 to December 31, 2019	30,551
January 1, 2020 to December 31, 2024	30,621
January 1, 2025 to December 31, 2029	23,168
January 1, 2030 to December 31, 2034	14,378
January 1, 2035 to December 31, 2039	1,897
January 1, 2040 to December 31, 2046	796
	<u>\$116,953</u>

**CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES – OTHER SPECIAL FUNDS
STATEMENT OF CONTRIBUTIONS**

June 30, 2011

(expressed in thousands of United States dollars)

SCHEDULE 3

Contributors	Contributions		
	Total 1/	Amount not yet made available	Amounts made available
Members			
Canada	\$2,070	-	\$2,070
	<u>2,070</u>	<u>-</u>	<u>2,070</u>
Other contributors			
Inter-American Development Bank 1/	41,460	-	41,460
European Investment Bank 1/	1,445	-	1,445
United States of America	5,886	-	5,886
European Union	4,940	-	4,940
International Development Association	21,849	-	21,849
	<u>75,580</u>	<u>-</u>	<u>75,580</u>
Total - June 30, 2011	<u>\$77,650</u>	<u>-</u>	<u>\$77,650</u>
Total - December 31, 2010	<u>\$78,107</u>	<u>-</u>	<u>\$78,107</u>

1/ Net of cancellations and repayments.

Maturity structure of repayable contributions outstanding

April 1, 2011 to December 31, 2011	1,787
January 1, 2012 to December 31, 2012	3,379
January 1, 2013 to December 31, 2013	3,411
January 1, 2014 to December 31, 2014	3,020
January 1, 2015 to December 31, 2015	2,939
January 1, 2016 to December 31, 2020	18,053
January 1, 2021 to December 31, 2025	12,895
January 1, 2026 to December 31, 2030	11,884
January 1, 2031 to December 31, 2035	8,855
January 1, 2036 to December 31, 2040	5,543
January 1, 2041 to December 31, 2045	<u>3,666</u>
Total	<u>\$75,432</u>

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF CONTRIBUTIONS (continued)
June 30, 2011
(expressed in thousands of United States dollars)

SCHEDULE 3

Currencies repayable	Contributions made available 2010	Translation adjustments	Drawdowns/Appropriations from Capital	Sub-total	Repayments	Contributions made available 2011
Canadian dollars	2,237	70	-	2,307	(26)	2,281
Euros	6,102	491	-	6,593	(207)	6,386
Japanese yen	203	2	-	205	(23)	182
Pounds sterling	221	7	-	228	(25)	203
Special Drawing Rights	18,004	668	-	18,672	(419)	18,253
Swedish kroners	91	6	-	97	(11)	86
United States dollars	51,249	-	-	51,249	(990)	50,259
Total - June 30, 2011	\$78,107	\$1,244	-	\$79,351	(\$1,701)	\$77,650
Total - December 31, 2010	\$81,954	(\$623)	-	\$81,331	(\$3,224)	\$78,107

**CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF ACCUMULATED NET INCOME**

June 30, 2011

(expressed in thousands of United States dollars)

SCHEDULE 4

Contributors	Brought forward 2010	Net Income 2011	Carried forward 2011
General Funds	37,073	696	37,769
European Investment Bank	(677)	(80)	(757)
European Union	2,532	58	2,590
Inter-American Development Bank	522	(7)	515
International Development Association	229	(50)	179
Nigeria	6,119	11	6,130
United States of America	2,594	(95)	2,499
Total - June 30, 2011	\$48,392	\$533	\$48,925
Total - December 31, 2010	\$44,446	\$3,946	\$48,392

SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF TECHNICAL ASSISTANCE AND OTHER GRANT RESOURCES
June 30, 2011
(expressed in thousands of United States dollars)

SCHEDULE 5

Contributors	CONTRIBUTIONS				
	Total 1/	Amounts not yet made available	Amounts made available	Amounts utilised	Net amounts available
Members					
Canada	39,973	-	39,973	31,982	7,991
United Kingdom	18,599	-	18,599	5,118	13,481
Italy	518	-	518	252	266
	59,090	-	59,090	37,352	21,738
Other contributors					
Caribbean Development Bank	200,069	-	200,069	98,047	102,022
United States of America	1,407	-	1,407	1,407	-
Inter-American Development Bank	2,756	-	2,756	2,513	243
China	677	-	677	198	479
Venezuela	587	-	587	-	587
Nigeria	193	-	193	147	46
Sub-total	205,689	-	205,689	102,312	103,377
Total - June 30, 2011	\$264,779	-	\$264,779	\$139,664	\$125,115
Total - December 31, 2010	\$264,622	\$139	\$264,483	\$134,907	\$129,576
Summary					
Basic Needs Trust Fund	126,750	-	126,750	65,401	61,349
Other Resources	138,029	-	138,029	74,263	63,766
Total - June 30, 2011	\$264,779	-	\$264,779	\$139,664	\$125,115
Basic Needs Trust Fund	126,750	-	126,750	64,922	61,828
Other Resources	137,872	\$139	137,733	69,985	67,748
Total - December 31, 2010	264,622	139	264,483	134,907	129,576

1/ Net of cancellations and resources fully utilised and expended in non-reimbursable operations.