

PUBLIC DISCLOSURE AUTHORISED

CARIBBEAN DEVELOPMENT BANK



Statement of Interim Financial Position (Unaudited)

For the Three Months Ended March 31, 2016

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

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May 2016

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF FINANCIAL POSITION
As of March 31, 2016
(expressed in thousands of United States dollars)

	<u>2016</u>	<u>December 31, 2015</u>
Assets		
Cash Resources		
Cash and cash equivalents	\$54,596	\$65,412
Investments		
Debt securities at fair value through profit or loss	271,644	213,765
Receivables and Prepaid assets	12,191	11,396
Loans		
Loans outstanding	976,632	992,530
Derivative financial instruments		
Cross currency interest rate swaps & Interest rate swap	86,106	56,251
Receivable from members		
Non-negotiable demand notes	45,558	45,746
Maintenance of value on currency holdings	4,528	4,606
Subscriptions in arrears	5,590	5,590
	<u>55,676</u>	<u>55,942</u>
Other assets		
Property and equipment	12,441	11,767
Total assets	<u>\$1,469,286</u>	<u>\$1,407,063</u>

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF FINANCIAL POSITION
As of March 31, 2016
(expressed in thousands of United States dollars)

	<u>2016</u>	<u>December 31, 2015</u>
Liabilities and Equity		
Liabilities		
Accounts payable and accrued liabilities	\$3,285	\$7,503
Subscriptions in advance	4,397	4,326
Deferred income	875	875
Post-employment obligations	17,655	17,655
Borrowings		
Short term facility	30,000	-
Long term borrowings	515,749	502,752
	<u>545,749</u>	<u>502,752</u>
Total Liabilities	<u>571,961</u>	<u>533,111</u>
Equity		
Capital stock		
Authorised capital - 312,971 (2015 - 312,971) shares		
Subscribed capital - 279,399 (2015 - 270,292) shares	1,763,656	1,763,656
Less callable capital - 218,050 (2015 - 210,943) shares	(1,375,135)	(1,375,135)
Paid-up capital - 61,349 (2015 - 59,349) shares	388,521	388,521
Less subscriptions not yet matured	(45,197)	(45,197)
Subscriptions matured	343,324	343,324
Retained earnings & Reserves	554,001	530,628
Total Equity	<u>897,325</u>	<u>873,952</u>
Total Liabilities and Equity	<u>\$1,469,286</u>	<u>\$1,407,063</u>

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF CHANGES IN EQUITY
As of March 31, 2016
(expressed in thousands of United States dollars)

	Capital Stock	Retained Earnings	Post Employment Obligations	Other Reserves	Total
Balance at January 1, 2015	\$299,468	\$520,600	\$(11,777)	\$13,260	\$821,551
New capital subscriptions	1,150	-	-	-	1,150
Net income for the period	-	14,029	-	-	14,029
Balance as of March 31, 2015	\$300,618	\$534,629	\$(11,777)	\$13,260	\$836,730
Balance at January 1, 2016	\$343,324	\$530,642	\$(13,274)	\$13,260	\$873,952
Net income for the period	-	23,373	-	-	23,373
Balance as of March 31, 2016	\$343,324	\$554,015	\$(13,274)	\$13,260	\$897,325

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF COMPREHENSIVE INCOME
For the three months ended March 31, 2016
(expressed in thousands of United States dollars)

	<u>2016</u>	<u>2015</u>
Interest and similar income		
Loans	\$7,916	\$10,186
Investments and cash balances	736	625
	<u>8,652</u>	<u>10,811</u>
Interest expense and similar charges		
Borrowings	5,027	4,955
Other financial income	(2,075)	(2,998)
	<u>2,952</u>	<u>1,957</u>
Net interest income	<u>5,700</u>	<u>8,854</u>
Other (income)/expenses		
Other income	(457)	(364)
Realised and unrealised fair value gains	(1,728)	(1,215)
Administrative expenses	3,402	2,761
Foreign exchange translation	(428)	845
	<u>789</u>	<u>2,027</u>
Operating income	<u>4,911</u>	<u>6,827</u>
Derivative fair value adjustment	29,855	6,580
Foreign exchange (loss)/gain in translation on Yen borrowings	(11,393)	622
	<u>18,462</u>	<u>7,202</u>
Total comprehensive income for the period	<u>\$23,373</u>	<u>\$14,029</u>

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF CASH FLOWS
For the three months ended March 31, 2016
(expressed in thousands of United States dollars)

	<u>2016</u>	<u>2015</u>
Operating activities:		
Net income for the year	\$23,373	\$14,029
Adjustments for non cash items:		
Unrealised gain on debt securities	(1,728)	(1,215)
Depreciation	226	282
Amortization of bond	(242)	-
Derivative fair value adjustment	(29,855)	(6,580)
Interest income	(8,652)	(10,811)
Interest expense	2,952	1,957
Foreign exchange loss/(gain) in translation on Yen borrowings	11,393	(622)
Decrease/(increase) in maintenance of value on currency holdings	78	(1,116)
<i>Total cash flows used in operating profits before changes in operating assets and liabilities</i>	<u>(2,455)</u>	<u>(4,076)</u>
Changes in operating assets and liabilities:		
Increase in receivables and prepaid assets	(795)	(143)
Decrease in accounts payable and accrued liabilities	(4,218)	(986)
Net (increase)/decrease in debt securities at fair value through profit and loss	<u>(55,845)</u>	<u>23,836</u>
<i>Cash (used in)/provided by operating activities</i>	<u>(63,313)</u>	<u>18,631</u>
Disbursements on loans	(11,281)	(2,456)
Principal repayments to the Bank on loans	26,773	18,947
Interest received	<u>8,752</u>	<u>9,908</u>
<i>Net cash (used in)/provided by operating activities</i>	<u>(39,069)</u>	<u>45,030</u>
Investing activities:		
Purchase of property and equipment	<u>(900)</u>	(899)
Proceeds from sale of property and equipment	-	-
<i>Net cash used in investing activities</i>	<u>(900)</u>	<u>(899)</u>
Financing activities:		
Borrowings:		
New borrowings	30,252	-
Repayments on borrowings	(556)	(30,277)
Interest paid on borrowings	(802)	(724)
New capital subscriptions	-	1,150
Decrease in Subscriptions in advance	71	-
Decrease/(increase) in receivables from members	<u>188</u>	<u>(721)</u>
<i>Net cash provided by/(used in) financing activities</i>	<u>29,153</u>	<u>(30,572)</u>
Net (decrease)/increase in cash and cash equivalents	(10,816)	13,559
Cash and cash equivalents at beginning of year	<u>65,412</u>	<u>34,202</u>
Cash and cash equivalents at end of quarter	<u><u>\$54,596</u></u>	<u><u>\$47,761</u></u>

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
SUMMARY STATEMENT OF INVESTMENTS
For the three months ended March 31, 2016
(expressed in thousands of United States dollars)

Schedule 1

	2016				
	USD	EUR	CAD	Other Currencies	All Currencies
Obligations guaranteed by					
Governments	\$149,700	\$1,143	\$5,354	\$-	\$156,197
Multilateral organisations	81,547	5,814	1,079	-	88,440
Time deposits	20,003	-	-	6,277	26,280
Sub-total	251,250	6,957	6,433	6,277	270,917
Accrued interest	670	15	36	6	727
Total	\$251,920	\$6,972	\$6,469	\$6,283	\$271,644

	December 31, 2015				
	USD	EUR	CAD	Other Currencies	All Currencies
Obligations guaranteed by					
Governments	\$128,542	\$1,091	\$5,001	\$-	\$134,634
Multilateral organisations	44,375	5,557	1,005	-	50,937
Time deposits	21,477	-	-	6,296	27,773
Sub-total	194,394	6,648	6,006	6,296	213,344
Accrued interest	394	10	15	2	421
Total	\$194,788	\$6,658	\$6,021	\$6,298	\$213,765

RESIDUAL TERM TO CONTRACTUAL MATURITY

	2016	2015
One month to three months	\$74,511	\$22,970
Over three months to one year	22,259	43,879
Over one year to five years	146,673	122,469
Over five years to ten years	28,201	24,447
Total	\$271,644	\$213,765

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
SUMMARY STATEMENT OF LOANS
As of March 31, 2016**

(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	Principal repaid to bank	Undisbursed	Loans Outstanding	Percentage of total loans outstanding
Anguilla	\$81,250	\$2,341	\$78,909	\$17,727	\$3,127	\$58,055	6.0
Antigua and Barbuda	154,211	-	154,211	29,192	33,098	91,921	9.4
Bahamas	107,578	33,069	74,509	48,352	19,824	6,333	0.7
Barbados	412,542	56,768	355,774	166,730	65,847	123,197	12.7
Belize	239,650	-	239,650	81,074	76,283	82,293	8.5
British Virgin Islands	59,544	-	59,544	33,550	12,451	13,543	1.4
Cayman Islands	43,097	-	43,097	41,034	-	2,063	0.2
Dominica	52,454	-	52,454	27,586	6,483	18,385	1.9
Grenada	89,319	-	89,319	30,926	22,692	35,701	3.7
Guyana	67,699	-	67,699	29,282	9,174	29,243	3.0
Jamaica	477,161	-	477,161	233,614	21,576	221,971	22.8
Montserrat	485	-	485	485	-	-	-
St. Kitts and Nevis	82,763	-	82,763	42,825	1,901	38,037	3.9
St. Lucia	202,101	27,176	174,925	95,121	8,705	71,099	7.3
St. Vincent and the Grenadines	159,032	-	159,032	51,244	12,498	95,290	9.8
Suriname	18,570	-	18,570	-	18,493	77	0.0
Trinidad and Tobago	168,741	-	168,741	119,277	10,000	39,464	4.1
Turks & Caicos Islands	15,101	-	15,101	9,608	-	5,493	0.6
Regional	20,741	-	20,742	6,557	6,532	7,652	0.8
Private Sector	154,697	-	154,697	106,381	14,097	34,219	3.5
Sub-total	2,606,736	119,354	2,487,382	1,170,565	342,781	974,036	100.0
Provision for losses	-	-	-	-	-	(6,309)	
Accrued interest	-	-	-	-	-	8,905	
Total - March 31, 2016	\$2,606,736	\$119,354	\$2,487,382	\$1,170,565	\$342,781	\$976,632	
Total - December 31, 2015	\$2,603,658	\$136,104	\$2,467,554	\$1,140,964	\$337,062	\$992,530	

1/ Net of lapses and cancellations.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
SUMMARY STATEMENT OF LOANS (continued)
For the three months ended March 31, 2016
(expressed in thousands of United States dollars)

Schedule 2
(continued)

Currencies Receivable	Loans Out- standing 2015	Net Interest Earned	Disburse- ments	Sub- Total	Repay- ments	Provision for Losses	Loans Out- standing 2016
United States dollars	\$989,528	\$-	\$11,281	\$1,000,809	\$(26,773)	\$-	\$974,036
Sub-Total	989,528	-	11,281	1,000,809	(26,773)	-	974,036
Provision for impairment	(6,309)	-	-	(6,309)	-	-	(6,309)
Accrued interest	9,311	(406)	-	8,905	-	-	8,905
Total - March 31, 2016	\$992,530	\$(406)	\$11,281	\$1,003,405	\$(26,773)	-	\$976,632
Total - December 31, 2015	\$982,671	\$(970)	\$95,082	\$1,076,783	\$(84,253)	\$-	\$992,530

MATURITY STRUCTURE OF LOANS OUTSTANDING

April 1, 2016 to December 31, 2016	\$85,809
January 1, 2017 to December 31, 2017	99,149
January 1, 2018 to December 31, 2018	93,113
January 1, 2019 to December 31, 2019	88,731
January 1, 2020 to December 31, 2020	82,403
January 1, 2021 to December 31, 2025	349,872
January 1, 2026 to December 31, 2030	167,192
January 1, 2031 to December 31, 2035	16,240
January 1, 2036 to December 31, 2037	432
Total	982,941
Deduct provision	(6,309)
Total loans outstanding	\$976,632

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF SUBSCRIPTION TO CAPITAL STOCK AND VOTING POWER
March 31, 2016
(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	48,354	17.31	\$291,659	\$227,614	\$64,045	\$57,629	48,504	17.14	\$13,180
Trinidad and Tobago	48,354	17.31	291,659	227,614	64,045	57,629	48,504	17.14	10,746
Bahamas	14,258	5.10	86,001	67,115	18,886	16,994	14,408	5.09	1,612
Guyana	10,417	3.73	62,833	49,038	13,795	12,412	10,567	3.73	-
Barbados	9,074	3.25	54,732	42,717	12,015	10,815	9,224	3.26	3,120
Colombia	7,795	2.79	47,017	36,691	10,326	9,292	7,945	2.81	627
Mexico	7,795	2.79	47,017	36,691	10,326	9,292	7,945	2.81	-
Venezuela	7,795	2.79	47,017	36,691	10,326	9,292	7,945	2.81	3,203
Suriname	4,166	1.49	25,128	19,627	5,501	2,861	4,316	1.53	1,070
Brazil	3,118	1.12	18,807	14,687	4,120	823	3,268	1.15	-
Haiti	2,187	0.78	13,191	10,296	2,895	2,606	2,337	0.83	-
Belize	2,148	0.77	12,956	10,109	2,847	2,561	2,298	0.81	2,145
Dominica	2,148	0.77	12,956	10,109	2,847	2,561	2,298	0.81	-
St. Lucia	2,148	0.77	12,956	10,109	2,847	2,561	2,298	0.81	213
St. Vincent and the Grenadines	2,148	0.77	12,956	10,109	2,847	2,561	2,298	0.81	360
Antigua and Barbuda	2,148	0.77	12,956	10,109	2,847	2,561	2,298	0.81	97
St. Kitts and Nevis	2,148	0.77	12,956	10,109	2,847	2,561	2,298	0.81	296
Grenada	1,839	0.66	11,093	8,661	2,432	2,187	1,989	0.70	286
Anguilla /1	455	0.16	2,744	2,141	603	543			255
Montserrat /1	533	0.19	3,215	2,509	706	635			14
British Virgin Islands /1	533	0.19	3,215	2,509	706	635	2,737	0.97	-
Cayman Islands /1	533	0.19	3,215	2,509	706	635			-
Turks and Caicos Islands /1	533	0.19	3,215	2,509	706	635			8
	180,627	64.65	1,089,494	850,273	239,221	210,281	183,477	64.83	37,233
Non-Regional States:									
Canada	26,004	9.31	156,849	122,408	34,441	30,991	26,154	9.24	-
United Kingdom	26,004	9.31	156,849	122,408	34,441	30,991	26,154	9.24	-
Italy	15,588	5.58	94,023	73,376	20,647	18,578	15,738	5.56	2,150
Germany	15,588	5.58	94,023	73,376	20,647	18,578	15,738	5.56	626
China	15,588	5.58	94,023	73,376	20,647	18,578	15,738	5.56	5,549
	98,772	35.35	595,767	464,944	130,823	117,716	99,522	35.17	8,325
Sub-total	279,399	100.00	1,685,261	1,315,217	370,044	327,997	282,999	100.00	45,558
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	1,430			
Brazil			9,403	7,343	2,060	412			
Sub-total	-	-	78,395	59,918	18,477	15,509	-	-	-
Gross Subscriptions - March 31, 2016	279,399	100.00	\$1,763,656	\$1,375,135	\$388,521	\$343,506	282,999	100.00	\$45,558
Subscriptions Prepayment Discount						(182)			
Net Subscriptions - March 31, 2016						343,324			
Total - December 31, 2015	279,399	100.00	\$1,763,656	\$1,375,135	\$388,521	\$343,324	282,999	100.00	\$45,746

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
For the three months ended March 31, 2016
(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\$	\$30,000	\$-	\$-	\$-	\$-	\$30,000	2016
	30,000	-	-	-	-	30,000	
CDB Market Borrowings:							
4.35% Loan - Yen	60,000	(2,351)	-	-	-	57,649	2030
2.75% Notes - Yen	100,000	11,309	-	6,032	-	117,341	2022
4.375% Bonds - US\$	300,000	-	-	-	-	300,000	2027
Unamortized transaction costs	(1,741)	-	-	-	-	(1,741)	
	458,259	8,958	-	6,032	-	473,249	
European Investment Bank							
Global Loan III - US\$	51,157	-	(24,599)	-	-	26,558	2023
Climate Action Credit - US\$	65,320	-	-	-	(65,320)	-	
	116,477	-	(24,599)	-	(65,320)	26,558	
Inter-American Development Bank:							
Loan 926/OC-RG - US\$	19,347	-	(13,791)	-	-	5,556	2021
Loan 2798/BL-RG - US\$	14,000	-	-	-	(7,314)	6,686	
	33,347	-	(13,791)	-	(7,314)	12,242	2043
Sub-total	638,083	8,958	(38,390)	6,032	(72,634)	542,049	
Accrued interest	3,700	-	-	-	-	3,700	
Total - March 31, 2016	\$641,783	\$8,958	\$(38,390)	\$6,032	\$(72,634)	\$545,749	
Total - December 31, 2015	\$623,315	\$(2,435)	\$(51,526)	\$6,032	\$(72,634)	\$502,752	

1/ Net of cancellations and borrowings fully repaid.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
SUMMARY STATEMENT OF BORROWINGS (continued)
For the three months ended March 31, 2016
(expressed in thousands of United States dollars)

							Schedule 4 (continued)
Currencies repayable	Out- standing borrow- ings December 31 2015	Trans- lation adjust- ments	Net Interest Paid	Draw- downs	Currency swap agreements	Repay- ments	Out- standing borrow- ings March 31 2016
United States dollars	\$338,282	\$-	\$-	\$30,252	\$-	\$(556)	\$367,978
Yen	162,920	11,393	-	-	(242)	-	174,071
Sub-total	501,202	11,393	-	30,252	(242)	(556)	542,049
Accrued interest	1,550	-	2,150	-	-	-	3,700
Total - March 31, 2016	\$502,752	\$11,393	\$2,150	\$30,252	\$(242)	\$(556)	\$545,749
Total - December 31, 2015	\$530,301	\$6,065	\$298	\$1,488	\$(968)	\$(34,432)	\$502,752

MATURITY STRUCTURE OF BORROWINGS OUTSTANDING

April 1, 2016 to December 31, 2016	\$37,576
January 1, 2017 to December 31, 2017	4,432
January 1, 2018 to December 31, 2018	4,432
January 1, 2019 to December 31, 2019	4,705
January 1, 2020 to December 31, 2020	4,705
January 1, 2021 to December 31, 2025	308,088
January 1, 2026 to December 31, 2030	178,399
January 1, 2031 to December 31, 2043	3,412
Total	\$545,749

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2016

[Expressed in Thousands of United States Dollars (US\$) 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 (“Region”) and to promote economic cooperation and integration among them, with special and urgent regard to the needs of the less developed members.

Reducing poverty in the region is CDB’s main objective and it finances development projects in its Borrowing Member Countries (“BMCs”) primarily through its Ordinary Capital Resources (“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. The BMCs are also shareholders of the OCR and are therefore considered related parties.

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 current membership of the Bank is comprised of twenty-three (23) regional states and territories and five (5) non-regional states (2014: 22 regional states and territories and 5 non-regional states).

NOTE 2 – KEY EVENTS

For the six month period commencing on January 1, 2016, the Bank’s interest rate on its variable rate loans was set at 2.97% (2015: 3.90%). This was approved at the 268th meeting of the Board of Directors (BOD) held on October 15, 2015 and was in accordance with the policy of setting interest rates on the basis of the weighted average cost of borrowings for the previous six months plus an adjustable spread.

For the period under review, the Bank recorded net interest income of \$5.7mn (2015: \$8.9mn), a reduction of 36.0%. There was a decline in net interest income of \$3.2mn and lower net non-interest charges of \$1.2mn resulting in operating income being \$1.9mn lower than the previous period achievement of \$6.8mn. This was offset by an \$11.3mn increase in the positive impact of the derivative adjustments.

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2016

[Expressed in Thousands of United States Dollars (US\$) unless otherwise stated]

NOTE 2 – KEY EVENTS...continued

Total comprehensive income earned was \$23.4mn (2015: \$14.0mn) largely driven by the positive effects of the total derivative adjustments of \$18.5mn.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

This condensed interim financial report for the three months ended March 31, 2016 was prepared in accordance with IAS 34, ‘*Interim Financial Reporting*’ and does not include all of the information and disclosures required in the audited annual financial statements. This condensed interim financial report should be read in conjunction with the Bank’s audited financial statements in respect of the year ended December 31, 2015.

Accounting policies

Accounting policies which are specific in nature are included as part of the disclosures that are relevant to the particular item. The accounting policies that are of a general nature applied in the preparation of these financial statements are set out below.

All policies have been consistently applied to the years presented, except where otherwise stated. Prior year comparatives have been adjusted or amended to conform with the presentation in the current year where applicable.

New and amended standards and interpretations which are applicable to the Bank

The Bank applied for the first time certain standards and amendments, which are effective for the reporting period. The nature and the impact of each new standard and amendment is described below:

IAS 19 – Defined Benefit Plans: Employee Contributions – Amendments to IAS 19 (Effective July 1, 2014)

This amendment requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. IAS 19 requires such contributions that are linked to service to be attributed to periods of service as a negative benefit. If the amount of the contribution is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service was rendered, instead of allocating the contributions to the periods of service. The Bank has always treated members’ contributions as a reduction to service cost as they are independent of the number of year of service. There was therefore no impact on the financial statements.

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2016

[Expressed in Thousands of United States Dollars (US\$) unless otherwise stated]

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Standards in issue not yet effective and which are applicable to the Bank

The following is a list of standards and interpretations issued that are not yet effective up to the date of the issuance of the Bank's financial statements. The Bank intends to adopt these standards, if applicable, when they become effective. The impact of adoption depends on the assets held by the Bank at the date of adoption and it is therefore not practical to quantify the effect at this time.

- *IAS 1 – Disclosure Initiative – Amendments to IAS 1* (Effective January 1, 2016)
- *IFRS 9 – Financial Instruments* (Effective January 1, 2018)
- *IFRS 15 – Revenue from contracts with customers* (Effective January 1, 2017)
- *IAS 16 and IAS 38 – Clarification of Acceptable Methods for Depreciation and Amortisation* (Amendments) (Effective date January 1, 2016)
- Annual Improvements to IFRSs 2012-2014 Cycle

NOTE 4 – LOANS

The distribution of the Bank's loans by country and the analysis of interest and related income earned for the three months ended March 31, 2016 are shown in Schedule 2.

NOTE 5 – SEGMENT ANALYSIS

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. Under Article 33.4 of the Charter, the President is the Chief Executive Officer ("CEO") of the Bank, and is required to conduct, under the direction of the Board of Directors ("BOD") the current business of the Bank as well as the other matters as set out in this Article. The President has set up a number of management Committees to assist with the discharge of those responsibilities.

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

The Bank has determined that the Advisory Management Team ("AMT") is its chief operating decision maker.

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2016

[Expressed in Thousands of United States Dollars (US\$) unless otherwise stated]

NOTE 5 – SEGMENT ANALYSIS...continued

Segment reporting...continued

The following table presents the outstanding balance of CDB's loans (net of provision for impairment) as of March 31, 2016 and associated interest income, by countries which generated in excess of 10% of the loan interest income for the three months ended March 31, 2016.

Country	Interest income		Loans outstanding	
	2016	2015	March 31, 2016	December 31, 2015
Jamaica	\$1,668	\$,2,276	\$223,901	\$227,535
Barbados	1,081	1,525	124,005	123,641
St. Vincent and the Grenadines	748	1,063	96,052	98,329
Other	4,419	5,322	532,674	543,025
	\$7,916	\$10,186	\$976,632	\$992,530

NOTE 6 – CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following balances with less than three months maturity from the date of acquisition:

	2016	December 31, 2015
Due from banks	\$21,630	\$19,829
Time deposits	32,966	45,583
	\$54,596	\$65,412

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2016

[Expressed in Thousands of United States Dollars (US\$) unless otherwise stated]

NOTE 7 – RISK MANAGEMENT

The Bank's principal financial liabilities, other than derivatives, comprise borrowings and trade and other payables, 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, trade and other receivables, cash and short-term deposits and debt securities at fair value through profit and loss 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.

The Bank's Board of Directors (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 Board of Directors. Operationally, CDB seeks to minimise its risks via the implementation of robust mitigating controls aimed at reducing exposure to achieve 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 including additional risks 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 among the Bank's employees and in the Bank's operations. 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.

The Bank's governance is built around the following committees:

- (a) The Enterprise Risk Committee (ERC);
- (b) The Loans Committee;
- (c) The Oversight and Assurance Committee (OAC) [formerly the Audit and Post-Evaluation Committee (APEC)], which operates under a new Charter approved by the BOD in October 2015; and
- (d) The Advisory Management Team (AMT).

In May 2015, the Board of Directors approved a new strategic framework for integrity, compliance and accountability and the establishment of a new independent office. This Office was operationalised in December 2015 with the appointment of a Head, Institutional Integrity, Compliance and Accountability (ICA).

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2016

[Expressed in Thousands of United States Dollars (US\$) unless otherwise stated]

NOTE 7 – RISK MANAGEMENT ...continued

Fair value of financial assets and liabilities

(a) *Fair value hierarchy*

IFRS 7 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:

Quoted prices in active markets (Level 1) – Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, the New York Stock Exchange, NASDAQ).

Significant observable inputs (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. Bloomberg is the source of input parameters like the LIBOR yield curves or counterparty credit risks.

Significant unobservable inputs (Level 3) – Inputs for the asset or liability for which the lowest level input that is significant to the fair value measurement is unobservable. This level includes equity investments and debt instruments with significant unobservable components.

Assets measured at fair value:

March 31	2016			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets at fair value through profit and loss				
- Derivative financial instruments	\$-	56,124	\$-	\$56,124
Financial assets designated at fair value				
- Debt securities	-	271,644	-	271,644
- Derivative financial instruments	-	29,982	-	29,982
	\$-	\$357,750	\$-	\$357,750

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2016

[Expressed in Thousands of United States Dollars (US\$) unless otherwise stated]

NOTE 7 – RISK MANAGEMENT...continued

Fair value financial assets and liabilities...continued

December 31	2015			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets at fair value through profit and loss				
- Derivative financial instruments	\$-	\$39,376	\$-	\$39,376
Financial assets designated at fair value				
- Debt securities	-	210,255		210,255
- Derivative financial instruments	-	19,365	-	19,365
	\$-	\$268,996	\$-	\$268,996

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2016

[Expressed in Thousands of United States Dollars (US\$) unless otherwise stated]

NOTE 7 – RISK MANAGEMENT ...continued

Commitments, guarantees and contingent liabilities

Commitments, guarantees and contingent liabilities

Loan commitments represent amounts undrawn against loans approved by the BOD, Capital commitments represent obligations in respect of ongoing capital projects. Other commitments comprise the remaining contribution from OCR to the operations of the Special Development Fund (SDF (U)) in respect of the 4 year cycle (Cycle 8) covering the period 2013 to 2016.

	2016		
	0-12 months	1-5 years	Total
At March, 31			
Loan commitments	\$120,000	\$222,781	\$342,781
Capital commitments	-	-	-
Other commitments	6,000		6,000
Guarantees	12,000	-	12,000
	\$138,000	\$222,781	\$360,781
At December 31			
Loan commitments	\$120,000	\$217,062	\$337,062
Capital commitments	-	-	-
Other commitments	6,000	-	6,000
Guarantees	12,000	-	12,000
	\$138,000	\$217,062	\$355,062

Borrowings

It is the Bank's policy to limit borrowing and guarantees chargeable to the Bank's OCR to 100 percent of the callable capital of its investment grade non-borrowing members plus the paid in capital and retained earnings less receivables from members and other non-cash resources, general banking reserve and the re-measurement reserve (cash reserves). As at March 31, 2016 total borrowings amounted to \$545.7mn (December 31, 2015: \$502.8mn).

At March 31, 2016 the ratio of total outstanding and contracted borrowings of \$618,383 (December 31, 2015: \$575,386) to the borrowing limit of \$1,340,161(December 31, 2015: \$1,264,600) was 46.1% (December 31, 2015: 45.5%).

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2016

[Expressed in Thousands of United States Dollars (US\$) unless otherwise stated]

NOTE 7 – RISK MANAGEMENT...continued

Credit rating

On May 7, 2015 Standard & Poor's affirmed its 'AA' long-term issuer credit rating and 'A-1+' short-term credit rating and changed the outlook from Negative to Stable.

On July 30, 2015 Moody's Investors Service affirmed the Bank's long term issuer rating at Aa1 and maintained the outlook as Stable.

NOTE 8 – GUARANTEES

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.

Financial guarantees are initially recognised as a liability in the financial statements at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee, on the date the guarantee was given. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

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.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
STATEMENT OF FINANCIAL POSITION
As of March 31, 2016

(expressed in thousands of United States dollars)

				December 31, 2015		
	UNIFIED	OTHER	TOTAL	UNIFIED	OTHER	TOTAL
Assets						
Cash and cash equivalents	\$32,763	\$11,272	\$44,035	\$31,548	\$12,129	\$43,677
Debt securities at fair value through profit or loss	270,277	44,717	314,994	262,464	43,509	305,973
Loans outstanding	539,349	15,460	554,809	543,427	15,756	559,183
Receivables						
Accounts receivable	1	-	1	1	-	1
	842,390	71,449	913,839	837,440	71,394	908,834
Receivable from contributors						
Non-negotiable demand notes (Schedule 3)	72,431	-	72,431	73,176	-	73,176
Contribution in arrears	11,224	-	11,224	12,124	-	12,124
	83,655	-	83,655	85,300	-	85,300
Total assets	\$926,045	\$71,449	\$ 997,494	\$922,740	\$71,394	\$994,134
Liabilities and Funds						
Liabilities						
Accounts payable	\$61,260	\$1,017	\$62,277	\$60,375	\$1,498	\$61,873
Subscriptions in advance	2,350	-	2,350	2,350	-	2,350
Accrued charges on contributions	-	-	-	-	-	-
	63,610	1,017	64,627	62,725	1,498	64,223
Funds						
Contributed resources (Schedule 3)						
Contributions	1,201,729	41,034	1,242,763	1,201,875	40,905	1,242,780
Less amounts not yet made available	(81,827)	-	(81,827)	(81,827)	-	(81,827)
Amounts made available	1,119,902	41,034	1,160,936	1,120,048	40,905	1,160,953
Allocation to technical assistance and grant resources	(430,600)	(2,285)	(432,885)	(430,600)	(2,285)	(432,885)
	689,302	38,749	728,051	689,448	38,620	728,068
Accumulated net income (Schedule 4)	\$55,971	\$30,757	\$6,728	\$52,513	\$30,351	\$2,864
Technical assistance and grant resources	117,162	926	118,088	118,054	925	118,979
	862,435	70,432	932,867	860,015	69,896	929,911
Total liabilities and funds	\$926,045	\$71,449	\$997,494	\$922,740	\$71,394	\$994,134

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
STATEMENT OF COMPREHENSIVE INCOME AND ACCUMULATED NET INCOME
For the three months ended March 31, 2016
(expressed in thousands of United States dollars)

	2016			2015		
	UNIFIED	OTHER	TOTAL	UNIFIED	OTHER	TOTAL
Interest and similar income						
Loans	\$3,098	\$90	\$3,188	\$3,032	\$97	\$3,129
Investments and cash balances	4,016	525	4,541	1,188	237	1,425
Gross income	7,114	615	7,729	4,220	334	4,554
Expenses						
Administrative expenses	2,747	177	2,924	3,404	208	3,612
Charges on contributions	-	-	-	-	-	-
Foreign exchange translation	909	32	941	(787)	240	(547)
	3,656	209	3,865	2,617	448	3,065
Total comprehensive income /(loss) for the period	\$3,458	\$406	\$3,864	\$1,603	(\$114)	\$1,489

Accumulated Net Income

Accumulated net income - beginning of year	\$52,513	\$30,351	\$82,864	\$61,374	\$31,838	\$93,212
Appropriations for technical assistance	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	3,458	406	3,864	1,603	(114)	1,489
Appropriations from OCR income	-	-	-	-	-	-
Accumulated net income - end of period	\$55,971	\$30,757	\$86,728	\$62,977	\$31,724	\$94,701

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND (UNIFIED)
STATEMENT OF CASH FLOWS
For the three months ended March 31, 2016
(expressed in thousands of United States dollars)

	<u>2016</u>	<u>2015</u>
Operating activities:		
Total comprehensive income for the period	\$3,458	\$1,603
Adjustments for non-cash items:		
Unrealised gain on debt securities at fair value through profit or loss	(3,168)	(554)
Interest income	(3,946)	(3,758)
Net foreign exchange gains	(146)	(1,508)
<i>Total cash flows used in operating profits before changes in operating assets and liabilities</i>	(3,802)	(4,217)
Changes in operating assets and liabilities:		
(Increase)/decrease in accounts receivable	(1)	5,040
Increase in accounts payable	885	369
<i>Cash (used in)/provided by operating activities</i>	(2,918)	1,192
Disbursements on loans	(3,735)	(2,455)
Principal repayments to the Bank on loans	7,908	6,349
Interest received	3,961	3,784
Net (increase)/decrease in debt securities at fair value through profit or loss	(4,755)	28,836
Technical assistance disbursements	(891)	(3,660)
<i>Net cash (used in)/provided by operating activities</i>	(430)	34,046
Financing activities:		
Decrease in receivables from contributors	1,645	856
<i>Net cash provided by financing activities</i>	1,645	856
Net decrease in cash and cash equivalents	1,215	34,902
Cash and cash equivalents - beginning of year	31,548	12,700
Cash and cash equivalents - end of the period	\$32,763	\$47,602

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND (OTHER)
STATEMENT OF CASH FLOWS
For the three months ended March 31, 2016
(expressed in thousands of United States dollars)

	<u>2016</u>	<u>2015</u>
Operating activities:		
Total comprehensive income/(loss) for the period	\$406	\$(114)
Adjustments for non-cash items		
Unrealised loss on debt securities at fair value through profit or loss	386	127
Interest income	(1,001)	(471)
Interest expense	-	-
Unrealised net foreign exchange loss /(gain)	\$129	(363)
<i>Total cash flows used in operating profits before changes in operating assets and liabilities</i>	(80)	(821)
Changes in operating assets and liabilities:		
Decrease/(increase) in accounts receivable	-	(3,291)
Decrease in accounts payable	(481)	(4,508)
<i>Cash used in operating activities</i>	(561)	(8,620)
Principal repayments to the Bank on loans	298	298
Interest received	1,020	474
Net (increase)/decrease in debt securities at fair value through profit or loss	(1,614)	4,768
<i>Net cash used in operating activities</i>	(857)	(3,080)
Financing activities:		
Net decrease in cash and cash equivalents	(857)	(3,080)
Cash and cash equivalents at beginning of year	12,129	9,076
Cash and cash equivalents at end of period	<u>\$11,272</u>	<u>\$5,996</u>

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUND RESOURCES - SPECIAL DEVELOPMENT FUND
SUMMARY STATEMENT OF INVESTMENTS

For the three months ended March 31, 2016

(expressed in thousands of United States dollars)

Schedule 1

	March 31, 2016			December 31, 2015		
	Market value			Market value		
	UNIFIED	OTHER	TOTAL	UNIFIED	OTHER	TOTAL
Government and Agency Obligations	\$182,767	\$25,299	\$208,066	\$170,186	\$24,273	\$194,459
Supranationals	76,646	17,405	94,051	71,304	17,205	88,509
Time Deposits	10,150	1,893	12,043	20,150	1,891	22,041
Sub-total	269,563	44,597	314,160	261,640	43,369	305,009
Accrued Interest	714	120	834	824	140	964
Total	\$270,277	\$44,717	\$314,994	\$262,464	\$43,509	\$305,973

Residual term to contractual maturity

	2016	2015
One month to three months	\$31,903	\$26,006
Over three months to one year	47,913	57,717
From one year to five years	201,253	189,403
From five years to ten years	33,925	32,847
TOTAL	\$314,994	\$305,973

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND (UNIFIED)
SUMMARY STATEMENT OF LOANS
As of March 31, 2016

(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
	Loans approved but not yet effective	Undisbursed	Outstanding ^{2/}	
Anguilla	\$425	\$-	\$2,376	0.4
Antigua and Barbuda	-	-	1,942	0.4
Bahamas	-	-	619	0.1
Barbados	-	-	266	0.1
Belize	-	30,739	42,331	7.9
British Virgin Islands	-	277	1,222	0.2
Dominica	-	46,606	54,674	10.2
Grenada	-	24,135	77,103	14.4
Guyana	-	44,231	110,614	20.6
Jamaica	-	10,660	118,132	22.0
Montserrat	-	1,280	3,307	0.6
St. Kitts and Nevis	8,000	179	44,288	8.3
St. Lucia	6,000	27,138	45,279	8.4
Suriname	-	3,370	-	0.0
St. Vincent and the Grenadines	18,517	22,709	28,281	5.3
Trinidad and Tobago	1,000	-	-	0.0
Turks & Caicos Islands	-	-	2,677	0.5
Regional	-	6,375	3,162	0.6
Sub-total	\$33,942	\$217,699	\$536,273	100.0
Accrued interest	-	-	3,076	
Total - March 31, 2016	\$33,942	\$217,699	\$539,349	
Total -December 31, 2015	\$51,402	\$185,457	\$543,427	

1/ Net of lapses and cancellations.

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

As of March 31, 2016

(expressed in thousands of United States dollars)

Member countries in which loans have been made	Effective Loans		Schedule 2 (continued)
	Undisbursed	Outstanding 2/	Percentage of total loans outstanding
Anguilla	\$-	\$-	0.0
Antigua and Barbuda	-	374	2.4
Bahamas	-	-	0.0
Barbados	-	-	0.0
Belize	-	6,113	39.8
British Virgin Islands	-	-	0.0
Cayman Islands	-	-	0.0
Dominica	-	1,733	11.3
Grenada	-	147	1.0
Guyana	-	-	0.0
Jamaica	-	1,211	7.9
Montserrat	-	-	0.0
St. Kitts and Nevis	-	4,385	28.5
St. Lucia	-	390	2.5
St. Vincent and the Grenadines	-	1,017	6.6
Turks & Caicos Islands	-	-	0.0
Regional	-	-	0.0
Sub-total	\$-	\$15,370	100.0
Accrued interest	-	90	
Total - March 31, 2016	\$-	\$15,460	
Total -December 31, 2015	\$-	\$15,756	

1/ Net of lapses and cancellations.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
SUMMARY STATEMENT OF LOANS (Continued)
As of March 31, 2016
(expressed in thousands of United States dollars)

Analysis by contributor	Effective Loans						Schedule 2 (continued)
	Total loans approved 1/	Loans approved but not yet effective	Signed agreements	Principal repaid to bank	Undisbursed	Outstanding 2/	Percentage of total loans outstanding
Special Development Fund (Unified)							
Members/Contributors	\$1,141,716	\$33,942	\$1,107,774	\$353,802	\$217,699	\$536,273	100.0
Accrued interest	-	-	-	-	-	3,076	
Total Special Development Fund (Unified)	\$1,144,792	\$33,942	\$1,110,850	\$353,802	\$217,699	\$539,349	
Special Development Fund (Other)							
Members							
Colombia	8,534	-	8,534	8,441	-	92	0.6
Germany	16,501	-	16,501	16,388	-	113	0.7
Mexico	8,815	-	8,815	7,118	-	1,697	11.0
Venezuela	52,206	-	52,206	38,767	-	13,439	87.5
	86,056	-	86,056	70,714	-	15,341	
Other Contributors							
Sweden	4,559	-	4,559	4,531	-	29	0.2
United States of America	22,833	-	22,833	22,833	-	-	-
	27,392	-	27,392	27,364	-	29	100.0
Sub-total	\$113,448	\$-	\$113,448	\$98,078	\$-	\$15,370	
Accrued interest	-	-	-	-	-	90	
Total - Special Development Fund (Other)	\$113,538	\$-	\$113,538	\$98,078	\$-	\$15,460	
Total Special Development Fund March 31, 2016	\$1,258,420	\$33,942	\$1,224,478	\$451,880	\$217,699	\$554,809	
Total Special Development Fund December 31, 2015	\$1,237,027	\$51,402	\$1,185,625	\$440,895	\$185,457	\$559,183	

1/Net of lapses and cancellations.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
SUMMARY STATEMENT OF LOANS (Continued)
As of March 31, 2016
(expressed in thousands of United States dollars)

	Schedule 2 (continued)					
Currencies receivable	Loans out- standing 2015	Net Interest Earned	Disburse- ments	Sub- Total	Repay- ments	Loans out- standing 2016
(a) Special Development Fund (Unified)						
United States dollars	\$540,446	\$-	\$3,735	\$544,181	\$(7,908)	\$536,273
Subtotal	540,446	-	3,735	544,181	(7,908)	536,273
Accrued interest	2,981	95	-	3,076	-	3,076
Total - March 31, 2016	\$543,427	\$95	\$3,735	\$547,257	\$(7,908)	\$539,349
Total - December 31, 2015	\$529,875	\$85	\$39,080	\$569,040	\$(25,613)	\$543,427
(b) Special Development Fund (Other)						
United States dollars	\$15,667	\$(1)	\$-	\$15,668	\$(298)	\$15,370
Subtotal	15,667	(1)	-	15,668	(298)	15,370
Accrued interest	89	1	-	90	-	90
Total - March 31, 2016	\$15,756	\$-	\$-	\$15,758	\$(298)	\$15,460
Total - December 31, 2015	\$16,959	\$(10)	\$-	\$16,949	\$(1,193)	\$15,756

MATURITY STRUCTURE OF LOANS OUTSTANDING

April 1, 2016 to December 31, 2016	\$24,671
January 1, 2017 to December 31, 2017	30,041
January 1, 2018 to December 31, 2018	30,055
January 1, 2019 to December 31, 2019	30,066
January 1, 2020 to December 31, 2024	154,010
January 1, 2025 to December 31, 2029	136,471
January 1, 2030 to December 31, 2034	95,399
January 1, 2035 to December 31, 2039	44,938
January 1, 2040 to December 31, 2044	8,958
January 1, 2045 to December 31, 2045	200
Total	\$554,809

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
STATEMENT OF CONTRIBUTED RESOURCES

As of March 31, 2016

(expressed in thousands of United States dollars)

Schedule 3

CONTRIBUTORS	CONTRIBUTIONS					
	Total approved 1/	Approved but not yet effective 2/	Total contribution agreed	Amounts not yet made available	Amounts made available	Receivable from members Non negotiable demand notes
Special Development Fund - Unified						
<u>Members</u>						
Trinidad and Tobago	\$45,935	\$0	\$45,935	2,638	\$43,297	\$7,784
Jamaica	43,755	-	43,755	2,638	41,117	13,573
Guyana	25,686	-	25,686	1,469	24,217	4,044
Bahamas	25,685	-	25,685	1,469	24,216	11,126
Barbados	25,681	-	25,681	1,469	24,212	2,832
St. Vincent and the Grenadines	6,587	-	6,587	360	6,227	2,029
Belize	6,575	-	6,575	360	6,215	2,252
St. Kitts and Nevis	6,575	1,441	5,134	-	5,134	2,494
St. Lucia	6,575	-	6,575	360	6,215	2,612
Dominica	6,315	-	6,315	360	5,955	2,549
Grenada	3,977	-	3,977	152	3,825	2,990
Antigua and Barbuda	2,889	632	2,257	-	2,257	777
Anguilla	2,677	632	2,045	-	2,045	736
British Virgin Islands	2,677	-	2,677	158	2,519	-
Montserrat	2,677	632	2,045	-	2,045	-
Turks and Caicos Islands	2,677	632	2,045	-	2,045	-
Cayman Islands	2,577	1,237	1,340	-	1,340	-
Haiti	2,505	945	1,560	-	1,560	-
Suriname	2,160	-	2,160	540	1,620	1,080
Colombia	30,657	-	30,657	881	29,776	-
Venezuela	25,506	3,524	21,982	-	21,982	-
Mexico	20,524	3,524	17,000	-	17,000	-
Canada	342,182	-	342,182	33,217	308,965	-
United Kingdom	276,896	-	276,896	26,026	250,870	14,384
Germany	101,225	-	101,225	7,980	93,245	1,168
Italy	65,533	3,244	62,289	-	62,289	-
China	48,298	-	48,298	1,750	46,548	-
	1,135,006	16,443	\$1,118,563	81,827	1,036,736	72,431
<u>Other Contributors</u>						
France	58,254	-	58,254	-	58,254	-
Netherlands	24,902	-	24,902	-	24,902	-
Chile	10	-	10	-	10	-
	1,218,172	16,443	1,201,729	81,827	1,119,902	72,431
Technical Assistance Allocation	(430,600)	-	(430,600)	-	(430,600)	-
Sub-total	787,572	16,443	771,129	81,827	689,302	72,431
Special Development Fund - Other						
<u>Members</u>						
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	-
<u>Other Contributors</u>						
Sweden	3,209	-	3,209	-	3,209	-
United States of America 4/	-	-	-	-	-	-
	3,209	-	3,209	-	3,209	-
Sub-total	38,749	-	38,749	-	38,749	-
Total SDF - 2016	\$826,321	\$16,443	\$809,878	\$81,827	\$728,051	\$72,431
SUMMARY						
Members	\$764,848	\$16,443	\$748,405	\$81,827	\$666,578	\$72,431
Other contributors	61,473	-	61,473	-	61,473	-
Total SDF - 2016	\$826,321	\$16,443	\$809,878	\$81,827	\$728,051	\$72,431
Total SDF - 2015	\$826,338	\$16,443	\$809,895	\$81,827	\$728,068	\$73,176

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)
As of March 31, 2016
(expressed in thousands of United States dollars)

						Schedule 3 (continued)
Currencies	Amounts made available 2015	Trans- lation adjust- ments	Drawdowns/ Appropria- tions from Capital 1/	Sub-total	Repay- ments	Amounts made available 2016
(a) Special Development Fund - Unified						
Euros	\$6,150	\$289	\$-	\$6,439	\$-	\$6,439
Pounds sterling	14,819	(435)	-	14,384	-	14,384
United States dollars	668,479	-	-	668,479	-	668,479
Total - March 31, 2016	\$689,448	\$(146)	\$-	\$689,302	\$-	\$689,302
Total -December 31, 2015	\$658,164	\$(1,968)	\$33,252	\$689,448	\$-	\$689,448
(b) Special Development Fund - Other						
Swedish kroners	\$3,080	\$129	\$-	\$3,209	\$-	\$3,209
United States dollars	35,540	-	-	35,540	-	35,540
Total - March 31, 2016	\$38,620	\$129	\$-	\$38,749	\$-	\$38,749
Total - December 31, 2015	\$38,908	\$(288)	\$-	\$38,620	\$-	\$38,620

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

As of March 31, 2016

(expressed in thousands of United States dollars)

Schedule 4

Contributors	Brought forward 2015	Net Income 2016	Appro- priations	Carried forward 2016
Special Development Fund (Unified)	\$52,513	\$3,458	\$-	\$55,971
Special Development Fund (Other)				
Members				
Colombia	1,989	45	-	2,034
Germany	(1,216)	(20)	-	(1,236)
Mexico	7,137	144	-	7,281
Venezuela	8,894	110	-	9,004
	16,804	279	\$-	17,083
Other contributors				
Sweden	2,248	(33)	-	2,215
United States of America	11,299	160	-	11,459
	13,547	127	\$-	13,674
	30,351	406	\$-	30,757
Total Special Development Fund	\$82,864	\$3,864	\$-	\$86,728
Summary				
Members	69,317	3,737	\$-	73,054
Other contributors	13,547	127	-	13,674
Total SDF- March 31, 2016	\$82,864	\$3,864	\$-	\$86,728
Total SDF - December 31, 2015	\$93,212	\$(3,314)	\$(7,034)	\$82,864

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF FINANCIAL POSITION

As of March 31, 2016

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

	2016	December 31, 2015
Assets		
Cash and cash equivalents	\$38,089	\$28,810
Investments at fair value through profit or loss (Schedule 1)	56,983	69,563
Loans outstanding (Schedule 2)	109,035	110,356
Receivables - other		
Accounts receivable	56,377	56,377
Total assets	\$260,484	\$265,106
Liabilities and Funds		
Liabilities		
Accounts payable and accrued liabilities	\$4,303	\$4,907
Accrued charges on contributions repayable	166	219
	4,469	5,126
Funds		
Contributed resources (Schedule 3)		
Contributions	\$66,104	\$66,600
Amounts made available	66,104	66,600
Accumulated net income (Schedule 4)	61,895	59,162
	127,999	125,762
Technical assistance and other grant resources (Schedule 5)	128,016	134,218
Total liabilities and funds	\$260,484	\$265,106

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF NET INCOME AND TOTAL COMPREHENSIVE INCOME
As at March 31, 2016
(expressed in thousands of United States dollars, unless otherwise stated)

	<u>2016</u>	<u>2015</u>
Interest and similar income		
Loans	\$592	\$625
Investments and cash balances	2,646	(116)
Gross income	<u>3,238</u>	<u>509</u>
Expenses		
Administrative expenses	249	381
Charges on contributions	278	215
Foreign exchange translation	(22)	(536)
Total expenses	<u>505</u>	<u>60</u>
Total comprehensive income for the period	<u>\$2,733</u>	<u>\$449</u>
Accumulated net income		
Accumulated net income - beginning of year	\$59,162	\$55,163
Total comprehensive income for the period	2,733	449
Accumulated net income - end of period	<u>\$61,895</u>	<u>\$55,612</u>

**CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF CASH FLOWS**

For the three months ended March 31, 2016

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

	<u>2016</u>	<u>2015</u>
Operating activities:		
Total comprehensive income for the period	\$2,733	\$449
Adjustments for non-cash items:		
Net unrealised loss/(gain) on investments	271	(220)
Interest income	(439)	(289)
Interest expense	278	215
Net foreign exchange loss/(gains)	<u>1,373</u>	<u>(481)</u>
<i>Total cash flow from/(used in) operating activities before changes in operating assets and liabilities</i>	4,216	(326)
Changes in operating assets and liabilities		
Decrease/(increase) in accounts receivable	-	(1)
Decrease in accounts payable	<u>(604)</u>	<u>(194)</u>
<i>Cash provided by/(used in) operating activities</i>	3,612	(\$521)
Disbursements on loans	(1)	(188)
Principal repayments to the Bank on loans	1,585	1,557
Technical assistance disbursements	(4,392)	(2,278)
Interest received	447	236
Interest paid	(331)	(277)
Net increase in investments	<u>12,287</u>	<u>1,184</u>
<i>Net cash provided by (used in) operating activities</i>	13,207	(287)
Financing activities:		
Contributions:		
Increase in contributions for loans	-	-
Repayments of contributions	(2,118)	(769)
Technical assistance contributions	<u>(1,810)</u>	<u>(412)</u>
<i>Net cash used in financing activities</i>	(3,928)	(1,181)
Net increase/(decrease) in cash and cash equivalents	9,279	(1,468)
Cash and cash equivalents at beginning of year	<u>28,810</u>	<u>31,013</u>
Cash and cash equivalents at end of period	<u>\$38,089</u>	<u>\$29,545</u>

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF INVESTMENTS
For the three months ended March 31, 2016
(expressed in thousands of United States dollars)

	2016	Schedule 1 December 31, 2015
	Market value	Market value
Debt securities at fair value through profit or loss		
Government and Agency obligations	\$34,519	\$39,120
Supranationals	6,196	6,902
Other securities at fair value through profit or loss		
Time deposits	-	3,505
Mutual funds	8,332	8,599
Managed Funds	5	3,897
Equity investments	7,833	7,420
Sub-total	56,885	69,443
Accrued interest	98	120
Total	\$56,983	\$69,563

Residual Term to Contractual Maturity

	2016	2015
One month to three months	\$16,268	\$23,512
From three months to one year	12,609	14,647
From one year to five years	28,106	31,404
Total	\$56,983	\$69,563

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF LOANS
March 31, 2016
(expressed in thousands of United States dollars)

	Schedule 2			
Member countries in which loans have been made	Loans approved but not yet effective	Undis- bursed	Out- standing	Percent- age of total loans out- standing
Anguilla	\$-	\$-	\$-	0.0
Antigua and Barbuda	-	-	3,771	3.5
Barbados	-	-	5,893	5.4
Belize	-	-	-	0.0
British Virgin Islands	-	-	-	0.0
Cayman Islands	-	-	-	0.0
Dominica	-	1,420	17,247	15.9
Grenada	-	4	21,954	20.3
Guyana	-	-	3,135	2.9
Jamaica	-	-	27,712	25.6
Montserrat	-	-	-	0.0
St. Kitts and Nevis	-	-	2,513	2.3
St. Lucia	1,297	574	17,762	16.4
St. Vincent and the Grenadines	-	263	7,785	7.2
Trinidad and Tobago	-	-	658	0.6
Regional	-	-	-	0.0
Sub-total	1,297	\$2,261	108,430	100.0
Accrued interest	-	-	605	
Total - March 31, 2016	\$1,297	\$2,261	\$109,035	
Total - December 31, 2015	\$1,297	\$2,262	\$110,356	

1/ Net of lapses and cancellations.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF LOANS - continued
March 31, 2016
(expressed in thousands of United States dollars)

				Schedule 2 (continued)
Analysis by Special Fund	Loans approved but not yet effective	Undis- bursed	Out- standing	Percent- age of loans out- standing
MEMBERS				
Trinidad and Tobago	\$-	\$-	\$3	0.0
OTHER CONTRIBUTORS				
Caribbean Development Bank	-	574	52,678	48.6
Nigeria	-	-	3,188	2.9
United States of America	-	-	-	0.0
Inter-American Development Bank	1,297	1,687	37,229	34.3
European Union	-	-	1,534	1.4
International Development Association	-	-	13,798	12.7
Sub-total	1,297	2,261	108,430	100.0
Accrued interest	-	-	605	
Total - March 31, 2016	\$1,297	\$2,261	\$109,035	
Total - December 31, 2015	\$1,297	\$2,262	\$110,356	

1/ Net of lapses and cancellations.

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

As of March 31, 2016

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

							Schedule 2 (continued)
Currencies receivable	Loans Out- standing 2015	Trans- lation adjust- ments	Net interest earned	Disburse- ments	Sub- Total	Repay- ments	Loans Out- standing 2016
Euros	\$1,573	\$74	\$-	\$-	\$1,647	\$(114)	\$1,533
Special Drawing Rights	11,013	175	-	-	11,188	(46)	11,142
United States dollars	97,179	-	-	1	97,180	(1,425)	95,755
Sub-total	109,765	249	-	1	110,015	(1,585)	108,430
Accrued interest ^{1/}	591		14		605		605
Total - March 31, 2016	\$110,356	\$249	\$14	\$1	\$110,620	\$(1,585)	\$109,035
Total - December 31, 2015	\$116,449	\$(734)	\$(49)	\$1,111	\$116,777	\$(6,421)	\$110,356

Maturity structure of loans outstanding

April 1, 2016 to December 31, 2016	5,649
January 1, 2017 to December 31, 2017	6,866
January 1, 2018 to December 31, 2018	6,868
January 1, 2019 to December 31, 2019	6,871
January 1, 2020 to December 31, 2020	6,873
January 1, 2021 to December 31, 2025	33,167
January 1, 2026 to December 31, 2030	23,970
January 1, 2031 to December 31, 2035	13,608
January 1, 2036 to December 31, 2040	1,473
January 1, 2041 to December 31, 2045	654
January 1, 2046 to December 31, 2052	3,036
	<u>\$109,035</u>

1/ Relates to amounts disbursed and outstanding

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

As of March 31, 2016

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

Contributors	Schedule 3	
	Contributions	
	Total 1/	Amounts made available
Members		
Canada	\$6,546	\$6,546
Other Contributors		
Inter-American Development Bank	\$148	\$148
Contributed resources	6,694	6,694
Other contributors		
Inter-American Development Bank 1/	\$38,590	\$38,590
European Investment Bank 1/	\$1,139	\$1,139
United States of America	\$2,115	\$2,115
European Union	\$2,265	\$2,265
International Development Association	\$15,301	\$15,301
Repayable contributions	\$59,410	\$59,410
Total - March 31, 2016	\$66,104	\$66,104
Total - December 31, 2015	\$66,600	\$66,600

1/ Net of cancellations and repayments.

Maturity structure of repayable contributions outstanding

April 1, 2016 to December 31, 2016	2,279
January 1, 2017 to December 31, 2017	3,338
January 1, 2018 to December 31, 2018	3,184
January 1, 2019 to December 31, 2019	3,022
January 1, 2020 to December 31, 2020	2,866
January 1, 2021 to December 31, 2025	12,339
January 1, 2026 to December 31, 2030	11,356
January 1, 2031 to December 31, 2035	8,593
January 1, 2036 to December 31, 2040	5,449
January 1, 2041 to December 31, 2053	6,984
Total	\$59,410

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF CONTRIBUTIONS (continued)
As of March 31, 2016
(expressed in thousands of United States dollars, unless otherwise stated)

Schedule 3
(continued)

Currencies repayable	Contri- butions made available 2015	Trans- lation adjust- ments	Drawdowns/ Appropri- ations from Capital	Sub- total	Repay- ments	Contri- butions made available 2016
Canadian dollars	\$1,442	\$104	\$-	\$1,546	\$-	\$1,546
Euros	3,368	158	-	3,526	(121)	3,405
Japanese yen	-	-	-	-	-	-
Pounds sterling	-	-	-	-	-	-
Special Drawing Rights	12,574	200	-	12,774	(98)	12,676
Swedish kroners	-	-	-	-	-	-
United States dollars	49,216	1,160	-	50,376	(1,899)	48,477
Total -March 31, 2016	\$66,600	\$1,622	\$-	\$68,222	\$(2,118)	\$66,104
Total - December 31, 2015	\$70,229	\$(1,310)	\$699	\$69,618	\$(3,018)	\$66,600

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

As of March 31, 2016

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

	Schedule 4		
Contributors	Brought forward 2015	Net Income/(loss) 2016	Carried forward 2016
General Funds	\$49,806	\$2,766	\$52,572
European Investment Bank	(766)	(37)	(803)
European Union	2,480	42	2,522
Inter-American Development Bank	(497)	(75)	(572)
International Development Association	346	(22)	324
Nigeria	5,976	25	6,001
United States of America	1,817	34	1,851
Total - March 31, 2016	\$59,162	\$2,733	\$61,895
Total - December 31, 2015	\$55,163	\$3,999	\$59,162

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF TECHNICAL ASSISTANCE AND OTHER GRANT RESOURCES
As of March 31, 2016
(expressed in thousands of United States dollars)

Schedule 5

Contributors	Contributors			Net amounts available
	Total 1/	Amounts made available	Amounts utilised	
Members				
Canada	\$57,216	\$57,216	\$41,818	\$15,398
United Kingdom	23,067	23,067	19,949	3,118
Italy	522	522	252	270
	80,805	80,805	62,019	18,786
Other contributors				
Caribbean Development Bank	230,537	230,537	137,915	92,622
United States of America	1,407	1,407	1,407	-
Inter-American Development Bank	3,549	3,549	3,354	195
China	677	677	198	479
Venezuela	599	599	-	599
Nigeria	193	193	147	46
European Commission	17,657	17,657	4,539	13,118
GIZ	298	298	220	78
EIB Climate Action Support	2,184	2,184	91	2,093
Sub-total	257,101	257,101	147,871	109,230
Total - March 31, 2016	\$337,906	\$337,906	\$209,890	\$128,016
Total - December 31, 2015	\$339,716	\$339,716	\$205,498	\$134,218
Summary				
Basic Needs Trust Fund	\$157,250	\$157,250	\$100,616	\$56,634
Other Resources	180,656	180,656	109,274	71,382
Total -March 31, 2016	\$337,906	\$337,906	\$209,890	\$128,016
Basic Needs Trust Fund	\$157,250	\$157,250	\$100,616	\$56,634
Other Resources	\$182,466	\$182,466	\$104,882	\$77,584
Total - December 31, 2015	\$339,716	\$339,716	\$205,498	\$134,218

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