

PUBLIC DISCLOSURE AUTHORISED

CARIBBEAN DEVELOPMENT BANK



Statement of Interim Financial Position (Unaudited)

For the Quarter Ended March 31, 2014

(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.

May 2014

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF FINANCIAL POSITION
As of March 31, 2014
(expressed in thousands of United States dollars)

	<u>2014</u>	<u>December 31, 2013</u>
Assets		
Cash Resources		
Cash	\$69,158	\$67,723
Investments		
Debt securities at fair value through profit or loss	300,720	289,525
Receivables and Prepayments	10,264	10,779
Loans		
Loans outstanding	959,434	967,936
Derivative financial instruments		
Cross currency interest rate swaps	57,842	53,986
Receivable from members		
Non-negotiable demand notes	43,824	44,012
Maintenance of value on currency holdings	3,066	2,887
Subscriptions in arrears	7,101	7,386
	<u>53,991</u>	<u>54,285</u>
Other assets		
Property and equipment	8,640	8,039
Total assets	<u><u>\$1,460,049</u></u>	<u><u>\$1,452,273</u></u>

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF FINANCIAL POSITION
As of March 31, 2014
(expressed in thousands of United States dollars)

	<u>2014</u>	<u>2013</u>
Liabilities and Equity		
Liabilities		
Accounts payable and accrued liabilities	\$1,262	\$2,767
Subscriptions in advance	13,310	13,310
Deferred income	800	800
Post-employment obligations	9,632	9,632
Maintenance of value on currency holdings	-	-
Borrowings		
Short term facility	-	-
Long term borrowings	676,889	675,377
	676,889	675,377
Derivatives - Interest rate swap	2,157	6,797
Total Liabilities	704,050	708,683
Equity		
Capital stock		
Authorised capital - 312,971 (2013 - 312,971) shares		
Subscribed capital - 259,650 (2013 - 259,650) shares	1,635,133	1,635,133
Less callable capital - 202,643 (2013 - 202,643) shares	1,274,862	1,274,862
Paid-up capital - 54,330 (2012 - 54,330) shares	360,271	360,271
Less subscriptions not yet matured	103,897	103,897
Subscriptions matured	256,374	256,374
Retained earnings & Reserves	499,625	487,216
Total Equity	755,999	743,590
Total Liabilities and Equity	\$1,460,049	\$1,452,273

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF CHANGES IN EQUITY
For the quarter ended March 31, 2014
(expressed in thousands of United States dollars)

	Capital stock	Retained earnings	Re- measurements	Reserves	Total
Balance at January 1, 2013	\$218,745	\$474,188	\$ (12,905)	\$14,110	\$694,138
Issued Share Capital	37,629	-	-	-	37,629
Net income for the year	-	2,925	-	-	2,925
Transfer from Banking Reserve		850		(850)	-
Other Comprehensive income (Re-measurements)	-	-	8,898	-	8,898
Balance at December 31, 2013	\$256,374	\$477,963	\$ (4,007)	\$13,260	\$743,590
Balance at January 1, 2013	\$256,374	\$477,963	\$ (4,007)	\$13,260	\$743,590
Issued Share Capital	-	-	-	-	-
Net income for the year	-	12,409	-	-	12,409
Transfer from Banking Reserve	-	-	-	-	-
Other Comprehensive income (Re-measurements)	-	-	-	-	-
Balance at March 31, 2014	\$256,374	\$490,372	\$ (4,007)	\$13,260	\$755,999

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF COMPREHENSIVE INCOME
For the quarter ended March 31, 2014
(expressed in thousands of United States dollars)

	2014	2013
Interest and similar income		
Loans	\$10,694	\$9,772
Investments and cash balances	1,008	1,368
	11,702	11,140
Interest expense and similar charges		
Borrowings	5,094	5,443
Other financial income	(2,013)	(884)
	3,081	4,559
Net interest income	8,621	6,581
Other (income)/expenses		
Other income	(249)	(62)
Realised and unrealised fair value (gains)/losses	(651)	813
Administrative expenses	2,260	1,918
Foreign exchange translation	560	359
	1,920	3,028
Operating income before derivative fair value adjustment	6,701	3,553
Derivative adjustments		
Decrease/(increase) in fair value of derivative	8,739	(14,566)
Foreign exchange translation - Yen borrowings	(3,031)	16,791
	5,708	2,225
Total comprehensive income for the period	\$12,409	\$5,778

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF CASH FLOWS
For the quarter ended March 31, 2014
(expressed in thousands of United States dollars)

	<u>2014</u>	<u>2013</u>
Operating activities:		
Total comprehensive income for the period	\$ 12,409	\$ 5,778
Adjustments for non cash items:		
Unrealised (gain)/loss on debt securities	(576)	813
Depreciation	251	333
(Increase)/decrease in fair value of derivative	(8,739)	14,566
Interest income	(11,702)	(11,140)
Interest expense	3,081	4,559
Foreign exchange loss/(gain) in translation on Yen borrowings	3,031	(16,791)
Increase in amounts required to maintain the value of currency holdings	(179)	(321)
<i>Total cash flows used in operating profits before changes in operating assets and liabilities</i>	<u>(2,424)</u>	<u>(2,203)</u>
Changes in operating assets and liabilities:		
Decrease/(increase) in accounts receivable	515	(9,245)
Decrease in accounts payable	(1,505)	(3,094)
Net decrease in debt securities at fair value through profit and loss	(9,815)	(5,673)
<i>Cash used in operating activities</i>	<u>(13,229)</u>	<u>(20,215)</u>
Disbursements on loans	(11,049)	(6,355)
Principal repayments to the Bank on loans	20,347	27,469
Interest received	10,102	10,188
Interest paid	(798)	(1,527)
<i>Net cash provided by operating activities</i>	<u>5,373</u>	<u>9,560</u>
Investing activities:		
Purchase of property and equipment	(852)	(324)
<i>Net cash used in investing activities</i>	<u>(852)</u>	<u>(324)</u>
Financing activities:		
Borrowings:		
New borrowings	257	321
Repayments on borrowings	(3,816)	(23,840)
New capital subscriptions	-	1,338
Decrease in other receivables from members	473	128
<i>Net cash used in financing activities</i>	<u>(3,086)</u>	<u>(22,053)</u>
Net increase/(decrease) in cash and cash equivalents	1,435	(12,817)
Cash and cash equivalents at beginning of year	<u>67,723</u>	<u>96,401</u>
Cash and cash equivalents at end of quarter	<u><u>\$69,158</u></u>	<u><u>\$83,584</u></u>

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
SUMMARY STATEMENT OF INVESTMENTS**

March 31, 2014

(expressed in thousands of United States dollars)

Schedule 1

	2014				
	USD	EUR	CAD	Other Currencies	All Currencies
Government and Agency Obligations	\$203,328	\$5,714	\$8,290	-	\$217,332
Supranationals	63,142	2,855	-	-	65,997
Time Deposits	9,503	-	-	6,105	15,608
Euro Commercial Paper	-	-	-	-	-
Sub-total	275,973	8,569	8,290	6,105	298,937
Accrued interest	1,626	97	46	14	1,783
Total	\$277,599	8,666	\$8,336	\$6,119	\$300,720

	2013				
	USD	EUR	CAD	Other Currencies	All Currencies
Government and Agency Obligations	\$196,615	\$5,653	\$8,591	-	\$210,859
Supranationals	68,211	2,870	-	-	71,081
Time Deposits	501	-	-	6,105	6,606
Euro Commercial Paper	-	-	-	-	-
Sub-total	265,327	8,523	8,591	6,105	288,546
Accrued interest	850	113	12	4	979
Total	\$266,177	8,636	\$8,603	\$6,109	\$289,525

RESIDUAL TERM TO CONTRACTUAL MATURITY

	2014	2013
One month to three months	\$60,408	\$13,389
Over three months to one year	39,496	34,185
Over one year to five years	162,484	204,677
Over five years to ten years	38,332	37,274
Total	\$300,720	\$289,525

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
SUMMARY STATEMENT OF LOANS**

March 31, 2014

(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	Loans Outstanding	
Anguilla	78,929	3,215	75,714	12,838	-	62,876	6.6
Antigua and Barbuda	104,271	-	104,271	22,851	30,700	50,720	5.3
Bahamas	74,960	16,180	58,780	48,313	4,260	6,207	0.7
Barbados	381,402	6,909	374,493	142,328	96,200	135,965	14.3
Belize	180,630	11,231	169,399	67,839	30,784	70,776	7.4
British Virgin Islands	59,993	-	59,993	29,499	18,900	11,594	1.2
Cayman Islands	43,654	-	43,654	40,568	-	3,086	0.3
Dominica	52,724	-	52,724	23,372	8,113	21,239	2.2
Grenada	58,237	-	58,237	25,080	5,628	27,529	2.9
Guyana	69,380	2,900	66,480	26,650	11,276	28,554	3.0
Jamaica	459,126	-	459,126	202,044	21,350	235,732	24.7
Montserrat	485	-	485	485	-	-	-
St. Kitts and Nevis	91,183	-	91,183	34,932	13,102	43,149	4.5
St. Lucia	176,117	-	176,117	79,948	18,542	77,627	8.1
St. Vincent and the Grenadines	153,576	-	153,576	37,791	15,449	100,336	10.5
Trinidad and Tobago	129,538	-	129,538	111,504	-	18,034	1.9
Turks & Caicos Islands	10,140	-	10,140	5,273	-	4,867	0.5
Regional	21,111	6,625	14,486	6,240	-	8,246	0.9
Private Sector	157,808	-	157,808	93,724	17,484	46,600	4.9
Sub-total	2,303,264	47,060	2,256,204	1,011,279	291,788	953,137	100.0
Provision for losses	-	-	-	-	-	(4,766)	
Accrued interest	-	-	-	-	-	11,063	
Total - March 31, 2014	\$2,303,264	\$47,060	\$2,256,204	\$1,011,279	\$291,788	\$959,434	
Total - December 31, 2013	\$2,287,694	\$44,012	\$2,243,682	\$985,932	\$289,814	\$967,936	

1/ Net of lapses and cancellations.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
SUMMARY STATEMENT OF LOANS (continued)
For the quarter ended March 31, 2014
(expressed in thousands of United States dollars)

Schedule 2
(continued)

Currencies Receivable	Loans Out- standing 2013	Net Interest Earned	Disburse- ments	Sub- Total	Repay- ments	Provision for Losses	Loans Out- standing 2014	Percent- age of total loans outstanding
United States dollars	\$962,435	-	\$11,049	\$973,484	(\$20,347)	-	\$953,137	100.0
Sub-Total	962,435	-	11,049	973,484	(20,347)	-	953,137	100.0
Provision for losses	(4,766)	-	-	(4,766)	-	-	(4,766)	
Accrued interest	10,267	796	-	11,063	-	-	11,063	
Total - March 31, 2014	\$967,936	\$796	\$11,049	\$979,781	(\$20,347)	-	\$959,434	
Total - December 31, 2013	\$972,332	(\$933)	\$84,318	\$1,055,717	(\$90,599)	\$2,818	\$967,936	

MATURITY STRUCTURE OF LOANS OUTSTANDING

April 1, 2014 to December 31, 2014	\$76,913
January 1, 2015 to December 31, 2015	80,112
January 1, 2016 to December 31, 2016	91,440
January 1, 2017 to December 31, 2017	89,275
January 1, 2018 to December 31, 2018	81,733
January 1, 2019 to December 31, 2023	325,336
January 1, 2024 to December 31, 2028	196,127
January 1, 2029 to December 31, 2033	23,259
January 1, 2034 to December 31, 2035	5
Total	964,200
Deduct provision	(4,766)
Total loans outstanding	\$959,434

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF SUBSCRIPTION TO CAPITAL STOCK AND VOTING POWER
March 31, 2014
(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	18.62	\$291,659	\$227,614	\$64,045	\$44,795	48,504	18.44	\$12,434
Trinidad and Tobago	48,354	18.62	291,659	227,614	64,045	44,795	48,504	18.44	10,906
Bahamas	14,258	5.49	86,001	67,115	18,886	13,210	14,408	5.48	1,612
Guyana	10,417	4.01	62,833	49,038	13,795	9,648	10,567	4.02	3,160
Colombia	7,795	3.00	47,017	36,691	10,326	7,223	7,945	3.02	627
Mexico	3,118	1.20	18,807	14,687	4,120	4,120	3,268	1.24	-
Venezuela	7,795	3.00	47,017	36,691	10,326	7,223	7,945	3.02	3,203
Barbados	9,074	3.49	54,732	42,717	12,015	8,404	9,224	3.51	1,070
Suriname	4,166	1.60	25,128	19,627	5,501	1,100	4,316	1.64	825
Belize	2,148	0.83	12,956	10,109	2,847	1,990	2,298	0.87	-
Dominica	2,148	0.83	12,956	10,109	2,847	1,990	2,298	0.87	286
Grenada	1,839	0.71	11,093	8,661	2,432	1,701	1,989	0.76	213
St. Lucia	2,148	0.83	12,956	10,109	2,847	1,990	2,298	0.87	360
St. Vincent and the Grenadines	2,148	0.83	12,956	10,109	2,847	1,990	2,298	0.87	97
Antigua and Barbuda	2,148	0.83	12,956	10,109	2,847	1,990	2,298	0.87	296
St. Kitts and Nevis	859	0.33	5,181	4,047	1,134	1,134	1,009	0.38	255
Anguilla /1	455	0.18	2,744	2,141	603	422	2,737	1.04	14
Montserrat /1	533	0.21	3,215	2,509	706	495			-
British Virgin Islands /1	533	0.21	3,215	2,509	706	495			-
Cayman Islands /1	533	0.21	3,215	2,509	706	495			8
Turks and Caicos Islands /1	533	0.21	3,215	2,509	706	495			-
Haiti	875	0.34	5,278	4,120	1,158	1,158	1,025	0.39	-
	170,231	65.56	1,026,789	801,344	225,445	156,863	172,931	65.73	35,366
Non-Regional States:									
Canada	26,004	10.02	156,849	122,408	34,441	24,090	26,154	9.94	-
United Kingdom	26,004	10.02	156,849	122,408	34,441	24,090	26,154	9.94	2,150
Italy	6,235	2.40	37,608	29,375	8,233	8,234	6,385	2.43	759
Germany	15,588	6.00	94,023	73,376	20,647	14,440	15,738	5.98	5,549
China	15,588	6.00	94,023	73,376	20,647	14,440	15,738	5.98	-
	89,419	34.44	539,352	420,943	118,409	85,294	90,169	34.27	8,458
Sub-total	259,650	100.00	1,566,141	1,222,287	343,854	242,157	263,100	100.00	43,824
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	550			
Sub-total	-	-	68,992	52,575	16,417	14,217	-	-	-
Total - March 31, 2014	259,650	100.00	\$1,635,133	\$1,274,862	\$360,271	\$256,374	263,100	100.00	\$43,824
Total - December 31, 2013	259,650	100.00	\$1,635,133	\$1,274,862	\$360,271	\$256,374	263,100	100.00	\$44,013

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 52 of the Agreement.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
SUMMARY STATEMENT OF BORROWINGS
March 31, 2014
(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
CDB Market Borrowings:							
4.35% Loan - Yen	60,000	2,726	-	-	-	62,726	2030
2.75% Notes - Yen	100,000	13,386	-	7,727	-	121,113	2022
Floating Rate Note - US\$	150,000	-	-	-	-	150,000	2014
4.375% Bonds - US\$	300,000	-	-	-	-	300,000	2027
Unamortized transaction costs	(2,024)	-	-	-	-	(2,024)	
	<u>607,976</u>	<u>16,112</u>	<u>-</u>	<u>7,727</u>	<u>-</u>	<u>631,816</u>	
European Investment Bank							
Global Loan III - US\$	51,157	-	(17,960)	-	-	33,197	2023
Climate Action Credit - US\$	65,320	-	-	-	(65,320)	-	
	<u>116,477</u>	<u>-</u>	<u>(17,960)</u>	<u>-</u>	<u>(65,320)</u>	<u>33,197</u>	
Inter-American Development Bank:							
Loan 926/OC-RG - US\$	22,539	-	(14,750)	-	-	7,789	2021
Loan 2798/BL-RG - US\$	14,000	-	-	-	(14,000)	-	
	<u>36,539</u>	<u>-</u>	<u>(14,750)</u>	<u>-</u>	<u>(14,000)</u>	<u>7,789</u>	<u>2043</u>
Sub-total	760,992	16,112	(32,710)	7,727	(79,320)	672,802	
Accrued interest	4,087	-	-	-	-	4,087	
Total - March 31, 2014	\$765,080	\$16,112	(\$32,710)	\$7,727	(79,320)	\$676,889	
Total - December 31, 2013	\$937,783	\$12,839	(\$203,894)	\$7,969	(79,320)	\$675,377	

1/ Net of cancellations and borrowings fully repaid.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
SUMMARY STATEMENT OF BORROWINGS (continued)
March 31, 2014
(expressed in thousands of United States dollars)

Currencies Repayable	Out-standing borrow-ings December 31 2013	Adjust-ments	Trans-lation adjust-ments	Net Interest Paid	Draw-downs	Currency swap agreements	Repay-ments	Out-standing borrow-ings March 31, 2014
United States dollars	\$494,024	\$(1,260)	-	-	257	-	\$(3,816)	489,205
Yen	179,549	1,260	3,031	-	-	(243)	-	183,597
Sub-total	673,573	-	3,031	-	257	(243)	(3,816)	672,802
Accrued interest	1,804	-	-	2,283	-	-	-	4,087
Total – March 31, 2014	\$675,377	-	\$3,031	\$2,283	257	\$(243)	\$(3,816)	\$676,889
Total – December 31, 2013	\$920,246	-	\$(38,467)	\$(1,144)	-	\$(968)	\$(204,290)	\$675,377

MATURITY STRUCTURE OF BORROWINGS OUTSTANDING

April 1, 2014 to December 31, 2014	\$157,949
January 1, 2015 to December 31, 2015	4,432
January 1, 2016 to December 31, 2016	4,432
January 1, 2017 to December 31, 2017	4,432
January 1, 2018 to December 31, 2018	4,433
January 1, 2019 to December 31, 2023	200,092
January 1, 2024 to December 31, 2028	238,392
January 1, 2029 to December 31, 2032	62,727
	\$676,889

CARIBBEAN DEVELOPMENT BANK ORDINARY CAPITAL RESOURCES

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the quarter ended March 31, 2014

[All amounts stated in United States Dollars (US\$)]

NOTE 1 – NATURE OF OPERATIONS

The Caribbean Development Bank (“CDB” or “the Bank”) is an international organization 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, has been 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 became members of CDB by acceding to the Charter.

CDB was established as a regional financial institution 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 of the Region. The Bank’s headquarters is located in Wildey in the parish of Saint Michael in the island of Barbados.

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 specialized agencies or of the International Atomic Energy Agency.

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). 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 2 – KEY EVENTS

For the six month period commencing on January 1, 2014, the Bank’s interest rate on its variable rate loans was set at 4.10%, an increase of 15 basis points over the six month period ended December 31, 2013. This was approved at the 258th meeting of the Board of Directors (BOD) held on October 17, 2013 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.

CARIBBEAN DEVELOPMENT BANK ORDINARY CAPITAL RESOURCES

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS For the quarter ended March 31, 2014

NOTE 2 – KEY EVENTS...continued

For the quarter the Bank recorded net interest income of \$8.6mn (2013: \$6.6mn) and operating income of \$6.7mn (2013: \$3.6mn), an increase which was primarily due to higher loan interest income, lower interest expense largely due to the effects of the interest rate swap against the \$300mn fixed rate borrowing, and unrealized gains on investments for the period compared to unrealized losses for the comparable prior period.

Total comprehensive income earned was \$12.4mn (2013: \$5.8mn) due to the net effect of the higher operating income, an increase in the fair value of the derivatives of \$23.3mn and a foreign exchange translation gain on the Yen borrowings of \$19.8mn.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

This condensed interim financial report for the quarter ended March 31, 2014 has been prepared in accordance with IAS 34, *Interim Financial Reporting*. The condensed interim financial statements do not include all of the information and disclosures required in the audited annual financial statements and should be read in conjunction with these statements in respect of the year ended December 31, 2013.

Accounting policies

The accounting policies applied are consistent with those followed in the preparation of the audited financial statements for the year ended December 31, 2013, as described in those annual financial statements.

Standards in issue and in effect

- IAS 32 - Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32 (Effective January 1, 2014)
- IAS 36 - Recoverable Amount Disclosures for Non-Financial Asset – Amendments to IAS 36 (effective January 1, 2014)
- IFRS 9 – Financial Instruments: Classification and Measurement ((Phase 1) (mandatory effective date deferred until the issue date of the completed version of IFRS 9 is known)

Standards, amendments and interpretations which are effective and are not relevant to the Bank

- IFRS 1 - First-time Adoption of International Financial Reporting Standards - Government Loans (Amendment) (effective January 1, 2013)
- IFRS 10 - Consolidated Financial Statements, IAS 27 Separate Financial Statements (effective January 1, 2013)

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
For the quarter ended March 31, 2014**

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Standards, amendments and interpretations which are effective and are not relevant to the Bank...continued

- IFRS 11 - Joint Arrangements, IAS 28 Investments in Associates and Joint Ventures (effective January 1, 2013)
- IFRS 12 - Disclosure of Involvement with Other Entities (effective January 1, 2013)
- IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39 (effective January 1, 2014)
- IFRS 10, IFRS 12 and IAS 27 – Investment Entities (Amendments) (effective January 1, 2014)
- IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine (effective January 1, 2013)
- IFRIC 21 - Levies (effective January 1, 2014)

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

Standards issued but not effective up to the date of issuance of the Bank's financial statements are listed below:

- Amendments to IFRS 7 and IFRS 9 – Mandatory Effective Date and Transition Disclosure: January 1, 2015
- IFRS 9, Financial Instruments (2009 and 2010): January 1, 2015
- Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities: January 1, 2014
- IAS 36 (Amendments) - Recoverable Amount Disclosures for Non-Financial Assets: January 1, 2014
- IAS 39 (Amendments) - Novation of Derivatives and Continuation of Hedge Accounting: January, 2014

NOTE 4 – LOANS

The distribution of the Bank's loans by country and the analysis of the movement as of March 31, 2014 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) 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 set out in this paragraph. The President has set up a number of management Committees to assist with the discharge of those responsibilities.

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
For the quarter ended March 31, 2014**

NOTE 5 – SEGMENT ANALYSIS...continued

In accordance with IFRS 8, 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.

The following table presents the outstanding balance of CDB's loans as of March 31, 2014 and associated interest income by countries which generated in excess of 10% in loan interest income for the quarter.

Country	Interest income		Loans outstanding	
	2014	2013	2014	December 31, 2013
Jamaica	\$2,447	\$2,309	\$235,732	\$237,535
Barbados	1,617	1,361	135,965	134,561
St. Vincent and the Grenadines	1,059	974	100,336	101,558
Other	5,571	5,128	487,401	494,282
Total	\$10,694	\$9,772	\$959,434	\$967,936

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:

	December	
	2014	2013
Due from banks	\$8,954	\$22,032
Time deposits	60,204	45,691
	\$69,158	\$67,723

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
For the quarter ended March 31, 2014**

NOTE 7 – RISK MANAGEMENT

The nature of the Bank's activities necessitates the analysis, evaluation, acceptance and management of some degree of financial risk. The most important types of risk faced by CDB are associated with the borrowing member countries (country credit risk), concentration risk, market risk, liquidity risk, and operational risk. Market risk includes currency, interest rate and other price risks. The ability to manage these risks is supported by an enterprise wide risk management framework which was approved by the Board of Directors in March 2013. Operationally, CDB seeks to minimize 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 sound processes, systems, policies, guidelines and practices which are reviewed and modified periodically in line with the institution's changing circumstances.

The Bank established an Office of Risk Management (ORM) to manage, coordinate, monitor and report on the mitigation of all risks that the Bank faces including 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 in the Bank's operations and among the Bank's employees. CDB's risk management framework is built around its governance, policies and processes. The risk management governance structure supports the Bank's senior management in their oversight function in the coordination of different aspects of risk management.

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

- (i) The Enterprise Risk Committee;
- (ii) Loans Committee;
- (iii) The Audit and Post-Evaluation Committee; and
- (iv) The Advisory Management Team.

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
For the quarter ended March 31, 2014**

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:

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).

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. This level includes derivative contracts. Bloomberg is the source of input parameters like the LIBOR yield curves or counterparty credit risks.

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. Fair value of financial assets and liabilities.

This hierarchy requires the use of observable market data when available. The Bank considers relevant and observable market prices in its valuations where possible.

Assets and liabilities measured at fair value:

March 31	2014			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss				
- Debt securities	\$-	\$300,720	\$-	\$300,720
Financial assets designated at fair value				
- Cross currency interest rate swaps	-	57,842	-	57,842
Total assets	\$-	\$358,562	\$-	\$358,562

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the quarter ended March 31, 2014

NOTE 7 – RISK MANAGEMENT...continued

Fair value financial assets and liabilities...continued

March 31

	2014			
	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss				
- Interest rate swap	\$-	\$2,157	\$-	\$2,157
	<hr/>			
Total liabilities	\$-	\$2,157	\$-	\$2,157

December 31

	2013			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
- Debt securities	\$-	\$289,525	\$-	\$289,525
Financial assets designated at fair value				
- Cross currency interest rate swaps	-	53,986	-	53,986
	<hr/>			
Total assets	\$-	\$343,511	\$-	\$343,511
	<hr/>			
Financial liabilities at fair value through profit or loss				
- Interest rate swap	\$-	\$6,797	\$-	\$6,797
	<hr/>			
	\$-	\$6,797	\$-	\$6,797

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
For the quarter ended March 31, 2014**

NOTE 7 – RISK MANAGEMENT...continued

Commitments, guarantees and contingent liabilities

Loan and capital commitments

The table below summarizes the amounts of the Bank’s commitments, guarantees and contingent liabilities that will commit it to extend credit to its Borrowing Member Countries (BMCs).

	2014		
	0-12 months	1-5 years	Total
At March 31			
Loan commitments	\$90,000	\$201,788	\$291,788
	2013		
At December 31			
Loan commitments	\$100,000	\$189,814	\$289,814

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 paid in capital and retained earnings less receivables from members (cash reserves). At March 31, 2014 total borrowings amounted to \$676.9mn (December 31, 2013: \$675.4mn).

Also at March 31, 2014 the ratio of total outstanding and contracted borrowings of \$756,209 (December 31, 2013: \$754,697) to the borrowing limit of \$1,150,514 (December 31, 2013: \$1,157,818) was 65.7% (December 31, 2013: 65.2%).

On December 29, 2011 the European Investment Bank and CDB executed a Climate Change Action Line of Credit facility in the amount of \$65.3mn. As at March 31, 2014 no drawdowns have been made under this facility.

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
For the quarter ended March 31, 2014**

NOTE 7 – RISK MANAGEMENT...continued

Borrowings...continued

At its two hundred and fifty-sixth meeting held on May 20, 2013 the Board of Directors gave approval for the Bank to borrow the equivalent of \$20.0mn from the Inter-American Development Bank (IDB) for the purpose of on-lending to International Development Association (IDA) eligible Organisation of Eastern Caribbean States (OECS) member countries to assist with the financing of public sector projects/programmes in those countries. The loan comprises \$14.0mn from ordinary capital resources and \$6.0mn from the Fund for Special Operations (FSO) of the IDB.

Credit rating

On July 19, 2013 Standard & Poor's affirmed its 'AA' long-term issuer credit rating and 'A-1+' short-term credit rating with a negative outlook. This had no material impact on the Bank's operations, nor did it have any impact on debt covenants.

On November 19, 2013 Moody's Investors Service affirmed the Bank's long term issuer rating at Aa1 and changed the outlook from negative to stable.

NOTE 8 – GUARANTEES

At its two hundred and forty-ninth meeting held on December 8, 2011, the Bank issued a policy based guarantee (PBG) in an amount not exceeding the equivalent of \$12.0mn with respect to the Bonds issued by the Government of St. Kitts and Nevis (GOSKN). If this PBG is called, the amount disbursed will be converted into a loan from CDB's OCR with effect from the date on which the amount is disbursed.

Pursuant to the provisions of the first Policy Based Guarantee (PBG), the Bank, on behalf of GOSKN, made payments in September 2011 and March 2012 in a total amount not exceeding the equivalent of \$8.3mn to certain bondholders. At its meeting in December 2011 the Bank's Board of Directors approved a package of exceptional financial assistance to GOSKN, including the conversion of amounts disbursed under the first PBG into a loan of an amount not exceeding the equivalent of \$8.3mn. The overall objective of the financial assistance package was, inter alia, to facilitate an improvement in the country's debt dynamics and the overall macroeconomic fundamentals while protecting past social gains. This will in turn reduce any risk associated with the Bank's loan portfolio to GOSKN.

There has been no call on the second guarantee.

GOSKN has met its existing obligations to the Bank to date and by agreement effective July 1, 2013 executed an agreement with the Bank for the conversion of \$8.6mn to the Special Fund Resources of the Bank in respect of this exposure.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
STATEMENT OF FINANCIAL POSITION
As of March 31, 2014
(Expressed in thousands of United States dollars)

	March 31, 2014			December 31, 2013		
	UNIFIED	OTHER	TOTAL	UNIFIED	OTHER	TOTAL
Assets						
Due from banks	\$25,900	\$2,529	\$28,429	\$22,878	\$2,163	\$25,041
Investments - Trading (Schedule 1)	246,780	55,432	302,212	255,396	55,376	310,772
Loans (Schedule 2)	503,228	17,829	521,057	503,518	18,117	521,635
Receivables - Other						
Accounts receivable including interfund receivables	1	-	1	1	-	1
	<u>775,909</u>	<u>75,790</u>	<u>851,699</u>	<u>781,793</u>	<u>75,656</u>	<u>857,449</u>
Receivable from contributors						
Non-negotiable demand notes (Schedule 3)	61,977	-	61,977	60,044	-	60,044
Contributions in arrears	6,797	-	6,797	6,797	-	6,797
	<u>68,774</u>	<u>-</u>	<u>68,774</u>	<u>66,841</u>	<u>-</u>	<u>66,841</u>
Total assets	\$ 844,683	\$ 75,790	\$ 920,473	\$ 848,634	\$ 75,656	\$ 924,290
Liabilities and Funds						
Liabilities						
Accounts payable including interfund payables	\$66,217	\$1,408	\$67,625	\$67,349	\$1,327	\$68,676
Subscriptions in advance	2,643	-	2,643	2,643	-	2,643
Accrued charges on contributions	-	7	7	-	2	2
	<u>68,860</u>	<u>1,415</u>	<u>70,275</u>	<u>69,992</u>	<u>1,329</u>	<u>71,321</u>
Funds						
Contributed resources (Schedule 3)						
Contributions	1,138,836	42,404	1,181,240	1,128,440	42,434	1,170,874
Less amounts not yet made available	(121,560)	-	(121,560)	113,429	-	113,429
Amounts made available	1,017,276	42,404	1,059,680	1,015,011	42,434	1,057,445
Allocation to technical assistance and grant resources	(349,897)	(2,266)	(352,163)	(349,897)	(2,266)	(352,163)
	<u>667,379</u>	<u>40,138</u>	<u>707,517</u>	<u>665,114</u>	<u>40,168</u>	<u>705,282</u>
Accumulated net income (Schedule 4)	\$55,387	\$33,331	\$88,718	\$54,978	\$33,253	\$88,231
Technical assistance and grant resources	53,057	906	53,963	58,550	906	59,456
	<u>775,823</u>	<u>74,375</u>	<u>850,198</u>	<u>778,642</u>	<u>74,327</u>	<u>852,969</u>
Total liabilities and funds	\$844,683	\$75,790	\$920,473	\$848,634	\$75,656	\$924,290

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
STATEMENT OF NET INCOME AND ACCUMULATED NET INCOME
For the quarter ended March 31, 2014
(Expressed in thousands of United States dollars)

	2014			2013		
	UNIFIED	OTHER	TOTAL	UNIFIED	OTHER	TOTAL
Income						
From loans	\$2,887	\$104	\$2,991	\$2,842	\$92	\$2,934
From investments and cash balances	520	186	706	377	71	448
Gross income	3,407	290	3,697	3,219	163	3,382
Expenses						
Administrative expenses	2,689	188	2,877	2,488	172	2,660
Charges on contributions	-	4	4	-	9	9
Exchange	309	20	329	(203)	(12)	(215)
Total expenses	2,998	212	3,210	2,285	169	2,454
Net income/(loss) for the quarter	\$409	\$78	\$487	\$934	(\$6)	\$928

Statement of Changes in Accumulated Net Income

Accumulated net income - beginning of year	\$54,978	\$33,253	\$88,231	\$56,730	\$36,801	\$93,531
Appropriations	-	-	-	-	-	-
Net income/(loss) for the year	409	78	487	934	(6)	928
Appropriations from OCR income	-	-	-	-	-	-
Accumulated net income - end of quarter	\$55,387	\$33,331	\$88,718	\$57,664	\$36,795	\$94,459

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND (UNIFIED)
STATEMENT OF CASH FLOWS
For the quarter ended March 31, 2014
(Expressed in thousands of United States dollars)

	<u>2014</u>	<u>2013</u>
Operating activities:		
Total comprehensive income for the quarter	\$409	\$934
Adjustments for non-cash items:		
Unrealised (gain)/loss on debt securities at fair value through profit	(1)	318
Interest income	(3,407)	(3,536)
Net foreign exchange difference	435	(1,023)
<i>Total cash flows used in operating profits before changes in operating assets and liabilities</i>	(2,564)	(3,307)
Changes in operating assets and liabilities:		
Decrease in accounts receivable	-	7,854
(Decrease)/Increase in accounts payable	(1,132)	3,016
<i>Cash (used in)/provided by operating activities</i>	(3,696)	7,563
Disbursements on loans	(5,300)	(17,868)
Principal repayments to the Bank on loans	5,592	6,860
Interest received	3,411	4,192
Net decrease in debt securities at fair value through profit or loss	8,611	8,563
Technical assistance disbursements	(5,493)	(3,948)
<i>Net cash provided by operating activities</i>	3,125	5,362
Financing activities:		
Contributions:		
Increase in contributions for loans	1,830	7,444
(Decrease)/increase in receivables from contributors	(1,933)	568
Technical assistance allocation	-	(1,000)
<i>Net cash(used in)/ provided by financing activities</i>	(103)	7,012
Net increase in cash and cash equivalents	3,022	12,374
Cash and cash equivalents at beginning of year	22,878	11,699
Cash and cash equivalents at end of the quarter	\$25,900	\$24,073

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND (OTHER)
STATEMENT OF CASH FLOWS
For the quarter ended March 31, 2014
(Expressed in thousands of United States dollars)

	<u>2014</u>	<u>2013</u>
Operating activities:		
Total comprehensive income/(loss) for the quarter	\$78	\$ (6)
Adjustments for non-cash items		
Unrealised (gain)/loss on debt securities at fair value through profit or loss	(37)	112
Interest income	(327)	(277)
Interest expense	4	9
Net foreign exchange difference	(30)	26
<i>Total cash flows used in operating profits before changes in operating assets and liabilities</i>	(312)	(136)
Changes in operating assets and liabilities:		
Increase in accounts payable	81	5
<i>Cash used in operating activities</i>	(231)	(131)
Disbursements on loans	-	-
Principal repayments to the Bank on loans	287	408
Interest received	260	237
Interest paid	1	-
Net increase in debt securities at fair value through profit or loss	49	5,903
<i>Net cash provided by operating activities</i>	366	6,417
Financing activities:		
Contributions:		
Repayments of contributions	-	(1)
Net cash used in financing activities	-	(1)
Net increase in cash and cash equivalents	366	6,416
Cash and cash equivalents at beginning of year	2,163	2,239
Cash and cash equivalents at end of quarter	\$2,529	\$8,655

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

As of March 31, 2014

(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	Out-standing ^{2/}	
Anguilla	425	112	2,806	0.6
Antigua and Barbuda	-	-	2,473	0.5
Bahamas	-	750	-	0.0
Barbados	-	-	391	0.1
Belize	-	16,731	40,984	8.2
British Virgin Islands	-	300	1,474	0.3
Cayman Islands	-	-	-	0.0
Dominica	750	17,126	55,295	11.1
Grenada	-	13,311	70,223	14.0
Guyana	22,100	27,710	106,384	21.3
Jamaica	-	21,477	94,819	19.0
Montserrat	-	2,500	2,459	0.5
St. Kitts and Nevis	-	1,215	48,844	9.8
St. Lucia	750	40,746	36,877	7.4
St. Vincent and the Grenadines	750	22,369	28,730	5.7
Trinidad and Tobago	1,000	-	-	0.0
Turks & Caicos Islands	-	-	5,084	1.0
Regional	6,375	-	3,519	0.7
Sub-total	\$32,150	\$164,347	\$500,362	100.0
Accrued interest	-	-	2,866	
Total - March 31, 2014	\$32,150	\$164,347	\$503,228	
Total -December 31, 2013	\$29,900	\$170,282	\$503,518	

1/ Net of lapses and cancellations.

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

As of March 31, 2014

(Expressed in thousands of United States dollars)

Schedule 2
(continued)

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	Undisbursed	Outstanding 2/	
Anguilla	1,456	-	1,456	-	-	0.0
Antigua and Barbuda	3,825	-	3,825	-	431	2.4
Bahamas	773	-	773	-	-	0.0
Barbados	1,619	-	1,619	-	-	0.0
Belize	27,882	-	27,882	-	7,061	39.8
British Virgin Islands	4,691	-	4,691	-	-	0.0
Cayman Islands	634	-	634	-	-	0.0
Dominica	14,316	-	14,316	-	1,918	10.8
Grenada	5,037	-	5,037	-	164	0.9
Guyana	22	-	22	-	-	0.0
Jamaica	6,871	-	6,871	-	1,513	8.5
Montserrat	788	-	788	-	-	0.0
St. Kitts and Nevis	11,838	-	11,838	-	5,002	28.2
St. Lucia	22,279	-	22,279	437	477	2.7
St. Vincent and the Grenadines	12,357	-	12,357	-	1,159	6.5
Turks & Caicos Islands	1,554	-	1,554	-	-	0.0
Regional	2,519	-	2,519	-	-	0.0
Sub-total	\$118,461	-	\$118,461	\$437	\$17,725	100.0
Accrued interest	-	-	-	-	104	
Total - March 31, 2014	\$118,565	-	118,565	\$437	\$17,829	
Total -December 31, 2013	\$118,577	-	\$118,577	\$437	\$18,117	

1/ Net of lapses and cancellations.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
SUMMARY STATEMENT OF LOANS (continued)
As of March 31, 2014
(Expressed in thousands of United States dollars)

	Effective Loans			Schedule 2 (continued)
Analysis by contributor	Loans approved but not yet effective	Undisbursed	Outstanding ^{2/}	Percentage of total loans outstanding
<u>SPECIAL DEVELOPMENT FUND - UNIFIED</u>				
MEMBERS/CONTRIBUTORS	32,150	164,347	500,362	100.0
Accrued interest	-	-	2,866	
Total SDF - (Unified)	\$32,150	\$164,347	\$503,228	
<u>SPECIAL DEVELOPMENT FUND - OTHER</u>				
<u>MEMBERS</u>				
Colombia	-	-	128	0.7
Germany	-	-	122	0.7
Mexico	-	-	1,958	11.0
Venezuela	-	437	15,486	87.4
	-	437	17,694	
<u>OTHER CONTRIBUTORS</u>				
Sweden	-	-	31	0.2
United States of America	-	-	-	-
	-	-	31	100.0
Sub-total	-	\$437	\$17,725	
Accrued interest	-	-	104	
Total - SDF (Other)	-	\$437	\$17,829	
Total SDF - March 31, 2014	\$32,150	\$164,784	\$521,057	
Total SDF - December 31, 2013	\$29,900	\$170,719	\$521,635	

1/Net of lapses and cancellations.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
SUMMARY STATEMENT OF LOANS (continued)
For the quarter ended March 31, 2014
(Expressed in thousands of United States dollars)

Schedule 2
(continued)

Currencies receivable	Loans out-standing 2013	Net Interest Earned	Disburse-ments	Sub-Total	Repay-ments	Loans out-standing 2014
(a) Special Development Fund - Unified						
United States dollars	500,654	-	5,300	505,954	(5,592)	500,362
Subtotal	500,654	-	5,300	505,954	(5,592)	500,362
Accrued interest	2,864	2	-	2,866	-	2,866
Total - March 31, 2014	\$503,518	\$2	\$5,300	\$508,820	(\$5,592)	\$503,228
Total - December 31, 2013	\$463,518	\$417	\$62,581	525,682	(\$22,164)	\$503,518
(b) Special Development Fund - Other						
United States dollars	18,012	-	-	18,012	(287)	17,725
Subtotal	18,012	-	-	18,012	(287)	17,725
Accrued interest	105	(1)	-	104	-	104
Total - March 31, 2014	\$18,117	(\$1)	\$0	\$18,116	(\$287)	\$17,829
Total - December 31, 2013	\$19,449	(\$21)	\$0	19,428	(\$1,311)	\$18,117

MATURITY STRUCTURE OF LOANS OUTSTANDING

April 1, 2014 to December 31, 2014	20,920
January 1, 2015 to December 31, 2015	26,778
January 1, 2016 to December 31, 2016	27,722
January 1, 2017 to December 31, 2017	28,883
January 1, 2018 to December 31, 2022	141,959
January 1, 2023 to December 31, 2027	124,045
January 1, 2028 to December 31, 2032	95,751
January 1, 2033 to December 31, 2037	42,899
January 1, 2038 to December 31, 2042	12,100
January 1, 2043 to December 31, 2043	5
Total	\$521,057

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
STATEMENT OF CONTRIBUTED RESOURCES
As of March 31, 2014
(expressed in thousands of United States dollars)

CONTRIBUTORS	Total approved 1/	Approved but not yet effective 2/	Total contribution agreed	Amounts not yet made available	Amounts made available	Schedule 3
						Receivable from members Non negotiable demand notes
Special Development Fund - Unified						
<u>Members</u>						
Trinidad and Tobago	\$45,935	\$10,551	\$35,384	-	\$35,384	\$9,057
Jamaica	43,755	10,551	33,204	-	33,204	7,638
Guyana	25,686	5,876	19,810	-	19,810	-
Bahamas	25,685	-	25,685	4,407	21,278	10,294
Barbados	25,681	-	25,681	4,407	21,274	2,832
St. Vincent and the Grenadines	6,588	-	6,588	1,081	5,507	2,579
Belize	6,575	-	6,575	1,081	5,494	2,166
St. Kitts and Nevis	6,575	1,441	5,134	-	5,134	2,494
St. Lucia	6,575	-	6,575	1,081	5,494	2,167
Dominica	6,315	-	6,315	1,081	5,234	2,687
Grenada	3,977	632	3,345	-	3,345	2,712
Antigua and Barbuda	2,889	632	2,257	-	2,257	777
Anguilla	2,677	632	2,045	-	2,045	1,051
British Virgin Islands	2,677	632	2,045	-	2,045	-
Montserrat	2,677	632	2,045	-	2,045	-
Turks and Caicos Islands	2,677	1,237	1,440	-	1,440	-
Cayman Islands	2,577	1,237	1,340	-	1,340	-
Haiti	2,505	945	1,560	-	1,560	-
Suriname	2,160	-	2,160	1,620	540	540
Colombia	30,657	-	30,657	2,643	28,014	-
Venezuela	25,506	3,524	21,982	-	21,982	-
Mexico	20,524	6,524	14,000	-	14,000	-
Canada	330,489	-	330,489	49,826	280,663	-
United Kingdom	258,761	-	258,761	33,124	225,637	14,983
Germany	98,897	-	98,897	15,960	82,936	-
Italy	66,642	3,244	63,398	-	63,398	-
China	48,298	-	48,298	5,250	43,048	-
	1,103,960	48,290	1,055,670	121,560	934,110	61,977
<u>Other Contributors</u>						
France	58,254	-	58,254	-	58,254	-
Netherlands	24,902	-	24,902	-	24,902	-
Chile	10	-	10	-	10	-
	1,187,126	48,290	1,138,836	121,560	1,017,276	61,977
Technical Assistance Allocation	(349,897)	-	(349,897)	-	(349,897)	-
Sub-total	837,229	48,290	788,939	121,560	667,379	61,977
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	4,008	-	4,008	-	4,008	-
United States of America 4/	590	-	590	-	590	-
	4,598	-	4,598	-	4,598	-
Sub-total	40,138	-	40,138	-	40,138	-
Total SDF - 2014	\$877,367	\$48,290	\$829,077	\$121,560	\$707,517	\$61,977
SUMMARY						
Members	\$814,505	\$48,290	\$766,215	\$121,560	\$644,655	\$61,977
Other contributors	62,862	-	62,862	-	62,862	-
Total SDF - 2014	\$877,367	\$48,290	\$829,077	\$121,560	\$707,517	\$61,977
Total SDF - 2013	\$874,318	\$55,607	\$818,711	\$113,429	\$705,282	\$60,044

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, 2014
(Expressed in thousands of United States dollars)

					Schedule 3 (continued)	
Currencies	Amounts made available 2013	Trans- lation adjust- ments	Drawdowns/ Appropria- tions from Capital 1/	Sub-total	Repay- ments	Amounts made available 2014
(a) Special Development Fund - Unified						
Euros	11,704	330	-	12,034	-	12,034
Pounds sterling	14,878	105	-	14,983	-	14,983
United States dollars	638,532	-	1,830	640,362	-	640,362
Total - March 31, 2014	\$665,114	\$435	\$1,830	\$667,379	-	\$667,379
Total -December 31, 2013	\$638,526	\$564	\$26,024	\$665,114	-	\$665,114
(b) Special Development Fund - Other						
Swedish kroners	4,038	(30)	-	4,008	-	4,008
United States dollars	36,130	-	-	36,130	-	36,130
Total - March 31, 2014	\$40,168	(\$30)	-	\$40,138	-	\$40,138
Total - December 31, 2013	\$40,696	\$46	-	\$40,742	(\$574)	\$40,168

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*

January 1, 2014 to December 31, 2014	590
TOTAL	590

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

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
STATEMENT OF ACCUMULATED COMPREHENSIVE INCOME
As of March, 2014
(Expressed in thousands of United States dollars)

	Brought forward 2013	Net Income 2014	Appro- priations	Schedule 4 Carried forward 2014
CONTRIBUTORS				
Special Development Fund - Unified	\$54,978	\$409	-	\$55,387
Special Development Fund - Other				
<u>Members</u>				
Colombia	2,223	(18)	-	2,205
Germany	(983)	(19)	-	(1,002)
Mexico	7,210	20	-	7,230
Venezuela	10,879	41	-	10,920
	19,329	24	-	19,353
<u>Other contributors</u>				
Sweden	2,814	8	-	2,822
United States of America	11,110	46	-	11,156
	13,924	54	-	13,978
	33,253	78	-	33,331
Total SDF	\$88,231	\$487	-	\$88,718
Summary				
Members	74,307	433	-	74,740
Other contributors	13,924	54	-	13,978
Total - March 31, 2014	\$88,231	\$487	-	\$88,718
Total SDF - December 31, 2013	\$82,931	\$2,197	\$3,103	\$88,231

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF FINANCIAL POSITION
As of March 31, 2014
(expressed in thousands of United States dollars)

	<u>2014</u>	<u>2013</u>
Assets		
Cash and cash equivalents	\$14,930	\$17,491
Investments at fair value through profit and loss (Schedule 1)	70,976	70,775
Loans (Schedule 2)	118,731	119,494
Receivables - other		
Accounts receivable	65,455	65,455
Total assets	\$270,092	\$273,215
Liabilities and Funds		
Liabilities		
Accounts payable and accrued liabilities	\$6,395	\$6,575
Accrued charges on contributions	170	249
	6,565	6,824
Funds		
Contributed resources (Schedule 3)		
Contributions	\$72,006	\$72,923
Amounts made available	72,006	72,923
Accumulated net income (Schedule 4)	52,794	52,323
	124,800	125,246
Technical assistance and other grant resources (Schedule 5)	138,727	141,145
Total liabilities and funds	\$270,092	\$273,215

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF NET INCOME AND TOTAL COMPREHENSIVE INCOME
For the quarter ended March 31, 2014
(expressed in thousands of United States dollars)

	<u>2014</u>	<u>2013</u>
Income		
From loans	\$649	\$710
From investments and cash balances	241	1,356
Gross income	<u>890</u>	<u>2,066</u>
Expenses		
Administrative expenses	319	234
Charges on contributions	236	312
Exchange translation	(136)	(112)
Total expenses	<u>419</u>	<u>434</u>
Net income and total comprehensive income for the quarter	<u>\$471</u>	<u>\$1,632</u>
<hr/>		
Accumulated net income and total comprehensive income		
Accumulated net income and total comprehensive income - beginning of year	\$52,323	\$51,407
Net income and total comprehensive income for the quarter	471	1,632
Accumulated net income and total comprehensive income - end of quarter	<u>\$52,794</u>	<u>\$53,039</u>

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF CASH FLOWS
For the quarter ended March 31, 2014
(expressed in thousands of United States dollars)

	<u>2014</u>	<u>2013</u>
Operating activities:		
Net income for the quarter	\$471	\$1,632
Adjustments for non-cash items:		
Unrealised loss on debt securities	(602)	(1,756)
Interest income	361	(458)
Interest expense	236	312
Net foreign exchange difference	1,979	(153)
<i>Total cash flow provided by/(used in) operating activities before changes in operating assets and liabilities</i>	<u>2,445</u>	<u>(\$423)</u>
Decrease in accounts receivable	-	-
Decrease in accounts payable	(180)	(1,736)
<i>Cash provided by/(used in) operating activities</i>	<u>2,265</u>	<u>(\$2,159)</u>
Disbursements on loans	(128)	(18)
Principal repayments to the Bank on loans	948	1,493
Technical assistance disbursements	(2,234)	(1,631)
Interest received	(409)	642
Interest paid	(315)	(326)
Net decrease in debt securities at fair value through profit or loss	448	12,640
<i>Net cash provided by operating activities</i>	<u>575</u>	<u>10,641</u>
Financing activities:		
Contributions:		
Repayments of contributions	(2,952)	(1,201)
Technical assistance contributions	(184)	7,488
<i>Net cash (used in)/provided by financing activities</i>	<u>(3,136)</u>	<u>6,287</u>
Net increase in cash and cash equivalents	(2,561)	16,928
Cash and cash equivalents at beginning of year	<u>17,491</u>	<u>9,530</u>
Cash and cash equivalents at end of quarter	<u>\$14,930</u>	<u>\$26,458</u>

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

As of March 31, 2014

(expressed in thousands of United States dollars)

	<u>Schedule I</u>	
	2014	2013
	Market value	Market value
Financial assets at fair value through profit or loss		
Government and Agency obligations	\$36,875	\$36,844
Supranationals	4,117	4,119
Euro Commercial Paper	0	0
Mutual funds	8,901	8,776
Managed Funds	11,153	11,153
Equity investments	9,769	9,769
Available for sale	70,815	70,661
Sub-total	70,815	70,661
Accrued interest	161	114
Total	\$70,976	\$70,775

Residual Term to Contractual Maturity

	2014	2013
One month to three months	\$30,795	\$29,812
From three months to one year	6,694	7,078
From one year to five years	31,877	29,899
From five years to ten years	1,610	3,986
Total	\$70,976	\$70,775

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF LOANS
As of March 31, 2014

(Expressed in thousands of United States dollars)

Member countries in which loans have been made	Effective Loans						Percent- age of total loans out- standing
	Total	Loans	Signed	Principal	Undis-	Out-	
	loans approved 1/	approved but not yet effective	agree- ments	repaid	bursed	standing	
Anguilla	500	-	500	450	-	50	0.0
Antigua and Barbuda	8,525	-	8,525	4,061	-	4,464	3.8
Barbados	26,134	-	26,134	19,172	-	6,962	5.9
Belize	9,164	-	9,164	9,164	-	-	0.0
British Virgin Islands	1,908	-	1,908	1,908	-	-	0.0
Cayman Islands	2,988	-	2,988	2,988	-	-	0.0
Dominica	36,513	-	36,513	16,017	1,420	19,076	16.2
Grenada	30,533	-	30,533	8,663	4	21,866	18.5
Guyana	20,793	-	20,793	17,125	-	3,668	3.1
Jamaica	69,117	-	69,117	38,071	-	31,046	26.3
Montserrat	1,249	-	1,249	1,249	-	-	0.0
St. Kitts and Nevis	8,465	-	8,465	5,258	-	3,207	2.7
St. Lucia	38,101	-	38,101	17,001	2,170	18,930	16.0
St. Vincent and the Grenadines	23,262	-	23,262	14,013	1,483	7,766	6.6
Trinidad and Tobago	3,609	-	3,609	2,577	-	1,032	0.9
Regional	2,232	-	2,232	2,232	-	-	0.0
Sub-total	283,093	-	283,093	159,949	5,077	118,067	100.0
Accrued interest	-	-	-	-	-	664	
Total - March 31, 2014	\$283,757	-	\$283,757	\$159,949	\$5,077	\$118,731	
Total - December 31, 2013	\$283,996	-	\$283,996	\$159,297	\$5,205	\$119,194	

1/ Net of lapses and cancellations.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF LOANS (continued)
As of March 31, 2014
(expressed in thousands of United States dollars)

Schedule 2
(continued)

Currencies receivable	Loans Out-standing 2013	Trans-lation adjust-ments	Net interest earned	Disburse-ments	Sub-Total	Repay-ments	Loans Out-standing 2014
Euros	\$2,535	\$4	-	-	\$2,539	(\$135)	\$2,404
Special Drawing Rights	13,948	52	-	-	14,000	(51)	13,949
United States dollars	102,348	-	-	128	102,476	(762)	101,714
Sub-total	\$118,831	\$56	-	\$128	\$119,015	(\$948)	\$118,067
Accrued interest	663		1		664		664
Total - March 31, 2014	\$119,494	\$56	\$1	\$128	\$119,679	(\$948)	\$118,731
Total - December 31, 2013	\$124,095	\$149	(\$196)	\$89	\$124,137	(\$4,643)	\$119,494

Maturity structure of loans outstanding

April 1, 2014 to December 31, 2014	\$4,499
January 1, 2015 to December 31, 2015	6,521
January 1, 2016 to December 31, 2016	6,695
January 1, 2017 to December 31, 2017	6,932
January 1, 2018 to December 31, 2018	6,935
January 1, 2019 to December 31, 2023	34,421
January 1, 2023 ⁴ to December 31, 2028	28,506
January 1, 2029 to December 31, 2033	18,936
January 1, 2034 to December 31, 2038	3,673
January 1, 2039 to December 31, 2047	1,613
	\$118,731

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

As of March 31, 2014

(expressed in thousands of United States dollars)

Schedule 3

Contributors	Contributions	
	Total 1/	Amounts made available
Members		
Canada	\$6,811	\$6,811"
Inter-American Development Bank	\$148	\$148"
Contributed resources	6,959	6,959
Other contributors		
Inter-American Development Bank 1/	38,234	38,234
European Investment Bank 1/	1,379	1,379
United States of America	3,328	3,328
European Union	3,564	3,564
International Development Association	18,542	18,542
Repayable contributions	65,047	65,047
Total - March 31, 2014	\$72,006	\$72,006
Total - December 31, 2013	\$72,923	\$72,923

1/ Net of cancellations and repayments.

Maturity structure of repayable contributions outstanding

April 1, 2014 to December 31, 2014	\$3,272
January 1, 2015 to December 31, 2015	3,197
January 1, 2016 to December 31, 2016	3,379
January 1, 2017 to December 31, 2017	3,479
January 1, 2018 to December 31, 2018	3,326
January 1, 2019 to December 31, 2023	14,103
January 1, 2024 to December 31, 2028	12,117
January 1, 2029 to December 31, 2033	9,948
January 1, 2034 to December 31, 2038	6,742
January 1, 2039 to December 31, 2045	5,484
Total	\$65,047

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

As of March 31, 2014

(expressed in thousands of United States dollars)

Schedule 3
(continued)

Currencies repayable	Contri- butions made available 2013	Trans- lation adjust- ments	Drawdowns/ Appropri- ations from Capital	Sub- total	Repay- ments	Contri- butions made available 2013
Canadian dollars	\$1,952	(\$72)	\$0	\$1,880	(\$23)	\$1,857
Euros	5,080	8	-	5,088	(144)	4,944
Japanese yen	52	1	-	53	(17)	36
Pounds sterling	78	-	-	78	(26)	52
Special Drawing Rights	15,578	58	-	15,636	(107)	15,529
Swedish kroners	32	-	-	32	(11)	21
United States dollars	50,151	2,040	-	52,191	(2,624)	49,567
Total -March 31, 2014	\$72,923	\$2,035	-	\$74,958	(\$2,952)	\$72,006
Total -December 31, 2013	\$76,803	\$111	-	\$76,914	(\$3,991)	\$72,923

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF ACCUMULATED NET INCOME
As of March 31, 2014
(expressed in thousands of United States dollars)

Schedule 4

Contributors	2014		
	Accumulated Net Income		
	Brought forward 2013	Net Income/(loss) 2014	Carried forward 2014
General Funds	\$42,518	\$572	\$43,090
European Investment Bank	(990)	(2)	(992)
European Union	2,557	13	2,570
Inter-American Development Bank	(43)	(90)	(133)
International Development Association	214	(7)	207
Nigeria	6,048	-	6,048
United States of America	2,019	(15)	2,004
Total -March 31, 2014	\$52,323	\$471	\$52,794
Total - December 31, 2013	\$51,407	\$916	\$52,323

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF TECHNICAL ASSISTANCE AND OTHER GRANT RESOURCES
As of March 31, 2014
(expressed in thousands of United States dollars)

Schedule 5

Contributors	2013			
	Contributors			Net amounts available
	Total 1/	Amounts made available	Amounts utilised	
Members				
Canada	\$57,760	\$57,760	\$40,496	17,264
United Kingdom	27,144	27,144	14,981	12,163
Italy	522	522	252	270
	85,426	85,426	55,729	29,697
Other contributors				
Caribbean Development Bank	225,549	225,549	118,955	106,594
United States of America	1,407	1,407	1,407	-
Inter-American Development Bank	3,510	3,510	3,345	165
China	677	677	198	479
Venezuela	587	587	-	587
Nigeria	193	193	147	46
European Commission	4,444	4,444	3,314	1,130
GIZ	187	187	158	29
Sub-total	236,554	236,554	127,524	109,030
Total - March 31, 2014	\$321,980	\$321,980	\$183,253	\$138,727
Total - December 31, 2013	\$322,164	\$322,164	\$181,019	\$141,145
Summary				
Basic Needs Trust Fund	\$152,250	\$152,250	\$85,402	\$66,848
Other Resources	169,730	169,730	97,851	71,879
Total - March 31, 2014	\$321,980	\$321,980	\$183,253	\$138,727
Basic Needs Trust Fund	\$152,250	\$152,250	\$85,402	\$66,848
Other Resources	169,914	169,914	95,617	74,297
Total - December 31, 2013	\$322,164	\$322,164	\$181,019	\$141,145

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