

PUBLIC DISCLOSURE AUTHORISED

CARIBBEAN DEVELOPMENT BANK



Statement of Interim Financial Position (Unaudited)

For the Period Ended September 30, 2012

(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.

December 2012

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF FINANCIAL POSITION
As of September 30, 2012
(expressed in thousands of United States dollars)

| | September 30 | December 31 |
|-----------------------------------------------------------------------|--------------------------------|-------------------------|
| | 2012 | 2011 |
| Assets | <hr/> | <hr/> |
| Cash Resources | | |
| Cash and cash equivalents | \$101,635 | \$79,163 |
| Investments | | |
| Debt securities at fair value through profit or loss | 264,747 | 244,242 |
| Loans | | |
| Loans outstanding | 992,567 | 1,007,537 |
| Derivative financial instruments | | |
| Cross currency interest rate swaps | 120,590 | 127,680 |
| Receivable from members | | |
| Non-negotiable demand notes | 44,147 | 44,363 |
| Amounts required to meet maintenance of value on currency holdings | 1,211 | 1,121 |
| Subscriptions in arrears | 14,440 | 15,975 |
| | <hr/> 59,798 <hr/> | <hr/> 61,459 <hr/> |
| Receivables - other | 19,367 | 14,625 |
| Other assets | | |
| Property and equipment | 8,279 | 8,419 |
| Total assets | <hr/> \$1,566,983 <hr/> | <hr/> \$1,543,125 <hr/> |

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF FINANCIAL POSITION
As of September 30, 2012
(expressed in thousands of United States dollars)

| | September 30 | December 31 |
|---------------------------------------------------------|-----------------------------|-----------------------------|
| | 2012 | 2011 |
| | <u> </u> | <u> </u> |
| Liabilities and Equity | | |
| Liabilities | | |
| Accounts payable and accrued liabilities | \$1,272 | \$2,200 |
| Subscriptions in advance | 4,138 | 5,172 |
| Deferred income | 875 | 875 |
| Post-employment benefit obligations | 2,598 | 2,598 |
| Maintenance of value on currency holdings | 24 | 193 |
| Borrowings | | |
| Short term facility | 20,000 | 20,000 |
| Long term borrowings | 829,335 | 837,875 |
| | <u> </u> | <u> </u> |
| | 849,335 | 857,875 |
| Total Liabilities | <u> </u> | <u> </u> |
| | 858,242 | 868,913 |
| Equity | | |
| Capital stock - Note R | | |
| Authorised capital - 312,971 (2011 - 312,971) shares | | |
| Subscribed capital - 239,643 (2011 - 146,022) shares | 1,501,892 | 1,501,892 |
| Less callable capital - 187,032 (2011 - 113,759) shares | 1,170,887 | 1,170,887 |
| Paid-up capital - 52,611 (2011 - 32,263) shares | <u> </u> | <u> </u> |
| | 331,005 | 331,005 |
| Less subscriptions not yet matured | 112,951 | 144,644 |
| Subscriptions matured | <u> </u> | <u> </u> |
| | 218,054 | 186,361 |
| Retained earnings & Reserves | 490,687 | 487,851 |
| Total Equity | <u> </u> | <u> </u> |
| | 708,741 | 674,212 |
| Total Liabilities and Equity | <u> </u> | <u> </u> |
| | \$1,566,983 | \$1,543,125 |

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF CHANGES IN EQUITY
For the nine months ended September 30, 2012
(expressed in thousands of United States dollars)

| | Capital stock | Retained earnings | Reserves | Total |
|--------------------------------------|--------------------------|------------------------------|-----------------|----------------|
| Balance as at January 1, 2011 | 157,433 | 432,957 | 14,110 | 604,500 |
| Issued Share Capital | 12,134 | - | - | 12,134 |
| Comprehensive income for the period | - | 26,126 | - | 26,126 |
| Balance at September 30, 2011 | 169,567 | 459,083 | 14,110 | 642,760 |
| Balance at January 1, 2012 | 186,361 | 473,741 | 14,110 | 674,212 |
| Issued Share Capital | 31,693 | - | - | 31,693 |
| Comprehensive income for the period | - | 17,836 | - | 17,836 |
| Appropriation from retained earnings | - | (15,000) | - | (15,000) |
| Balance at September 30, 2012 | 218,054 | 476,577 | 14,110 | 708,741 |

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF COMPREHENSIVE INCOME
For the nine months ended September 30, 2012
(expressed in thousands of United States dollars)

| | <u>2012</u> | <u>2011</u> |
|---------------------------------------------------|---------------|---------------|
| Interest and similar income | | |
| Loans | \$29,917 | \$30,447 |
| Investments and cash balances | 2,568 | 2,079 |
| | <u>32,485</u> | <u>32,526</u> |
| Interest expense and similar charges | | |
| Borrowings | 8,854 | 7,516 |
| Other financial income | (2,392) | (1,891) |
| | <u>6,462</u> | <u>5,625</u> |
| Net interest income | <u>26,023</u> | <u>26,901</u> |
| Other expenses/(income) | | |
| Other income | (1,237) | (110) |
| Realised and unrealised fair value gains/(losses) | (2,196) | 924 |
| Administrative expenses | 6,693 | 6,102 |
| Foreign exchange translation gains/(losses) | (1,489) | 14,504 |
| Derivative fair value adjustment | 6,416 | (20,645) |
| | <u>8,187</u> | <u>775</u> |
| Total comprehensive income for the period | <u>17,836</u> | <u>26,126</u> |

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF CASH FLOWS
For the nine months ended September 30, 2012
(expressed in thousands of United States dollars)

| | <u>2012</u> | <u>2011</u> |
|--------------------------------------------------------------------------------------------------|-----------------------|----------------------|
| Operating activities: | | |
| Comprehensive income for the period | \$ 17,836 | \$ 26,126 |
| Adjustments for non cash items: | | |
| Unrealised (gain)/loss on debt securities | (1,757) | 1,011 |
| Depreciation | 1,056 | 1,084 |
| Derivative fair value adjustment | 6,416 | (20,645) |
| Interest income | (32,485) | (32,526) |
| Interest expense | 6,462 | 5,625 |
| (Decrease)/increase in borrowings resulting from exchange rates fluctuations | (865) | 13,196 |
| (Increase)/decrease in amounts required to maintain the value of currency holdings | (259) | 287 |
| Total cash flows used in operating profits before changes in operating assets and liabilities | <u>(3,596)</u> | <u>(5,842)</u> |
| Changes in operating assets and liabilities: | | |
| Increase in accounts receivable | (4,742) | (2,471) |
| Decrease in accounts payable | (1,962) | (1,512) |
| Net increase in debt securities at fair value through profit and loss | <u>(19,138)</u> | <u>(147,938)</u> |
| Cash (used in) operating activities | <u>(29,438)</u> | <u>(157,763)</u> |
| Disbursements on loans | (38,494) | (78,570) |
| Principal repayments to the Bank on loans | 54,709 | 58,802 |
| Interest received | 31,630 | 33,515 |
| Interest paid | (5,796) | (4,864) |
| Net cash from/(used in) operating activities | <u>12,611</u> | <u>(148,880)</u> |
| Investing activities: | | |
| Purchase of property and equipment | (916) | (1,008) |
| Net cash used in investing activities | <u>(916)</u> | <u>(1,008)</u> |
| Financing activities: | | |
| Borrowings: | | |
| Drawdowns | 39,987 | 215,913 |
| Repayments | (47,633) | (22,738) |
| Appropriation from retained earnings | (15,000) | - |
| Capital subscriptions | 31,693 | 12,134 |
| Decrease in other receivables from members | 1,751 | (94) |
| Net cash provided by financing activities | <u>10,798</u> | <u>205,215</u> |
| Net increase in cash and cash equivalents | 22,493 | 55,327 |
| Net foreign exchange difference | (21) | 9 |
| Cash and cash equivalents at beginning of year | <u>79,163</u> | <u>9,434</u> |
| Cash and cash equivalents at end of period | <u><u>101,635</u></u> | <u><u>64,770</u></u> |

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
SUMMARY STATEMENT OF INVESTMENTS

September 30, 2012

(expressed in thousands of United States dollars)

Schedule 1

| | September 30, 2012 | | | | |
|-----------------------|--------------------|--------------|----------------|------------------|------------------|
| | USD | EUR | CAD | Other Currencies | All Currencies |
| Government and Agency | | | | | |
| Obligations | \$175,774 | \$5,038 | \$2,685 | \$0 | \$183,497 |
| Supranationals | 65,547 | 2,782 | 6,765 | - | 75,094 |
| Time Deposits | - | - | - | 5,227 | 5,227 |
| Sub-total | 241,321 | 7,820 | 9,450 | 5,227 | 263,818 |
| Accrued interest | 670 | 134 | 112 | 13 | 929 |
| Total | \$241,991 | 7,954 | \$9,562 | \$5,240 | \$264,747 |

| | December 31, 2011 | | | | |
|-----------------------|-------------------|----------------|----------------|------------------|------------------|
| | USD | EUR | CAD | Other Currencies | All Currencies |
| Government and Agency | | | | | |
| Obligations | \$175,218 | 4,052 | 2,619 | 1,405 | \$183,294 |
| Supranationals | 38,353 | 2,769 | 6,649 | - | 47,771 |
| Time Deposits | - | - | - | 1,886 | 1,886 |
| Euro Commercial Paper | 9,972 | - | - | - | 9,972 |
| Sub-total | 223,543 | 6,821 | 9,268 | 3,291 | 242,923 |
| Accrued interest | 1,079 | 186 | 49 | 5 | 1,319 |
| Total | \$224,622 | \$7,007 | \$9,317 | \$3,296 | \$244,242 |

RESIDUAL TERM TO CONTRACTUAL MATURITY

| | 2012 | 2011 |
|-------------------------------|------------------|------------------|
| One month to three months | \$51,083 | \$19,360 |
| Over three months to one year | 29,462 | 43,217 |
| Over one year to five years | 142,018 | 133,093 |
| Over five years to ten years | 42,184 | 48,572 |
| Total | \$264,747 | \$244,242 |

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
SUMMARY STATEMENT OF LOANS
September 30, 2012

(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 | 75,707 | - | 75,707 | 10,474 | 484 | 64,749 | 6.6 |
| Antigua and Barbuda | 69,495 | - | 69,495 | 18,494 | 10,490 | 40,511 | 4.1 |
| Bahamas | 58,882 | - | 58,882 | 46,770 | 5,030 | 7,082 | 0.7 |
| Barbados | 347,337 | 39,583 | 307,754 | 121,247 | 65,551 | 120,956 | 12.3 |
| Belize | 169,784 | 5,362 | 164,422 | 57,855 | 35,352 | 71,215 | 7.2 |
| British Virgin Islands | 59,972 | - | 59,972 | 26,274 | 20,106 | 13,592 | 1.4 |
| Cayman Islands | 45,254 | - | 45,254 | 40,917 | - | 4,337 | 0.4 |
| Dominica | 47,015 | - | 47,015 | 20,806 | 4,983 | 21,226 | 2.2 |
| Grenada | 58,364 | - | 58,364 | 20,023 | 8,054 | 30,287 | 3.1 |
| Guyana | 57,699 | - | 57,699 | 24,112 | 4,558 | 29,029 | 2.9 |
| Jamaica | 452,239 | - | 452,239 | 182,711 | 31,743 | 237,785 | 24.1 |
| Montserrat | 485 | - | 485 | 485 | - | - | - |
| St. Kitts and Nevis | 99,864 | - | 99,864 | 29,159 | 15,660 | 55,045 | 5.6 |
| St. Lucia | 176,124 | - | 176,124 | 68,548 | 20,836 | 86,740 | 8.8 |
| St. Vincent and the Grenadines | 141,464 | - | 141,464 | 30,072 | 10,419 | 100,973 | 10.2 |
| Trinidad and Tobago | 129,808 | - | 129,808 | 102,351 | - | 27,457 | 2.8 |
| Turks & Caicos Islands | 11,994 | - | 11,994 | 4,303 | 1,786 | 5,905 | 0.6 |
| Regional | 14,487 | - | 14,487 | 6,155 | 4 | 8,328 | 0.8 |
| Private Sector | 161,048 | - | 161,048 | 75,855 | 24,666 | 60,527 | 6.1 |
| Sub-total | 2,177,022 | 44,945 | 2,132,077 | 886,611 | 259,722 | 985,744 | 100.0 |
| Provision for losses | - | - | - | - | - | (5,046) | |
| Accrued interest | - | - | - | - | - | 11,869 | |
| Total - September 30, 2012 | \$2,177,022 | \$44,945 | \$2,132,077 | \$886,611 | \$259,722 | \$992,567 | |
| Total - December 31, 2011 | \$2,162,219 | \$98,113 | \$2,064,106 | \$830,872 | \$231,275 | \$1,007,752 | |

1/ Net of lapses and cancellations.

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES SUMMARY
STATEMENT OF LOANS (continued) September 30, 2012
(expressed in thousands of United States dollars)

Schedule 2

| Currencies Receivable | Loans Out- standing 2011 | Net Interest Earned | Disburse- ments | Sub- Total | Repay- ments | Provision for Losses | Loans Out- standing 2012 | Percent- age of total loans outstanding |
|-----------------------------------|-----------------------------------|---------------------------|--------------------|--------------------|-------------------|----------------------------|-----------------------------------|--------------------------------------------------|
| United States dollars | \$1,001,959 | - | \$38,494 | \$1,040,453 | (\$54,709) | - | \$985,744 | 100.0 |
| Sub-Total | 1,001,959 | - | 38,494 | 1,040,453 | (54,709) | - | 985,744 | 100.0 |
| Provision for losses | (5,046) | | | (5,046) | | - | (5,046) | |
| Accrued interest | 10,624 | 1,245 | - | 11,869 | - | - | 11,869 | |
| Total - September 30, 2012 | \$1,007,537 | \$1,245 | \$38,494 | \$1,047,276 | (\$54,709) | - | \$992,567 | |
| Total - December 31, 2011 | \$993,548 | (\$570) | \$94,867 | \$1,087,845 | (\$77,308) | (\$3,000) | \$1,007,537 | |

MATURITY STRUCTURE OF LOANS OUTSTANDING

| | |
|--------------------------------------|------------------|
| July 1, 2012 to December 31, 2012 | \$57,241 |
| January 1, 2013 to December 31, 2013 | 77,776 |
| January 1, 2014 to December 31, 2014 | 81,673 |
| January 1, 2015 to December 31, 2015 | 76,324 |
| January 1, 2016 to December 31, 2016 | 84,176 |
| January 1, 2017 to December 31, 2021 | 340,817 |
| January 1, 2022 to December 31, 2026 | 216,605 |
| January 1, 2027 to December 31, 2031 | 62,193 |
| January 1, 2032 to December 31, 2033 | 242 |
| Total | \$997,047 |

CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
STATEMENT OF SUBSCRIPTION TO CAPITAL STOCK AND VOTING POWER
September 30, 2012
(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 | 20.18 | \$291,659 | \$227,614 | \$64,045 | \$38,378 | 48,504 | 19.97 | \$13,500 |
| Trinidad and Tobago | 48,354 | 20.18 | 291,659 | 227,614 | 64,045 | 38,378 | 48,504 | 19.97 | 11,003 |
| Bahamas | 14,258 | 5.95 | 86,001 | 67,115 | 18,886 | 11,318 | 14,408 | 5.93 | 1,612 |
| Guyana | 4,167 | 1.73 | 25,134 | 19,633 | 5,501 | 8,265 | 4,317 | 1.78 | 3,195 |
| Colombia | 7,795 | 3.25 | 47,017 | 36,691 | 10,326 | 6,188 | 7,945 | 3.27 | 628 |
| Mexico | 3,118 | 1.30 | 18,807 | 14,687 | 4,120 | 4,120 | 3,268 | 1.35 | - |
| Venezuela | 3,118 | 1.30 | 18,807 | 14,687 | 4,120 | 4,120 | 3,268 | 1.35 | 3,203 |
| Barbados | 9,074 | 3.79 | 54,732 | 42,717 | 12,015 | 7,203 | 9,224 | 3.80 | 1,070 |
| Belize | 2,148 | 0.90 | 12,956 | 10,109 | 2,847 | 1,704 | 2,298 | 0.95 | - |
| Dominica | 859 | 0.36 | 5,181 | 4,047 | 1,134 | 1,134 | 1,009 | 0.42 | 286 |
| Grenada | 736 | 0.31 | 4,439 | 3,468 | 971 | 971 | 886 | 0.36 | 213 |
| St. Lucia | 2,148 | 0.90 | 12,956 | 10,109 | 2,847 | 1,705 | 2,298 | 0.95 | 360 |
| St. Vincent and the Grenadines | 2,148 | 0.90 | 12,956 | 10,109 | 2,847 | 1,705 | 2,298 | 0.95 | 97 |
| Antigua and Barbuda | 859 | 0.36 | 5,181 | 4,047 | 1,134 | 1,134 | 1,009 | 0.42 | 296 |
| St. Kitts and Nevis | 859 | 0.36 | 5,181 | 4,047 | 1,134 | 1,134 | 1,009 | 0.42 | 255 |
| Anguilla /1 | 182 | 0.08 | 1,098 | 857 | 241 | 241 | 1,504 | 0.62 | 14 |
| Montserrat /1 | 213 | 0.09 | 1,285 | 1,001 | 284 | 283 | | | - |
| British Virgin Islands /1 | 213 | 0.09 | 1,285 | 1,001 | 284 | 283 | | | - |
| Cayman Islands /1 | 213 | 0.09 | 1,285 | 1,001 | 284 | 283 | | | 8 |
| Turks and Caicos Islands /1 | 533 | 0.22 | 3,215 | 2,509 | 706 | 424 | | | - |
| Haiti | 875 | 0.37 | 5,278 | 4,120 | 1,158 | 1,158 | 1,025 | 0.42 | - |
| | 150,224 | 62.68 | 906,112 | 707,183 | 198,929 | 130,129 | 152,774 | 62.88 | 35,740 |
| Non-Regional States: | | | | | | | | | |
| Canada | 26,004 | 10.85 | 156,849 | 122,408 | 34,441 | 20,640 | 26,154 | 10.77 | - |
| United Kingdom | 26,004 | 10.85 | 156,849 | 122,408 | 34,441 | 20,640 | 26,154 | 10.77 | 2,150 |
| Italy | 6,235 | 2.60 | 37,608 | 29,375 | 8,233 | 8,234 | 6,385 | 2.63 | 708 |
| Germany | 15,588 | 6.50 | 94,023 | 73,376 | 20,647 | 12,372 | 15,738 | 6.48 | 5,549 |
| China | 15,588 | 6.50 | 94,023 | 73,376 | 20,647 | 12,372 | 15,738 | 6.48 | - |
| | 89,419 | 37.32 | 539,352 | 420,943 | 118,409 | 74,258 | 90,169 | 37.12 | 8,407 |
| Sub-total | 239,643 | 100.00 | 1,445,464 | 1,128,126 | 317,338 | 204,387 | 242,943 | 100.00 | 44,147 |
| Additional subscriptions | | | | | | | | | |
| China | | | 18,804 | 14,688 | 4,116 | 4,116 | | | |
| Colombia | | | 1,810 | 905 | 905 | 905 | | | |
| Germany | | | 12,546 | 9,681 | 2,865 | 2,865 | | | |
| Italy | | | 12,546 | 9,681 | 2,865 | 2,865 | | | |
| Mexico | | | 6,273 | 4,841 | 1,432 | 1,432 | | | |
| Venezuela | | | 1,810 | 905 | 905 | 905 | | | |
| Haiti | | | 2,639 | 2,060 | 579 | 579 | | | |
| Sub-total | - | - | 56,428 | 42,761 | 13,667 | 13,667 | - | - | - |
| Total - September 30, 2012 | 239,643 | 100.00 | \$1,501,892 | \$1,170,887 | \$331,005 | \$218,054 | 242,943 | 100.00 | \$44,147 |
| Total - December 31, 2011 | 239,643 | 100.00 | \$1,501,892 | \$1,170,887 | \$331,005 | \$186,361 | 242,943 | 100.00 | \$44,363 |

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
September 30, 2012
(expressed in thousands of United States dollars)

Schedule 4

| | Original amounts 1/ | Trans- lation adjust- ments | Repay- ments to date | Currency swap agreements | Undrawn | Out- stand- ing | Due Dates |
|-----------------------------------|---------------------------|--------------------------------------|----------------------------|--------------------------------|-----------------|-----------------------|-----------|
| Short term borrowing: | | | | | | | |
| Floating Rate Note - US\$ | 20,000 | - | - | - | - | 20,000 | 2012 |
| | 20,000 | - | - | - | - | 20,000 | |
| CDB Market Borrowings: | | | | | | | |
| 4.35% Loan - Yen | 60,000 | 23,043 | - | - | - | 83,043 | 2030 |
| 2.75% Notes - Yen | 100,000 | 50,839 | - | 9,501 | - | 160,340 | 2022 |
| 1.12% Two Year Bonds - US\$ | 75,000 | - | - | - | - | 75,000 | 2012 |
| One Year Discount Note - US\$ | 9,925 | - | - | - | - | 9,925 | 2012 |
| Floating Rate Note - US\$ | 175,000 | - | - | - | - | 175,000 | 2013 |
| Floating Rate Note - US\$ | 149,906 | - | - | - | - | 149,906 | 2014 |
| Floating Rate Note - US\$ | 120,000 | - | - | - | - | 120,000 | 2012 |
| | 689,831 | 73,880 | - | 9,501 | - | 773,212 | |
| European Investment Bank | | | | | | | |
| Global Loan III - US\$ | 51,157 | - | (6,520) | - | - | 44,637 | 2023 |
| Climate Action Credit - US\$ | 65,320 | - | - | - | (65,320) | - | |
| | 116,477 | - | (6,520) | - | (65,320) | 44,637 | |
| Inter-American Development Bank: | | | | | | | |
| Loan 926/OC-RG - US\$ | 22,491 | - | (13,033) | - | - | 9,458 | 2021 |
| Sub-total | 848,799 | 73,880 | (19,553) | 9,501 | (65,320) | 847,307 | |
| Accrued interest | 2,028 | - | - | - | - | 2,028 | |
| Total - September 30, 2012 | \$850,827 | \$73,880 | (\$19,553) | \$9,501 | (65,320) | \$849,335 | |
| Total - December 31, 2011 | \$864,422 | \$74,978 | (\$91,721) | \$10,196 | - | \$857,875 | |

1/ Net of cancellations and borrowings fully repaid.

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES
SUMMARY STATEMENT OF BORROWINGS (continued)**

September 30, 2012

Schedule 4

(expressed in thousands of United States dollars)

| Currencies repayable | Out- standing borrow- ings December 31 2011 | Trans- lation adjust- ments | Net Interest Paid | Draw- downs | Currency swap agreements | Repay- ments | September 30 2012 |
|-----------------------------------|------------------------------------------------------------|--------------------------------------|-------------------------|-----------------|--------------------------------|-------------------|----------------------|
| United States dollars | \$612,266 | - | - | \$39,987 | - | (\$47,633) | 604,620 |
| Yen | 244,247 | (865) | - | - | (695) | - | 242,687 |
| Sub-total | 856,513 | (865) | - | 39,987 | (695) | (47,633) | 847,307 |
| Accrued interest | 1,362 | - | 666 | - | - | - | 2,028 |
| Total - September 30, 2012 | \$857,875 | (\$865) | \$666 | \$39,987 | (\$695) | (\$47,633) | \$849,335 |
| Total - December 31, 2011 | \$653,240 | \$12,689 | \$306 | \$225,216 | (\$927) | (\$32,649) | \$857,875 |

MATURITY STRUCTURE OF BORROWINGS OUTSTANDING

| | |
|--------------------------------------|------------------|
| October 1, 2012 to December 31, 2012 | \$226,953 |
| January 1, 2013 to December 31, 2013 | 184,293 |
| January 1, 2014 to December 31, 2014 | 157,599 |
| January 1, 2015 to December 31, 2015 | 4,432 |
| January 1, 2016 to December 31, 2016 | 4,432 |
| January 1, 2017 to December 31, 2021 | 17,730 |
| January 1, 2022 to December 31, 2026 | 170,854 |
| January 1, 2027 to December 31, 2031 | 83,042 |
| Total | \$849,335 |

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the nine months ended September 30, 2012

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

NOTE A – NATURE OF OPERATIONS

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

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

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

NOTE B – KEY EVENTS

On January 1, 2012, the Caribbean Development Bank (CDB) or "the Bank" reset the interest rate on its variable rate loans from 3.84% to 3.61%. This reduction of 23 basis points was effective July 1, 2012, a reduction of 18 basis points. This was in line with the policy of basing the interest rate on the cost of borrowings for the previous six months plus an adjustable spread.

The Bank recorded net interest income of \$26.0 mn (2011 – 26.9 mn) and an operating profit of \$22.8 mn (2011 - \$26.9 mn). There was a total comprehensive income of \$17.8 mn (2011 - \$26.1 mn) largely due to the net effect of a decline in the fair value of the derivative of \$27.0 mn, a foreign translation gain of \$16.0 mn and increased fair value gains/(losses) of \$3.0 mn.

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

This condensed interim financial information for the six months ended Sept 30, 2012 has been prepared in accordance with IAS 34, *Interim Financial Reporting*. The condensed interim financial information does not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2011.

Accounting policies

The accounting policies applied are consistent with those followed in the preparation of the annual financial statements for the year ended December 31, 2011, as described in those annual financial statements.

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
For the nine months ended September 30, 2012**

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

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

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

- Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortized cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.
- An instrument is subsequently measured at amortized cost only if it is a debt instrument and the objective of the entity's business model is to both hold the asset to collect the contractual cash flows, and the asset's contractual cash flows represent only payments of principal and interest (that is, it has only 'basic loan features'). All other debt instruments are to be measured at fair value through profit or loss.
- All equity instruments are to be measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition, to recognize unrealized and realized fair value gains and losses through other comprehensive income rather than profit or loss. There is to be no recycling of fair value gains and losses to profit or loss. This election may be made on an instrument-by-instrument basis. Dividends are to be presented in profit or loss, as long as they represent a return on investment.
- While adoption of IFRS 9 is mandatory from 1 January 2015, earlier adoption is permitted.

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

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
For the nine months ended September 30, 2012**

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

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

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

- IFRS 1, Government Loans (Amendment): 1 January 2013
- IFRS 7, Disclosures (Amendment): 1 July 2011
- IFRS 7, Disclosures – Offsetting Financial Assets and Financial Liabilities: 1 January 2013
- IFRS 9, Financial Instruments Part 1: Classification and Measurement: 1 January 2015
- IFRS 13, Fair Value Measurement: 1 January 2013
- IAS 1, Presentation and Items of Other Comprehensive Income (Amendment): 1 July 2012
- IAS 19, Employee Benefits (Revised): 1 January 2013
- IAS 32, Offsetting Financial Assets and Financial Liabilities (Amendment): 1 January 2014

The Bank is considering the implications of these standards, the impact on the Bank and the timing of their adoption by the Bank.

Standards, amendments and interpretations effective on or after January 1, 2012 and are not relevant to the Bank

- IAS 12, Income Taxes – Recovery of Underlying Assets
- IAS 27, Separate Financial Statements (as revised in 2011)
- IAS 28, Investments in Associates and Joint Ventures (as revised in 2011)
- IFRS 1, First-time Adoption of International Financial Reporting Standards (Amendment) – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- IFRS 10, Consolidated Financial Statements
- IFRS 11, Joint Arrangements
- IFRS 12, Disclosure of Involvement with Other Entities
- IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine

NOTE D – LOANS

The distribution of the Bank's loans by country and the analysis of the movement at Sept 30, 2012 are shown in Schedule 2.

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
For the nine months ended September 30, 2012**

NOTE E – 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. The Bank is a multilateral financial institution dedicated to the development of the economies of the Caribbean member countries. In management's opinion the Bank has one reportable segment since CDB does not manage its operations by allocating resources based on a determination of the contribution of the net income from individual borrowers.

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

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

The following table presents CDB's loans outstanding balances and associated interest income by countries which generated in excess of 10% in loan interest income as of and for the six months ended Sept 30, 2012. The comparative period relates to December 31, 2011.

| Country | Interest income | | Loans outstanding | |
|--------------------------------|------------------------|-----------------|--------------------------|--------------------|
| | 2012 | 2011 | 2012 | 2011 |
| Jamaica | \$4,619 | \$9,401 | \$239,958 | \$243,281 |
| Barbados | 2,343 | 5,158 | 120,793 | 126,478 |
| St. Vincent and the Grenadines | 1,970 | 4,139 | 102,003 | 105,471 |
| Other | 11,528 | 21,884 | 524,653 | 532,307 |
| Total | \$20,460 | \$40,582 | \$985,462 | \$1,007,537 |

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
For the nine months ended September 30, 2012**

NOTE F – CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances with less than 3 months maturity from the date of acquisition:

| | <u>2012</u> | <u>2011</u> |
|---------------------------|------------------|-----------------|
| Due from banks | \$46,593 | \$22,187 |
| Time deposits | 55,042 | 56,976 |
| Cash and cash equivalents | <u>\$101,635</u> | <u>\$79,163</u> |

NOTE G – APPROPRIATION FROM RETAINED EARNINGS

Paragraph 1 of Article 39 of the Agreement establishing the Bank provides that the Board of Governors shall determine at least annually the disposition of the net income of the Bank arising from its Ordinary Operations.

Paragraph 2 of the said Article 39 provides that the Board of Governors shall determine at least annually the disposition of the net income of the Bank arising from its Special Operations subject to any rules or regulations governing each special fund and any agreement relating thereto.

During negotiations for the replenishment of the Special Development Fund – Unified (Unified SDF) Seventh Cycle in 2009 contributors, in fixing the programme level, agreed that the Bank’s management should seek the approval of the Board of Governors for the allocation of an amount of \$15.0 mn from the net income of the Bank arising from its Ordinary Operations to the Unified SDF to form part of such resources and be used for the purpose of the programme of that Cycle.

The Board of Directors subsequently recommended to the Board of Governors that an amount of USD15.0 mn, of the net income of \$21.55 mn for the year ended December 31, 2011, arising from the Ordinary Operations of the Bank be allocated to and form part of resources of the Unified SDF to be used for the purpose of the programme of its Seventh Cycle.

This was approved by the Board of Governors at its meeting held in Cayman on May 23–24, 2012. The amount is reflected as an appropriation of earnings in the Statement of Changes in Equity.

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
For the nine months ended September 30, 2012**

NOTE H – RISK MANAGEMENT

Fair value of financial assets and liabilities

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 prices in active markets for identical assets. 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 that are observable for the asset either directly or indirectly. This level includes derivative contracts. The source of input parameters like the LIBOR yield curve or counterparty credit risk is Bloomberg.

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

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

Fair value of financial assets and liabilities

Assets and liabilities measured at fair value:

| | 2012 | | | |
|-------------------------------------------------------|----------------|----------------|----------------|--------------|
| September 30 | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at fair value through profit or loss | | | | |
| - Debt securities | \$- | \$264,747 | \$- | \$264,747 |
| Financial assets designated at fair value | | | | |
| - Derivatives | | | | |
| Cross currency interest rate swaps | - | 120,590 | - | 120,590 |
| Total assets | \$- | \$385,337 | \$ - | \$385,337 |

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
For the nine months ended September 30, 2012**

NOTE H – RISK MANAGEMENT...continued

Fair value of financial assets and liabilities...continued

| December 31 | 2011 | | | |
|-------------------------------------------------------|----------------|------------------|----------------|------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at fair value through profit or loss | | | | |
| - Debt securities | \$- | \$244,242 | \$- | \$244,242 |
| Financial assets designated at fair value | | | | |
| - Derivatives | | | | |
| Cross currency interest rate swaps | - | 127,680 | - | 127,680 |
| Total assets | \$- | \$371,922 | \$- | \$371,922 |

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).

| At Sept 30 | 2012 | | |
|-----------------------|------------------------|----------------------|------------------|
| | 7-12 months | 1-5 years | Total |
| Loan commitments | 79,845 | 177,886 | 257,731 |
| Capital commitments | 250 | 1,111 | 1,361 |
| Total | 80,095 | 178,997 | 259,902 |
| | 2011 | | |
| At December 31 | | | |
| Loan commitments | \$156,000 | \$73,975 | \$229,975 |
| Capital commitments | 839 | 941 | 1,780 |
| Total | \$156,839 | \$74,916 | \$231,755 |

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
For the nine months ended September 30, 2012**

NOTE H – RISK MANAGEMENT...continued

Borrowings

It is the Bank's policy to limit borrowing and guarantees chargeable to the Bank's Ordinary Capital Resources to 100 percent of the callable capital of its investment grade non-borrowing members plus the cash reserves.

At Sept 30, 2012, total borrowings amounted to \$849.3 mn (2011: \$857.9 mn).

Also at Sept 30, 2012, the ratio of total outstanding and contracted borrowings to the borrowing limit of \$1,100,264 (2011 -\$1,027,024) was 83.1% (2011 – 83.7%).

On December 29, 2011 the European Investment Bank and CDB executed a Climate Change Action Line of Credit facility in the amount of 65.3 million Euros. As at Sept 30, 2012 no drawdowns have been made under this facility.

NOTE I – SUBSEQUENT EVENTS

Impact of credit rating downgrade on Debt covenants

On Sept 12, 2012 Standard & Poor's Ratings Services lowered the Bank's long-term issuer credit rating to AA+ from AAA and affirmed the short-term rating of A-1+. This downgrade had no material impact on current operations, nor any debt covenants, which may have been linked to rating downgrades.

Sovereign debt exposure

As disclosed in Note W to the financial statements, the Bank has provided two guarantees by way of an instrument known as a Policy Based Guarantee (PBG) to third parties on behalf of the Government of the St. Kitts and Nevis (GOSKN).

**CARIBBEAN DEVELOPMENT BANK
ORDINARY CAPITAL RESOURCES**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
For the nine months ended September 30, 2012**

NOTE I – SUBSEQUENT EVENTS

Sovereign debt exposure...continued

Pursuant to the provisions of the first PBG, the Bank, on behalf of GOSKN, made payments in September 2011 and March 2012 in a total amount not exceeding the equivalent of \$8.3 mn 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 \$8.3 mn. 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.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
STATEMENT OF FINANCIAL POSITION
As at September 30, 2012
(Expressed in thousands of United States dollars)

| | September 30, 2012 | | | December 31, 2011 | | |
|--------------------------------------------------------|--------------------|------------------|-------------------|-------------------|------------------|-------------------|
| | UNIFIED | OTHER | TOTAL | UNIFIED | OTHER | TOTAL |
| Assets | | | | | | |
| Due from banks | 41,249 | 5,646 | 46,895 | 33,646 | 23,548 | 57,194 |
| Investments - Trading (Schedule 1) | 274,392 | 54,697 | 329,089 | 240,828 | 36,599 | 277,427 |
| Loans (Schedule 2) | 458,043 | 19,726 | 477,769 | 448,451 | 20,570 | 469,021 |
| Receivables - Other | | | | | | |
| Accounts receivable including interfund receivables | 1,300 | - | 1,300 | 1 | - | 1 |
| | 774,984 | 80,069 | 855,053 | 722,926 | 80,717 | 803,643 |
| Receivable from contributors | | | | | | |
| Non-negotiable demand notes (Schedule 3) | 62,482 | - | 62,482 | 59,247 | - | 59,247 |
| Contributions in arrears | 7,450 | - | 7,450 | 12,287 | - | 12,287 |
| | 69,932 | - | 69,932 | 71,534 | - | 71,534 |
| Total assets | \$ 844,916 | \$ 80,069 | \$ 924,985 | \$ 794,460 | \$ 80,717 | \$ 875,177 |
| Liabilities and Funds | | | | | | |
| Liabilities | | | | | | |
| Subscriptions in advance | - | - | - | - | - | - |
| Accounts payable including interfund payables | 69,210 | 1,018 | 70,228 | 70,763 | 939 | 71,702 |
| Accrued charges on contributions | - | 20 | 20 | - | 9 | 9 |
| | 69,210 | 1,038 | 70,248 | 70,763 | 948 | 71,711 |
| Funds | | | | | | |
| Contributed resources (Schedule 3) | | | | | | |
| Contributions | 965,170 | 43,450 | 1,008,620 | 970,353 | 43,786 | 1,014,139 |
| Less amounts not yet made available | (4,249) | - | (4,249) | (54,006) | - | (54,006) |
| Amounts made available | 960,921 | 43,450 | 1,004,371 | 916,347 | 43,786 | 960,133 |
| Allocation to technical assistance and grant resources | (320,950) | (2,266) | (323,216) | (320,950) | (2,266) | (323,216) |
| | 639,971 | 41,184 | 681,155 | 595,397 | 41,520 | 636,917 |
| Accumulated net income (Schedule 4) | 59,331 | 36,941 | 96,272 | 41,832 | 37,343 | 79,175 |
| Technical assistance and grant resources | 76,404 | 906 | 77,310 | 86,468 | 906 | 87,374 |
| | 775,706 | 79,031 | 854,737 | 723,697 | 79,769 | 803,466 |
| Total liabilities and funds | \$ 844,916 | \$ 80,069 | \$ 924,985 | \$ 794,460 | \$ 80,717 | \$ 875,177 |

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
STATEMENT OF NET INCOME AND ACCUMULATED NET INCOME
For the nine months ended September 30, 2012
(Expressed in thousands of United States dollars)

| | 2012 | | | 2011 | | |
|------------------------------------|----------------|--------------|----------------|----------------|--------------|----------------|
| | UNIFIED | OTHER | TOTAL | UNIFIED | OTHER | TOTAL |
| Income | | | | | | |
| From loans | \$7,821 | \$351 | \$8,172 | \$7,515 | \$368 | \$7,883 |
| From investments and cash balances | 3,131 | 713 | 3,844 | 3,377 | 978 | 4,355 |
| Gross income | 10,952 | 1,064 | 12,016 | 10,892 | 1,346 | 12,238 |
| Expenses | | | | | | |
| Administrative expenses | 8,439 | 623 | 9,062 | 9,090 | 820 | 9,910 |
| Charges on contributions | - | 44 | 44 | - | 67 | 67 |
| Exchange | 14 | (101) | (87) | 370 | (438) | (68) |
| Total expenses | 8,453 | 566 | 9,019 | 9,460 | 449 | 9,909 |
| Net income for the period | \$2,499 | \$498 | \$2,997 | \$1,432 | \$897 | \$2,329 |

Accumulated Net Income and total comprehensive income

| | | | | | | |
|----------------------------------------------------------------------------------|-----------------|-----------------|-----------------|----------|----------|----------|
| Accumulated net income and total comprehensive income - beginning of year | \$41,832 | \$37,343 | \$79,175 | \$40,957 | \$42,540 | \$83,497 |
| Appropriations | - | (900) | (900) | - | (5,900) | (5,900) |
| Net income for the period | 2,499 | 498 | 2,997 | 1,432 | 897 | 2,329 |
| Appropriation from OCR income | 15,000 | - | 15,000 | - | - | - |
| Accumulated net income and total comprehensive income - end of period | \$59,331 | \$36,941 | \$96,272 | \$42,389 | \$37,537 | \$79,926 |

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

Expressed in thousands of United States dollars

| | July - Sept 2012 | | | July - Sept 2011 | | |
|------------------------------------|---------------------|--------------|----------------|---------------------|-------------|--------------|
| | UNIFIED | OTHER | TOTAL | UNIFIED | OTHER | TOTAL |
| Income | | | | | | |
| From loans | \$2,587 | \$115 | \$2,702 | \$2,521 | \$122 | \$2,643 |
| From investments and cash balances | 1,057 | 330 | 1,387 | 985 | 435 | 1,420 |
| Gross income | <u>3,644</u> | <u>445</u> | <u>4,089</u> | <u>3,506</u> | <u>557</u> | <u>4,063</u> |
| Expenses | | | | | | |
| Administrative expenses | 2,818 | 211 | 3,029 | 3,252 | 352 | 3,604 |
| Charges on contributions | - | 13 | 13 | - | 20 | 20 |
| Exchange | 42 | (124) | (82) | (68) | 115 | 47 |
| Total expenses | <u>2,860</u> | <u>100</u> | <u>2,960</u> | <u>3,184</u> | <u>487</u> | <u>3,671</u> |
| Net income for the period | <u>\$784</u> | <u>\$345</u> | <u>\$1,129</u> | <u>\$322</u> | <u>\$70</u> | <u>\$392</u> |

Accumulated Net Income and total comprehensive income

| | | | | | | |
|------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Accumulated Net income and total comprehensive income - beginning of period | \$58,544 | \$37,499 | \$96,043 | \$42,067 | \$43,367 | \$85,434 |
| Appropriations | - | (\$900) | (900) | - | (\$900) | (900) |
| Net income for the period | 784 | 345 | 1,129 | 322 | 70 | 392 |
| Accumulated Net income and total comprehensive income - end of period | <u>\$59,328</u> | <u>\$36,944</u> | <u>\$96,272</u> | <u>\$42,389</u> | <u>\$42,537</u> | <u>\$84,926</u> |

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND (UNIFIED)
STATEMENT OF CASH FLOWS
For the period ended September 30, 2012
(Expressed in thousands of United States dollars)

| | <u>2012</u> | <u>2011</u> |
|-----------------------------------------------------------------------------------------------|----------------------|----------------------|
| Operating activities: | | |
| Net income for the period | \$2,499 | 1,432 |
| Adjustments for non-cash items: | | |
| Unrealised gain on trading portfolio | (560) | (183) |
| Interest income | <u>(10,952)</u> | <u>(10,709)</u> |
| Total cash flows used in operating profits before changes in operating assets and liabilities | (11,512) | (10,892) |
| Changes in operating assets and liabilities: | | |
| Increase in accounts receivable | (1,299) | (523) |
| Decrease in accounts payable | <u>(1,553)</u> | <u>(4,463)</u> |
| Cash used in operating activities | (14,364) | (15,878) |
| Disbursements on loans | (22,525) | (21,248) |
| Principal repayments on loans | 13,684 | 13,448 |
| Interest received | 10,450 | 11,063 |
| Net (increase)/decrease in trading securities | (33,253) | 75 |
| Technical assistance disbursements | <u>(10,067)</u> | <u>(11,833)</u> |
| Net cash used in operating activities | (56,075) | (24,373) |
| Financing activities: | | |
| Contributions: | | |
| Increase in contributions for loans | 44,018 | 43,800 |
| Decrease in receivables from contributors | 1,602 | 2,703 |
| Technical assistance allocation | <u>3</u> | <u>24</u> |
| Net cash provided by financing activities | 45,623 | 46,527 |
| Appropriation from OCR income | <u>15,000</u> | <u>-</u> |
| Net increase in cash and cash equivalents | 7,047 | 23,586 |
| Net foreign exchange difference | 556 | 110 |
| Cash and cash equivalents at beginning of year | <u>33,646</u> | <u>57,660</u> |
| Cash and cash equivalents at end of period | <u><u>41,249</u></u> | <u><u>81,356</u></u> |

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND (OTHER)
STATEMENT OF CASH FLOWS
For the period ended September 30, 2012
(Expressed in thousands of United States dollars)

| | <u>2012</u> | <u>2011</u> |
|--------------------------------------------------------------------------------------------------|---------------------|----------------------|
| Operating activities: | | |
| Net income for the period | \$498 | 897 |
| Adjustments: | | |
| Unrealised gain on trading portfolio | (251) | (74) |
| Interest income | (1,064) | (1,272) |
| Interest expense | <u>623</u> | <u>67</u> |
| Total cash flows used in operating profits before changes in operating assets and liabilities | (692) | (1,279) |
| Changes in operating assets and liabilities: | | |
| Increase in accounts payable | <u>79</u> | <u>170</u> |
| Cash used in operating activities | (613) | (1,109) |
| Disbursements on loans | (31) | (295) |
| Principal repayments on loans | 877 | 926 |
| Interest received | 1,093 | 1,463 |
| Interest paid | (612) | (48) |
| Net (increase)/decrease in trading securities | <u>(17,878)</u> | <u>15,559</u> |
| Net cash (used in)/provided by operating activities | <u>(17,164)</u> | <u>16,496</u> |
| Financing activities: | | |
| Contributions: | | |
| Repayments of contributions | <u>(520)</u> | <u>(505)</u> |
| Net cash used in financing activities | (520) | (505) |
| Appropriations of accumulated net income | <u>(900)</u> | <u>(5,900)</u> |
| Net (decrease)/increase in cash and cash equivalents | (18,086) | 10,988 |
| Net foreign exchange difference | 184 | (82) |
| Cash and cash equivalents at beginning of year | <u>23,548</u> | <u>11,259</u> |
| Cash and cash equivalents at end of period | <u><u>5,646</u></u> | <u><u>22,165</u></u> |

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

September 30, 2012

(Expressed in thousands of United States dollars)

SCHEDULE 1

| | September 30, 2012 | | | December 31, 2011 | | |
|-----------------------------------|--------------------|----------|-----------|-------------------|----------|-----------|
| | Market value | | | Market value | | |
| | UNIFIED | OTHER | TOTAL | UNIFIED | OTHER | TOTAL |
| Government and Agency Obligations | 190,569 | 40,086 | 230,655 | 165,054 | 29,115 | 194,169 |
| Supranationals | 72,846 | 12,540 | 85,386 | 50,778 | 5,761 | 56,539 |
| Time Deposits | 10,052 | 1,874 | 11,926 | - | - | - |
| Euro Commercial Paper | - | - | - | 23,822 | 1,495 | 25,317 |
| Sub-total | \$273,467 | \$54,500 | \$327,967 | \$239,654 | \$36,371 | \$276,025 |
| Accrued Interest | 925 | 197 | 1,122 | 1,174 | 228 | 1,402 |
| Total | \$274,392 | \$54,697 | \$329,089 | \$240,828 | \$36,599 | \$277,427 |

RESIDUAL TERM TO CONTRACTUAL MATURITY

| | 2012 | 2011 |
|-------------------------------|---------|---------|
| One month to three months | 30,011 | 37,944 |
| Over three months to one year | 41,653 | 58,478 |
| From one year to five years | 242,124 | 142,244 |
| From five years to ten years | 15,301 | 38,761 |
| TOTAL | 329,089 | 277,427 |

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND (UNIFIED)
SUMMARY STATEMENT OF LOANS
September 30, 2012
(Expressed in thousands of United States dollars)

SCHEDULE 2

| Member countries in which loans have been made | Effective Loans | | | | | | Percent- age of total loans out- standing |
|------------------------------------------------|----------------------------------|--------------------------------------------------|---------------------------|--------------------------------|------------------|------------------------|----------------------------------------------------------|
| | Total loans approved 1/ | Loans approved but not yet effective | Signed agree- ments | Principal repaid to bank | Undis- bursed | Out- standing 2/ | |
| Anguilla | 10,078 | 425 | 9,653 | 6,328 | 112 | 3,213 | 0.7 |
| Antigua and Barbuda | 11,904 | - | 11,904 | 7,854 | 1,102 | 2,948 | 0.7 |
| Bahamas | 1,624 | - | 1,624 | 1,624 | - | - | 0.0 |
| Barbados | 5,738 | - | 5,738 | 5,254 | - | 484 | 0.1 |
| Belize | 84,065 | 3,886 | 80,179 | 26,973 | 14,541 | 38,665 | 8.5 |
| British Virgin Islands | 11,017 | - | 11,017 | 9,027 | 300 | 1,690 | 0.4 |
| Cayman Islands | 4,244 | - | 4,244 | 4,244 | - | - | 0.0 |
| Dominica | 102,897 | - | 102,897 | 30,026 | 19,367 | 53,504 | 11.8 |
| Grenada | 114,187 | - | 114,187 | 26,434 | 20,128 | 67,625 | 14.9 |
| Guyana | 140,449 | - | 140,449 | 26,239 | 10,077 | 104,133 | 22.9 |
| Jamaica | 150,617 | - | 150,617 | 37,911 | 42,699 | 70,007 | 15.4 |
| Montserrat | 10,440 | - | 10,440 | 5,202 | 2,500 | 2,738 | 0.6 |
| St. Kitts and Nevis | 76,563 | 17,760 | 58,803 | 22,346 | 1,925 | 34,532 | 7.6 |
| St. Lucia | 102,388 | - | 102,388 | 27,388 | 38,590 | 36,410 | 8.0 |
| St. Vincent and the Grenadines | 74,141 | - | 74,141 | 25,373 | 19,753 | 29,015 | 6.4 |
| Trinidad and Tobago | 5,218 | 1,000 | 4,218 | 4,218 | - | - | 0.0 |
| Turks & Caicos Islands | 11,803 | - | 11,803 | 5,791 | - | 6,012 | 1.3 |
| Regional | 8,993 | - | 8,993 | 5,206 | - | 3,787 | 0.8 |
| Sub-total | \$926,366 | \$23,071 | \$903,295 | \$277,438 | \$171,094 | \$454,763 | 100.0 |
| Accrued interest | - | - | - | - | - | 3,280 | |
| Total - September 30, 2012 | \$929,646 | \$23,071 | 906,575 | \$277,438 | \$171,094 | \$458,043 | |
| Total -December 31, 2012 | \$921,971 | \$58,118 | \$863,853 | \$262,438 | \$152,964 | \$448,451 | |

1/ Net of lapses and cancellations.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND (OTHER)
SUMMARY STATEMENT OF LOANS
September 30, 2012
(Expressed in thousands of United States dollars)

SCHEDULE 2

| Member countries in which loans have been made | Effective Loans | | | | | | Percent- age of total loans out- standing |
|------------------------------------------------|----------------------------------|--------------------------------------------------|---------------------------|--------------------------------|------------------|------------------------|----------------------------------------------------------|
| | Total loans approved 1/ | Loans approved but not yet effective | Signed agree- ments | Principal repaid to bank | Undis- bursed | Out- standing 2/ | |
| Anguilla | 1,448 | - | 1,448 | 1,448 | - | - | 0.0 |
| Antigua and Barbuda | 3,753 | - | 3,753 | 3,273 | - | 480 | 2.5 |
| Bahamas | 773 | - | 773 | 773 | - | - | 0.0 |
| Barbados | 1,617 | - | 1,617 | 1,617 | - | - | 0.0 |
| Belize | 27,711 | - | 27,711 | 19,938 | - | 7,773 | 39.7 |
| British Virgin Islands | 4,519 | - | 4,519 | 4,402 | - | 117 | 0.6 |
| Cayman Islands | 613 | - | 613 | 613 | - | - | 0.0 |
| Dominica | 13,923 | - | 13,923 | 11,908 | - | 2,015 | 10.3 |
| Grenada | 4,884 | - | 4,884 | 4,716 | - | 168 | 0.9 |
| Guyana | 22 | - | 22 | 22 | - | - | 0.0 |
| Jamaica | 6,871 | - | 6,871 | 5,132 | - | 1,739 | 8.9 |
| Montserrat | 787 | - | 787 | 787 | - | - | 0.0 |
| St. Kitts and Nevis | 11,928 | - | 11,928 | 6,312 | 112 | 5,504 | 28.1 |
| St. Lucia | 21,923 | - | 21,923 | 20,944 | 437 | 542 | 2.8 |
| St. Vincent and the Grenadines | 12,352 | - | 12,352 | 11,086 | - | 1,266 | 6.5 |
| Turks & Caicos Islands | 1,548 | - | 1,548 | 1,548 | - | - | 0.0 |
| Regional | 2,518 | - | 2,518 | 2,518 | - | - | 0.0 |
| Sub-total | \$117,190 | - | \$117,190 | \$97,037 | \$549 | \$19,604 | 100.0 |
| Accrued interest | - | - | - | - | - | 122 | |
| Total - September 30, 2012 | \$117,312 | - | 117,312 | \$97,037 | \$549 | \$19,726 | |
| Total -December 31, 2011 | \$117,163 | - | \$117,163 | \$95,972 | \$621 | \$20,570 | |

1/ Net of lapses and cancellations.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
SUMMARY STATEMENT OF LOANS (Continued)
September 30, 2012
(Expressed in thousands of United States dollars)

SCHEDULE 2

| Analysis by contributor | Total loans approved 1/ | Loans approved but not yet effective | Effective Loans | | | | Out-standing 2/ | Percent- age of total loans out- standing |
|-------------------------------------------|----------------------------|--------------------------------------|------------------------|-----------------------------|------------------|------------------|--------------------|----------------------------------------------------------|
| | | | Signed agree- ments | Principal repaid to bank | Undis- bursed | | | |
| SPECIAL DEVELOPMENT FUND - UNIFIED | | | | | | | | |
| MEMBERS/CONTRIBUTORS | 926,365 | 23,071 | 903,294 | 277,438 | 171,094 | 454,763 | 100.0 | |
| Accrued interest | - | - | - | - | - | 3,280 | | |
| Total SDF - (Unified) | \$929,646 | \$23,071 | \$906,575 | \$277,438 | \$171,094 | \$458,043 | | |
| SPECIAL DEVELOPMENT FUND - OTHER | | | | | | | | |
| MEMBERS | | | | | | | | |
| Colombia | 8,534 | - | 8,534 | 8,263 | - | 271 | 1.4 | |
| Germany | 18,643 | - | 18,643 | 18,521 | - | 122 | 0.6 | |
| Mexico | 8,815 | - | 8,815 | 6,662 | - | 2,153 | 11.0 | |
| Venezuela | 52,755 | - | 52,755 | 35,179 | 549 | 17,027 | 86.8 | |
| | 88,747 | - | 88,747 | 68,625 | 549 | 19,573 | | |
| OTHER CONTRIBUTORS | | | | | | | | |
| Sweden | 5,611 | - | 5,611 | 5,579 | - | 31 | 0.2 | |
| United States of America | 22,833 | - | 22,833 | 22,833 | - | - | - | |
| | 28,444 | - | 28,444 | 28,412 | - | 31 | 100.0 | |
| Sub-total | \$117,191 | - | \$117,191 | \$97,037 | \$549 | \$19,604 | | |
| Accrued interest | - | - | - | - | - | 122 | | |
| Total - SDF (Other) | \$117,312 | - | \$117,312 | \$97,037 | \$549 | \$19,726 | | |
| Total SDF - September 30, 2012 | \$1,047,080 | \$23,071 | \$1,024,009 | \$374,475 | \$171,643 | \$477,769 | | |
| Total SDF - December 31, 2011 | \$1,039,254 | \$58,118 | \$981,136 | \$358,410 | \$153,585 | \$469,021 | | |

1/Net of lapses and cancellations.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
SUMMARY STATEMENT OF LOANS (Continued)
September 30, 2012
(Expressed in thousands of United States dollars)

SCHEDULE 2

| Currencies receivable | Loans out-standing 2011 | Net Interest Earned | Disburse-ments | Sub-Total | Repay-ments | Loans out-standing 2012 |
|-----------------------------------------------|-------------------------|---------------------|-----------------|------------------|-------------------|-------------------------|
| (a) Special Development Fund - Unified | | | | | | |
| United States dollars | 445,922 | - | 22,525 | 468,447 | (13,684) | 454,763 |
| Subtotal | 445,922 | - | 22,525 | 468,447 | (13,684) | 454,763 |
| Accrued interest | 2,529 | 751 | - | 3,280 | - | 3,280 |
| Total - September 30, 2012 | \$448,451 | \$751 | \$22,525 | \$471,727 | (\$13,684) | \$458,043 |
| Total - December 31, 2011 | \$431,044 | \$158 | \$35,266 | 466,468 | (\$18,017) | \$448,451 |
| (b) Special Development Fund - Other | | | | | | |
| United States dollars | 20,450 | - | 31 | 20,481 | (877) | 19,604 |
| Subtotal | 20,450 | - | 31 | 20,481 | (877) | 19,604 |
| Accrued interest | 120 | 2 | - | 122 | - | 122 |
| Total - June 30, 2012 | \$20,570 | \$2 | \$31 | \$20,603 | (\$877) | \$19,726 |
| Total - December 31, 2011 | \$22,248 | (\$5) | \$376 | 21,824 | (\$1,254) | \$20,570 |

MATURITY STRUCTURE OF LOANS OUTSTANDING

| | |
|--------------------------------------|------------------|
| October 1, 2012 to December 31, 2012 | 13,810 |
| January 1, 2013 to December 31, 2013 | 21,266 |
| January 1, 2014 to December 31, 2014 | 23,063 |
| January 1, 2015 to December 31, 2015 | 25,617 |
| January 1, 2016 to December 31, 2016 | 26,290 |
| January 1, 2017 to December 31, 2021 | 127,549 |
| January 1, 2022 to December 31, 2026 | 105,089 |
| January 1, 2027 to December 31, 2031 | 83,067 |
| January 1, 2032 to December 31, 2042 | 47,513 |
| Total | \$473,264 |

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
STATEMENT OF CONTRIBUTED RESOURCES
September 30, 2012
(Expressed in thousands of United States dollars)

SCHEDULE 3

| CONTRIBUTORS | CONTRIBUTIONS | | | | | Receivable from members Non negotiable demand notes |
|-------------------------------------------|----------------------|--------------------------------------------|--------------------------------------|-----------------------------------------|------------------------------|--------------------------------------------------------------|
| | Total approved 1/ | Approved but not yet effective 2/ | Total contri- bution agreed | Amounts not yet made available | Amounts made available | |
| Special Development Fund - Unified | | | | | | |
| <u>Members</u> | | | | | | |
| Trinidad and Tobago | \$35,384 | - | \$35,384 | - | \$35,384 | \$9,057 |
| Bahamas | 19,809 | - | 19,809 | 4,249 | 15,560 | 6,931 |
| Barbados | 19,805 | - | 19,805 | - | 19,805 | 4,249 |
| Jamaica | 32,568 | - | 32,568 | - | 32,568 | 7,638 |
| Guyana | 18,394 | - | 18,394 | - | 18,394 | - |
| Antigua and Barbuda | 2,257 | 605 | 1,652 | - | 1,652 | 32 |
| Belize | 5,134 | - | 5,134 | - | 5,134 | 1,943 |
| Dominica | 4,873 | - | 4,873 | - | 4,873 | 2,395 |
| St.Kitts and Nevis | 5,134 | - | 5,134 | - | 5,134 | 2,494 |
| St. Lucia | 5,134 | - | 5,134 | - | 5,134 | 1,944 |
| St.Vincent and the Grenadines | 5,147 | - | 5,147 | - | 5,147 | 2,494 |
| Grenada | 3,345 | - | 3,345 | - | 3,345 | 2,712 |
| Montserrat | 2,045 | 605 | 1,440 | - | 1,440 | - |
| British Virgin Islands | 1,894 | - | 1,894 | - | 1,894 | - |
| Turks and Caicos Islands | 2,045 | 605 | 1,440 | - | 1,440 | - |
| Cayman Islands | 1,945 | 605 | 1,340 | - | 1,340 | - |
| Anguilla | 1,894 | - | 1,894 | - | 1,894 | 1,051 |
| Colombia | 27,133 | 3,600 | 23,533 | - | 23,533 | - |
| Venezuela | 21,982 | - | 21,982 | - | 21,982 | - |
| Canada | 264,438 | - | 264,438 | - | 264,438 | - |
| United Kingdom | 211,223 | - | 211,223 | - | 211,223 | 14,264 |
| Germany | 82,564 | - | 82,564 | - | 82,564 | 5,278 |
| Italy | 64,101 | 7,083 | 57,018 | - | 57,018 | - |
| China | 41,298 | - | 41,298 | - | 41,298 | - |
| Haiti | 1,561 | - | 1,561 | - | 1,561 | - |
| Mexico | 17,000 | 3,000 | 14,000 | - | 14,000 | - |
| | 898,107 | 16,103 | 882,004 | 4,249 | 877,755 | 62,482 |
| <u>Other Contributors</u> | | | | | | |
| France | 58,254 | - | 58,254 | - | 58,254 | - |
| Chile | 10 | - | 10 | - | 10 | - |
| Netherlands | 24,902 | - | 24,902 | - | 24,902 | - |
| Technical Assistance Allocation | 981,273 | 16,103 | 965,170 | 4,249 | 960,921 | 62,482 |
| | (320,950) | - | (320,950) | - | (320,950) | - |
| Sub-total | \$660,323 | \$16,103 | \$644,220 | \$4,249 | \$639,971 | 62,482 |
| 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 | 3,954 | - | 3,954 | - | 3,954 | - |
| United States of America 4/ | 1,690 | - | 1,690 | - | 1,690 | - |
| | 5,644 | - | 5,644 | - | 5,644 | - |
| Sub-total | 41,184 | - | 41,184 | - | 41,184 | - |
| Total SDF - 2012 | \$701,507 | \$16,103 | \$685,404 | \$4,249 | \$681,155 | \$62,482 |
| SUMMARY | | | | | | |
| Members | 612,707 | 16,103 | 596,604 | 4,249 | 592,355 | 62,482 |
| Other contributors | 88,800 | - | 88,800 | - | 88,800 | - |
| Total SDF - 2012 | \$701,507 | \$16,103 | \$685,404 | \$4,249 | \$681,155 | \$62,482 |
| Total SDF - 2011 | \$707,026 | \$16,103 | \$690,923 | \$54,006 | \$636,917 | \$59,247 |

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)
September 30, 2012
(Expressed in thousands of United States dollars)

SCHEDULE 3

| Currencies | Amounts made available 2011 | Trans- lation adjust- ments | Drawdowns/ Appropri- ations from Capital 1/ | Sub-total | Repay- ments | Amounts made available 2012 |
|-----------------------------------------------|--------------------------------------|--------------------------------------|------------------------------------------------------|------------------|-----------------|--------------------------------------|
| (a) Special Development Fund - Unified | | | | | | |
| Canadian dollars | - | - | - | - | - | - |
| Euros | 6,628 | (25) | (1,321) | 5,282 | - | 5,282 |
| Pounds sterling | 13,683 | 581 | - | 14,264 | - | 14,264 |
| United States dollars | 575,086 | - | 45,339 | 620,425 | - | 620,425 |
| Total - September 30, 2012 | \$595,397 | \$556 | \$44,018 | \$639,971 | - | \$639,971 |
| Total - December 31, 2011 | \$582,111 | (\$299) | \$13,585 | \$595,397 | - | \$595,397 |
| (b) Special Development Fund - Other | | | | | | |
| Swedish kroners | 3,770 | 184 | - | 3,954 | - | 3,954 |
| United States dollars | 37,750 | - | - | 37,750 | (520) | 37,230 |
| Total - September 30, 2012 | \$41,520 | \$184 | - | \$41,704 | (520) | \$41,184 |
| Total - December 31, 2011 | \$42,641 | (\$104) | - | \$42,537 | (\$1,017) | \$41,520 |

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*

| | |
|--------------------------------------|----------------|
| October 1, 2012 to December 31, 2012 | 527 |
| January 1, 2013 to December 31, 2013 | 577 |
| January 1, 2014 to December 31, 2014 | 586 |
| TOTAL | \$1,690 |

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

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - SPECIAL DEVELOPMENT FUND
STATEMENT OF ACCUMULATED COMPREHENSIVE INCOME
September 30, 2012
(Expressed in thousands of United States dollars)

SCHEDULE 4

| CONTRIBUTORS | Brought forward 2011 | Net Income 2012 | Appro- priations | Carried forward 2012 |
|-----------------------------------------------------|----------------------------|-----------------------|---------------------|----------------------------|
| Special Development Fund - Unified | \$41,832 | \$2,499 | 15,000 | \$59,331 |
| Special Development Fund - Other Members | | | | |
| Colombia | 2,377 | (26) | - | 2,351 |
| Germany | (782) | (62) | - | (844) |
| Mexico | 7,090 | 139 | - | 7,229 |
| Venezuela | 14,995 | 116 | (900) | 14,211 |
| | 23,680 | 167 | (900.00) | 22,947 |
| Other contributors | | | | |
| Sweden | 2,578 | 222 | - | 2,800 |
| United States of America | 11,085 | 109 | - | 11,194 |
| | 13,663 | 331 | - | 13,994 |
| | 37,343 | 498 | (900) | 36,941 |
| Total SDF | \$79,175 | \$2,997 | 14,100 | \$96,272 |
| Summary | | | | |
| Members | 65,512 | 2,666 | 15,000 | 82,278 |
| Other contributors | 13,663 | 331 | (900) | 13,994 |
| Total - September 30, 2012 | \$79,175 | \$2,997 | 14,100 | \$96,272 |
| Total SDF - December 31, 2011 | \$83,497 | \$1,578 | (\$5,900) | \$79,175 |

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL
FUNDS STATEMENT OF FINANCIAL POSITION
September 30, 2012
(expressed in thousands of United States dollars)

| | <u>2012</u> | <u>2011</u> |
|----------------------------------------------------------------|------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$11,115 | \$7,575 |
| Investments at fair value through profit and loss (Schedule 1) | 73,268 | 65,809 |
| Loans (Schedule 2) | 124,831 | 125,083 |
| Receivables - other | | |
| Accounts receivable | 64,710 | 69,209 |
| Total assets | <u>\$273,924</u> | <u>\$267,676</u> |
| Liabilities and Funds | | |
| Liabilities | | |
| Accounts payable including interfund payables | 10,939 | 8,949 |
| Accrued charges on contributions | 294 | 226 |
| | <u>11,233</u> | <u>9,175</u> |
| Funds | | |
| Contributed resources (Schedule 3) | | |
| Contributions | <u>\$77,689</u> | \$79,541 |
| Amounts made available | 77,689 | 79,541 |
| Accumulated net income (Schedule 4) | <u>50,643</u> | 48,903 |
| | 128,332 | <u>128,444</u> |
| Technical assistance and other grant resources (Schedule 5) | <u>134,359</u> | 130,057 |
| Total liabilities and funds | <u>\$273,924</u> | <u>\$267,676</u> |

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF COMPREHENSIVE INCOME
For the nine months ended September 30, 2012
(expressed in thousands of United States dollars)

| | <u>2012</u> | <u>2011</u> |
|----------------------------------------------------------------------------------|-----------------|-----------------|
| Income | | |
| From loans | \$2,001 | \$1,870 |
| From investments and cash balances | 1,414 | 252 |
| Gross income | <u>3,415</u> | <u>2,122</u> |
| Expenses | | |
| Administrative expenses | 930 | 1,164 |
| Charges on contributions | 638 | 708 |
| Exchange | 107 | (87) |
| Total expenses | <u>1,675</u> | <u>1,785</u> |
| Net income and total comprehensive income for the period | <u>\$1,740</u> | <u>\$337</u> |
| <hr/> | | |
| Accumulated net income and total comprehensive income | | |
| Accumulated net income and total comprehensive income - beginning of year | 48,903 | \$48,392 |
| Net income and total comprehensive income for the period | 1,740 | 337 |
| Accumulated net income and total comprehensive income - end of period | <u>\$50,643</u> | <u>\$48,729</u> |

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF CASH FLOWS
For the period ended September 30, 2012
(expressed in thousands of United States dollars)

| | <u>2012</u> | <u>2011</u> |
|----------------------------------------------------------------------|------------------------|------------------------|
| Operating activities: | | |
| Net income for the period | \$1,740 | \$337 |
| Adjustments for non-cash items: | | |
| Unrealised loss/(gain) on debt securities | 984 | (284) |
| Interest income | (3,415) | (2,122) |
| Interest expense | 638 | 708 |
| Disbursements on loans | (1,942) | (10,952) |
| Principal repayments on loans | 2,535 | 3,368 |
| Technical assistance disbursements | <u>(9,188)</u> | <u>(7,395)</u> |
| Net cash used in lending activities | (10,388) | (16,677) |
| | | |
| Increase in accounts receivable | 4,499 | (5,301) |
| Decrease in accounts payable | <u>1,990</u> | <u>6,916</u> |
| Total adjustments | 6,489 | 1,615 |
| Interest received | 3,218 | 2,192 |
| Interest paid | (570) | (738) |
| Net decrease in debt securities at fair value through profit or loss | <u>(8,478)</u> | <u>11,031</u> |
| Net cash (used in) / provided by operating activities | (7,989) | (2,240) |
| Financing activities: | | |
| Contributions: | | |
| Repayments | (2,053) | (2,254) |
| Technical assistance contributions | <u>13,490</u> | <u>246</u> |
| Net cash used in financing activities | 11,437 | (2,008) |
| Net increase in cash and cash equivalents | 3,448 | 676 |
| Net foreign exchange difference | \$92 | (42) |
| Cash and cash equivalents at beginning of year | <u>7,575</u> | <u>11,124</u> |
| Cash and cash equivalents at end of period | <u><u>\$11,115</u></u> | <u><u>\$11,758</u></u> |

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF INVESTMENTS
September 30, 2012
(expressed in thousands of United States dollars)

| | SCHEDULE 1 | |
|--------------------------------------------------------------|-----------------|-----------------|
| | 2012 | 2011 |
| | Market value | Market value |
| Financial assets at fair value through profit or loss | | |
| Government and Agency obligations | \$27,634 | \$23,879 |
| Supranationals | 12,776 | 7,858 |
| Euro Commercial Paper | 0 | 4,667 |
| Mutual funds | 8,395 | 7,923 |
| Managed Funds | 11,254 | 11,002 |
| Available for sale | 60,059 | 55,329 |
| Equity investments | 13,065 | 10,301 |
| Sub-total | 73,124 | 65,630 |
| Accrued interest | 144 | 179 |
| Total | \$73,268 | \$65,809 |
| Residual Term to Contractual Maturity | | |
| | 2012 | 2011 |
| One month to three months | \$0 | \$6,224 |
| From three months to one year | 3,817 | 4,854 |
| From one year to five years | 30,439 | 20,475 |
| From five years to ten years | 39,012 | 34,256 |
| Total | \$73,268 | \$65,809 |

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF LOANS
September 30, 2012
(Expressed in thousands of United States dollars)

SCHEDULE 2

| Member countries in which loans have been made | Effective Loans | | | | | | Percent- age of total loans out- standing |
|------------------------------------------------------|----------------------------------|--------------------------------------------------|---------------------------|---------------------|------------------|------------------|----------------------------------------------------------|
| | Total loans approved 1/ | Loans approved but not yet effective | Signed agree- ments | Principal repaid | Undis- bursed | Out- standing | |
| Anguilla | 500 | - | 500 | 412 | - | 88 | 0.1 |
| Antigua and Barbuda | 8,511 | - | 8,511 | 3,442 | - | 5,069 | 4.1 |
| Barbados | 26,040 | - | 26,040 | 18,323 | - | 7,717 | 6.2 |
| Belize | 9,720 | - | 9,720 | 9,720 | - | - | 0.0 |
| British Virgin Islands | 1,947 | - | 1,947 | 1,947 | - | - | 0.0 |
| Cayman Islands | 3,249 | - | 3,249 | 3,249 | - | - | 0.0 |
| Dominica | 35,326 | - | 35,326 | 15,754 | - | 19,572 | 15.8 |
| Grenada | 30,530 | - | 30,530 | 7,419 | 4 | 23,107 | 18.7 |
| Guyana | 20,728 | - | 20,728 | 16,707 | - | 4,021 | 3.3 |
| Jamaica | 68,954 | - | 68,954 | 37,797 | - | 31,157 | 25.2 |
| Montserrat | 1,246 | - | 1,246 | 1,246 | - | - | 0.0 |
| St. Kitts and Nevis | 8,483 | - | 8,483 | 4,919 | - | 3,564 | 2.9 |
| St. Lucia | 38,439 | - | 38,439 | 16,047 | 2,626 | 19,766 | 16.0 |
| St. Vincent and the Grenadines | 21,857 | - | 21,857 | 13,336 | - | 8,521 | 6.9 |
| Trinidad and Tobago | 3,371 | - | 3,371 | 2,246 | - | 1,125 | 0.9 |
| Regional | 2,226 | - | 2,226 | 2,025 | - | 201 | 0.2 |
| Sub-total | 281,127 | - | 281,127 | 154,589 | 2,630 | 123,908 | 100.0 |
| Accrued interest | - | - | - | - | - | 923 | |
| Total - September 30, 2012 | \$282,050 | - | \$282,050 | \$154,589 | \$2,630 | \$124,831 | |
| Total - December 31, 2011 | \$281,682 | - | \$281,682 | \$151,559 | \$5,040 | \$125,083 | |

1/ Net of lapses and cancellations.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF LOANS - continued
September 30, 2012
(Expressed in thousands of United States dollars)

SCHEDULE 2

| Analysis by Special Fund | Effective Loans | | | | | | Percent- age of loans out- standing |
|---------------------------------------|----------------------------------|--------------------------------------------------|---------------------------|---------------------|------------------|------------------|-------------------------------------------------|
| | Total loans approved 1/ | Loans approved but not yet effective | Signed agree- ments | Principal repaid | Undis- bursed | Out- standing | |
| MEMBERS | | | | | | | |
| Trinidad and Tobago | 1,334 | - | 1,334 | 1,331 | - | 3 | 0.0 |
| OTHER CONTRIBUTORS | | | | | | | |
| Caribbean Development Bank | 76,397 | - | 76,397 | 15,475 | 2,207 | 58,716 | 47.4 |
| Nigeria | 9,635 | - | 9,635 | 5,380 | - | 4,255 | 3.4 |
| United States of America | 93,008 | - | 93,008 | 92,920 | - | 88 | 0.1 |
| Inter-American Development Bank | 58,167 | - | 58,167 | 18,201 | 423 | 39,543 | 31.9 |
| European Union | 10,518 | - | 10,518 | 7,893 | - | 2,624 | 2.1 |
| International Development Association | 32,068 | - | 32,068 | 13,389 | - | 18,679 | 15.1 |
| Sub-total | 281,127 | - | 281,127 | 154,589 | 2,630 | 123,908 | 100.0 |
| Accrued interest | - | - | - | - | - | 923 | |
| Total - September 30, 2012 | \$282,050 | - | \$282,050 | \$154,589 | \$2,630 | \$124,831 | |
| Total - December 31, 2011 | \$281,682 | - | \$281,682 | \$151,559 | \$5,040 | \$125,083 | |

1/ Net of lapses and cancellations.

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF LOANS (continued)
September 30, 2012
(expressed in thousands of United States dollars)

SCHEDULE 2

| Currencies receivable | Loans Outstanding 2011 | Translation adjustments | Net interest earned | Disbursements | Sub-Total | Repayments | Loans Outstanding 2012 |
|-----------------------------------|-------------------------------|--------------------------------|----------------------------|----------------------|------------------|-------------------|-------------------------------|
| Euros | 2,881 | (11) | - | - | 2,870 | (246) | 2,624 |
| Special Drawing Rights | 15,570 | 120 | - | - | 15,690 | (374) | 15,316 |
| United States dollars | 105,941 | - | - | 1,942 | 107,883 | (1,915) | 105,968 |
| Sub-total | \$124,392 | \$109 | - | \$1,942 | \$126,443 | (\$2,535) | \$123,908 |
| Accrued interest | 691 | | 232 | | 923 | | 923 |
| Total - September 30, 2012 | \$125,083 | \$109 | \$232 | \$1,942 | \$127,366 | (\$2,535) | \$124,831 |
| Total - December 31, 2011 | \$118,010 | (\$210) | \$45 | \$11,549 | \$129,394 | (\$4,311) | \$125,083 |

Maturity structure of loans outstanding

| | |
|--------------------------------------|------------------|
| October 1, 2012 to December 31, 2012 | 3,044 |
| January 1, 2013 to December 31, 2013 | 3,976 |
| January 1, 2014 to December 31, 2014 | 5,308 |
| January 1, 2015 to December 31, 2015 | 6,378 |
| January 1, 2016 to December 31, 2016 | 6,552 |
| January 1, 2017 to December 31, 2021 | 33,971 |
| January 1, 2022 to December 31, 2026 | 31,771 |
| January 1, 2027 to December 31, 2031 | 21,477 |
| January 1, 2032 to December 31, 2046 | 11,590 |
| | <u>\$124,067</u> |

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF CONTRIBUTIONS
September 30, 2012
(expressed in thousands of United States dollars)

SCHEDULE 3

| Contributors | Contributions | |
|---------------------------------------|----------------------|---------------------------------------|
| | Total 1/ | Amounts made available |
| Members | | |
| Canada | \$7,034 | \$7,034 |
| | 7,034 | 7,034 |
| Other contributors | | |
| Inter-American Development Bank 1/ | 40,650 | 40,650 |
| European Investment Bank 1/ | 1,288 | 1,288 |
| United States of America | 4,806 | 4,806 |
| European Union | 3,897 | 3,897 |
| International Development Association | 20,014 | 20,014 |
| | 70,655 | 70,655 |
| Total - September 30, 2012 | \$77,689 | \$77,689 |
| Total - December 31, 2011 | \$79,541 | \$79,541 |

1/ Net of cancellations and repayments.

Maturity structure of repayable contributions outstanding

| | |
|--------------------------------------|-----------------|
| October 1, 2012 to December 31, 2012 | 912 |
| January 1, 2013 to December 31, 2013 | 3,665 |
| January 1, 2014 to December 31, 2014 | 3,272 |
| January 1, 2015 to December 31, 2015 | 3,190 |
| January 1, 2016 to December 31, 2016 | 3,438 |
| January 1, 2017 to December 31, 2021 | 17,026 |
| January 1, 2022 to December 31, 2026 | 12,404 |
| January 1, 2027 to December 31, 2031 | 11,195 |
| January 1, 2032 to December 31, 2036 | 8,321 |
| January 1, 2037 to December 31, 2041 | 5,094 |
| January 1, 2042 to December 31, 2046 | 9,172 |
| Total | \$77,689 |

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
SUMMARY STATEMENT OF CONTRIBUTIONS (continued)
September 30, 2012
(expressed in thousands of United States dollars)

SCHEDULE 3

| Currencies repayable | Contributions made available 2011 | Translation adjustments | Drawdowns/ Appropriations from Capital | Sub-total | Repayments | Contributions made available 2012 |
|------------------------------|------------------------------------------|--------------------------------|-----------------------------------------------|------------------|-------------------|------------------------------------------|
| Canadian dollars | 2,134 | 81 | - | 2,215 | (52) | 2,163 |
| Euros | 5,526 | (22) | - | 5,504 | (319) | 5,185 |
| Japanese yen | 166 | (1) | - | 165 | (47) | 118 |
| Pounds sterling | 171 | 8 | - | 179 | (51) | 128 |
| Special Drawing Rights | 17,088 | 132 | - | 17,220 | (512) | 16,708 |
| Swedish kroners | 69 | 3 | - | 72 | (20) | 52 |
| United States dollars | 54,387 | - | - | 54,387 | (1,052) | 53,335 |
| Total - June 30, 2012 | \$79,541 | \$201 | - | \$79,742 | (\$2,053) | \$77,689 |
| Total - December 31, 2011 | \$81,954 | (\$623) | - | \$81,331 | (\$3,224) | \$78,107 |

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF ACCUMULATED NET INCOME
September 30, 2012
(expressed in thousands of United States dollars)

SCHEDULE 4

| Contributors | 2012 | | |
|---------------------------------------|----------------------------|------------------------------|----------------------------|
| | Accumulated Net Income | | |
| | Brought forward 2011 | Net Income/(loss) 2012 | Carried forward 2012 |
| General Funds | 37,838 | 1,840 | 39,678 |
| European Investment Bank | (783) | 3 | (780) |
| European Union | 2,541 | 28 | 2,569 |
| Inter-American Development Bank | 482 | (32) | 450 |
| International Development Association | 222 | (6) | 216 |
| Nigeria | 6,124 | 16 | 6,140 |
| United States of America | 2,479 | (109) | 2,370 |
| Total - September 30, 2012 | \$48,903 | \$1,740 | \$50,643 |
| Total - December 31, 2011 | \$48,392 | \$511 | \$48,903 |

CARIBBEAN DEVELOPMENT BANK
SPECIAL FUNDS RESOURCES - OTHER SPECIAL FUNDS
STATEMENT OF TECHNICAL ASSISTANCE AND OTHER GRANT RESOURCES
September 30, 2012
(expressed in thousands of United States dollars)

SCHEDULE 5

| Contributors | 2012 | | | |
|-----------------------------------|------------------|------------------------------|---------------------|-----------------------------|
| | Contributors | | | Net amounts available |
| | Total 1/ | Amounts made available | Amounts utilised | |
| Members | | | | |
| Canada | 49,672 | 49,672 | 36,083 | 13,589 |
| United Kingdom | 22,186 | 22,186 | 9,035 | 13,151 |
| Italy | 522 | 522 | 252 | 270 |
| | 72,380 | 72,380 | 45,370 | 27,010 |
| Other contributors | | | | |
| Caribbean Development Bank | 211,566 | 211,566 | 105,651 | 105,915 |
| United States of America | 1,407 | 1,407 | 1,407 | - |
| Inter-American Development Bank | 3,057 | 3,057 | 2,735 | 322 |
| China | 677 | 677 | 198 | 479 |
| Venezuela | 587 | 587 | - | 587 |
| Nigeria | 193 | 193 | 147 | 46 |
| Sub-total | 217,487 | 217,487 | 110,138 | 107,349 |
| Total - September 30, 2012 | \$289,867 | \$289,867 | \$155,508 | \$134,359 |
| Total - December 31, 2011 | \$276,377 | \$276,377 | \$146,320 | \$130,057 |
| Summary | | | | |
| Basic Needs Trust Fund | 138,250 | 138,250 | 74,004 | 64,246 |
| Other Resources | 151,617 | 151,617 | 81,504 | 70,113 |
| Total - September 30, 2012 | \$289,867 | \$289,867 | \$155,508 | \$134,359 |
| Basic Needs Trust Fund | 138,250 | 138,250 | 70,478 | 67,772 |
| Other Resources | 138,127 | 138,127 | 75,842 | 62,285 |
| Total - December 31, 2011 | \$276,377 | \$276,377 | \$146,320 | \$130,057 |

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