



Press Release

CIBC FIRSTCARIBBEAN FINANCES SUSTAINABILITY LINKED DEBT CONVERSION FOR MARINE CONSERVATION ON BEHALF OF THE GOVERNMENT OF BARBADOS

Bridgetown, Barbados 21st September 2022. CIBC FirstCaribbean and Credit Suisse as joint lead arrangers have successfully closed the recently announced USD146.5 million Government of Barbados Dual Currency Facility (USD Blue Bond /BBD Blue Loan).

CIBC FirstCaribbean acted as Domestic Lead Arranger and sole Lender for the BBD146.52 million (US73.26 million Blue Loan portion of the transaction and Credit Suisse acted as Global Lead Arranger, underwriter and bookrunner for the USD73.26 million Blue Bond portion of the transaction. The Inter-American Development Bank (IDB) and The Nature Conservancy (TNC) acted as co-guarantors for the transaction. Credit Suisse and CIBC Capital Markets partnered as dealer managers for the buyback of the USD 2029 bonds. Additionally, IDB is providing sustainability advisory services and TNC is providing conservation advisory services to Barbados.

The transaction takes the form of a debt conversion that will unlock significant funding for marine conservation over the next 15 years in Barbados. The debt conversion, conducted by Barbados, is expected to provide USD40-50 million in funding for marine conservation and other environmental and sustainable development projects over the next 15 years. As part of the debt conversion, Barbados committed to protect and effectively manage up to 30% of the nation's ocean, specifically the Exclusive Economic Zone and Territorial Sea, an area of more than 55k square km.

The Government of Barbados, TNC and IDB agreed to work together on restructuring external and local debt, thereby significantly reducing the country's existing debt service costs while also securing funding for conservation activities. Proceeds of the Financing were used by Barbados to repurchase a portion of its USD bonds due 2029 and BBD bonds due 2043, reducing debt service costs and improving long-term debt sustainability.

A unique component of this blue loan is that it incorporates a new development in debt sustainability and builds upon a framework that Barbados has pioneered and championed, namely, including an option to temporarily suspend debt servicing in the instance of future natural disasters or pandemics.

As part of the terms of this transaction, approximately USD1.4 million annually USD20.5 million in total, will flow to a new, independent conservation fund for Barbados, which will disburse funds to marine and coastal conservation projects. A portion of the conservancy savings, USD18 million over the next 15 years, will also be placed into an endowment fund that will set aside funding for marine conservation accessible from 2037, ultimately aiding in the long-term planning and protection of Barbados' marine ecosystems.

CIBC FirstCaribbean's Chief Risk Officer, Patrick McKenna, noted: "We actively seek to support the Caribbean region's transition to a low-carbon economy and advancing of sustainability & climate resiliency initiatives in the territories in which we operate. One of our strategic objectives is to continue to develop a range of financial and advisory solutions focused on environmental & social development matters of importance and collaborating with other regional and global partners in alignment with the

broader responsible business practices embedded across CIBC FirstCaribbean. This debt conversion transaction is an excellent example of our contribution to creating a more sustainable future.”

Chief Executive Officer at CIBC FirstCaribbean, Colette Delaney, added: “This transaction demonstrates to our sovereign and corporate clients CIBC FirstCaribbean’s capability to partner successfully with other financial institutions and agencies to help solve the complex challenges facing our region; it also demonstrates to our sovereign partners in the region our commitment to the sustainable development of the Caribbean region, in this case protecting Barbados’ environmental heritage and supporting efforts to build a sustainable economy. Overall, so far, this facility brings our total transactions arranged to almost USD500 million for sustainability linked Blue and Green Financing with our commitments exceeding USD280 million, impacting approximately 125,000 households in the Caribbean.”

Barbados Prime Minister, Hon. Mia Amor Mottley, noted: “We are delighted to see the successful execution of our debt conversion for nature. Recently, Barbados has found itself at the front line of both the global pandemic and the climate crisis. Our response has been to find innovative ways to strengthen our resilience and to address the challenges that face us, not least the climate crisis. This operation is the culmination of a lot of hard work, and of our determination to support our precious and irreplaceable marine environment which must equally be sustainably developed and managed. I thank the IDB, TNC, lenders, bondholders, and all other parties that have come together to make this transaction possible.”

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About CIBC FirstCaribbean

CIBC FirstCaribbean is a relationship bank offering a full range of market leading financial services through our Corporate and Investment Banking, Retail and Business Banking and Wealth Management segments. We are located in fifteen (15) countries around the Caribbean, providing the banking services through approximately 2,800 employees in 64 branches and offices. We are one of the largest regionally listed financial services institutions in the English and Dutch speaking Caribbean, with US\$13 billion in assets and market capitalization of US\$1.3 billion. We also have a representative office in Hong Kong that provides business development and relationship management for our fund administration. The face of banking is changing throughout the world and CIBC FirstCaribbean intends to lead these changes with the expertise, integrity and knowledge gained from banking in the Caribbean since 1836. CIBC FirstCaribbean is a member of the CIBC Group. CIBC is a leading Canadian-based global financial institution with 11 million personal banking and business clients. Through our three major business units - Retail and Business Banking, Wealth Management and Capital Markets - CIBC offers a full range of products and services through its comprehensive electronic banking network, branches and offices across Canada with offices in the United States and around the world. For more information about CIBC FirstCaribbean, visit www.cibcfib.com , Facebook, Twitter , LinkedIn, Instagram or YouTube

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