



EASTERN CARIBBEAN HOME MORTGAGE BANK 23rd BOND ISSUE

Addendum to the Bond Terms and Conditions

The purpose of this addendum is to notify the public of the following changes to the Prospectus for the 1st Tranche of ECHMB's 23rd Bond Issue, first published November 2011.

3.0 BOND TERMS AND CONDITIONS

Tenors : 1st Tranche 4 Years

Trading Symbol : 1st Tranche HMB300116

5.0 TITLE AND DENOMINATIONS

5.5.1 Redemption

1st Tranche : 30th January 2016

**For and on behalf of
Eastern Caribbean Home Mortgage Bank**


**Duleep Cheddie
Chief Executive Officer**

13th January 2011

NOTICE TO INVESTORS

This Prospectus is issued for the purpose of giving information to the public.

Statements contained in this Prospectus describing documents are provided in summary form only and such documents are qualified in their entirety by reference to such documents. The ultimate decision and responsibility to proceed with any transaction with respect to this offering rests solely with the investor. Therefore, prior to entering into the proposed investment, the investor should determine the economic risks and merits, as well as the legal, and accounting characteristics and consequences of this Bond offering, and the ability to assume those risks.

This Prospectus and its contents are issued for the Bond issues described herein. Should you need advice, consult an intermediary licensed under the Securities Act or any other duly qualified person who specializes in advising on the acquisition of corporate instruments or other securities. The Prospectus has been delivered to the Commission for approval in accordance with the Securities Act 2001.

This is an Addendum to the Prospectus first published in November 2011.

TERMS AND CONDITIONS

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|--|---|--|---------------------------------|---------------------------------|
| <u>Issuer</u> | : | Eastern Caribbean Home Mortgage Bank (“ECHMB”) | | |
| <u>Instrument Type</u> | : | Secured Fixed Rate (Tax-free) Bond (“The Bond”). | | |
| <u>Auction Dates & Settlement Dates</u> | : | <u>Auction Dates</u> | <u>Settlement Dates</u> | |
| | | 1 st Tranche | 27 th January 2012 | 30 th January 2012 |
| | | 2 nd Tranche | 27 th September 2012 | 28 th September 2012 |
| <u>Issue Dates & Issue Amounts</u> | : | 1 st Tranche | 30 th January 2012 | \$27,637,000 |
| | | 2 nd Tranche | 28 th September 2012 | \$18,770,000 |
| <u>Tenors</u> | : | 1 st Tranche | 4 Years | |
| | | 2 nd Tranche | 5 Years | |
| <u>Coupon Rates</u> | : | Competitive Bid Auction up to a maximum of 5.5% | | |
| <u>Over-Allotment Option</u> | : | No Over-Allotment Option | | |
| <u>Registrar, Transfer and Paying Agent</u> | : | Eastern Caribbean Central Securities Registry (ECCSR) ECCB Complex, P.O. Box 94, Bird Rock, Basseterre, St. Kitts. | | |
| <u>Use of Proceeds</u> | : | To redeem the following Bonds: | | |
| | | Tranche 1 | No.15 | \$6,450,000 |
| | | | No. 20 | \$21,187,000 |
| | | | | \$27,637,000 |
| | | Tranche 2 | No. 14 | \$18,770,000 |
| <u>Interest Payments & Due Dates</u> | : | Semi-annually in arrears commencing six (6) months after each Issue Date, for the duration of the Bond. If the applicable Interest Payment Date would otherwise fall on a day which is not a Business Day it shall be postponed to the next day which is a Business Day unless it would thereby fall in the next calendar month. In the latter event the Interest Payment Date shall be the date of the immediately preceding day which is a Business Day. | | |
| <u>Principal Repayment</u> | : | Bullet at maturity | | |
| <u>Security</u> | : | Fixed and floating charges on the assets of ECHMB, ranking pari passu with ECHMB’s Existing Bonds and the Caribbean Development Bank (CDB) Long Term Loan of US\$10,000,000 pursuant to a Loan Agreement of 31 st January, 2008. | | |
| <u>Issuer Rating</u> | : | At April 5 th , 2011 CariCRIS has assigned ratings of Cari AA- (Foreign Currency Rating) and Cari AA- (Local Currency Rating) on its regional rating scale on the debt issue of the size of US\$30,000,000 of the ECHMB. | | |

- Minimum Bid and Bid Multiplier** : The Bond will be issued in multiples of \$5,000 and the minimum bid amount is \$5,000.
- Governing Law** : The Issue will be governed according to the laws of Grenada.
- Trading Platform** : Each Tranche of the Bond will be issued and listed on the Eastern Caribbean Securities Market (ECSM).
- Method of Issue** : Uniform Price Auction
- Trading Symbol** : The trading symbols will be:-
1st Tranche HMB300116
2nd Tranche HMB280917
- Bidding Parameters** : Each investor will be allowed one bid with the option to increase the amount of the bid at any time during the bidding period.
- Broker Fees** : Investors can participate in the issue through the services of any of the Licensed Intermediaries, on such terms and such conditions as may be determined by the Intermediary.
- List of Licensed Intermediaries who are Members of the ECSE** :
- ABI Bank Limited
 - Antigua Commercial Bank Limited
 - Bank of Saint Vincent and the Grenadines Limited
 - ECFH Global Investment Solutions Limited
 - Financial Investment and Consultancy Services Limited
 - First Citizens Investment Services Limited
 - National Bank of Anguilla Limited
 - National Mortgage Finance Company of Dominica Limited
 - St. Kitts Nevis Anguilla National Bank Limited
 - The Bank of Nevis Limited

5.4.3 Rate of Interest

The Rates of Interest are fixed for the duration of the 1st Tranche and the 2nd Tranche of the Bond as determined by a Competitive Bid Auction up to a maximum of 5.5%.

5.4.4 Notifications to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Section 4, by the Paying Agent or the Trustee, shall (in the absence of willful default, bad faith or manifest error) be binding on ECHMB, and (in the absence as aforesaid) no liability to the Bondholders shall attach to the Paying Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretion.

5.5. Redemption and Purchase

5.5.1 Redemption

The Bond shall be redeemed on the following dates:-

1st Tranche 30th January 2016

2nd Tranche 28th September 2017

5.5.2 Services of Registrar, Transfer and Paying Agent

Upon purchase of the Bond by investors, the ECCSR will provide the services of Registrar, Transfer and Paying Agent to ECHMB's 23rd Bond Issue. Accordingly, the register of Bondholders will be transferred and maintained electronically by the ECCSR. The ECCSR is a subsidiary of the ECSE. The ECCSR operates in a dematerialized environment.

The ECCSR will send to each Bondholder a notification regarding the Bondholders' investments in ECHMB's Bond and provide them with an update of their ownership every six months. Furthermore, every time there is a movement in the respective Accounts, the ECCSR will send the Bondholders an activity statement confirming the transactions, which will represent certification of ownership.

Bondholders will be given an Investor ID and Registry Account Number. The Investor ID is a nine-digit number followed by a two (2) alpha character country code. All joint holders are required to designate one of the joint holders to have responsibility for operating the Account, or the Account will have to be operated jointly.

5.6 Payments

Payments in respect of the Principal and Interest will be made by cheque drawn on a bank in any of the Eastern Caribbean Territories and by direct deposit to designated accounts. Cheques in respect of interest payments only will be mailed to Bondholders at the addresses appearing in the register of Bondholders.

5.7 Prescription

Any Principal and Interest payable that remains outstanding after the maturity date of the Bond shall be held by ECHMB in trust for the benefit of the Bondholder, for a period not exceeding seven (7) years after which all such amounts will be transferred to the Eastern Caribbean Central Bank, for the benefit of the Bondholder.