



Eastern Caribbean Home Mortgage Bank (ECHMB)

21st Bond Issue 3-years Corporate Bond HMB010713

Addendum 2 to the Bond Terms and Conditions

The purpose of this addendum is to increase the over-allotment option from \$6,545,000.00 to \$17,745,000.00 making the total issue a maximum of \$61,200,000.00

This additional amount to the over-allotment of \$11,200,000.00 will be issued as a 2nd Tranche and will be auctioned on 7th October 2010.

Tranche 2	
Auction Date:	7 th October 2010
Issue Amount/Quantity:	\$11,200,000.00
Settlement Date:	8 th October 2010
Issue Date:	8 th October 2010
Maturity Date:	1 July 2013
Trading Symbol:	HMB0713AC

NOTE: All other parameters remain the same as outlined in the prospectus.

Updated Term Sheet is attached

3.0 BOND TERMS AND CONDITIONS

<u>Issuer</u>	: Eastern Caribbean Home Mortgage Bank ("ECHMB")
<u>Instrument Type</u>	: Secured Fixed Rate (Tax-free) Bonds ("The Bonds").
<u>Currency</u>	: Eastern Caribbean Dollars (\$)
<u>Issue Amount</u>	: Forty Three million, four hundred and fifty five thousand Eastern Caribbean Dollars (\$43,455,000.00)
<u>Over-allotment Option</u>	: In the event of any over-subscription, ECHMB reserves the right without the consent of the applicants of the Bonds to increase the aggregate value of up to an additional \$17,745,000 of this Issue of Bonds making the total issue a maximum of \$61,200,000. The additional Bonds will rank <i>pari passu</i> in all respects with the Twenty first Bond. Should ECHMB exercise this right, consequential amendments required to the Debenture will be effected as from the Settlement Date and all Bondholders will be notified accordingly.
<u>Coupon rate</u>	: 6.0% per annum
<u>Tenor</u>	: three(3) Years
<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 finance the purchase of additional mortgages from primary lenders and to redeem the 12 th Bond amounting to \$43,455,000.00 issued in July 2004.
<u>Interest Payment</u>	: Semi-annually in arrears commencing six (6) months after the Issue Date, for the duration of the Bond. Should the due dates fall on a public holiday or a weekend, the payments shall be made on the last working day before the holiday or weekend.
<u>Principal Repayment</u>	: Bullet at maturity
<u>Security</u>	: Fixed and floating charge on the assets of ECHMB, ranked <i>pari passu</i> with ECHMB's existing Bonds and the Long-Term Loan issued by the Caribbean Development Bank (CDB) amounting to US\$10.0 million.
<u>Issuer Rating</u>	: CariCRIS has assigned ratings of CariAA- (Foreign Currency Rating) and CariAA- (Local Currency Rating) on its regional rating scale to the debt issue (notional) of the size of US\$30.0 million
<u>Issue Date</u>	: Target date: July 1 st 2010
<u>Maturity date</u>	: Target date: July 1 st 2013
<u>Minimum Bid and Bid Multiplier</u>	: The bonds 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.

Legislative Authority : The issue of the Bonds was authorized by Resolution of ECHMB passed on 10th March 2010 in conformity with the provisions of the Eastern Caribbean Home Mortgage Bank Agreement Act 1994.

Auction dates : Bond will be traded on the Eastern Caribbean Securities Exchange (ECSE) on:

First Auction

Auction Date	29 June 2010	9 am to 2 pm
	30 June 2010	9 am to 12:00 noon

Settlement date: 1 July 2010.

Second Auction

Auction Date	7 October 2010	9 am to 2 pm
	8 October 2010	9 am to 12:00 noon

Settlement date: 8 October 2010.

Trading Platform : Bond will be issued on the Eastern Caribbean Securities Market (ECSM).

Method of Issue : Fixed price bond auction

Trading Symbol : The Trading Symbol for the 2nd Tranche - HMB0713AC

Bidding Parameter : Each investor is 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 for a fee.

List of licensed intermediaries who are members of the ECSE :

- Antigua Commercial Bank Ltd
- Antigua & Barbuda Investment Bank Ltd
- Bank of Nevis Limited Ltd
- ECFH Global Investment Solutions Ltd.
- National Commercial Bank (SVG) Ltd.
- National Mortgage Finance Company of Dominica Ltd.
- St. Kitts Nevis Anguilla National Bank Ltd
- Republic Finance and Merchant Bank Ltd
- Caribbean Money Market Brokers Ltd
- National Bank of Anguilla Ltd