P R O S P E C T U S

The List of Applications will be opened at 9.00am on Monday, February 06, 2017 and will remain open until the full amount of the issue is subscribed or until further notice.

GOVERNMENT OF BARBADOS SAVINGS BONDS

SERIES GBSB: 84/2017

Issue Price: Bonds will be issued at a price of $76.24 per centum representing a yield to maturity of 5.5%

Offer: The Central Bank of Barbados is authorized by the Minister of Finance and Economic Affairs to receive subscriptions for this issue of Savings Bonds up to a limit of $10,000,000.


Security: Both principal and interest are a charge on the Consolidated Fund.

Purpose: The proceeds of this issue will be applied to the financing of capital expenditure under the Development Plan and for such other purposes as the Minister of Finance and Economic Affairs may determine.

Issue: Series GBSB 84/2017 of Government of Barbados Savings Bonds will be issued in denominations of $50 or multiples thereof. Bonds will be issued on behalf of the Government of Barbados by the Central Bank of Barbados and such other institutions as are authorized by the Minister of Finance and Economic Affairs from time to time.

The issue date of a bond shall be the day of the month and year in which payment for the bond is received by the authorized agent.

Limitation of Holding: Bonds not exceeding $100,000 in value in this series may be held by an individual or $200,000 jointly by two individuals. Investors other than individuals, that is, Registered Benevolent Organisations, Friendly Societies, or other persons or bodies of persons which are not liable to income tax under the Income Tax Act, Cap. 73, may also hold Savings Bonds. Bonds will be issued only to persons who are residents of Barbados or Barbadian nationals and may not be held by any persons as nominee of other persons save a permitted in relation to persons under 18 years or age.
Minors: A Bond may be purchased on behalf of, and in the name of a person under the age of 18 years, by a parent, or guardian, or by any person who satisfies the Central Bank of Barbados that he/she is a proper person to act on behalf of the minor. Such a bond shall be deemed to be held by the person on whose behalf it is purchased.

Application: Applications for Bonds of this series may be made to the Central Bank of Barbados, or any commercial bank.

Persons with pension funds who have exercised their option to purchase government savings bonds should apply directly to the Central Bank of Barbados.

Applications must be made in the name of an individual or in the name of a charitable institution or such other organisation approved under section 85 (i) of the Income Tax Act, Cap. 73. Applications may not be accepted from non-residents of Barbados, unless they are nationals, nor may applications, be accepted from residents for bonds to be registered in the names of non-residents, unless the said non-residents are Barbadian nationals.

Negotiability: Government of Barbados Savings Bonds are registered securities and are not transferable except at death. A personal representative of the deceased holder may request transfer into his or her name or into the name of such person who succeeds to a beneficial interest in the bonds. Bonds may however, be encashed at any time upon surrender to an authorized agent and upon proper identification, for such value as is shown in the maturity table provided.

Sinking Fund: No sinking fund will be provided to meet redemption of bonds surrendered or maturing under this issue. Payment of principal and accrued interest will be a charge on demand on the Consolidated Fund.

Income Tax: Interest on Savings Bonds is free of income tax on holdings up to a limit of $100,000 per individual or $200,000 jointly by two individuals per issue.

Maturity: Bonds of this series will mature five years from first date of purchase.
**Interest:** Interest accruals on bonds of this series will be earned as indicated in the schedule. Payment of interest will only be made on maturity or encashment according to the appropriate completed period from date of purchase of the bonds.

**ISSUE PRICE $76.24 per centum**

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<tr>
<th>ISSUE PRICE</th>
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<tbody>
<tr>
<td>Nominal Value</td>
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<td>Cost</td>
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<td>Yield to Maturity</td>
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**Example of Surrender Calculations:**

Surrender / Encashment Value = ((Nominal Value * Surrender Value of $50) / 50)

**Full Surrender -**

If a customer purchases $65,000 and at three (3) years and seven (7) months, he/she surrenders all, what cash value / surrender value will they receive?

*NB* – Surrender Value as at three (3) years and six (6) months. **Surrender Value** = ((65,000 * 42.31) / 50) = $55,003.00

**Part Surrender -**

If a customer purchases $85,550 and at two (2) years and three (3) months, he/she surrenders $20,000, what cash value / surrender value will they receive? *NB* – Surrender Value as at two (2) years. **Surrender Value** = ((20,000 * 39.28) / 50) = $15,712.00

**Balance Certificate**

A Balance Certificate will be issued for the remaining Nominal Value of $65,550 ($85,550 less $20,000).