

## INVESTMENT AND SOVEREIGN RESEARCH

### SOVEREIGN: The Bahamas

PLEASE SEE **IMPORTANT DISCLOSURES** IN THE [APPENDIX](#)

#### The Offer

On June 13, 2025, the Government of Barbados (GOB) announced an offer to the holders of its outstanding U.S.\$407.6 million 6.50% Notes due 2029 (Barbados 2029 global bond) to purchase all those Notes for cash, subject to the fulfillment of the new financing condition and the other requirements detailed in the Tender Offer Memorandum dated June 13, 2025.

On the settlement date, the GOB (Offeror) will pay the Notes that are validly tendered and not withdrawn **by the expiration deadline, June 18, 2025, at 11:00 a.m. Eastern Standard time**. The payment will include (i) the purchase price for the Notes and (ii) accrued and unpaid interest from the last interest payment date up to (but not including) the settlement date. Accrued Interest will be calculated according to the Notes' terms, and this calculation will be final and binding on all relevant noteholders, barring any manifest error. The Offeror may modify the terms of the offer at any time.

To be considered valid, tender Instructions need to be submitted for a minimum nominal value of U.S.\$100 and in increments of U.S.\$100 beyond that (the "minimum denomination"). Noteholders who choose not to redeem all their Notes must ensure they keep a principal amount of Notes that is at least equal to the minimum denomination.

#### New Financing Condition

Acceptance of any validly tendered Notes by the offeror is contingent upon the successful closing of their New Notes Offering in sufficient principal amount, with net proceeds being used to purchase tendered Notes. This offering will be made via a separate offering memorandum, and participation requires review of that document. The New Notes will be offered only to qualified institutional buyers, will not be registered under the Securities Act of any jurisdiction other than the U.S., and this announcement does not constitute an offer to sell them. Even if the New Financing Condition is met, the Offeror has no obligation to accept any tendered Notes. To be valid, Tender Instructions must be submitted.

#### Recommendation

**Bondholders should accept the offer made by the Government of Barbados to exchange their current holdings of the Barbados 2029 Global Bonds for cash.** This initiative by the government is part of a liability management programme aimed at mitigating medium-term refinancing risks. Importantly, this action does not indicate an increase in the sovereign's credit risk that would require investors to take measures to safeguard their portfolio against potential capital loss.

However, if the offer is successful, bondholders who choose not to tender their bonds may find themselves holding a relatively illiquid security with a small outstanding balance. Bonds with smaller issue sizes or balances tend to trade

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infrequently, and when they do, they often experience a wider bid-ask spread compared to bonds with similar credit ratings and larger issue sizes. Consequently, if bondholders of these 'illiquid bonds' decide to sell them before the maturity date, they risk having to do so at a significant discount in order to complete the transaction.

**Consult your JMMB client care representative for information about alternative fixed income options that can replace the coupon payments forgone due to the acceptance of this tender offer.**

## APPENDIX

### IMPORTANT DISCLOSURES

**ABSTRACT**—As a part of our new Portfolio Strategy we are recommending strict adherence to the following Portfolio Allocation **DEFINITIONS/RECOMMENDATIONS**.

**PLEASE NOTE** THAT NO INDIVIDUAL ASSET IN YOUR PORTFOLIO SHOULD HAVE A WEIGHTING GREATER THAN 5% UNLESS OTHERWISE RECOMMENDED BY YOUR PORTFOLIO MANAGER OR A SPECIFIC JMMB RESEARCH REPORT. CONSEQUENTLY THE FOLLOWING **DEFINITIONS** ARE PROVIDED FOR CLARITY.

**UNDERWEIGHT**—REDUCE EXPOSURE IN YOUR PORTFOLIO TO LESS THAN 5% FOR THIS PARTICULAR ASSET

**SELL**—REDUCE EXPOSURE IN YOUR PORTFOLIO TO ZERO.

**HOLD/MARKET WEIGHT**—EXPOSURE TO THE ASSET SHOULD BE EQUAL TO 5% OF YOUR TOTAL PORTFOLIO HELD AT JMMB.

**OVERWEIGHT/BUY**—EXPOSURE TO THIS ASSET SHOULD BE BETWEEN 5% AND 10% OF YOUR TOTAL PORTFOLIO HELD AT JMMB

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