



**BELIZE**

Memorandum for The Bank of New York Mellon, as Trustee

By Facsimile Transmission (212-815-5875) and  
Registered U.S. Mail (postage prepaid)

July 17, 2020

The Bank of New York Mellon  
240 Greenwich Street, Floor 7E  
New York, New York 10286

Attention: Peter Lopez  
Corporate Trust

With a copy to:  
Holders of Belize's \$526,502,100 U.S. Dollar Bonds due 2034  
(CUSIP Nos: 07782GAG8 and P16394AG6)

Re: Trust Indenture dated as of March 20, 2013, as amended on  
March 21, 2017, between Belize, as Issuer and the Bank of  
New York Mellon, as Trustee

Ladies and Gentlemen:

We refer to the Trust Indenture referenced above (the "Indenture"), relating to the issuance by Belize of its U.S. Dollar Bonds due 2034 (the "Bonds"). Capitalized terms used but not defined in this letter have the meanings given to those terms in the Indenture.

Pursuant to Section 11.6(a) of the Indenture and Paragraph 24(e)(i) of the Terms and Conditions of the Bonds, we hereby provide you with the information below (for onward distribution to the Holders of the debt securities referred to in the next sentence) in connection with Belize's intent to seek the consent from eligible Holders of its Bonds to a Reserve Matter Modification consisting, among other things, of a capitalization of the interest coupons scheduled to fall due on August 20, 2020, November 20, 2020 and February 20, 2021.

1. The main reason that Belize will be seeking such consent is that, since the start of 2020, Belize's tourism industry (which in recent years has accounted for approximately 60% of foreign exchange earnings and over 40% of Belize's economic activity and has been a critical factor in Belize's economic growth) has collapsed due to both the rapid deterioration of worldwide economic conditions and the lockdown measures governments have imposed to slow the spread of the COVID-19 pandemic. Such measures, which have been successful in slowing the spread in Belize of the outbreak, have caused significant disruptions in economic activity. As a result of such events, we are seeking from Holders cash flow relief in order to allow the government to allocate all available funds to address health, social and economic needs in the country.
2. Belize does not have a standby arrangement, arrangement under the extended fund facility or similar program with the International Monetary Fund (the "IMF") and none is currently contemplated.
3. There is not any debt sustainability analysis that has been prepared by the government of Belize or provided by the IMF in relation to the current circumstances causing Belize to seek the Reserve Matter Modification.
4. In addition to the Bonds, Belize has outstanding debt obligations pursuant to financings from bilateral agreements, multilateral organizations and government bills and notes issued in Belize Dollars. Belize's bilateral creditors are Venezuela (as part of the Petro-Carib Program) and Taiwan. Belize has been unable to make any payments to Venezuela since 2017 as a result of the financial sanctions imposed on that country by the United States of America. If those sanctions are lifted prior to February 2021, Belize expects to request from the Government of Venezuela a deferment of debt service payments for a period at least coterminous with that covered by the Reserve Matter Modification referred to above. For its part, the Government of Taiwan has indicated its willingness to provide fresh financial support for Belize in an initial amount of \$20 million (with the potential of additional support), that is expected to exceed any debt service payments due by Belize to Taiwan over this period. Belize expects that its multilateral and bilateral creditors will, over time, be net new lenders to Belize. The debt servicing for the financings from international financial institutions will continue, given the concessionary cost of these financings and that these sources are the principal providers of credit to Belize. In addition, Belize continues to be able to fund itself by borrowing at competitive interest rates in the domestic debt market in Belize Dollars. Therefore, Belize expects that outstanding government bills and notes will be rolled over upon its maturity. No change in policy is expected in connection with such local borrowings. Accordingly, Belize believes that any attempt to restructure amounts owed to these other creditor groups would, on balance, impair Belize's overall debt dynamics. No such attempt is therefore being made.

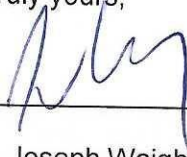
This Memorandum will be published on the website of the Central Bank of Belize at <https://www.centralbank.org.bz/news/details?newsid=306>, where more information on Belize can also be found by Holders, including my statement made at the bondholders meeting held on June 30, 2020.

\* \* \* \*

A copy of this letter is being published on the website of the Central Bank of Belize. Please feel free to contact me with any questions you may have.

*[signature page follows]*

Very truly yours,

A handwritten signature in blue ink, appearing to read 'J. Waight', is written over a horizontal line.

By: Joseph Waight  
Title: Financial Secretary