



GOVERNMENT OF BELIZE

Ministry of Finance

Belmopan, Belize

Press Release for Immediate Release

May 4, 2021

Belize Provides Update on Negotiations Concerning 2034 Bonds

Belmopan, May 4, 2021: On March 8, 2021, the Government of Belize invited the two largest holders of its U.S. Dollar Bonds due 2034 (the “Bonds”) to co-chair a committee of holders (the “committee”) for the purpose of discussing an orderly and consensual restructuring of the Bonds in light of the fiscal crisis currently facing Belize. A copy of that invitation is attached hereto as Exhibit A.

The Government of Belize subsequently posted on the website of the Central Bank of Belize the entirety of the Concluding Statement of the International Monetary Fund (the “IMF” or the “Fund”) following completion of the Fund’s annual Article IV consultation for Belize. The Concluding Statement contained detailed information regarding the Belize economy and debt servicing capacity.

On April 8, 2021 the Government of Belize sent a proposal for the restructuring of the Bonds to the three institutions that comprised the bondholders’ committee (each of which had signed a Confidentiality and Non-Disclosure Agreement). A copy of that proposal is attached hereto as Exhibit B. No counterproposal of any kind has been received from the bondholders’ committee or from any member of the committee as of 9:00am EST on May 4, 2021.

During this process the committee communicated several positions and information requests to the Belize authorities. These included inquiries regarding Belize’s access to multilateral financing. A meeting with the committee to discuss issues related to the proposed restructuring of the Bonds with Minister of State Coye had been scheduled for May 3, 2021. That meeting was canceled after the committee would not agree to Belize’s proposed extension of the customary confidentiality arrangements that had been in place and the committee’s representatives indicated that the meeting was unlikely to be worthwhile unless Belize agreed in advance to accept a full IMF program (a step that the Belize authorities had previously said they were not planning to take). The Government of Belize has been in close consultation with the Fund over the last several months and has, with the assistance of the Fund staff, developed a fiscal adjustment program that Belize believes is broadly in line with the Fund’s own recommendations.

In addition, the committee urged Belize to proceed with a “rebasings” of the statistical information related to the Belize economy. Such a rebasing exercise has been planned for some time but it has been stalled as a result of the Covid-19 pandemic. The exercise is not expected to be completed in the near future. It will, in any event, only affect the statistical presentation of the Belize economy.

Finally, the committee, through its legal counsel, asked whether Belize would consider contesting the legal validity of Belize's debt to Venezuela under the PetroCaribe program and notify the IMF of that position. Belize, as a responsible nation, has no intention of taking such an action.

All holders of the Bonds are invited to submit their comments and recommendations on a restructuring of the Bonds to Financial Secretary Joseph Waight at Joseph.Waight@mof.gov.bz.

Important Notice

This press release is not an offer of securities for sale in the United States, and none of the Bonds has been or will be registered under the Securities Act or the securities laws of any other jurisdiction. Unless they are registered under the Securities Act, the Bonds may be offered only in transactions that are exempt from registration under the Securities Act. This press release does not constitute an offer of the Bonds for sale, or the solicitation of an offer to buy any securities, in any state or other jurisdiction in which any offer, solicitation or sale would be unlawful. This press release does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

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Exhibit A



GOVERNMENT OF BELIZE
Ministry of Finance
Belmopan, Belize

March 8, 2021

By Electronic Transmission

Dr. Carl Ross
Partner
Grantham Mayo Van Otterloo
(carl.ross@gmo.com)

Mr. Kevin Daly
Investment Director
Aberdeen Standard Investments
(kevin.daly@aberdeensstandard.com)

Dear Dr. Ross and Mr. Daly:

Re: Belize

I am writing on behalf of the Government of Belize to ask whether you — as representatives of firms holding two of the largest positions in Belize's U.S. Dollar Bonds due 2034 — would consent to serve as co-chairs of a bondholders' representative committee to discuss needed modifications to the terms of that security. Dr. Ross has been kind enough to serve in this role in prior restructurings of this security.

As I am sure you know, Belize's economy and financial position have been devastated by the Covid pandemic. To take just one indicator, our GDP contracted by 13.2% in 2020. An IMF Article IV mission is assessing our situation right now but the universal judgment appears to be that Belize's debt stock — which currently stands at 129.5 % of GDP — is unsustainable.

Belize is not, of course, a stranger to this process. As in the past, our intention is to seek a consensual resolution of our external debt problems in a fully transparent process. To this end, we believe that it will be useful to convene a committee comprised of holders of our only international bond — long ago dubbed the "Superbond". This is the committee for which we are requesting your participation as co-chair.

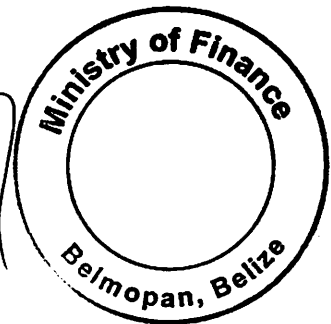
If this committee comprises holders representing a majority of the outstanding principal of the Superbond, Belize shall reimburse the Committee's reasonable expenses incurred in connection with this process. I wish to stress, however, that the financial resources available to the Government of Belize at this time are extremely

limited. Accordingly, if reimbursement will be sought from the Government, the fees of any outside adviser to the committee must be charged solely on an "hours worked" basis (together with out-of-pocket expenses) at normal market rates for such services. Stated differently, the Government of Belize will not reimburse committee advisers' fees assessed as a basis point percentage of the aggregate amount of debt covered by the operation or or any form of "success fee" element. Reasonable fees and expenses of committee advisers shall be paid at closing of the transaction against presentation of reasonably detailed invoices and supporting documentation.

Our intention is to invite Superbond holders to participate in a briefing by Belize authorities about the current situation (conducted virtually) next week. If you are agreeable to serving as co-chair of a bondholders' committee, we would like to announce this to the bondholders participating in that briefing. Very shortly after this briefing session, and assuming appropriate NDAs are in place, we would expect to share with the committee the debt sustainability analyses that have been prepared by the IMF mission and by the Government of Belize. Our objective is to have a transaction substantially completed by the time of the next Superbond coupon payment on May 20, 2021.

Very truly yours,


Joseph Waight
Financial Secretary



cc: Minister C. Coye
Ambassador M. Espat

Exhibit B



Government of Belize

Proposals to Amend the Terms of the 2034 Superbond



April 2021

Strictly private and confidential

Disclaimer

While the Government of Belize has used all reasonable efforts to ensure that the factual information contained herein is correct, accurate and complete in all material respects at the date of publication, no representation or warranty is made (express or implied) as to the reliability, accuracy or completeness of such information and no reliance should be placed on such information. In addition, certain historical information set forth herein is preliminary in nature or based on government estimates, and may be subject to substantial change.

This presentation includes forward-looking statements. You are cautioned not to place any reliance on forward-looking statements. All statements other than statements of historical fact included in this presentation, including, without limitation, those regarding (i) implementation of the government's fiscal policies, (ii) provision of financing from the official sector, and (iii) Belize's future macroeconomic performance, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or outcomes to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future political, economic, financial and international situation of Belize, all of which assumptions are subject to significant uncertainty and change.

The presentation does not constitute or form part of, and should not be construed as, an offer to sell or issue, or the solicitation of an offer to purchase, subscribe to or acquire any securities issued by the Government of Belize or any entities controlled by the Government of Belize.

This presentation has been prepared for information purposes only and no recipient of this presentation should make any investment decision with respect to any securities, loans or any other financial instrument on the basis of information contained herein.

The Government of Belize reserves any rights it may have in connection with any of its debt obligations and nothing contained in this presentation shall be construed as waiver or amendment of such rights.



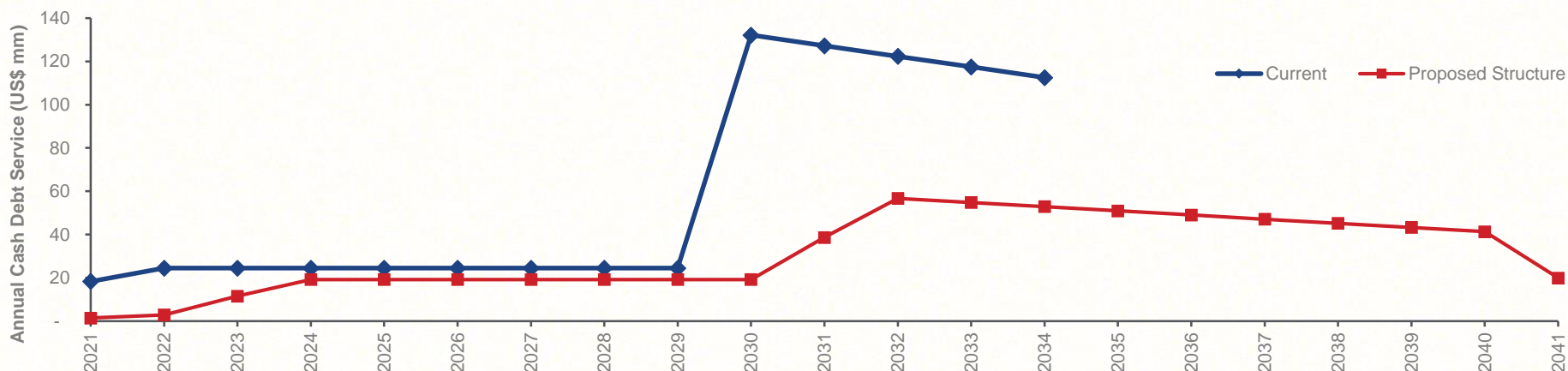
Proposed Structural Amendments to the Superbond

The following table contains only the primary financial terms of the current Superbond and Belize's proposed amendment Superbond. Appropriate covenants and ancillary matters to be discussed.

	Current Superbond Structure	Proposed Superbond Structure
Maturity Date:	20-Feb-2034	May 2041
Weighted Average Life:	10.8 years	15.3 years
Principal Amount:	US\$556,498,910	US\$389,549,236 (30% Haircut)
Coupon:	4.9375% per year (Quarterly Payments)	Year 1: 0.500% Year 2: 1.000% Thereafter: 4.9375% (Semi-Annual Payments)
Amortization:	5 equal annual installments starting on 20-Feb-2030	20 equal semi-annual installments starting on 20-Nov-31

Annual Debt Service of Current Superbond vs. Proposed Structure

US\$ Million

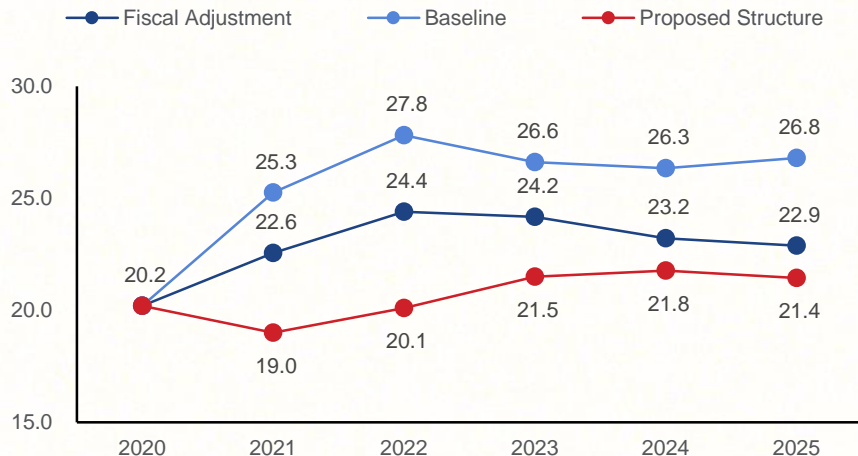


Corresponding Impact on Payment Capacity

BZ\$ Million	2020	2021f	2022f	2023f	2024f	2025f
Primary Balance	(275.4)	(108.8)	(4.5)	51.3	67.5	93.6
Primary Balance as % of GDP	(8.3)	(3.2)	(0.1)	1.3	1.6	2.1
Interest Payments	97.6	80.1	99.3	115.3	132.6	134.1
<i>Superbond</i>	26.0	2.9	5.8	23.1	38.5	38.5
<i>Other</i>	71.6	77.2	93.4	92.2	94.2	95.6
External Principal Payments	88	122.8	135.0	153.1	156.1	167.4
<i>Super Bond</i>	0	0	0	0	0	0
Gross Funding Need*	(460.7)	(311.7)	(238.8)	(217.1)	(221.2)	(207.9)
Gross Funding Need as % of GDP	(13.9)	(9.1)	(6.5)	(5.5)	(5.3)	(4.7)
External Disbursements	275.5	260.2	168.0	101.9	78.8	29.3
Domestic Disbursements	192.9	89.7	62.8	69.1	68.5	69.6
Funding Gap		38.3	(8.0)	(46.1)	(73.9)	(108.9)
Government Debt	4,155.5	4,052.6	4,188.3	4,271.1	4,369.8	4,312.6
Government Debt as % of GDP	125.8	117.7	114.1	108.6	104.1	96.9

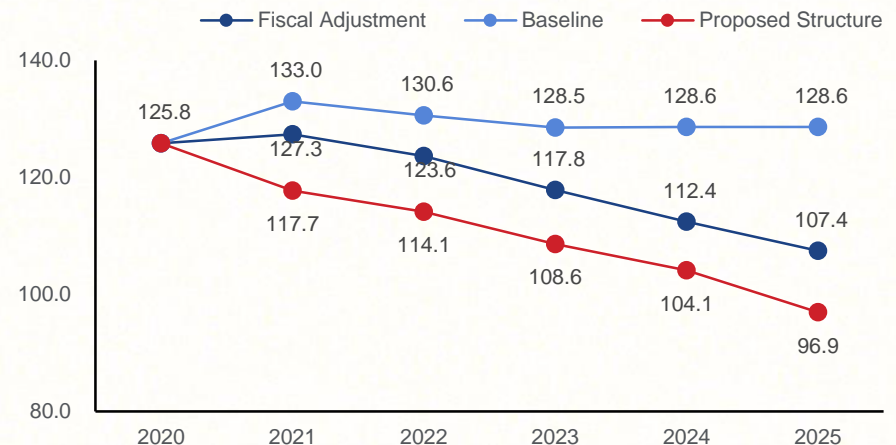
Significant relief in debt service in the short term

% of Government Revenue (excl. Domestic Principal)



Meaningful impact on debt trajectory with the proposed structure

Public Debt as % of GDP



Note* = Gross Funding Need only includes Public Debt in need of refinancing, excludes funding needs for domestic principal maturing in the next 12 months



