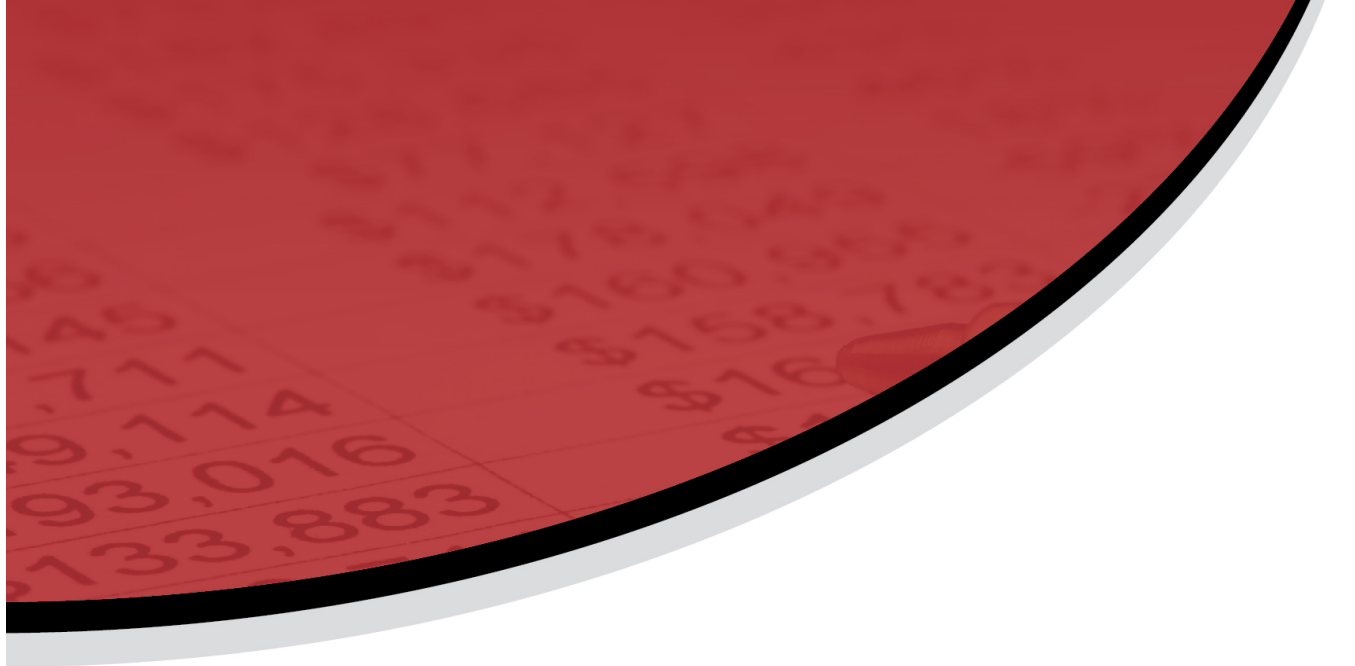


CENTRAL BANK OF BELIZE

2012 | ANNUAL REPORT &  
STATEMENT OF ACCOUNTS







CENTRAL BANK  

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of BELIZE

30 April 2013

Honourable Dean Barrow  
Prime Minister and Minister of Finance and Economic Development  
Ministry of Finance and Economic Development  
Sir Edney Cain Building  
Belmopan  
BELIZE

Dear Prime Minister:

It is my honour to submit to you in your capacity as the Minister of Finance, the Annual Report of the Central Bank of Belize's operations for the year 2012, together with a copy of the Bank's Statement of Accounts as certified by the external auditors, Castillo Sanchez and Burrell, LLP.

The enclosed are submitted in accordance with Section 58 of the Central Bank of Belize Act, Chapter 262, Revised Edition 2000.

Respectfully,

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**Glenford Ysaguirre**  
*Governor*



**CENTRAL BANK OF BELIZE  
THIRTY-FIRST ANNUAL REPORT  
AND  
STATEMENT OF ACCOUNTS**



**For the Year Ending 31 December 2012**

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## **Mission**

To advance the well-being of Belize by facilitating sustained economic growth, protecting the value of the Belize dollar and assuring a safe, sound and efficient financial system.

## **Vision**

An organization defined by a culture of excellence, leading financial transformation and enabling national development.

# List of Acronyms and Abbreviations

## **Acronyms:**

AEIR	Average Effective Interest Rate	EU	European Union
AML	Anti-money laundering	GOB	Government of Belize
ASR	American Sugar Refining	GDP	Gross Domestic Product
BAHA	Belize Agricultural Health Authority	GST	General Sales Tax
BAL	Belize Aquaculture Limitd	HRD	Human Resources Department
BGA	Banana Growers Association	IBRD	International Bank for Reconstruction and Development/ World Bank
BFIA	Bank and Financial Institutions Act	IDB	Inter-American Development Bank
BMC	Belize Mortgage Company	IFC	International Financial Corporation
BNE	Belize Natural Energy	IFRS	International Financial Reporting Standards
BOP	Balance of Payments	IMF	International Monetary Fund
BPM	Balance of Payments Manual	LIBOR	London Interbank Offered Rate
BSI	Belize Sugar Industries Limited	MOF	Ministry of Finance
BSSB	Belize Social Security Board	NFC	Not-from-concentrate
BTB	Belize Tourism Board	NPL	Non-performing loans
BTL	Belize Telemedia Limited	OFID	OPEC Fund for International Development
CAR	Capital Adequacy Ratio	OPEC	Organisation of the Petroleum Exporting Countries
CBB	Central Bank of Belize	PMO	Project Management Office
CDB	Caribbean Development Bank	ROA	Return on average assets
CARICOM	Caribbean Common Market	ROC/Taiwan	Republic of China/Taiwan
CFATF	Caribbean Financial Action Task Force	ROE	Return on average equity
CFZ	Commercial Free Zone	RRD	Revenue Replacement Duty
CGA	Citrus Growers Association	RFS	Request for Solution
CIDA	Canadian International Development Agency	SDR	Special Drawing Rights
CPBL	Citrus Products of Belize Limited	SIB	Statistical Institute of Belize
CPI	Consumer Price Index	SITC	Standard International Trade Classification
DBFIA	Domestic Banks and Financial Institutions Act 2012	UHS	Universal Health Services
DFC	Development Finance Corporation	UK	United Kingdom
ECLAC	Economic Commission for Latin America and the Caribbean	US	United States
ENDA	Emergency Natural Disaster Assistance		

## **Abbreviations and Conventions:**

\$	refers to the Belize dollar unless otherwise stated
bn	denotes billion
mn	denotes million
CIF	Cost, Insurance and Freight
FOB	Free on Board
n.a.	not available
n.i.e.	not included elsewhere
NPL ratio	NPL net of specific loan loss provisions to total loans
ps	Pound solid

## **Notes:**

1. Since May of 1976 the Belize dollar has been fixed to the US dollar at the rate of US\$1.00 = BZ\$2.00.
2. The 2012 figures in this report are provisional and the figures for 2011 have been revised.
3. Unless otherwise indicated, the Central Bank of Belize is the source of all tables and charts.



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# DIRECTORS AND PRINCIPALS

At December 31, 2012

## BOARD OF DIRECTORS

Right Honourable Sir Manuel Esquivel  
**Chairman**

Ralph Feinstein  
**Vice Chairman**

Alan Slusher - **Member**

Michael Singh - **Member**

Glenford Ysaguirre - **Governor, Ex officio Member**

Joseph Waight - **Financial Secretary, Ex officio Member**

Christine Vellos - **Deputy Governor, Ex officio Member**

Marilyn Gardiner-Usher - **Deputy Governor, by invitation**

---

## PRINCIPAL OFFICERS

Glenford Ysaguirre  
**Governor**

Christine Vellos  
**Deputy Governor - Research**

Marilyn Gardiner-Usher  
**Deputy Governor - Operations**

Carol Hyde  
**Director, Human Resources**

Angela Wagner  
**Director, Administration**

Hollis Parham  
**Director, Finance**

Neri Matus  
**Director, Financial Sector  
Supervision**

Azucena Quan-Novelo  
**Director, Research**

I. Rabey Cruz  
**Director, Information Technology**

Effie Ferrera  
**Director, Internal Audit**

Stephen Heusner  
**Chief of Security**

Michelle Estell  
**Director, Banking and Currency**

## GOVERNANCE

The Board of the Central Bank of Belize comprises the Governor, Deputy Governor (Research) and the Financial Secretary as ex officio members and four other members who are appointed by the Minister of Finance. The chairman is appointed by the Minister, and the vice-chairman is elected by the members of the Board.

The terms of office for Board members, Mr. Damien Gough and Mr. Darrell Bradley, expired in March 2012. New members, Mr. Alan Slusher and Mr. Michael Singh, were appointed to the Board with effect from 1 April 2012.

Section 12 (1) of the Central Bank Act requires the Board to meet no less than 10 times in each year, on dates designated by the chairman. A quorum for any meeting of the Board is three members, one of whom must be the Governor or a Deputy Governor. Board decisions are taken based on a majority of votes cast with the presiding chairman having a second or casting vote in the event of a tie. In 2012, the Board met 11 times and considered 83 submissions.

<b>Attendance at Board Meetings in 2012</b>	
Right Honourable Sir Manuel Esquivel - <b>Chairman</b>	11
Mr. Ralph Feinstein - <b>Vice-Chairman</b>	9
Mr. Damien Gough - <b>Member</b>	2
Mr. Darrell Bradley - <b>Member</b>	3
Mr. Alan Slusher - <b>Member</b>	8
Mr. Michael Singh - <b>Member</b>	6
Mr. Glenford Ysaguirre - <b>Governor (ex officio)</b>	11
Mr. Joseph Waight - <b>Financial Secretary (ex officio)</b>	11
Mrs. Christine Vellos - <b>Deputy Governor (ex officio)</b>	10
Mrs. Marilyn Gardiner-Usher - <b>Deputy Governor (by invitation)</b>	10

### **Conduct of Central Bank of Belize Board Members**

On appointment to the Board, each member is required under Section 18(1) of the Central Bank of Belize Act to maintain confidentiality in relation to the affairs of the Board and the Central Bank. Further, members must meet and maintain the qualifying conditions as laid out in Section 15 of the Central Bank of Belize Act and also subscribe to that set standard of conduct for directors and officers of the Central Bank. Over and above these legislated requirements, members recognise their responsibility for maintaining a reputation of integrity and propriety on the part of the Board and the Central Bank in all respects. Directors commit to:

- Discharging their duties with care and diligence;
- Acting in good faith, and in the best interest of the Central Bank;
- Not using their position to benefit themselves or any other person, or to cause detriment to the Central Bank or any person;
- Not using any information obtained by virtue of their position to benefit themselves or any other person, or to cause detriment to the Central Bank or any person; and
- Declaring any material personal interest where a conflict arises with the interests of the Central Bank.

Ex officio directors who are also executives of the Central Bank are further subjected to the Code of Conduct adopted by the Central Bank that provides a number of general principles as a guide for their conduct in fulfilling their duties and responsibilities as employees of the Central Bank.

### **Audit Committee**

The objectives of the Audit Committee of the Board of Directors are to:

- Assist in the selection of the external auditors and recruitment of internal audit staff;
- Ensure a high-quality, independent and effective audit process;
- Assist the Governor and the Board in fulfilling their obligations relating to financial reporting, compliance with laws and regulations, internal control and risk management, employee conflicts of interest, business ethics and prevention of fraud; and
- Enhance transparency of relation between management and the Internal Audit Department.

The Audit Committee comprises two non executive board members, Mr. Alan Slusher (Chairman) and Mr. Michael Singh and Mrs. Marilyn Gardiner-Usher (Deputy Governor Operations). Mrs. Effie Ferrera (Chief Internal Auditor) is secretary to the Committee.

The new chairman of the Audit Committee was appointed in 2012. During the year, the Committee considered the quarterly interim financial audits and the various audits and reviews conducted by the Internal Audit Department and made subsequent presentations to the Central Bank's Board.

# FUNCTIONAL CHART

