



## CENTRAL BANK OF BELIZE

### Financial Statements

For the years ended 31 December 2024 and 2023  
and Independent Auditor's Report



## **CENTRAL BANK OF BELIZE**

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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE BOARD OF DIRECTORS OF THE CENTRAL BANK OF BELIZE**

#### **Report on the Audit of the Financial Statements**

##### **Opinion on International Financial Reporting Standards**

We have audited the accompanying financial statements of **Central Bank of Belize (the Bank)**, which comprise the statement of financial position as at 31 December 2024, the statement of comprehensive income, the statement of changes in capital and reserves, the statement of cash flows for the year then ended and explanatory notes to the financial statements, comprising a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

##### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Belize, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to form a basis for our opinion.

**Emphasis of Matter**

We draw attention to the statement of comprehensive income and Note 24 to the financial statements, which show the effects of Section 50 of the Central Bank of Belize Act Revised Edition 2020, which requires the profits or losses from any revaluation of the Bank's net assets or foreign securities as a result of any change in the par value of the Belize dollar, or of any change in the par value of the currency unit of any other country shall be excluded from the computation of the annual profits and losses of the Bank. International Financial Reporting Standards require any foreign exchange gains and losses on monetary assets and liabilities to be recognised in profit or loss contrary to Section 50 of the Central Bank of Belize Act. Our opinion is not modified in respect of this matter.

**Other information**

Other information consists of the information included in the Annual Report 2024, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.



**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

*Moore Belize LLP.*

**Chartered Accountants  
Belize City, Belize, C.A.  
28 April 2025**

# Central Bank of Belize

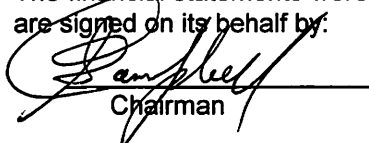
## Statements of financial position as at 31 December 2024 and 2023

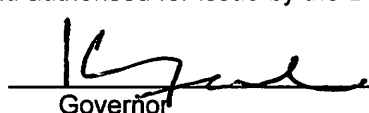
(in Belize dollars)

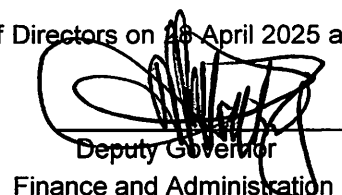
	Notes	2024	2023
<b>Assets</b>			
<b>Approved external assets</b>			
Balances with foreign banks and foreign currency notes	2h,2i,3	7,292,750	6,221,839
Reserve Tranche and balances with the International Monetary Fund	2h,2j,4	114,035,336	117,566,734
Other foreign credit instruments	2h,2k,5	242,776,768	237,157,969
Cash-in-transit	2h,2l,6	278,174	-
Marketable securities issued or guaranteed by foreign governments and managed by international financial institutions	2h,2m,7	617,749,419	571,239,484
<b>Total approved external assets</b>		<b>982,132,446</b>	<b>932,186,026</b>
<b>Domestic assets</b>			
Balances with local banks and cash on hand	2h,2n,8	1,839,142	1,593,069
Government of Belize securities	2h,2o,9	743,612,167	787,760,775
Other assets	10	37,566,580	30,500,946
Equity instruments	2h,2r,11	20,000,000	20,000,000
Property and equipment	2s,2u,12	35,504,172	34,536,293
Intangible assets	2t,2u,13	2,351,300	2,239,649
<b>Total domestic assets</b>		<b>840,873,361</b>	<b>876,630,732</b>
<b>Total assets</b>		<b>1,823,005,808</b>	<b>1,808,816,759</b>
<b>Liabilities</b>			
<b>Demand liabilities</b>			
Notes and coins in circulation	14	738,073,839	686,469,151
Deposits by licensed financial institutions	2h,2v,15	741,991,005	747,865,975
Deposits by and balances due to Government and Public sector entities in Belize	2h,2v,16	116,998,056	149,612,166
Deposits by international agencies	2h,2v,17	605,014	2,468,594
<b>Total demand liabilities</b>		<b>1,597,667,914</b>	<b>1,586,415,886</b>
Balances due to CARICOM central banks	2h,18	92,622	225,573
Other liabilities	19	30,987,470	28,920,671
Defined benefit plan net obligation	2w,20	830,000	2,341,500
International Monetary Fund SDR Allocations	2h,21	114,057,277	117,496,998
Commercial banks' discount fund	2h,22	1,654,034	1,654,034
<b>Total liabilities</b>		<b>1,745,289,317</b>	<b>1,737,054,662</b>
<b>Capital and reserves</b>			
Capital account	2y,23	40,000,000	40,000,000
Revaluation account	2z,24	313,455	165,853
Assets revaluation reserve	25	163,732	163,732
Post employment obligation reserve	2w,20	745,398	(766,102)
General reserve fund	2aa,	36,493,906	32,198,614
<b>Total capital and reserves</b>		<b>77,716,491</b>	<b>71,762,097</b>
<b>Total liabilities, capital and reserves</b>		<b>1,823,005,808</b>	<b>1,808,816,759</b>

The accompanying notes form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 28 April 2025 and are signed on its behalf by:

  
Chairman

  
Governor

  
Deputy Governor  
Finance and Administration

# Central Bank of Belize

Statements of comprehensive income for the years ended 31 December 2024 and 2023

(in Belize dollars)

	Notes	2024	2023
<b>Interest income</b>	<b>2ab</b>		
Approved external assets	<b>26</b>	<b>35,051,691</b>	34,086,127
Government of Belize securities	<b>27</b>	<b>16,403,264</b>	16,227,081
		<b>51,454,954</b>	50,313,208
<b>Interest expense</b>	<b>2ab,28</b>	<b>(4,624,569)</b>	(4,549,410)
<b>Net interest income</b>		<b>46,830,385</b>	45,763,798
<b>Other income</b>			
Discount on Government of Belize securities		<b>1,001,280</b>	879,087
Commissions and other income	<b>29</b>	<b>4,787,981</b>	5,251,458
Dividends on equity instruments	<b>11</b>	<b>900,000</b>	800,000
<b>Total other income</b>		<b>6,689,261</b>	6,930,545
<b>Other expenses</b>			
Printing of notes and minting of coins	<b>30</b>	<b>(5,065,834)</b>	(2,913,376)
Salaries and wages, including superannuation contribution and gratuities	<b>31</b>	<b>(19,987,868)</b>	(18,824,846)
Depreciation and amortisation	<b>2s,2t,12,13</b>	<b>(3,569,515)</b>	(3,375,711)
Administrative and general expenses	<b>2ac,32</b>	<b>(10,578,791)</b>	(8,187,726)
<b>Total other expenses</b>		<b>(39,202,007)</b>	(33,301,659)
<b>Profit for the year</b>		<b>14,317,639</b>	19,392,684
<b>Transfers</b>			
General reserve fund	<b>2aa</b>	<b>4,295,292</b>	5,817,805
Consolidated revenue fund	<b>2aa</b>	<b>10,022,347</b>	13,574,879
		<b>14,317,639</b>	19,392,684
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Revaluation	<b>24, 36(ii)</b>	<b>147,603</b>	38,904
Post employment obligation reserve	<b>20</b>	<b>1,511,500</b>	-
Artwork	<b>25</b>	<b>-</b>	1,383
<b>Other comprehensive income for the year</b>		<b>1,659,103</b>	40,287
<b>Total comprehensive income for the year</b>		<b>15,976,742</b>	19,432,971

The accompanying notes form an integral part of these financial statements.



# Central Bank of Belize

Statements of changes in capital and reserves for the years ended 31 December 2024 and 2023

(in Belize dollars)

	Capital account	Revaluation account	Asset revaluation reserve	Post employment obligation reserve (Note 20)	General reserve	Total
<b>Balance as at 01 January 2024</b>	<b>40,000,000</b>	<b>165,853</b>	<b>163,732</b>	<b>(766,102)</b>	<b>32,198,614</b>	<b>71,762,097</b>
<b>Comprehensive income</b>						
Profit for the year	-	-	-	-	14,317,639	14,317,639
Other comprehensive income	-	147,603	-	1,511,500	-	1,659,102
Total comprehensive income	-	147,603	-	1,511,500	14,317,639	15,976,741
Transfer to consolidated revenue fund	-	-	-	-	(10,022,347)	(10,022,347)
<b>Balance as at 31 December 2024</b>	<b>40,000,000</b>	<b>313,456</b>	<b>163,732</b>	<b>745,398</b>	<b>36,493,905</b>	<b>77,716,491</b>
<b>Balance as at 01 January 2023</b>	<b>40,000,000</b>	<b>126,949</b>	<b>162,349</b>	<b>(766,102)</b>	<b>26,380,809</b>	<b>65,904,005</b>
<b>Comprehensive income</b>						
Profit for the year	-	-	-	-	19,392,684	19,392,684
Other comprehensive income	-	38,904	1,383	-	-	40,287
Total comprehensive income	-	38,904	1,383	-	19,392,684	19,432,971
Transfer to consolidated revenue fund	-	-	-	-	(13,574,879)	(13,574,879)
<b>Balance as at 31 December 2023</b>	<b>40,000,000</b>	<b>165,853</b>	<b>163,732</b>	<b>(766,102)</b>	<b>32,198,614</b>	<b>71,762,097</b>

The accompanying notes form an integral part of these financial statements.

# Central Bank of Belize

## Statements of cash flows for the years ended 31 December 2024 and 2023

(in Belize dollars)

	Notes	2024	2023
<b>Cash flows from operating activities</b>			
Profit for the year		14,317,639	19,392,684
Adjustments to reconcile profit to net cash provided by operating activities:			
Depreciation of property and equipment	12	2,816,839	2,642,157
Amortisation of intangible assets	13	752,676	733,554
Gain on disposal of property and equipment		(56,524)	(46,862)
Assets revaluation reserve		-	1,383
Change in expected credit loss, net		56,852	4,452
Accrued interest expense	28	4,624,569	4,549,410
Cash provided by operating activities before operating assets and liabilities		22,512,051	27,276,778
Changes in:			
Government of Belize securities		(43,543,186)	(10,496,000)
Marketable securities issued or guaranteed by foreign governments and managed by international financial institutions		(46,512,005)	(95,270,223)
Reserve tranche in the International Monetary Fund		487,025	(168,413)
Other assets		(7,110,260)	(4,271,827)
Other liabilities		2,066,799	1,714,996
Net cash used in operating activities		(72,099,576)	(81,214,689)
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment	12	(3,811,905)	(2,324,347)
Acquisition of intangible assets	13	(1,010,697)	(270,525)
Proceeds from sale of assets		230,081	583,428
Net cash used in investing activities		(4,592,521)	(2,011,444)
<b>Cash flows from financing activities</b>			
Net deposits (disbursements) made by CARICOM central banks		(132,951)	44,398
Net disbursements made by Government and Public sector entities in Belize		(42,636,461)	(34,929,397)
Net (disbursements) made by international agencies		(1,863,579)	(85,264)
Net (disbursements) deposits made by licensed financial institutions		(5,874,969)	20,998,212
Net change in International Monetary Fund SDR Allocations		(3,264,420)	410,667
Net change in notes and coins in circularisation		51,604,688	82,626,059
Interest paid		(4,799,871)	(4,268,246)
Net cash provided by financing activities		(6,967,564)	64,796,429
Cash and cash equivalents at the beginning of the year		919,997,476	938,388,278
Net decrease in cash and cash equivalents		(83,659,660)	(18,390,802)
Effect of revaluation of foreign funds and marketable securities		147,603	38,904
<b>Cash and cash equivalents at the end of the year</b>		<b>836,485,418</b>	<b>919,997,476</b>
<b>Cash and cash equivalents comprise of the following:</b>			
<b>External assets</b>			
Balances with foreign banks and foreign currency notes	3	7,292,750	6,221,839
Other foreign credit instruments	5	242,810,484	237,181,530
Cash-in-transit	6	278,174	-
SDR Holdings	4	97,805,891	100,850,264
		348,187,299	344,253,633
<b>Domestic assets</b>			
Balances with local banks and cash on hand	8	1,839,142	1,593,069
Current portion of Government of Belize securities	36	486,458,981	574,150,776
		488,298,123	575,743,845
		836,485,418	919,997,476

The accompanying notes form an integral part of these financial statements.

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

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### 1. General information

**Central Bank of Belize (the Bank)**, was established under the Central Bank of Belize Act (the Act), Chapter 262 of the Substantive Laws of Belize. Legislation covering the Bank's operations were revised in 2020 and includes the Central Bank of Belize Act and its related amendments, the Domestic Banks and Financial Institutions Act, the International Banking Act, Credit Unions Act, the Money Laundering and Terrorism (Prevention) Act, Treasury Bills Act, the Financial Intelligence Unit Act along with associated Statutory Instruments, Circulars and Guidance Notes, the Exchange Control Regulations Act, the National Payment Systems Act along with associated Practice Directions, Circulars, Requirements and Statutory Instruments. The principal objectives of the Bank are to foster monetary stability, especially regarding the exchange rate, and to promote banking, credit and exchange conditions conducive to the growth of the economy of Belize. The address of the Bank's registered office is Gabourel Lane, Belize City, Belize, C.A.

### 2. Summary of material accounting policies

#### a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the financial reporting provisions of the Central Bank of Belize Act. These and any amendments thereto have been used as a model for the presentation and disclosure framework to provide additional information and analysis of key items in the financial statements.

#### b. Basis of preparation

The financial statements have been prepared on an accrual basis and under the historical cost convention except for the revaluation of investments. All amounts are rounded to the nearest dollar unless otherwise indicated.

#### c. Functional and presentation currency

The financial statements are presented in Belize dollars, which is the Bank's functional currency and is the primary economic currency of the environment in which the Bank operates.

#### d. Foreign currency transactions and translations

Transactions in foreign currencies are translated into Belize dollars at exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of other comprehensive income. Non-monetary items are not retranslated at year-end and are measured at historical cost, except for non-monetary items measured at fair value which are translated using the exchange rates when fair value was determined.

#### e. Foreign investment policy

Section 25(1) of the Act requires that the Bank shall, at all times, hold assets of an amount in value sufficient to cover the value of the total amount of its notes and coins fully for the time being in circulation. As at 31 December 2024, the ratio of total assets to the value of notes and coins in circulation was 2.5 (2023: 2.6) (Note 14).

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

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### 2. Summary of material accounting policies (continued)

#### e. Foreign investment policy (continued):

Section 25(2) of the Act requires that the Bank maintains at all times a reserve of external assets of not less than 40.0% of the aggregate amount of notes and coins in circulation and of the Bank's liabilities to customers in respect of its sights and time deposits. As at 31 December 2024, total approved external assets approximated 61.5% of such liabilities (2023: 58.8%).

Section 25(3) of the Act requires that the reserve shall consist of any of the following:

- Gold in any form and at such a valuation as may be determined by the Bank;
- Foreign exchange in the form of demand or time deposits with foreign central banks, agents and correspondents, documents and instruments customarily used for making payments or transfers in international transactions;
- Notes and coins;
- Marketable securities issued or guaranteed by foreign governments and managed by international financial institutions;
- Belize's drawing facility equivalent to its reserve position in the International Monetary Fund;
- Belize's holdings of special drawing rights in the International Monetary Fund.

#### f. Significant accounting judgments and estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ materially from those estimates.

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

#### Defined benefit obligation (DBO)

The estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the defined benefit expenses.

#### Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change information technology equipment and software.

#### Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.



## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

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### 2. Summary of material accounting policies (continued)

#### g. Changes in accounting policies

The accounting policies adopted are consistent with those used in the previous financial year except that the Bank has adopted the following standards, amendments and interpretations which did not have a material effect on the financial performance or position of the Bank. Some, however, may give rise to additional disclosures or changes to the presentation of the financial statements in future periods.

The following amendments to IFRSs have become effective for the annual periods commencing on or after 01 January 2024 and have been adopted:

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current;
- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback;
- Amendments to IAS 1 - Non-current Liabilities with Covenants;
- Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements.

The following standards and amendments will become effective for the annual periods beginning on or after 01 January 2025:

- IFRS 18 – Presentation and Disclosure in Financial Statements;
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures;
- Amendments to IAS 21 - Lack of Exchangeability;
- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments;
- Amendments to IFRS 9 and IFRS 7 – Contracts referencing Nature-dependent Electricity;
- Annual Improvements to IFRS Accounting Standards – Volume 11 (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7).

The amendments will be adopted when they become effective. Their effects, if any, will be quantified at that time.

#### h. Financial instruments

##### Recognition and derecognition of financial assets

Financial assets are recognised when the Bank becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

##### Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

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### 2. Summary of material accounting policies (continued)

#### h. Financial instruments (continued):

##### Classification and initial measurement of financial assets (continued):

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through other comprehensive income (FVTOCI);
- fair value through profit or loss (FVTPL).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within administrative and general expenses.

##### Subsequent measurement of financial assets

###### Financial assets at amortised cost (AC)

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows;
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. Fair value of assets stated at amortised cost is close to their carrying value as at the reporting date.

###### Financial assets at fair value through other comprehensive income (FVTOCI)

A debt instrument is measured at fair value through other comprehensive income only if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

###### Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

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### 2. Summary of material accounting policies (continued)

#### h. Financial instruments (continued):

##### Impairment of financial assets

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The Bank uses forward-looking information to recognise expected credit losses – the ‘expected credit loss (ECL) model’. The Bank considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (‘Stage 1’) and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (‘Stage 2’);
- financial assets that have objective evidence of impairment at the reporting date (‘Stage 3’).

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

$ECL = EAD \times LGD \times PD$ . See also Note 37(i).

**EAD** – The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

**LGD** – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

**PD** – The Probability of Default is an estimate of the likelihood of default over a given period of time.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The Bank recognises loss allowances for ECL on the following financial instruments that are not measure at the fair value through profit or loss:

- financial assets that are debt instruments;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments.

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

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### 2. Summary of material accounting policies (continued)

#### h. Financial instruments (continued):

##### Impairment of financial assets (continued):

For regular receivables, the Bank applies a simplified model of recognising lifetime expected credit losses as these items do not have a significant financing component.

##### *Presentation of allowance for ECL in the statement of financial position*

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally as a provision;
- debt instruments measured at fair value through other comprehensive income: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

##### Recognition and derecognition of financial liabilities

Financial liabilities are recognised when the Bank becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

##### Classification and measurement of financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities, which are measured at amortised cost.

Financial liabilities are classified at fair value through profit or loss if they are either held for trading or they are otherwise designated within this classification. Gains and losses on such financial liabilities are recognised in the statement of comprehensive income.

A financial liability is classified as held for trading if (a) it has been acquired principally for the purposes of subsequent short-term repurchase; (b) on initial recognition it is part of a portfolio of identified financial instruments which have a pattern of short-term profit taking; or (c) it is a derivative financial instrument that is not designated and effective as a hedging instrument.

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using effective interest method, with interest expense recognised on an effective yield basis in the statement of comprehensive income.

##### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances: (i) in the normal course of business, (ii) in the event of default and (iii) in the event of insolvency or bankruptcy.



## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

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### 2. Summary of material accounting policies (continued)

#### i. Bank balances and deposits with foreign bankers

Comprises of cash at overseas correspondent banks and demand deposits including highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

#### j. Reserve tranche and balances with the International Monetary Fund (IMF)

The Reserve Tranche represents the difference between the assigned quota and the IMF currency holdings. The Reserve Tranche can be accessed at any time without fees or economic reform conditions. The remainder of the quota is held in Special Drawing Rights (SDR) which is a supplementary international reserve asset.

The SDR interest rate provides the basis for calculating the interest charged and the interest paid to members of the IMF for the use of their resources for regular (nonconcessional) IMF loans. It is also the interest paid to members on their SDR holdings and charged on their SDR allocation. The SDR interest rate is determined weekly and is based on a weighted average of representative interest rates on short-term debt instruments in the money markets of the SDR basket currencies.

#### k. Other foreign credit instruments

Comprises of short-term financial assets including fixed deposits and overnight deposits held at overseas financial institutions with maturities of a year or less. The Bank's intention is to hold these until maturity.

Other foreign credit instruments are measured at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, by reference to external credit ratings, the instrument is then measured at the present value of its estimated future cash flows.

#### l. Cash-in-transit

Comprises of cash on hand held for shipment and in transit.

#### m. Marketable securities issued or guaranteed by foreign governments and managed by international financial institutions

Comprises of short-term financial assets including bonds, debentures and US Treasury notes with maturities beyond a year.

#### n. Balances with local banks and cash on hand

Comprises of cash on hand and deposits held at local financial institutions that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

#### o. Government of Belize securities

Comprises of locally held financial assets including treasury bills and treasury notes issued and guaranteed by the Government of Belize.

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

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### 2. Summary of material accounting policies (continued)

#### o. Government of Belize securities (continued)

Section 35 of the Act permits the Bank to purchase or sell treasury bills or notes issued or guaranteed by the Government of Belize for a period of maturity not exceeding 10 years. The Central Bank of Belize Amendment Act No. 28 of 2017 amended Section 35(2) of the principal Act on 31 March 2017 to stipulate that the Bank shall not at any time hold Government of Belize securities in an aggregate amount exceeding thirty times the aggregate amount at that time of the paid-up capital and general reserves of the Bank. As at 31 December 2024 the Bank's aggregate holding of these Government of Belize securities approximated 9.72 times (2023: 10.91 times), respectively, the amount of paid-up capital and general reserves of the Bank.

#### p. Advances to Government of Belize

Comprises of advances made to the Government of Belize as governed by section 33 and 34 of the Act. During 2024, GOB's current account remained as a deposit account, and continued to operate as a deposit account.

#### q. Other assets

##### Loans and other receivables

Loans are recognised when cash is advanced. It is stated at amortised cost using the effective interest method. Loans receivable are derecognised when the rights to receive cash flows from the financial assets have expired or extinguished. Their net carrying value is considered a reasonable approximation of fair value as these financial assets are callable.

##### Inventory of notes and coins

Inventory of notes and coins are measured at cost upon initial recognition. After initial recognition, they are measured at the lower of cost and net realisable value. Cost is determined on the weighted average cost method.

##### Supplies

Stationary, computer, building, kitchen and administrative supplies are held at cost and expensed when used.

##### Collectible coins inventory

Collectible coins, which are minted or packaged as collector items, are legal tender. New purchases of special coins are held as inventory and are charged against income when they are sold.

#### r. Equity instruments

Equity instruments are measured at FVTPL. Fair value of equity instruments held by the Bank cannot currently be measured reliably; thus, the cost is considered the best estimate of fair value. Impairment charges are recognised in profit or loss.

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

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### 2. Summary of material accounting policies (continued)

#### s. Property and equipment

##### Land

Land held for use in the ordinary course of business is stated at costs. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction.

##### Property (buildings), equipment, vehicles

Buildings, equipment and vehicles are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Bank's management. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing items and restoring the site on which they are located. The cost of software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Buildings, equipment and vehicles are subsequently carried at cost less accumulated depreciation and impairments. Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of the asset. The following rates are applied:

Category	Percentage
Property	1% – 5%
Furniture	10%
Equipment	10% – 25%
Vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Assets that are subject to depreciation are reviewed at each reporting date to assess whether there is any indication that an asset may be impaired. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value (less costs to sell) and value in use. Gains or losses arising on the disposal of property and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

#### t. Intangible assets

##### Application software and licenses

Costs that are directly attributable to acquiring application software and licenses asset are recognised as intangible assets, provided they meet the following recognition requirements:

Category	Percentage
Application Software	33.3% – 10%
Application License	33.3% – 10%
Website	20%

##### Initial recognition of other intangible assets

- the costs can be measured reliably;

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

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### 2. Summary of material accounting policies (continued)

#### t. Intangible assets (continued)

- the asset is technically and commercially feasible;
- the Bank intends to and has sufficient resources to complete the asset and the Bank has the ability to use or sell the application or licenses;
- the software will generate probable future economic benefits.

Costs not meeting these criteria for capitalisation are expensed as incurred.

#### Subsequent measurement

All finite-lived intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing annually.

Application software are amortised over a useful life of 3-10 years. Application licenses are amortised over the period the license is granted. Amortisation has been included within depreciation, amortisation and impairment of non-financial assets.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

#### u. Impairment of non-financial assets

At each reporting date, the Bank reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those non-financial assets have suffered an impairment loss. If any such indication exists, the recoverable of the non-financial asset is estimated in order to determine the extent of the impairment loss if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Bank estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increase carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant non-financial asset is carried at a revalued amount, in which case the reversal of the impairment loss will be treated as an increase in the revaluation.

#### v. Deposits

Comprised of deposits accepted on behalf of licensed banks, other licensed financial institutions including Government of Belize and Public Sector entities. Their carrying value is considered a reasonable approximation of fair value.



## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

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### 2. Summary of material accounting policies (continued)

#### v. Deposits (continued)

Under the revised provisions of Domestic Banks and Financial Institutions Act (No. 11 of 2012), it stipulates that every licensed bank shall maintain on account in its name with the Central Bank a minimum balance which on average shall be equivalent to at least five per centum of its average deposit liabilities represented by demand deposits, plus at least three per centum of its average deposit liabilities not represented by demand deposits, or such higher proportion of such demand deposits or other deposit liabilities as may from time to time be prescribed or specified by the Central Bank.

#### w. Defined benefit plan

Under the Bank's defined benefit plan, the amount of pension benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Bank, even if plan assets for funding the defined benefit plan have been set aside.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO every 3 years with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality.

#### x. Short-term employee benefits

Gratuity - the Bank is liable to pay gratuity for contract employees who are not eligible to participate in the pension scheme. In order to meet this liability, a provision is carried forward in the statements of financial position equivalent to an amount calculated on 20% of the annual salary for each completed year of service, commencing from the first year of service.

The resulting difference between the brought forward provision at the beginning of a year and the carried forward provision at the end of a year is dealt within the statement of income. The gratuity liability is neither funded nor actuarially valued.

Severance benefits payable – severance obligations are recognised at the point of not being able to withdraw from provision of the benefit to qualifying employees. The provision is calculated in accordance with the Labour Act of Belize Chapter 297.

Other short-term employee benefits – short-term employee benefits, including holiday entitlement, are current liabilities included in pension and other employee obligations, measured at the undiscounted amount that the Bank expects to pay as a result of the unused entitlement.

#### y. Capital account

In 2022, amendment was made to the Central Bank of Belize Act, approved on 31 March 2022 and gazetted on 02 April 2022. In accordance with Section 8, 'Capital of the Bank', the authorised capital was increased to \$50,000,000 and the paid-up capital was increased to \$40,000,000.

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

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### 2. Summary of material accounting policies (continued)

#### z. Revaluation account

Section 50 of the Act requires the Bank to exclude profits or losses from any revaluation of the Bank's net assets or liabilities from the computation of the annual profits and losses of the Bank. All such profits or losses are carried in a special account called the revaluation account.

The Act also requires that no profits shall be credited to the General Reserve Fund or paid to Government of Belize under section 9 of the Act whenever the Revaluation Account shows a net loss. Such profits shall be credited to the Revaluation Account in an amount sufficient to cover the loss.

#### aa. General reserve fund

The profits of the Bank shall be distributed in accordance with the Central Bank of Belize Act, Chapter 262, Section 8(4) (Amendment 2022) and Section 9(1).

In 2022, Section 9 of the Central Bank of Belize Act, which provides for the establishment of a General Reserve Fund, was amended to indicate that 30 percent of the Bank's profit shall be paid into the General Reserve Fund and the remainder to the Consolidated Revenue Fund.

The Consolidated Revenue Fund is established under Section 114(1) of the Belize Constitution. It serves as the central account into which all revenues or other moneys raised or received by Belize are deposited, unless specified by law to be placed into another public fund. This fund is utilized to finance government expenditures, ensuring that withdrawals are made in accordance with legal authorizations and appropriations.

#### ab. Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised in the statement of profit or loss at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest to discount the future cash flows for the purpose of measuring the impairment loss.

#### ac. Administrative and general expense

Administrative and general expense are recognised in the profit or loss upon utilisation of the service or as incurred.

#### ad. Taxation

In accordance with Section 52 of the Central Bank of Belize Act, the Bank is exempt from the provision of any law relating to income tax or customs duties and from the payment of stamp duty.

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

### 2. Summary of material accounting policies (continued)

#### ae. Segment-reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Bank has determined the Board of Directors as its chief operating decision maker. The Bank has one operating segment for financial reporting purposes.

### 3. Balances with foreign banks and foreign currency notes

	2024	2023
Balances with other central banks and foreign banks	6,666,694	5,173,343
Foreign currency notes	626,056	1,048,496
	<b>7,292,750</b>	<b>6,221,839</b>

### 4. Reserve tranche and balances with the International Monetary Fund

Belize joined the International Monetary Fund (IMF) on 16 March 1982. As at 31 December its financial position in the IMF was as follows:

	2024	2023
SDR Holdings	97,805,891	100,850,264
Reserve Tranche	16,229,445	16,716,470
	<b>114,035,336</b>	<b>117,566,734</b>

SDRs are converted at an exchange rate of BZD 2.608269 to SDR 1.0 at 31 December 2024 (2023: BZD 2.683339 to SDR 1.0).

### 5. Other foreign credit instruments

	2024	2023
Fixed deposits	210,597,387	186,946,007
Overnight deposits	32,213,097	50,235,523
Expected credit losses	(33,716)	(23,561)
	<b>242,776,768</b>	<b>237,157,969</b>

Other foreign credit instruments are held with foreign banks and other foreign financial institutions.

**Central Bank of Belize**

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

**5. Other foreign credit instruments (continued)**

Movements in expected credit losses on other foreign credit instruments were as follows:

	<b>2024</b>	2023
1 January	<b>(23,561)</b>	(38,685)
(Charge)/release during the year	<b>(10,155)</b>	15,124
31 December	<b>(33,716)</b>	(23,561)

**6. Cash-in-transit**

	<b>2024</b>	2023
Cash-in-transit	<b>278,174</b>	-
	<b>278,174</b>	-

**7. Marketable securities issued or guaranteed by foreign governments and managed by foreign financial institutions**

Amounts comprise debt securities at amortised cost:

	<b>2024</b>	2023
US Treasury notes	<b>500,302,885</b>	488,545,861
Bonds	<b>116,243,013</b>	81,325,367
Debenture	<b>1,219,971</b>	1,382,636
Expected credit losses	<b>(16,450)</b>	(14,380)
	<b>617,749,419</b>	571,239,484

US Treasury Notes represent securities issued by the government of the United States of America that bear a weighted average interest of 2.99% (2023: 2.24%) and mature through 2031.

Bonds represent bonds managed by foreign financial institutions that bear an average interest of 3.37% (2023:4.37%) maturing through 2034.

Debenture represents a foreign government debenture that bears an interest of 3.5% and matures in 2034.

**Central Bank of Belize**

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

**7. Marketable securities issued or guaranteed by foreign governments and managed by foreign financial institutions (continued)**

Movements in expected credit losses on marketable securities issued or guaranteed by foreign governments and managed by international financial institutions were as follows:

	2024	2023
1 January	(14,380)	(10,149)
Charge during the year	(2,070)	(4,231)
31 December	(16,450)	(14,380)

**8. Balances with local banks and cash on hand**

	2024	2023
Balances with local financial institutions	1,655,476	1,344,354
Cash on hand	183,666	248,715
	1,839,142	1,593,069

**9. Government of Belize securities**

Amounts comprise debt securities at amortised cost:

	2024	2023
Treasury notes	574,257,420	569,165,105
Treasury bills	169,354,747	218,595,670
	743,612,167	787,760,775

**10. Other assets**

	2024	2023
<u>Financial assets</u>		
Staff loans receivable	9,612,349	8,312,364
Accounts receivable	1,148,767	1,441,587
Expected credit losses	(47,460)	(2,834)
Subtotal (Note 2h)	10,713,656	9,751,117

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

### 10. Other assets (continued)

	2024	2023
<u>Non-financial assets</u>		
Prepayments	13,335,047	3,459,267
Escrow accounts (Note 19)	9,477,025	9,537,025
Inventory of circulation notes and coins	1,962,165	5,768,296
Collectible coins inventory	1,051,485	1,065,645
Other assets	515,049	486,567
Supplies	333,883	265,140
Artwork	178,270	167,889
<u>Subtotal (Note 2u)</u>	<u>26,852,924</u>	<u>20,749,829</u>
	<u>37,566,580</u>	<u>30,500,946</u>

Movements in expected credit losses on accounts receivable and staff loans receivable were as follows:

	2024	2023
1 January	(2,834)	(2,613)
Charge during the year	(44,626)	(221)
31 December	(47,460)	(2,834)

### 11. Equity instruments

	2024	2023
Belize Telemedia Limited	20,000,000	20,000,000

The equity instruments represent the Bank's investment of 4,000,000 shares in Belize Telemedia Limited at a value of \$5.00 per share totaling \$20,000,000. Share certificates numbered 3165, 3166, 3167, 2668 and 2669 dated 17 June 2011 for 800,000 shares each have been received by the Bank. If the Bank chooses to sell, it can dispose of the shares at the rate of one million shares per annum and it shall offer the Government of Belize the right of first refusal and the right to object to any buyer before concluding the sale of any of the shares.

These instruments are secured by the Government of Belize with no valuation exposure to the Bank. As at 31 December 2024, BTL had declared dividends for the fiscal year 2024 at \$0.225 (2023: \$0.200) per share for a total of \$900,000 (2023: \$800,000).



## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

### 12. Property and equipment

	Property	Furniture	Equipment	Vehicle	Work in progress	Total
<b>Cost</b>						
Balance at 01 January 2024	35,480,950	2,034,910	18,197,126	1,070,011	304,700	57,087,698
Additions	1,114,796	109,011	322,958	109,950	2,155,190	3,811,905
Disposals	-	(105,584)	(707,263)	(160,486)	-	(973,333)
Transfers	-	-	304,700	-	(304,700)	-
Balance as at 31 December 2024	36,595,746	2,038,337	18,117,521	1,019,475	2,155,190	59,926,269
<b>Accumulated depreciation</b>						
Balance at 01 January 2024	(8,230,651)	(1,542,539)	(12,461,367)	(316,847)	-	(22,551,404)
Charge for the year	(884,710)	(98,722)	(1,640,865)	(192,542)	-	(2,816,839)
Disposals	-	85,196	700,464	160,486	-	946,146
Balance as at 31 December 2024	(9,115,361)	(1,556,065)	(13,401,768)	(348,903)	-	(24,422,097)
<b>Net book value as at 31 December 2024</b>	<b>27,480,385</b>	<b>482,272</b>	<b>4,715,753</b>	<b>670,572</b>	<b>2,155,190</b>	<b>35,504,172</b>
<b>Cost</b>						
Balance at 01 January 2023	35,241,272	1,990,141	17,075,943	726,219	252,609	55,286,184
Additions	92,132	75,348	1,317,737	565,815	273,315	2,324,347
Disposals	-	(35,009)	(265,802)	(222,023)	-	(522,834)
Transfers	147,546	4,430	69,248	-	(221,224)	-
Balance as at 31 December 2023	35,480,950	2,034,910	18,197,126	1,070,011	304,700	57,087,697
<b>Accumulated depreciation</b>						
Balance at 01 January 2023	7,441,355	1,481,433	11,096,023	305,383	-	20,324,194
Charge for the year	789,296	94,251	1,611,860	146,750	-	2,642,157
Disposals	-	(33,145)	(246,516)	(135,286)	-	(414,947)
Balance as at 31 December 2023	8,230,651	1,542,539	12,461,367	316,847	-	22,551,404
<b>Net book value as at 31 December 2023</b>	<b>27,250,299</b>	<b>492,371</b>	<b>5,735,759</b>	<b>753,164</b>	<b>304,700</b>	<b>34,536,293</b>

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

### 13. Intangible assets

	Application software and licenses	Work in progress	Total
<b>Cost</b>			
Balance at 01 January 2024	7,675,842	128,249	7,804,091
Additions	211,728	798,969	1,010,697
Disposals	(151,417)	-	(151,417)
Transfers	128,249	(128,249)	-
Balance as at 31 December 2024	7,864,402	798,969	8,663,371
<b>Accumulated amortisation</b>			
Balance at 01 January 2024	(5,564,442)	-	(5,564,442)
Charge for the year	(752,676)	-	(752,676)
Disposals	5,047	-	5,047
Balance as at 31 December 2024	(6,312,071)	-	(6,312,071)
<b>Net book value as at 31 December 2024</b>	<b>1,552,331</b>	<b>798,969</b>	<b>2,351,300</b>
<b>Cost</b>			
Balance at 01 January 2023	7,357,498	176,068	7,533,566
Additions	142,276	128,249	270,525
Transfers	176,068	(176,068)	-
Balance as at 31 December 2023	7,675,842	128,249	7,804,091
<b>Accumulated amortisation</b>			
Balance at 01 January 2023	(4,830,888)	-	(4,830,888)
Charge for the year	(733,554)	-	(733,554)
Balance as at 31 December 2023	(5,564,442)	-	(5,564,442)
<b>Net book value as at 31 December 2023</b>	<b>2,111,400</b>	<b>128,249</b>	<b>2,239,649</b>

### 14. Notes and coins in circulation

	2024	2023
Notes in circulation	691,598,957	643,154,885
Coins in circulation	46,474,882	43,314,266
	<b>738,073,839</b>	<b>686,469,151</b>

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

### 15. Deposits by licensed financial institutions

As at 31 December 2024 and 2023 deposits by local financial institutions comprised deposits of licensed financial institutions located in Belize.

### 16. Deposits by and balances due to Government and Public sector entities of Belize

	2024	2023
Government of Belize accounts	110,844,078	144,546,214
Public sector entities accounts	6,153,978	5,065,952
	<b>116,998,056</b>	<b>149,612,166</b>

### 17. Deposits by international agencies

The Bank acts as an agent for and accepts deposits from international financial agencies.

	2024	2023
Caribbean Development Bank	398,741	2,257,240
International Monetary Fund	176,533	181,614
International Bank for Reconstruction and Development	29,740	29,740
	<b>605,014</b>	<b>2,468,594</b>

### 18. Balances due to CARICOM central banks

	2024	2023
Bank of Jamaica	81,200	56,200
Bank of Guyana	11,422	-
Central Bank of Barbados	-	166,900
Central Bank of Trinidad and Tobago	-	2,473
	<b>92,622</b>	<b>225,573</b>

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

### 19. Other liabilities

	2024	2023
<u>Financial liabilities</u>		
Abandoned property	8,559,349	7,736,509
Deposits by licensed international offshore financial institutions (i)	3,723,528	3,779,647
Contribution (deposit insurance) (ii)	1,000,000	1,000,000
Accounts payable	832,913	758,077
Corozal Freezone Municipals Bonds – Sinking Fund	259,349	214,937
Unclaimed balances of Belize Unit Trust	45,986	45,986
Subtotal (Note 2h)	14,421,125	13,535,156
<u>Non-financial liabilities</u>		
Escrow accounts (Note 10)	9,477,025	9,537,025
Severance and gratuities	4,909,168	4,374,431
Other staff costs payable	1,341,429	953,523
Deferred income	838,723	520,536
Subtotal	16,566,345	21,112,574
	30,987,470	34,647,730

(i) Under Section 21 A (1) of the International Banking Act, licensed international offshore financial institutions are required to maintain an account of a minimum balance of \$200,000 with the Bank. At 31 December 2024 total amount of such deposits included \$ 3,114,462 (2023: \$3,164,462) that relate to balances with international offshore financial institutions with active licenses and \$609,066 (2023: \$615,185) that relate to the Bank's liabilities in respect of minimal balances of such financial institutions, whose licensed have been revoked/surrendered by the Bank.

(ii) In accordance with Section 19 of the Deposit Insurance Act, 2020, the Central Bank is holding in escrow its contribution due on the commencement of the Deposit Insurance Corporation.

### 20. Defined benefit plan net obligation

The Bank operates a defined benefit pension scheme that receives contributions from the Bank and its eligible employees. The scheme is financially separate from the Bank and is managed by a Board of Trustees. Under the plan, the employees are entitled to annual retirement benefits capped at a maximum of 66 percent of the final pensionable salary on attaining the retirement age of 60. In addition, the Bank provides an optional post-retirement medical benefit. During the year under review, the Bank contributed \$1,451,328 (2023: \$3,230,997) to the scheme.

<b>Significant actuarial assumptions used in the valuation were:</b>	<u>2024</u>	<u>2021</u>
I. Discount rate at the end of the year (pa)	7.5%	6.0%
II. Future salary increases (pa)	3.5%	3.5%
III. Future pension increases (pa)	0.0%	0.0%

**Central Bank of Belize**

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

**20. Defined benefit plan net obligation (continued)**

The Bank has performed an actuarial valuation on its defined benefit pension scheme for the year ended 31 December 2024. The results of the valuation are presented below:

**Reconciliation of defined benefit plan net obligation**

Defined benefit plan net (liability) as at 01 January 2024	(2,341,500)
Fair value of plan assets	29,986,000
Present value of defined benefit obligation	(27,936,000)
Adjusted defined benefit plan net asset as at 01 January 2024	2,050,000
Fair value of plan assets	31,655,000
Present value of defined benefit obligation	(32,485,000)
Defined benefit plan net (liability) as at 31 December 2024	(830,000)
Net change in defined benefit plan net obligation	1,511,500

**Reconciliation of fair value of plan assets**

Fair value of plan assets at 01 January 2024	29,986,000
Interest income on plan assets	2,269,000
Members' contributions	200,000
Employer's contributions	1,451,000
Benefits paid	(1,091,000)
Reasurements - experience adjustments	(1,160,000)
Fair value of plan assets at 31 December 2024	31,655,000

**Reconciliation of present value of defined benefit net obligation**

Present value of obligation at 01 January 2024	(27,936,000)
Interest cost	(2,062,000)
Service cost	(2,820,000)
Benefits paid	1,091,000
Members' contributions	(200,000)
Reasurements - experience adjustments	(558,000)
Present value of obligation at 31 December 2024	(32,485,000)
Defined benefit plan net (liability) as at 31 December 2024	(830,000)

**Movement in net (liability)/asset**

Defined benefit plan net asset at 01 January 2024	2,050,000
Net interest income on plan assets	207,000
Service cost	(2,820,000)
Employer's contributions	1,451,000
Reasurements - experience net adjustments	(1,718,000)
Non-current pension liability 31 December 2024	(830,000)

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

### 20. Defined benefit plan net obligation (continued)

Revaluation of the pension plan is done on a 3-year rotation. An IAS 19 valuation was done during 2024 for the 2024 fiscal year, which shows a defined benefit plan net obligation of the plan of \$830,000. Full revaluation of the plan will be done in the 2027 fiscal year.

#### Reconciliation of post employment obligation reserve

<b>Reserve as at 01 January 2024</b>	<b>(766,102)</b>
Reasurements - net adjustments 2023	4,391,500
Reasurements - net adjustments 2024	<b>(2,880,000)</b>
<b>Reserve as at 31 December 2024</b>	<b>745,398</b>

### 21. International Monetary Fund SDR Allocations

	<b>2024</b>	<b>2023</b>
IMF SDR Allocations	<b>113,420,588</b>	116,685,007
Interest payable	<b>636,689</b>	811,991
	<b>114,057,277</b>	117,496,998

A general allocation of Special Drawing Rights (SDRs) equivalent to approximately US\$ 250 billion became effective on 28 August 2009. The allocation is designed to provide liquidity to the global economic system by supplementing the Fund's member countries' foreign exchange reserves. The general SDR allocation was made to IMF members that are participants in the Special Drawing Rights Department (currently all 186 members) in proportion to their existing quotas in the Fund, which are based broadly on their relative size in the global economy. The Quota for the country of Belize is SDR 26,700,000 (2023: SDR 26,700,000) based on this Quota, the allocation for the country of Belize stood at SDR 43,485,004 (2023: SDR 43,845,004). At 31 December 2024, the SDR's were revalued at SDR 2.608269 to BZ\$ 1.00 (2023: 2.683339 to BZ\$ 1.00).

### 22. Commercial banks' discount fund

	<b>2024</b>	<b>2023</b>
Interest paid to United States Agency for International Development	<b>(2,311,316)</b>	(2,311,316)
Interest received by the Bank	<b>3,965,350</b>	3,965,350
	<b>1,654,034</b>	1,654,034

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

### 22. Commercial banks' discount fund (continued)

Commercial Bank Discount Fund (Fund) is a facility which was established by an agreement signed in March 1983 by the Government of Belize and the United States of America, providing for a discount fund to be operated through the Bank. The United States Government acting through United States Agency for International Development (USAID) earmarked US\$ 5 million in loan funds up to 30 June 1987 to finance this facility. The facility enabled commercial banks in Belize to discount with the Bank up to 100% of loans made to sub-borrowers for projects approved by the Bank and USAID. The Bank is expected to accumulate significant net interest earnings over the repayment term of the USAID loan to form a permanent fund. In 1993, USAID and the Bank agreed that \$2 million and \$1.5 million from the reflows to the Discount Fund could be used as a line of credit to National Development Foundation of Belize and Development Finance Corporation, respectively.

### 23. Capital account

	2024	2023
Authorised capital	50,000,000	50,000,000
Paid-up capital	40,000,000	40,000,000

In 2022, amendment was made to the Central Bank of Belize Act, approved on 31 March 2022 and gazetted on 02 April 2022. In accordance with Section 8, 'Capital of the Bank', the authorised capital was increased to \$50,000,000 and the paid-up capital was increased to \$40,000,000.

### 24. Revaluation account

	2024	2023
1 January	165,853	126,949
Revaluation of foreign funds and marketable securities	147,603	38,904
31 December	313,456	165,853

### 25. Assets revaluation reserve

At 31 December 2024, management conducted an assessment of its historical and contemporary pictures and paintings and determined that they hold the carrying amount assessed by an independent appraiser, Carlos Bardalez, of Belize City whose report is dated 09 November 2009.

**Central Bank of Belize**

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

**26. Interest on approved external assets**

	2024	2023
Marketable securities issued or guaranteed by foreign governments and managed by international financial institutions	18,117,733	13,230,767
Fixed deposits with foreign financial institutions	10,169,252	12,805,235
International Monetary Fund' facilities	4,362,748	4,349,206
Overnight deposits with foreign financial institutions	2,335,880	3,644,554
Other balances with foreign financial institutions	66,078	56,365
	<b>35,051,691</b>	<b>34,086,127</b>

**27. Interest on Government of Belize securities**

	2024	2023
Treasury notes	16,403,264	16,227,081

**28. Interest expense**

	2024	2023
International Monetary Fund facilities	4,449,021	4,432,593
Other interest expense	175,548	116,817
	<b>4,624,569</b>	<b>4,549,410</b>

**29. Commissions and other income**

	2024	2023
Cash shipment income	1,157,810	1,130,490
License and examination fees	992,270	932,545
Commissions	902,159	1,051,650
Penalty fees	715,000	406,057
Automated Payment and Securities Settlement System (APSSS) transaction fees	599,491	1,365,035
Miscellaneous income	229,331	157,465
Interest on staff loans	147,296	167,531
Sales of collectible coins	43,544	25,562
Gain on sale/purchase of financial instruments	1,080	15,123
	<b>4,787,981</b>	<b>5,251,458</b>



**Central Bank of Belize**

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

**30. Printing of notes and minting of coins**

	<b>2024</b>	<b>2023</b>
Printing of currency notes	<b>3,179,150</b>	1,145,290
Minting of circulation coins	<b>1,842,825</b>	1,741,036
Currency publicity campaign expenses	<b>43,859</b>	27,050
	<b>5,065,834</b>	2,913,376

**31. Salaries and wages, including superannuation contribution and gratuities**

	<b>2024</b>	<b>2023</b>
Salaries and wages	<b>12,289,499</b>	10,082,962
Employee benefits expenses	<b>5,915,303</b>	5,211,684
Pension contributions	<b>1,451,328</b>	3,230,997
Social security costs	<b>331,738</b>	299,203
	<b>19,987,868</b>	18,824,846

At the end of 2024 the Bank staff count was 224 employees (2023: 209).

**Central Bank of Belize**

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

**32. Administrative and general expenses**

	2024	2023
Computer software licenses	2,256,409	1,145,675
Repairs and maintenance	1,156,231	770,574
Professional services and technical support	1,024,003	1,270,731
Miscellaneous	1,006,087	559,136
Utilities	991,832	926,523
Meetings and conferences	880,812	907,288
Supplies and small equipment	638,277	628,230
Membership fees	391,886	185,343
Foreign investment professional fees	379,573	166,218
Legal fees	368,940	301,188
Directors' fees	285,012	346,332
Corporate communications	200,243	-
Insurance	179,840	148,818
Audit fees	131,999	106,714
Freight charges	130,585	48,108
Advertising	72,480	209,296
Bank charges	70,897	50,220
Donations	67,260	133,038
Travel	62,939	125,956
Subscriptions	57,660	55,320
Expected credit losses on financial instruments	56,852	4,453
Surveys	56,193	12,420
Business continuity	31,893	8,044
Entertainment	29,630	23,218
Firearm license and ammunition	27,987	30,990
Books and publications	23,271	23,893
	<b>10,578,791</b>	<b>8,187,726</b>

**33. Related party transactions**

The Bank considers a party to be related if control or significant influence over the Bank is exercised. The Bank's related parties include the Governor of the Central Bank, members of the Board of Directors (key management personnel) Government of Belize and other related public sector entities and the Bank's Defined Benefit Plan. Unless otherwise stated, none of the transactions include special terms and conditions and no guarantees were given or received.

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

### 33. Related party transactions (continued)

#### Transactions with key management personnel

Transactions with key management personnel includes short-term benefits, post employment benefits and termination benefits. The following is an analysis of these amounts.

	2024	2023
Short-term benefits	1,299,873	987,466
Termination benefits	206,256	127,058
	1,506,129	1,114,524

As part of its normal operations, the Bank also makes loans and advances to key management personnel. As at 31 December 2024, a total of \$193,567 (2023: \$77,519) was receivable from key management personnel as approved advances made by the Bank. No expected credit losses have been recognised in respect of loans given to related parties. The amount of collateral in respect of loans to related parties as at 31 December 2024 \$742,300 (2023: \$242,300). The Bank has a residential mortgage loan program for qualifying permanent staff. This facility is available for a maximum period of 25 years with a variable interest rate initially set at 0.50% (2023: 2.00%).

#### Transactions with the Government of Belize and public sector entities in Belize

Receivables and payables to the Government of Belize and other related public sector entities arise mainly from the Bank carrying out one of its key functions as a fiscal agent for all transactions with International financial institutions (Section 31, 33, 34 and 35 of the Central Bank of Belize Act Revised Edition 2011). Section 24 also permits the Bank to make direct advances to the Government of Belize. Below is an analysis of the transactions with the Government and other related public sector entities:

	01 January 2024	Disburse- ments	Deposits	31 December 2024
Social Security Board	(3,569)	249,099	(360,000)	(114,470)
Development Finance Corporation	(94,637)	23,231,757	(23,170,000)	(32,880)
Financial Intelligence Unit	(1,051,277)	2,713,799	(3,200,000)	(1,537,478)
Belize Tourism Board	(1,795,148)	13,232,885	(12,867,640)	(1,429,903)
Belize Electricity Limited	(24,925)	4,134,793	(4,134,793)	(24,925)
Belize City Council Sinking Fund	(310,082)	85,000	(1,285,513)	(1,510,595)
Belize Water Services Limited Sinking Fund	(128)	20,969,178	(20,986,591)	(17,541)
Financial Services Commission	(1,786,184)	300,000	-	(1,486,184)
Government of Belize (current account)	(68,457,293)	714,867,790	(694,371,849)	(47,961,352)
	(73,523,243)	779,784,300	(760,376,386)	(54,115,328)

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

### 33. Related party transactions (continued)

#### Transactions with the Government of Belize and public sector entities in Belize (continued)

	01 January 2023	Disburse- ments	Deposits	31 December 2023
Social Security Board	(76,488)	113,310	(40,391)	(3,569)
Development Finance Corporation	(1,752,732)	26,112,641	(24,454,546)	(94,637)
Financial Intelligence Unit	(481,627)	2,770,351	(3,340,001)	(1,051,277)
Belize Tourism Board	(2,480,972)	13,482,457	(12,796,633)	(1,795,148)
Belize Electricity Limited	(24,925)	4,524,419	(4,524,419)	(24,925)
Belize City Council Sinking Fund	(2,753,182)	6,870,209	(4,427,109)	(310,082)
Belize Water Services Limited Sinking Fund	(2,027,808)	18,319,799	(16,292,119)	(128)
Financial Services Commission	(2,786,184)	1,000,000	-	(1,786,184)
Government of Belize (current account)	(60,723,869)	934,221,416	(941,954,840)	(68,457,293)
	(73,107,787)	1,007,414,602	(1,007,830,058)	(73,523,243)

#### Transactions with the Central Bank of Belize Pension Scheme

The Bank accumulates the pension contributions for the Scheme's members and remits it to the Scheme on a monthly basis along with its own contributions. In addition, the Bank acts as an intermediary for payments of benefits to the Scheme's members and payment of professional fees. The Scheme periodically reimburses the Bank for such expenses.

	01 January 2024	Contributions paid by the Bank to the Scheme	Contributions due to the scheme	31 December 2024
Contributions to the scheme	-	1,451,328	(1,451,328)	-
	-	1,451,328	(1,451,328)	-

	01 January 2023	Contributions paid by the Bank to the Scheme	Contributions due to the scheme	31 December 2023
Contributions to the scheme	-	3,230,997	(3,230,997)	-
	-	3,230,997	(3,230,997)	-

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

### 34. Analysis of financial assets and liabilities by measurement basis

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies on Note 2h describes how financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis:

As at 31 December 2024	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Total
<u>Financial assets</u>				
Balances with foreign banks and foreign currency notes	-	7,292,750	-	7,292,750
Reserve Tranche and balances with the International Monetary	-	-	114,035,336	114,035,336
Other foreign credit instruments	-	242,776,768	-	242,776,768
Cash-in-transit		278,174		278,174
Marketable securities issued or guaranteed by foreign governments and international	-	617,749,419	-	617,749,419
Balances with local banks and cash on hand	-	1,839,142	-	1,839,142
Government of Belize securities	-	743,612,167	-	743,612,167
Other assets	-	10,713,656	-	10,713,656
Equity instruments	20,000,000	-	-	20,000,000
<b>Total financial assets</b>	<b>20,000,000</b>	<b>1,624,262,075</b>	<b>114,035,336</b>	<b>1,758,297,411</b>

# Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

## 34. Analysis of financial assets and liabilities by measurement basis (continued)

As at 31 December 2024	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total	
<u>Financial liabilities</u>				
Notes and coins in circulation	-	738,073,839	738,073,839	
Deposits by licensed financial institutions	-	741,991,005	741,991,005	
Deposits by and balances due to Government and Public sector entities in Belize	-	116,998,056	116,998,056	
Deposits by international agencies	-	605,014	605,014	
Balances due to CARICOM central banks	-	92,622	92,622	
Other liabilities	-	14,421,125	14,421,125	
International Monetary Fund' SDR Allocations	-	114,057,277	114,057,277	
Commercial banks' discount fund	-	1,654,034	1,654,034	
<b>Total financial liabilities</b>	-	<b>1,727,892,973</b>	<b>1,727,892,973</b>	
<b>As at 31 December 2023</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Financial assets at amortised cost</b>	<b>Financial assets at fair value through other compre- hensive income</b>	<b>Total</b>
<u>Financial assets</u>				
Balances with foreign banks and foreign currency notes	-	6,221,839	-	6,221,839
Reserve Tranche and balances with the International Monetary	-	-	117,566,734	117,566,734
Other foreign credit instruments	-	237,157,969	-	237,157,969
Cash-in-transit	-	-	-	-
Marketable securities issued or guaranteed by foreign governments and managed by international financial institutions	-	571,239,484	-	571,239,484
Balances with local banks and cash on hand	-	1,593,069	-	1,593,069
Government of Belize securities	-	787,760,775	-	787,760,775
Other assets	-	9,751,117	-	9,751,117
Equity instruments	20,000,000	-	-	20,000,000
<b>Total financial assets</b>	20,000,000	1,613,724,253	117,566,734	<b>1,751,290,987</b>

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

### 34. Analysis of financial assets and liabilities by measurement basis (continued)

As at 31 December 2023	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
<u>Financial liabilities</u>			
Notes and coins in circulation	-	686,469,151	<b>686,469,151</b>
Deposits by licensed financial institutions	-	747,865,975	<b>747,865,975</b>
Deposits by and balances due to Government and Public sector entities in Belize	-	149,612,166	<b>149,612,166</b>
Deposits by international agencies	-	2,468,594	<b>2,468,594</b>
Balances due to CARICOM central banks	-	225,573	<b>225,573</b>
Other liabilities	-	13,535,156	<b>13,535,156</b>
International Monetary Fund' SDR Allocations	-	117,496,998	<b>117,496,998</b>
Commercial banks' discount fund	-	1,654,034	<b>1,654,034</b>
<b>Total financial liabilities</b>	-	<b>1,719,327,647</b>	<b>1,719,327,647</b>

### 35. Fair value measurement

#### Determination of fair value and fair value hierarchy

The Bank uses the following hierarchy for determining and disclosing their fair value of financial instruments by valuation technique:

Level 1: quotes (unadjusted prices in active markets for identical assets or liabilities).

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Bank recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The following table provides the fair value measurement hierarchy of the Bank's assets and liabilities.

As at 31 December 2024	Notes	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVOCI</u>					
Reserve Tranche and balances with the International Monetary Fund	4	<b>114,035,336</b>	-	-	<b>114,035,336</b>
<u>Financial assets at FVTPL</u>					
Equity instruments	11	-	-	<b>20,000,000</b>	<b>20,000,000</b>
<b>Total financial assets measured at fair value</b>		<b>114,035,336</b>	-	<b>20,000,000</b>	<b>134,035,336</b>

**Central Bank of Belize**

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

**35. Fair value measurement (continued)**

<b>As at 31 December 2023</b>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVOCI</u>					
Reserve Tranche and balances with the International Monetary Fund	<b>4</b>	117,566,734	-	-	<b>117,566,734</b>
<u>Financial assets at FVTPL</u>					
Equity instruments	<b>11</b>	-	-	20,000,000	<b>20,000,000</b>
<b>Total financial assets measured at fair value</b>		<b>117,566,734</b>	<b>-</b>	<b>20,000,000</b>	<b>137,566,734</b>



## Central Bank of Belize

### Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

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#### 36. Financial risk management

By its nature, the Bank's activities are principally related to the use of financial instruments. The strategy for using these financial instruments is embedded in the mission of the Bank to foster an economic and financial environment conducive to sustainable economic growth and development.

The Bank has exposure to the following risks from its use of financial instruments:

- Credit risk
- Currency risk
- Liquidity risk
- Interest rate risk
- Operational risk

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. It has established two committees for this purpose:

- (i) Investment Committee, which is responsible for providing oversight on the conversion of investment strategy into performance, risk exposure for the Bank's Foreign Reserves, financial structure, and performance of the portfolio and investments.
- (ii) Audit Committee, which is responsible for monitoring compliance with the Bank's risk management policies and procedures and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. The Audit Committee is assisted in these functions by the Internal Audit Department. This department undertakes both regular and ad hoc reviews of management controls and procedures, the results of which are reported to the Board of Directors and the Audit Committee.

##### **(i) Credit risk**

The Bank is exposed to credit risk, which is the risk of loss arising from the failure of a borrower, issuer, counterparty or customer to meet its financial obligations to the Bank. Credit risk arises in the Bank's management of its financial assets, for example in the investment of the Bank's own funds and in the course of the banking services it provides to its customers and employees.

Credit risk is managed on a portfolio basis consisting of both foreign, local and internal designations. Credit risk in respect of foreign designations, are managed via diversification of investments and held by major reputable financial institutions. In respect of local securities, the Bank transacts primarily with or investments related to the Government of Belize. Internal designations are managed using internal policies of eligibility and security for employee loans.

**Central Bank of Belize****Notes to the financial statements for the years ended 31 December 2024 and 2023****(in Belize dollars)****36. Financial risk management (continued)****(i) Credit risk (continued)**

In measuring the expected credit losses, the Bank's foreign and local investments are considered to have low credit risk and the loss allowance recognised is based on the 12 months expected loss. Low credit risk are those with high-quality external credit ratings. The Bank has developed a model utilising external credit ratings to develop the probability of default (PD) against a loss given default of 25%.

Security

The Bank holds collaterals in respect of its internally designated financial assets as follows:

<b>At 31 December 2024</b>	<b>Maximum exposure</b>	<b>Stamped value</b>	<b>Appraised value</b>
Staff mortgage loans	7,214,454	10,041,724	13,905,359
Staff consumer loans (bills of sale)	789,735	1,079,109	1,083,900
Staff consumer loans (regular)	2,405,086	-	-
	<b>10,409,275</b>	<b>11,120,833</b>	<b>14,989,259</b>
<b>At 31 December 2023</b>	<b>Maximum exposure</b>	<b>Stamped value</b>	<b>Appraised value</b>
Staff mortgage loans	6,320,923	8,432,805	12,032,653
Staff consumer loans (bills of sale)	420,143	644,109	648,900
Staff consumer loans (regular)	1,571,299	-	-
	<b>8,312,365</b>	<b>9,076,914</b>	<b>12,681,553</b>

Significant increase in credit risk

The Bank continuously monitors all assets subject to ECL's. The Bank assesses whether there has been a significant increase in credit risk since initial recognition to determine whether a financial instrument is subject to 12 months ECL or life-time ECL.

**Central Bank of Belize**

**Notes to the financial statements for the years ended 31 December 2024 and 2023**

(in Belize dollars)

**36. Financial risk management (continued)**

**(i) Credit risk (continued)**

Significant increase in credit risk (continued)

The following table details the gross carrying amounts and the corresponding ECL's by stage:

<b>As at 31 December 2024</b>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Other foreign credit instruments		242,810,484	-	-	242,810,484
Expected credit loss	5	(33,716)	-	-	(33,716)
		242,776,768	-	-	242,776,768
Marketable securities issued or guaranteed by foreign governments and managed by foreign financial institutions		617,765,869	-	-	617,765,869
Expected credit loss	7	(16,450)	-	-	(16,450)
		617,749,419	-	-	617,749,419
Other assets		10,761,116	-	-	10,761,116
Expected credit loss	10	(47,460)	-	-	(47,460)
		10,713,656	-	-	10,713,656
<b>Total net amounts</b>		<b>871,239,842</b>	<b>-</b>	<b>-</b>	<b>871,239,842</b>
<b>ECL as a % of carrying amounts</b>		<b>0.01%</b>	<b>-</b>	<b>-</b>	<b>0.01%</b>

**Central Bank of Belize**

**Notes to the financial statements for the years ended 31 December 2024 and 2023**

(in Belize dollars)

**36. Financial risk management (continued)**

**(i) Credit risk (continued)**

Significant increase in credit risk (continued)

<b>As at 31 December 2023</b>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Other foreign credit instruments		237,181,530	-	-	<b>237,181,530</b>
Expected credit loss	<b>5</b>	(23,561)	-	-	<b>(23,561)</b>
		237,157,969	-	-	<b>237,157,969</b>
Marketable securities issued or guaranteed by foreign governments and managed by foreign financial institutions		571,253,864	-	-	<b>571,253,864</b>
Expected credit loss	<b>7</b>	(14,380)	-	-	<b>(14,380)</b>
		571,239,484	-	-	<b>571,239,484</b>
Other assets		9,753,951	-	-	<b>9,753,951</b>
Expected credit loss	<b>10</b>	(2,834)	-	-	<b>(2,834)</b>
		9,751,117	-	-	<b>9,751,117</b>
<b>Total net amounts</b>		<b>818,148,570</b>	<b>-</b>	<b>-</b>	<b>818,148,570</b>
<b>ECL as a % of carrying amounts</b>		<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>

Geographical concentration

The following tables break down the Bank's main credit exposure at their carrying amounts, as categorised by geographical regions as of 31 December 2024 and 31 December 2023. The Bank has allocated exposure to regions based on the country of domicile of the counterparties.

**Central Bank of Belize**

**Notes to the financial statements for the years ended 31 December 2024 and 2023**

(in Belize dollars)

**36. Financial risk management (continued)**

**(i) Credit risk (continued)**

Geographical concentration (continued)

**As at 31 December 2024**

<b>Financial assets</b>	<b>Belize</b>	<b>USA</b>	<b>Canada</b>	<b>UK</b>	<b>Europe</b>	<b>Dominica</b>	<b>Total</b>
Balances with foreign banks and foreign Reserve Tranche and balances with the International Monetary Fund	<b>626,056</b>	<b>4,665,259</b>	<b>60,250</b>	<b>659,681</b>	<b>1,281,503</b>	-	<b>7,292,750</b>
Other foreign credit instruments	-	<b>114,035,336</b>	-	-	-	-	<b>114,035,336</b>
Cash-in-transit	-	<b>200,953,292</b>	-	<b>41,823,476</b>	-	-	<b>242,776,768</b>
Marketable securities issued or guaranteed by foreign governments and managed by foreign financial institutions	-	<b>278,174</b>	-	-	-	-	<b>278,174</b>
Balances with local banks and cash on hand	-	<b>616,529,869</b>	-	-	-	<b>1,219,550</b>	<b>617,749,419</b>
Government of Belize securities	<b>1,839,142</b>	-	-	-	-	-	<b>1,839,142</b>
Other assets	<b>743,612,167</b>	-	-	-	-	-	<b>743,612,167</b>
Equity instruments	<b>10,713,656</b>	-	-	-	-	-	<b>10,713,656</b>
	<b>20,000,000</b>	-	-	-	-	-	<b>20,000,000</b>
	<b>776,791,020</b>	<b>936,461,930</b>	<b>60,250</b>	<b>42,483,157</b>	<b>1,281,503</b>	<b>1,219,550</b>	<b>1,758,297,411</b>

**Central Bank of Belize**

**Notes to the financial statements for the years ended 31 December 2024 and 2023**

(in Belize dollars)

**36. Financial risk management (continued)**

**(i) Credit risk (continued)**

Geographical concentration (continued)

**As at 31 December 2024 (continued)**

<b>Financial liabilities</b>	<b>Belize</b>	<b>USA</b>	<b>Barbados</b>	<b>Jamaica</b>	<b>Guyana</b>	<b>Trinidad &amp; Tobago</b>	<b>Total</b>
Notes and coins in circulation	<b>738,073,839</b>	-	-	-	-	-	<b>738,073,839</b>
Deposits by licensed financial institutions	<b>741,991,005</b>	-	-	-	-	-	<b>741,991,005</b>
Deposits by and balances due to Government and Public sector entities in Belize	<b>116,998,056</b>	-	-	-	-	-	<b>116,998,056</b>
Deposits by international agencies	-	<b>206,273</b>	<b>398,741</b>	-	-	-	<b>605,014</b>
Balances due to CARICOM central banks	-	-	-	<b>81,200</b>	<b>11,422</b>	-	<b>92,622</b>
Other liabilities	<b>14,421,125</b>	-	-	-	-	-	<b>14,421,125</b>
International Monetary Fund' SDR Allocations	-	<b>114,057,277</b>	-	-	-	-	<b>114,057,277</b>
Commercial banks' discount fund	-	<b>1,654,034</b>	-	-	-	-	<b>1,654,034</b>
	<b>1,611,484,025</b>	<b>115,917,584</b>	<b>398,741</b>	<b>81,200</b>	-	-	<b>1,727,892,973</b>

**Central Bank of Belize**

**Notes to the financial statements for the years ended 31 December 2024 and 2023**

(in Belize dollars)

**36. Financial risk management (continued)**

**(i) Credit risk (continued)**

Geographical concentration (continued)

**As at 31 December 2023**

<b>Financial assets</b>	<b>Belize</b>	<b>USA</b>	<b>Canada</b>	<b>UK</b>	<b>Europe</b>	<b>Dominica</b>	<b>Total</b>
Balances with foreign banks and foreign	1,048,496	3,559,112	65,213	290,183	1,258,835	-	<b>6,221,839</b>
Reserve Tranche and balances with the International Monetary Fund	-	117,566,734	-	-	-	-	<b>117,566,734</b>
Other foreign credit instruments	-	181,833,758	-	55,324,211	-	-	<b>237,157,969</b>
Cash-in-transit	-	-	-	-	-	-	<b>-</b>
Marketable securities issued or guaranteed by foreign governments and managed by foreign financial institutions	-	569,857,326	-	-	-	1,382,158	<b>571,239,484</b>
Balances with local banks and cash on hand	1,593,069	-	-	-	-	-	<b>1,593,069</b>
Government of Belize securities	787,760,775	-	-	-	-	-	<b>787,760,775</b>
Other assets	9,751,117	-	-	-	-	-	<b>9,751,117</b>
Equity instruments	20,000,000	-	-	-	-	-	<b>20,000,000</b>
	<b>820,153,457</b>	<b>872,816,929</b>	<b>65,213</b>	<b>55,614,394</b>	<b>1,258,835</b>	<b>1,382,158</b>	<b>1,751,290,987</b>

**Central Bank of Belize**

**Notes to the financial statements for the years ended 31 December 2024 and 2023**

(in Belize dollars)

**36. Financial risk management (continued)**

**(i) Credit risk (continued)**

Geographical concentration (continued)

**As at 31 December 2023 (continued)**

<b>Financial liabilities</b>	<b>Belize</b>	<b>USA</b>	<b>Barbados</b>	<b>Jamaica</b>	<b>Guyana</b>	<b>Trinidad &amp; Tobago</b>	<b>Total</b>
Notes and coins in circulation	686,469,151	-	-	-	-	-	<b>686,469,151</b>
Deposits by licensed financial institutions	747,865,975	-	-	-	-	-	<b>747,865,975</b>
Deposits by and balances due to Government and public sector entities in Belize	149,612,166	-	-	-	-	-	<b>149,612,166</b>
Deposits by international agencies	-	211,354	2,257,240	-	-	-	<b>2,468,594</b>
Balances due to CARICOM central banks	-	-	166,900	56,200	-	2,473	<b>225,573</b>
Other liabilities	13,535,156	-	-	-	-	-	<b>13,535,156</b>
International Monetary Fund SDR allocations	-	117,496,998	-	-	-	-	<b>117,496,998</b>
Commercial banks' discount fund	-	1,654,034	-	-	-	-	<b>1,654,034</b>
	<b>1,597,482,448</b>	<b>119,362,386</b>	<b>2,424,140</b>	<b>56,200</b>	<b>-</b>	<b>2,473</b>	<b>1,719,327,646</b>

**(ii) Currency risk**

Currency risk is the risk that the market value of, or cash flow from, financial instruments will vary because of exchange rate fluctuations. The Bank takes on exposure to fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. Because of its conservative nature, the Bank's exposure is limited since a significant portion of its external assets are held in US funds and in SDR funds necessary to meet Belize's quota with the IMF and SDR allocations. Other external asset funds are kept at a minimum. Management seeks to manage this risk by monitoring the levels of exposure by currency.



**Central Bank of Belize**

**Notes to the financial statements for the years ended 31 December 2024 and 2023**

(in Belize dollars)

**36. Financial risk management (continued)**

**(ii) Currency risk (continued)**

**As at 31 December 2024**

<b>Financial assets</b>	<b>BZD</b>	<b>USD</b>	<b>SDR</b>	<b>EUR</b>	<b>CAD</b>	<b>GBP</b>	<b>Total</b>
Balances with foreign banks and foreign	-	6,682,784		532,350	60,250	17,366	7,292,750
Reserve Tranche and balances with the International Monetary Fund	-	-	114,035,336	-	-	-	114,035,336
Other foreign credit instruments	-	242,776,768	-	-	-	-	242,776,768
Cash-in-transit		278,174					278,174
Marketable securities issued or guaranteed by foreign governments and managed by foreign financial institutions	-	617,749,419	-	-	-	-	617,749,419
Balances with local banks and cash on hand	1,839,142	-	-	-	-	-	1,839,142
Government of Belize securities	743,612,167	-	-	-	-	-	743,612,167
Other assets	10,713,656	-	-	-	-	-	10,713,656
Equity instruments	20,000,000	-	-	-	-	-	20,000,000
	<b>776,164,964</b>	<b>867,487,146</b>	<b>114,035,336</b>	<b>532,350</b>	<b>60,250</b>	<b>17,366</b>	<b>1,758,297,411</b>

**Central Bank of Belize**

**Notes to the financial statements for the years ended 31 December 2024 and 2023**

(in Belize dollars)

**36. Financial risk management (continued)**

**(ii) Currency risk (continued)**

**As at 31 December 2024 (continued)**

<b>Financial liabilities</b>	<b>BZD</b>	<b>USD</b>	<b>SDR</b>	<b>EUR</b>	<b>CAD</b>	<b>GBP</b>	<b>Total</b>
Notes and coins in circulation	738,073,839	-	-	-	-	-	738,073,839
Deposits by licensed financial institutions	741,991,005	-	-	-	-	-	741,991,005
Deposits by and balances due to Government and Public sector entities in Belize	112,334,968	4,663,088	-	-	-	-	116,998,056
Deposits by international agencies	-	428,481	176,533	-	-	-	605,014
Balances due to CARICOM central banks	-	92,622	-	-	-	-	92,622
Other liabilities	4,944,100	-	-	-	-	-	4,944,100
International Monetary Fund' SDR Allocations	-	-	114,057,277	-	-	-	114,057,277
Commercial banks' discount fund	1,654,034	-	-	-	-	-	1,654,034
	<b>1,598,997,946</b>	<b>5,184,191</b>	<b>114,233,810</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,718,415,947</b>
<b>Net currency position</b>	<b>(822,832,982)</b>	<b>862,302,955</b>	<b>(198,474)</b>	<b>532,350</b>	<b>60,250</b>	<b>17,366</b>	<b>39,881,465</b>

**Central Bank of Belize**

**Notes to the financial statements for the years ended 31 December 2024 and 2023**

(in Belize dollars)

**36. Financial risk management (continued)**

**(ii) Currency risk (continued)**

**As at 31 December 2023**

<b>Financial assets</b>	<b>BZD</b>	<b>USD</b>	<b>SDR</b>	<b>EUR</b>	<b>CAD</b>	<b>GBP</b>	<b>Total</b>
Balances and deposits with foreign banks	-	5,543,706	-	547,551	65,213	65,369	<b>6,221,839</b>
Reserve Tranche and balances with the International Monetary Fund	-	-	117,566,734	-	-	-	<b>117,566,734</b>
Other foreign credit instruments	-	237,157,969	-	-	-	-	<b>237,157,969</b>
Cash-in-transit	-	-	-	-	-	-	<b>-</b>
Marketable securities issued or guaranteed by foreign governments and managed by foreign financial institutions	-	571,239,484	-	-	-	-	<b>571,239,484</b>
Balances with local banks and cash on hand	1,593,069	-	-	-	-	-	<b>1,593,069</b>
Government of Belize securities	787,760,775	-	-	-	-	-	<b>787,760,775</b>
Other assets	9,751,117	-	-	-	-	-	<b>9,751,117</b>
Equity instruments	20,000,000	-	-	-	-	-	<b>20,000,000</b>
	<b>819,104,961</b>	<b>813,941,159</b>	<b>117,566,734</b>	<b>547,551</b>	<b>65,213</b>	<b>65,369</b>	<b>1,751,290,986</b>

**Central Bank of Belize**

**Notes to the financial statements for the years ended 31 December 2024 and 2023**

(in Belize dollars)

**36. Financial risk management (continued)**

**(ii) Currency risk (continued)**

**As at 31 December 2023 (continued)**

<b>Financial liabilities</b>	<b>BZD</b>	<b>USD</b>	<b>SDR</b>	<b>EUR</b>	<b>CAD</b>	<b>GBP</b>	<b>Total</b>
Notes and coins in circulation	686,469,151	-	-	-	-	-	<b>686,469,151</b>
Deposits by licensed financial institutions	747,865,975	-	-	-	-	-	<b>747,865,975</b>
Deposits by and balances due to Government and public sector entities in Belize	144,330,368	5,281,798	-	-	-	-	<b>149,612,166</b>
Deposits by international agencies	-	2,286,980	181,614	-	-	-	<b>2,468,594</b>
Balances due to CARICOM central banks	-	225,573	-	-	-	-	<b>225,573</b>
Other liabilities	13,535,156	-	-	-	-	-	<b>13,535,156</b>
International Monetary Fund SDR allocations	-	-	117,496,998	-	-	-	<b>117,496,998</b>
Commercial banks' discount fund	1,654,034	-	-	-	-	-	<b>1,654,034</b>
	<b>1,593,854,684</b>	<b>7,794,351</b>	<b>117,678,612</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,719,327,647</b>
<b>Net currency position</b>	<b>(774,749,723)</b>	<b>806,146,808</b>	<b>(111,878)</b>	<b>547,551</b>	<b>65,213</b>	<b>65,369</b>	<b>31,963,339</b>

**Central Bank of Belize**

**Notes to the financial statements for the years ended 31 December 2024 and 2023**

(in Belize dollars)

**36. Financial risk management (continued)**

**(ii) Currency risk (continued)**

**Statement of revaluation as at 31 December 2024**

	<b>Foreign currency</b>	<b>Year-end rate</b>	<b>Belize dollar value</b>
Euro Dollar Fund	256,283	2.07720	532,350
Canadian Fund	43,376	1.38900	60,250
SDR Fund	43,720,696	2.60827	114,035,336
USD Fund	433,944,354	2.00000	867,888,707
Sterling Fund	6,928	2.50660	17,366
Belize Dollar Fund	(982,386,406)	1.00000	(982,386,406)
<b>Revaluation gain for the year</b>	-	-	<b>147,603</b>
<b>Revaluation balance as at 01 January 2024</b>	-	-	<b>165,853</b>
<b>Increase in revaluation</b>	-	-	<b>147,603</b>
<b>Revaluation balance as at 31 December 2024</b>	-	-	<b>313,456</b>

**Central Bank of Belize**

**Notes to the financial statements for the years ended 31 December 2024 and 2023**

(in Belize dollars)

**36. Financial risk management (continued)**

**(ii) Currency risk (continued)**

**Statement of revaluation as at 31 December 2023**

	<b>Foreign currency</b>	<b>Year-end rate</b>	<b>Belize dollar value</b>
Euro Dollar Fund	247,671	2.21080	<b>547,551</b>
Canadian Fund	43,239	1.50820	<b>65,213</b>
SDR Fund	43,813,597	2.68334	<b>117,566,734</b>
USD Fund	407,278,922	2.00000	<b>814,557,844</b>
Sterling Fund	25,695	2.54400	<b>65,369</b>
Belize Dollar Fund	(932,763,807)	1.00000	<b>(932,763,807)</b>
<b>Revaluation loss for the year</b>	-	-	<b>38,904</b>
<b>Revaluation balance as at 01 January 2023</b>	-	-	<b>126,949</b>
<b>Decrease in revaluation</b>	-	-	<b>38,904</b>
<b>Revaluation balance as at 31 December 2023</b>	-	-	<b>165,853</b>

The following table demonstrates the sensitivity of profit and equity to a reasonably possible change in the foreign exchange rates, with all other variables held constant.

A 10% strengthening of the Belize dollar against the following currencies as at 31 December would have increased/(decreased) equity and profit or loss by the following amounts (in \$BZD'000):

**Central Bank of Belize**

**Notes to the financial statements for the years ended 31 December 2024 and 2023**

(in Belize dollars)

**36. Financial risk management (continued)**

**(ii) Currency risk (continued)**

	<b>2024</b>		<b>2023</b>	
	<b>Profit or loss</b>	<b>Equity</b>	<b>Profit or loss</b>	<b>Equity</b>
	<b>Effect of 10%</b>	<b>Effect of 10%</b>	<b>Effect of 10%</b>	<b>Effect of 10%</b>
	<b>increase/(decrease)</b>	<b>increase/(decrease)</b>	<b>increase/(decrease)</b>	<b>increase/(decrease)</b>
<b>Financial assets</b>				
SDR	-	<b>44</b>	-	70
CAD	-	<b>6</b>	-	7
EUR	-	<b>53</b>	-	55
USD	-	-	-	-
GBP	-	<b>2</b>	-	7
	-	<b>105</b>	-	139

**(iii) Interest rate risk**

Interest rate risk arises from the possibility that changes in market interest rates will affect the future cash flows or fair values of financial instruments. CBB's objective in the management of interest rate risk is to reduce the sensitivity of its earnings and overall portfolio value to variations in interest rates. The strategy employed to achieve this involves keeping a significant portion of all financial assets in Belize and United States dollars. The only other major category is Special Drawing Rights (SDRs) that are necessary to meet Belize's requirements and quota with the IMF. Other financial assets are kept at a minimum.

**Central Bank of Belize**

**Notes to the financial statements for the years ended 31 December 2024 and 2023**

(in Belize dollars)

**36. Financial risk management (continued)**

**(iii) Interest rate risk (continued)**

The following tables present interest rate gap analysis in BZD'000.

<b>As at 31 December 2024</b>	<b>On demand/less than 1 month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>6-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>Rate sensitive assets</b>							
Fixed deposits	-	-	514	1,029	-	-	1,543
Treasury bills	-	-	-	-	-	-	-
Treasury notes	-	-	855	2,279	3,703	5,127	11,963
Bonds	-	-	-	-	2,352	-	2,352
Debenture	-	-	-	-	-	1	1
Reserve Tranche and balances with the International Monetary Fund	-	-	-	-	-	964	964
<b>Total rate sensitive assets</b>	-	-	1,369	3,307	6,055	6,092	16,823
<b>Rate sensitive liabilities</b>							
International Monetary Fund' SDR Allocations	-	-	-	-	-	2,042	2,042
<b>Total rate sensitive liabilities</b>	-	-	-	-	-	2,042	2,042
<b>Interest sensitivity surplus</b>	-	-	1,369	3,307	6,055	4,051	14,781



**Central Bank of Belize**

**Notes to the financial statements for the years ended 31 December 2024 and 2023**

(in Belize dollars)

**36. Financial risk management (continued)**

**(iii) Interest rate risk (continued)**

<b>As at 31 December 2023</b>	<b>On demand/less than 1 month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>6-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>Rate sensitive assets</b>							
Fixed deposits	-	-	80	-	-	-	<b>80</b>
Treasury bills	-	-	-	-	-	-	<b>-</b>
Treasury notes	-	-	135	120	841	1,784	<b>2,880</b>
Bonds	-	-	-	-	838	-	<b>838</b>
Debenture	-	-	-	-	-	1	<b>1</b>
Reserve Tranche and balances with the International Monetary Fund	-	-	-	-	-	1,288	<b>1,288</b>
<b>Total rate sensitive assets</b>	<b>-</b>	<b>-</b>	<b>215</b>	<b>120</b>	<b>1,679</b>	<b>3,073</b>	<b>5,087</b>
<b>Rate sensitive liabilities</b>							
International Monetary Fund' SDR Allocations	-	-	-	-	-	1,287	<b>1,287</b>
<b>Total rate sensitive liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,287</b>	<b>1,287</b>
<b>Interest sensitivity surplus</b>	<b>-</b>	<b>-</b>	<b>215</b>	<b>120</b>	<b>1,679</b>	<b>1,786</b>	<b>3,800</b>

**Central Bank of Belize****Notes to the financial statements for the years ended 31 December 2024 and 2023****(in Belize dollars)**

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**36. Financial risk management (continued)****(iii) Interest rate risk (continued)**

The table below analyses the average interest rates for the Bank's foreign deposit accounts and investments.

	2024	2023
Balances and deposits with foreign banks	4.52%	4.32%
Other foreign credit instruments - fixed deposits	5.02%	4.94%
Other foreign credit instruments - overnight deposits	5.11%	4.99%
Marketable securities - US Treasury notes	2.99%	2.24%
Marketable securities - bonds	3.37%	4.37%
Marketable securities - debentures	3.50%	3.50%

**(iv) Liquidity risk**

Liquidity risk is the risk that the Bank will not be able to meet its financial liabilities as they fall due. Prudent liquidity management requires maintaining sufficient cash and marketable securities, and ensuring the availability of funding through an adequate amount of committed standby credit facilities to meet commitments.

IFRS 7 requires an analysis of the Bank's assets and liabilities at the Statements of Financial Position date into relevant maturity groupings based on the remaining period to the contractual maturity date. This requirement is not relevant to the Central Bank which is the ultimate source of Belize dollar liquidity. In managing the foreign currency liquidity risk, the Bank makes every effort to hold appropriate cash balances by forecasting and monitoring liquidity through cash flow matching and holding a portfolio of liquid foreign exchange reserves. The table below analyses the Bank's assets into relevant maturity grouping based on the remaining period at the statements of financial position date to the contractual maturity date.

**Central Bank of Belize**

**Notes to the financial statements for the years ended 31 December 2024 and 2023**

(in Belize dollars)

**36. Financial risk management (continued)**

**(iv) Liquidity risk (continued)**

**As 31 December 2024**

<b>Financial assets</b>	<b>On demand/less than 1 month</b>	<b>1-3 Months</b>	<b>4-6 Months</b>	<b>6-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 years</b>	<b>Total</b>
Balances with foreign banks and foreign	7,292,750	-	-	-	-	-	7,292,750
Reserve Tranche and balances with the International Monetary Fund	-	-	-	-	-	114,035,336	114,035,336
Other foreign credit instruments	55,623,463	68,462,184	65,676,531	53,014,590	-	-	242,776,768
Cash-in-transit	278,174						278,174
Marketable securities issued or guaranteed by foreign governments and managed by foreign financial institutions					435,735,923	182,013,496	617,749,419
Balances with local banks and cash on hand	1,839,142	-	-	-	-	-	1,839,142
Government of Belize securities	65,360,520	223,697,705	75,325,528	122,075,228	182,240,727	74,912,459	743,612,167
Other assets	-	-	-	10,713,656	-	-	10,713,656
Equity instruments	-	-	-	-	-	20,000,000	20,000,000
<b>Total</b>	<b>130,394,048</b>	<b>292,159,889</b>	<b>141,002,059</b>	<b>185,803,474</b>	<b>617,976,650</b>	<b>390,961,291</b>	<b>1,758,297,412</b>

**Central Bank of Belize**

**Notes to the financial statements for the years ended 31 December 2024 and 2023**

(in Belize dollars)

**36. Financial risk management (continued)**

**(iv) Liquidity risk (continued)**

**As 31 December 2024 (continued)**

<b>Financial liabilities</b>	<b>On demand/less than 1 month</b>	<b>1-3 Months</b>	<b>4-6 Months</b>	<b>6-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 years</b>	<b>Total</b>
Notes and coins in circulation	-	-	-	-	-	738,073,839	738,073,839
Deposits by licensed financial institutions	-	-	-	741,991,005	-	-	741,991,005
Deposits by and balances due to Government and public sector entities in Belize	-	116,998,056	-	-	-	-	116,998,056
Deposits by international agencies	-	605,014	-	-	-	-	605,014
Balances due to CARICOM central banks	92,622	-	-	-	-	-	92,622
Other liabilities	-	-	-	14,421,125	-	-	14,421,125
International Monetary Fund SDR allocations	-	-	-	-	-	114,057,277	114,057,277
Commercial banks' discount fund	-	-	-	-	-	1,654,034	1,654,034
<b>Total</b>	<b>92,622</b>	<b>117,603,070</b>	<b>-</b>	<b>756,412,130</b>	<b>-</b>	<b>853,785,150</b>	<b>1,727,892,972</b>
<b>Net liquidity position</b>	<b>130,301,426</b>	<b>174,556,819</b>	<b>141,002,059</b>	<b>(570,608,657)</b>	<b>617,976,650</b>	<b>(462,823,859)</b>	<b>30,404,439</b>

**Central Bank of Belize**

**Notes to the financial statements for the years ended 31 December 2024 and 2023**

(in Belize dollars)

**36. Financial risk management (continued)**

**(iv) Liquidity risk (continued)**

**As 31 December 2023**

<b>Financial assets</b>	<b>On demand/less than 1 month</b>	<b>1-3 Months</b>	<b>4-6 Months</b>	<b>6-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 years</b>	<b>Total</b>
Balances with foreign banks and foreign	6,221,839	-	-	-	-	-	<b>6,221,839</b>
Reserve Tranche and balances with the International Monetary Fund	-	-	-	-	-	117,566,734	<b>117,566,734</b>
Other foreign credit instruments	130,346,896	74,682,475	32,128,598	-	-	-	<b>237,157,969</b>
Cash-in-transit	-	-	-	-	-	-	<b>-</b>
Marketable securities issued or guaranteed by foreign governments and managed by foreign	2,431,412	39,975,857	89,856,485	29,972,847	210,780,987	198,221,895	<b>571,239,484</b>
Balances with local banks and cash on hand	1,593,069	-	-	-	-	-	<b>1,593,069</b>
Government of Belize securities	83,871,775	251,325,000	66,008,000	172,946,000	142,838,000	70,772,000	<b>787,760,775</b>
Other assets	-	-	-	9,751,117	-	-	<b>9,751,117</b>
Equity instruments	-	-	-	-	-	20,000,000	<b>20,000,000</b>
<b>Total</b>	<b>224,464,991</b>	<b>365,983,332</b>	<b>187,993,083</b>	<b>212,669,964</b>	<b>353,618,987</b>	<b>406,560,629</b>	<b>1,751,290,986</b>

**Central Bank of Belize**

**Notes to the financial statements for the years ended 31 December 2024 and 2023**

(in Belize dollars)

**36. Financial risk management (continued)**

**(iv) Liquidity risk (continued)**

**As 31 December 2023 (continued)**

<b>Financial liabilities</b>	<b>On demand/less than 1 month</b>	<b>1-3 Months</b>	<b>4-6 Months</b>	<b>6-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 years</b>	<b>Total</b>
Notes and coins in circulation	-	-	-	-	-	686,469,151	<b>686,469,151</b>
Deposits by licensed financial institutions	-	-	-	747,865,975	-	-	<b>747,865,975</b>
Deposits by and balances due to Government and public sector entities in Belize	-	149,612,166	-	-	-	-	<b>149,612,166</b>
Deposits by international agencies	-	2,468,594	-	-	-	-	<b>2,468,594</b>
Balances due to CARICOM central banks	225,573	-	-	-	-	-	<b>225,573</b>
Other liabilities	-	-	-	13,535,156	-	-	<b>13,535,156</b>
International Monetary Fund SDR allocations	-	-	-	-	-	117,496,998	<b>117,496,998</b>
Commercial banks' discount fund	-	-	-	-	-	1,654,034	<b>1,654,034</b>
<b>Total</b>	<b>225,573</b>	<b>152,080,760</b>	<b>-</b>	<b>761,401,131</b>	<b>-</b>	<b>805,620,183</b>	<b>1,719,327,647</b>
<b>Net liquidity position</b>	<b>224,239,418</b>	<b>213,902,572</b>	<b>187,993,083</b>	<b>(548,731,167)</b>	<b>353,618,987</b>	<b>(399,059,554)</b>	<b>31,963,340</b>

## Central Bank of Belize

Notes to the financial statements for the years ended 31 December 2024 and 2023

(in Belize dollars)

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### 36. Financial risk management (continued)

#### (v) Operational risk

The Bank is exposed to operational risk which can lead to financial losses through error, fraud or inefficiencies. The Bank mitigates this risk by constantly revisiting internal controls, adhering to its fraud policy and reliance on the internal audit function.

### 37. Commitments and contingencies

#### (i) Claims and litigations

The Bank is subject to certain legal proceedings and claims that arise in the ordinary course of business operations. Management believes that the amount of liability, if any, from these actions would not have a material effect on the financial statement of the Bank.

#### (ii) Printing of notes and minting of coins

The Bank commits to order currency from several minters and printers. As at 31 December, the Bank was committed to the following payments for currency:

	2024	2023
Not later than one year	<b>5,595,455</b>	1,205,631

### 38. Subsequent events

Subsequent events have been evaluated through 28 April 2025. Management is unaware of any events after that date that they believe would materially and adversely affect these financial statements. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

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