



SOCIAL SECURITY BOARD

ANNUAL REPORT

AND REVIEW OF EVENTS

2023



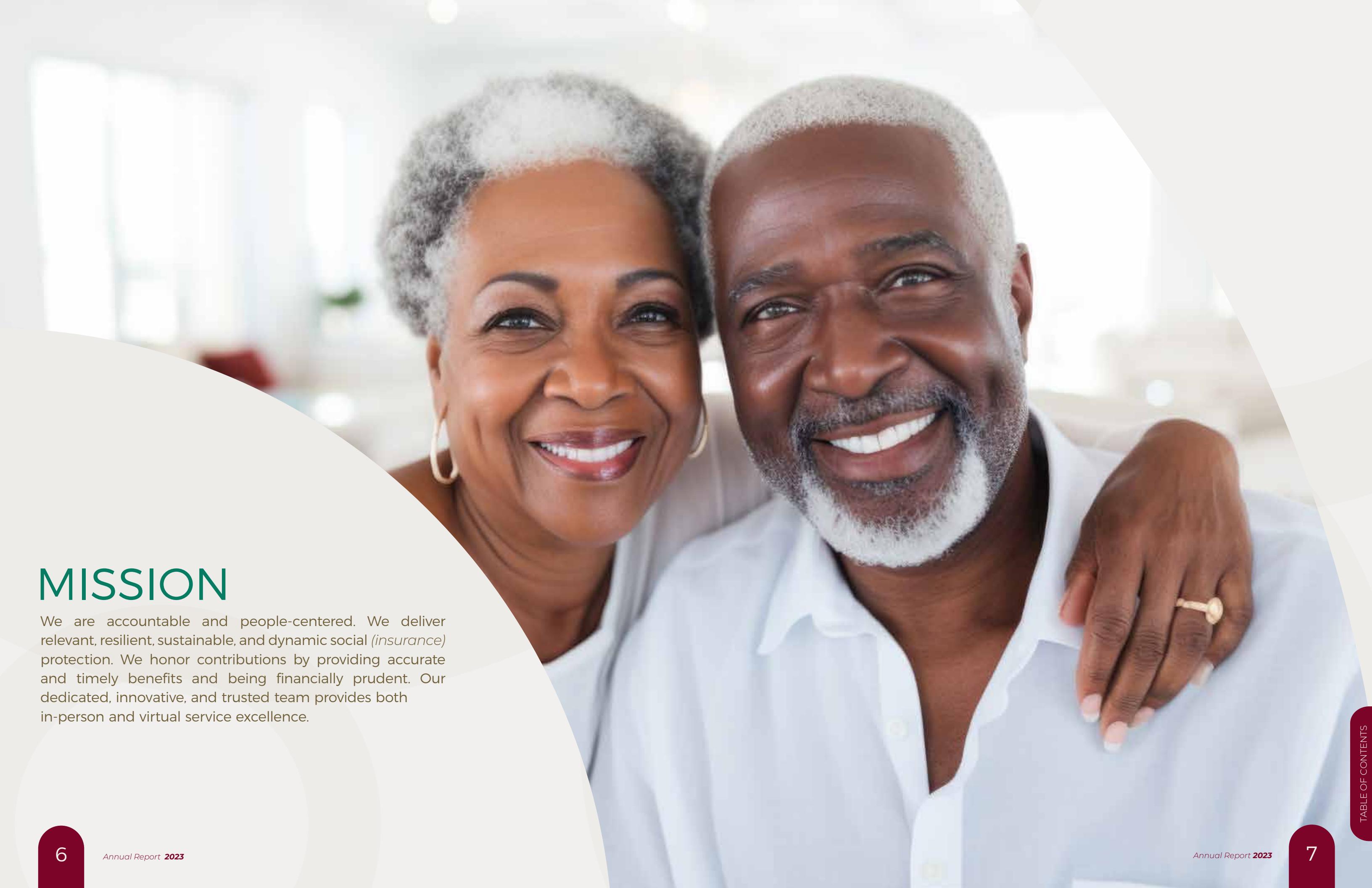
PURPOSE

To deliver a dynamic social insurance program that will provide a guaranteed level of protection: effectively, efficiently, inclusively.

A close-up photograph of a woman with dark, curly hair smiling warmly at a baby. The baby, also with curly hair, is leaning in close to the woman's face, with their hand near her mouth. They are both wearing white shirts. The background is a soft, out-of-focus light color.

VISION

A social security system with inclusive, fair and dependable coverage for our beneficiaries.

A close-up photograph of a smiling senior African American couple. The woman on the left has short, curly grey hair and is wearing a gold hoop earring. The man on the right is bald with a grey beard and is wearing a white button-down shirt. They are both smiling warmly at the camera.

MISSION

We are accountable and people-centered. We deliver relevant, resilient, sustainable, and dynamic social (*insurance*) protection. We honor contributions by providing accurate and timely benefits and being financially prudent. Our dedicated, innovative, and trusted team provides both in-person and virtual service excellence.

STRATEGIES

In 2023, the Social Security Board was guided by clearly defined goals that shaped its strategic direction.

- Enhance Customer Experience.
- Optimize Investment Portfolio & Financial Management.
- Expand Social Security Coverage.

The infographic below presents the key task areas derived from the three primary goals, offering a clear representation of the organization's strategic priorities.



ANNUAL REPORT 2023

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INTRODUCING THE *Board of Directors*



MRS. NIGELI SOSA
Chairman



MRS. EMOGENE HABET
Government Representative



MR. MICHAEL HYDE
Government Representative



ANISSA G. PERDOMO
NTUCB'S Representative



MRS. DEBORAH RUIZ
Chief Executive Officer



MRS. WENDY CASTILLO
Government Representative



MR. MICHAEL COYE
Government Representative



ASHANTI A. MARTIN
Employer's Representative



MR. RAYMOND COX
Employer's Representative



MR. CLIFFORD MARTINEZ
NTUCB'S Representative

HIGHLIGHTS OF 2023

Amid the residual effects of the COVID-19 pandemic on the country's economy in 2022, the Social Security Board demonstrated perseverance, commitment, and resilience, which served as the driving force that propelled the organization toward its strategic objectives in 2023.

Financially, the SSB exceeded expectations, recording a \$22.1 million increase in contributions revenue this year compared to 2022. The Investment Portfolio reached a substantial value of \$495 million (as per the Audited report), representing a \$39 million increase from 2022. The portfolio generated \$26 million in investment

income, reflecting strong performance and yielding a nominal return of 5.5% for the year, a notable improvement compared to the 4.7% return in 2022. Below is a quick synopsis of the year's strategic outcomes.

Benefits Expenditure increased by 7.4% in 2023 over 2022.

The upturn in benefit disbursements is attributable to substantial growth in Retirement Benefits.

Sickness Benefit claims decreased by 12.7% in 2023 compared to 2022 due to the lesser impact of COVID-19 on benefit claims.

The Appeals Tribunal received 88 appeals, 40 of which were sent to an appeal hearing.

SSB's Investment Portfolio reached a substantial value of \$495 million (as per the Audited report), representing a \$39 million increase from 2022.

Investment income amounted to \$26M, which signifies a positive performance of 5.5% nominal return on the portfolio.

Customer Relations Services (CRS) addressed 37,488 customer queries in 2023, a 9.5% increase from 2022.

To increase efficiencies, the HR Department



continued to implement its recruitment strategy for various departments, with 15 positions filled and the recruitment of 15 additional positions initiated.

Submission of online statements by all employers on My Social Security Online Portal now includes Self-Employed Persons. It enables automatic updates to the Insured Person's contribution account, eliminating the need for manual data entry of statements and related processes.

The banking API (Application Programming Interface) facilitates online payments from employers on the My Social Security Online Portal, enabling automated updates to the employer's account. An electronic receipt is emailed to the employer via the email address provided on the account, eliminating the need for manual cashiering processes.

At the SSB Connect public forum, SSB's Actuary, Mr. Hernando Montas stated the importance of reassigning contributions based on actuarial suggestions and the complete implementation of the 10% contribution rate and \$520 ceiling which are expected to maintain the short-term branch, manage reserves, and reinforce the long-term branch, extending its Period of Equilibrium until the end of the decade.

The Fraud Unit was established in July 2023 to investigate suspected and confirmed fraudulent activities and assess the evidence gathered. The unit also scrutinizes internal controls, monitors the effectiveness of fraud detection strategies, and recommends measures to remove or mitigate fraud risks and opportunities.

The S.D.A. fund provided much-needed financial assistance for medical, educational, and community-based purposes. In 2023, the Social Security Board approved financial support in the amount of \$831,437.27 for the following categories: medical, community events, sports, school projects, educational grants, and NGOs.

The government contributed \$29M this year to NHI, \$7M+ more than 2022's contribution of \$21M+. Overall, from the inception of NHI in 2008, the government has contributed a total of \$743,759,763.98.

PART ONE

- REGISTRATIONS OF INSURED PERSONS & EMPLOYERS
- CONTRIBUTIONS
- BENEFITS
- APPEALS TRIBUNAL
- INVESTMENT PORTFOLIO
- CUSTOMER RELATIONS SERVICES
- STAFFING & TRAINING
- CENTRAL INFORMATION SERVICES
- SSB ONLINE SERVICES
- COMMUNICATIONS & PUBLIC RELATIONS
- RESEARCH & ACTUARIAL RECOMMENDATIONS



REGISTRATIONS OF INSURED PERSONS & EMPLOYERS

This section presents statistics on registration of all eligible persons in Belize. The Social Security Act, Chapter 44 of the Laws of Belize Revised Edition 2000 - 2003, provides for the mandatory registration of all nationals, registered aliens, holders of work permits and their dependents, regardless of their age.

Although employer registrations dipped in 2020, a steady trend of increased registrations emerged over the next three years. The primary cause of the decrease in registrations reported in 2020 was the COVID-19 pandemic, which had a significant impact on the economy and affected many countries worldwide. The percentage of newly registered persons increased from 2.1% in 2022 to 2.9% in 2023. **Table 1.6** below shows the breakout of these figures by newly registered persons in the population by district.

The number of newly registered businesses increased in 2023 over 2022. However, registrations significantly dipped between 2019 and 2020, primarily due to the impact of the COVID-19 pandemic. Thereafter, the number of newly registered businesses increased by 299 in 2021 but dipped in 2022, with an uptick recorded this year. See **Table 1.13** below for further information.

Table 1.13

Belize: Newly Registered Businesses by District, 2019 - 2023					
Registered Year	2019	2020	2021	2022r	2023p
Total	2,121	1,217	1,516	1,383	1,485
Corozal	200	166	416	414	141
Orange Walk	271	160	369	315	207
Belize	764	345	225	157	456
Cayo	451	303	214	195	394
Stann Creek	314	167	222	216	208
Toledo	121	76	70	86	79

Source: Social Security Board

Regarding valid cardholders, the characteristic dip occurred between 2019 and 2020, with a reduction of 6,068 valid cardholders recorded in 2020. The trend continued downward in 2021 but increased in 2022 by 35,957 valid cardholders. A further increase of 17,720 valid cardholders was recorded in 2023. **Table 1.10a** breaks out the data into the following categories: Persons with Valid Cards, Population and Percentage of Valid Card Holders in the Population.

Table 1.10a

Belize: Percentage of Valid Card Holders in the Population by District, 2019 - 2023						
Year	2019	2020	2021	2022	2023	
Persons with Valid Card	311,452	305,384	286,812	322,769	340,489	
Corozal	35,058	33,669	31,030	35,689	37,212	
Orange Walk	43,264	42,109	38,183	41,924	45,477	
Belize	100,543	97,556	92,381	103,602	107,402	
Cayo	72,732	72,267	69,384	78,735	84,888	
Stann Creek	38,950	39,104	36,368	41,521	43,380	
Toledo	20,905	20,679	19,466	21,298	22,130	
Population	386,121	392,997	399,373	398,405	404,198	
Corozal	47,266	47,936	48,558	45,362	45,690	
Orange Walk	50,833	51,361	51,851	54,253	54,887	
Belize	116,608	118,910	121,045	113,855	115,271	
Cayo	92,860	94,784	96,568	99,400	101,258	
Stann Creek	42,017	42,848	43,619	48,332	49,400	
Toledo	36,536	37,158	37,734	37,202	37,691	
Percentage of Valid Card Holders in the Population	80.7	77.7	71.8	81.0	84.2	
Corozal	74.2	70.2	63.9	78.7	81.4	
Orange Walk	85.1	82.0	73.6	77.3	82.9	
Belize	86.2	82.0	76.3	91.0	93.2	
Cayo	78.3	76.2	71.9	79.2	83.8	
Stann Creek	92.7	91.3	83.4	85.9	87.8	
Toledo	57.2	55.7	51.6	57.2	58.7	

Source: Social Security Board and Statistical Institute of Belize

Note: Population data for 2018 - 2022 were revised in 2024 by the Statistical Institute of Belize.

Table 1.10b below shows the percentage of valid cardholders in the population by district and sex for 2023. Overall, there are 1,715 more males with valid cards than females, resulting in a 3.5-point percentage difference between the sexes, with more males than females holding valid cards.

Table 1.6

Belize: Percentage of Valid Card Holders in the Population by District and Sex			
Sex		Total	Male
Persons with Valid Card		340,489	171,102
District		Female	
Corozal		18,965	
Orange Walk		22,389	
Belize		54,459	
Cayo		41,699	
Stann Creek		20,937	
Toledo		10,938	
Population		205,298	
Corozal		23,299	
Orange Walk		27,644	
Belize		59,214	
Cayo		51,394	
Stann Creek		24,604	
Toledo		19,143	
Percentage of Valid Card Holders in the Population		82.5	
Corozal		81.4	
Orange Walk		81.0	
Belize		92.0	
Cayo		81.1	
Stann Creek		85.1	
Toledo		57.1	

Source: Social Security Board and Statistical Institute of Belize
Note: Population data 2023 Mid-Year Estimates

Belize: Percentage of Newly Registered Persons in the Population by District, 2019 - 2023					
Year	2019	2020	2021	2022r	2023p
Newly Registered	9,939	5,734	6,041	8,241	11,687
Corozal	1,088	505	488	1,215	1,083
Orange Walk	1,367	777	562	815	1,920
Belize	2,885	1,581	1,608	2,501	2,869
Cayo	2,565	1,532	1,773	1,945	3,336
Stann Creek	1,229	747	874	993	1,684
Toledo	805	592	736	772	795
Population	386,121	392,997	399,373	398,405	404,198
Corozal	47,266	47,936	48,558	45,362	45,690
Orange Walk	50,833	51,361	51,851	54,253	54,887
Belize	116,608	118,910	121,045	113,855	115,271
Cayo	92,860	94,784	96,568	99,400	101,258
Stann Creek	42,017	42,848	43,619	48,332	49,400
Toledo	36,536	37,158	37,734	37,202	37,691
Percentage Newly Registered	2.6	1.5	1.5	2.1	2.9
Corozal	2.3	1.1	1.0	2.7	2.4
Orange Walk	2.7	1.5	1.1	1.5	3.5
Belize	2.5	1.3	1.3	2.2	2.5
Cayo	2.8	1.6	1.8	2.0	3.3
Stann Creek	2.9	1.7	2.0	2.1	3.4
Toledo	2.2	1.6	2.0	2.1	2.1

Source: Social Security Board and Statistical Institute of Belize

Note: Population data for 2019 - 2022 were revised in 2024 by the Statistical Institute of Belize.

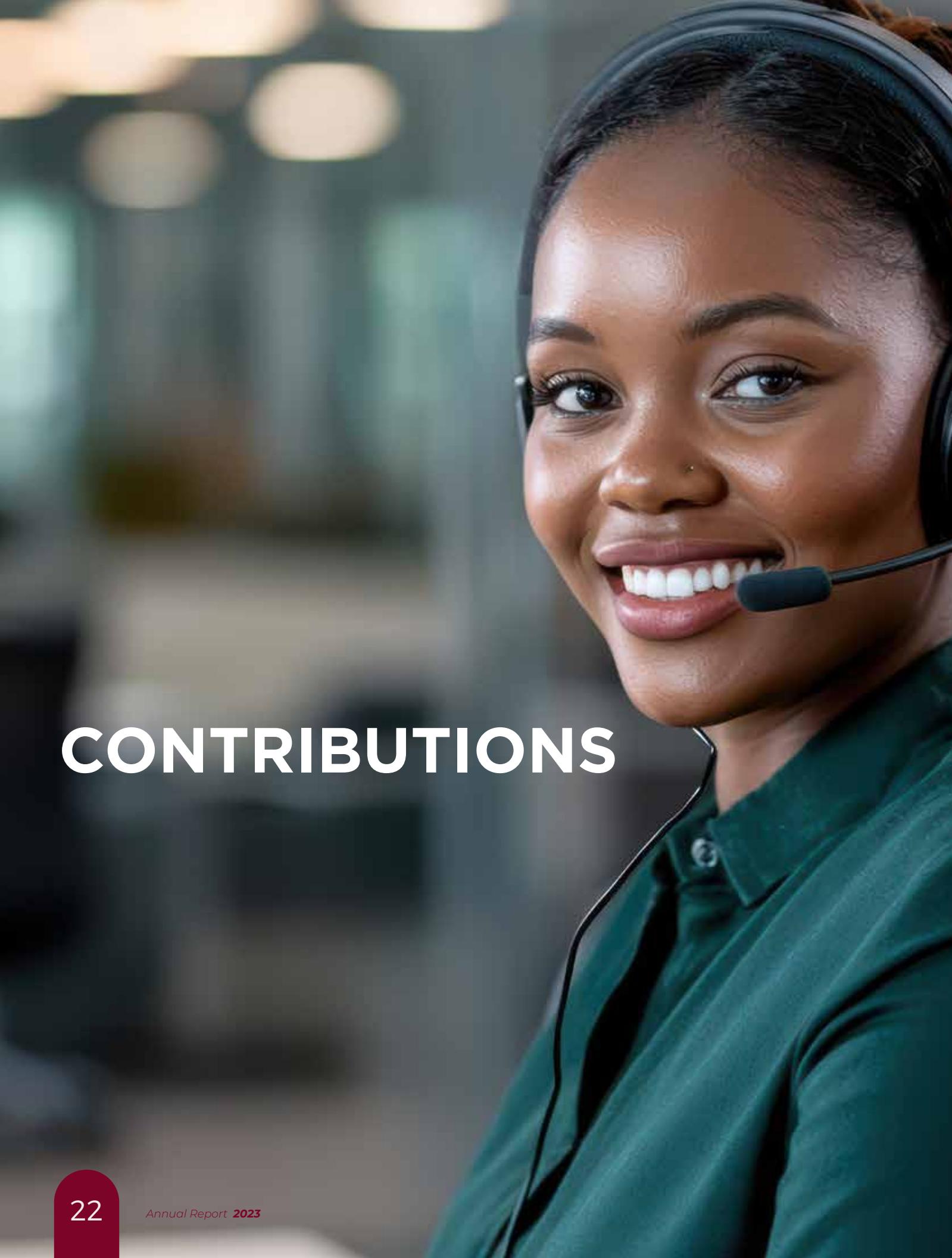
As it relates to Active Insured Persons, Active Employer, Total Registered Insured Persons, and Total Registered Employers, all four categories increased from 2022 to 2023, with an average overall percent increase of 2.425%. Please see the Key Indicators Table below.

Table 0.1

Key Indicators for Selected Years 2022 - 2023 (BZ\$)				
2023 - 2022 Change				
Key Indicators	2022r	2023p	Quantity	Percentage
Active Insured Persons	116,157	119,577	3,420	2.9
Active Employers	11,172	11,401	229	2.0
Total Registered Insured Persons	493,408	505,095	11,687	2.4
Total Registered Employers	54,940	56,233	1,293	2.4

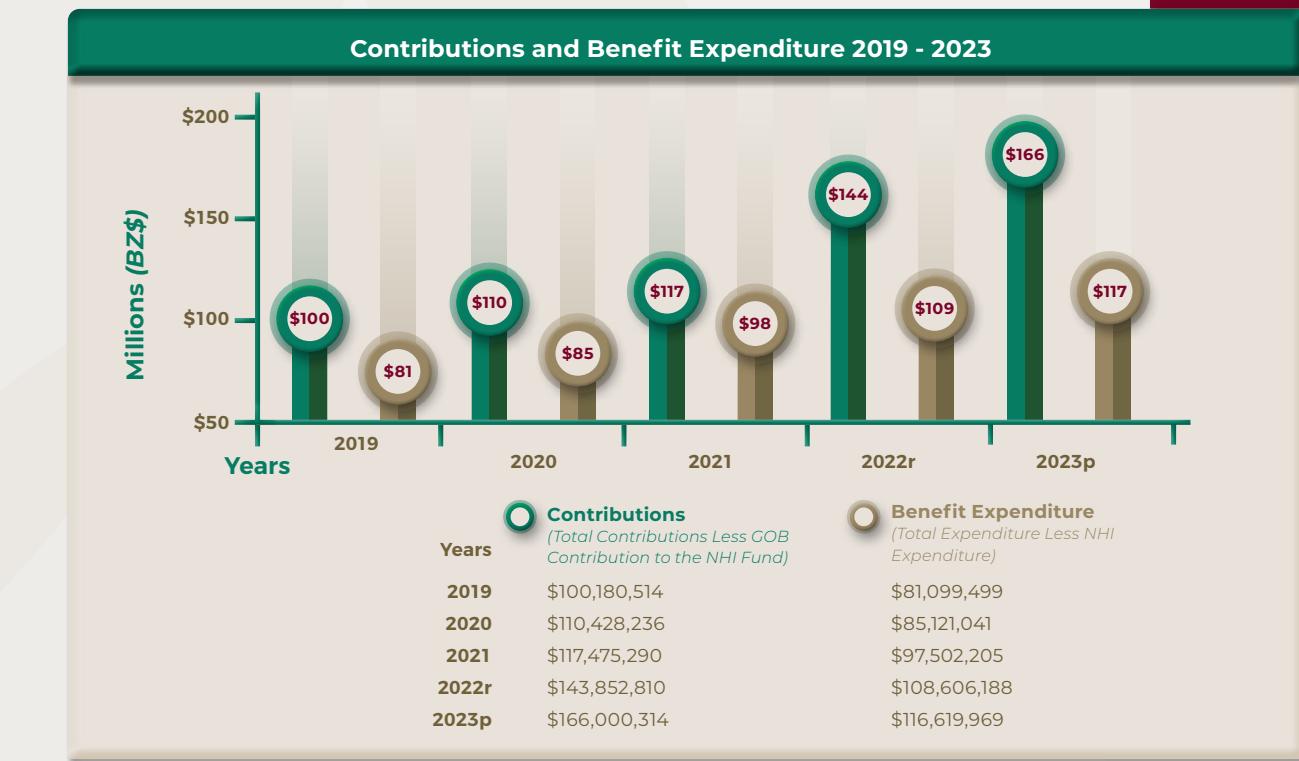
Source: Social Security Board | Note: Difference in total in the Percentage Change section may not be exact due to rounding

CONTRIBUTIONS



This section presents data on Contributions made to the SSB and characteristics of the Active Insured Persons (AIPs), as well as labor force. The principal source of data contribution is SSB's database. The secondary source of the data is the Statistical Institute of Belize (SIB), where data relating to the Labour Force are gathered. The Social Security Act makes provisions for any person over the age of 14 years and under the age of 65 years, who is engaged in insurable employment, to become an insured person. An active insured person is defined by SSB as a person who has made at least one weekly contribution to the SSB during the reference year. All contributions collected are accrued into the Social Security Fund and are used to pay benefits and administrative expenditures and invested to earn income for future expenditures and payment of pensions.

Chart 2



Source: Social Security Board

Table 2.2

Belize: Contributions Collected and its Percentage Distribution by District 2019 - 2023 (BZ\$)										
	2019		2020		2021		2022r		2023r	
	Quantity	%								
Total	\$100,180,514	100.0	\$110,428,236	100.0	\$117,475,290	100.0	\$143,852,810	100.0	\$166,000,314	100.0
Corozal	\$4,562,182	4.6	\$3,502,659	3.2	\$3,647,097	3.1	\$4,807,390	3.3	\$5,789,446	3.5
Orange Walk	\$6,290,976	6.3	\$6,871,112	6.2	\$7,549,718	6.4	\$8,616,302	6.0	\$10,114,396	6.1
Belize	\$40,802,659	40.7	\$42,852,927	38.8	\$46,957,919	40.0	\$59,635,824	41.5	\$69,382,886	41.8
Cayo	\$35,981,874	35.9	\$44,626,754	40.4	\$45,408,342	38.7	\$53,908,641	37.5	\$61,677,232	37.2
Stann Creek	\$10,924,994	10.9	\$10,983,006	9.9	\$12,237,233	10.4	\$14,893,909	10.4	\$16,768,883	10.1
Toledo	\$1,617,829	1.6	\$1,591,778	1.4	\$1,674,980	1.4	\$1,990,745	1.4	\$2,267,471	1.4

Source: Social Security Board | Notes: Contributions figures reflect those collected from employers, employees, voluntary and self employed persons. The significant increase in contribution income from 2018 to 2019 is mainly due to the increase in Contribution Rate from 8.0% to 8.5% and the expansion of the contribution ceiling from \$300.00 and Over to \$420.00 and Over for the period July to December 2019. The significant increase in contribution income from 2021 to 2022 is mainly due to the increase in Contribution Rate from 9.0% to 10.0% and the expansion of the contribution ceiling from \$480.00 and Over to \$500.00 and Over as of April 1, 2022.

Chart 3



Source: Social Security Board and Statistical Institute of Belize

The trend between 2020 and 2023 shows a steady increase in active insured persons by district, sex and age group. For the period 2019 to 2023, more males than females are recorded as "active insured persons," and the age group with the most active insured persons is 25 to 34 years old. See Table 2.4 for greater details.

Table 2.4

Belize: Active Insured Persons by District, Sex and Age Group 2019 - 2023					
Year	2019	2020	2021	2022r	2023p
Total	111,344	105,100	107,828	116,157	119,577
Corozal	7,750	6,999	6,687	7,100	7,324
Orange Walk	9,816	9,283	9,558	9,921	10,172
Belize	47,362	44,514	46,012	50,198	52,302
Cayo	27,894	27,031	27,871	30,636	31,894
Stann Creek	14,942	13,736	14,114	14,681	14,272
Toledo	3,580	3,537	3,586	3,621	3,613
Sex					
Male	67,118	63,570	64,772	68,023	69,450
Female	44,226	41,530	43,056	48,134	50,127
Age Group					
14 - 24	26,227	22,299	25,045	28,181	28,995
25 - 34	35,495	34,065	34,356	36,721	37,244
35 - 44	25,022	34,490	24,554	25,946	27,062
45 - 54	16,239	15,997	15,937	16,960	17,563
55+	8,361	8,249	7,936	8,349	8,740

Source: Social Security Board

CONTRIBUTIONS

SERVICES ON OUR WEBSITE:

- Employer Services
- Contribution & Benefit Schedule
- Contributions Calculator
- Employers Rights & Responsibility

and much more!

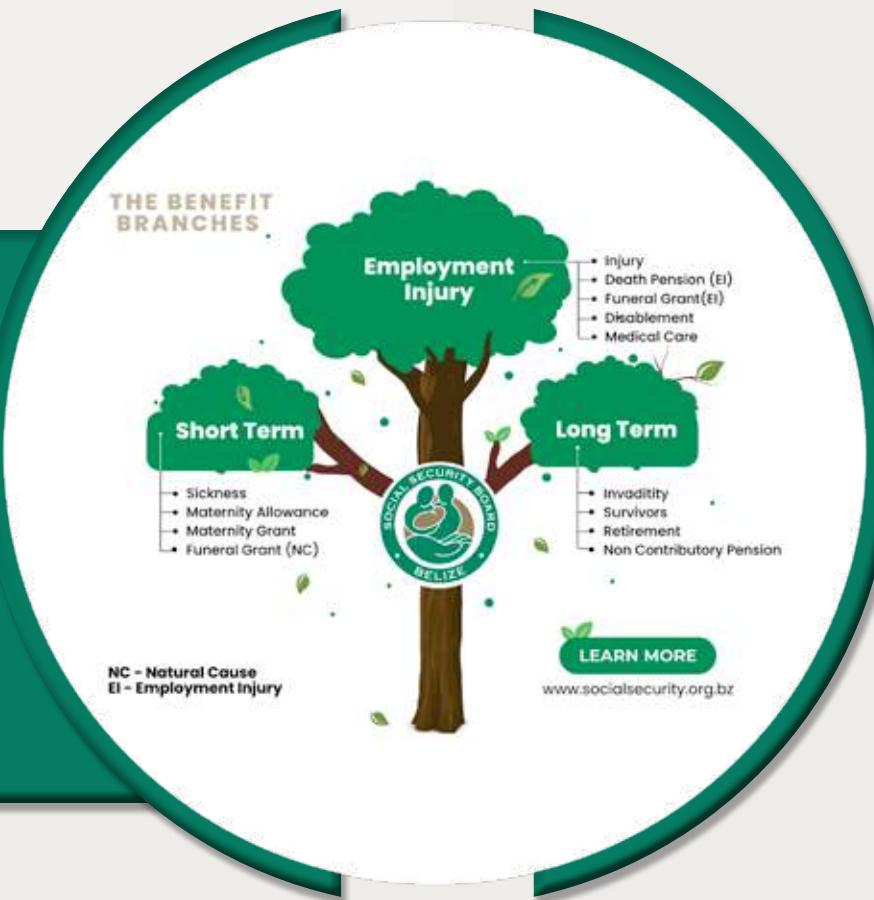
LEARN MORE

www.socialsecurity.org.bz

BENEFITS

TYPES OF BENEFITS

The SSB offers three branches of benefits: **Short-Term, Long-Term, and Employment Injury**. Each category has a defined list of benefits that the Insured Person (IP) or their Beneficiaries (*if applicable*) can access if they have met the legal qualifying conditions. Below is Benefits Table 1.1, which shows the different benefits offered under each branch.



Benefits Table		
Short-Term Benefits	Long-Term Benefits	Employment Injury Branch
1. Sickness Benefit	1. Retirement Pension	1. Employment Injury
2. Maternity Allowance	2. Retirement Grant	/Prescribed Disease Benefit
3. Maternity Grants	3. Survivor's Pension	2. Funeral Grant (EI)
4. Sickness Benefit After Maternity	4. Survivor's Grant	3. Death Benefit
5. Funeral Grant (NC)	5. Invalidity Pension	4. Constant Attendance Allowance
	6. Invalidity Grant	5. Medicare
	7. Non-Contributory Pension	6. Disablement Pension
		7. Disablement Grant

BENEFITS EXPENDITURE

The overall Benefits Expenditures at the end of December 2023 increased by 7.4% (\$8,013,781), amounting to \$116,619,969 compared to \$108,606,188 paid in the January to December 2022 period. This figure of \$116,619,969 that was paid out in benefits at the end of December 2023 represents the highest annual benefit expenditure ever recorded by the Board.

Additionally, this increase in benefit disbursements is primarily due to the substantial growth in Retirement Benefits, which expanded by \$7,580,936. Worth mentioning are the reductions in benefits spending during the January to December 2023 span, with Sickness Benefits, APV Death Benefits and Non-contributory Pensions decreasing by \$2,247,129, \$336,969, and \$193,970 respectively. The reduction in sickness benefit expenses of \$2,247,129 can be attributed to the significantly reduced impact of COVID-19 on benefit claims from January to December 2023 compared to the corresponding period in 2022. (See Table 1 below:)

Branch/Benefit	Benefit Expenditure			Percentage Change
	2022	2023	Quantity Change	
Total	\$108,606,188	\$116,619,969	\$8,013,781	7.4
Short- Term	\$23,211,834	\$21,456,056	(\$1,755,778)	(7.6)
Sickness	\$17,637,136	\$15,390,007	(\$2,247,129)	(12.7)
Maternity Allowance	\$4,790,246	\$5,240,449	\$450,203	9.4
Maternity Grant	\$784,452	\$825,600	\$41,148	5.2
Long Term	\$79,374,327	\$87,949,166	\$8,574,839	10.8
Retirement	\$62,093,451	\$69,674,387	\$7,580,936	12.2
Invalidity	\$9,835,472	\$10,348,372	\$512,900	5.2
Survivors	\$4,631,472	\$5,254,968	\$623,496	13.5
Funeral Grant (NC)	\$1,678,282	\$1,729,759	\$51,477	3.1
Non-contributory Pension	\$1,135,650	\$941,680	(\$193,970)	(17.1)
Employment Injury Branch	\$3,684,286	\$4,791,764	\$1,107,478	30.1
Injury	\$1,278,195	\$1,699,179	\$420,984	32.9
Disablement Grant	\$317,412	\$618,492	\$301,080	94.9
APV Disablement Benefit	\$667,261	\$1,088,111	\$420,850	63.1
APV Death Benefit	\$529,451	\$192,482	(\$336,969)	(63.6)
Funeral Grant (EI)	\$9,000	\$6,000	(\$3,000)	(33.3)
Medical Care	\$882,967	\$1,187,500	\$304,533	34.5
Disablement and Death Benefits	\$2,335,741	\$2,422,983	\$87,242	3.7
Disablement Pension	\$1,777,896	\$1,841,107	\$63,211	3.6
Death Pension	\$557,845	\$581,876	\$24,031	4.3

Date Processed: February 14, 2025
 Source: Research and Statistics
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 Notes: APV - Actuarial Present Value
 NC - Natural Causes & EI - Employment Injury

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Chart 2 compares the monthly Benefits Expenditures paid in 2023 versus 2022, and Chart 4 shows the Year-to-Date picture of Benefits Expenditures paid out by the Benefits Branch for 2023.

Chart 2

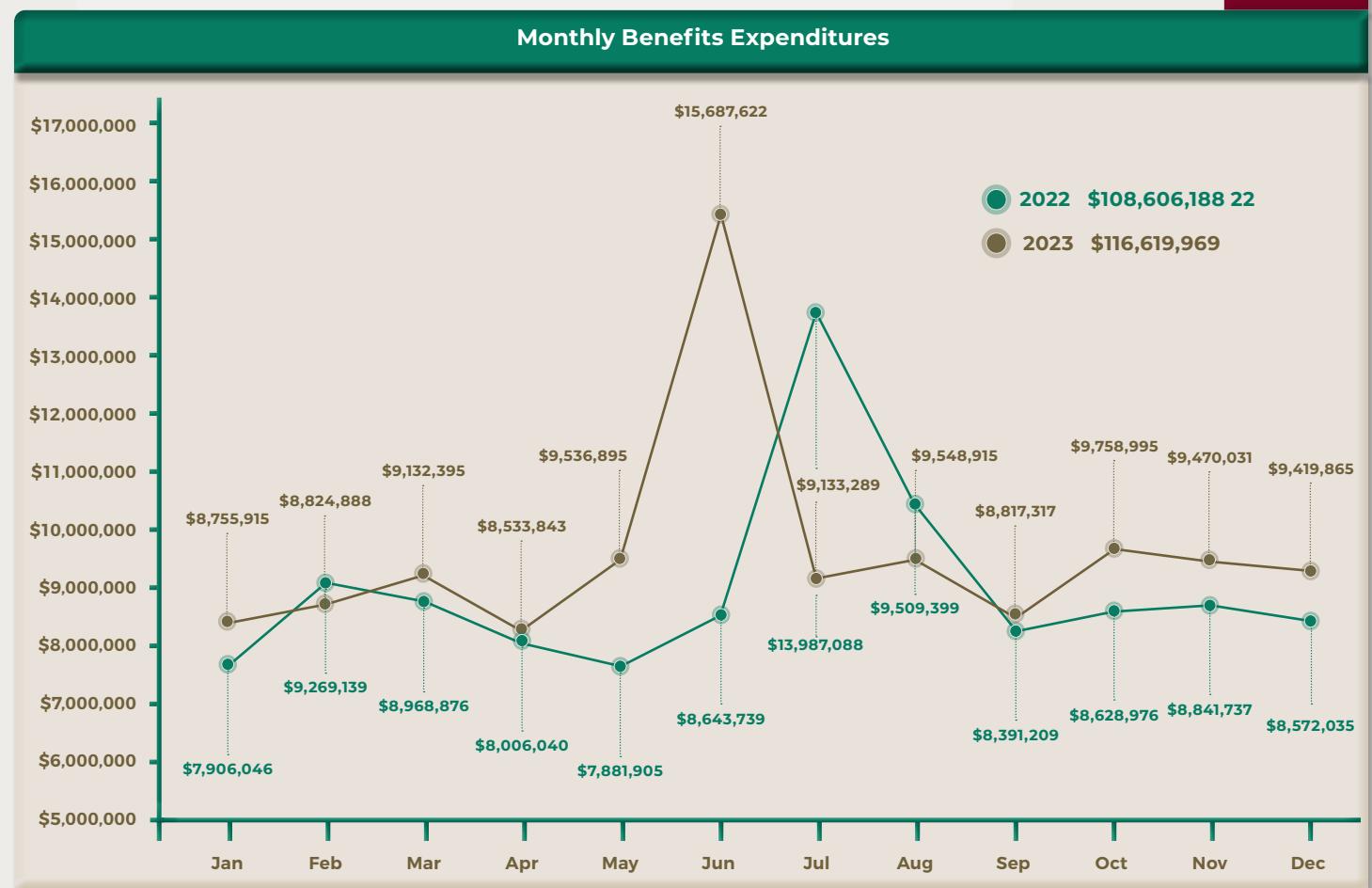
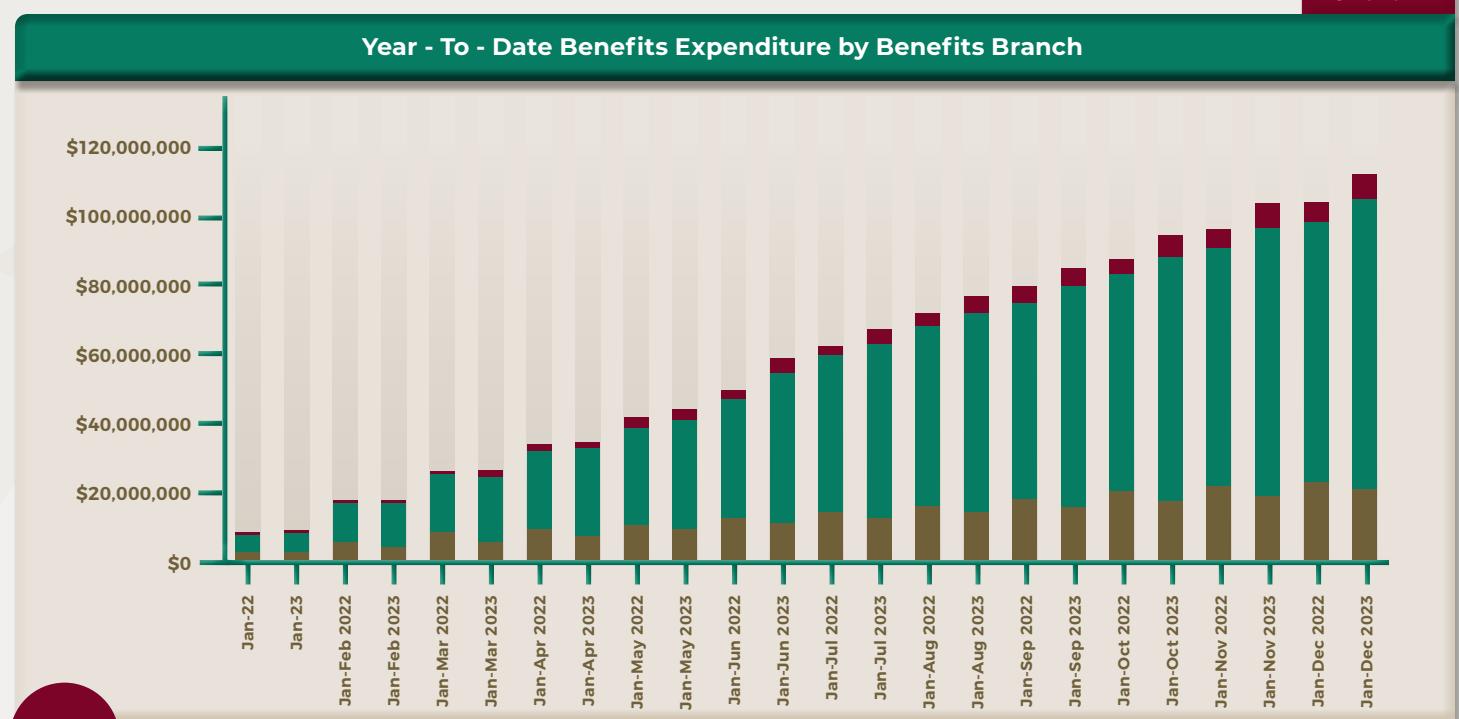


Chart 4



BENEFIT CLAIMS

A total of 77,009 benefit claims were processed from January to December 2023. This represents a decrease in the number of claims processed by 6.7% (5,509 claims) compared to the 82,518 benefit claims processed during the same period of 2022. (Please see Table 9 below).

Table 9

Benefit Claims Processed by Branch			
Branch	2022	2023	Quantity Change
Total	82,518	77,688	(4,830)
Corozal	3,460	3,678	218
Orange Walk	6,164	5,345	(819)
Belize	30,972	28,867	(2,105)
San Pedro	3,241	2,630	(611)
Belmopan	21,517	20,983	(534)
Santa Elena	7,290	7,211	(79)
Dangriga	3,089	3,235	146
Independence	5,174	4,247	(927)
Punt Gorda	1,611	1,492	(119)

Date Processed: February 14, 2025 | Source: Research and Statistics | © 2023 Social Security Board.

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Furthermore, this decline in benefit claims processed can be attributed to a decrease of 9.1% (6,460 claims) in Sickness Benefit claims (see Table 11). Noteworthy, for the period January to December 2022, a total of 71,033 Sickness Benefit Claims were processed; however, for the same period in 2023, only 64,573 Sickness Benefit Claims were processed. The decline year-over-year is due to the lesser impact of COVID-19 on benefit claims.

Table 11

Sickness Benefit Claims Processed by Branch

Branch	2022	2023	Quantity Change	Percentage Change
Total	71,295	65,226	(6,069)	(8.5)
Corozal	2,471	2,546	75	2.9
Orange Walk	4,586	3,849	(737)	(16.1)
Belize	27,372	25,231	(2,141)	(7.8)
San Pedro	2,603	2,039	(564)	(21.7)
Belmopan	20,536	19,246	(1,290)	(6.3)
Santa Elena	6,028	5,790	(238)	(3.9)
Dangriga	2,413	2,401	(12)	(0.5)
Independence	4,090	3,100	(990)	(24.2)
Punt Gorda	1,196	1,024	(172)	(14.4)

Date Processed: February 14, 2025 | Source: Research and Statistics | © 2023 Social Security Board.

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Table 15a, entitled “New and Continuous Allowed Benefit Claims,” shows the total benefit claims by the benefit branch and benefit type for the period January to December 2023.

Table 15a

Branch/Benefit	New and Continuous Allowed Claims by Branch/Benefit			
	2022		2023	
	Dec	Jan - Dec	Dec	Jan - Dec
Total	4,521	74,166	4,819	69,781
Short- Term	4,073	68,126	4,350	63,131
Sickness	3,704	63,375	3,967	58,107
Maternity Allowance	166	2,152	177	2,318
Maternity Grant	203	2,599	206	2,706
Long Term	269	3,564	249	3,745
Retirement	140	1,807	133	1,988
Invalidity	11	98	8	121
Survivors	34	460	23	414
Funeral	84	1,199	85	1,222
Employment Injury Branch	179	2,476	220	2,905
Injury	153	2,168	177	2,562
Disablement	26	300	41	333
Death	0	7	2	6
Funeral	0	1	0	4

Date Processed: January 18, 2024 | Source: Research and Statistics | © 2023 Social Security Board

APPEALS TRIBUNAL

The Appeals Tribunal has always been an avenue for Insured Persons to challenge decisions made by the Social Security Board regarding Benefits. The SSB Legal Services manages the appeal process, including scheduling hearings and notifying appellants of tribunal decisions. The Social Security Board Appeal Tribunal comprises:

- A chairperson who is an Attorney-at-law.
- An employer representative, who is a person nominated by the Belize Chamber of Commerce and Industry, and
- An employee representative, who is a person nominated by the Public Service Union or the National Trade Union Congress of Belize.



The Appeals Tribunal convened at least once monthly to hear and decide cases. The Appeals Tribunal Panel, a Social Security Board Representative, the Clerk to the Appeals Tribunal, and the Appellant were present at each hearing. The Appellant sometimes brought a representative to speak on their behalf.

In 2023, eighty-eight (88) appeals were received, and 40 of those were sent to an appeal hearing. The total number of appeals received, and the total number sent to an appeal hearing increased in 2023 as compared to 2022, but the respective totals are lower than those of 2021.

The tables below show the breakdown of the appeals received by benefit type and decision:

Benefits Type		Benefit Decision					
Appeal Received by Benefit Type	2021	2022	2023	Decision	2021	2022	2023
Sickness Benefit	27	12	29	Ruling for SSB	18	14	13
Injury Benefit	14	6	8	Cases Revised and Allowed	20	6	4
Invalidity Benefit	14	3	7	Ruling for Appellant	11	4	11
Survivors' Benefit	22	15	16	No Grounds for Appeal	21	24	18
Disablement Benefit	9	2	6	Cases Pending/adjourned	13	17	31
Maternity Benefit	6	6	4	Dismissed	12	1	0
Retirement Benefit	7	21	16	Re-Assessed	3	0	2
Maternity Grant	2	0	0	Withdrew/Abandoned	4	1	9
Death Benefit	0	0	0	Total	102	67	88
Funeral Grant	1	2	2				

INVESTMENT PORTFOLIO

The Social Security Act establishes a Social Security Fund (the "Fund") to house Statutory Reserves. These reserves are essential to guarantee future benefit payments and ensure the timely fulfillment of all liabilities. Excess reserves are invested in a well-diversified portfolio, balancing risk and return to ensure long-term sustainable growth.

The investment portfolio objectives are:

- **Security and Liquidity:** Ensure sufficient assets are readily available to pay benefits and liabilities on time.
- **Risk-Adjusted Return:** Maximize the total return while maintaining an appropriate balance between risk and liquidity.
- **Diversification:** Mitigate risk and protect capital by investing across various asset classes.
- **Inflation and Benefit Growth:** Achieve asset growth that keeps pace with inflation and projected increases in benefit payouts.
- **Cost-Effectiveness:** Utilize assets efficiently while minimizing unnecessary expenses.
- **Economic Impact:** Consider investments that positively contribute to Belize's economic development.

INVESTMENT STRATEGY FOR DIVERSIFIED GROWTH

The SSB employed a diversified investment strategy to achieve its established objectives. This strategy encompassed a mix of growth and defensive asset classes:

- **Growth Assets:** These investments are designed to generate capital appreciation and potentially higher returns. They included:

- **Equities:** Domestic and international stocks.
- **Alternative Investments:** Exchange-traded funds (ETFs), mutual funds, commercial loans, and residential and commercial real estate.

- **Defensive Assets:** These investments prioritized capital preservation and provided a steady income stream. They included:

- **Debt Instruments:** Government and corporate bonds and debentures.
- **Fixed-income securities:** Term deposits, treasury notes and treasury bills.
- **Bank Savings Accounts:** Low-risk accounts offering liquidity.

This approach balanced the pursuit of long-term growth with the need for stability and income generation, aligning with the SSB's overall investment goals.

The SSB's current investment portfolio encompasses various economic sectors, including agriculture, aquaculture, infrastructure and construction, education, healthcare, real estate, telecommunications, tourism, and utilities.

Below are the various investment categories:

1. Domestic Banks:

- Savings Accounts
- Certificates of Deposit (CDs)

2. Government Securities:

- Treasury Notes
- Bonds

3. Private Sector Debt:

- Secured Loans
- Debentures

4. Equities:

- Shares in Public and Private Companies

5. Social Impact Investments:

- Education
- Healthcare

INVESTMENT STRATEGIES FOR LONG-TERM SUSTAINABILITY

Prudent investments, achieved through well-diversified portfolios, are crucial for maintaining stable contribution rates and benefit levels in the short to medium term. However, the SSB faces several challenges in achieving its investment goals.

Challenges:

1. **Limited Internal Expertise:** The SSB may lack in-house expertise for direct participation in the stock market.

2. **Risk-Return Balance:** Finding investments that offer higher returns within acceptable risk parameters for the security of reserve funds can be difficult.

3. **Inflation and Domestic Investment:** Balancing the need to invest abroad for long-term growth against the risk of inflation eroding the value of short-term domestic bank deposits require careful consideration.

4. **Foreign Investment and Liquidity:** Obtaining Central Bank approval for foreign investments while maintaining sufficient domestic liquidity is complex.

The SSB must address these challenges to ensure its long-term financial sustainability.

INVESTMENT PORTFOLIO PERFORMANCE

As of December 31, 2023, the SSB investment portfolio reached a substantial value of \$495 million (as per the Audited report), representing a \$39 million increase from 2022. The portfolio generated \$26 million in investment income, reflecting strong performance and yielding a nominal return of 5.5% for the year, a notable improvement compared to the 4.7% return in 2022.

The Investment Services Department plays a vital role in ensuring the long-term sustainability of the Social Security Fund. This is achieved through careful management of the Fund's assets, with all investments made in full alignment with the established Investment Framework.

To enhance their knowledge, department staff attended the ISSA 21st International Conference of Social Security Actuaries, Statisticians, and Investment Specialists, held in Mexico City, Mexico, from December 5 to 7, 2023. The conference was geared towards helping Actuaries and Investment specialists anticipate ways to improve the fund in preparation for future trends. It outlined the importance of assessing and illustrating risks and sharing this information with policymakers and other stakeholders so that better-

informed decisions can be made for the sustainability and enhancement of the fund.

See Tables A and B below, which provide data on the Investment Income by Sector and the Current Investment Balances.

Table A

Investment Income by Sector 2019-2023					
Sector	2019	2020	2021	2022	2023
Agriculture	\$1,992,240	\$912,054	\$205,022	\$18,931	(\$140,280)
Aquaculture/Marine	\$0	\$0	\$0	\$0	\$0
Infrastructure and Construction	\$1,970,880	\$1,796,750	\$1,940,072	\$2,036,341	\$2,100,440
Education	\$46,420	\$40,582	\$49,841	\$45,673	\$40,049
Financial Institutions	\$2,442,754	\$2,319,775	\$2,439,501	\$2,253,889	\$2,244,469
GOB Securities	\$3,584,714	\$3,911,727	\$4,037,769	\$5,117,122	\$6,186,295
Health	\$4,603	\$39,098	\$33,432	\$28,379	\$22,456
Local Government	\$439,874	\$438,576	\$438,576	\$453,105	\$293,494
Real Estate	\$0	\$0	(\$55,279)	\$162,264	\$745,343
Tourism	\$155,616	\$140,184	\$126,998	\$91,478	\$388,237
Utilities	\$5,661,505	\$20,636,763	\$17,568,386	\$9,862,273	\$12,582,356
Other- Incl. Loan loss Prov.	(\$59,002)	(\$1,905,939)	\$16,815	\$1,014,622	\$1,636,169
TOTAL	\$16,239,605	\$28,329,571	\$26,801,132	\$21,084,077	\$26,099,029

Source: Social Security Board

Table B

Investment Income Balances 2019-2023					
Sector	2019	2020	2021	2022r	2023p
TOTAL	\$465,638,457	\$443,019,028	\$449,546,136	\$455,934,446	\$507,145,488
Agriculture	\$26,972,839	\$23,553,267	\$21,543,303	\$16,208,571	\$14,866,164
Aquaculture / Marine Products	\$6,938,886	\$6,938,886	\$6,938,886	\$6,938,886	\$6,938,886
Education	\$657,973	\$575,501	\$802,938	\$712,316	\$615,785
Financial Institutions	\$68,859,276	\$57,384,604	\$56,709,265	\$55,163,950	\$57,622,035
GOB Securities	\$75,590,712	\$85,553,873	\$85,517,034	\$95,480,195	\$91,443,356
Health	\$700,000	\$607,866	\$520,443	\$425,621	\$326,108
Infrastructure and Construction	\$28,181,534	\$29,135,998	\$31,972,221	\$32,047,520	\$37,518,841
Local Government	\$5,482,200	\$5,482,200	\$5,482,200	\$5,480,000	\$5,480,000
Real Estate	\$0	\$0	\$8,135,858	\$11,864,324	\$11,877,851
Telecommunication	\$85,355,209	\$82,329,193	\$83,903,959	\$84,702,959	\$89,292,959
Tourism	\$2,178,219	\$1,964,453	\$1,464,054	\$854,574	\$13,997,246
Utilities	\$169,011,021	\$156,323,697	\$155,203,902	\$156,194,316	\$188,752,318
Less Provision for Loss on Investment	(\$4,289,411)	(\$6,830,510)	(\$8,647,927)	(\$10,138,786)	(\$11,586,061)

Source: Social Security Board

CUSTOMER RELATIONS SERVICES

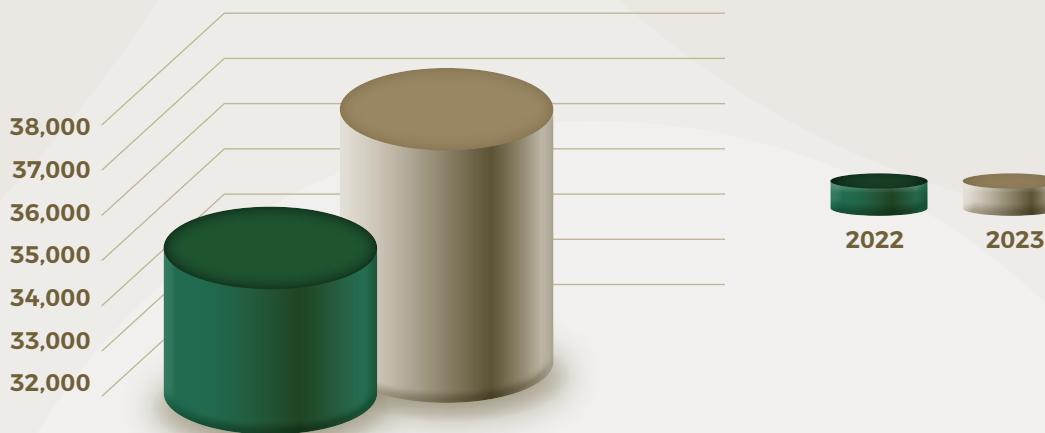
CUSTOMER RELATIONS SERVICES DEPARTMENT (CRS)

The Customer Relations Services Department (CRS), comprising the Customer Care Center, Corporate Telephone Services, and Customer Experience, was established under the Service Management Department. As the year progressed, CRS developed three significant areas of service.

- Account Activation – My Social Security Self-Service Portal Account
- Take a Number Customer Management System
- Review of the Registration process for persons applying for a Social Security Number/Card

CUSTOMER RELATIONS SERVICES STATISTICS

Customer Queries



Customer Relations Services addressed a total of 37,448 customer queries in 2023. The number of queries addressed in 2023, when compared to 2022, increased by 3,248 (9.5%). The total number of queries addressed in 2022 was 34,200.

To further ensure that the CRS department is responsive to customer needs, two surveys were conducted to gauge the public's perception of SSB's customer experience when interacting with frontline employees at branch offices (Survey 1) and to determine the level of portal sign-ups and account activation (Survey 2). The overall Customer Satisfaction rate based on the results of the first survey is 95.7%, and the results of the second survey yield an 81.82% customer satisfaction rate.

STAFF & TRAINING

One of the SSB's most important functional areas is Human Resources Services, which provides the recruitment and onboarding function, managing the selection process, overseeing employee relations, compensation, benefits, performance management, and training and development of staff. In alignment with the Strategic Plan, the Human Resources Services Division continued to operate according to its divisional vision and mission, namely:

Vision: Empowering professionals to enhance SSB's productivity and relevance to Belize

Mission: Collaborate with strategic partners to deliver professional and timely programs and services that are aligned with SSB's strategic objectives and core values.

OPERATIONAL ACCOMPLISHMENTS

ORGANIZATIONAL STAFFING

Over the year, 38 temporary staff were hired and 40 departed. Eleven permanent staff members resigned, three retired, and one employee was dismissed. The annual turnover rate, including both voluntary and involuntary separations, was 4%. The calculation is only for permanent and contracted hires.

The annual turnover rate for the temporary group is significantly higher than that of the permanent group, at 47%. Based on the information gathered from exit interviews, the problem is multifaceted, with compensation and the organization's inability to provide permanent employment ranking high as reasons for leaving and the lack of stability due to temporary employment.

LEARNING & DEVELOPMENT

To continue strengthening the Executive team's capacity, HR initiated a ten-week Executive Coaching session for all members of the Executive Management Committee (EMC). The training consisted of individual coaching sessions and provided EMC with access to an online library of leadership training materials for a period of one year. The CEO commenced the training with a team-building exercise on May 9, 2023. Other training initiatives were undertaken during the year for the wider staff that included a broad list of developmental courses, which are outlined below:

Name of Training	Description and Relevance
Impact Assessment on Social Protection	This course equipped participants with the skills to assess the effectiveness and efficiency of social protection systems as they evolve over time. Due to this training, staff who attended will be able to: <ul style="list-style-type: none">Identify the core outcomes, indicators, and theories of change for the assessment of social protection schemes and systems.Design and manage impact assessment processes, including assessing appropriate analytical approaches and data sources.Interpret results from data analysis and distill findings into accessible and compelling formats for policymakers welcome.
Enterprise Risk Management	This course was designed to equip participants with the skills to become more risk-intelligent, resilient, agile, and risk-responsive. Managers who attended can: <ul style="list-style-type: none">Explain the value and deployment of an Enterprise Risk Management framework.Use data and data analytics to drive decision-making.Apply new thinking to navigate through the "fog" of uncertainty.Enhance the organization's risk culture.Lead through a crisis.Develop a leadership approach that fosters innovation and creativity within the organization.Apply behavioral science to the development of an Enterprise Risk Management framework.
Certification in Cloud Security	The training provided foundational knowledge of security, compliance, and identity concepts, as well as related cloud-based Microsoft solutions.
Certification in Microsoft Azure	The Azure certifications allowed participants to validate that they have the skills necessary to cover all aspects of digital transformation.
Artificial Intelligence in Social Security	This course was designed to help staff understand the basic concepts and elements of artificial intelligence, as well as its usefulness in incorporating processes and operations within social security institutions. This is important because it will optimize organizational resources and make services more efficient.
Public Policy Analysis	The London School of Economics and Political Science offered this training from May to August 2023. The training enabled staff to better understand the factors (social, political, economic, and institutional) influencing public policy, necessary for analyzing policy decision-making and social interventions. In addition, the training enabled them to make more informed and meaningful recommendations, given the pivotal role of the SSB over the life of its beneficiaries and in the social protection sphere.

Name of Training	Description and Relevance
Mastering Supervisory Management Skills	This training enabled the managers who attended to lead better, motivate, inspire, and encourage their direct reports, solve problems, make informed decisions, and manage conflict more effectively.
Building Positive Work Culture Tactics	This training focused on team building, working in teams, and developing effective team dynamics.
Certification in Human Resources International	This is a professional development course in Human Resources. HR Certification adds credibility to HR careers and the HR profession at both the micro and macro levels.
Inventory Training	For those who attended, this training provided a solid foundation on inventory controls, inventory management, and ensuring that the right products are in stock to meet customers' demands.
Diploma for Social Protection Analysts	<p>The Diploma for Social Protection Analysts is a new initiative aimed at strengthening social protection capacity. Its central objective is to support improvements in the analytical aspects of design, financial planning, and governance of national social protection systems through the training of quantitative specialists. GM PRAS earned the Diploma for Social Protection Analysts by completing three courses (i.e., <i>ILO Pension Actuarial Modelling, Impact Assessment on Social Protection, and Academy on Social Security</i>) and then undertook a capstone assessment that demonstrated the consolidated learning from the combined courses.</p> <p>The capstone assessment consists of a written assignment using analytical approaches from the three completed courses to develop policy recommendations for a specific country context (<i>in this case, Belize</i>).</p> <p>The GM PRAS has gained a deeper understanding of how social protection systems can become effective and sustainable in the long term, acquiring knowledge of a tried-and-tested set of tools and models that can be adapted to national contexts.</p>
ILO Pension Actuarial Modelling	Staff from PRAS, Investment Services, Internal Audit Services, and the Benefits, Short-Term, and Employment Injury departments attended the ILO Pension Training on December 11-14, 2023. This specialized training equipped SSB personnel with the skills needed to develop SSB-specific modeling tools. It included advanced actuarial modeling techniques, enhancing staff's ability to analyze and understand the financial sustainability of social security programs.
International Standard Classification of Occupation (ISCO) and the International Classification of Diseases 11th Revision (ICD- 11)	The Research and Statistics department conducted an introductory training session on ICD-11 and ISCO-08 for staff. This presentation was intended to sensitize SSB staff members on the key aspects of ICD-11 and ISCO. This introductory training was a prerequisite, enabling our team to better prepare for the upcoming comprehensive and practical ICD-11 & ISCO training sessions in 2024 using the Peransa system.
Workshop on Disaster Risk Management with a Social Protection Approach	<p>Attendants were able to gain knowledge on topics like:</p> <ol style="list-style-type: none"> 1. Best Practices in Social Protection During Disasters. 2. Social Protection during the COVID-19 Emergency in Latin American and Caribbean Countries. 3. Social Protection in Disaster Risk Management Phases. 4. Definition of the current roles of social protection institutions by stages of disaster risk management to identify actions aimed at strengthening economic and social recovery. 5. Disaster risk management models. 6. Social Protection in Disaster Risk Reduction. 7. Disaster risk management as protection for social policy investments, exploring the benefits in both directions.



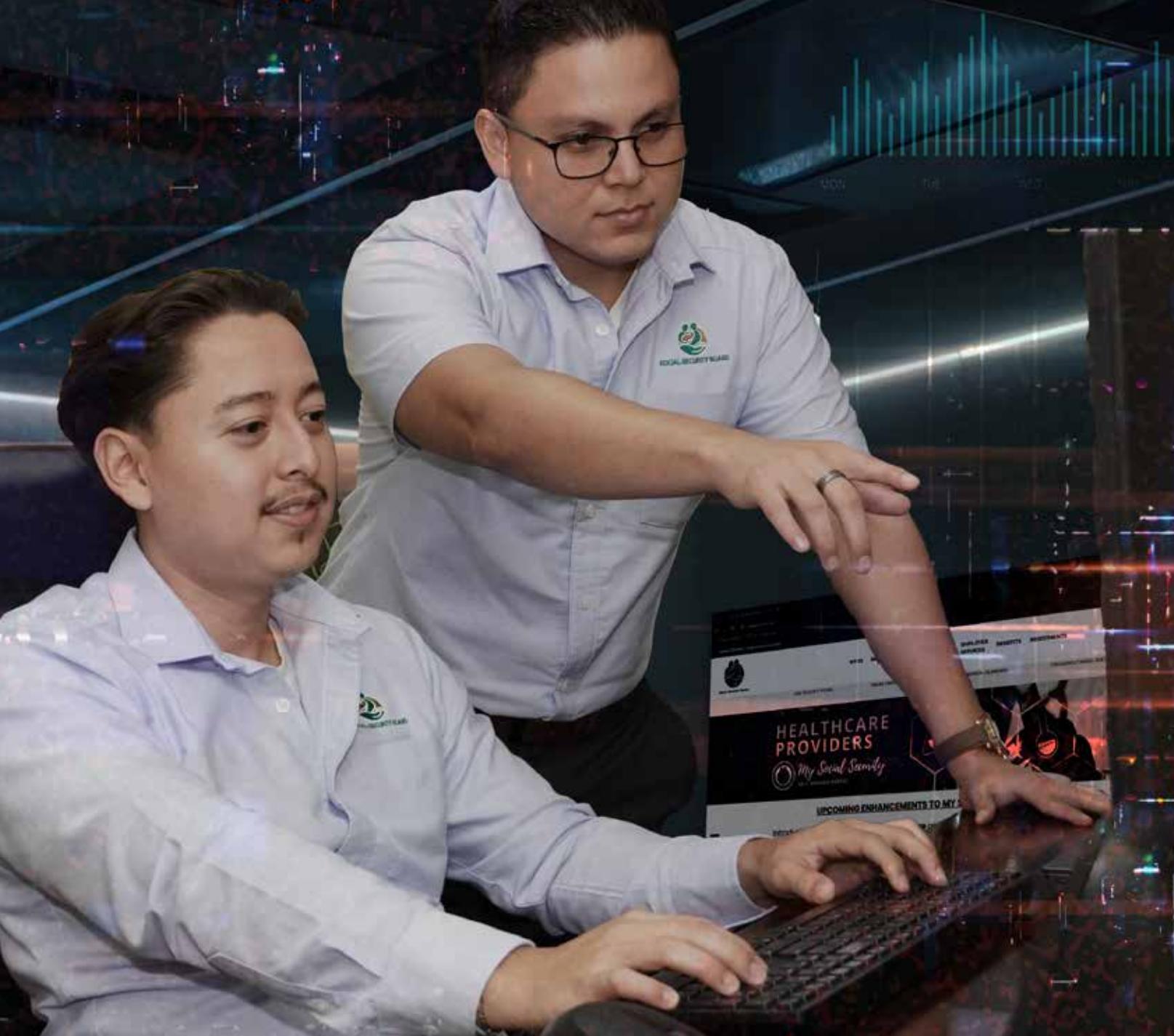
RECRUITMENT

Given the substantial number of positions to recruit for, HRS implemented a strategy to recruit internally for all non-specialized positions and to outsource the recruitment for highly specialized positions.

In 2023, 15 positions were filled, and recruitment for 15 positions was initiated. Four of these 15 positions went through the recruitment process, but no successful candidate emerged. The others were brought forward to 2024.

COLLECTIVE BARGAINING (NEGOTIATIONS)

The Collective Bargaining process commenced in 2022 and was finalized in December 2023. This collective bargaining agreement covers the period January 2022 to December 2025.



CENTRAL INFORMATION SERVICES (CIS)

INFORMATION & RECORDS MANAGEMENT FUNCTION

The Central Information Services department aims to manage, govern, and secure SSB's information assets, including its technology infrastructure. It ensures that those assets are strategically used to further SSB's Vision, Mission, and Purpose.

The department's primary strategic initiative and goal in 2023 continues with the realization of the Peransa Platform for the My Social Security online portal. In addition, the division oversees all information and technology-related duties and responsibilities through the Information Communication Technology Service (ICTS) unit and the Information and Records Management Services (IRMS).

The **IRMS** maintains and governs information and records within SSB, including record retention and destruction, digital file management and organization, and employer file scanning and management. Some of the department's key accomplishments include:

- The document scanning project for Belize and Belmopan City branches.
- Coordinating and supervising the destruction of files from HQ and the Branches.
- Disposing of spoilt/expired cards. This is done quarterly.
- Creating vaults for converting manual files to M-Files, i.e., the electronic records keeping of vital documents.

INFORMATION, COMMUNICATION & TECHNOLOGY FUNCTION

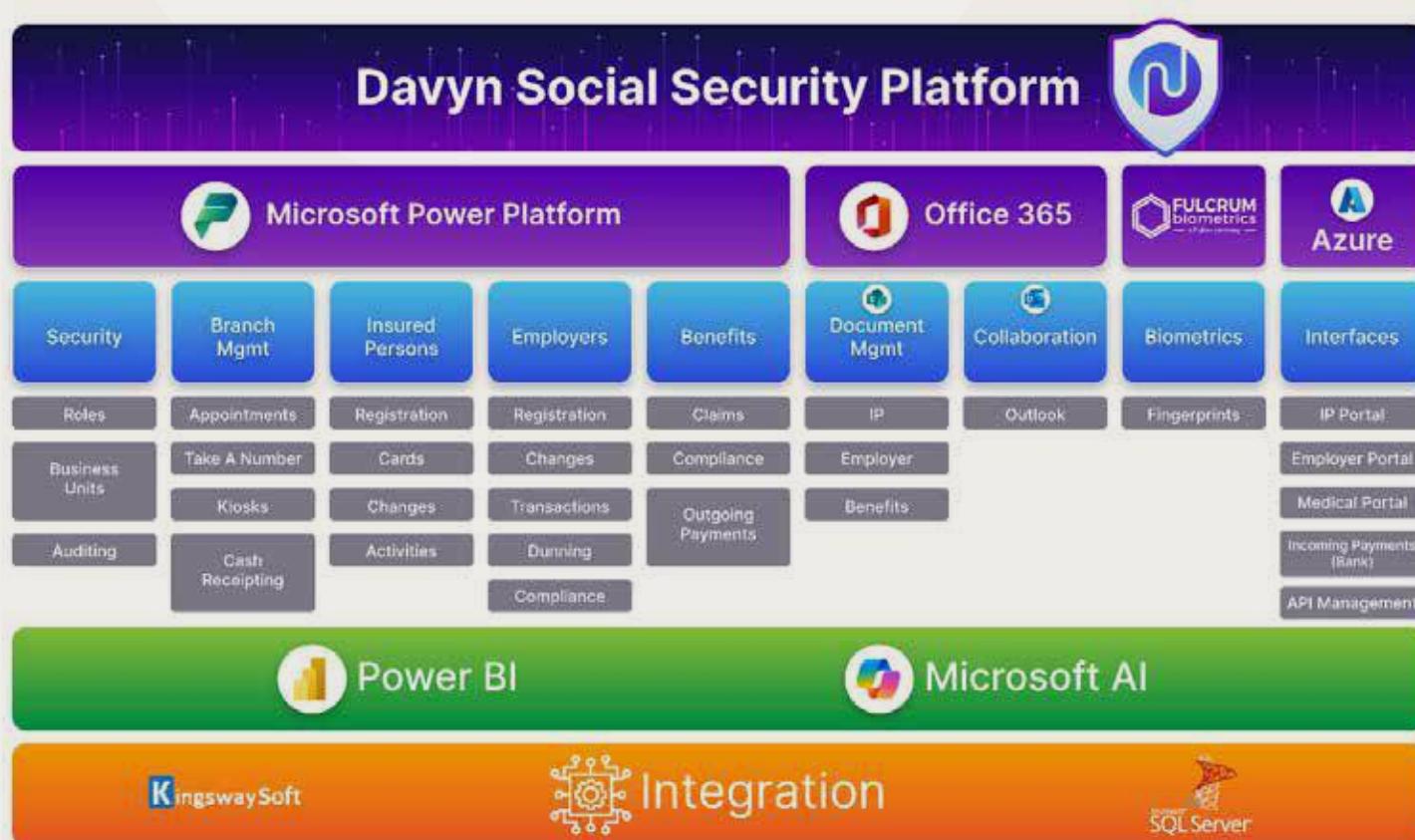
The **ICTS** maintains the hardware and software systems within SSB and performs the following functions:

- Monitors the performance of the organization's IT systems, including servers, networks, and databases.
- Manages the organization's data storage systems, including implementing cloud storage solutions.
- Cybersecurity.
- Maintains the security of SSB's network. This includes implementing firewalls, antivirus software, and other security measures to protect against cyber threats.
- Manages SSB's critical apps and communication systems, including email, instant messaging, and video conferencing.
- Provide training and support to users within the organization, including training employees on how to use software applications and hardware systems and troubleshooting and technical support when they encounter issues.

SSB ONLINE SERVICES

MY SOCIAL SECURITY SELF-SERVICE PORTAL

My Social Security online portal remains a priority for the organization and continues to be a primary focus to enhance our service delivery to stakeholders. The following diagram displays a technical overview of the platform.



In 2023, various work tasks related to the Portal project were completed for the program's public face, including the My Social Security online portal, which enables online access to Insured Person (IP) Services and Employer Services, as well as the back-end functions for internal processes. Below are the work tasks related to the 2023 portal project.

INSURED PERSON (IP) SERVICES

- Redesign of the Insured Person (IP) Portal to the new Davyn Social Security Platform (DSSP)
- First iteration of Sickness Benefit Back Office – up to Eligibility Engine.
- Healthcare Provider's Portal (HCP) – a new online interface that will allow healthcare providers to submit medical certificates on behalf of their patients.
- The HCP automates the manual process for the Sickness Benefit medical certificate in that medical providers will be able to fill out the "doctor" form online. The insured person (IP) will be able to log into their portal account to access the online medical certificate and complete the Sickness Benefit claim form online. Employers will be able to validate the Insured Person's employment, i.e., by submitting the number of weeks employed and other relevant details online.

The image shows the 'My Social Security SELF-SERVICE PORTAL' interface. The header features the Belize Social Security Board logo and the text 'CREATE YOUR MY SOCIAL SECURITY ACCOUNT Today!'. The main interface is titled 'My Social Security SELF-SERVICE PORTAL' and includes a sub-menu for 'Jane Doe'. The 'ACCOUNT FEATURES:' section lists several services with corresponding icons:

- Update your Bank & Contact Information, Marital Status, Name, Beneficiary etc. (with a gear icon)
- Apply for your Replacement/ Renewal Card (with a document icon)
- View a History of all your record updates & queries (with a clock icon)
- Submit your complete Sickness Benefit package (with a document icon)
- Apply for your child's 1st Card or Link their existing Card (with a document icon)

Below the interface, a QR code and the URL 'SSBPORTAL.ORG.BZ' are displayed. The bottom right corner features a 'TABLE OF CONTENTS' icon.

EMPLOYER SERVICES

Social Security Core Operations Accounting Engines (SSCOAE) manages and accounts for all employer transactions processed at SSB. It could be considered the financial heart of the platform.

- Changes in how contributions and employer debt are managed at SSB.
 - Cash Receipt Processing and Point of Sale – a new platform for managing payments to SSB.
- Banking Integration API for online payment by employers.
- Employer interface – new online interface for employers.
- Employer Statements – Migrated from the previous OCP to My Social Security online portal, and now employer's monthly contribution statements are submitted via the portal, allowing all employers to submit statements online.
- Employer Transactions - allows employers to see and manage their account transactions online.

MY SOCIAL SECURITY ONLINE PORTAL EFFICIENCY GAINS

The My Social Security online portal brings all the capabilities of SSB's systems and automation of its core programs and processes to the fingertips of Insured Persons and Employers, yielding improved performance and efficiencies for our customers. Below are a few highlights of efficiency achieved in 2023.

- Submission of online statements by all employers, including Self-Employed Persons, enables automatic updates to the Insured Person's contribution account, eliminating manual data entry of statements and related processes.
- The banking API facilitates all employers' online payments, allowing for automated updates to the employer's account. An electronic receipt is emailed to the employer via the email address provided on the account, eliminating the need for manual cashiering processes.
- Allows all employers, including Self-Employed Persons, to view and manage their account transactions online.
- Facilitates the submission of online registration applications and allows Employers, including Self-Employed Persons, to update information in their accounts.

COMMUNICATION & PUBLIC RELATIONS

2023 marked a year of transition for the Corporate Customer Relations Services (CCRS) department, which was re-engineered into two separate departments: Customer Relations Service (CRS) and Communications and PR (CPR). Marianela Vasquez Guerra took over as the new manager for CRS, while Vanessa Velloz was welcomed into the SSB family as the new manager for CPR.

To keep the public abreast of SSB's operations, the **SSB Connect** was held at the Biltmore Plaza, where Hernando Montas, SSB's Actuary, gave an important presentation on the health of the SSB Fund. Montas said, "Contribution income increased by 22.4%, a positive performance due to the impact of the legal amendments and the recovery of the economy." Montas further stated that "The reallocation of the contributions by branch, the full implementation of the 10% contribution rate and the \$520 ceiling, are anticipated to yield the following outcomes:

- i. Ensure the long-term sustainability of the short-term branch.
- ii. Contain the capitalization of reserves by the Employment Injury (EI) branch and,
- iii. Strengthen the financing base of the Long-Term branch, extending the Period of Equilibrium (PE) to the end of the present decade."





Montas further stated, "The analysis also shows that the capitalization of the long-term branch would depend almost exclusively on a share of investment income, a critical issue to ensure the scheme's sustainability."

The department continued to produce new **Click and Connect** shows in keeping with its mandate to educate the public about SSB's benefits and programs. Show concepts that were developed and produced include topics such as Invalidity Benefits, Employer Transactions, and Scholarships.

New projects were undertaken like the **media mixer** to establish and strengthen the relationship with the media, the **SDA Quarterly Flyer**, which highlighted SSB donations that met the GIVES criteria – Going Green, Improved Health Outcomes, Valued Partnerships,

Empowered Workforce and Scholarships, as well as completed the Investment Explainer Video Series to explain the role and function of the Investment Services department. Furthermore, a TV cartoon advertisement was produced to demonstrate the macro functions of SSB, presenting the entire cycle from Registration and Contributions to benefits paid out, what is invested, and how all these transactions affect the reserves.

The SSB disseminates its various messages through TV Stations, Facebook, YouTube, the website, Instagram, TikTok, digital text blasts, electronic billboards, newspapers, radio stations, media mixers, and various media appearances.

CLICK & CONNECT
WITH SOCIAL SECURITY BOARD

CONNECT WITH US!

Elevate Your Knowledge on Invalidity Benefit!

▶ LIVE March 22, 2023

**HOST:
MOWAVA FULLER**

RESEARCH & ACTUARIAL RECOMMENDATIONS

POLICY RESEARCH ACTUARIAL SERVICES (PRAS) DELIVERABLES

A year after its establishment, Policy, Research, and Actuarial Services (PRAS) continues to advance resolutely in accomplishing the Social Security Board's (SSB) reform and the national social protection agenda through evidence-based management. This division comprises the following four units:

- Research and Statistics (R&S),
- Policy and Affiliate Relations (PMAR),
- Social and Economic Policy (SEP), and
- Actuarial Services.

PRAS diligently worked with our esteemed national and international partners to achieve its 2023 mandate in a spirit of collaboration. The recommendations for unemployment insurance, as well as the department's leadership in developing the Actuarial Recommendations for the short-term and long-term benefits branches, are worth mentioning, as they align with strategic objectives.

UNEMPLOYMENT INSURANCE

The Joint SDG (*Sustainable Development Goals*) Fund, the International Labour Organization (ILO), and the SSB jointly completed the "Cost Assessment for Unemployment Insurance in Belize." Additionally, the SSB and ILO co-hosted a "Workshop on Awareness Raising on Unemployment Insurance for Key Stakeholders in Belize" in Belize City on June 27, 2023, which yielded significant insights and discussions on the feasibility of implementing an Unemployment Insurance (UI) scheme in Belize.

As a result of attending this workshop, the PRAS team, with their expertise and dedication, conducted an in-depth analysis. This analysis is instrumental in exploring the feasibility of implementing an Unemployment Insurance (UI) scheme in Belize, thereby shaping the future of SSB policies and ensuring their effectiveness.

Unemployment insurance is crucial for providing financial support, maintaining economic stability, preventing poverty, facilitating effective job searches, and promoting social stability. The information gathered from the initial cost assessment plays a key role in shaping future SSB policies.



ACTUARIAL SERVICES

Actuarial valuations provide comprehensive insights into the scheme's financial status and sustainability. The Board can utilize these findings to make informed decisions regarding benefit adjustments, funding strategies, and policy reforms, thereby maintaining the stability and sustainability of the Scheme for our stakeholders. Despite potential positive and negative impacts, the primary objective of actuarial valuations is to ensure the long-term sustainability and reliability of the Social Security Board's benefits programs.

In this light, the department supported the development and editing of the ILO-SSB "Actuarial Valuation of the Long-Term and Short-Term Benefits branches of the Social Security Scheme of Belize as of 31 December 2021" and the Consultores Actuariales' "Actuarial Performance Analysis of the Social Security Scheme on 31 December 2022".

The Actuarial Performance Analysis for 2022 demonstrates that the implementation of the final tranche of legal amendments has been instrumental in enhancing the scheme's financial sustainability. This is especially significant as the long-term branch has been experiencing gradual maturity, which has seen contributory pensions rise more rapidly than the number of Active Insured Persons.



Reassigning contributions based on actuarial suggestions and complete implementation of the 10% contribution rate and \$520 ceiling are expected to maintain the short-term branch, manage reserves, and reinforce the long-term branch, thereby extending its Period of Equilibrium until the end of the decade.

RESEARCH & STATISTICS (R & S)

The R&S department continued to play a pivotal role in shaping the organization's trajectory through its accomplishments in 2023. Beyond routine tasks, the department made significant contributions to various initiatives. From supporting GDP estimates to aiding legislative processes and international benchmarking, the department's efforts transcended numerical analysis. See below for further details:

- Compiled and shared essential contribution and employer-related data for the Statistical Institute of Belize to improve GDP estimates.
- Provided data for the World Bank's ASPIRE Administrative Data Portal that will help to assess and benchmark Belize's Social Protection system on an international level for the first time.
- Furnished vital data that supported the OSH Bill legislation to prevent or mitigate injuries and promote workplace safety in Belize, the National Social Protection Policy, and Belize's Decent Work Country Programme.

In addition, R&S spearheaded the compilation of the 2022 Annual Statistical Abstract and provided most of the tables and graphs for other SSB reports, including the Actuarial Report, Annual Report, and Non-Contributory Pension (NCP) Annual Report. These reports provide invaluable insights into the financial health and performance of the Social Security program, serving as pillars of transparency. They offer projections for income, expenses, and assets, which are essential for long-term solvency assessments.

POLICY MANAGEMENT & AFFILIATE RELATIONS (PMAR)

PMAR aims to establish and strengthen relationships with key stakeholders, i.e., the International Social Security Association (ISSA), ILO, and CISS, as the SSB increases its regional and international influence. The department's core functions are below:

- **Effective Policy Management:** PMAR oversees the development, monitoring, and compliance of corporate policies. The department also ensures that these policies align with current laws and regulations, promoting transparency and collaboration through stakeholder engagement and training.
- **Continuous Improvement and Innovation:** The department is dedicated to resolving internal policy conflicts and encouraging ongoing improvements and innovation. This ensures that policies remain adequate and relevant.
- **Building Strategic Alliances:** The Affiliate Relations component focuses on developing and maintaining partnerships with government agencies, NGOs, industry partners, and international bodies. The department coordinates initiatives, represents the SSB in external forums and regularly evaluates these partnerships to maximize their impact.

• **Legislative Progress:** Guided by the Policy Steering Committee, PMAR collaborates with various SSB departments to manage policies cohesively and effectively engage stakeholders. This enhances the department's ability to deliver high-quality services, maintain compliance, and build strong alliances, ultimately contributing to organizational success and positive social impact.

Participation in the “Belize Social Protection Summit” in October 2023 enabled connections to be established with local and international social protection stakeholders. It also allowed the SSB to showcase its current and future social protection initiatives to its peers and the Belizean public.

In addition, participation in the “Decent Work Country Program for Belize: National Stakeholder Program Workshop” provided opportunities to network with tripartite stakeholders, gain insight into various perspectives on this national issue, and appreciate the urgency of addressing this gap in national-level programming.

Through these efforts, the PMAR department ensures that the SSB remains responsive, innovative, and well-connected, continually improving how we serve our community.



SOCIAL & ECONOMIC POLICY DEPARTMENT (SEP)

The Social and Economic Policy Department has been renamed the Reform Policy Development (RPD) department to better reflect its mission. Focus Areas of RPD:

- 1. Policy Development:** The RPD focuses on actioning actuarial reform recommendations to improve the scheme's efficiency and effectiveness.
- 2. Social and Economic Research and Monitoring:** This function supports policy development by providing valuable insights and data on social and economic trends.
- 3. Employment, Labour, and Social Security Dynamics:** This area examines the interplay between employment trends and social security, informing policies that enhance the scheme's relevance and impact.

By focusing on these three areas, the RPD department ensures that the SSB remains financially stable while enhancing operational efficiency and protecting beneficiaries' rights. Through rigorous research and strategic policy development, the RPD is committed to driving meaningful reforms that benefit all stakeholders.



AUDIT SERVICES

INTERNAL AUDIT SERVICES (IAS)

To maintain accountability and transparency, the Internal Audit Services (IAS) plays a crucial role in ensuring effective management processes at the SSB by considering risks and controls in its annual risk-based audit plans and audit engagements. Here is a summary of audit activities for 2023:

COMPLIANCE

- Branch Reviews
- Registration of Insured Persons
- Long Term Benefits
- Existing Pension Management
- Peransa Employer Registration
- Short Term Benefits and Medicare

ADVISORY

- Security Simulation
- Monitoring the Implementation of new policies and directives
- Enterprise Risk Management Continuity

INFORMATION TECHNOLOGY

- Virtual Private Network

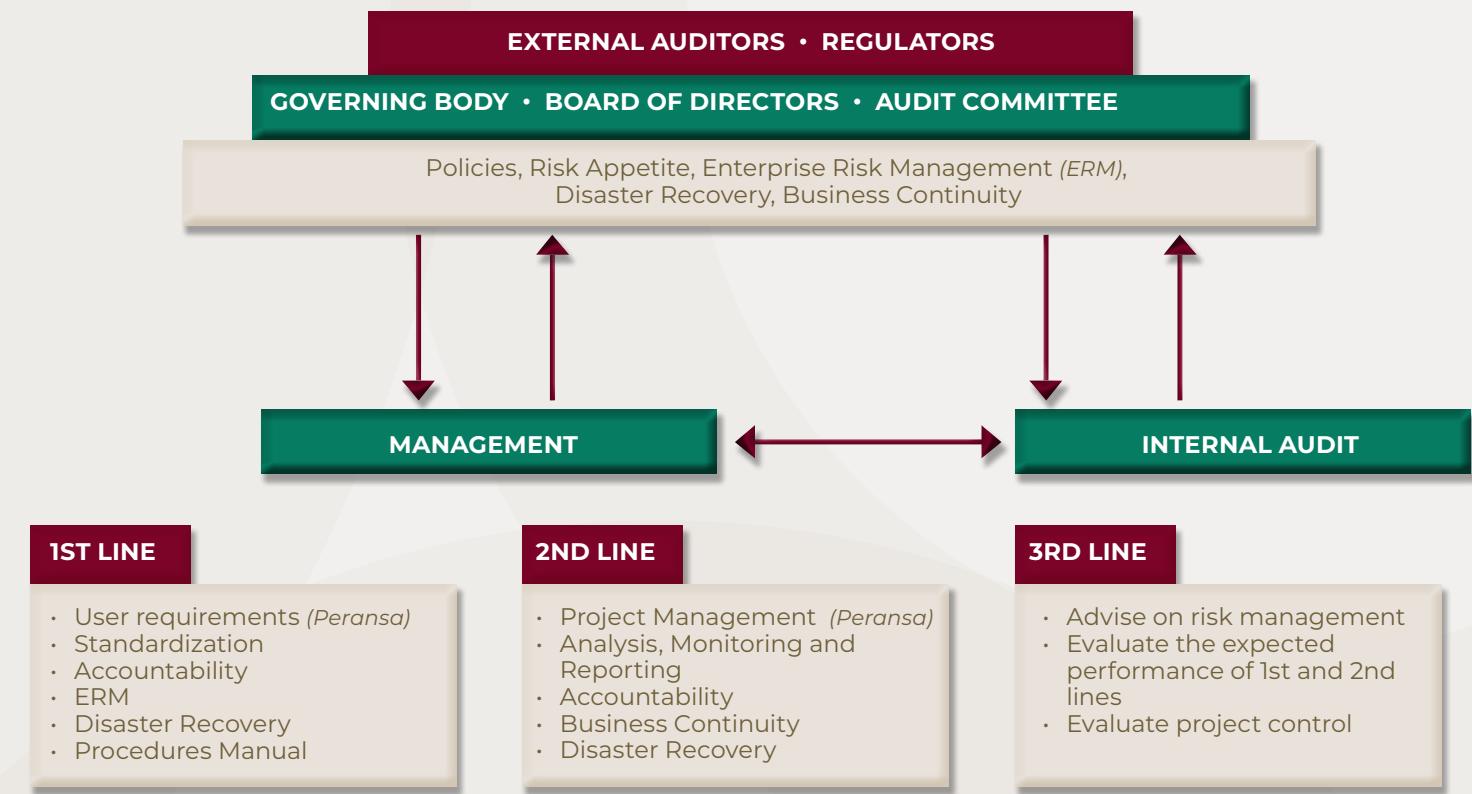
FINANCIAL

- Branch Reviews
- Accounts Receivable Benefits
- Overpayments
- Unapplied Deposits
- Accounts Payable and Vendor Database
- Home Development Limited

OPERATIONAL

- Exit Interview
- Online Contribution Payments
- Destruction of Files

In SSB's efforts to deliver an innovative, resilient, people-centered, and sustainable social insurance program, IAS utilized the Three Lines of Defense (3LOD) model to assess the management and oversight of risk management.



Notable achievements include the establishment of the Fraud Unit in July 2023, which investigates suspected and confirmed fraudulent activities and evaluates the evidence gathered. Additionally, the unit scrutinizes internal controls, monitors the effectiveness of fraud detection strategies, and recommends measures to eliminate or mitigate fraud risks and opportunities.

PART TWO

- SOCIAL DEVELOPMENT ACCOUNT (SDA) COMMITTEE REPORT
- BUILDING COMMITTEE
- NATIONAL HEALTH INSURANCE (NHI)



SOCIAL DEVELOPMENT ACCOUNT (SDA) COMMITTEE REPORT

The Social Security Development Account (SDA) is established by legislation in the Social Security (Financial and Accounting) Regulations, Subsidiary Laws of Belize, Revised Edition, 2003, Chapter 44, Regulation 14(1:01) states: "Of the Employment Injury Benefits Branch, the Board may with the approval of the Minister, expend for social development purposes 0.15 per centum of the funds actuarially assessed from the total insurable earning ceiling collected as contributions for the said Branch, and all projects for such purposes shall be financed from a separate account to be opened and named the Social Development Account."

In 2023, the SSB provided approvals for financial support in the amount of \$831,437.27. As illustrated below, the category in which the SSB provided the most significant financial support was medical, accounting for 75% of the total financial assistance provided.



The SSB remains committed to contributing to medical initiatives, community events, sports, school projects, educational grants, and non-governmental organizations, with a prudent foresight to impact the lives of Belizeans positively.



In this vein, **SSB's scholarship program** is funded by the SDA and continues to be a key flagship event, with a total of 44 students from Orange Walk, Belize City, Belmopan, and Santa Elena being awarded scholarships. In total, SSB has awarded 28 High School, 1 Vocational, and 15 Associate Degree programs.



Leah Mangar

A past scholarship recipient

“Being granted this scholarship allowed me to pursue my studies with confidence and determination within the major I am most passionate about - Business & Management. This award relieved me of financial constraints, which motivated me to walk the aisle with honors! I express heartfelt gratitude to the Social Security Board for not only awarding me, but for believing in me and choosing me as their first recipient in Punta Gorda to receive a Bachelor Scholarship from the organization. They provided the bridge that I needed to cross into a future of building my dreams and my career.”

Since the program began in 2001, SSB has awarded over 1,100 scholarships to recipients and currently honors the financial commitment to cover tuition for 154 scholarship recipients who have not yet completed their programs.

As part of another initiative, SSB facilitated two Empowering You cohorts this year from the SDA, with 134 semi-skilled individuals having the opportunity to learn bartering, massage, nail art, culinary arts, hair braiding, and cake decorating. The areas targeted included Caye Caulker and Independence. Overall, the Empowering You program positively impacted over 200 participants across three years, from 2021 to 2023.



Comments received via social media included many individuals who expressed their continued interest in the program, requesting that it be offered in their area. All participants were very proud of their accomplishments and valued the certificates they received.



BUILDING COMMITTEE

The Building Sub-Committee of the Board consists of three members of the Social Security Board of Directors and two staff members. This subcommittee is primarily tasked with advising the Board of Directors on building matters under its review and in fulfilling its duties and responsibilities concerning the following:

- Building repair and maintenance
- Policies, planning, facilities, infrastructure, and related property matters

The committee held 12 regular meetings in 2023, primarily focusing on continuing enhancements to the structure, including sealing the exterior walls and windows, as well as formalizing safety and security protocols for tenants.

Tenants include the Office Gurus, the Caribbean Community Climate Change Centre (CCCCC), and the United Nations Development Programme (UNDP). The David L. McKoy Business Center generated \$1.1M in gross investment income in 2023.

NATIONAL HEALTH INSURANCE (NHI)



As part of its core functions, the SSB has fiduciary oversight responsibility of NHI, which was established in 2000 through an amendment to the Social Security Act. Below is a summary of NHI's activities in 2023.

The strategic directive in the 2020-2024 Corporate Strategy document was to map the way forward in attaining Universal Coverage and equity for the rest of our population. The Executive Chairman of NHI stated that “the greatest challenge has always been, and continues to be, the establishment of a sustainable financing mechanism that would support the implementation of a new model of care based on equity, quality, access and coverage for the whole population, with a focus on Primary Care.”

The main focuses for the revised strategic plan are:

1. Secure Funding for Financial Sustainability and the NHI Roll-Out.
2. Countrywide Roll Out.
3. Governance & Strengthening of the Health System.
4. Stakeholder Relations & Communication.
5. Global Fund-HIV.

In summary, to achieve universal coverage, financing and a restructuring of the health system is needed. To receive funding and improved governance, policies are needed to facilitate this.

As it relates to the financial operations, the government contributed \$29M this year to NHI, \$7M+ more than 2022's contribution of \$21M+. Overall, from the inception of NHI in 2008, the government has contributed a total of \$743,759,763.98 to date. Below is a table that shows the NHI Expenditures by Specific Services for the period 2020 to 2023, followed by another table that shows the financial operations for the period 2019 to 2023:

NHI Expenditures by Specific Services				
National Health Insurance	2023	2021	2021	2020
Hospital Deliveries SR	-	-	-	\$64,200
Imaging	\$920,383	\$728,518	\$399,189	\$389,218
KPI	\$420,462	\$262,928	-	\$421,097
Lab Tests	\$1,959,626	\$1,448,039	\$831,694	\$862,000
Ophthalmology	\$293,955	\$247,810	\$125,530	\$67,150
Primary Care PCP	\$11,530,808	\$10,956,913	\$10,565,956	\$11,453,000
Pharmacy	\$999,221	\$897,405	\$988,908	\$886,000
Pharmaceutical Cost	\$614,291	\$567,165	\$329,659	\$227,201
Primary Operating Cost	-	\$705	\$4,781	\$4,079
	\$16,738,746	\$15,109,483	\$13,245,717	\$14,373,945

Financial Operations				
	2023	2021	2021	2020
			2020	2019
Payments to Providers	\$16,189,382	\$14,522,702	\$12,915,229	\$14,142,665
Pharmaceutical Cost	\$614,291	\$567,165	\$329,659.53	\$227,201
Mercy Pharmacy Operation Cost	-	\$705	\$4,781.26	\$4,079
Administrative Expenses	\$1,382,088	\$1,408,432.60	\$1,035,754	\$884,796
Total Expenditure	\$18,185,761	\$16,499,004.60	\$14,285,424	\$15,258,741
Total Contributions (GOB)	\$27,250,000	\$21,999,999.98	\$17,725,000	\$16,265,000

PART THREE

- FINANCIAL STATEMENTS



Social Security Board

*Financial Statements for the year ended
December 31, 2023 and Independent
Auditors' Report*

SOCIAL SECURITY BOARD

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INDEPENDENT AUDITOR'S REPORT (continued)

Responsibilities of Management and the Directors for the Financial Statements (continued)

In preparing the financial statements, management is responsible for assessing Social Security Board'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 Social Security Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the directors and management, are responsible for overseeing the Social Security Board'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 is not a 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 judgment and maintain professional skepticism 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 Social Security Board'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 Social Security Board's ability to continue as a going concern. If we conclude that a material uncertainty

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS SOCIAL SECURITY BOARD

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Social Security Board, which comprise the statement of financial position as of December 31, 2023 and the statement of profit, the statement of comprehensive income, statement of changes in reserve, and statement of cash flows for the year then ended and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the statement of financial position of Social Security Board as of December 31, 2023 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), and requirement of the Financial and Accounting Regulations of the Social Security Act, Chapter 44.

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 Social Security Board in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) which are the ethical requirements relevant to Belize and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and the Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

SOCIAL SECURITY BOARD

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 Social Security Board to cease to continue as a going concern; and

- 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.

We communicate with those charged with governance, the directors and management, 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.

PKF Belize

PKF Belize
Chartered Accountants
Belize City

February 4, 2025

<u>ASSETS</u>	<u>Notes</u>	<u>2023</u>	<u>2022</u>
CURRENT ASSETS:			
Cash and cash equivalents			
2g. 2h. 4.	154,907,559	146,845,109	
Short term investments	32,854,242	27,923,261	
Investment income receivable	18,657,487	16,792,852	
Office supplies	730,306	694,435	
Accounts receivable	2,618,248	3,179,267	
Prepayments	807,904	831,525	
Loan principal receivable current portion	19,351,528	18,342,674	
Total current assets	<u>229,927,274</u>	<u>214,609,123</u>	
NON-CURRENT ASSETS:			
Investment in associates	211,531,716	204,783,713	
Long term investments	176,076,941	141,205,950	
Loan principal receivable - net	55,453,210	51,814,523	
Other assets	967,200	970,800	
Intangible asset - net	4,593,167	603,182	
Investment property - net	21,940,074	22,340,788	
Property and equipment - net	27,097,702	29,909,860	
Total non-current assets	<u>497,660,010</u>	<u>451,628,816</u>	
TOTAL ASSETS	\$ 727,587,284	\$ 666,237,939	
LIABILITIES AND RESERVES			
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable and accruals	2g. 16. <u>19,537,674</u>	<u>18,026,228</u>	
Total current liabilities	<u>19,537,674</u>	<u>18,026,228</u>	
NON-CURRENT LIABILITIES:			
Pension liability	2s. 18. <u>2,637,051</u>	<u>2,242,545</u>	
Severance liability	2t. 17. <u>3,972,905</u>	<u>3,659,694</u>	
Total long term liabilities	<u>6,609,956</u>	<u>5,902,239</u>	
Total liabilities	<u>26,147,630</u>	<u>23,928,467</u>	
RESERVES:			
Short term contingency reserve	2u. <u>29,734,455</u>	<u>23,124,131</u>	
Long term benefits reserve	2u. <u>514,218,446</u>	<u>480,257,143</u>	
Employment injury benefit reserve	2u. <u>126,907,024</u>	<u>115,913,864</u>	
Disability and death benefits reserve	2u. <u>10,784,634</u>	<u>11,453,117</u>	
National health insurance fund	19,776,104	11,894,750	
Natural disaster fund	801,076	1,051,076	
Social development account	1,854,966	857,936	
Pension reserve	2s. 18. <u>(2,637,051)</u>	<u>(2,242,545)</u>	
Total reserves	<u>701,439,654</u>	<u>642,309,472</u>	
TOTAL LIABILITIES AND RESERVES	\$ 727,587,284	\$ 666,237,939	

The financial statements on page 4 to 9 were approved and authorized for issue by the Board of Directors on February 4, 2025 and are signed on its behalf by:

Vigeli Asasa.

Amber

The notes on pages 10 to 43 are an integral part of these financial statements.

SOCIAL SECURITY BOARD

STATEMENT OF PROFIT FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
INCOME			
Contributions:	2v.		
Employers and employed persons		<u>166,000,314</u>	<u>143,852,810</u>
Other income:			
Net investment income	19.	<u>26,099,029</u>	<u>21,084,076</u>
Other income – net	20.	<u>2,207,379</u>	<u>2,360,430</u>
Other income – NHI Fund		<u>25,200</u>	<u>-</u>
GOB contribution to NHI Fund	2w.	<u>27,250,000</u>	<u>21,200,000</u>
Total other income	21.	<u>55,581,608</u>	<u>44,644,506</u>
TOTAL INCOME		<u>221,581,922</u>	<u>188,497,316</u>
EXPENDITURES			
Benefits:	2x.		
Short term benefits branch		<u>21,456,056</u>	<u>23,211,834</u>
Long term benefits branch		<u>87,949,166</u>	<u>79,374,327</u>
Employment injury benefits branch		<u>4,791,764</u>	<u>3,684,286</u>
Disablement and death benefits		<u>2,422,983</u>	<u>2,335,741</u>
National Health Insurance benefits		<u>17,742,888</u>	<u>15,090,570</u>
Total benefits		<u>134,362,857</u>	<u>123,696,758</u>
Operating expenses:			
Administration	22.	<u>23,673,554</u>	<u>22,826,757</u>
Establishment	23.	<u>1,276,521</u>	<u>1,153,789</u>
Financial		<u>789,636</u>	<u>613,313</u>
NHI operating expenses	24.	<u>1,650,958</u>	<u>1,490,590</u>
Staff pension		<u>300,097</u>	<u>74,900</u>
Total operating expenditures		<u>27,690,766</u>	<u>26,159,349</u>
TOTAL EXPENDITURES		<u>162,053,623</u>	<u>149,856,107</u>
EXCESS OF INCOME OVER EXPENDITURES		<u>\$ 59,528,299</u>	<u>\$ 38,641,209</u>

The notes on pages 10 to 43 are an integral part of these financial statements.

SOCIAL SECURITY BOARD

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
EXCESS OF INCOME OVER EXPENDITURES		<u>59,528,299</u>	<u>\$ 38,641,209</u>
OTHER COMPREHENSIVE INCOME:	2u.		
APV disablement benefits		<u>1,088,111</u>	<u>667,260</u>
APV death benefits		<u>192,482</u>	<u>529,451</u>
		<u>1,280,593</u>	<u>1,196,711</u>
Actuarial (loss) on defined benefits plan	18	<u>(94,409)</u>	<u>(169,972)</u>
Total other comprehensive income		<u>1,186,184</u>	<u>1,026,739</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>\$ 60,714,483</u>	<u>\$ 39,667,948</u>

The notes on pages 10 to 43 are an integral part of these financial statements.

SOCIAL SECURITY BOARD

STATEMENTS OF CHANGES IN RESERVES YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

	Short term Benefits Branch	Long term Benefits Branch	Employment Injury Benefits Branch	Disability Benefits Reserve	National Health Insurance Fund	Natural Disaster Fund	Social Development Assistance Account	Pension Reserve	Total
Balance, December 31, 2022	23,124,131	480,257,143	115,913,864	11,453,117	11,894,750	1,051,076	857,936	(2,242,545)	642,309,472
Transfer to Social Development Account and Natural Disaster Fund	-	-	(2,331,332)	-	-	250,000	2,081,332	-	(1,084,302)
Social Development Assistance Fund Expenditures	-	-	-	-	-	(1,084,302)	-	-	(1,084,302)
Natural Disaster Fund Expenditures	-	-	-	-	(500,000)	-	-	-	(500,000)
Excess of income over expenditures / (expenditures over income)	6,610,324	33,961,303	13,324,492	(1,949,077)	7,881,354	-	-	(300,097)	59,528,299
Other Comprehensive Income	-	-	-	1,280,594	-	-	-	(94,409)	1,186,185
Balance, December 31, 2023	\$ 29,734,455	514,218,446	126,907,024	10,784,634	19,776,104	801,076	1,854,966	(2,637,051)	701,439,654

The notes on pages 10 to 43 are an integral part of these financial statements.

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SOCIAL SECURITY BOARD

STATEMENT OF CHANGES IN RESERVES (CONTINUED) YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

	Short term Contingency Reserve	Long term Benefits Reserve	Employment Injury Benefits Reserve	Disability Benefits Reserve	National Health Insurance Fund	Natural Disaster Fund	Social Development Assistance Account	Pension Reserve	Total
Balance, December 31, 2021	22,620,463	456,444,909	106,110,328	12,162,839	7,275,910	2,301,076	31,282	(1,997,673)	604,949,134
Transfer to Social Development and Natural Disaster Fund	-	-	(1,884,264)	-	-	250,000	1,634,264	-	(807,610)
Social Development Assistance Fund Expenditures	-	-	-	-	-	-	(807,610)	-	(807,610)
Natural Disaster Fund Expenditures	-	-	-	-	(1,500,000)	-	-	-	(1,500,000)
Excess of income over expenditures / (expenditures over income)	503,668	23,812,234	11,687,800	(1,906,433)	4,618,840	-	-	(74,900)	38,641,209
Other Comprehensive Income	-	-	-	1,196,711	-	-	-	(169,972)	1,026,739
Balance, December 31, 2022	\$ 23,124,131	480,257,143	115,913,864	11,453,117	11,894,750	1,051,076	857,936	(2,242,545)	642,309,472

The notes on pages 10 to 43 are an integral part of these financial statements.

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SOCIAL SECURITY BOARD

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

	2023	2022
OPERATING ACTIVITIES		
Excess of income over expenditures	59,528,299	38,641,209
Adjustments to reconcile excess of income over expenditures to net cash provided by operating activities:		
Actuarial present value provision	1,280,594	1,196,711
Amortization expense	389,953	465,911
Depreciation expense	2,191,020	2,045,999
Interest income	(17,415,395)	(14,779,515)
(Gain) on disposal of fixed asset	(21,304)	(360,472)
Expected credit losses	1,673,764	1,891,780
Service cost of defined benefit plan	(394,747)	(591,991)
Severance expense	529,604	504,907
Net interest on defined benefit liability	694,844	666,891
Result from equity accounted investments	(10,148,000)	(7,795,420)
Operating gain before working capital changes	38,308,632	21,886,010
Net changes in working capital:		
Office supplies	(35,871)	100,506
Accounts receivable	338,096	777,467
Prepayments	23,621	(321,925)
Held for sale	-	39,805
Other assets	3,600	20,400
Accounts payable and accruals	1,511,446	9,315,688
Cash provided by operating activities	40,149,524	31,817,951
Severance paid	(216,393)	(366,653)
Net cash provided by operating activities	39,933,131	31,451,298
INVESTING ACTIVITIES		
Long term investments	(34,870,991)	(7,170,748)
Loan principal receivable	(6,111,911)	6,851,674
Short term investments	(4,930,981)	(2,562,217)
Additions to fixed assets	1,033,009	(6,308,343)
Increase in intangible asset	(4,379,939)	(117,808)
Proceeds from disposal of fixed assets	23,674	578,058
Interest received	15,250,760	13,572,183
Dividends received	3,700,000	6,826,006
Net cash (used in) provided by investing activities	(30,286,379)	11,668,805
FINANCING ACTIVITIES		
Disbursements from social development fund	(1,084,302)	(807,610)
Disbursements from natural disaster fund	(500,000)	(1,500,000)
Net cash used in financing activities	(1,584,302)	(2,307,610)
Net increase in cash and cash equivalents	8,062,450	40,812,493
Cash and cash equivalents, January 1	146,845,109	106,032,616
Cash and cash equivalents, December 31	\$ 154,907,559	\$ 146,845,109

The notes on pages 10 to 43 are an integral part of these financial statements.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

1. STATUS

Social Security Board (Board/SSB) is a statutory body which came into existence with the enactment of the Social Security Act, Chapter 44, Laws of Belize 1980. Social Security Board was established to provide various financial benefits to insured persons residing in Belize. Funding of these benefits is provided through contributions from employers and employees and self-employed persons. The corporate headquarters is located at Bliss Parade, City of Belmopan, Belize.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a. Statement of compliance

The financial statements of Social Security Board have been prepared from the records maintained in the financial accounting system of the Board, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), while the form and content are specified in the Social Security Act, and requirements of the Financial and Accounting Regulations, Chapter 44, Revised Edition 2020.

b. Basis of presentation

The financial statements have been prepared under the historical cost convention, as modified by any revaluation of financial assets and financial liabilities at fair value through profit or loss.

c. Functional and presentation currency

The financial statements are presented in Belize dollars, which is also the functional currency of the Social Security Board.

d. Use of estimates and judgements

Use of estimates

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

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.

Measurement of the expected credit loss allowances

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate assumptions for the measurement of ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

d. Use of estimates and judgements (continued)**Actuarial valuation of defined benefit plan**

The cost of defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All valuations are made by a qualified actuary.

e. Change in accounting policies

The accounting policies adopted are consistent with those used in the previous financial year.

New and amended standards adopted by the Company

The Company has applied the following amendments for the first time for its annual reporting period commencing 1 January 2023:

IAS 1 Presentation of Financial Statements

Disclosure of Accounting Policies '(Amendments to IAS 1 and IFRS Practice Statement 2)' amendments help preparers in deciding which accounting policies to disclose in their financial statements.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Definition of Accounting Estimates '(Amendments to IAS 8)' help entities to distinguish between accounting policies and accounting estimates.

The amendment listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the end of the reporting period are disclosed below.

Non-current liabilities with covenants (Amendments to IAS 1)

Effective for annual reporting periods beginning on or after January 1, 2024

Non-current liabilities with covenants (Amendments to IAS 1) are intended to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period.

The amendment will be adopted when it becomes effective. Its effect, if any, will be quantified at that time.

Financial instruments disclosures (Amendments to IFRS 7)

Effective for annual reporting periods beginning on or after January 1, 2024

The IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures about supplier finance arrangements (SFAs).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

d. Change in accounting policies (continued)**Financial instruments disclosures (Amendments to IFRS 7) (continued)**

The amendment will be adopted when it becomes effective. Its effect, if any, will be quantified at that time.

Lease liability in a Sale and Leaseback (Amendments to IFRS 16)

Effective for annual reporting periods beginning on or after January 1, 2024

The IASB issued Lease liability in a Sale and Leaseback, which amends IFRS 16 to address the issue of subsequent measurement of the lease liability. It includes requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendment will be adopted when it becomes effective. Its effect, if any, will be quantified at that time.

e. Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by the Board at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the income statement.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss.

f. Financial instruments

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Board 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.

A financial liability is derecognised when it is extinguished, discharged, cancelled, or expired. Financial assets and financial liabilities are initially measured at fair value.

i. Classification and initial measurement of financial assets

Except for those 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).

Financial assets, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

g. Financial instruments (continued)i. Classification and initial measurement of financial assets (continued)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of receivables which is presented within lending operations expenses.

ii. Subsequent measurement of financial assetsFinancial assets at amortised cost

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. For financial assets included in this category see Note 26.

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 categorized 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.

The category also contains an equity investment. The Board accounts for the equity investments at FVTPL and did not make the irrevocable election to account for the investment in Atlantic Bank Limited (ABL), Citrus Products of Belize Limited (CPBL) and Belize Water Services Ltd. (BWSL) at fair value through other comprehensive income (FVOCI).

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 using a valuation technique where no active market exists.

iii. Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses - the 'expected credit loss (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables.

Recognition of credit losses is no longer dependent on the Board first identifying a credit loss event. Instead the Board 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

g. Financial instruments (continued)iii. Impairment of financial assets (continued)

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)
- Stage 3 would cover financial assets that have objective evidence of impairment at the reporting date.
- '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

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

Definition of default and credit-impaired assets

The SSB defines a financial instrument as in default, when it meets one or more of the following criteria:

- The borrower is more than 90 days past due on its contractual payments
- The borrower is in long-term forbearance
- The borrower is deceased
- It is becoming probable that the borrower will enter bankruptcy

This criteria has been applied to all financial instruments held by the SSB and are consistent with the definition of default used for internal risk management purposes. The default definition has been applied consistently to model the Probability of Default, Exposure at Default, and Loss given Default throughout the SSB's expected loss calculations.

Measuring ECL- Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months, or over the remaining lifetime of the obligation.
- EAD is based on the amounts the SSB expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.
- LGD represents the SSB's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis.

Trade and other receivables and contract assets

The Board makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument.

In calculating, the Board uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

g. Financial instruments (continued)iii. Impairment of financial assets (continued)

Trade and other receivables and contract assets (continued)

The Board assess impairment of Accounts receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

iv. Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the SSB designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. For financial liabilities that fall into this category see Note 26.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within Interest on borrowing expenses or finance income.

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

h. Cash and cash equivalents

Cash and cash equivalents represent cash on hand, bank deposits and short term highly liquid investments with original maturity of three months or less.

i. Short term investments

Short term investments represent term deposits, Government of Belize (GOB) Treasury notes and any other investment with maturity dates of less than one year.

j. Office supplies

Office supplies are stated at the lower of cost and net realizable value, cost being determined on the actual cost of the supplies.

k. Accounts receivables

Includes assessments of contributions, dividends receivable and other miscellaneous receivables recorded on the accrual basis.

l. Prepayments

Prepayments represent insurance, license, property tax and other cost paid in advance of their intended use or coverage. Prepayments are expensed in the period the service is received.

m. Investments in associates

Associates are investments in entities where SSB has the power to exercise a significant influence, but they do not have control or joint control through participation in the financial and operational decisions of the entity.

Usually the stockholding is 20% to 50% of the voting rights. Investments in associated entities are accounted for under the equity method and include goodwill identified on acquisition, net of any accumulated impairment loss.

Under the equity method, the investment in the associate is carried on the statement of financial position at cost plus post acquisition changes in SSB's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

m. Investments in associates (continued)

The income statement reflects the Board's share of the results of operations of the associate. When there has been a change recognized directly in the equity of the associate, SSB recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between SSB and the associate are eliminated to the extent of the interest in the associate. SSB's share of profit of an associate is included in the income statement as Investment income. This is the profit attributable to equity holders of the associate and, therefore, is profit after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associates of SSB are prepared as follows, Belize Electricity Limited as at December 31, 2023, and Belize Telemedia Limited as at March 31, 2023. Whereby, one associate differs from SSB's reporting period. However, adjustments are made for the effects of any significant events or transactions that occurred between the date of the associate's financial statements, and SSB's financial statements. When necessary, adjustments are made to bring the accounting policies in line with those of the SSB. After application of the equity method, SSB determines whether it is necessary to recognize an additional impairment loss on its investment in its associates.

SSB determines at each reporting date, whether there is any objective evidence that the investment in each associate is impaired. If this is the case, SSB calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of profit of an associate' in the income statement. Upon loss of significant influence over the associate, SSB measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

n. Intangible assets

Intangible assets comprise basically the contractual rights and expenses incurred on specific projects with future economic value, are valued at cost, less accumulated amortization and losses by reducing the recoverable amount where applicable. Intangible assets are recognized only if it is likely that they will generate economic benefits to the Board, are controllable under the Board's control and their respective value can be measured reliably.

Intangible assets that have finite useful lives are amortized over their effective use or a method that reflects their economic benefits, while those with indefinite useful lives are not amortized; consequently, these assets are tested at least annually as to their recovery (impairment test).

The estimated useful life and amortization methods are reviewed at the end of each financial year and the effect of any changes in estimates are recorded in a prospective manner.

Intangible assets are amortized using the straight-line method over an estimated useful life of the assets as follows:

Intangible assets

1 - 10 years

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

n. Intangible assets (continued)

Internally generated intangible assets, during the research phase, have their expenditure recorded in expenses of the period when incurred. Expenditure on development activities (or stage of development of an internal project) is recorded as intangible assets if and only if it meets all of the requirements of the standard. Initial recognition of this asset corresponds to the sum of the expenditures incurred from when the intangible asset has passed to meet the recognition criteria required by the standard.

Intangible assets generated internally, are recorded at cost value less amortization and loss on the accumulated impairment. The Board's intangible assets comprise mainly of acquired software licenses. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

o. Investment property

Investment properties are properties held to earn rentals or for capital appreciation, or both, and are accounted for using the cost model.

Investment properties other than land are depreciated using the straight line method over the estimated useful life of the assets as follows:

Buildings	40 - 50 years
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Repairs and maintenance are charged against income. Improvements which extend the useful life of the assets are capitalized. When investment properties are disposed of by sale or are scrapped, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income.

p. Leased assets

As a lessor, SSB classifies its leases as either operating or finance leases.

An assessment is done as to whether it transfers substantially all the risks and rewards of ownership. Those assets that do not transfer substantially all the risks and rewards are classified as operating leases.

Rental income is accounted for on a straight-line basis over the lease term and is included in revenue due to its operating nature.

SSB leases out investment properties under operating leases.

SSB as a lessee

SSB leases various offices and units. Rental contracts are typically made for fixed periods of one year to four years but have extension options.

q. Property and equipment

Property and equipment are recorded at cost and, other than land, are depreciated using the straight line method over the estimated useful life of the assets as follows:

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

q. Property and equipment (continued)

Buildings	40 - 50 years
Furniture & fixtures	5 - 10 years
Office equipment	3 - 10 years
Computers and accessories, hardware and software	3 - 5 years
Motor vehicles	4 years
Building renovations - major	20 years

Repairs and maintenance are charged against income. Improvements which extend the useful life of the assets are capitalized. When fixed assets are disposed of by sale or are scrapped, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

r. Impairment of non financial assets

At each reporting date, management reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the 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, management 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 recognized 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 increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in the income statement in the year the asset is derecognized.

s. Pension fund

The Board, as of January 1, 1991, operates a pension scheme which is separately administered by a Board of Trustees. The scheme, which is a defined benefit plan, is funded by contributions from the Board in amounts recommended by the actuaries, and from employees at the rate of 2.8% of annual pensionable salaries. The Board's contributions of 4.3% of pensionable salaries are charged against income in the year they become payable.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

s. Pension fund (continued)

Actuarial gains and losses for the defined benefit plan is recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in retained earnings and are not reclassified to profit or loss in subsequent periods.

t. Severance payable

Severance payable represents the accrual of salaries payable to employees in the event of their resignation or termination. SSB recognizes termination benefits in accordance with the Labour Act (the Act) Chapter 297 of the Laws of Belize Revised Edition 2020.

u. Reserves

i. Short-term benefits branch reserve

Short-term Benefit Reserve is made up as provided by Section 16(1) of the Financial and Accounting Regulations, by transferring thereto annually the excess of income over expenditure of the Short-term Benefits Branch. Short-term benefits comprise of sickness benefit and maternity benefit.

ii. Long-term benefits reserve

Long-term benefits reserve is made up as provided by Section 16(2) of the Financial and Accounting Regulations, by transferring thereto annually the excess of income over expenditure of the Long-term Benefits Branch. Long-term benefits comprise of retirement benefit, invalidity benefit, survivors' benefit and funeral grant.

iii. Disablement and death benefit reserves

The Disablement and Death Benefits Reserve is made up as provided by Section 16(3) of the Financial and Accounting Regulations, 1980 by transferring thereto at the end of each financial year the balance outstanding in the current account after the actuarial present value of the periodically payable disablement and death benefits awarded in that year have been charged against income for that year in the Income and Expenditure Account of the Employment Injury Benefit Branch and credited to a current account, which is also credited with the income from the investment of the said reserve, and debited with actual payment of the current periodical disablement and death benefit effected during that year.

iv. Employment injury benefits reserve

Employment injury benefits reserve is made up as provided by Section 16(4) of the Financial and Accounting Regulations, by transferring thereto annually the excess of income over expenditure of the Employment Injury Branch. The Employment Injury Benefit is constituted to finance medical care, injury benefit disablement grant and funeral grant.

v. Income recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Board, and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Board assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

v. Income recognition (continued)

The Board has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

i. Investment income

Investment income is accounted for on the accrual basis, except for dividends, which are recognized when received. Income from associates is accounted for by the equity method.

ii. Interest income

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in Investment Income and Other income in the income statement.

Interest non-accrual policy

The Board does not take credit for interest income on any loan having principal or interest arrears in excess of 90 days, which loans are considered non-performing. To ensure that borrowers' accounts reflect all interest owed, interest continues to be accrued but the interest on non-performing loans is credited to a provision against loan interest receivable (see Note 6) rather than to interest income.

iii. Dividends

Revenue is recognized when the Board's right to receive the payment is established.

iv. Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue due to its operating nature.

Basis of apportionment of income

(i) Contributions

Section 14(1) of the Financial and Accounting Regulations, Social Security (Financial and Accounting) Amendment Regulations, 2021 provides that all contributions shall be distributed among the Benefits Branches in the following proportions:

	2023	2022
Short Term Benefits Branch	19.00%	19.00%
Long Term Benefits Branch	72.00%	72.00%
Employment Injury Benefits Branch	9.00%	9.00%

(ii) Other Income

Section 14(2) of the Financial and Accounting Regulation, 1980 provides that income from investment of the Reserves is allocated to each branch on the basis of their respective reserves at the end of the previous financial year.

Section 14(3) of the Financial and Accounting Regulations, 1980 provides that all other income to the fund which cannot be identified with any specific branch shall be distributed among the three benefit branches in equal parts.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

w. Government contributions and other grants

i. Government contributions

Government contributions and support are accounted for when the Board complies with reasonable security conditions set by the government related to contributions, and assistance received. The Board records via the statement of income, as reducing spending according to the nature of the item, and through the distribution of results on statement of income, or earnings in reserve accounts.

When the government grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the government grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

When the Board receives non-monetary government grants, the asset and the government grant are recorded gross at nominal amounts and released to the income statement over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments.

When loans or similar assistance are provided by government or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grants.

ii. Other grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and that SSB will comply with all attached conditions.

Presentation of other grants

Other grants relating to costs are deducted in reporting the related expense.

Other grants relating to the purchase of property and equipment are deducted in arriving at the carrying amount of the assets and they are recognized in profit or loss over the useful lives of the related assets as a reduced depreciation expense.

x. Benefit payments

- i. SSB recognizes costs associated with payments in the period the beneficiary or recipient is entitled to receive the payment.
- ii. Liabilities are accrued on benefits for past periods that have not completed processing by the close of the fiscal year, such as benefit payments due but not paid pending receipt of pertinent information.

y. Basis of apportionment of expenditure

- i. Section 15(1) of the Financial and Accounting Regulation, 1980 states that the expenditures of each benefit branch shall be ascribed to that Branch under which the benefit is grouped, namely: Short Term Benefits Branch, Long Term Benefits Branch and Employment Injury Benefits Branch.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

y. Basis of apportionment of expenditure (continued)

ii. Section 15(2) of these regulations states that the administrative expenditures of the Board shall be distributed among the three benefit branches in such a manner that the proportion allocated to a particular branch shall be equal to the proportion which the sum of the contribution income and benefit expenditure shown in the Income and Expenditure Account of that branch bears to the sum of the contribution income and benefit expenditure of the Board as a whole.

iii. Administrative expenses are taken to mean all expenses properly incurred in the administration of the Board.

All other expenditures that are not attributable to any specific branch are distributed among the three benefit branches in equal parts.

z. Taxes

Income tax, property tax and stamp duty

Section 64 (2) of the Social Security Act, Chapter 44, Revised Edition 2003 exempts the Board from income tax, property tax and stamp duty.

General sales tax

General Sales Tax of 12.5% is a tax on consumer spending that is collected at the point of sale of a business' good or service. SSB pays General Sales Tax as a regular consumer.

3. FINANCIAL RISKS

Financial risk factors

The Board's activities expose it to a variety of risks in relation to financial instruments: market risk (interest rate risk and price risk), credit risk and liquidity risk.

The Board's overall risk management program seeks to maximize the returns derived for the level of risk to which the Board is exposed and seeks to minimize potential adverse effects on the Board's financial performance. The Board's policy allows it to use financial instruments to both moderate and create certain risk exposures.

All securities investments present a risk of loss of capital. The maximum loss of capital on purchased long term equity and debt securities is limited to the fair value of those positions.

The management of these risks is carried out by the investment manager under policies approved by the Investment Committee and Board of Directors and the General Manager of Finance. The Board has specific limits on these financial instruments to manage the overall potential exposure.

In accordance with IFRS 7, an entity shall disclose information that enables users of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the reporting date.

The Board uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below:

3. FINANCIAL RISKS (CONTINUED)

Financial risk factors (continued)a. Price risk

The Board's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Social Security Act (Chapter 44) of the Substantive Laws of Belize, the Investment Committee and the Board of Directors.

The Act also limits a single investment to be no more than 20% of the total amount of the Reserves, including economically targeted investments.

The Board's policy requires that the overall market position is monitored on a weekly basis by the Board's Investment Manager and is reviewed on a quarterly basis by the Investment Committee and Board of Directors. Compliance with the Board's investment policies are reported to the Investment Committee on a monthly basis.

b. Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Board holds fixed interest securities to maturity that expose the Board minimally to fair value interest rate risk. The Board also holds cash and cash equivalents that expose the Board to cash flow interest rate risk. The Board's policy requires the General Manager of Finance to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities.

The Board has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Board invests.

In accordance with the Board's policy, the Investment Manager monitors the Board's overall interest sensitivity on a weekly basis; the Investment Committee reviews it on a monthly basis.

c. Credit risk

The Board is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. The main concentration to which the Board is exposed arises from the Board's investments in debt securities. The Board is also exposed to counterparty credit risk on cash and cash equivalents, amounts receivable from associates, debtors and other receivable balances.

The Board manages credit risk by holding funds with reputable financial institutions and also setting limits on the amount loaned. They ensure the loan is properly collateralized, considering the borrower's leverage and the seasonality of the business by including restrictions in the loan agreements.

In accordance with the Board's policy, the Investment Manager monitors the Board's credit position on a daily basis, and the Investment Committee reviews it on a monthly basis.

3. FINANCIAL RISKS (CONTINUED)

Collateral

Collateral is held to mitigate credit risk exposures and risk mitigation policies determine the eligibility of collateral types. The Board defines collateral as the assets or rights provided to the Board by the borrower or a third party in order to secure a credit facility. The Board would have the rights of secured creditor in respect of the assets/contracts offered as security for the obligations of the borrower/obligor.

The Board ensures that the underlying documentation for the collateral provides the Board appropriate rights over the collateral or other forms of credit enhancement including the right to liquidate, retain or take legal possession of it in a timely manner in the event of default by the counterparty. The Board also endeavors to keep the assets provided as security to the Board under adequate insurance during the tenor of the Board's exposure. The collateral value is monitored periodically.

Types of collateral taken by the Board

Collateral types that are eligible for risk mitigation include: cash; residential, commercial and industrial property; fixed assets such as land, plant and machinery; marketable securities; third party guarantees; and letters of credit.

The Board determines the appropriate collateral for each facility based on the type of product and risk profile of the counterparty. In case of corporate and small and medium enterprises financing, fixed assets are generally taken as security for long tenor loans and current assets for working capital finance. For project finance, security of the assets of the borrower and assignment of the underlying project contracts is generally taken. In addition, in some cases, additional security such as pledge of shares, cash collateral, charge on receivables with an escrow arrangement and guarantees is also taken.

For personal loans, the security to be taken is defined in the investment policy for the respective types of loans. Housing loans and automobile loans are secured by the security of the property/automobile being financed. The valuation of the properties is carried out by an empaneled appraiser at the time of sanctioning the loan.

The Board extends unsecured facilities to clients for certain products such as derivatives, credit cards and personal loans. The limits with respect to unsecured facilities have been approved by the Board of Directors. The decision on the type and quantum of collateral for each transaction is taken by the credit approving authority as per the credit approval authorization approved by the Board of Directors. For facilities provided as per approved product policies (retail products, loan against shares etc.), collateral is taken in line with the policy.

For certain types of lending -typically mortgages, asset financing -the right to take charge over physical assets is significant in terms of determining appropriate pricing and recoverability in the event of default.

Collateral is reported in accordance with our risk mitigation policy, which prescribes the frequency of valuation for different collateral types, based on the level of price volatility of each type of collateral and the nature of the underlying product or risk exposure.

Where appropriate collateral values are adjusted to reflect current market conditions, its probability of recovery and the period of time to realize the collateral in the event of possession. The collateral values reported are also adjusted for the effects of over collateralization.

3. FINANCIAL RISKS (CONTINUED)

Loans and advances

The requirement for collateral is not a substitute for the ability to pay, which is the primary consideration for any lending decisions. In determining the financial effect of collateral held against loans neither past due nor impaired, we have assessed the significance of the collateral held in relation to the type of lending.

For loans and advances to SSB's employees and customers (including those held at fair value through profit or loss), the Board held the following amounts of collateral, adjusted where appropriate as indicated above.

Value	December 31, 2023		Consumer Loans		Commercial Loans		TOTAL Not individually impaired loans	
	Total	Not individually impaired loans	Total	Not individually impaired loans	Total	Not individually impaired loans		
Collateral	\$ 6,838,557	\$ 6,116,588	721,969	\$ 77,409,970	72,959,970	\$ 4,450,000	\$ 84,248,527	
Loans	6,370,240	5,681,285	688,955	80,020,559	72,662,211	7,358,348	86,390,799	

Value	December 31, 2022		Consumer Loans		Commercial Loans		TOTAL Not individually impaired loans	
	Total	Not individually impaired loans	Total	Not individually impaired loans	Total	Not individually impaired loans		
Collateral	\$ 7,252,603	\$ 6,530,634	721,969	\$ 79,356,656	73,406,656	\$ 5,950,000	\$ 86,609,259	
Loans	6,488,188	5,779,792	708,396	73,807,796	66,077,678	7,730,118	80,295,984	

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SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

3. FINANCIAL RISKS (CONTINUED)

d. Liquidity risk

Liquidity risk is the risk that the Board may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

As a result, the Board may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The Board manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form with staggered maturity dates, separating short term investments and long-term investments. The Board's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30 to 90 day periods at a minimum. At December 31, 2023, current financial assets exceeded current financial liabilities by \$208,036,606 (2022: \$195,056,935).

In accordance with the Board's policy, the General Manager of Finance monitors the Board's liquidity position on a weekly basis, and the Investment Manager reviews it on a daily basis.

The table below analyses only the current financial assets and current financial liabilities of the Board into relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date.

	Within 1 Month	1 to 3 months	3 months to 1 year	Total
	\$	\$	\$	\$
Current Assets				
Cash and cash equivalents	154,907,559	-	-	154,907,559
Short term investments	-	15,706,894	17,147,348	32,854,242
Investment income receivable	749,823	702,704	17,204,960	18,657,487
Accounts receivable	331,227	691,320	1,595,701	2,618,248
Current portion loans receivable	140,617	914,559	18,296,352	19,351,528
Total current assets	156,129,226	18,015,477	54,244,361	228,389,064
Current Liabilities				
Accounts payables and accruals	3,333,136	1,067,574	15,136,964	19,537,674
Total current liabilities	3,333,136	1,067,574	15,136,964	19,537,674
Net liquidity gap, December 31, 2023	152,796,090	16,947,903	39,107,397	208,851,390

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

3. FINANCIAL RISKS (CONTINUED)

d. Liquidity risk (continued)

	Within 1 Month	1 to 3 months	3 months to 1 year	Total
	\$	\$	\$	\$
Current Assets				
Cash and cash equivalents	146,845,109	-	-	146,845,109
Short term investments	-	10,513,908	17,409,353	27,923,261
Investment income receivable	953,626	821,570	15,017,656	16,792,852
Accounts receivable	1,125,622	869,250	1,184,395	3,179,267
Current portion loans receivable	340,429	1,066,868	16,935,377	18,342,674
Total current assets	149,264,786	13,271,596	50,546,781	213,083,163
Current Liabilities				
Accounts payables and accruals	4,846,822	2,117,886	11,061,520	18,026,228
Total current liabilities	4,846,822	2,117,886	11,061,520	18,026,228
Net liquidity gap, December 31, 2022	144,417,964	11,153,710	39,485,261	195,056,935

e. Operational risk

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

4. CASH AND CASH EQUIVALENTS

	2023	2022
Cash on hand	5,299	5,868
Cash at local banks	133,394,991	132,673,369
Cash at local banks - Global Fund (see note a. below)	571,361	1,552,063
Cash at local banks - NHI	20,935,908	12,613,809
\$ 154,907,559	\$ 146,845,109	

a. Funds from Global Fund are restricted to be used for programs as provided by grantor (see note 16b.)

5. SHORT TERM INVESTMENTS

	2023	2022
Term Deposits	25,854,242	17,323,261
Treasury Notes	7,000,000	8,000,000
Municipal Bonds	-	2,600,000
\$ 32,854,242	\$ 27,923,261	

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

6. INVESTMENT INCOME RECEIVABLE

	2023	2022
Sunshine Holdings Limited/Government of Belize (see note 31)	16,131,040	14,929,688
Other loans and mortgage portfolios	1,361,037	1,120,717
Debentures	300,000	-
Corporate Bonds	144,932	-
Certificates of deposit	636,750	613,719
Treasury notes	1,118,639	1,163,639
Less: Expected credit losses	(1,034,911)	(1,034,911)
\$ 18,657,487	\$ 16,792,852	

Expected credit losses are comprised of:
Beginning balance as at January 1
Net remeasurement of expected credit loss
Ending balance as at December 31

7. ACCOUNTS RECEIVABLE

	2023	2022
Accounts receivable	1,949,400	1,228,005
Assessment of contributions	2,158,171	3,415,709
Total receivable	4,107,571	4,643,714
Less: Expected credit losses	(1,489,323)	(1,464,447)
\$ 2,618,248	\$ 3,179,267	

Expected credit losses are comprised of:
Balance, beginning of year
Net remeasurement of expected credit loss
Recoveries
Write off
Balance, end of year

8. INVESTMENT IN ASSOCIATES

	2023	2022
Belize Electricity Limited (31.26% ownership)		
Balance, beginning of year	120,080,754	119,610,340
Income from associate	2,158,003	4,786,420
Dividend received from associate	-	(4,316,006)
Balance, end of year	\$ 122,238,757	\$ 120,080,754
Belize Telemedia Limited (34.31% ownership)		
Balance, beginning of year	84,702,959	83,903,959
Income from associate	7,990,000	4,590,000
Dividend received from associate	(3,400,000)	(2,210,000)
Adjustments done by Associate (see notes 8ib)	-	(1,581,000)
Balance, end of year	\$ 89,292,959	\$ 84,702,959
Total investment in associates, end of year	\$ 211,531,716	\$ 204,783,713

8. INVESTMENT IN ASSOCIATES (CONTINUED)

Summarized financial information of Belize Electricity Limited (in thousands of Belize dollars) for December 31, 2023

	<u>2023</u>	<u>2022</u>
Total current assets	156,773	130,298
Total non-current assets	648,224	597,292
Total assets	804,997	727,590
Total current liabilities	100,275	52,754
Total non-current liabilities	309,085	286,179
Total liabilities	409,360	338,933
Total equity	395,639	388,657
Total liabilities and equity	804,999	727,590
Profit before tax	11,683	19,627
Business tax	(4,702)	(4,285)
Income from continuing operations	6,981	15,342
Other comprehensive income	-	-
Total comprehensive income	\$ 6,981	\$ 15,342

Summarized financial information of Belize Telemedia Limited (in thousand of Belize dollars) for March 31, 2023.

	<u>2023</u>	<u>2022</u>
Total current assets	74,241	71,688
Total non-current assets	269,329	278,741
Total assets	343,570	350,429
Total current liabilities	56,381	64,248
Total non-current liabilities	32,765	45,047
Total liabilities	89,146	109,295
Total equity	254,424	241,134
Total liabilities and equity	343,570	350,429
Profit before tax	28,925	23,232
Business tax	(7,297)	(7,146)
Profit from continuing operations	21,628	16,086
Other comprehensive income	-	-
Total comprehensive income	\$ 21,628	\$ 16,086

8. INVESTMENT IN ASSOCIATES (CONTINUED)

i. **Adjustments done by Associate - Belize Telemedia Limited affecting the 2022 investment value**

- a. Belize Telemedia Limited (BTL) restated the opening balances of the Statement of Financial Position as at April 1, 2020 and March 31, 2021. The Group identified closed projects whose capital expenditure had not been transferred from Work in Progress to Network Equipment. The related assets had been placed in service in prior reporting periods which resulted in additional depreciation of \$3.7 million.
- b. The Group also identified operating expenses and capital charges which were not properly recorded in prior reporting periods. The errors have been corrected which resulted in \$2.4 million to capital expenditure and \$0.8 million in operating expenses.

Based on the Board's equity investment in BTL these adjustments resulted in a charge of \$1.58 million to the investment balance.

9. LONG TERM INVESTMENT

	<u>2023</u>	<u>2022</u>
Belize City Council Municipal Paper Debentures	5,480,000	2,880,000
Corporate Bonds	30,700,000	700,000
Government of Belize Treasury Notes	10,000,000	-
Term Deposits	84,443,356	87,480,195
Shares	19,362,449	23,518,624
Total long term investments	26,091,136	26,627,131
	\$ 176,076,941	\$ 141,205,950

10. LOAN PRINCIPAL RECEIVABLE

Mortgages	5,475,697	5,529,575
Private sector	80,020,559	73,771,926
Staff loans	894,543	994,482
Total Loans	86,390,799	80,295,983
Less: Provision for credit losses	(11,586,061)	(10,138,786)
Total Loans - Net	74,804,738	70,157,197
Less: Current portion	(19,351,528)	(18,342,674)
Total long term loans - net	\$ 55,453,210	\$ 51,814,523

Provision for credit losses is comprised of:

Beginning balance	10,138,786	8,647,927
Net remeasurement of expected credit loss	1,464,370	1,490,859
Write off	(17,095)	-
Ending balance	\$ 11,586,061	\$ 10,138,786

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

10. LOAN PRINCIPAL RECEIVABLE (CONTINUED)

Private sector includes loan receivable of \$14,133,562 from Sunshine Holdings Limited/Government of Belize (See note 31).

At December 31, 2023, individually impaired loans amounted to 9.31% of total loan receivables (December 31, 2022 - 10.51%).

Mortgages received from the Ministry of Infrastructure Development and Housing at December 31, 2023 totaled \$194,124 (December 31, 2022 - \$198,628).

11. HELD FOR SALE

In 2022, management changed its plan to sell properties at Vista Del Mar, Rocky Point, and San Pedro and the properties were transferred to investment properties.

12. OTHER ASSETS

	<u>2023</u>	<u>2022</u>
Homeland Development Limited 806 (2022: 809) plots of land	<u>\$ 967,200</u>	<u>\$ 970,800</u>

An agreement was signed with Social Security Board and Homeland Development Limited dated May 7, 2002 for service that should be delivered to such person that are insured under the funeral scheme. As per agreement Homeland shall sell Social Security Board 1,000 plots permitting the use by SSB. The purchase price was \$1,200,000.

13. INTANGIBLE ASSET

	<u>2023</u>	<u>2022</u>
Cost		
Brought forward, January 1	3,658,512	3,512,741
Cost capitalized during the year	4,379,939	117,808
Reclassification	-	27,963
Carried forward, December 31	<u>8,038,451</u>	<u>3,658,512</u>
Accumulated amortization		
Brought forward, January 1	3,055,330	2,561,456
Amortization	389,954	465,911
Reclassification	-	27,963
Carried forward, December 31	<u>3,445,284</u>	<u>3,055,330</u>
Total	<u>\$ 4,593,167</u>	<u>\$ 603,182</u>

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

14. INVESTMENT PROPERTY

	Land	Buildings	Furniture and fixtures	Office equipment	Total
Cost					
Brought forward, January 1, 2022	10,950,799	11,061,672	14,439	788,213	22,815,123
Additions	-	-	-	13,527	13,527
Disposals	-	-	-	-	-
Carried forward, December 31, 2022	<u>10,950,799</u>	<u>11,061,672</u>	<u>14,439</u>	<u>801,740</u>	<u>22,828,650</u>

Accumulated depreciation

Brought forward, January 1, 2023	-	292,871	2,178	179,286	474,335
Additions	-	276,542	1,445	136,254	414,241
Disposals	-	-	-	-	-
Carried forward, December 31, 2023	<u>-</u>	<u>569,413</u>	<u>3,623</u>	<u>315,540</u>	<u>888,576</u>

Net book value

December 31, 2023	<u>\$ 10,950,799</u>	<u>\$ 10,492,259</u>	<u>\$ 10,816</u>	<u>\$ 486,200</u>	<u>\$ 21,940,074</u>
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	Land	Buildings	Furniture and fixtures	Office equipment	Total
Cost					
Brought forward, January 1, 2022	-	7,393,159	14,439	728,261	8,135,859
Additions	-	3,668,513	-	106,452	3,774,965
Transfer from assets held for sale (see note 11)	10,950,799	-	-	-	10,950,799
Disposals	-	-	-	(46,500)	(46,500)
Carried forward, December 31, 2022	<u>10,950,799</u>	<u>11,061,672</u>	<u>14,439</u>	<u>788,213</u>	<u>22,815,123</u>

Accumulated depreciation

Brought forward, January 1, 2022	-	107,826	735	111,725	220,286
Additions	-	185,045	1,443	114,061	300,549
Disposals	-	-	-	(46,500)	(46,500)
Carried forward, December 31, 2022	<u>-</u>	<u>292,871</u>	<u>2,178</u>	<u>179,286</u>	<u>474,335</u>

Net book value

December 31, 2022	<u>\$ 10,950,799</u>	<u>\$ 10,768,801</u>	<u>\$ 12,261</u>	<u>\$ 608,927</u>	<u>\$ 22,340,788</u>
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Amounts recognised in profit or loss for investment properties

	2023	2022
Rental income from operating leases	1,123,324	404,614
Direct operating expenses from property that generated rental	377,980	242,350

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease income from operating leases where the Board is a lessor is recognised in income on a straightline basis over the lease term.

Leasing arrangements

Minimum lease payments receivable on leases of investment properties are as follows:

	2023	2022
Within 1 year	1,124,097	864,735
Between 1 and 2 years	886,349	864,735
Between 2 and 3 years	864,735	864,735
Between 3 and 4 years	576,490	864,735
Between 4 and 5 years	-	576,490
	<u>3,451,671</u>	<u>4,035,430</u>

15. PROPERTY AND EQUIPMENT

	Land	Buildings	Furniture and fixtures	Office equipment	Computers and accessories, hardware and software	Motor vehicles	Work in progress	Total
Cost								
Brought forward, January 1, 2023	6,716,299	23,016,541	1,990,403	2,641,951	8,525,866	711,367	6,569,987	50,172,414
Additions	-	-	32,195	166,877	471,090	185,200	2,491,568	3,346,930
Disposals	-	-	(5,057)	(63,898)	(2,223,422)	(114,083)	-	(2,406,460)
Transfers	-	245,590	9,320	6,543	14,580	-	(276,033)	-
Transfer to intangible assets	-	-	-	-	-	-	(4,379,939)	(4,379,939)
Carried forward, December 31, 2023	6,716,299	23,262,131	2,026,861	2,751,473	6,788,114	782,484	4,405,583	46,732,945
Accumulated depreciation								
Brought forward, January 1, 2023	-	9,331,048	1,772,598	2,193,877	6,534,012	431,019	-	20,262,554
Additions	-	473,322	61,974	146,128	958,796	136,559	-	1,776,779
Disposals	-	-	(4,700)	(62,843)	(2,222,464)	(114,083)	-	(2,404,090)
Carried forward, December 31, 2023	-	9,804,370	1,829,872	2,277,162	5,270,344	453,495	-	19,635,243
Net book value								
December 31, 2023	\$ 6,716,299	\$ 13,457,761	\$ 196,989	\$ 474,311	\$ 1,517,770	\$ 328,989	\$ 4,405,583	\$ 27,097,702

	Land	Buildings	Furniture and fixtures	Office equipment	Computers and accessories, hardware and software	Motor vehicles	Work in progress	Total
Cost								
Brought forward, January 1, 2022	6,716,299	23,485,049	2,000,284	2,750,652	8,229,600	679,965	5,018,596	48,880,445
Additions	-	13,800	31,230	83,889	767,824	147,432	5,264,168	6,308,343
Disposals	(204,775)	(277,533)	(41,111)	(192,580)	(276,878)	(116,030)	-	(1,108,907)
Reclassifications	204,775	(204,775)	-	(10)	(194,680)	-	62,188	(132,502)
Transfer to investment property	-	-	-	-	-	-	(3,774,965)	(3,774,965)
Carried forward, December 31, 2022	6,716,299	23,016,541	1,990,403	2,641,951	8,525,866	711,367	6,569,987	50,172,414
Accumulated depreciation								
Brought forward, January 1, 2022	-	9,274,127	1,745,805	2,185,879	5,881,067	454,048	-	19,540,926
Additions	-	466,956	66,406	194,324	924,763	93,001	-	1,745,450
Disposals	-	(277,533)	(39,613)	(186,326)	(271,818)	(116,030)	-	(891,320)
Reclassifications	-	(132,502)	-	-	-	-	-	(132,502)
Carried forward, December 31, 2022	-	9,331,048	1,772,598	2,193,877	6,534,012	431,019	-	20,262,554
Net book value								
December 31, 2022	\$ 6,716,299	\$ 13,685,493	\$ 217,805	\$ 448,074	\$ 1,991,854	\$ 280,348	\$ 6,569,987	\$ 29,909,860

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SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

15. PROPERTY AND EQUIPMENT (CONTINUED)

Work-in-progress listed above consists of the following:

	2023	2022
PERANSA platform development and ancillary costs	3,967,643	6,405,628
Others	437,940	164,359
	\$ 4,405,583	\$ 6,569,987

16. ACCOUNTS PAYABLE AND ACCRUALS

Mortgage securitization program (see note a below)
 Benefits payable (see note 31)
 Accrued expenses and other liabilities
 Global fund grant payable

2,679,150	2,679,150
10,856,725	6,967,675
5,430,437	6,827,340
571,362	1,552,063
\$ 19,537,674	\$ 18,026,228

a. The Board participated in various Mortgage Securitization agreements during the period April 1, 1999 - December 30, 2013 by selling flows from mortgage loan receivables to the Royal Merchant Bank and Finance Company of Trinidad and Tobago (RMB). The Government of Belize (GOB) later liquidated the existing Belize Mortgage Note facilities at RMB. The Board did not participate in the refinancing agreement; however, under the new arrangement the Board was obligated to continue making payments until the expiration of the agreement. Upon expiration and after accounting for payment obligations less a return of the sinking fund proceeds a residual liability is due to the GOB at December 31, 2023. This liability is expected to be settled in 2024 (see note 31).

b. On October 13, 2021, The Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) signed a Framework Agreement with the Social Security Board (Grantee), whereby grant funds up to the amount of USD 3,193,258 would be provided to the Grantee for the implementation of certain Program(s) beginning January 1, 2022 - December 31, 2024. As at December 31, 2023, amount received was BZD 4,553,187 (2022: BZD 3,138,234) and balance yet to be received is BZD 1,833,329 (2022: BZD 3,248,282).

17. SEVERANCE LIABILITY

The movement in the provision is as follows:

	2023	2022
Beginning balance, January 1	3,659,694	3,521,440
Addition	529,604	504,907
Payouts	(216,393)	(366,653)
Ending balance, December 31	\$ 3,972,905	\$ 3,659,694

18. PENSION LIABILITY

The Board sponsors a defined benefit pension scheme in accordance with a Trust Deed signed by the Board and the Trustees on April 24, 1996, but deemed to have been established under irrevocable trust with effect from January 1, 1991. By Statutory Instrument No. 45, dated May 29, 2017, the Prime Minister formally exempted the Social Security Board Staff Pension Scheme from the provisions of the Private Pensions Act.

The scheme is contributory (funded on a bipartite basis by the SSB and the employees). The Board and participants pay fixed contributions into the separate trust which is managed by a Board of Trustees nominated by the employer. These Board's contributions are expensed in the period in which they are accrued. The funding arrangements are as follows, with any liability or surplus recognized in the Board's financial statements:

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

18. PENSION LIABILITY (CONTINUED)

	Contribution Rate a/ 2023	Amount	Contribution Rate a/ 2022	Amount
Employees	2.80%	262,962	2.80%	252,503
Employer b/	4.30%	385,879	4.30%	377,485
Total	7.10%	\$ 648,841	7.10%	\$ 629,988

a/ Of basic salaries

b/ Contributions at the rate of 4.3% of salaries suspended as from September 1, 2011, in recognition of the surplus status of the Fund, and re-instated as from January 1, 2017.

The terms of the defined benefit pension scheme allow for 5 different types of benefits to participants and define the amount that participants will receive. These amounts are dependent on factors such as age, years of service and compensation, and are determined independently of the contributions payable or the investments of the scheme. Currently the Scheme has 12 active pensioners and 245 active participants (2022: 10 pensioners and 227 active participants).

An asset or liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. Management estimates the defined benefit obligation (DBO) annually with the assistance of an independent actuary. Actuarial gains and losses resulting from re-measurements of the net defined benefit liability are included in other comprehensive income. Any past services are recognized as from January 1, 1991.

The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of long-term government bonds that are denominated in the currency in which the benefits will be paid, and which have terms to maturity approximating the terms of the related liability. Re-measurements arising from experience adjustments and changes in actuarial assumptions are charged or credited to income over the employees' expected average remaining working lives. On a going concern basis and taking into consideration projected salaries as retirement rather than static salaries, the funded status is as follows, as at December 31.:

Projected Benefit Obligation and Funded Status (IAS-19 R)		
	2023	2022
Funded Status		
Projected Benefit Obligation	14,908,596	13,896,891
Net assets	(12,271,545)	(11,654,346)
Unfunded liability	\$ 2,637,051	\$ 2,242,545

a/Unaudited. No material adjustments are anticipated.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

18. PENSION LIABILITY (CONTINUED)

Changes in Benefit Obligations and Net Assets		
	2023	2022
Changes in Projected Obligations		
Projected benefit obligation at January 1	13,896,891	13,337,822
Service cost	665,662	602,111
Interest cost	694,844	666,891
Benefits paid and expenses	(528,785)	(866,735)
Actuarial (gain) loss - obligations	179,984	156,802
Projected benefit obligation at December 31	\$ 14,908,596	\$ 13,896,891
Change in Plan Assets		
Assets at January 1	11,654,346	11,340,149
Expected return on assets a/	582,717	567,007
Contributions	648,841	629,988
Benefit paid and expenses	(528,785)	(895,968)
Actuarial (loss) gain - assets	(85,574)	13,170
Assets at December 31	\$ 12,271,545	\$ 11,654,346
Consolidated deficit	\$ 2,637,051	\$ 2,242,545

a/ Actual return: 2021: \$418,314

	2023	2022
Expenses to be Recognized (IAS-19R)		
Current service cost	665,602	602,111
Net interest expense (income)	694,844	666,891
Sub-total (P&L)	1,360,446	1,269,002
Re-measurement		
Liability (gain) / loss	179,983	156,802
Asset (gain) / loss	85,574	13,170
Sub-total (OCI)	265,557	169,972
Total	\$ 1,626,003	\$ 1,438,974

Actuarial Bases

	2023	2022
Mortality Table	GAM-83	GAM-83
Nominal Rate of Return	5%	5%
Salary Scale	3%	3%
Real Rate of Discount	2%	2%
Annuity Rates (pensioners)	5%	5%

Actual and Expected Return of Assets

	2023	2022
Expected return	582,717	567,007
Actual return	514,669	580,177
Surplus (deficit) a/	(68,048)	13,170

a/ Excludes contingent capital gains in BTL shares

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

18. PENSION LIABILITY (CONTINUED)

Sensitivity Analysis (Projected Benefit Obligations)

The analysis shows the following results in the projected obligations:

Discount rate	Variations in benefit obligations
-1%	+11.6%
+1%	-10.4%

19. NET INVESTMENT INCOME

	2023	2022
Long and short term investments income	17,835,490	15,021,865
Income from associates	10,148,003	7,795,420
Investment expenses	(420,095)	(242,350)
Expected credit losses	(1,464,369)	(1,490,859)
	<u>\$ 26,099,029</u>	<u>\$ 21,084,076</u>

20. OTHER INCOME – NET

	2023	2022
Interest on assessments	387,559	550,075
Interest on late contributions	376,810	325,797
Rental income	20,831	33,595
Loss (gain) on disposal of fixed assets	21,304	360,472
Others	1,400,875	1,090,491
	<u>\$ 2,207,379</u>	<u>\$ 2,360,430</u>

21. SUBVENTION TO NHI PROGRAM

The Government of Belize assists the National Health Insurance (NHI) through an annual subvention which is allocated in the annual GOB budget.

	2023	2022
Government of Belize Subvention	<u>27,250,000</u>	<u>21,200,000</u>

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

22. ADMINISTRATION EXPENSES

	2023	2022
Actuarial expenses	123,452	119,879
Amortization (intangible asset)	389,953	335,455
Appeals Tribunal expenses	9,445	10,895
Audit cost	97,142	114,768
Expected credit losses	3,703	2,353
Board expenses	412,674	349,051
Cleaning and sanitation	332,817	312,984
Committees expense	106,979	107,542
Compliance project	49,462	9,321
Computer licenses	1,490,864	1,301,250
Depreciation	1,142,881	1,366,009
Insurance	67,416	68,678
Legal and professional fees	134,371	136,513
Medical and group health insurance	277,009	292,469
Motor vehicle expenses	55,629	43,865
Overseas conference	38,309	46,437
Pensions - defined contribution	344,125	348,249
Postage	36,751	31,587
Premises repairs and maintenance	514,713	530,844
Printing, stationery and supplies	337,806	321,885
Publicity and promotion	457,135	323,554
Recruitment	20,859	4,994
Registration expenses	252,194	202,614
Salaries	12,436,936	12,025,147
Security	545,064	483,914
Severance	525,854	504,907
Social security contributions	438,188	431,023
Subscriptions	108,727	104,160
Telephones and cables	739,603	771,471
Training	377,309	260,218
Transfer and other allowances	1,144,120	1,240,080
Traveling and subsistence	662,064	624,641
	<u>\$ 23,673,554</u>	<u>\$ 22,826,757</u>

23. ESTABLISHMENT EXPENSES

Light, power and water	464,396	441,377
Depreciation	746,985	650,352
Rent	65,140	62,060

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

24. NHI OPERATING EXPENSES

	<u>2023</u>	<u>2022</u>
Administration	1,589,844	1,432,930
Establishment	59,410	54,771
Financial	1,704	2,889
	<u>\$ 1,650,958</u>	<u>\$ 1,490,590</u>

25. EMPLOYEE REMUNERATION

	2023	2022
Salaries	12,436,936	12,025,147
Social Security costs	438,188	504,907
Pensions-defined benefit plans	344,125	348,249
Total employee remuneration	<u>\$ 13,219,249</u>	<u>\$ 12,878,303</u>

26. CATEGORIES OF FINANCIAL INSTRUMENTS

At December 31, 2023			
	FVTPL	Amortised costs	Total
Financial assets			
Cash and cash equivalents	-	154,907,559	154,907,559
Short term investments	-	32,854,242	32,854,242
Investment income receivable	-	18,657,487	18,657,487
Accounts receivable	-	2,618,248	2,618,248
Long term investments	26,091,136	149,985,805	176,076,941
Loan principal receivable - net	-	74,804,738	74,804,738
Total financial assets	\$ 26,091,136	\$ 433,828,079	\$ 459,919,215
Financial liabilities			
Accounts payable and accruals	-	\$ 19,537,674	\$ 19,537,674
At December 31, 2022			
	FVTPL	Amortised costs	Total
Financial assets			
Cash and cash equivalents	-	146,845,109	146,845,109
Short term investments	-	27,923,261	27,923,261
Investment income receivable	-	16,792,852	16,792,852
Accounts receivable	-	3,179,267	3,179,267
Long term investments	26,627,131	114,578,819	141,205,950
Loan principal receivable - net	-	70,157,197	70,157,197
Total financial assets	\$ 26,627,131	\$ 379,476,505	\$ 406,103,636
Financial liabilities			
Accounts payable and accruals	-	\$ 18,026,228	\$ 18,026,228

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

27. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

Social Security Board's capital management objectives are:

- to ensure its ability to continue as a going concern
- to obtain an adequate return on investments to maintain healthy reserves
- to meet its commitments to all insured persons

These are accomplished by managing and investing prudently the contribution received from employers and employees. This is balanced with the risk appetite of SSB.

Social Security Board monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

SSB's goal in capital management is to maintain a capital-to-overall financing ratio of 1:1 to 1:2.

Management assesses SSB's capital requirements in order to maintain an efficient overall financing structure. To date SSB has not had the need to obtain loans from other institutions (debt). SSB manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, SSB may adjust by selling assets or cashing in investments.

The amounts managed as capital by SSB for the reporting periods under review are summarized as follows:

	2023	2022
Total equity	701,439,654	642,309,472
Cash and cash equivalents	154,907,559	146,845,109
Capital	856,347,213	789,154,581
Total equity	701,439,654	642,309,472
Borrowings (debt)	-	-
Overall Financing	\$ 701,439,654	\$ 642,309,472

Capital-to-overall financing ratio 1.22% 1.23%

Social Security Board has adequate capital ratios and continues to monitor its benefit reserves.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

28. SEGMENT REPORTING

In accordance with IFRS 8 and for management purposes, the Board's activities are organized into three main operating segments prescribed in the Social Security Act, Chapter 44, Revised Edition 2003. These are as follows:

a) *Short Term Benefits Branch*: Covers

i. **Maternity Benefits** which are paid to insured women who are on Maternity leave from work because of their pregnancy and confinement.

ii. **Sickness Benefit** is paid for up to 26 weeks to an insured person under 65 years who is temporarily unable to work because of an illness and who is employed when he or she becomes ill.

b) *Long-term Benefits Branch*: Covers

i. **Retirement Benefits** paid to insured persons who are 65 years of age (and older) or 60 to 64 and not employed.

ii. **Invalidity Benefits** paid to insured persons under 60 years who are medically certified by Social Security Medical Board as permanently unable to do any type of work because of an illness.

iii. **Survivors' Benefits** paid to the widow/widower, children or parents of a deceased insured person whose death was not caused by a work-related injury.

c) *Employment Injury Benefits Branch*

This branch of benefits provides coverage for an insured person who suffers an employment injury, that is a personal injury or death by way of an accident at work or a disease caused by the type of work he or she does.

The Death and Disablement benefit of the Employment injury benefit branch is separated in accordance with disclosures at note 2u. Death benefit is paid to the widow or widower, children or parents of a deceased insured person whose death was caused by an employment injury. Disablement pension is paid when an employment injury or work-related prescribed disease results in partial or total disability.

d) *National health insurance*

The NHI scheme is established as a financing and purchasing mechanism for ensuring affordable and acceptable health care services to all NHI beneficiaries.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the financial statements. The result of operations for each Branch is disclosed in pages 45 to 50. Revenues and expenses are allocated based on formula prescribed by law (See Note 2v and 2y).

29. RELATED PARTY TRANSACTIONS

The Government of Belize pursuant to the Social Security Act, Chapter 44 of the Laws of Belize (Second Schedule - Section 28 (1) and (2), appoints five (5) persons to the Social Security Board of Directors. The Social Security Board owns 34.31% and 31.26% of the Ordinary Shares of the Belize Telemedia Limited and Belize Electricity Limited, respectively.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

29. RELATED PARTY TRANSACTIONS (CONTINUED)

The following transactions were carried out with related parties:

(a) Contributions revenue

Social security contributions:

Government of Belize
Belize Telemedia Limited
Belize Electricity Limited

	2023	2022
30,143,772	29,780,257	
1,378,159	1,251,559	
964,959	863,945	
\$ 32,486,890	\$ 31,895,761	

(b) Purchases of good and services

Purchases of services:

Belize Telemedia Limited
Belize Electricity Limited
Entities controlled by management personnel

	2023	2022
1,184,390	1,169,171	
698,649	419,346	
155,449	111,657	
\$ 2,038,488	\$ 1,700,174	

Goods and services are purchased from related parties under normal commercial terms and conditions.

The entities controlled by key management personnel are entities owned or controlled by directors.

(c) Key management compensation

The total remuneration paid to key management which includes general managers and managers was:

	2023	2022
2,965,418	2,826,517	
29,637	32,083	
\$ 2,995,055	\$ 2,858,600	

(d) Year-end balances receivable from key management

Advances and loans to key management

500,347	446,758
\$ 500,347	\$ 446,758

(e) Balances receivable and payable to Government of Belize are disclosed under notes 6, 10, and 16.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

30. COMMITMENTS AND CONTINGENCIES

	2023	2022
Capital Commitments		
Capital expenditure contracted	\$ 2,028,424	\$ 1,403,427

31. GOVERNMENT OF BELIZE AND SOCIAL SECURITY SETTLEMENT

The Government of Belize gave notice of its acquisition of Belize Telemedia Limited (BTL) by order of the Belize Telecommunications (Assumption of Control Over Belize Telemedia Limited) Amendment Order, 2009, Statutory Instrument No. 130 of 2009. Subsequently, in a notice dated December 7, 2009, and Gazetted on December 12, 2009, the Government required all those who may have claims to compensation to submit their claims to the Financial Secretary. The Notice of Acquisition specifically included the shares of BTL held by Sunshine Holdings, as well as the outstanding shares of Sunshine Holdings itself.

As a consequence of the acquisition of Sunshine Holdings, and by letter dated October 13, 2009, the Social Security Board filed a claim with the Financial Secretary, Ministry of Finance, indicating that "Pursuant to Belize Gazette Notice 529, dated August 27, 2009, the Social Security Board (SSB) hereby makes a claim for payment of the sums evidence as to SSB by a Loan Note between Sunshine Holdings Ltd. and SSB dated September 19, 2005." As a result, of Supreme Court Claim No. 341 of 2011 Social Security Board vs. Sunshine Holdings Ltd, Government confirms that it will continue to wholly own Sunshine Holdings Ltd. in which the liability for the payment of the loan balance now becomes that of Government. All other outstanding sums including interest is to be paid by the Government of Belize.

In October 2024, the Government of Belize and the Social Security Board entered into a settlement deed. This settlement deed established the total principal and interest due by the Government of Belize to the Social Security Board as at June 30, 2024, in relation to the loan made to Sunshine amounted to BZ\$30,863,633 (GOB-Sunshine Debt). Additionally, the total amount due by the Social Security Board to the Government of Belize, as of June 30, 2024, representing accrued benefits advanced to its employees and a residual balance from the Mortgage Securitization Program, amounted to BZ\$16,852,109 (SSB-GOB Debt). The terms of the settlement deed allowed for the SSB-GOB Debt to be set off against the GOB-Sunshine Debt and that the remaining balance of the GOB-Sunshine Debt be settled by way of Treasury Notes in favour of SSB as follows:

- i. Issue No. 1 in the principal amount of BZ\$4,000,000 (Four Million Belize Dollars) bearing a coupon interest rate of 3% with a maturity date of 5 years from its date of issue; and
- ii. Issue No. 2 in the principal amount of BZ\$10,000,000 (Ten Million Belize Dollars) bearing a coupon interest rate of 3% with a maturity date of 10 years from its date of issue.

In November 2024, the Government of Belize and Social Security Board Settlement Deed Bill, 2024 was passed by the House of Representatives and the Senate. The Bill is to be presented to the Governor-General for the Governor-General's Assent. The Governor-General's signature and the impress of the public seal represent the final stages in converting a Bill into Law. The law styled as an "Act" is then published in the Gazette.

The Government of Belize too issued the above Treasury Notes in favour of the Social Security Board on the 18th day of December 2024.

32. EVENT AFTER THE REPORTING PERIOD

After the year, the Social Security Board invested in several debt and equity instruments totalling approximately BZ\$16.5 Million.

For details on event occurring after the reporting period in relation to the Government of Belize and Social Security Board settlement deed, see note 31 above.

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS
SOCIAL SECURITY BOARD

Report on the Audit of the Supplementary Financial Statements

Opinion

We have audited the financial statements of Social Security Board, which comprise the statement of financial position as at 31 December 2023, statement of profit, statement of comprehensive income, statement of changes in reserve, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

We have issued an opinion that the financial statements present fairly, in all material respects, the statement of financial position of Social Security Board as of 31 December 2023 and of its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

The supplementary information that follow, at pages 45 – 55, were examined as part of the aforesaid audit and we now certify, in accordance with the provisions of Sections 13 and 21 of the Financial and Accounting Regulations of the Social Security Act, Chapter 44, that in our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statement as a whole.

PKF Belize
PKF Belize
Chartered Accountants
Belize City

February 4, 2025

Partners: J.A. Bautista • J. Ortez

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SOCIAL SECURITY BOARD

STATEMENTS OF INCOME AND EXPENDITURES - SHORT TERM BENEFITS BRANCH FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

	<u>2023</u>	<u>2022</u>
INCOME		
Contributions:		
Employers and employed persons	31,540,060	27,332,034
Total contributions	<u>31,540,060</u>	<u>27,332,034</u>
Other income:		
Net investment income	956,828	798,427
Others	735,793	786,810
Total other income	<u>1,692,621</u>	<u>1,585,237</u>
TOTAL INCOME	33,232,681	28,917,271
EXPENDITURES		
Benefits:		
Maternity	5,240,449	4,790,246
Sickness	15,390,007	17,637,136
Maternity grants	825,600	784,452
Total benefits	<u>21,456,056</u>	<u>23,211,834</u>
Operating expenses:		
Administration	4,477,582	4,612,735
Establishment	425,507	384,596
Financial	263,212	204,438
Total operating expenses	<u>5,166,301</u>	<u>5,201,769</u>
TOTAL EXPENDITURE	26,622,357	28,413,603
EXCESS OF INCOME OVER EXPENDITURES	\$ 6,610,324	\$ 503,668

SOCIAL SECURITY BOARD

STATEMENTS OF INCOME AND EXPENDITURES - LONG TERM BENEFITS BRANCH FOR THE YEARS ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

	<u>2023</u>	<u>2022</u>
INCOME		
Contributions:		
Employers and employed persons	119,520,227	103,574,023
Total contributions	<u>119,520,227</u>	<u>103,574,023</u>
Other income:		
Net investment income	19,872,024	16,110,996
Others	735,793	786,810
Total other income	<u>20,607,817</u>	<u>16,897,806</u>
TOTAL INCOME	140,128,044	120,471,829
EXPENDITURES		
Benefits:		
Retirement	69,674,387	62,093,451
Invalidity	5,254,968	4,631,472
Survivors	10,348,372	9,835,472
Funeral	1,729,759	1,678,282
Non-contributory pension	941,680	1,135,650
Total benefits	<u>87,949,166</u>	<u>79,374,327</u>
Operating expenses:		
Administration	17,528,855	16,696,234
Establishment	425,507	384,596
Financial	263,212	204,438
Total operating expenses	<u>18,217,574</u>	<u>17,285,268</u>
TOTAL EXPENDITURE	106,166,740	96,659,595
EXCESS OF INCOME OVER EXPENDITURES	\$ 33,961,304	\$ 23,812,234

SOCIAL SECURITY BOARD

STATEMENTS OF INCOME AND EXPENDITURES - EMPLOYMENT INJURY BENEFITS BRANCH FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

	<u>2023</u>	<u>2022</u>
INCOME		
Contributions:		
Employers and employed persons	<u>14,940,028</u>	<u>12,946,753</u>
Total contributions	<u>14,940,028</u>	<u>12,946,753</u>
Other income:		
Net investment income	<u>4,796,270</u>	<u>3,745,346</u>
Others	<u>735,794</u>	<u>786,810</u>
Total other income	<u>5,532,064</u>	<u>4,532,156</u>
TOTAL INCOME	<u>20,472,092</u>	<u>17,478,909</u>
EXPENDITURES		
Benefits:		
Disablements grants	<u>618,492</u>	<u>317,412</u>
APV disablement benefits	<u>1,088,111</u>	<u>667,261</u>
APV death benefits	<u>192,482</u>	<u>529,451</u>
Employment Injury	<u>2,886,679</u>	<u>2,161,162</u>
Funeral grants	<u>6,000</u>	<u>9,000</u>
Total benefits	<u>4,791,764</u>	<u>3,684,286</u>
Operating expenses:		
Administration	<u>1,667,117</u>	<u>1,517,789</u>
Establishment	<u>425,507</u>	<u>384,596</u>
Financial	<u>263,212</u>	<u>204,438</u>
Total operating expenses	<u>2,355,836</u>	<u>2,106,823</u>
TOTAL EXPENDITURE	<u>7,147,600</u>	<u>5,791,109</u>
EXCESS OF INCOME OVER EXPENDITURES	<u>\$ 13,324,492</u>	<u>\$ 11,687,800</u>

SOCIAL SECURITY BOARD

STATEMENTS OF INCOME AND EXPENDITURES - DISABLEMENT AND DEATH BENEFITS RESERVE FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

	<u>2023</u>	<u>2022</u>
INCOME		
Contributions:		
APV disablement benefits	<u>1,088,111</u>	<u>667,260</u>
APV death benefits	<u>192,482</u>	<u>529,451</u>
Total contributions	<u>1,280,594</u>	<u>1,196,711</u>
Net investment income	<u>473,906</u>	<u>429,308</u>
TOTAL INCOME	<u>1,754,500</u>	<u>1,626,019</u>
EXPENDITURES		
Benefits:		
Disablement pension	<u>1,841,107</u>	<u>1,777,896</u>
Death benefits	<u>581,876</u>	<u>557,845</u>
Total benefits	<u>2,422,983</u>	<u>2,335,741</u>
EXCESS OF EXPENDITURES OVER INCOME	<u>\$ (668,483)</u>	<u>\$ (709,722)</u>

SOCIAL SECURITY BOARD

STATEMENT OF FINANCIAL POSITION - NATIONAL HEALTH INSURANCE FUND FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

ASSETS	Notes	2023	2022
CURRENT ASSETS:			
Cash and cash equivalents		20,935,908	12,613,809
Office supplies		374,254	410,059
Accounts receivable		69,220	84,013
Total current assets		<u>21,379,382</u>	<u>13,107,881</u>
NON-CURRENT ASSETS:			
Intangible asset - net		121,203	121,203
Property and equipment - net		394,524	598,931
Total non-current assets		<u>515,727</u>	<u>720,134</u>
TOTAL ASSETS		\$ 21,895,109	\$ 13,828,015
LIABILITIES AND RESERVES			
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable and accruals		2,119,005	1,933,265
Total current liabilities		<u>2,119,005</u>	<u>1,933,265</u>
RESERVES:			
National health insurance fund		19,776,104	11,894,750
Total reserves		<u>19,776,104</u>	<u>11,894,750</u>
TOTAL LIABILITIES AND RESERVES		\$ 21,895,109	\$ 13,828,015

SOCIAL SECURITY BOARD

STATEMENTS OF INCOME AND EXPENDITURES - NATIONAL HEALTH INSURANCE FUND FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

	2023	2022
INCOME		
Contributions:		
Government of Belize	27,250,000	21,200,000
Other Income	25,200	-
Total contributions	<u>27,275,200</u>	<u>21,200,000</u>
EXPENDITURES		
Benefits:		
National health insurance benefits	17,742,888	15,090,570
Total benefits	<u>17,742,888</u>	<u>15,090,570</u>
Operating expenses:		
Administration	1,589,845	1,432,930
Establishment	59,409	54,771
Financial	1,704	2,889
Total operating expenses	<u>1,650,958</u>	<u>1,490,590</u>
TOTAL EXPENDITURE	19,393,846	16,581,160
EXCESS OF INCOME OVER EXPENDITURES	7,881,354	\$ 4,618,840

SOCIAL SECURITY BOARD

INVESTMENTS LISTINGS FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

SHORT TERM INVESTMENTS	2023	2022
<u>Term Deposits</u>		
Atlantic Bank Limited		
3.25% Maturing February 5, 2024	5,706,894	-
3.25% Maturing February 5, 2024	5,000,000	-
3.70% Maturing August 26, 2024	5,000,000	-
3.70% Maturing August 26, 2024	5,000,000	-
2.75% Maturing November 1, 2024	1,628,723	-
2.75% Maturing December 4, 2024	3,000,000	-
2.75% Maturing December 14, 2024	518,624	-
3.50% Maturing February 5, 2023	-	5,513,908
3.50% Maturing February 5, 2023	-	5,000,000
2.75% Maturing November 1, 2023	-	1,628,723
National Bank of Belize		
3.50% Maturing July 11, 2023	-	2,282,736
3.50% Maturing July 11, 2023	-	2,897,894
Total Term Deposits	\$ 25,854,241	\$ 17,323,261
<u>Treasury Notes</u>		
Government of Belize Fixed rate notes:		
4.50% Maturing July 13, 2023	-	4,000,000
3.00% Maturing September 14, 2023	-	4,000,000
Government of Belize Floating rate notes:		
4.50%+IR Maturing May 19, 2024	7,000,000	-
Total Treasury Notes	\$ 7,000,000	\$ 8,000,000
<u>Municipal bonds</u>		
Belize City Council		
10 years bond @ 8% Maturing May 22, 2023	-	\$ 1,000,000
10 years bond @ 8% Maturing November 5, 2023	-	1,600,000
Total Municipal Bonds	-	2,600,000
TOTAL SHORT TERM INVESTMENTS	\$ 32,854,241	\$ 27,923,261

SOCIAL SECURITY BOARD

INVESTMENTS LISTINGS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

INVESTMENT IN ASSOCIATES	2023	2022
Belize Electricity Limited		
21,580,028 (2022: 21,580,028) ordinary shares, BZ\$ 2 par value	122,238,757	120,080,754
Belize Telemedia Limited		
17,000,000 (2022: 17,000,000) ordinary shares, BZ\$ 1 par value	89,292,959	84,702,959
TOTAL INVESTMENT IN ASSOCIATES	\$ 211,531,716	\$ 204,783,713
LONG TERM INVESTMENTS		
<u>Municipal papers</u>		
Belize City Council		
3 years Series V paper @ 5.5% Maturing January 3, 2026	2,880,000	2,880,000
3 years Series V paper @ 5.5% Maturing April 1, 2026	1,000,000	-
3 years Series V paper @ 5.5% Maturing October 1, 2026	1,600,000	-
Total Municipal papers	\$ 5,480,000	\$ 2,880,000
<u>Corporate bonds</u>		
Belize Tourism Board		
10 years bond @ 5.75% Maturing April 20, 2033	10,000,000	-
Total Corporate bonds	\$ 10,000,000	\$ -
<u>Shares</u>		
Belize Water Services Limited		
4,000,000 ordinary shares held at fair value	21,680,000	21,280,000
Atlantic Bank Limited		
4,166 ordinary shares held at fair value	993,851	976,185
Citrus Products of Belize Limited		
7,947,175 ordinary shares held at fair value	3,417,285	4,370,946
Total shares	\$ 26,091,136	\$ 26,627,131
<u>Debentures</u>		
Belize Water Services Limited		
4.50% Maturing December 31, 2035	20,000,000	-
Belize Electricity Limited		
4.50% Maturing December 31, 2035	10,000,000	-
6.50% Maturing December 31, 2030	700,000	700,000
Total debentures	\$ 30,700,000	\$ 700,000
<u>TREASURY NOTES</u>		
Government of Belize Fixed rate notes:		
5.75% Maturing April 3, 2040	10,000,000	10,000,000
4.00% Maturing July 13, 2030	4,000,000	-
3.50% Maturing May 17, 2027	12,000,000	12,000,000
5.25% Maturing July 13, 2026	14,093,356	14,130,195
4.00% Maturing July 13, 2026	2,000,000	2,000,000
4.00% Maturing August 1, 2026	17,350,000	17,350,000
Total Fixed Rate Treasury Notes	\$ 59,443,356	\$ 55,480,195

SOCIAL SECURITY BOARD

INVESTMENTS LISTINGS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

LONG TERM INVESTMENTS (CONTINUED)	2023	2022
Floating rate notes		
4.50%+IR Maturing May 19, 2024	-	7,000,000
5%+IR Maturing May 19, 2027	25,000,000	25,000,000
Total Floating Rate Notes	\$ 25,000,000	\$ 32,000,000
Total Treasury Notes	\$ 84,443,356	\$ 87,480,195
Term Deposits		
Atlantic Bank Limited		
3.70% Maturing August 26, 2024	-	5,000,000
3.70% Maturing August 26, 2024	-	5,000,000
2.75% Maturing December 4, 2024	-	3,000,000
3.50% Maturing December 14, 2024	-	518,624
4.50% Maturing November 20, 2025	5,000,000	5,000,000
4.50% Maturing November 20, 2025	5,000,000	5,000,000
National Bank of Belize		
3.50% Maturing July 12, 2025	2,362,851	-
3.50% Maturing July 12, 2025	2,999,598	-
3.50% Maturing September 22, 2025	4,000,000	-
Total Term Deposits	19,362,449	23,518,624
TOTAL LONG TERM INVESTMENTS	\$ 176,076,941	\$ 141,205,950
LOAN PRINCIPAL RECEIVABLE		
Mortgages and Housing		
Housing/MoH Mortgages		
10 to 20 years mortgages @ 8.50% Interest	194,124	198,628
RECONDEV		
30 years loan @ 8.00% Interest	-	35,870
BNBS Mortgages		
20 years loans @ 8.50% Interest	223,433	239,291
Housing Mortgages – Tranche B		
District and Secondary, 10 – 20 years loans @ 8.50% Interest	105,986	110,351
BIMCO Mortgages		
Middle income, 20 years loans @ 8.50% Interest	410,945	480,162
St. James National Building Society Ltd.		
5 – 20 years loan @ 8.50% Interest	250,014	259,610
Staff Housing Loans		
10 - 20 years @ 6.00% Interest	3,212,811	3,214,031
Previous Staff Housing Loans		
10 – 20 years @ 8.00% Interest	851,353	738,575

SOCIAL SECURITY BOARD

INVESTMENTS LISTINGS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

LOAN PRINCIPAL RECEIVABLE (CONTINUED)	2023	2022
Other	227,032	253,058
Staff Loans	894,543	994,482
Total mortgages and housing	6,370,241	6,524,058
<i>Less: allowance for credit losses</i>	<i>(1,028,665)</i>	<i>(1,167,556)</i>
	\$ 5,341,576	\$ 5,356,502
PRIVATE SECTOR LOANS		
Development Finance Corporation		
14 years loan @ 5.50% interest	11,411,493	13,345,880
Belize Airport Authority		
19 years loan @ 6.00% Interest	19,912,873	20,619,811
10 years loan @ 5.50% Interest	6,332,076	-
Sunshine Holdings Limited		
Note payable July 2023 @ 8.5% interest	14,133,562	14,133,562
Belize Elementary School		
15 years loan @ 6.00% Interest	554,303	585,009
CGA - Citrus Growers		
Plant - 5 years loan @ 6.00% Interest	24,649	25,284
Fertilizer - 4 years loan @ 6.50% Interest	39,417	55,689
Hol Chan Marine Reserve		
15 years loan @ 6.75% Interest	3,458,631	-
Royal Mayan Shrimp Farm		
6 years loan @ 7.50% Interest	5,126,821	5,126,821
4 years loan @ 7.50% Interest	540,449	540,449
4 years loan @ 8.50% Interest	528,615	528,615
8 years loan @ 8.00% Interest	743,000	743,000
Border Management Agency		
10 years loan @ 6.50% Interest	1,000,000	1,000,000
10 years loan @ 7.50% Interest	3,903,652	3,903,652

SOCIAL SECURITY BOARD

INVESTMENTS LISTINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2023 (IN BELIZE DOLLARS)

PRIVATE SECTOR LOANS (CONTINUED)	2023	2022
Stann Creek- Ecumenical High School		
11 years loan @ 6.00% Interest	61,483	127,307
Hot Mama's Belize Ltd.		
7 years loan @ 7.50% Interest	419,462	589,407
Diverse Development Limited		
1 Year Revolving loan @7.50% Interest	-	201,826
Caribbean Homes & Export Limited		
6 years loan @ 7.00% Interest	-	276,235
Citrus Products of Belize Limited		
1 Year Revolving loan @ 6.50% Interest	1,435,027	1,435,027
Citrus - 5 years loan @ 7.50% Interest	9,471,842	9,471,842
Mark Wagner		
12 years loan @ 8.50% Interest	58,481	58,550
Karl Heusner Memorial Hospital Authority		
7 years loan @ 6.00% Interest	326,108	425,621
Good Stays Hotel		
10 years loan @ 7.00% Interest	538,615	578,339
Total Private Sector Loans	<u>80,020,559</u>	<u>73,771,926</u>
<i>Less: allowance for credit losses</i>	<u>(10,557,395)</u>	<u>(8,971,230)</u>
	<u>\$ 69,463,164</u>	<u>\$ 64,800,696</u>
TOTAL LOAN PRINCIPAL RECEIVABLE NET	<u>\$ 74,804,740</u>	<u>\$ 70,157,198</u>
TOTAL INVESTMENTS	<u>\$ 495,267,638</u>	<u>\$ 444,070,122</u>

Below is a summary analysis of the investments listed above by asset class:

	2023	2022
Investment Mix		
Municipal papers	1.11%	0.65%
Bonds	2.02%	0.59%
Debentures	6.20%	0.16%
Investment in associates	42.71%	46.12%
Mortgages	1.08%	1.21%
Private sector loans	14.03%	14.59%
Shares	5.27%	6.00%
Term deposits	9.13%	9.20%
Treasury notes	18.46%	21.50%
Total	<u>100%</u>	<u>100%</u>

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