



THE NATIONAL INSURANCE BOARD OF THE COMMONWEALTH OF THE BAHAMAS

2015 Annual Report





June 27, 2016

Honorable D. Shane Gibson, M.P.
Minister of Labour & National Insurance
Poinciana Hill
New Providence
Bahamas

Dear Minister Gibson:

Re: The National Insurance Board's 2015 Annual Report

In accordance with the Section 47(1) of the National Insurance Act, 1972, I have the privilege of submitting to you, on behalf of the Board of Directors, the Annual Report of the National Insurance Board for the year.

Included with this report are the accounts of the National Insurance Fund as certified by the Auditor, pursuant to section 47(1) of the National Insurance Act, 1972, together with the report of the Auditor. Included therein is the account of securities in which monies forming part of the National Insurance Fund are invested.

Sincerely yours,



W. Renae McKay (Ms.)
Chairman

Vision

To be recognized as a reliable and sustainable Social Protection System that consistently meets its mandate.



Mission

- ▶ To demonstrate visionary and responsible leadership in the administration of the National Insurance program, and to create an environment where staff are well trained, motivated, committed to integrity and accountability.
- ▶ To ensure the efficient collection of contributions, as well as the timely and accurate payment of the relevant benefits and assistance.
- ▶ To achieve customer service excellence in the delivery of the National Insurance mandates.
- ▶ To advance the prudent investments of the National Insurance Fund for the overall growth and development of The Bahamas.



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MINISTER & BOARD



Honourable D. Shane Gibson, M.P.
Minister of Labour & National Insurance



W. Renae McKay
Chairperson



Ernest Cambridge
Deputy Chairman



Dr. Frank Bartlett
Member



Kaylisa Beneby
Member



Ann Hunt
Member



Marquista Thompson
Member



Frederick Munnings, Jr.
Member



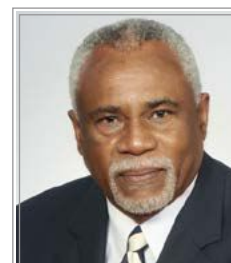
Sean Longley
Member



Hilton McIntosh
Member



Zane Lightbourne
Member



Arnold Bain*
Member

In Loving Memory



Bishop Harry Collie
Member

Very sadly, Board Member, Bishop Harry Collie passed from this earthly realm on Tuesday 13 October 2015. He was a conscientious, keen member of the Board for many years, who was well liked and respected by members of staff. May his soul rest in peace.

*The 2014-2015 Board Members served to July 31, 2015.
Outgoing Members were Mr. Bernard Evans, Deputy Chairman, Mr. Jayson Moxey and Mr. Phillip Beneby.
The current Board Members were appointed from August 1, 2015. *Mr. Arnold Bain was appointed October 20, 2015*

COMMITTEES OF THE BOARD 2015

BUSINESS TRANSFORMATION

Ernest Cambridge, *Chairman*

Ann Hunt

Kaylisa Beneby

Dr. Frank Bartlett

Dr. Michael Cooper*

Simon Wilson*

Renae McKay (*ex officio*)

CONTRACT AND TENDERS

Ann Hunt, *Chairman*

Hilton McIntosh

Freddie Munnings

Dr. Frank Bartlett

Livingston Forbes*

Dywan Rodgers*

Johnnie Taylor*

Ernest Cambridge (*ex officio*)

Renae McKay (*ex officio*)

FINANCE AND AUDIT

Sean Longley, *Chairman*

Arnold Bain

Zane Lightbourne

Freddie Munnings

Renae McKay (*ex officio*)

Ernest Cambridge (*ex officio*)

BUILDINGS

Dr. Frank Bartlett, *Chairman*

Sean Longley

Marquista Thompson

Hilton McIntosh

Freddie Munnings

Kenneth Whymns*

Renae McKay (*ex officio*)

Ernest Cambridge (*ex officio*)

HUMAN RESOURCES

Ernest Cambridge, *Chairman*

Arnold Bain

Ann Hunt

Zane Lightbourne

Colin Wright*

Renae McKay (*ex officio*)

INVESTMENT

Renae McKay, *Chairman*

Ernest Cambridge

Marquista Thompson

Sean Longley

Claudine Thompson*

* *Co-opted Members appointed to Board Committees with effect from September 1, 2015.*

EXECUTIVE MANAGEMENT TEAM 2015



Rowena Bethel
Director



Cecile Williams-Bethel
Sr. Deputy Director



V. Theresa Burrows
Sr. Deputy Director



Dr. Josephine Bartlett
Medical Officer



Dr. Raymond Wells
*Deputy Director
Information Technology*



Abraham Butler
*Deputy Director
Human Resources and Training*



Sonia Gill
Financial Controller



Phaedra Knowles
*Deputy Director
Investments*



Heather Maynard
Legal Officer



Whitney Patton
Chief Internal Auditor



Dr. Kevin Bowe*
Deputy Director, NHI



Gerard Elliott
*Assistant Director
New Providence Operations*



Yvette Sands
*Assistant Director
Business Development
& Policy Planning*



Winston Moss[^]
*Assistant Director
Family Island Operations*



Tami Francis ^{^^}
*Assistant Director
Family Island Operations*



Anthony Curtis
*Assistant Director
Special Projects*

**Non-active - On secondment to the National Health Insurance Secretariat with effect from January 2015*

[^]Mr. Moss retired in October 2015

^{^^} Mrs. Tami Francis was appointed in December 2015.

REPORT ON *Operations*

The economy remained stagnant with the many challenges that prevailed during 2015. Despite this contribution income grew by 6.5 percent and once again exceeded benefit expenditure for the fifth consecutive year. Total comprehensive income grew from \$11.5 million for 2014 to \$26.5 million for the year. With this surplus, reserves at the end of 2015 grew to more than \$1.7 billion for the first time.

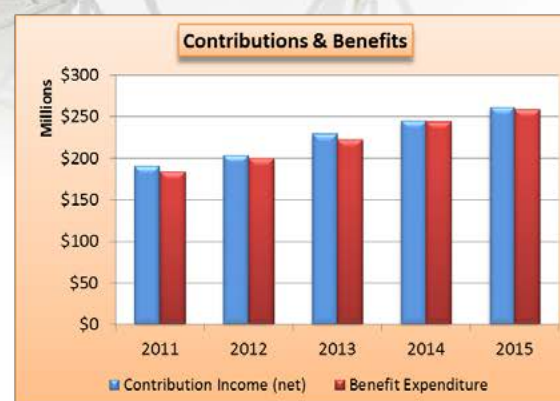
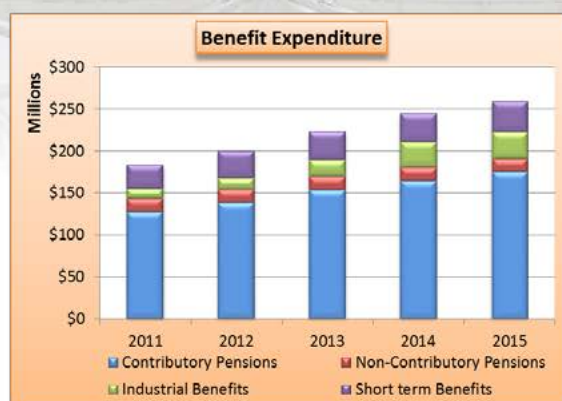
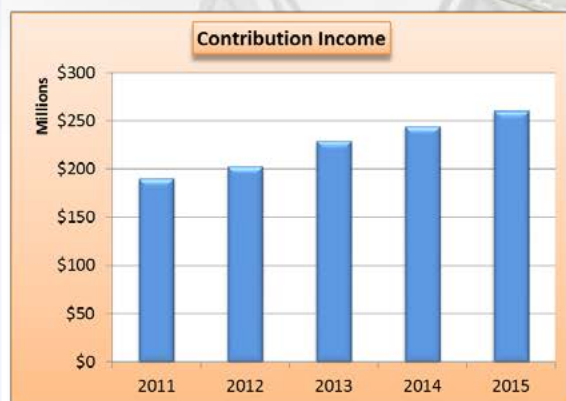
The following table provides results for key performance indicators for NIB

finances in 2015 with comparative figures for 2014.

Contribution income continues to increase each year. Contribution income moved to \$260.5 million for the year from \$244.5 million in 2014, a growth of 6.5 percent over 2014. The increase can be explained partly by the July 2014 ceiling increase and additional efforts in the area of compliance.

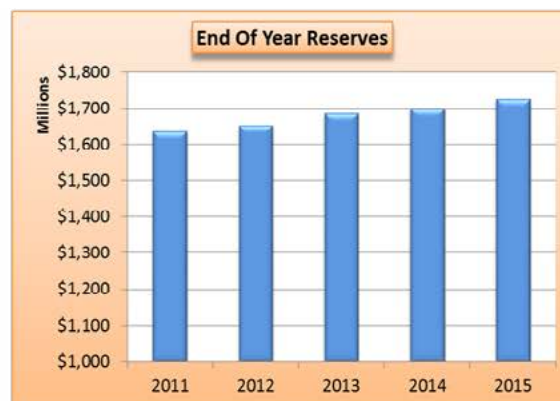
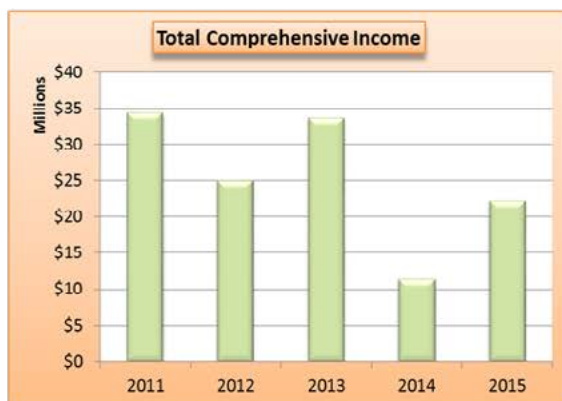
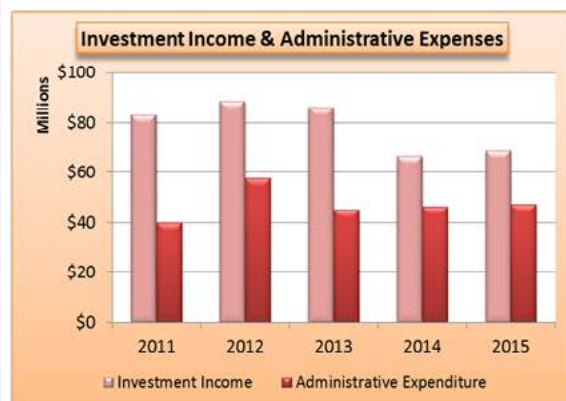
PERFORMANCE INDICATORS	2015	2014	% CHANGE
Total Net Contribution Income	\$260.5 m	\$244.5 m	6.5%
Investment Income	68.8 m	66.6 m	3.3%
Benefits Expenditure	258.8 m	244.1 m	6.0%
Expenditure of National Prescription Drug Plan [^]	0 m	11.2 m	-100.0%
Administrative Expenditure	47.1 m	46.3 m	1.7%
Total Comprehensive Income	26.5 m	11.5 m	130.4%
Year-end Reserves	1,725 m	1,698 m	1.6%
Year-end Investments	1,586 m	1,611 m	-1.6%
Rate of Return on Investments	4.0%	3.7%	8.1%
Administrative Expenditure as % of Contribution Income (Gross)	18.0%	18.9%	-4.6%

[^] 2015 Drug plan expenditure is being recorded as a receivable from the Bahamas Government



Benefit expenditure also increased in 2015 with the natural annual growth in pension expenditure coupled with the July 2014 pension increase. There was an increase in unemployment benefit payments in the last few months of 2015 due mainly to redundant employees in the hospitality sector. Benefit

payments for the year totalled \$258.8 million compared to \$244.1 million paid in 2014, an increase of 6.0%. The gap between contribution income and benefit expenditure widened compared to 2014 figures.



Investment income was \$68.8 million for 2015 compared to \$66.6 million for 2014. Administrative expenditure for 2015 was \$47.1 million slightly up from \$46.3 million in 2014.

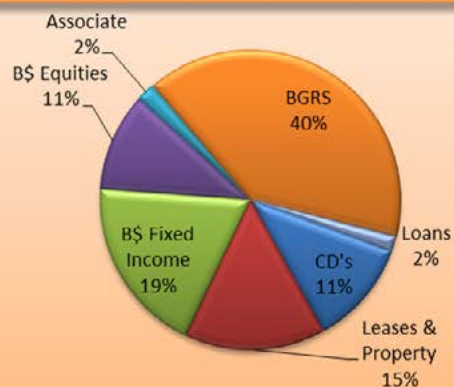
es in interest rates and equity prices, it consistently exceeds administrative expenses. As a result, total income continues to exceed total expenditure and thus reserves continue to increase.

Investment income earned on reserves remains an important component of the Fund's finances. While this source of income can be volatile given chang-

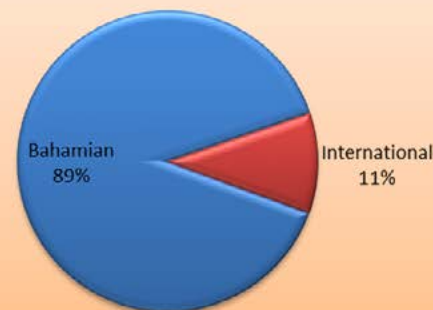
At the end of 2015, National Insurance Fund Investments stood at \$1.586 billion down from \$1.611 billion at the end of 2014. The return on investments during 2015 was 4.0%, up from 3.7% in 2014. The equity portfolio returned 4.3% on the combined local and United States portfolio. In 2015, NIB recorded its portion of Bank of the Bahamas and Cable Bahamas losses.

The Fund remains heavily invested in public sector investments – Government of The Bahamas debt, real estate finance leases, quasi-government debt. Holdings of certificate of deposits declined from \$168.7 million to \$161.3 million. Investments held internationally grew slightly to 11% of the portfolio for 2015. The amount of US\$ Investments increased by 2% to a total of \$177 million.

Investment Mix by Asset Class, Dec. 2015



Investment Mix by Location, Dec. 2015



The National Insurance Board performs many operational functions, most notably registration of employers and insured persons, collection of contributions, the adjudication of benefit claims and the payment of various types of benefits. The following tables highlight activities related to reg-

istration, claims awarded and pensions in payment in 2014 and 2015. Additional details, with numbers and values by Local office, can be found in the Statistical Appendix of this Report.

PERFORMANCE INDICATORS	2015	2014	% CHANGE
# Contributing Employers	13,472	13,001	3.6%
# Contributing Self-Employed Persons	10,339	9,581	7.9%
# Active Employees (estimate)	145,000	146,000	-0.7%
# Short-term Benefit Claims Awarded	29,994	31,102	-3.6%
# Long-term Benefit Claims Awarded	2,913	3,417	-14.7%
# Contributory Pensioners (at year-end)	30,792	30,006	2.6%
# Assistance Pensioners (at year-end)	4,713	4,939	-4.6%
# Cases Approved for Prosecution	1,083	685	58.1%
# Employees (December)	579	579	0.0%

Registration

New registrations by employers and self-employed decreased compared to 2014. The number of individuals either registering simply to get a NIB number or because they were first time employees, fell in 2015.

Type	2015	2014
Employers	5,464	6,672
Self-Employed Persons	2,751	2,956
Active Insured Persons	1,751	2,564
Inactive Persons	6,425	7,029

Claims Received

Overall, fewer claims were received for short-term benefits while more were received for long-term and industrial benefits.

Benefit Type	2015	2014
Long-term (pensions)	3,639	3,584
Short-term	32,749	33,549
Industrial	6,972	6,750
Total	43,360	43,883

Claims Awarded

There was a decrease in the overall number of claims awarded for the three major benefit types.

Benefit Type	2015	2014
Long-term (pensions)	3,639	3,584
Short-term	32,749	33,549
Industrial	6,972	6,750
Total	43,360	43,883

Payments for all three major benefit types increased over 2014.

Benefit Type	2015	2014
Long-term	\$190.4 m	\$180.1 m
Short-term	\$36.5 m	\$33.9 m
Industrial	\$31.9 m	\$30.1 m
Total	\$258.8 m	\$244.1 m

Pensions In Payment At Year End

At the end of 2015, more than 36,000 persons were in receipt of monthly pension payments. As expected the number of contributory pensions in payment continues to increase while the number of non-contributory pensions continues to gradually fall.

Benefit/Assistance	2015	2014
Retirement	22,851	22,156
Invalidity Benefit	2,709	2,664
Survivors Benefit	5,232	5,186
Old-age Non-contributory	1,705	1,847
Invalidity Assistance	2,680	2,745
Survivors Assistance	328	347
Disablement	856	790
Death	59	63
Total	36,420	35,798

Prosecutions

In 2015, there were 1,083 new prosecution cases and 513 settled cases.

	2015
Number of New Prosecution Cases	1,083
Number of Settled Cases	513

Appeals

The following table highlights activities related to appeals during 2015.

	Appeals Tribunal	Medical Appeals Board
Number of Sitzings	5	12
Number of Matters Disposed of	21	62
Number of Cases sent to the Supreme Court	-	1

AROUND THE Board

2015: A YEAR OF MODERNIZATION

With technology driven service becoming the new global standard for modern government and public administration in general, NIB embarked on a transformative modernization of its 28 year old insurance administration system in 2012 which was to be rolled out in 3 phases. This new system was to change the way NIB operates and serves its customers. In May 2013, phase 1 of the V3 Insurance Administration System (IAS) came on stream, and in April 2014, the state of the art NIB smart card and the initial phase of the registrant self-service (RSS) portal were rolled out.



Deputy Chair Cambridge joins IAS planning session

Phase 2 of the system projected to come on stream during the end of 2015, entailed the implementation of the core aspects of the business including the processing and payment of benefits, the processing of contribution payments and posting of those contributions to the accounts of insured persons. In preparation for the second phase, the lead Management team devoted considerable time to advancing the system design and carrying out user acceptance testing.



SDD Bethel leads Operations IAS planning session

USER ACCEPTANCE TESTING

Preparing and testing the new system consumed much of 2015. It was imperative that staff members were able to effectively utilize the new V3 system to advance optimal levels of customer satisfaction. Therefore, it was of critical importance that rigorous testing of the system design and functionality was carried out, over the 11-month period. More than 50 staff from all functional areas of the Board were dedicated to the testing programme.

IMPROVING CUSTOMER SERVICE DELIVERY

The new IAS once fully implemented will enable both insured persons and employers to interact with NIB online through the self-service portals. The Registrant Self Service which was launched in April 2014, saw an increase in usage during 2015. Further enhancements to this portal will provide the status of claims being processed, viewing of additional account information and verification of retirement benefit recipients. The developments underway for the Employer Self Service portal will allow for, among other things, the online submission of contribution statements, payment by credit card and requests for compliance letters.

IMPROVING COMPLIANCE

Inspectors Conclave 2015

In January 2015 all of the Inspectors and their Managers throughout the Bahamas converged for a two day seminar at the Melia Nassau Beach Resort in New Providence. The theme “Using Innovation to Maximize Compliance” was geared towards using innovative ways to improve compliance.



US Elise Delancey, Minister D. Shane Gibson, Director Bethel, Chair McKay, SDD Williams-Bethel and AD Moss at Inspector's Conclave 2015



Inspectors at Conclave 2015

Business Registration Drive

In September 2015 the Compliance unit conducted a registration drive for businesses and self-employed persons throughout New Providence. Inspectors were organised in groups and each group was assigned an area in New Providence. During this drive, Inspectors handed out registration forms for those businesses opened but not yet registered with NIB. These included those self – employed persons such as those working at barber-shops or beauty salons. This drive also presented the Inspectors with the opportunity to confirm which entities were still open for business. This effort assisted with updating NIB's register of businesses and to more accurately define contribution collection targets.

Tax Compliance Partnership

A new cooperation and collaboration partnership was established between the Department of Inland Revenue within the Ministry of Finance and the National Insurance Board to enhance the revenue collection mandates of these agencies.

With effect from July 2015, the Compliance Department and the DIR routinely collaborate on the status of businesses & individuals that apply for Tax Compliance Certificates (TCC). This is accomplished through mutual information-sharing mechanisms that facilitate cross-agency

cooperation on compliance necessary to satisfy the DIR's TCC requirements and NIB's obligations under the Financial Audit and Administration (Amendment) Act 2015.

The Compliance Department will continue to forge similar alliances with other Agencies, such as the Ministry of Works, the Treasury Department, the Road Traffic Department and the Department of Customs. The improved relationship that the Compliance Department has built with the Department of Immigration with respect to the issuance of Contribution Status Letters is particularly noteworthy. This process also assist in assessing and strengthening the level of compliance by Employers seeking work permits for their foreign Employees.

LEADERSHIP CHANGES

During the year 2015 there were some changes that affected the Board at NIB. Eight of the 11 members of the National Insurance Board were reappointed for the 2015-2016 term; outgoing members were Mr. Bernard Evans, Deputy Chairman, Mr. Phillip Beneby and Mr. Jayson Moxey. The untimely passing of Bishop Harry Collie in October 2015 left a vacancy, and on October, 20th 2015, Cabinet appointed Mr. Arnold Bain to the Board of Directors.

ADMINISTRATION, BUILDING & BUSINESS SUPPORT SERVICES

Infrastructural projects:

The renovation of the Court of Appeal located in the Cloughton House Building was completed in May 2015. This project would have included the construction of two (2) additional courts, and renovation of the exist-

ing court, for a total of three available courts to host legal proceedings. Also included was the construction of judge chambers, staff accommodations, library, new file room, and meeting rooms to adequately accommodate the court.

Construction on the new National Security Building on JFK Drive continued in 2015. Additionally, work on the Sandilands Rehabilitation Centre Robert Child Adolescent Unit, and the two mini hospitals in Abaco and Exuma were substantially completed at the close of 2015.

Work commenced on the construction of the Bimini Government Complex in North Bimini, anticipated to take 18 months. The targeted completion date for this project is December 2016.

Human Resources:

The year 2015 closed with a staff headcount of 579 employees. During the year, Dr. Kevin Bowe was seconded to the National Health Insurance Secretariat and the Executive Management team welcomed Dr. Josephine Bartlett as Medical Officer in January 2015. The team said goodbye to Mr. Winston Moss, Assistant Director with responsibility of Family Island operations as he retired after 40 years of service. Mrs. Tami Francis, who headed the Prescription Drug Plan was appointed Assistant Director for Family Island Operations as the successor to Mr. Moss. The total complement of the executive team stands at 15.

Mr. Jayson Moxey rejoined the Board in August 2015 as a Consultant to assist with pending registration and other initiatives associated the National Health Insurance implementation.

The 2015 Annual Long Service Awards Ceremony and Reception was held on Thursday, October 29, 2015 at the British Colonial Hilton hotel. Some forty-six persons, including 31 active employees and 15 retirees, were honored for various long-service milestones and for dedicated service to the organisation and nation at large.



Minister Gibson and Mrs Gibson, Board members and Director Bethel with Long service awards honourees.

International Exposures:



Director Rowena Bethel was appointed to the United Nations Committee of Experts in Public Administration (CEPA) bureau for the 2015 session. Director Bethel was accompanied to the 15th Session of UN Committee of Experts in Public Administration by P S Nicole Campbell, Chair Renae McKay and Legal Advisor, Heather Maynard. Pictured (l to r): Dr. Eko Prasajo, Vice Minister for Administrative Reform, Republic of Indonesia; Vice-Chairperson, Director Bethel, Bahamas; Dr. Najat Zarrouk, Former Governor, Ministry of the Interior, Morocco; Chairperson: Ms. Margaret Saner, Independent Senior Adviser in Governance, Leadership, Change and Institution Building, United Kingdom and Rapporteur, Mr. Xiaochu Dai, Deputy Director General, Department of International Cooperation, Ministry of Human Resources and Social Security, People's Republic of China



During the UN Public Service Forum, Day and Awards ceremony, held in Medellín Colombia last year June, the roundtable discussion on “Innovating Public Service for Sustainable Development” was co-chaired by Minister Shane Gibson and Vice Minister Maria Isabel Mejia of Colombia. The panelists included Director Rowena Bethel, Mr. Inan Karimov, Chairman for Public Service and Social innovation, Azerbaijan; Ms. Begonia Lasagabaster, Leadership and Governance, UN Women; Representative from Cabinet Office, the Government of Kenya.



In January 2015, Senior Deputy Director Cecile Williams-Bethel (left) and Mr. Trevor Brice, Executive Officer Compliance (second left) attended the ISSA workshop on Contribution Collection & Compliance in Warsaw, Poland.



In February 2015, Assistant Director Yvette Sands (5th from left) attended the Strategic Policy Planning course hosted by the International Centre for Parliamentary Studies, in London, England



In October 2015, Dr. Josephine Bartlett, Medical Officer (seated 4th from left) and Mrs. Sheryl Charlow, Senior Assistant Manager, Occupational Health & Safety Unit (pictured seated on left), attended the conference on Employment injury schemes and the prevention of occupational accidents and diseases held at the International Labour Organization (ILO) training centre in Turin Italy.



In November 2015, Chairman Renae McKay, Director Rowena Bethel and Phaedra Mackey-Knowles, Deputy Director of Investments, attended the Inter-American Conference on Social Security High Level meeting on “Pre-emptive Economics: A New Trajectory”, held in San Paolo, Brazil. Director Bethel participated in the panel discussion on Social Protection and Pre-emptive Economics: Pioneering Public Policy Trajectories.

In October 2015, Dr. Raymond Wells, Deputy Director, IT along with Mr. Dave Forbes, Senior Manager IT attended the VMWare Training under the theme “One Cloud, Any Application and Any Device”, in Barcelona, Spain. Also, Mr. Dave Forbes – Senior Manager and Yvette Jordon - Information Security Officer of the Information Technology team attended two IT Security Training courses that focused primarily on Cyber Security. These training courses were the Certified Information Systems Security Professional (CISSP) and the Certified Ethical Hacker (CEH), which were held in May and June 2015 respectively, and are among some of the leading disciplines in the Information Technology Cyber Security sphere that are recognized globally.

NATIONAL PRESCRIPTION DRUG PLAN

The Drug Plan which was introduced in 2010, saw an increase in the number of beneficiaries to 27,023 by December 2015. There are 66 private pharmacies and 71 public pharmacies participating in the Drug Plan. Since inception, a total of \$37 million has been paid to private pharmacies for prescriptions and supplies, and \$3.35 million to the public pharmacies.

ANNUAL REPORT

The Accounts Department coordinated the audit work and schedules to facilitate the external audit. Together with the Actuary and Public Relations Departments, the 2014 Annual Report was completed and submitted to the Minister ahead of the June 30, 2015 statutory deadline.

Staff Activities



National Pride Day competition winner, Ms. Ismae Deveaux, Clerical Supervisor, PSAS department



Nibbers participate in volleyball tournament



Annual church service to mark the 41st anniversary of NIB



Nibbers attend the health fair in October during anniversary week



Staff Christmas Party 2015



Executives and senior management feeding seniors during anniversary week in October 2015





Consolidated Financial Statements

December 31, 2015



INDEPENDENT AUDITORS' REPORT

To the National Insurance Board

We have audited the accompanying consolidated financial statements of the National Insurance Fund and its subsidiary, which comprise the consolidated statement of financial position as of December 31, 2015, and the consolidated statements of comprehensive income, changes in reserves and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and with the requirements of the National Insurance Act and the National Insurance (Financial and Accounting) Regulations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Nassau | New Providence | Bahamas

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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the National Insurance Fund and its subsidiary as of December 31, 2015, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and with the requirements of the National Insurance Act and the National Insurance (Financial and Accounting) Regulations.



**Chartered Accountants
Nassau, Bahamas
May 27, 2016**

The National Insurance Fund
(Established under the laws of the Commonwealth of The Bahamas)

Consolidated Statement of Financial Position
As of December 31, 2015
(Expressed in Thousands of Bahamian dollars)

	Notes	2015 \$	2014 \$
ASSETS			
Cash on hand and at banks	3	16,162	13,650
Receivables and advances	4	39,539	18,141
Prepaid expenses and deposits		526	695
		<u>56,227</u>	<u>32,486</u>
Investments			
At fair value through profit or loss:			
Equity securities	5	153,799	152,162
Held-to-maturity:			
Bahamas Government US\$ notes	6(a)	30,241	30,240
United States of America US\$ treasury notes	6(b)	29,333	16,004
Government of Barbados US\$ bonds	6(c)	4,404	4,863
Citigroup Funding Inc. notes	6(d)	3,001	3,004
Government of the Cayman Islands US\$ bonds	6(e)	2,500	2,496
US\$ Corporate bonds	6(f)	7,531	7,728
Government of Trinidad & Tobago US\$ bonds	6(g)	2,114	2,123
Loans and receivables:			
Bahamas Government registered stocks	7(a)	597,776	624,104
Certificates of deposit	7(b)	161,252	168,706
Bahamas Mortgage Corporation bonds	7(c)	101,106	101,106
Nassau Airport Development Company Limited debt securities	7(d)	72,158	72,858
Education Loan Authority bonds	7(e)	47,347	47,582
Bahamas Development Bank bonds	7(f)	46,749	46,864
Bahamas Electricity Corporation bonds	7(g)	26,095	26,909
Preference shares	7(h)	19,000	19,000
Clifton Heritage Authority bonds	7(i)	7,998	7,998
Latin American Investment Bank (Bahamas) Ltd. bonds	7(j)	3,409	3,283
Loans to Bahamas Government entities	7(k)	27,271	17,121
Long-term deposits	7(l)	10,075	9,825
Bridge Authority bonds	7(m)	2,829	2,829
Fidelity Bank (Bahamas) Limited notes	7(n)	2,842	2,843
The College of The Bahamas redeemable term notes	7(o)	2,030	2,215
Public Hospital Authority bonds	7(p)	12,127	10,153
Bahamas Government B\$ notes	7(q)	7,153	7,165
Net investment in finance leases	8	174,267	177,996
Investment property	9	2,427	2,427
Investments in associates	10	29,650	41,375
Total investments		<u>1,586,484</u>	<u>1,610,979</u>

The accompanying notes are an integral part of these consolidated financial statements.

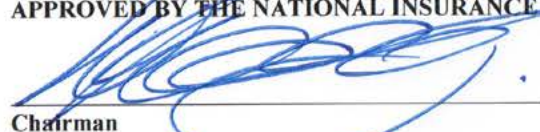
The National Insurance Fund
(Established under the laws of the Commonwealth of The Bahamas)

Consolidated Statement of Financial Position
As of December 31, 2015
(Expressed in Thousands of Bahamian dollars)
(Continued)

	Notes	2015 \$	2014 \$
ASSETS (Continued)			
Computer software	11	9,007	7,150
Property, plant and equipment	12	107,725	101,852
Construction in progress – finance leases	13	49,676	32,773
TOTAL ASSETS		1,809,119	1,785,240
LIABILITIES			
Accounts payable and accrued expenses	14	7,975	7,786
Staff pension fund	15	70,681	72,532
Accrued benefits payable		5,866	6,819
TOTAL LIABILITIES		84,522	87,137
RESERVES			
Short-term benefits	30	67,461	46,758
Pensions	30	1,461,488	1,442,411
Industrial benefits	30	94,622	103,957
Medical benefits	30	87,083	86,651
Disablement and death benefits	30	13,367	17,750
Fidelity bond	16 & 30	576	576
TOTAL RESERVES		1,724,597	1,698,103
TOTAL LIABILITIES AND RESERVES		1,809,119	1,785,240

Assets and liabilities of the Medical Benefits Branch are separately disclosed in the notes accompanying these consolidated financial statements.

APPROVED BY THE NATIONAL INSURANCE BOARD AND SIGNED ON ITS BEHALF BY:


Chairman


Director


Financial Controller

June 8, 2016
Date

The accompanying notes are an integral part of these consolidated financial statements.

The National Insurance Fund

Consolidated Statement of Comprehensive Income For the Year Ended December 31, 2015 (Expressed in Thousands of Bahamian dollars)

	Notes	2015 \$	2014 \$
INCOME			
Contributions			
Employers		157,190	148,578
Insured persons		98,133	90,544
Self-employed persons		5,917	6,125
Voluntarily insured		<u>2</u>	<u>5</u>
		261,242	245,252
Refund of contributions		<u>(782)</u>	<u>(717)</u>
Total net contributions		<u>260,460</u>	<u>244,535</u>
Income from investments	17	76,778	82,224
Income from property	18	2,070	1,782
Share of losses of associates	10	(10,026)	(17,370)
Other income		<u>626</u>	<u>567</u>
TOTAL INCOME		<u>329,908</u>	<u>311,738</u>
EXPENDITURE			
Benefits expenditure			
Short-term		36,516	33,866
Pensions		190,378	180,130
Industrial		25,206	24,150
Disablement and death		<u>6,744</u>	<u>5,930</u>
Total benefits expenditure		<u>258,844</u>	<u>244,076</u>

The accompanying notes are an integral part of these consolidated financial statements.

The National Insurance Fund

Consolidated Statement of Comprehensive Income For the Year Ended December 31, 2015 (Expressed in Thousands of Bahamian dollars) (Continued)

	Notes	2015 \$	2014 \$
Administrative expenditure			
Staff salaries, allowances and benefits	22	34,914	33,735
Expenses of the Members of the Board		258	210
Amortisation		507	571
Depreciation	12	1,731	1,865
Other expenses	21	9,704	9,880
Total administrative expenditure		47,114	46,261
Expenditure of the medical benefits branch			
Polyclinics			
Administrative expenditure		649	853
Depreciation	12	1,153	1,205
		1,802	2,058
National Prescription Drug Plan		-	11,183
National Health Insurance		-	549
Total expenditure of the medical benefits branch		1,802	13,790
Other			
Loss on sale of property		-	100
Total other		-	100
TOTAL EXPENDITURE		307,760	304,227
EXCESS OF INCOME OVER EXPENDITURE		22,148	7,511
Remeasurement of the defined benefit obligation		4,249	3,881
Unclaimed benefits		97	91
TOTAL COMPREHENSIVE INCOME		26,494	11,483

The accompanying notes are an integral part of these consolidated financial statements.

The National Insurance Fund
Consolidated Statement of Changes in Reserves
For the Year Ended December 31, 2015
(Expressed in Thousands of Bahamian dollars)

Notes	Short-term		Pensions		Industrial		Medical		Disablement/Death		Fidelity Bond		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
INCOME														
Total net contributions	65,115	61,134	174,508	163,839	19,535	18,340	1,302	1,222	-	-	-	-	260,460	244,535
Income from investments	1,133	1,498	72,352	76,480	2,743	3,391	86	161	464	694	-	-	76,778	82,224
Income from property	-	-	1,381	1,093	-	-	689	689	-	-	-	-	2,070	1,782
Share of profits of associates	-	-	(10,026)	(17,370)	-	-	-	-	-	-	-	-	(10,026)	(17,370)
Periodically payable disablement and death benefits transferred from income and expenditure account of industrial benefits branch:														
Disablement	19	-	-	-	-	-	-	-	1,897	1,672	-	-	1,897	1,672
Death	19	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	157	141	156	142	156	142	157	142	-	-	-	-	626	567
TOTAL INCOME	66,405	62,773	238,371	224,184	22,434	21,873	2,234	2,214	2,361	2,366	-	-	331,805	313,410
EXPENDITURE														
Benefits expenditure														
Sickness benefit	11,738	13,221	-	-	-	-	-	-	-	-	-	-	11,738	13,221
Unemployment benefit	13,222	9,347	-	-	-	-	-	-	-	-	-	-	13,222	9,347
Maternity benefit	7,117	7,050	-	-	-	-	-	-	-	-	-	-	7,117	7,050
Funeral benefit	2,951	2,800	-	-	-	-	-	-	-	-	-	-	2,951	2,800
Maternity grant	1,488	1,448	-	-	-	-	-	-	-	-	-	-	1,488	1,448
Sickness assistance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retirement benefit	-	-	140,590	131,243	-	-	-	-	-	-	-	-	140,590	131,243
Survivors' benefit	-	-	18,973	18,216	-	-	-	-	-	-	-	-	18,973	18,216
Invalidity benefit	-	-	15,534	14,871	-	-	-	-	-	-	-	-	15,534	14,871
Invalidity assistance	-	-	8,708	8,783	-	-	-	-	-	-	-	-	8,708	8,783
Old age non-contributory retirement benefit	-	-	5,647	5,998	-	-	-	-	-	-	-	-	5,647	5,998
Survivors' assistance	-	-	926	1,019	-	-	-	-	-	-	-	-	926	1,019
Medical care	-	-	-	-	20,912	20,355	-	-	-	-	-	-	20,912	20,355
Injury benefit	-	-	-	-	4,169	3,757	-	-	-	-	-	-	4,169	3,757
Disablement grant	-	-	-	-	125	38	-	-	-	-	-	-	125	38
Payment of current periodically payable benefits effected during the year:														
Disablement	19	-	-	-	-	-	-	-	6,377	5,585	-	-	6,377	5,585
Death	19	-	-	-	-	-	-	-	367	345	-	-	367	345
Disablement benefit – capital value	-	-	-	-	25,206	24,150	-	-	6,744	5,930	-	-	258,844	244,076
Death benefit – capital value	-	-	-	-	1,897	1,672	-	-	-	-	-	-	1,897	1,672
Administrative expenditure	9,244	9,017	33,188	32,648	4,682	4,596	1,802	13,790	-	-	-	-	48,916	60,051
Other expenditure/(Income)	-	-	-	100	-	-	-	-	-	-	-	-	-	100
TOTAL EXPENDITURE	45,760	42,883	223,566	212,878	31,785	30,418	1,802	13,790	6,744	5,930	-	-	309,657	305,899
EXCESS/(DEFICIENCY) OF INCOME OVER EXPENDITURE	20,645	19,890	14,805	11,306	(9,351)	(8,545)	432	(11,576)	(4,383)	(3,564)	-	-	22,148	7,511
Remeasurement of the defined benefit obligation	-	-	4,249	3,881	-	-	-	-	-	-	-	-	4,249	3,881
Transfers	-	(20,000)	-	-	-	-	-	20,000	-	-	-	-	-	-
Unclaimed benefits	58	63	23	22	16	6	-	-	-	-	-	-	97	91
RESERVES, beginning of year	46,758	46,805	1,442,411	1,427,202	103,957	112,496	86,651	78,227	17,750	21,314	576	576	1,698,103	1,686,620
RESERVES, end of year	67,461	46,758	1,461,488	1,442,411	94,622	103,957	87,083	86,651	13,367	17,750	576	576	1,724,597	1,698,103

The accompanying notes are an integral part of these consolidated financial statements.

The National Insurance Fund

Consolidated Statement of Cash Flows For the Year Ended December 31, 2015 (Expressed in Thousands of Bahamian dollars)

	2015	2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of income over expenditure	22,148	7,511
Adjustments:		
Income from investments	(76,778)	(82,224)
Income from property	(2,070)	(1,782)
Share of losses of associates	10,026	17,370
Loss on disposal/write-off of property, plant and equipment	30	12
Amortisation	507	571
Depreciation	2,884	3,070
Loss on sale of investment property	-	100
Deficit before working capital changes	(43,253)	(55,372)
(Increase)/decrease in receivables and advances	(16,541)	46
(Increase) in prepaid expenses and deposits	(169)	(99)
Increase in accounts payable and accrued expenses	286	734
Increase in staff pension fund	2,398	2,808
Increase/(decrease) in accrued benefits payable	(953)	3,150
Net cash used in operating activities	(58,232)	(48,733)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received – trustee and other securities	56,482	56,594
Dividends received	4,946	4,598
Proceeds from finance leases	10,202	2,349
Income received from property	87	980
Dividends received from associates	1,699	1,457
Proceeds from sale of equity securities	3,349	1,492
Proceeds from United States of America US\$ Treasury notes	-	7,030
Proceeds on maturity of certificates of deposit	164,629	233,688
Proceeds from US Corporate bonds	235	-
Proceeds on maturity of Bahamas Government registered stocks	35,899	22,997
Proceeds from Government of Barbados bonds	459	429

The accompanying notes are an integral part of these consolidated financial statements.

The National Insurance Fund

Consolidated Statement of Cash Flows For the Year Ended December 31, 2015 (Expressed in Thousands of Bahamian dollars)

	2015	2014
	\$	\$
CASH FLOWS FROM INVESTING ACTIVITIES (Continued)		
Proceeds on maturity of Bahamas Mortgage Corporation bonds	-	1,500
Proceeds on redemption of preference shares	-	8,500
Proceeds from loan repayments from Bahamas Government entities	35	161
Proceeds from Nassau Airport Development Company Limited debt securities	2,705	2,919
Proceeds of College of the Bahamas notes	185	185
Proceeds from sale of property, plant and equipment	55	32
Proceeds from the sale of investment property	-	1,900
Purchase of equity securities	(554)	(26,634)
Purchase of the Bahamas Government Registered stock	(10,000)	-
Purchase of United States of America US\$ treasury notes	(13,329)	-
Purchase of US\$ Corporate bonds	-	(2,875)
Placements of certificates of deposit	(157,437)	(209,362)
Placements of long-term deposits	-	(3,000)
Purchase of preference shares	-	(10,000)
Purchase of Bahamas Government notes	-	(7,070)
Additional loans to Bahamas Government entities	(9,900)	(7,000)
Purchase of Public Hospital Authority bonds	(1,974)	-
Purchase of Government Trinidad & Tobago bonds	-	(2,095)
Additions to computer software	(2,364)	(1,232)
Additions to property, plant and equipment	(8,767)	(11,246)
Additions to construction in progress – finance leases	(15,898)	(19,072)
Net cash from investing activities	60,744	47,225
Net increase/(decrease) in cash and cash equivalents	2,512	(1,508)
Cash and cash equivalents, beginning of year	13,650	15,158
Cash and cash equivalents, end of year (Note 3)	16,162	13,650

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

1. General Information

The National Insurance Fund (the Fund) was established under the National Insurance Act (the Act). The major objective of the Fund is to provide pecuniary payments in respect of:

- (a) sickness, invalidity, maternity, unemployment, retirement, death, industrial injury and disablement and death from industrial injury;
- (b) medical care;
- (c) social assistance for insured and other persons not qualifying for such payments as of right;
- (d) purposes connected with and incidental to the above matters.

Income is derived from contributions and return on investments. The daily operations of the Fund are governed by the Act and regulations pertaining thereto and are administered by the National Insurance Board (NIB). The Fund has one wholly-owned subsidiary, Claughton House Limited, which is consolidated in these financial statements.

2. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), and with the requirements of the Act and the National Insurance (Financial and Accounting) Regulations (the Regulations). Further, the consolidated financial statements are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of consolidated financial statements in conformity with IFRS requires management to exercise judgment in the process of applying the Fund's accounting policies. It also requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of income and expenditure during the reporting period. Actual results could differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Notes 2(e), 2(g), 2(h), 2(i) and 2(l).

The consolidated financial statements do not take account of liabilities to pay benefits in the future. An actuarial valuation is performed every five years, with the latest valuation having been done as of December 31, 2011. Certain results of the actuarial valuation are described in Note 31.

The National Insurance Fund

Notes to the Consolidated Financial Statements
December 31, 2015
(Expressed in Thousands of Bahamian dollars)
(Continued)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

New and amended standards adopted by the Fund

There were no new standards effective 2015.

New standards, amendments and interpretations issued but not yet effective and not early adopted by the Fund

The Fund will adopt the following standards and interpretations enumerated below when they become effective. Except as otherwise indicated, the Fund does not expect the adoption of these new and amended IFRSs to have a material impact on the Fund's consolidated financial statements.

i. IFRS 10 & 12 and IAS 28: Investment Entities

Narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28 introduce clarifications to the requirements when accounting for investment entities. Amendments will be effective for annual periods beginning January 1, 2016.

ii. IAS 1: Disclosure Initiative

Amendments designed to encourage entities to apply professional judgement in determining what information to disclose in their financial statements. Amendments will be effective for annual periods beginning January 1, 2016.

iii. IAS 16 & 38: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendment to both IAS 16 and IAS 38 clarifying that when applying the principle of "the basis of depreciation and amortisation is the expected pattern of consumption of the future economic benefits of an asset", revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets. Amendments will be effective for annual periods beginning January 1, 2016.

iv. IAS 19: Discount rate ~ regional market issue

Clarification given that when looking at a deep market in terms of the standard the deep market requirement applies to the currency as a whole and not to a specific country. Amendments will be effective for annual periods beginning January 1, 2016.

The National Insurance Fund

Notes to the Consolidated Financial Statements
December 31, 2015
(Expressed in Thousands of Bahamian dollars)
(Continued)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

v. *IFRS 15 Revenue from Contracts from Customers*

The objective of the new standard is to establish principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

The standard introduces a revenue model in which the core principle is that an entity should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard will be effective for annual periods beginning January 1, 2017.

vi. *IFRS 9 Financial Instruments*

The final version of IFRS 9 has been released and replaces in its entirety IAS 39. The new standard includes (not exhaustive) a new model for hedge accounting aimed at aligning the accounting treatment with the risk management activities of the entity, a new single impairment model applied to all financial instruments, and an “expected credit loss” model for measurement of financial assets. This release supersedes previous versions of IFRS 9 but these previous versions remain available for application if the date of application is before February 1, 2015. Entities can also choose to apply the “Own Credit” changes in isolation at any time without needing to adopt the other provisions of IFRS 9. The new standard will be fully effective for annual periods beginning January 1, 2018.

(b) Consolidation

Subsidiary

A Subsidiary is an entity over which the Fund has control. Control is achieved when the investor has power over the investee; is exposed or has rights to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. If facts and circumstances indicate that there are changes to one or more of the three elements of control listed above, the investor shall reassess whether it controls the investee. Subsidiary is fully consolidated from the date on which control is transferred to the Fund. It is deconsolidated from the date that control ceases.

Intercompany transactions, balances, income and expenses and unrealised gains on transactions between the Fund and its subsidiary are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiary are changed where necessary to ensure consistency with the policies adopted by the Fund.

The National Insurance Fund

Notes to the Consolidated Financial Statements
December 31, 2015
(Expressed in Thousands of Bahamian dollars)
(Continued)

2. Summary of Significant Accounting Policies (Continued) (b) Consolidation (Continued)

Associates

Associates are all entities over which the Fund has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses.

The Fund's share of its associates' post-acquisition profits or losses is recognised in the consolidated statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Fund's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Fund does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Fund and its associates are eliminated to the extent of the Fund's interest in the associates. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the Fund.

The Fund applies the requirements of IAS 39, as disclosed in Note 2(g) to determine whether it is necessary to recognise any additional impairment loss with respect to its investment in associates.

The entire carrying amount of the investment is tested for impairment in accordance with IAS 36 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, whenever application of the requirements in IAS 39 indicates that the investment may be impaired. An impairment loss recognised in those circumstances is not allocated to any asset, including good will that forms part of the carrying amount of the investment in the associate. Accordingly, any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

(c) Foreign currency translation

The consolidated financial statements are presented in Bahamian dollars, which is the functional and presentation currency of the Fund. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities at exchange rates prevailing as of the reporting date are recognised in the consolidated statement of comprehensive income.

The National Insurance Fund

Notes to the Consolidated Financial Statements
December 31, 2015
(Expressed in Thousands of Bahamian dollars)
(Continued)

2. Summary of Significant Accounting Policies (Continued)

(d) Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original contractual maturities of three months or less and, if applicable, bank overdrafts.

(e) Financial assets

The Fund classifies its financial assets into the following categories: financial assets at fair value through profit or loss; held-to-maturity; and loans and receivables. Management determines the classification of financial assets at initial recognition, based on the purpose for which they are acquired, and re-evaluates the classification at each statement of financial position date.

Financial assets at fair value through profit or loss are those that are managed and their performance evaluated on a fair value basis. These financial assets are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or changes in interest rates, exchange rates or market prices. Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Fund has the positive intention and ability to hold to maturity. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market.

Regular-way purchases and sales of financial assets are recognised on the trade date, which is the date that the Fund commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs, except for financial assets at fair value through profit or loss where transaction costs are expensed as incurred. Financial assets are derecognised when the rights to receive cash flows from them have expired or when they have been transferred and the Fund has also transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss are subsequently carried at fair value based on quoted prices for investments traded in active markets; or valuation techniques, including recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants, for investments not traded in active markets. Gains and losses arising from sales and changes in fair value of these financial assets are recognised in the consolidated statement of comprehensive income in the period in which they arise.

Held-to-maturity investments and loans and receivables are carried at amortised cost using the effective interest method, less any provision for impairment.

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

2. Summary of Significant Accounting Policies (Continued)

(f) Sale and repurchase agreements

Securities sold subject to repurchase agreements (repos) are reclassified in the consolidated financial statements as pledged assets when the transferee has the right by contract or custom to sell or re-pledge the collateral; the counterparty liability is included in loans payable when applicable. Securities purchased under agreements to resell (reverse repos) are recorded as loans to the applicable counterparty. The difference between the sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method. Securities lent are retained in the consolidated financial statements.

(g) Impairment of financial assets

The Fund assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The criteria that the Fund uses to determine that there is objective evidence of an impairment loss include:

- i. Financial difficulty indicators;
- ii. Breach of contract, such as default or delinquency in interest or principal payments;
- iii. Fraud;
- iv. Bankruptcy or other financial reorganization; and
- v. Observable data indicating that there is a measurable decrease in the estimated future cash flows

If there is objective evidence that an impairment loss on held-to-maturity investments or loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated statement of comprehensive income. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the consolidated statement of comprehensive income. When a financial asset is uncollectible, it is written off against the allowance account. Recoveries of amounts previously written off are recognised directly to the consolidated statement of comprehensive income.

The amount of loss on financial assets at fair value through profit or loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of interest for a similar financial asset.

The National Insurance Fund

Notes to the Consolidated Financial Statements
December 31, 2015
(Expressed in Thousands of Bahamian dollars)
(Continued)

2. Summary of Significant Accounting Policies (Continued)

(h) Investment property

Property that is held for long-term rental yields, capital appreciation, or both, and is not principally occupied by the Fund, is classified as investment property. Investment property comprises freehold land and office buildings.

Investment property is measured initially at cost, including related transaction costs. Subsequently, investment property is carried at fair value. Fair value is based on valuation methods such as discounted cash flow projections and prices observed in recent transactions involving similar properties. Formal valuations are obtained, from independent appraisers who hold recognised and relevant professional qualifications and have recent experience in the category of investment property being valued, at least every three years. The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Fund and the cost of the item can be measured reliably. All repairs and maintenance costs are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the fair value of the property.

Changes in fair values are recognised in the consolidated statement of comprehensive income. Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

(i) Property, plant and equipment

Land and buildings principally comprise buildings that are significantly occupied by the Fund or occupied by medical clinics operated by the Government of the Commonwealth of The Bahamas (The Bahamas Government). Property, plant and equipment are stated at historical cost less depreciation, except land which is not depreciated. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount or recognised as a separate asset, as appropriate, when it is probable that future economic benefits associated with the item will flow to the Fund and the cost of the item can be measured reliably.

Repairs and maintenance and costs of leasehold improvements are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

2. Summary of Significant Accounting Policies (Continued)

(i) Property, plant and equipment (continued)

Depreciation is calculated using the straight-line basis to allocate costs (net of residual values) over estimated useful lives as follows:

Buildings	40 years
Office furniture and equipment	5 – 10 years
Computer hardware	3 – 5 years
Motor vehicles	4 years
Medical equipment and Vehicles	10 years

Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts and are recognised in the consolidated statement of comprehensive income.

(j) Computer software

Computer software comprises software packages and other costs associated with implementing the software and ensuring that it is fully operational. The asset is stated at historical cost less amortisation, calculated using the straight-line basis over the estimated useful life of three years, except for the newly implemented Rollout 1 of the new insurance administration system which is amortised over fifteen years. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. 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 consolidated statement of comprehensive income.

The National Insurance Fund

Notes to the Consolidated Financial Statements
December 31, 2015
(Expressed in Thousands of Bahamian dollars)
(Continued)

2. Summary of Significant Accounting Policies (Continued)

(k) Leases

The Fund is lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

The Fund is lessor

Finance leases

For assets leased out under finance leases, the present value of the lease payments is recognised as net investment in finance leases in the consolidated statement of financial position. The difference between the total gross lease payments and the present value of the lease payments is recognised as unearned finance income. Lease income is recognised over the term of the leases using the net investment method, which reflects a constant periodic rate of return.

Costs in relation to construction of assets intended to be leased out under finance leases are recognised as construction in progress – finance leases in the consolidated statement of financial position. Costs include the expenditures that are directly attributable to the construction of the assets. In addition, the Fund recognises interest income, using the effective interest method, on the outstanding balance during the construction phase and includes this in the carrying amount. Upon completion of an asset, the amounts are transferred to net investment in finance leases.

Operating leases

Assets leased out under operating leases are included in investment property or property, plant and equipment in the consolidated statement of financial position. Rental income is recognised in the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

(l) Employee benefits

The Fund provides a contributory defined benefit pension plan (the pension plan) for all of its non-contractual, full time employees. A defined benefit pension plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually as a function of one or more factors such as age, years of service and compensation. The Fund is obligated to fund the pension plan.

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

2. Summary of Significant Accounting Policies (Continued)

(l) Employee benefits (continued)

In the year 2012, the Fund early adopted the amendments to IAS 19 *Employee Benefits* as revised in June 2011. The Fund has applied IAS 19 as revised retrospectively and in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. These transitional provisions do not have an impact on future periods.

The most significant change relates to the accounting for changes in the defined benefit obligation and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the “corridor approach” permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets are replaced with the net interest amount which is calculated by applying the discount rate to the net defined benefit liability or asset.

(m) Revenue recognition

Contributions are accounted for on a cash basis. Management has determined that due to the significant uncertainty of timing and amounts of contributions by participants, the revenue recognition criteria are not satisfied until payments have been received.

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

Dividend income is recognised when the Fund’s right to receive payment has been established. Rental income is recognised as disclosed in Note 2(k). Other income amounts are recognised using the accrual basis of accounting.

(n) Expense recognition

Benefits expenditure is recognised when the Fund’s obligation to make payment has been established, generally upon approval of a claim submitted. Other expenses are recognised using the accrual basis of accounting.

The National Insurance Fund

Notes to the Consolidated Financial Statements
December 31, 2015
(Expressed in Thousands of Bahamian dollars)
(Continued)

2. Summary of Significant Accounting Policies (Continued)

(o) Unclaimed benefits

In accordance with section 15 of the National Insurance (Benefit and Assistance) Regulations, unclaimed benefits are legally extinguished after a period of eighteen months. Management has implemented a policy of reversing benefit liabilities, and crediting them directly to reserves, after a period of two years to provide for an extended period that may be granted to recipients of benefits based on the underlying circumstances.

(p) Apportionment of income, and administrative and other expenditure

Sections 18 and 19 of the Regulations provide the following:

- i. Income from contributions shall be distributed among the benefit branches in the following proportions:

	2015	2014
Short-term benefits reserve	25.0%	25.0%
Pensions reserve	67.0%	67.0%
Industrial benefits reserve	7.5%	7.5%
Medical benefits reserve	0.5%	0.5%
	<u>100.0%</u>	<u>100.0%</u>

- ii. Income from investments shall be allocated to the benefits branch to which the investments relate.
- iii. All other income, which cannot be identified with any specific branch, shall be distributed among the four benefit branches in equal parts.
- iv. Administrative expenditure of the medical benefits branch shall be ascribed to that branch and all other administrative expenditure shall be distributed among the other three branches so 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 benefits expenditure of the Fund as a whole.

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

2. Summary of Significant Accounting Policies (Continued)

(p) Apportionment of income, and administrative and other expenditure (continued)

For the years ended December 31, 2015 and 2014, the resulting proportion of administrative expenditure ascribed to the three benefit branches is as follows:

	2015	2014
Short-term benefits reserve	19.62%	19.49%
Pensions reserve	70.44%	70.57%
Industrial benefits reserve	9.94%	9.94%
	<u>100.00%</u>	<u>100.00%</u>

v. All other expenditure, which is not attributable to any specific branch, shall be distributed among the four benefit branches in equal parts.

(q) Related parties

Related parties include its subsidiary; associates; ministries and corporations of The Bahamas Government; agencies and entities controlled by The Bahamas Government or in which The Bahamas Government has a significant ownership interest; key management personnel; close family members of key management personnel; and entities owned or controlled by key management personnel. Key management personnel include those having the authority and responsibility for planning, directing and controlling the activities of the Fund.

Balances and transactions with related parties are disclosed in Note 28 to these consolidated financial statements.

(r) Taxation

The Fund is established under the laws of the Commonwealth of The Bahamas and is not subject to income and capital gains taxes. As of January 1, 2015 the Fund is subject to Value Added Tax at a rate of 7.5% imposed by the Bahamas Government.

The Fund's operations do not subject it to taxation in any other jurisdiction, except for withholding taxes imposed by certain countries on investment income and capital gains for investments domiciled in those countries.

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

2. Summary of Significant Accounting Policies (Continued)

(s) Chronic Diseases Prescription Drug Fund

The Financial and Accounting Regulations provide for funding under the Medical Benefits Branch (MBB) of expenditure of the Prescription Drug Fund established under the National Insurance (Chronic Diseases Prescription Drug Fund) Act. With effect from January 1, 2015, because of the insufficiency of the MBB, The Bahamas Government has agreed to reimburse the Fund for all expenditure relative to the Chronic Diseases Prescription Drug Fund. Accordingly, a receivable was recorded for 2015 and is included in Note 4.

(t) Events After The Reporting Period

The Fund identifies subsequent events as events that occurred after the reporting period but before the date when the financial statements were authorized for issue. Any subsequent events that provide additional information about the Fund's position at the reporting period, adjusting events, are reflected in the financial statements, while subsequent events that do not require adjustments, non-adjusting events, are disclosed in the notes to financial statements when material.

(u) Corresponding figures

Where necessary, corresponding figures are adjusted to conform to changes in presentation in the current year.

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

3. Cash and Cash Equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise:

	2015 \$	2014 \$
Cash on hand	37	30
Cash at banks – current account	8,328	2,103
Cash at brokers	1,960	910
Cash at the Central Bank of The Bahamas	5,837	10,607
	<u>16,162</u>	<u>13,650</u>

Cash at the Central Bank of The Bahamas does not earn interest. The remaining cash and cash equivalents did not earn interest during 2015 (2014: effective interest of Nil %).

4. Receivables and Advances

Receivables and advances comprise:

	2015 \$	2014 \$
Finance lease receivables	13,326	10,607
Rent receivable	6,703	4,565
Value Added Tax Receivable/Payable (net)	1,436	-
Other receivable – The Bahamas Government (Note 2s)	17,300	2,165
Advances to staff	774	814
	<u>39,539</u>	<u>18,151</u>
Provision for doubtful accounts	-	(10)
	<u>39,539</u>	<u>18,141</u>

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

5. Investments at Fair Value Through Profit or Loss

The Fund ranks its investments based on the hierarchy of valuation techniques required by IFRS, which is determined based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Fund's market assumptions. These two types of inputs lead to the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes equity securities and debt instruments listed on exchanges.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity securities and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Fund considers relevant and observable market prices in its valuations where possible.

Investments at fair value through profit or loss held by the Fund comprise:

Units			2015	2014
2015	2014		\$	\$
<i>Ordinary Shares / Mutual Funds</i>				
Level 1 B\$				
1,000	1,000	Bahamas Waste Limited	4	3
6,022,945	6,022,945	Bank of Bahamas Limited	31,440	31,440
1,114,583	1,114,583	Commonwealth Bank Ltd.	8,738	8,359
2,967,500	2,967,500	Commonwealth Brewery Limited	45,996	40,061
474,796	474,796	Consolidated Water Co. Ltd.	1,158	1,011
23,320	23,320	FamGuard Corporation Limited	131	128
213,472	213,472	Finance Corporation of Bahamas Limited	2,348	2,408
298,491	298,491	FirstCaribbean International Bank (Bahamas) Limited	2,403	2,403
375,153	375,153	Freeport Oil Holdings Company Ltd.	2,457	2,247
158,769	158,769	ICD Utilities Limited	1,032	826
68,327	68,327	J.S. Johnson & Company Limited	807	793
			<u>96,514</u>	<u>89,679</u>

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

5. Investments at Fair Value Through Profit or Loss (Continued)

Units				
2015	2014		2015	2014
			\$	\$
<i>Ordinary Shares / Mutual Funds (continued)</i>				
Level 1 US\$				
6,958	6,958	American Electric Power Company	405	422
2,200	2,200	Anadarko Petroleum Corporation	100	181
2,050	2,050	Apache	91	128
2,100	2,100	Caterpillar Inc.	143	192
2,474	2,474	Chevron Corporation	223	278
7,417	7,417	Coca Cola Co.	319	313
1,570	1,570	Comcast Corporation	89	91
1,200	1,200	Conoco Philips	56	83
2,390	2,390	CVS Caremark Corporation	234	230
4,460	4,460	Duke Energy Corporation	318	373
6,870	6,870	EMC Corp -Mass	176	204
19,038	19,492	General Electric Co.	593	493
2,030	2,030	Gilead Sciences Incorporated	205	191
199	200	Google Incorporated	151	105
3,600	3,600	Halliburton Company	123	142
21,184	21,184	Intel Corp.	730	769
3,960	3,960	International Paper Company	149	212
6,790	6,790	JP Morgan Chase & Co.	448	425
5,306	5,306	Kraft Foods Group Incorporated	386	333
940	940	McKesson Corp.	185	195
3,750	3,750	MetLife Inc.	181	203
1,200	-	Nextra Energy Incorporated	125	-
4,420	4,420	Oracle Corp.	161	199

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

5. Investments at Fair Value Through Profit or Loss (Continued)

Units				
2015	2014		2015	2014
			\$	\$
<i>Ordinary Shares / Mutual Funds (continued)</i>				
Level 1 US\$ (continued)				
476	-	Synchrony Financial	15	-
3,000	3,000	Pfizer Inc.	97	93
3,366	3,366	Philip Morris International Inc	296	274
3,650	3,650	Proctor & Gamble Company	290	333
5,200	5,200	Roche Holding Limited	180	177
2,290	2,290	Ryder Systems Incorporated	130	213
2,610	2,610	Qualcomm Incorporated	131	194
4,780	2,390	Ross Stores	257	225
3,300	3,300	Royal Caribbean Cruises Limited	334	272
1,680	1,680	United Technologies Corp.	161	193
75	75	Veritiv Corporation	3	4
3,700	3,700	Verizon Communications Inc.	171	173
950	950	Walt Disney Company	100	89
60,864	60,864	Axon Balananced Fund	7,717	8,036
23,033	23,033	Axon Conservative Fund	2,740	2,806
21,320	21,320	Axiom Growth Fund	2,950	3,108
7,845	7,845	Ishares II PC - Property Yield Fund	126	198
			<u>21,289</u>	<u>22,150</u>
			<u>117,803</u>	<u>111,829</u>
Level 2 B\$				
-	3,000	Royal Fidelity International Investment Fund Limited; Index Linked Sub Fund, Class N shares Series 3	-	2,984
Level 2 US\$				
24,428	24,428	CFAL Global Bond Fund	3,924	3,691
5,603	5,603	CFAL Global Equity Fund	730	782
86,615	69,667	Brown Advisory Funds PLC	990	1,251
14,890	11,671	Findlay Park Funds PLC	1,203	1,341
79,113	79,113	Franklin Templeton Frontier Markets Fund	1,247	1,464
203,873	203,873	Investec Global Natural Resources	1,229	1,786
13,079	13,079	Legg Mason Royce US Small CAP Fund	1,618	1,876
12,261	4,967	Morgan Stanley Investment Funds	969	870
63,597	18,210	Polar Capital Funds PLC - North American Fund	1,134	693
969,292	969,292	Scotiabank Global Growth Fund	2306	2337
62,000	62,000	Scotiabank Managed Fund	5,365	6,018
4,298	2,413	Wells Fargo & Company	940	899
			<u>21,655</u>	<u>25,992</u>

The National Insurance Fund

Notes to the Consolidated Financial Statements
December 31, 2015
(Expressed in Thousands of Bahamian dollars)
(Continued)

5. Investments at Fair Value Through Profit or Loss (Continued)

Units					
2015	2014			2015	2014
				\$	\$
		Preference Shares			
		Level 2			
87,460	87,460	Commonwealth Bank Ltd.; 7.00%		8,826	8,826
150	150	FamGuard Corporation Limited; Prime + 1.50%		150	150
100,000	100,000	Fidelity Bank Limited; Prime + 2.25%		1,000	1,000
4,365,000	4,365,000	Freeport Oil Holdings Company Ltd.; Prime + 1.75%		4,365	4,365
				<u>14,341</u>	<u>14,341</u>
				<u>153,799</u>	<u>152,162</u>
			Level 1	Level 2	Level 3
			\$	\$	\$
Financial assets at fair value through profit or loss					Total
					\$
Trading securities			117,803	-	-
Available for sale investments			-	35,996	-
Balance As of December 31, 2015			<u>117,803</u>	<u>35,996</u>	<u>-</u>
					153,799
			Level 1	Level 2	Level 3
			\$	\$	\$
Financial assets at fair value through profit or loss					Total
					\$
Trading securities			111,829	-	-
Available for sale investments			-	40,333	-
Balance As of December 31, 2014			<u>111,829</u>	<u>40,333</u>	<u>-</u>
					152,162

The National Insurance Fund

Notes to the Consolidated Financial Statements December 31, 2015 (Expressed in Thousands of Bahamian dollars) (Continued)

5. Investments at Fair Value Through Profit or Loss (Continued)

Level 1

The fair value of financial instruments traded in an active market is based on quoted market prices at the reporting date.

Level 2

The fair value of financial instruments not traded in an active market whose valuation is determined by quoted market price.

During the year, the movements in investments at fair value through profit or loss comprise:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Balance as of January 1, 2015	111,829	40,333	-	152,162
Purchases	139	415	-	554
Sales	(14)	(3,335)	-	(3,349)
Net realised gain/(loss)	-	40	-	40
Net unrealised gain/(loss)	5,849	(1,457)	-	4,392
Balance As of December 31, 2015	117,803	35,996	-	153,799
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Balance as of January 1, 2014	92,423	24,189	-	116,612
Purchases	10,470	16,164	-	26,634
Sales	(1,492)	-	-	(1,492)
Net realised gain/(loss)	1	-	-	1
Net unrealised gain/(loss)	10,427	(20)	-	10,407
Balance As of December 31, 2014	111,829	40,333	-	152,162

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

6. Held-To-Maturity Investments

(a) Bahamas Government US\$ notes

Face Value		Description		
2015	2014		2015	2014
\$	\$		\$	\$
11,000	11,000	6.95%; 2029	10,988	10,988
4,800	4,800	6.63%; 2033	4,701	4,698
14,102	14,102	7.13%; 2038	14,176	14,178
			<u>29,865</u>	<u>29,864</u>
		Accrued interest	376	376
			<u>30,241</u>	<u>30,240</u>

(b) United States of America US\$ treasury notes

Face Value		Description		
2015	2014		2015	2014
\$	\$		\$	\$
10,220	6,820	0.625% to 1.50%; 2016	10,221	6,821
6,250	6,250	0.75%; 2017	6,255	6,257
2,903	2,903	1.125% to 1.25%; 2019	2,906	2,906
10,000	-	1.625% ; 2020	9,930	-
			<u>29,312</u>	<u>15,984</u>
		Accrued interest	21	20
			<u>29,333</u>	<u>16,004</u>

As of December 31, 2015, United States of America debt was rated AA+ (2014: AA+) by Standard and Poors.

The National Insurance Fund

Notes to the Consolidated Financial Statements
December 31, 2015
(Expressed in Thousands of Bahamian dollars)
(Continued)

6. Held-To-Maturity Investments (Continued)

(c) Government of Barbados US\$ bonds

Face Value		Description	2015	2014
2015	2014			
\$	\$		\$	\$
1,714	2,143	Class B; 7.80%; 2019	1,714	2,143
2,500	2,500	7.25%; 2021	2,628	2,645
			4,342	4,788
		Accrued interest	62	75
			<u>4,404</u>	<u>4,863</u>

As of December 31, 2015, Barbados foreign currency debt was rated BB+(2014: B-) by Standard and Poors.

(d) Citigroup Funding Inc. notes

Face Value		Description	2015	2014
2015	2014			
\$	\$		\$	\$
3,000	3,000	US\$ 3-Month LIBOR + 3.25%; 2020	3,000	3,000
		Accrued interest	1	4
			<u>3,001</u>	<u>3,004</u>

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

6. Held-To-Maturity Investments (Continued)

(e) Government of the Cayman Islands US\$ bonds

Face Value

2015	2014	Description	2015	2014
\$	\$		\$	\$
2,500	2,500	5.95%; 2019	2,485	2,481
		Accrued interest	15	15
			<u>2,500</u>	<u>2,496</u>

As of December 31, 2015, the Cayman Islands foreign currency debt was rated Aa3 (2014: Aa3) by Moody's.

(f) Corporate bonds US\$

Face Value

2015	2014	Description	2015	2014
\$	\$		\$	\$
397	397	Freeport McMoran Copper & Gold 3.50%; 2022	373	370
397	397	Anheuser Busch Incorporated 2.50%; 2022	375	370
397	397	Amazon Incorporated 2.50%; 2022	370	367
397	397	American International Group 4.88%; 2022	423	426
397	397	Goldman Sachs Group 3.63%; 2023	383	381
397	397	Morgan Stanley Medium Term 4.88%; 2022	402	404
397	397	Simon Property Group 2.75%; 2023	373	370
397	397	Quest Diagnostics Incorporated 4.70%; 2021	417	420
157	397	Teva Pharmaceutical Finance 2.95%; 2022	148	372
397	397	Thermo Fisher Scientific Incorporated 3.60%; 2021	395	394

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

6. Held-To-Maturity Investments (Continued)

(f) Corporate bonds US\$ Continued)

Face Value		Description		
2015	2014		2015	2014
\$	\$		\$	\$
397	397	United Health Group 2.75%; 2023	375	372
397	397	WellPoint Incorporated 3.30%; 2023	381	379
397	397	Deer & Company 2.60%; 2022	381	379
397	397	General Dynamics Corporation 2.25%; 2022	369	365
397	397	General Electric Capital Group 3.10%; 2023	379	377
397	397	AT & T Incorporated 2.63%; 2022	368	365
397	397	Telefonica Emisiones 5.13%; 2020	411	414
397	397	Verizon Communications Incorporated 2.45%; 2022	365	361
397	397	Ebay Incorporated 2.60%; 2022	376	374
397	397	Oracle Corporation 2.38	398	399
			7,462	7,659
Accrued Interest			69	69
			<u>7,531</u>	<u>7,728</u>

(g) Government of Trinidad & Tobago US\$ bonds

Face Value		Description		
2015	2014		2015	2014
\$	\$		\$	\$
2,000	2,000	3.79%; 2024	2,079	2,088
Accrued interest			35	35
			<u>2,114</u>	<u>2,123</u>

As of December 31, 2015, Trinidad & Tobago foreign currency debt was rated Baa2 (2014:Baa1) by Moody's.

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

7. Loans and Receivables

(a) Bahamas Government registered stocks

Investments in Bahamas Government registered stocks have interest rates varying from 4.10% to 5.94% (2014: 4.10% to 6.00%) per annum, most of which are tied to the Bahamian dollar Prime rate (Prime).

Face Value		Description		
2015	2014		2015	2014
\$	\$		\$	\$
-	35,899	Prime + 0.03% to 1.19%; 2015	-	35,899
55,209	55,209	Prime 1.25%; 2016	55,209	55,209
137,984	137,984	Prime + 0.03% to 1.25%; 4.10%; 2017-2021	137,984	137,984
169,597	159,597	Prime + 0.22% to 0.41%; 4.25%; 2022-2026	169,597	159,597
166,406	166,406	Prime + 0.06% to 0.41%; 4.25% to 4.30%; 2027-2031	166,406	166,406
53,915	53,915	Prime + 0.06% to 0.59%; 2032-2036	53,915	53,915
6,857	6,857	Prime + 0.18% to 0.63%; 2037	6,857	6,857
			<hr/>	<hr/>
			589,968	615,867
		Accrued interest	7,808	8,237
			<hr/>	<hr/>
			597,776	624,104

The effective interest rate earned on Bahamas Government registered stocks was 5.10% (2014: 5.15%), and registered stocks with face values totalling \$19,000 (2014: \$9,000) have fixed interest rates varying from 4.10% to 4.75% (2014: 4.10% to 4.75%) and maturities ranging from 2020 to 2029 (2014: 2020 to 2029).

The National Insurance Fund

Notes to the Consolidated Financial Statements
December 31, 2015
(Expressed in Thousands of Bahamian dollars)
(Continued)

7. Loans and Receivables (Continued)

(b) Certificates of deposit

	2015 \$	2014 \$
Certificates of deposit	159,996	167,190
Provision for doubtful accounts	<u>(1,715)</u>	<u>(1,715)</u>
	158,281	165,475
Accrued interest	<u>2,971</u>	<u>3,231</u>
	<u>161,252</u>	<u>168,706</u>

During the year, certificates of deposit earned interest at rates of 2.00% to 4.75% (2014: 1.50% to 4.75%) per annum. The effective interest earned on certificates of deposit was 3.37% (2014: 2.21%). The vast majority of certificates of deposit mature within 12 months of the statement of financial position date.

The Fund is permitted, under foreign exchange controls of the Central Bank of The Bahamas, to invest a maximum of \$25 million annually (\$6.25 million quarterly) in specific foreign currency investments. This annual facility commenced in 2006 and annual maximums ranged from \$12.5 million to \$25 million. As of December 31, 2015, certificates of deposit include United States dollar (US\$) deposits of \$843 (2014: \$6,770).

As of December 31, 2015, the Fund has \$1,715 (2014: \$1,715) in certificates of deposit with Gulf Union Bank (Bahamas) Ltd., which is in compulsory liquidation. Accordingly, the Fund has made full provision for amounts outstanding. No payment was received during the year (2014: Nil).

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

7. Loans and Receivables (Continued)

(c) Bahamas Mortgage Corporation bonds

Series	Description	2015 \$	2014 \$
Q	15 year bonds; Prime; 2024-2027	15,000	15,000
N,O,P,R	20 year bonds; Prime* less 2.00% to 5.00%; 2018-2032	75,600	75,600
M,S	25 year bonds; Prime* less 2.00% to 5.25%; 2018-2037	9,100	9,100
		<hr/> 99,700	<hr/> 99,700
	Accrued interest	1,406	1,406
		<hr/> 101,106	<hr/> 101,106

These bonds are guaranteed by The Bahamas Government. As of December 31, 2015 and 2014 the face values of the bonds equal the carrying values, excluding accrued interest. * – The terms of these bonds deem Prime to be no less than 7.00%.

(d) Nassau Airport Development Company Limited debt securities

Face Value		Description	2015 \$	2014 \$
2015 \$	2014 \$			
3,871	4,456	B\$ Series A subordinated participating debt; 13.00%; 2034	3,871	4,456
3,871	4,456	US\$ Series A subordinated participating debt; 13.00%; 2034	3,871	4,456
9,200	9,500	B\$ senior debt notes; 8.50%; 2031	9,200	9,500
9,200	9,500	US\$ senior debt notes; 8.50%; 2031	9,200	9,500
11,436	12,295	US\$ Series B subordinated participating debt; 13.00%; 2034	11,436	12,295
4,987	5,000	B\$ senior debt notes; Series B; 6.34%; 2035	4,987	5,000
4,962	5,000	US\$ senior debt notes; Series A; 6.34%; 2035	4,962	5,000
4,975	5,000	US\$ senior debt notes; Series C; 6.44%; 2035	4,975	5,000
			<hr/> 52,502	<hr/> 55,207
		Accrued interest	19,656	17,651
			<hr/> 72,158	<hr/> 72,858

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

7. Loans and Receivables (Continued)

(d) Nassau Airport Development Company Limited debt securities (continued)

The Fund acquired debt securities of Nassau Airport Development Company Limited (NAD). The proceeds of the debt offerings were used for the financing of phase II and III of the Lynden Pindling International Airport.

The senior debt notes are supported by a first priority security interest in all assets of NAD. The subordinated participating debt bears interest of 13.00% per annum, with 2.00% to be settled in cash and the remaining 11.00% to be settled in kind. This debt is supported by a second priority security interest in the collateral supporting the senior debt notes.

(e) Education Loan Authority bonds

Face Value		Description		
2015	2014		2015	2014
\$	\$		\$	\$
15,000	15,000	Series A; Prime + 0.25%; 2020	15,568	15,678
9,750	9,750	Series B; Prime + 0.50%; 2023	10,089	10,125
19,250	19,250	Series C; Prime + 0.75%; 2025 to 2028	20,806	20,895
			<hr/>	<hr/>
			46,463	46,698
		Accrued interest	884	884
			<hr/>	<hr/>
			47,347	47,582
			<hr/>	<hr/>

These bonds are guaranteed by The Bahamas Government.

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

7. Loans and Receivables (Continued)

(f) Bahamas Development Bank bonds

Face Value		Description	2015	2014
2015	2014		\$	\$
10,000	10,000	Series B; Prime less 1.00%; 2016-2020	10,000	10,000
15,000	15,000	Series A; Prime; 2020-2024	15,000	15,000
10,000	10,000	Series D; Prime less 1.00%; 2021-2024	10,000	10,000
11,000	11,000	Series C; Prime; 2026-2029	11,000	11,000
			<hr/>	<hr/>
			46,000	46,000
		Accrued interest	749	864
			<hr/>	<hr/>
			46,749	46,864
			<hr/>	<hr/>

These bonds are guaranteed by The Bahamas Government.

(g) Bahamas Electricity Corporation bonds

Face Value		Description	2015	2014
2015	2014		\$	\$
1,003	1,003	US\$ Series A; 6.43%; 2016	1,003	1,003
6,495	6,495	B\$ Series B; 6.41%; 2021	6,489	6,489
18,557	18,557	B\$ Series C; 6.56%; 2026	18,528	18,525
			<hr/>	<hr/>
			26,020	26,017
		Accrued interest	75	892
			<hr/>	<hr/>
			26,095	26,909
			<hr/>	<hr/>

The National Insurance Fund

Notes to the Consolidated Financial Statements December 31, 2015

(Expressed in Thousands of Bahamian dollars)
(Continued)

7. Loans and Receivables (Continued)

(h) Preference Shares

Face Value		Description	2015	2014
			\$	\$
2,000,000	2,000,000	Colina Holdings Bahamas Limited; Prime + 1.50%	2,000	2,000
3,000	3,000	Grand Bahama Power Company Limited; 7.25% - 10%	3,000	3,000
400,000	400,000	Fidelity Bank (Bahamas) Limited; 5.75%; 2021	4,000	4,000
8,500	8,500	Cable Bahamas Limited; 5.75%; 2024	8,500	8,500
1,500	1,500	Cable Bahamas Limited (USS); 6.25%; 2025	1,500	1,500
			<u>19,000</u>	<u>19,000</u>

As of December 31, 2015, the cost of preference shares totals \$19,000 (2014: \$19,000).

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

7. Loans and Receivables (Continued)

(i) Clifton Heritage Authority bonds

Face Value		Description		
2015	2014		2015	2014
\$	\$		\$	\$
1,455	1,455	Prime + 0.50%; 2025	1,455	1,455
4,219	4,219	Prime + 0.63%; 2030	4,219	4,219
2,275	2,275	Prime + 0.75%; 2035	2,275	2,275
			<hr/>	<hr/>
			7,949	7,949
		Accrued interest	49	49
			<hr/>	<hr/>
			7,998	7,998
			<hr/>	<hr/>

These bonds are guaranteed by The Bahamas Government.

(j) Latin American Investment Bank (Bahamas) Ltd. bonds

In prior years, the Fund acquired \$5,000 of the bonds that are supported by the Government Guaranteed Advanced Education Loan Scheme held in trust by Societe General Private Banking. Interest is earned at 0.70% above Prime. As of December 31, 2015, the carrying amount of the bonds includes the principal of \$2,312 (2014:\$2,312) plus accrued interest of \$1,097 (2014: \$971).

During the year, no principal were received (2014:Nil), with cumulative principal payments totalling \$2,688 (2014:\$2,688).

The National Insurance Fund

Notes to the Consolidated Financial Statements
December 31, 2015
(Expressed in Thousands of Bahamian dollars)
(Continued)

7. Loans and Receivables (Continued)

(k) Loans to Bahamas Government entities

	01-Jan-15	Additional Funds	Repayments/ Adjustments	31-Dec-15
	\$	\$	\$	\$
BEC	2,800	-	(35)	2,765
BMC	5,000	-	-	5,000
WSC	9,200	5,800	-	15,000
BCB	-	4,100	-	4,100
	17,000	9,900	(35)	26,865
Accrued interest	121	285	-	406
	<u>17,121</u>	<u>10,185</u>	<u>(35)</u>	<u>27,271</u>

	01-Jan-14	Additional Funds	Repayments/ Adjustments	31-Dec-14
	\$	\$	\$	\$
BEC	2,961	-	(161)	2,800
BMC	2,500	2,500	-	5,000
WSC	4,700	4,500	-	9,200
	10,161	7,000	(161)	17,000
Accrued interest	22	99	-	121
	<u>10,183</u>	<u>7,099</u>	<u>(161)</u>	<u>17,121</u>

BEC

During August 2009, the Fund participated in a medium term US\$ loan facility provided to the Bahamas Electricity Corporation (BEC) to refinance its existing US\$ debt obligations. The loan bears interest at US\$ 3-month LIBOR plus 3.25%, with principal and interest payable quarterly. The loan after a series of extensions from 2012 will mature December 2019. The loan is guaranteed by The Bahamas Government.

The National Insurance Fund

Notes to the Consolidated Financial Statements December 31, 2015

(Expressed in Thousands of Bahamian dollars)
(Continued)

7. Loans and Receivables (Continued)

(k) Loans to Bahamas Government entities (continued)

BMC

During 2013 the Fund through a Memorandum of Understanding with the Ministry of Environment & Housing agreed to lend up to \$10,000 for the Bahamas National Housing Construction programme. The interest rate on this loan is 2.00% plus the 91 day Treasury Bill rate at the issue date. The funds are to be disbursed in quarterly instalments of \$2,500 with the first drawdown disbursed during December 2013. During October 2014 the second drawdown of \$2,500 was disbursed. No disbursements were made in 2015. The loan will be repaid from mortgages issued through lending institutions other than Bahamas Mortgage Corporation (BMC).

WSC

During 2013 the Fund agreed to lend up to \$10,000 to the Water & Sewerage Corporation (WSC) to finance the design and construction of a Wastewater Treatment Plant at Gladstone Road to service the Baha Mar Resort and surrounding areas. In 2015 an additional \$5,000 loan was approved. This loan bears interest at 4.75% and is repayable over 10 years with only interest payments being made during the first two years of the agreement.

BCB

During July 2015, the Fund agreed to lend \$4.1 million to the Broadcasting Corporation of the Bahamas (BCB) to fund its infrastructural repairs and upgrades. The loan bears interest of 3.5% and principal and interest is repayable monthly over 20 years.

(l) Long-term deposits

Face Value		Description	2015	2014
2015	2014		\$	\$
\$	\$			
3000	3000	Bahamas Development Bank 3.75%; 2016	3,000	3,000
6500	6500	Family Guardian Insurance 3.50%; 2023	6,500	6,500
			9,500	9,500
		Accrued interest	575	325
			<u>10,075</u>	<u>9,825</u>

During 2012, a \$3,000 deposit was placed with Bahamas Development Bank for four years at 3.75% interest per annum. The funds were used to establish a roadwork compensation loan facility to assist small businesses impacted by the New Providence Road Improvement Project. The Family Guardian Single Premium Deferred Annuity currently earns interest at a rate of 3.5% and matures in 2023. The interest rate will be reviewed every 5 years on the annuity anniversary date. The annuity balance is \$6,500 (2014: \$6,500).

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

7. Loans and Receivables (Continued)

(m) Bridge Authority bonds

Face Value

2015	2014	Description	2015	2014
\$	\$		\$	\$
956	956	Prime + 1.25%; 2019	956	956
1,025	1,025	Prime + 1.50%; 2024	1,025	1,025
802	802	Prime + 1.63%; 2029	802	802
			<hr/>	<hr/>
			2,783	2,783
		Accrued interest	46	46
			<hr/>	<hr/>
			2,829	2,829

(n) Fidelity Bank (Bahamas) Limited notes

Face Value

2015	2014	Description	2015	2014
\$	\$		\$	\$
500	500	Series A Notes; 7.00%; 2017	500	800
500	500	Series E Notes; 6.00%; 2018	500	500
800	800	Series D Notes; Prime + 1.25% 2022	800	500
1,000	1,000	Series B Notes; Prime + 1.75%; 2022	1,000	1,000
			<hr/>	<hr/>
			2,800	2,800
		Accrued interest	42	43
			<hr/>	<hr/>
			2,842	2,843

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

7. Loans and Receivables (Continued)

(o) The College of The Bahamas redeemable term notes

Face Value

2015	2014	Description	2015	2014
\$	\$		\$	\$
2,029	2,214	7.00%; 2026	2,029	2,214
		Accrued interest	1	1
			<u>2,030</u>	<u>2,215</u>

(p) Public Hospital Authority bonds

Face Value

2015	2014	Description	2015	2014
\$	\$		\$	\$
11,974	10,000	6.00%; 2033	11,974	10,000
		Accrued interest	153	153
			<u>12,127</u>	<u>10,153</u>

(q) Bahamas Government BS notes

Face Value

2015	2014	Description	2015	2014
\$	\$		\$	\$
7,070	7,070	3.15%; 2016	7,070	7,070
		Accrued interest	83	95
			<u>7,153</u>	<u>7,165</u>

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

8. Net Investment in Finance Leases

Net investment in finance leases comprise:

	2015 \$	2014 \$
<i>Gross receivables</i>		
Not later than one year	12,656	12,656
Later than one year and not later than five years	50,623	50,623
Later than five years	<u>235,624</u>	<u>248,040</u>
	298,903	311,319
Unearned finance income	<u>(124,636)</u>	<u>(133,323)</u>
	<u>174,267</u>	<u>177,996</u>

The net investment in finance leases can be further analysed as follows:

	2015 \$	2014 \$
Not later than one year	3,992	3,803
Later than one year and not later than five years	18,092	17,236
Later than five years	<u>152,183</u>	<u>156,957</u>
	<u>174,267</u>	<u>177,996</u>

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

8. Net Investment in Finance Leases (Continued)

The Fund presently has twelve (2014: twelve) office buildings being leased to The Bahamas Government under finance lease agreements, as follows:

	2015	2014
	\$	\$
Poinciana Hill, New Providence	9,436	9,644
Thompson Boulevard, New Providence	18,023	18,420
Police Headquarters, Grand Bahama	5,226	5,341
Police Dormitories, Grand Bahama	2,234	2,283
Robinson Road, New Providence	3,727	3,809
Police Residences, Grand Bahama	2,428	2,482
Police Gymnasium, Grand Bahama	679	693
Police Guard House, Grand Bahama	33	34
Freeport Government Complex	25,879	26,447
Marsh Harbour Government Complex	30,379	31,047
Office of the Attorney General	41,324	42,232
JL Centre	34,899	35,564
	<u>174,267</u>	<u>177,996</u>

Claughton House Limited

On September 12, 1996, the Fund purchased all of the outstanding shares of Claughton House Limited (formerly Chemical Realty (Bahamas) Holdings Limited) (Claughton House) whose sole asset was an office building in Nassau, New Providence. Effective the same date, Claughton House agreed to enter into a fifteen (15) year finance lease with The Bahamas Government for the office building. The payments due under the lease agreement were set, and are to be revised as necessary, to allow the Fund to recover its capital outlay and yield a return of 1.75% above Prime (an effective rate of 6.50% per annum in 2013). This lease expired June 13, 2011, however, during 2014 construction began for the renovation of Claughton House on behalf of the Bahamas Government and upon completion a new lease agreement will be executed. Also during 2014 the Fund was advised of the Governments mandate to restructure its debt thereby reducing the amounts allocated to repayments of leasing arrangements. As a result, effective July 1, 2014 all existing and future Finance Leases will be restructured over 25 years at 0.25% above prime rate (5.00% 2014). The Bahamas Government is responsible for the maintenance, insurance and taxes on all buildings under Finance Lease arrangements.

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

8. Net Investment in Finance Leases (Continued)

Bahamas Government buildings

In prior years, the Ministry of Finance negotiated appropriate funding packages with the Fund for the construction or renovation of certain buildings, namely Poinciana Hill, Thompson Boulevard, Police Headquarters, Police Dormitories, Robinson Road, Police Residences, Police Gymnasium and Police Guard House. The Fund has executed lease agreements with The Bahamas Government for these buildings, on the same terms as the finance lease involving Cloughton House.

Location	Date Construction/ Renovation Commenced
Poinciana Hill, New Providence	1998
Thompson Boulevard, New Providence	2000
Police Headquarters, Grand Bahama	2000
Police Dormitories, Grand Bahama	2001
Robinson Road, New Providence	2004
Police Residences, Grand Bahama	2001
Police Gymnasium, Grand Bahama	2001
Police Guard House, Grand Bahama	2001
Freeport Government Complex	2009
Marsh Harbour Government Complex	2009
Office of the Attorney General	2009
JL Centre, Blake Road	2012

The Fund financed the construction or renovation and furnishing of these buildings.

The National Insurance Fund

Notes to the Consolidated Financial Statements
December 31, 2015
(Expressed in Thousands of Bahamian dollars)
(Continued)

9. Investment Property

	Buena Vista \$	Farrington Road Building \$	Modernistic Building \$	Total \$
As of January 1, 2015	-	2,000	427	2,427
As of December 31, 2015	-	2,000	427	2,427

	Buena Vista \$	Farrington Road Building \$	Modernistic Building \$	Total \$
As of January 1, 2014	2,000	2,600	520	5,120
Loss of sale Investment Property	(100)	-	-	(100)
Loss on valuation of Investment Property (Note 17)	-	(600)	(93)	(693)
Sale of Investment Property	(1,900)	-	-	(1,900)
As of December 31, 2014	-	2,000	427	2,427

Fair Value Hierarchy	Level 1	Level 2	Level 3	Fair Value
Farrington Road Building	-	2,000	-	2,000
Modernistic Building	-	427	-	427

The fair values of investment properties are determined every three years by an independent professionally qualified appraiser. In determining the valuations the appraiser refers to weighted average of the Cost Approach and the income Approach. These properties were appraised as of December 31, 2014.

There were no change between Level 1 and Level 2 during the year.

During 2014 the purchase option on Buena Vista property was exercised and sold at the carrying value of \$2,000 less \$100 which represented the Fund's portion of the stamp tax.

The National Insurance Fund

Notes to the Consolidated Financial Statements December 31, 2015 (Expressed in Thousands of Bahamian dollars) (Continued)

9. Investment Property (Continued)

Amounts recognised in the consolidated statement of comprehensive income as it relates to rental income and direct operating expenses for investment properties are as follows:

	2015 \$	2014 \$
Rental income	487	437
Direct operating expenses		
On property that generated rental income	102	98
On property that did not generate rental income	12	10
	<u>114</u>	<u>108</u>

Operating lease agreements have been entered into for all investment properties.

Location	Lease Term	Lease Date
Bahamas Government, Farrington Road, New Providence	21 years	Renewal Pending
National Insurance Board, Wulff Road, New Providence	21 years	01/20/1997

The lease agreements may have revisions to the rent every three years to reflect the cost of living increase based on the retail price index of the preceding three years. The commitments on leases for investment properties are analysed as follows:

	Farrington Road Building \$
No later than 1 year	374
Later than 1 year and no later than 5 years	1,496
Later than 5 years	5,174
	<u>7,044</u>

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

10. Investments in Associates

As of December 31, 2015, the Fund owned 4,334,453 (2014: 4,334,453) of the ordinary voting shares of Bank of the Bahamas Limited, representing 28.21% (2014: 28.21%) of the total outstanding ordinary voting shares and 6,022,945 (2014: 6,022,945) non-voting ordinary shares. Cable Bahamas Limited issued a 3:1 stock split during August of 2015 which increased the number of shares owned to 9,103,449 (2014: 3,034,483), representing 22.16% (2014: 22.32%) of the total outstanding ordinary shares.

	2015	2014
	\$	\$
As of January 1	41,375	60,202
Share of losses	(10,026)	(17,370)
Dividends received	(1,699)	(1,457)
As of December 31	<u>29,650</u>	<u>41,375</u>

The associates reported the following balances and transactions as of, and for the twelve months ended, December 31, 2015 and 2014:

	Assets	Liabilities	Total Income	Net Income/(Loss)
	\$	\$	\$	\$
2015				
Bank of The Bahamas Limited	792,601	708,802	35,584	(24,252)
Cable Bahamas Limited	483,267	397,361	51,748	(14,371)
2014				
Bank of The Bahamas Limited	832,326	721,059	32,923	(70,063)
Cable Bahamas Limited	402,776	294,936	55,644	10,731

The National Insurance Fund

Notes to the Consolidated Financial Statements
December 31, 2015
(Expressed in Thousands of Bahamian dollars)
(Continued)

11. Computer Software

Computer software comprises:

	Total
	\$
Cost	
Balance as of January 1, 2015	10,890
Additions	<u>2,364</u>
Balance as of December 31, 2015	<u>13,254</u>
Accumulated amortization	
Balance as of January 1, 2015	3,740
Amortization expense	<u>507</u>
Balance as of December 31, 2015	<u>4,247</u>
Net book value as of December 31, 2015	<u>9,007</u>
Cost	
Balance as of January 1, 2014	9,658
Additions	<u>1,232</u>
Balance as of December 31, 2014	<u>10,890</u>
Accumulated amortization	
Balance as of January 1, 2014	3,169
Amortization expense	<u>571</u>
Balance as of December 31, 2014	<u>3,740</u>
Net book value as of December 31, 2014	<u>7,150</u>

The National Insurance Fund

Notes to the Consolidated Financial Statements December 31, 2015

(Expressed in Thousands of Bahamian dollars)
(Continued)

12. Property, Plant and Equipment

Property, plant and equipment comprise:

Property, plant and equipment comprise:

	Land and Buildings \$	Office Furniture & Equipment \$	Computer Hardware \$	Motor Vehicles \$	Land Improvement \$	Medical Equipment & Vehicles \$	Total \$
Cost							
Balance as of January 1, 2015	113,602	4,341	7,053	1,912	533	10,509	137,950
Additions	5,303	177	513	420	-	2,354	8,767
Disposals	-	(77)	-	(304)	-	-	(381)
Balance as of December 31, 2015	118,905	4,441	7,566	2,028	533	12,863	146,336
Accumulated depreciation							
Balance as of January 1, 2015	20,798	2,499	6,196	1,489	-	5,116	36,098
Charge for the year	1,368	381	480	244	-	411	2,884
Disposals	-	(67)	-	(304)	-	-	(371)
Balance as of December 31, 2015	22,166	2,813	6,676	1,429	-	5,527	38,611
Net book value as of December 31, 2015	96,739	1,628	890	599	533	7,336	107,725

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

12. Property, Plant and Equipment (Continued)

	Land and Buildings \$	Office Furniture & Equipment \$	Computer Hardware \$	Motor Vehicles \$	Land Improvement \$	Medical Equipment & Vehicles \$	Total \$
Cost							
Balance as of January 1, 2014	106,169	4,138	6,640	1,600	533	7,691	126,771
Additions	7,433	223	413	359	-	2,818	11,246
Disposals	-	(20)	-	(47)	-	-	(67)
Balance as of December 31, 2014	113,602	4,341	7,053	1,912	533	10,509	137,950
Accumulated depreciation							
Balance as of January 1, 2014	19,427	2,146	5,561	1,262	-	4,665	33,061
Charge for the year	1,371	361	635	252	-	451	3,070
Disposals	-	(8)	-	(25)	-	-	(33)
Balance as of December 31, 2014	20,798	2,499	6,196	1,489	-	5,116	36,098
Net book value as of December 31, 2014	92,804	1,842	857	423	533	5,393	101,852

Leased assets included in property, plant and equipment, where the Fund is the lessor, comprise land and buildings and medical equipment leased to polyclinics operated by The Bahamas Government under operating leases.

	Land & Buildings		Medical Equipment & Vehicles	
	2015 \$	2014 \$	2015 \$	2014 \$
Cost	91,072	85,846	12,863	10,509
Accumulated depreciation	(10,785)	(10,043)	(5,527)	(5,116)
Net book value	80,287	75,803	7,336	5,393

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

13. Construction in Progress – Finance Leases

The Fund finances the construction and furnishing of buildings, with the intention of entering into finance leases with The Bahamas Government, and transferring ownership of the buildings to The Bahamas Government at the end of the leases. The table below discloses the movements during the respective years.

	2015 \$	2014 \$
Balance as of January 1	32,773	53,610
Additions	15,898	19,072
Interest income (Note 17)	1,005	245
Transfer to net investment in finance leases	-	(40,154)
Balance as of December 31	<u>49,676</u>	<u>32,773</u>

During 2011, the National Insurance Board resolved to reduce interest charged on outstanding balances related to projects currently inactive to 0.00%. As of December 31, 2015, projects with balances totalling \$14,364 (2014: \$14,572) are subject to this resolution.

14. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses comprise:

	2015 \$	2014 \$
Accounts payable and accrued expenses	4,439	4,757
Accrued vacation pay	3,109	2,759
Unclaimed benefits	287	175
Employee pension contributions	85	22
Accrued staff retirement benefits	55	73
	<u>7,975</u>	<u>7,786</u>

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

15. Staff Pension Fund

The Fund has a defined benefit pension plan for eligible employees, whereby the Fund makes contributions that entitles a retired employee (normal retirement age is 60) to receive an annual pension based on years of service and the average earnings of the 3 consecutive years prior to retirement. The Fund's contributions to the defined benefit pension plan are recognized in the consolidated statement of comprehensive income in the year to which they relate. The pension plan is separately administered by a corporate trustee. The Fund is exposed to actuarial risks, such as longevity, currency and interest rate and market risk.

The amounts recognised in the consolidated statement of financial position are determined as follows:

	2015 \$	2014 \$
Present value of defined benefit obligations	117,925	113,729
Fair value of plan assets	(47,244)	(41,197)
Funded status - Deficit	70,681	72,532
Net liability arising from defined benefit obligation in consolidated statement of financial position	70,681	72,532

The movements in the present value of the defined benefit obligations are as follows:

	2015 \$	2014 \$
As of January 1	113,729	109,059
Interest cost	5,856	5,624
Current service cost	4,046	3,895
Employee contributions	1,009	979
Benefits paid	(3,335)	(2,894)
Actuarial gains	(3,380)	(2,934)
As of December 31	117,925	113,729

The present value of the defined benefit obligation as of December 31, 2013, 2012, and 2011 was \$109,059, \$98,278 and \$78,629 respectively.

The National Insurance Fund

Notes to the Consolidated Financial Statements
December 31, 2015
(Expressed in Thousands of Bahamian dollars)
(Continued)

15. Staff Pension Fund (Continued)

The defined benefit obligation is allocated between the plan's members as follows:

	2015		2014	
	\$	%	\$	%
Active members	87,647	74.3	86,017	75.6
Inactive members	30,278	25.7	27,712	24.4
	<u>117,925</u>	<u>100.0</u>	<u>113,729</u>	<u>100.0</u>

As at December 31, 2015 the duration of the liability is 16.28 years.

The movements in the fair value of plan assets are as follows:

	2015	2014
	\$	\$
As of January 1	41,197	35,454
Expected return on plan assets	2,136	1,846
Contributions	6,509	5,979
Benefits paid	(3,335)	(2,894)
Actuarial gains	861	937
Administration and Other non Plan Investment Management Expenses	(124)	(125)
As of December 31	<u>47,244</u>	<u>41,197</u>

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

15. Staff Pension Fund (Continued)

The allocation of plan assets as at December 31, 2015 is as follows:

	2015 \$	2014 \$
Asset Allocation		
Cash on hand and at banks	2,049	516
Certificates of deposit	2,841	3,358
Equity securities at fair value through profit or loss	7,402	5,979
Loans and receivables	34,533	30,639
Net current assets	419	705
Fair value of plan assets at end of year	47,244	41,197

All of the plan assets are domicile in the Commonwealth of The Bahamas and are held in separate Trust under direction of the Trustee.

The expense recognised in the consolidated statement of comprehensive income comprises:

	2015 \$	2014 \$
Current service cost	4,046	3,895
Interest expense	3,720	3,778
Administration and Other non Plan Investment Management Expenses	124	125
Total pension expense (See Note 22)	7,890	7,798

Employer contributions to be paid to the staff pension fund in the subsequent year are estimated at \$10,000. Employee contributions to be paid to the staff pension fund in the subsequent year are estimated at \$1,150.

The National Insurance Fund

Notes to the Consolidated Financial Statements
December 31, 2015
(Expressed in Thousands of Bahamian dollars)
(Continued)

15. Staff Pension Fund (Continued)

The movements in the liability in the consolidated statement of financial position are as follows:

	2015 \$	2014 \$
As of January 1	72,532	73,605
Pension expense recognized	7,890	7,798
Contributions - employer	(5,492)	(4,990)
Actuarial gains for year- from experience	(3,388)	(2,944)
Actuarial gains for year -plan assets	(861)	(937)
As of December 31	70,681	72,532

The principal actuarial assumptions used were:

	2015	2014
Rates per annum		
Discount rate	5.00%	5.00%
Expected return on plan assets	5.00%	5.00%
Future salary increase:		
at age 18	5.00%	5.00%
at age 59	5.00%	5.00%

Early retirement rates used were 0% before completing 30 years of pensionable service and 10% after completing 30 years of pensionable service. Mortality rates have been taken from the 1994 Uninsured Pensioner Mortality Generational Table at 2016 with Projection Scale AA (2014: 1994 Uninsured Pensioner Mortality Generational Table at 2015 with Projection Scale AA). The mortality rates used for December 31, 2015 allow for improvements in life expectancy as illustrated below:

Age	Gender	
	Male	Female
Age 60 in 2015	24.52	26.77
Age 60 in 20 years	26.15	27.62

The National Insurance Fund

Notes to the Consolidated Financial Statements
December 31, 2015
(Expressed in Thousands of Bahamian dollars)
(Continued)

15. Staff Pension Fund (Continued)

Sensitivity Analysis

The calculation of the defined benefit obligation is sensitive to the assumptions used. The following table summarizes how the defined benefit obligation as at December 31, 2015 would have changed as a result of a change in the assumptions used.

Future salary increase	Discount Rate		
	5.00%	4.00%	6.00%
	\$	\$	\$
5.00%	117,925	139,407	101,010
4.50%	115,212	135,932	98,861
5.50%	120,793	143,087	103,276

The defined benefit obligation would be \$120,165 if the average life expectancy is increased by one year.

These sensitivities were calculated by re-calculating the defined benefit obligations using the revised assumptions.

16. Fidelity Bond Reserve

Pursuant to Section 12 of the Regulations, NIB has established a fidelity bond reserve to insure the Fund against the risk of defalcation by cashiers, storekeepers or other custodians of the property of the Fund.

There was no income or expenditure in respect of this reserve for the years ended December 31, 2015 and 2014.

The National Insurance Fund

Notes to the Consolidated Financial Statements December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

17. Income from Investments

	2015	2014
	\$	\$
Income from trustee securities:		
Bahamas Government registered stocks	30,734	32,055
	30,734	32,055
Income from other securities:		
Certificate of deposit	5,213	6,226
Long term deposits	340	320
Nassau Airport Development Company Limited debt securities	5,170	5,647
Bahamas Mortgage Corporation bonds	3,999	4,005
Dividends from ordinary and preference shares	4,946	4,595
Education Loan Authority bonds	2,085	2,095
Bahamas Government US\$ notes	2,089	2,089
Bahamas Government B\$ notes	397	95
Bahamas Development Bank bonds	1,985	1,985
Bahamas Electricity Corporation bonds	1,701	1,701
Government of Barbados US\$ bonds	309	344
Clifton Heritage Authority bonds	428	428
United States of America US\$ treasury notes	105	175
Fidelity Bank (Bahamas) Limited notes	165	197
The College of The Bahamas redeemable term notes	148	161
Bridge Authority bonds	173	173
Government of the Cayman Islands US\$ bonds	152	152
Government of Trinidad & Tobago US\$ bonds	79	58
Loans to Bahamas Government entities	844	614
Latin American Investment Bank (Bahamas) Ltd. bonds	126	126
Public Hospital Authority bonds	601	602
Corporate Bonds US\$	293	258
Citigroup Funding Inc. notes	54	88
	31,402	32,134

The National Insurance Fund

Notes to the Consolidated Financial Statements December 31, 2015

(Expressed in Thousands of Bahamian dollars)
(Continued)

17. Income from Investments (Continued)

	2015	2014
	\$	\$
Income from other investments:		
Interest income on net investment in finance leases	9,192	8,116
Interest income on construction in progress – finance leases (Note 13)	1,005	245
Net realised gain on investments at fair value through profit or loss (Note 5)	40	1
Net unrealised gain on investments at fair value through profit or loss (Note 5)	4,392	10,407
Net realised gain/(loss) on other investments	13	(41)
Net loss on valuation of Investment Property (Note 9)	-	(693)
	<u>14,642</u>	<u>18,035</u>
	<u>76,778</u>	<u>82,224</u>

18. Income from Property

	2015	2014
	\$	\$
Rental income:		
Freeport office complex	894	656
New Providence buildings	487	437
Polyclinics	689	689
	<u>2,070</u>	<u>1,782</u>

19. Capital Values of Awards of Periodically Payable Disablement and Death Benefits

Section 20(3) of the Regulations provides that the capital value of periodically payable disablement and death benefits awarded in a year is charged against the year's income in the income and expenditure account of the industrial benefits branch. It is also credited to a current account, which is further credited with the income from the investment of the said reserve and debited with the actual payments of periodical disablement and death benefits affected during the year. The balance is then transferred at the end of the year to the reserve account. The expenditure of the industrial benefit branch and the income of the disablement and death benefits reserve are eliminated in the consolidated statement of comprehensive income.

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

20. Amount Invested in Other Assets (See Note 30)

Amount invested in other assets comprises:

	2015	2014
	\$	\$
Cash on hand	37	30
Cash at banks – current accounts	8,328	2,103
Cash at brokers	1,960	910
Receivables and advances	39,539	18,141
Prepaid expenses and deposits	526	695
Computer software	9,007	7,150
Property, plant and equipment	20,104	20,657
Construction in progress – finance leases	49,676	32,773
Accounts payable and accrued expenses	(7,975)	(7,786)
Accrued benefits payable	(5,866)	(6,819)
	<u>115,336</u>	<u>67,854</u>

The National Insurance Fund

Notes to the Consolidated Financial Statements December 31, 2015

(Expressed in Thousands of Bahamian dollars)
(Continued)

21. Other Expenses

Other expenses comprise:

	2015 \$	2014 \$
Repairs and maintenance	2,266	2,211
Utilities	1,527	1,881
Consultancy fees	580	631
Printing, stationery and computer supplies	1,276	1,452
Transportation and travel	437	464
Training and scholarships	484	514
Janitorial	374	348
Advertising and publicity	237	318
External security	422	353
Rent	347	371
Motor vehicles	364	313
Insurance	276	292
Legal expenses	75	241
Audit fees	177	175
Real property tax	93	126
Bank charges	46	44
Tribunal membership	33	43
Computer Services	-	35
Value Added Tax Expense	624	-
Other miscellaneous expenses	66	68
	<u>9,704</u>	<u>9,880</u>

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

22. Employee Benefits

	2015	2014
	\$	\$
Pension expense (Note 15)	7,890	7,798
Pension expense allocated to Medical Benefits Branch	(135)	(136)
	7,755	7,662
Staff salaries and allowances	23,015	22,177
Group health plan	2,780	2,525
National insurance contributions	937	971
Other benefits	427	400
	34,914	33,735

23. Financial Risk Management

The Fund's activities expose it to credit risk, liquidity risk and interest rate risk.

Credit risk

Credit risk is the risk that a counterparty may be unable to perform according to the terms of a contract. As of December 31, 2015, the Fund's total exposure to credit risk was \$1,640,285 (2014: \$1,641,037), principally concentrated with The Bahamas Government, which as of December 31, 2015 had foreign and local currency debt ratings of BBB- (2014: BBB) and a country transfer and convertibility rating of BBB (2014: BBB+) issued by Standard and Poors. As of that date, the Fund had investments, loans and accruals with The Bahamas Government and its entities totalling \$1,263,099 (2014: \$1,268,038). Certificates of deposit are placed with banks in good standing with the Central Bank of The Bahamas or equivalent regulators (see Note 30).

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due. The fund has no significant short term obligations, and sufficient liquid assets are available to meet its obligations for normal operating purposes.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The majority of the Fund's financial instruments are directly linked to Prime or have short terms to maturity and therefore fair value interest rate risk is considered to be minimal. The resulting cash flow interest rate risk is not hedged and considered a profit opportunity.

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

24. Contingent Liabilities

- (a) NIB has provided commitment letters to various medical institutions and other providers of medical care to its industrial benefit claimants. Due to the nature of these commitments, it is not practical to determine the possible financial effect.
- (b) The Fund is a party to several legal actions involving its activities. The Fund is contingently liable for costs and damages in the event of an adverse finding by the courts; however, it is neither possible to predict the decision of the courts nor estimate the amount of such awards. Accordingly, no provisions have been made in these consolidated financial statements relative to the legal proceedings. These legal actions primarily involve construction contracts, requirements to pay contributions under the National Insurance Act and Regulations, and an action for defamation, wrongful/unfair dismissal and negligence/breach of the Data Protection Act. Management is of the opinion that the resolution of these matters will not have a material impact on the Fund's consolidated financial statements.

25. Commitments

Capital commitments

Capital commitments contracted as of the statement of financial position date but not yet incurred are as follows:

	2015 \$	2014 \$
Capital commitments	<u>25,824</u>	<u>20,093</u>

Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases, where the Fund is the lessee, are as follows:

	2015 \$	2014 \$
No later than 1 year	57	12
Later than 1 year and no later than 5 years	<u>47</u>	<u>270</u>
	<u>104</u>	<u>282</u>

The National Insurance Fund
Notes to the Consolidated Financial Statements
December 31, 2015
(Expressed in Thousands of Bahamian dollars)
(Continued)

26. Employees

The average number of persons employed by NIB during the year was 579 (2014: 572).

27. Fair Value of Financial Instruments

The following table summarises the carrying amounts and fair values of those financial instruments not recognised in the Fund's consolidated statement of financial position at fair value.

	Carrying Value		Fair Value	
	2015	2014	2015	2014
	\$	\$	\$	\$
Certificates of deposit	161,252	168,706	163,570	170,219
Long term deposits	10,075	9,825	8,993	8,791
Bahamas Government registered stocks	597,776	624,104	588,864	687,797
Bahamas Mortgage Corporation bonds	101,106	101,106	92,225	91,547
Nassau Airport Development Company Limited debt securities	72,158	72,858	71,650	76,743
Education Loan Authority bonds	47,347	47,582	48,574	48,834
Bahamas Development Bank bonds	46,749	46,864	44,963	44,765
Bahamas Government US\$ notes	30,241	30,240	37,373	37,613
Bahamas Electricity Corporation bonds	26,095	26,909	26,608	26,603
Clifton Heritage Authority bonds	7,998	7,988	8,377	8,441
Government of Barbados US\$ bonds	4,404	4,863	4,600	5,098
United States of America US\$ treasury notes	29,333	16,004	25,935	13,675
Loans to Bahamas Government entities	27,271	17,121	14,739	14,461
Latin American Investment Bank (Bahamas) Ltd. bonds	3,409	3,283	2,312	2,373
Citigroup notes	3,001	3,004	2,755	3,047
Bridge Authority bonds	2,829	2,829	3,040	3,052
Fidelity Bank (Bahamas) Limited notes	2,842	2,843	2,825	2,845
The College of The Bahamas redeemable term notes	2,030	2,215	2,341	2,349
Government of the Cayman Islands US\$ bonds	2,500	2,496	2,449	2,415
Government of Trinidad & Tobago	2,114	2,123	1,796	1,774
US Corporate bonds	7,531	7,728	5,758	5,796
Bahamas Government BS Notes	7,153	7,165	7,169	7,282
Public Hospital Authority bonds	12,127	10,153	11,836	9,879
	<u>1,207,341</u>	<u>1,218,009</u>	<u>1,178,752</u>	<u>1,275,399</u>

The carrying amounts of current financial assets, preference shares, Bahamas Government treasury bills and financial liabilities represent their estimated fair values. Fair values for all financial assets listed above are determined using the discounted cash flow method. The cash flows are discounted at a rate representing the market rates of similar instruments.

The National Insurance Fund
Notes to the Consolidated Financial Statements
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(Expressed in Thousands of Bahamian dollars)
(Continued)

27. Fair Value of Financial Instruments (Continued)

Fair Value Hierarchy As of December 31, 2015

	Level 1 \$	Level 2 \$	Level 3 \$	Fair value \$
Certificates of deposit	-	163,570	-	163,570
Long term deposits	-	8,993	-	8,993
Bahamas Government registered stocks	-	588,864	-	588,864
Bahamas Mortgage Corporation bonds	-	92,225	-	92,225
Nassau Airport Development Company Limited debt securities	-	71,650	-	71,650
Education Loan Authority bonds	-	48,574	-	48,574
Bahamas Development Bank bonds	-	44,963	-	44,963
Bahamas Government US\$ notes	37,373	-	-	37,373
Bahamas Electricity Corporation bonds	-	26,608	-	26,608
Clifton Heritage Authority bonds	-	8,377	-	8,377
Government of Barbados US\$ bonds	4,600	-	-	4,600
United States of America US\$ treasury notes	25,935	-	-	25,935
Loans to Bahamas Government entities	-	14,739	-	14,739
Latin American Investment Bank (Bahamas) Ltd. bonds	-	2,312	-	2,312
Citigroup notes	-	2,755	-	2,755
Bridge Authority bonds	-	3,040	-	3,040
Fidelity Bank (Bahamas) Limited notes	2,825	-	-	2,825
The College of The Bahamas redeemable term notes	-	2,341	-	2,341
Government of the Cayman Islands US\$ bonds	2,449	-	-	2,449
Government of Trinidad & Tobago	1,796	-	-	1,796
United States Corporate bonds	5,758	-	-	5,758
Bahamas Government B\$ Notes	-	7,169	-	7,169
Public Hospital Authority bonds	-	11,836	-	11,836
	80,736	1,098,016	-	1,178,752

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Notes to the Consolidated Financial Statements
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(Continued)

27. Fair Value of Financial Instruments (Continued)

Fair Value Hierarchy As of December 31, 2014

	Level 1	Level 2	Level 3	Fair value
	\$	\$	\$	\$
Certificates of deposit	-	170,219	-	170,219
Long term deposits	-	8,791	-	8,791
Bahamas Government registered stocks	-	687,797	-	687,797
Bahamas Mortgage Corporation bonds	-	91,547	-	91,547
Nassau Airport Development Company Limited debt securities	-	76,743	-	76,743
Education Loan Authority bonds	-	48,834	-	48,834
Bahamas Development Bank bonds	-	44,765	-	44,765
Bahamas Government US\$ notes	37,613	-	-	37,613
Bahamas Electricity Corporation bonds	-	26,603	-	26,603
Clifton Heritage Authority bonds	-	8,441	-	8,441
Government of Barbados US\$ bonds	5,098	-	-	5,098
United States of America US\$ treasury notes	13,675	-	-	13,675
Loans to Bahamas Government entities	-	14,461	-	14,461
Latin American Investment Bank (Bahamas) Ltd. bonds	-	2,373	-	2,373
Citigroup notes	-	3,047	-	3,047
Bridge Authority bonds	-	3,052	-	3,052
Fidelity Bank (Bahamas) Limited notes	2,845	-	-	2,845
The College of The Bahamas redeemable term notes	-	2,349	-	2,349
Government of the Cayman Islands US\$ bonds	2,415	-	-	2,415
Government of Trinidad & Tobago	1,774	-	-	1,774
United States Corporate bonds	5,796	-	-	5,796
Bahamas Government B\$ Notes	-	7,282	-	7,282
Public Hospital Authority bonds	-	9,879	-	9,879
	69,216	1,206,183	-	1,275,399

Level 1

The fair value of financial instruments traded in an active market based quoted market prices at the reporting date.

Level 2

The fair value of financial instruments not traded in an active market whose valuation is determined by using the discounted cash flow method. The cash flows are discounted at a rate representing the market rates of similar instruments.

There were no transfers between Level 1 and Level 2 during the year.

The National Insurance Fund

Notes to the Consolidated Financial Statements

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(Expressed in Thousands of Bahamian dollars)

(Continued)

28. Related Party Balances and Transactions

Related parties include its subsidiary; associates; ministries and corporations of The Bahamas Government; agencies and entities controlled by The Bahamas Government or in which The Bahamas Government has a significant ownership interest; key management personnel; close family members of key management personnel; and entities owned or controlled by key management personnel. Key management personnel include those having the authority and responsibility for planning, directing and controlling the activities of the Fund. Balances and transactions between the Fund and its related parties are disclosed below:

	Associates		Key Management Personnel		Close Family Members of Key Management		The Bahamas Government		Other Governmental Entities and Agencies		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash at bank	2,196	2,082	-	-	-	-	-	-	5,837	10,607	8,033	12,689
Receivables and advances	-	-	82	107	-	-	21,623	16,767	-	-	21,705	16,874
Accounts payable and accrued expenses	9	11	293	293	-	-	10	203	259	397	571	904
Contributions	1,257	1,253	9	5	3	3	30,139	24,111	11,952	11,504	43,360	36,876
Administrative expenses	162	243	66	59	-	-	-	-	1,366	1,668	1,594	1,970
Benefits	-	-	-	-	372	271	-	-	-	-	372	271

Receivable amounts and advances outstanding from related parties are interest-bearing and will be settled in cash. No guarantees have been received and no provision for doubtful accounts has been made in respect of the amounts owed by related parties.

The remuneration of the directors and other members of key management personnel of the Fund are set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*:

	2015	2014
	\$	\$
Short-term employee benefits	1,828	1,774
Post-employment benefits	380	356
	<u>2,208</u>	<u>2,130</u>

These balances are included in administrative expenditure in the consolidated statement of comprehensive income.

The National Insurance Fund


Notes to the Consolidated Financial Statements
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(Expressed in Thousands of Bahamian dollars)
(Continued)

28. Related Party Balances and Transactions (Continued)

Transactions entered into by the Fund with its associates include investments and related income which are disclosed in Notes 7(h), and 10 of these consolidated financial statements.

As of December 31, 2015, other related party investment balances are disclosed below and the associated investment income is disclosed in Note 17 of these consolidated financial statements.

	Notes	2015 \$	2014 \$
Bahamas Government registered stocks	7(a)	597,776	624,104
Bahamas Mortgage Corporation bonds	7(c)	101,106	101,106
Net investment in finance leases	8	174,267	177,996
Nassau Airport Development Company Limited debt securities	7(d)	72,158	72,858
Bank of the Bahamas certificates of deposit	7(b)	73,400	75,700
Education Loan Authority bonds	7(e)	47,347	47,582
Bahamas Development Bank bonds	7(f)	46,749	46,864
Bahamas Government US\$ notes	6(a)	30,241	30,240
Bahamas Electricity Corporation bonds	7(g)	26,095	26,909
Cable Bahamas preference shares	7(h)	10,000	10,000
Clifton Heritage Authority bonds	7(i)	7,998	7,998
Investment property	9	2,427	2,427
Latin American Investment Bank (Bahamas) Ltd. bonds	7(j)	3,409	3,283
Loans to Bahamas Government entities	7(k)	27,271	17,121
Bahamas Development Bank long-term deposit	7(l)	10,075	9,825
Bridge Authority bonds	7(m)	2,829	2,829
The College of The Bahamas redeemable term notes	7(o)	2,030	2,215
Public Hospital Authority bonds	7(p)	12,127	10,153
Bahamas Government B\$ notes	7(q)	7,153	7,165
		<u>1,254,458</u>	<u>1,276,375</u>



The National Insurance Fund

Notes to the Consolidated Financial Statements
December 31, 2015
(Expressed in Thousands of Bahamian dollars)
(Continued)

29. Events After The Reporting Period

- (a) An actuarial review of the Fund as of December 2013 was commissioned in September 2014 and the report is expected to be finalized within the upcoming fiscal period.
- (b) The Fund is developing new software that will be substantially completed in the upcoming fiscal year. The software will manage its core business functions. A major component of the new software was implemented on April 1, 2016.
- (c) Amendments to the law and regulations governing the Fund made in 2010 will require an increase in the insurable wage ceiling effective July 1, 2016 and an increase in pension benefits based on the change in the Retail Price Index. This is also effective July 1, 2016

The National Insurance Fund

Notes to the Consolidated Financial Statements December 31, 2015 (Expressed in Thousands of Bahamian dollars) (Continued)

30. Investments of the Fund Allocated to the Reserves

	Interest Rate	Maturity Date	Short- Term \$	Pensions \$	Industrial \$	Medical \$	Disablement and Death \$	Fidelity Bond \$	Total \$
As of December 31, 2015									
Cash at the Central Bank of The Bahamas			-	3,236	1,711	-	324	566	5,837
Investments at fair value through profit or loss									
Ordinary shares / Mutual funds			-	139,458	-	-	-	-	139,458
Preference shares			-	14,341	-	-	-	-	14,341
			-	157,035	1,711	-	324	566	153,799
Certificates of deposit									
Finance Corporation of Bahamas Limited	3.00%	01/15/16- 09/15/16	9,501	33,632	11,867	-	-	-	55,000
Bank of The Bahamas Limited	3.25% - 4.75%	01/15/16 - 12/30/16	12,000	15,882	45,518	-	-	-	73,400
Fidelity Bank (Bahamas) Limited	2.00% - 3.50%	01/30/16 - 12/30/16	2,950	-	14,662	-	11,425	-	29,037
First Caribbean International Bank (Bahamas) Limited US\$			-	-	610	-	-	-	610
Scotiabank (Bahamas) Limited			-	234	-	-	-	-	234
Gulf Union Bank (Bahamas) Ltd.			-	1,715	-	-	-	-	1,715
Accrued interest			-	2,971	-	-	-	-	2,971
Provision for doubtful accounts			-	(1,715)	-	-	-	-	(1,715)
			24,451	52,719	72,657	-	11,425	-	161,252
Bahamas Government registered stocks			-	597,776	-	-	-	-	597,776
Bahamas Mortgage Corporation bonds			6,000	80,406	13,700	-	1,000	-	101,106
Nassau Airport Development Company Limited debt securities			-	72,158	-	-	-	-	72,158
Education Loan Authority bonds			-	47,347	-	-	-	-	47,347

The National Insurance Fund

Notes to the Consolidated Financial Statements
December 31, 2015
(Expressed in Thousands of Bahamian dollars)
(Continued)

30. Investments of the Fund Allocated to the Reserves (Continued)

	Interest Rate	Maturity Date	Short- Term \$	Pensions \$	Industrial \$	Medical \$	Disablement and Death \$	Fidelity Bond \$	Total \$
As of December 31, 2015 (Continued)									
Bahamas Development Bank bonds			-	46,749	-	-	-	-	46,749
Bahamas Government US\$ notes			-	30,241	-	-	-	-	30,241
Bahamas Electricity Corporation bonds			-	26,095	-	-	-	-	26,095
Bahamas Government BS Notes			-	7,153	-	-	-	-	7,153
Preference shares			-	19,000	-	-	-	-	19,000
Clifton Heritage Authority bonds			-	7,998	-	-	-	-	7,998
Government of Barbados US\$ bonds			-	4,404	-	-	-	-	4,404
United States of America US\$ treasury notes			-	29,333	-	-	-	-	29,333
Loans to Bahamas Government entities			-	27,271	-	-	-	-	27,271
Latin American Investment Bank (Bahamas) Ltd. Bonds			-	3,409	-	-	-	-	3,409
Citigroup Funding Inc. notes			-	3,001	-	-	-	-	3,001
Bridge Authority bonds			-	2,829	-	-	-	-	2,829
Fidelity Bank (Bahamas) Limited notes			-	2,842	-	-	-	-	2,842
The College of The Bahamas redeemable term notes			-	2,030	-	-	-	-	2,030
Government of the Cayman Islands US\$ bonds			-	2,500	-	-	-	-	2,500
Long Term Deposits			-	10,075	-	-	-	-	10,075
US\$ Corporate Bonds			-	7,531	-	-	-	-	7,531
Public Hospital Authority Bonds			-	12,127	-	-	-	-	12,127
Trinidad & Tobago Bonds			-	2,114	-	-	-	-	2,114
Net investment in finance leases			-	174,267	-	-	-	-	174,267
Investment property			-	2,427	-	-	-	-	2,427
Investments in associates			-	29,650	-	-	-	-	29,650
Property, plant and equipment			-	-	-	87,621	-	-	87,621
Amounts invested in other assets (Note 30)			37,010	71,682	6,554	(538)	618	10	115,336
Staff pension fund			-	(70,681)	-	-	-	-	(70,681)
			<u>67,461</u>	<u>1,461,488</u>	<u>94,622</u>	<u>87,083</u>	<u>13,367</u>	<u>576</u>	<u>1,724,597</u>

The National Insurance Fund

Notes to the Consolidated Financial Statements December 31, 2015 (Expressed in Thousands of Bahamian dollars) (Continued)

30. Investments of the Fund Allocated to the Reserves (Continued)

	Interest Rate	Maturity Date	Short- Term \$	Pensions \$	Industrial \$	Medical \$	Disablement and Death \$	Fidelity Bond \$	Total \$
As of December 31, 2014									
Cash at the Central Bank of The Bahamas			-	7,006	2,711	-	324	566	10,607
Investments at fair value through profit or loss									
Ordinary shares / Mutual funds			-	134,821	-	-	-	-	134,821
Preference shares			-	17,341	-	-	-	-	17,341
			-	159,168	2,711	-	324	566	152,162
Certificates of deposit									
Finance Corporation of Bahamas Limited	3.00% - 4.00%	01/15/15 - 09/15/15	10,000	33,710	11,290				55,000
Bank of The Bahamas Limited	3.25% - 4.75%	01/15/15 - 12/15/15	15,500	16,205	43,395	600			75,700
Fidelity Bank (Bahamas) Limited	2.00% - 4.00%	01/30/15 - 12/15/15	3,950		9,802		14,253		28,005
First Caribbean International Bank (Bahamas) Limited US\$				-	2,786	2,000			4,786
Credit Suisse AG				211		150			361
Scotiabank (Bahamas) Limited				123	-	1,500			1,623
Public Hospital Authority	1.50%					-			-
Gulf Union Bank (Bahamas) Ltd.			-	1,715	-	-	-	-	1,715
Accrued interest			-	3,231	-	-	-	-	3,231
Provision for doubtful accounts			-	(1,715)	-	-	-	-	(1,715)
			29,450	53,480	67,273	4,250	14,253	-	168,706
Bahamas Government registered stocks			-	624,104	-	-	-	-	624,104
Bahamas Mortgage Corporation bonds			7,000	82,156	10,700	250	1,000	-	101,106
Nassau Airport Development Company Limited debt securities			-	72,858	-	-	-	-	72,858
Education Loan Authority bonds			-	47,582	-	-	-	-	47,582

The National Insurance Fund

Notes to the Consolidated Financial Statements
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(Expressed in Thousands of Bahamian dollars)
(Continued)

30. Investments of the Fund Allocated to the Reserves (Continued)

	Interest Rate	Maturity Date	Short- Term \$	Pensions \$	Industrial \$	Medical \$	Disablement and Death \$	Fidelity Bond \$	Total \$
As of December 31, 2014 (Continued)									
Bahamas Development Bank bonds			-	46,864	-	-	-	-	46,864
Bahamas Government US\$ notes			-	30,240	-	-	-	-	30,240
Bahamas Electricity Corporation bonds			-	26,909	-	-	-	-	26,909
Bahamas Government BS Notes			-	7,165	-	-	-	-	7,165
Preference shares			-	19,000	-	-	-	-	19,000
Clifton Heritage Authority bonds			-	7,998	-	-	-	-	7,998
Government of Barbados US\$ bonds			-	4,863	-	-	-	-	4,863
United States of America US\$ treasury notes			-	16,004	-	-	-	-	16,004
Loans to Bahamas Government entities			-	17,121	-	-	-	-	17,121
Latin American Investment Bank (Bahamas) Ltd. Bonds			-	3,283	-	-	-	-	3,283
Citigroup Funding Inc. notes			-	3,004	-	-	-	-	3,004
Bridge Authority bonds			-	2,829	-	-	-	-	2,829
Fidelity Bank (Bahamas) Limited notes			-	2,843	-	-	-	-	2,843
The College of The Bahamas redeemable term notes			-	2,215	-	-	-	-	2,215
Government of the Cayman Islands US\$ bonds			-	2,496	-	-	-	-	2,496
Long Term Deposits			-	9,825	-	-	-	-	9,825
US\$ Corporate Bonds			-	7,728	-	-	-	-	7,728
Public Hospital Authority Bonds			-	10,153	-	-	-	-	10,153
Trinidad & Tobago Bonds			-	2,123	-	-	-	-	2,123
Net investment in finance leases			-	177,996	-	-	-	-	177,996
Investment property			-	2,427	-	-	-	-	2,427
Investments in associates			-	41,375	-	-	-	-	41,375
Property, plant and equipment			-	-	-	81,195	-	-	81,195
Amounts invested in other assets (Note 20)			10,308	31,134	23,273	956	2,173	10	67,854
Staff pension fund			-	(72,532)	-	-	-	-	(72,532)
			<u>46,758</u>	<u>1,442,411</u>	<u>103,957</u>	<u>86,651</u>	<u>17,750</u>	<u>576</u>	<u>1,698,103</u>

The National Insurance Fund

Notes to the Consolidated Financial Statements

December 31, 2015

(Expressed in Thousands of Bahamian dollars)

(Continued)

31. Actuarial Review (Unaudited)

The 9th Actuarial Review of the Fund was conducted as of December 31, 2011. The projections were extended for a sixty-year period and indicate that the present value of future expenditure will exceed the opening reserves and the present value of future contributions by \$10.546 billion as depicted below; the report and reserves and shortfall calculations are unaudited.

The report further indicates that the current contribution rate would be insufficient to pay benefits in the long term.

The report includes a number of recommendations for changes in the administration of the Fund. These recommendations, if implemented, should result in the Fund being able to meet its challenges in the long term. Presently, the Fund is meeting all of its obligations.

	\$ (Millions)
Reserves as of December 31, 2011	1,653
Present value of future contributions	11,588
Present value of future expenditure	<u>(23,787)</u>
Present value of shortfall	<u>(10,546)</u>



Statistical Appendix

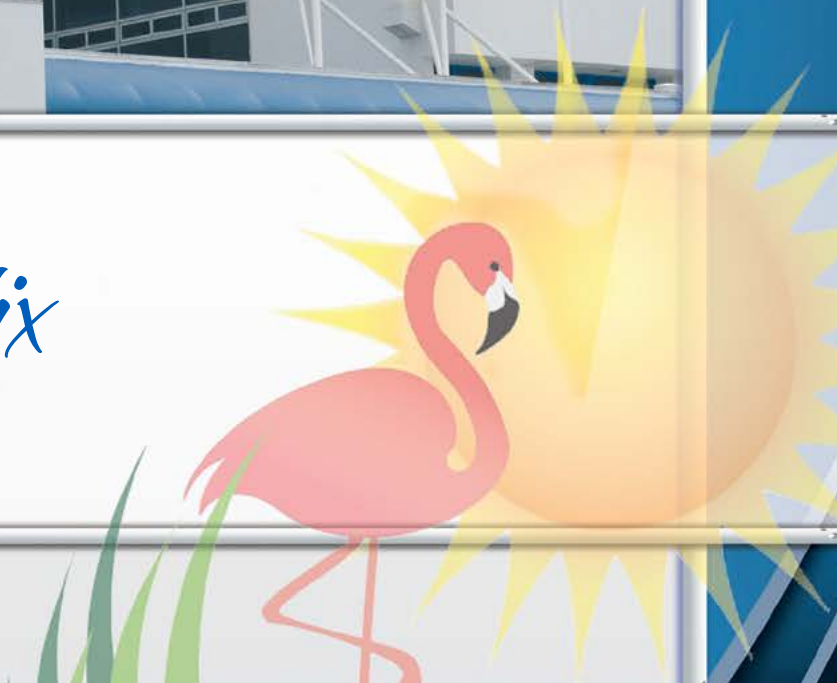


Table 1. New Registration Of Employers & Self-Employed Persons

Island/Local Office	2015			2014		
	Employers	Self-Employed	Total	Employers	Self-Employed	Total
Abaco						
Marsh Harbour	318	117	435	218	164	382
Coopers Town	23	35	58	19	39	58
All Abaco	341	152	493	237	203	440
Andros						
Fresh Creek	19	29	48	45	30	75
Kemps Bay	20	17	37	15	16	31
Mangrove Cay	15	6	21	11	28	39
Nicholls Town	75	61	136	63	40	103
All Andros	129	113	242	134	114	248
Bimini & Berry Islands	28	36	64	36	24	60
Cat Island	27	30	57	59	62	121
Crooked Island & Acklins	3	28	31	9	15	24
Eleuthera						
Governors Harbour	103	42	145	85	28	113
Harbour Island	66	26	92	78	25	103
Rock Sound	26	55	81	33	62	95
Spanish Wells & North Eleuthera	66	46	112	109	43	152
All Eleuthera	261	169	430	305	158	463
Exuma & Ragged Island	109	61	170	80	65	145
Grand Bahama	461	320	781	671	340	1,011
Inagua & Mayaguana	28	2	30	31	10	41
Long Island						
Deadmans Cay	23	21	44	75	31	106
Simms	7	10	17	25	11	36
All Long Island	30	31	61	100	42	142
New Providence	4,019	1,762	5,781	4,968	1,911	6,879
San Salvador	28	47	75	42	12	54
Total	5,464	2,751	8,215	6,672	2,956	9,628

Table 2. New Registration Of Insured Persons

Island/Local Office	2015			2014		
	Active	Inactive	Total	Active	Inactive	Total
Abaco						
Marsh Harbour	64	317	381	82	369	451
Coopers Town	2	28	30	6	40	46
All Abaco	66	345	411	88	409	497
Andros						
Fresh Creek	8	47	55	5	52	57
Kemps Bay	-	7	7	4	23	27
Mangrove Cay	4	9	13	1	17	18
Nicholls Town	8	44	52	6	25	31
All Andros	20	107	127	16	117	133
Bimini & Berry Islands	34	128	162	122	64	195
Cat Island	2	10	12	5	19	24
Crooked Island & Acklins	-	6	6	2	22	24
Eleuthera						
Governors Harbour	52	138	190	36	113	149
Harbour Island	19	27	46	27	66	93
Rock Sound	2	4	6	38	39	77
Spanish Wells & North Eleuthera	13	67	80	31	78	109
All Eleuthera	86	236	322	132	296	428
Exuma & Ragged Island	20	75	95	27	58	85
Grand Bahama	341	1,054	1,395	364	1,072	1,436
Inagua & Mayaguana	-	11	11	4	19	23
Long Island						
Deadmans Cay	6	10	16	5	20	25
Simms	-	6	6	2	2	4
All Long Island	6	16	22	7	22	29
New Providence	1,151	4,421	5,572	1,763	4,898	6,661
San Salvador	25	16	41	34	29	63
Total	1,751	6,425	8,176	2,564	7,029	9,593

Table 3. Total Net Contribution Income, 2015

Island/Local Office	Employers	Employees	Self-Employed	Voluntary Insured	Installment Agreements	Total 2015	Total 2014
Abaco							
Marsh Harbour	3,647,086	2,477,966	491,743	-	399,813	7,016,608	6,559,387
Coopers Town	461,456	355,494	135,148	-	69,578	1,021,676	1,017,777
All Abaco	4,108,542	2,833,460	626,892	-	469,391	8,038,284	7,577,164
Andros							
Fresh Creek	294,982	194,053	44,354	-	51,202	584,591	566,699
Kemps Bay	67,452	47,734	16,678	-	7,914	139,778	180,256
Mangrove Cay	56,181	48,044	14,235	-	3,795	122,255	73,721
Nicholls Town	267,792	96,458	41,040	-	14,102	419,392	408,112
All Andros	686,406	386,289	116,308	-	77,013	1,266,016	1,228,788
Bimini & Berry Islands	885,842	611,641	82,480	-	62,901	1,642,864	2,607,749
Cat Island	84,917	49,583	45,921	-	18,731	199,152	229,504
Crooked Island & Acklins	17,450	11,555	46,420	-	37,460	112,885	119,551
Eleuthera							
Governors Harbour	505,542	390,442	140,456	-	73,235	1,109,675	1,067,345
Harbour Island	760,579	721,238	133,541	-	67,835	1,683,193	1,519,138
Rock Sound	411,742	270,315	53,402	-	25,043	760,502	709,638
Spanish Wells & North Eleuthera	965,530	617,175	236,907	-	33,812	1,853,422	1,778,901
All Eleuthera	2,643,394	1,999,170	564,306	-	199,925	5,406,792	5,075,022
Exuma & Ragged Island	2,149,887	805,356	275,391	-	236,583	3,467,217	3,099,577
Grand Bahama	13,479,725	8,371,547	441,211	-	1,003,105	23,295,588	21,717,029
Inagua & Mayaguana	341,123	222,226	24,237	-	7,797	595,383	562,515
Long Island							
Deadmans Cay	149,139	92,749	158,995	-	27,895	428,778	503,358
Simms	128,973	107,906	46,236	-	6,138	289,253	308,549
All Long Island	278,112	200,655	205,231	-	34,033	718,031	811,907
New Providence	121,757,127	82,054,893	3,468,559	1,949	7,915,348	215,197,876	200,971,326
San Salvador	208,474	260,728	20,082	-	30,335	519,619	535,532
Total	146,640,998	97,807,101	5,917,037	1,949	10,092,622	260,459,707	244,535,664

Table 4. Total Contribution Income, 2011 – 2015

Contribution Income ('000s)					
	2015	2014	2013	2012	2011
Employers	\$147,097	\$142,951	\$132,429	\$118,754	\$113,846
Employees	\$98,133	\$90,544	\$86,906	\$74,438	\$66,940
Self-employed	\$5,917	\$6,125	\$5,666	\$5,183	\$4,364
Voluntarily Insured	\$2	\$5	\$8	1	\$1
Installment Agreements	\$10,093	\$5,627	\$4,955	\$5,137	\$5,766
Refund of Contributions	(\$782)	(\$717)	(\$595)	(\$469)	(\$429)
Total ('000s)	\$260,460	\$244,535	\$229,369	\$203,044	\$190,488
Number of Contributors					
Employers	13,472	13,001	12,612	12,598	12,393
Employees	145,000	146,000	142,000	144,000	141,000
Self-employed	10,339	9,581	8,872	7,644	6,559
Voluntarily Insured	2	3	3	1	1
Installment Agreements	9,557	8,593	7,911	7,946	7,317
Total Contributors	178,370	177,178	171,398	172,189	167,270

Table 5. Benefit & Assistance Claims Received and Awarded

Benefit Type		Received		Awarded	
		2015	2014	2015	2014
Long-term Benefits/ Assistance	Retirement Benefit	2,170	2,049	1,736	1,975
	Retirement Grant	n/a	n/a	108	119
	Invalidity Benefit	357	326	206	334
	Survivors' Benefit	797	821	605	649
	Survivors' Grant	n/a	n/a	64	85
	Old Age Non-Contributory Pension	143	178	86	80
	Invalidity Assistance	116	150	77	147
	Survivors' Assistance	56	60	31	28
Total Long-term		3,639	3,584	2,913	3,417
Short-term Benefits	Sickness Benefit	15,510	18,609	14,730	17,743
	Maternity Benefit	3,336	3,332	3,181	3,184
	Maternity Grant	3,336	3,332	3,099	3,123
	Funeral Benefit	1,828	1,714	1,737	1,627
	Unemployment Benefit	8,737	6,556	7,246	5,418
	Sickness Assistance	2	6	1	7
Total Short-term		32,749	33,549	29,994	31,102
Industrial Benefits	Medical Care	4,111	3,957	3,335	3,291
	Injury Benefit	2,455	2,466	2,198	2,129
	Disablement Benefit & Grant	405	326	81	78
	Industrial Death	1	1	1	1
	Industrial Funeral	0	0	0	0
Total Industrial		6,972	6,750	5,615	5,499
All Benefits		43,360	43,883	38,522	40,018

Table 6. Short-Term Benefit & Assistance Claims Awarded, 2015

Island/Local Office	Sickness Benefit	Maternity Benefit	Maternity Grant	Funeral Benefit	Unemployment Benefit	Sickness Assistance	Total
Abaco							
Marsh Harbour	565	101	87	37	249	-	1,039
Coopers Town	60	22	20	4	27	-	133
All Abaco	625	123	107	41	276	-	1,172
Andros							
Fresh Creek	70	16	12	2	24	-	124
Kemps Bay	42	7	7	5	48	-	109
Nicholls Town	56	15	15	4	43	-	133
All Andros	168	38	34	11	115	-	366
Bimini & Berry Islands	86	23	21	9	56	-	195
Cat Island	24	3	3	-	28	-	58
Crooked Island & Acklins	28	-	-	-	1	-	29
Eleuthera							
Governors Harbour	83	21	18	8	105	-	235
Harbour Island	42	15	12	2	79	-	150
Rock Sound	112	21	23	10	-	-	166
Spanish Wells & North Eleuthera	92	39	36	12	59	-	238
All Eleuthera	329	96	89	32	243	-	789
Exuma & Ragged Island	212	40	38	15	147	-	452
Grand Bahama	1,187	521	515	291	894	1	3,409
Inagua & Mayaguana	61	6	6	2	14	-	89
Long Island							
Deadmans Cay	70	2	3	10	75	-	160
Simms	8	6	5	2	-	-	21
All Long Island	78	8	8	12	75	-	181
New Providence	11,868	2,316	2,271	1,324	5,312	-	23,091
San Salvador	64	7	7	-	85	-	163
Total	14,730	3,181	3,099	1,737	7,246	1	29,994

Table 7. Short-Term Benefit & Assistance Payments, 2015

Island/Local Office	Sickness Benefit	Maternity Benefit	Maternity Grant	Funeral Benefit	Unemployment Benefit	Sickness Assistance	Total
Abaco							
Marsh Harbour	431,425	230,097	45,975	63,600	465,978	-	1,237,075
Coopers Town	49,156	47,001	9,300	6,880	35,638	-	147,976
All Abaco	480,581	277,098	55,275	70,480	501,615	-	1,385,051
Andros							
Fresh Creek	35,652	30,900	6,510	3,440	33,858	-	110,360
Kemps Bay	22,757	11,997	3,255	8,600	87,150	-	133,760
Nicholls Town	27,178	21,391	6,975	8,600	87,488	-	151,632
All Andros	85,587	64,289	16,740	20,640	208,497	-	395,752
Bimini & Berry Islands	45,286	57,353	9,765	15,480	101,017	-	228,901
Cat Island	10,783	3,579	1,395	-	25,297	-	41,055
Crooked Island & Acklins	8,831	-	-	-	985	-	9,815
Eleuthera							
Governors Harbour	56,786	31,468	9,300	13,760	176,541	-	287,855
Harbour Island	21,490	34,568	5,580	3,440	116,924	-	182,002
Rock Sound	75,882	44,750	10,695	17,160	1,310	-	149,797
Spanish Wells & North Eleuthera	71,016	91,410	17,190	20,640	157,535	-	357,792
All Eleuthera	225,175	202,196	42,765	55,000	452,311	-	977,445
Exuma & Ragged Island	184,650	109,167	17,670	27,480	182,861	-	521,829
Grand Bahama	1,336,617	971,107	243,660	502,000	1,506,615	398	4,560,397
Inagua & Mayaguana	41,816	8,069	2,790	3,440	18,741	-	74,856
Long Island							
Grays	59,922	4,408	1,395	17,200	91,493	-	174,419
Simms	4,442	4,277	2,325	3,440	954	-	15,439
All Long Island	64,364	8,686	3,720	20,640	92,447	-	189,857
New Providence	9,200,945	5,394,746	1,090,423	2,235,858	10,017,700	-	27,939,673
San Salvador	53,705	20,293	3,255	-	114,129	-	191,382
Total	11,738,339	7,116,581	1,487,458	2,951,018	13,222,214	398	36,516,008

Table 8. Long-Term Benefit & Assistance Claims Awarded, 2015

Island/Local Office	Retirement Benefit	Retirement Grant	Invalidity Benefit	Survivors' Benefit	Survivors' Grant	OANCP	Invalidity Assistance	Survivors' Assistance	Total
Abaco									
Marsh Harbour	65	2	8	27	1	7	1	-	111
Coopers Town	20	-	-	7	-	-	2	1	30
All Abaco	85	2	8	34	1	7	3	1	141
Andros									
Fresh Creek	10	-	2	6	-	3	1	-	22
Kemps Bay	10	1	4	1	-	1	1	-	18
Nicholls Town	15	-	-	2	-	2	-	3	22
All Andros	35		6	9		6	2	3	62
Bimini & Berry Islands	13	-	-	2	-	2	-	-	17
Cat Island	10	1	-	3	-	-	-	-	14
Crooked Island & Acklins	1	-	-	-	-	-	-	-	1
Eleuthera									
Governors Harbour	24	4	1	1	-	1	-	-	31
Harbour Island	9	-	-	-	-	-	-	1	10
Rock Sound	19	1	3	3	-	1	4	-	31
Spanish Wells & North Eleuthera	27	-	1	9	-	2	1	-	40
All Eleuthera	79		5	13		4	5	1	112
Exuma & Ragged Island	22	-	2	11	-	1	2	-	38
Grand Bahama	297	24	29	101	10	18	12	5	496
Inagua & Mayaguana	7	-	1	3	-	-	-	-	11
Long Island									
Deadmans Cay	17	-	-	5	1	3	-	-	26
Simms	7	1	-	2	-	-	-	-	10
All Long Island	24		-	7		3	-	-	36
New Providence	1,160	74	155	422	52	44	53	21	1,981
San Salvador	3	-	-	-	-	1	-	-	4
Total	1,736	108	206	605	64	86	77	31	2,913

Table 9. Long-term Benefit & Assistance Payments, 2015

Island/Local Office	Retirement Benefit	Invalidity Benefit	Survivors' Benefit	OANCP	Invalidity Assistance	Survivors' Assistance	Total
Abaco							
Marsh Harbour	5,527,281	555,182	893,338	315,292	349,339	81,647	7,722,078
Coopers Town	39,074	8,122	5,652	-	6,414	-	59,262
All Abaco	5,566,355	563,304	898,990	315,292	355,753	81,647	7,781,340
Andros							
Fresh Creek	834,714	100,497	164,684	74,378	80,020	5,476	1,259,769
Kemps Bay	746,293	76,917	155,255	115,692	134,508	27,702	1,256,367
Nicholls Town	751,437	81,502	158,920	244,680	218,005	44,459	1,499,002
All Andros	2,332,444	258,916	478,859	434,749	432,533	77,637	4,015,138
Bimini & Berry Islands	917,458	61,389	122,425	64,167	74,505	7,219	1,247,162
Cat Island	543,690	34,881	58,328	115,167	84,211	7,135	843,413
Crooked Island & Acklins	245,150	10,633	34,444	32,005	27,021	8,362	357,616
Eleuthera							
Governors Harbour	1,820,676	178,347	201,014	40,138	93,101	3,784	2,337,062
Harbour Island	977,090	72,242	87,377	8,920	29,004	1,196	1,175,828
Rock Sound	1,153,376	171,446	139,312	95,451	195,389	19,046	1,774,020
Spanish Wells & North Eleuthera	2,289,788	124,946	300,920	99,179	75,292	5,509	2,895,633
All Eleuthera	604,606	74,723	89,142	25,447	22,037	-	8,182,543
Exuma & Ragged Island	2,146,151	198,015	264,282	75,318	135,915	20,295	2,839,976
Grand Bahama	22,923,142	2,931,478	3,164,972	863,459	1,391,346	115,401	31,389,798
Inagua & Mayaguana	604,606	74,723	89,142	25,447	22,037	-	815,955
Long Island							
Grays	1,621,244	124,677	211,117	73,200	138,516	25,972	2,194,726
Simms	388,079	22,244	49,167	15,478	41,712	13,011	529,691
All Long Island	2,009,323	146,921	260,284	88,679	180,228	38,983	2,724,417
New Providence	96,752,003	10,694,585	12,828,292	3,350,828	5,565,263	540,239	129,731,210
San Salvador	308,479	12,428	44,375	37,786	46,697	-	449,765
Total	140,589,731	15,534,254	18,973,017	5,646,585	8,708,295	926,453	190,378,335

Table 10. Industrial Benefit Claims Awarded, 2015

Island/Local Office	Medical Care	Injury Benefit	Disablement Benefit & Grant	Industrial Death	Industrial Funeral	Total
Abaco						
Marsh Harbour	95	96	-	-	-	191
Coopers Town	2	2	-	-	-	4
All Abaco	97	98	-	-	-	195
Andros						
Fresh Creek	-	2	-	-	-	2
Kemps Bay	2	3	-	-	-	5
Nicholls Town	1	7	-	-	-	8
All Andros	3	12	-	-	-	15
Bimini & Berry Islands	9	25	-	-	-	34
Cat Island	-	-	-	-	-	-
Crooked Island & Acklins	1	-	-	-	-	1
Eleuthera						
Governors Harbour	-	6	-	-	-	6
Harbour Island	-	3	-	-	-	3
Rock Sound	1	10	-	-	-	11
Spanish Wells & North Eleuthera	22	29	1	-	-	52
All Eleuthera	23	48	1	-	-	72
Exuma & Ragged Island	24	31	-	-	-	55
Grand Bahama	353	143	4	-	-	500
Inagua & Mayaguana	2	2	-	-	-	4
Long Island						
Deadmans Cay	-	7	-	-	-	7
Simms	3	1	-	-	-	4
All Long Island	3	8	-	-	-	11
New Providence	2,819	1,821	76	1	-	4,717
San Salvador	1	10	-	-	-	11
Total	3,335	2,198	81	1	-	5,615

Table 11. Industrial Benefit Payments, 2015

Island/Local Office	Medical Care	Injury Benefit	Disablement Benefit & Grant	Industrial Death	Industrial Funeral	Total
Abaco						
Marsh Harbour	42,819	124,372	131,773	-	6,252	305,216
Coopers Town	-	4,928	-	-	-	4,928
All Abaco	42,819	129,300	131,773	-	6,252	310,144
Andros						
Fresh Creek	-	473	22,113	-	-	22,586
Kemps Bay	80	1,214	25,610	-	-	26,904
Nicholls Town	-	4,060	19,316	-	-	23,376
All Andros	80	5,747	67,039	-	-	72,866
Bimini & Berry Islands	-	13,535	31,192	-	5,050	49,777
Cat Island	-	3,689	3,148	-	-	6,837
Crooked Island & Acklins	-	-	4,984	-	-	4,984
Eleuthera						
Governors Harbour	648	7,462	31,226	-	10,997	50,333
Harbour Island	-	15,200	18,195	-	-	33,395
Rock Sound	2,727	28,304	18,464	-	3,696	53,191
Spanish Wells & North Eleuthera	6,987	81,737	51,317	-	20,495	160,536
All Eleuthera	10,362	132,702	119,203	-	35,188	297,455
Exuma & Ragged Island	9,896	52,216	52,133	-	-	114,245
Grand Bahama	291,326	325,539	805,746	-	70,577	1,493,188
Inagua & Mayaguana	-	4,299	6,296	-	-	10,595
Long Island						
Grays	-	16,251	28,778	-	3,696	48,725
Simms	-	232	7,620	-	-	7,852
All Long Island	-	16,483	36,398	-	3,696	56,577
New Providence	20,557,145	3,471,810	5,235,929	-	245,935	29,510,819
San Salvador	-	13,944	8,238	-	-	22,182
Total	20,911,628	4,169,265	6,502,078	-	366,698	31,949,669

Table 12. Pensions in Payment at Year-End, 2011 - 2015

Long-term Benefits					
	2015	2014	2013	2012	2011
Retirement Benefit	22,851	22,156	20,915	19,288	18,375
Invalidity Benefit	2,709	2,664	2,537	2,401	2,288
Survivor's Benefit	5,232	5,186	4,936	4,477	4,209
Old-Age Non-Cont. Pension	1,705	1,847	1,975	2,024	2,175
Invalidity Assistance	2,680	2,745	2,695	2,648	2,685
Survivor's Assistance	328	347	394	405	444
Total	35,505	34,945	33,452	31,243	30,176
Industrial Benefits					
Disablement	856	790	734	676	637
Industrial Death	59	63	63	61	69
Total	915	853	797	737	706
All Benefits	36,420	35,798	34,249	31,980	30,882

Table 13. Short-Term Benefits & Assistance, 2011 - 2015

Amount Paid ('000s)					
	2015	2014	2013	2012	2011
Sickness Benefit	\$11,738	\$13,221	\$12,720	\$11,873	\$11,204
Maternity Benefit	\$7,117	\$7,049	\$6,708	\$6,831	\$6,664
Maternity Grant	\$1,487	\$1,448	\$1,423	\$1,481	\$1,487
Funeral Benefit	\$2,951	\$2,800	\$2,613	\$2,487	\$2,459
Unemployment Benefit	\$13,222	\$9,347	\$10,432	\$9,238	7,080
Sickness Assistance	\$0	\$0	\$2	(\$9)	\$1
Total Paid ('000s)	\$36,516	\$33,866	\$33,898	\$31,901	\$28,895
Number of Claims Awarded					
Sickness Benefit	14,730	17,743	17,976	18,233	19,311
Maternity Benefit	3,181	3,184	3,135	3,331	3,446
Maternity Grant	3,099	3,123	3,120	3,270	3,435
Funeral Benefit	1,737	1,627	1,556	1,517	1,557
Unemployment Benefit	7,246	5,418	6,180	6,920	4,884
Sickness Assistance	1	7	3	11	8
Total Awarded	29,994	31,102	31,970	33,282	32,641

Table 14. Long-Term Benefits & Assistance, 2011 - 2015

Amount Paid ('000s)					
	2015	2014	2013	2012	2011
Retirement Benefit & Grant	\$140,590	\$131,243	\$121,872	\$108,488	\$99,735
Invalidity Benefit	\$15,534	\$14,871	\$13,917	\$13,129	\$12,248
Survivor's Benefit & Grant	\$18,973	\$18,216	\$17,596	\$16,888	\$15,287
Old-Age Non-Cont. Pension	\$5,647	\$5,998	\$6,311	\$6,516	\$6,683
Invalidity Assistance	\$8,708	\$8,782	\$8,557	\$8,512	\$8,060
Survivor's Assistance	\$926	\$1,019	\$1,097	\$1,028	\$1,388
Total Paid ('000s)	\$190,378	\$180,130	\$169,350	\$154,561	\$143,401
Number of Claims Awarded					
Retirement Benefit & Grant	1,844	2,094	2,219	1,805	1,802
Invalidity Benefit	206	334	253	270	277
Survivor's Benefit & Grant	669	734	838	842	842
Old-Age Non-Cont. Pension	86	80	119	94	108
Invalidity Assistance	77	147	119	112	138
Survivor's Assistance	31	28	30	48	40
Total Awarded	2,913	3,417	3,578	3,171	3,207

Table 15. Industrial Benefits, 2011 - 2015

Amount Paid ('000s)					
	2015	2014	2013	2012	2011
Medical Care	\$20,912	\$20,355	\$12,070	\$6,843	\$5,886
Injury Benefit	\$4,169	\$3,757	\$2,911	\$1,961	\$1,694
Disablement Benefit & Grant	\$6,502	\$5,623	\$4,121	\$4,187	\$3,577
Industrial Death	\$367	\$345	\$339	\$352	\$386
Total Paid ('000s)	\$31,950	\$30,080	\$19,441	\$13,343	\$11,543
Number of Claims Awarded					
Medical Care	3,335	3,291	3,144	2,945	2,919
Injury Benefit	2,198	2,129	1,943	1,741	1,688
Disablement Benefit & Grant	81	78	82	88	87
Industrial Death	1	1	2	1	4
Industrial Funeral	-	-	-	-	-
Total Awarded	5,615	5,499	5,171	4,775	4,698

