

# NIB2019

## National Insurance Board Annual Report

### **Transformation**

Building a Stronger National Insurance Board  
for a Better Future





**NIB**2019

**National Insurance Board  
Annual Report**





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## Letter to the Minister

December 4, 2020

Honourable Brensil Rolle, M.P.  
Minister of The Public Service and National Insurance  
Poinciana Hill  
New Providence  
Bahamas

Dear Minister Rolle:

RE: THE NATIONAL INSURANCE BOARD'S 2019 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 Members of the Board, 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,

A handwritten signature in black ink, appearing to read 'Troy Smith', written in a cursive style.

Troy Smith, FLMI, HIA (Mr.)

Chairman



# Vision & Mission Statement

## Vision

To be recognised 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 assistances.

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.





## Minister & Board

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**The Honourable Brensil Rolle, M.P.**  
*Minister of Public Service  
& National Insurance*



**Troy Smith**  
*Chairman*



**Geoffrey Stuart**  
*Deputy Chairman*



**Gene D. Albury**  
*Member*



**Gina Sweeting-Moss**  
*Member*



**Michela Barnett-Ellis**  
*Member*



**Charles Sealy**  
*Member*



**Anethera Bowleg**  
*Member*



**Keith Beneby**  
*Member*



**Claretta Duncombe**  
*Member*



**Marcus Grammatico**  
*Member*



**Theresa Mortimer**  
*Member*



## Committees of the Board

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### Operations Committee

Michela Barnett-Ellis - Chairman  
Troy Smith – Member  
Anethera Bowleg – Member  
Gene Albury – Member  
Charles Sealy – Member  
Gina Sweeting-Moss – Member

### Buildings Committee

Geoffrey Stuart – Chairman  
Claretta Duncombe – Member  
Michela Barnett-Ellis – Member  
Marcus Grammatico – Member  
Gina Sweeting-Moss – Member  
Theresa Mortimer - Member  
Anethera Bowleg – Member

### Finance & Audit Committee

Marcus Grammatico – Chairman  
Troy Smith – Member  
Charles Sealy – Member  
Gene Albury – Member  
Keith Beneby – Member

### Human Resources Committee\*

Theresa Mortimer - Chairman  
Michela Barnett-Ellis - Member  
Gina Sweeting-Moss - Member  
Anethera Bowleg - Member

### Investments Committee

Keith Beneby – Chairman  
Geoffrey Stuart – Member  
Claretta Duncombe – Member  
Marcus Grammatico – Member  
Gina Sweeting-Moss – Member  
Theresa Mortimer – Member

### Information Technology Committee

Charles Sealy – Chairman  
Troy Smith – Member  
Theresa Mortimer – Member  
Keith Beneby – Member  
Gene Albury – Member  
Anethera Bowleg – Member

### Tenders and Contract Committee

Troy Smith – Chairman  
Geoffrey Stuart – Member  
Michela Barnett-Ellis – Member  
Claretta Duncombe – Member

*\* The Human Resources Committee was approved for the term January 1, 2019 - June 30, 2019. As of December 31, 2019 there were no appointments to the Human Resource Committee.*



**THE NATIONAL INSURANCE BOARD**  
HEADQUARTERS

THE NATIONAL INSURANCE BOARD  
HEADQUARTERS



## Executive Management Team

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**Dr. Nicola Virgill-Rolle**  
*Director*



**Sonia Gill**  
*Financial Controller*



**Heather Maynard**  
*Legal Officer*



**Whitney Patton**  
*Chief Internal Auditor*



**June Collie**  
*Deputy Director  
Information Technology*



**Stephen Thompson**  
*Assistant Director  
Employer Contributions,  
Compliance & Enforcement*



**Cyprianna Bethel**  
*Deputy Director  
Talent Management and  
Capacity Development*



**Rhonda Thurston-Ingraham**  
*Assistant Director  
Core Services, Claims and Benefits*



**Phaedra Mackey-Knowles**  
*Deputy Director  
Corporate Risk and Investments*



**Jeffrey Moncur**  
*Assistant Director  
Core Services, Claims and Benefits*



**Dr. Patrick Whitfield**  
*Medical Officer*



**Tami Francis**  
*Assistant Director  
Analytics, Research and Actuarial  
Services*



**Charles Farquharson**  
*Consultant  
NIB Services  
(Buildings & Facilities)*



**Yvette Sands**  
*Assistant Director  
Board Relations and Delivery Unit*



## Chairman's Report

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The year 2019 is one in which both the capabilities and compassion of the National Insurance Board were tested and proved worthy. Despite the horrendous economic and emotional impact of Hurricane Dorian detailed in this and other sections of the Annual Report, 2019 was a landmark year for the National Insurance Board. We consummated the Union of Public Officers industrial agreement in record time. We invested heavily and made tremendous leaps in communication and technology, and advanced the criterion and sustainability of the National Insurance Fund.

In early 2019, we invested hundreds of thousands of dollars in information and communication technology. We were investing in the future, knowing that the move from paper to electronic claims, data and communications would be needed. During the first week of September and the weeks and months that followed in the aftermath of Hurricane Dorian, we learned just how important that investment would be.

The investment in the most sophisticated technology allowed us to process and track claims faster than ever before at a time when beneficiaries were most in need. In areas of Abaco and Grand Bahama where traditional telephone service was interrupted, or where dangerous conditions made roads impassable, online processing continued. NIB Headquarters and offices with the capability of receiving and disseminating information became lifelines when other communications systems failed or were inaccessible.

NIB's resilience shone through.

Even before that piercing event, we were mindful of how important management of the National Insurance Fund, the foundation that allows us to sustain the social safety net of The Bahamas, was. Thus, for much of the year, our focus was on the sustainability of the Fund, ensuring that its financial health is hearty, its investments sound and its future secure regardless of the unexpected or unpredictable.

In 2019, we saw the strength of the Fund. You will see in the audited financial report the depth and breadth of our investments in stable annuities and conservative US securities to counterbalance fluctuations in our local market investments. Those fluctuations were especially volatile in 2019 with two companies making financial adjustments that resulted in short-term NIB revenue loss from each.

Specifically, as a substantial shareholder in Cable Bahamas, NIB Investment Portfolio experienced a reduction in value due to a strategic move by Cable Bahamas to buy back shares of its Florida-based operation. Another reduction in NIB's revenue was experienced when Nassau Airport Development (NAD) refinanced its bonds from the original loan rate of 13.0% to a realistic 7.5% at current market value.

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*“Despite the horrendous economic and emotional impact of Hurricane Dorian detailed in this and other sections of the Annual Report, **2019 was a landmark year for the National Insurance Board.**”*

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However, NIB's position in equity investments remained strong and showed an \$18.8 million gain while liabilities declined year-over-year, as a result of balanced and thoughtful investment decisions. We continue to fund investment opportunities to help energise development and performance of those enterprises in which we play a non-executive role.

It was with great foresight that our forefathers who penned the National Insurance Act legislation and regulations saw fit to mandate a thorough actuarial review every five years. This year, 2019, is the time for that review. Based on key factors including the growing aging population, the oft-documented brain drain and dependency on a fragile tourism-based economy, we considered all the options and every prospective consequence, including both micro- and macro-economic impacts.

It is important to note that while NIB investments in Abaco, including the clinic and government complex which NIB built and leased to government, were impacted by Hurricane Dorian, those investments were well insured.

As we look toward 2020, we do so with a confidence that the improvements we have made within the National Insurance Board in information technology and communications, in advancing electronic processes and reducing wait time for enrolment in long-term benefits, in fund management, human resources and in building teamwork and morale will serve us and the people of The Bahamas well.

On a personal note, I thank the Government and the People of The Bahamas for allowing me the honour of serving in this essential role and pledge to continue to guide The National Insurance Board toward a secure, stable and sophisticated institution serving every Bahamian and resident in the most efficient and courteous manner possible.



# Report on Operations

## Contributions

Total contributions for 2019 stood at \$287.1 million, up 1.1% over 2018. This represents an increase of \$3.2 million, a favorable growth which management hopes to sustain. This level of growth was achieved despite the fall off in contributions from the islands of Grand Bahama and Abaco, due to the devastation caused by Hurricane Dorian in September, which left thousands of residents unemployed and displaced. Contributions for these two islands declined by \$4 million compared to the 2018 level.

The increase in contributions for the year can be attributed to an increase in the new registered active contributors and various public relations and compliance initiatives, which worked collectively to raise public awareness and to target those employers with large outstanding contributions arrears. As a result of these efforts, a number of arrears matters were addressed.

## Benefits and Assurances

Benefit and Assistance payments include short-term benefits, pensions and industrial benefits and amounted to \$311.6 million, representing a \$19.8 million increase over the \$291.8 million in payments disbursed for 2018. Payment of claims accounted for 85% of the Fund's total expenditures due to a significant increase of \$16.0 million (or 6.9%) in funds paid out to pensioners, the fastest growing group of claimants.

Short term benefits (Sickness, Maternity, Funeral and Unemployment) totalled \$41.9 million, up \$4.6 million (12.3%) from the previous year's \$37.3 million. Industrial Benefits declined slightly by 2.6% to \$23.3 million.

## Investments

Investment risk tolerance for 2019 was conservative with a focus on income and capital appreciation. With the Fund heavily invested in The Bahamas, (government and quasi-government entities, local private entities and more) the strategy for 2019 was to continue to increase equities and securities but further diversify the Fund by building the US dollar portfolio. Investment Income totalled \$68.5 million compared to \$66.6 million in 2018, representing an increase of \$1.9 million. This net increase is largely the result of the following:

- A decrease in income on bonds of \$3.8 million due mainly to the reduction in the interest rate from 13% to 7.5% on the Nassau Airport Development debt securities.
- A decrease in dividend income of \$1.7 million.

- An increase in unrealised gains on equity investments and mutual funds of \$2.3 million.
- A reduction in the amount recorded for loss from associates of \$6.6 million. For Cable Bahamas, a loss of \$3.2 million was recorded for 2019 compared to a \$9.8 million loss in 2018. The \$3.2 million brought the asset balance to zero.
- A reduction of \$1.6 million in interest income on finance leases due to minimal penalty interest charges being assessed in 2019 as a result of timely lease payments by the Government.

## Administrative Expenses

Administrative expenses were reasonably contained totalling \$51.7 million, up 3.8% or \$1.9 million over the previous year's \$49.8 million in expenses. Of the increase, \$1.1 million related to staff benefits (i.e. pension, salaries, group insurance, etc.). Slight increases were reflected in "Other Expenses" including the cost for consultancy fees, VAT, training & scholarships and travel & transportation.

## Operational Performance

2019 was adversely impacted by the devastation caused by hurricane Dorian. Despite this, NIB continued to make sound financial investments and improve operational performance (i.e. aggressively pursuing the collection of outstanding contributions, transitioning to electronic submission of claims to reduce processing time, effectively maintaining a healthy level of reserves, etc.) The table below provides results for key performance indicators for NIB's finances in 2019, with comparative figures for 2018.

Performance Indicators	2019	2018	% change
Total Net Contribution Income	\$287.1 m	\$283.9 m	1.1%
Investment Income	\$68.5 m	\$66.6 m	2.9%
Benefits Expenditure	\$311.6 m	\$291.8 m	6.8%
Administrative Expenditure	\$51.7 m	\$49.8 m	3.8%
(Deficiency)/Excess of Income over Expenditure	-\$8.5 m	\$6.4 m	-232.8%
Total Comprehensive Income/(Loss)	-\$4.6 m	\$1.9 m	-342.1%
Year-end Reserves	\$1,733 m	\$1,738 m	-0.3%
Year-end Investments	\$1,455 m	\$1,444 m	0.8%
Yield on Investments	4.0%	3.7%	8.1%
Administrative Expenditure as % of Contribution Income (Gross)	17.8%	17.5%	1.9%

## Registration

The total number of employers and self-employed persons registered for 2019 increased by 1,621 resulting in a 14.1% improvement over 2018 spanning across the islands of Abaco, Andros, Bimini, Exuma & Ragged Island, Grand Bahama, Inagua & Mayaguana, New Providence and San Salvador.

The number of insured individuals registered for 2019 totalled 8,909, which was 411 less than 2018. Among this number, 1,982 were active insured registrants (i.e. those individuals registered as first time employees), and 6,927 were inactive accounts (i.e. persons registering for purposes other than employment). The number of new active insured registrations represents a 17.6% positive increase over 2018, while inactive insured persons declined by 9.3%.

## Claims Received

A total of 41,693 claims were received, with the majority (30,578) representing short-term claims. Both long-term and industrial claims experienced a slight decrease.

## Claims Awarded

More long-term and short-term claims were awarded in 2019 compared to 2018, totalling 3,464 and 27,654 respectively, with another 5,899 awarded for industrial cases. With the hiring of additional claims officers, the backlog of claims cases were reduced.

## Pensions

The number of contributory pensions (Retirement, Invalidity and Survivor's benefits) increased by 1,350 persons for 2019 while non-contributory (Old-Age, Invalidity and Survivor's assistance) reflected a slight decline of 164 persons. Contributory pension and grant payments totalled \$232.1 million while non-contributory payments totalled \$14.4 million. A total of 41,802 persons were receiving monthly pension by year-end 2019.

Long-term Payments	2019	2018
Retirement Benefit & Grant	\$195.3 m	\$179.4 m
Invalidity Benefit	\$14.5 m	\$14.9 m
Survivors Benefit & Grant	\$22.3 m	\$21.6 m
Old-age Non-contributory Pension	\$5.1 m	\$5.2 m
Invalidity Assistance	\$8.7 m	\$8.7 m
Survivors Assistance	\$0.6 m	\$0.7 m
Total	\$246.5 m	\$230.5 m

Pension Benefits/Assistance Payments	2019	2018
Retirement Benefit	27,747	26,538
Invalidity Benefit	2,797	2,794
Survivors Benefit	5,788	5,650
Old-age Non-contributory Pension	1,438	1,542
Invalidity Assistance	2,523	2,571
Survivors Assistance	204	216
Disablement	1,264	1,173
Death	41	50
Total	41,802	40,534

## Prosecutions

In 2019, 744 prosecutions were handled in the Magistrates' Courts. Of this number, 241 represented new cases that were approved by the Board for prosecution. A total of 168 cases were settled and the remainder represented ongoing cases initiated in previous years. A total of \$432 thousand was collected under Instalment Agreements during 2019.

## Appeals

A total of 7 cases were sent to the Appeal Tribunal which met three times in 2019.

## Late Claims

A total of 1,762 Late Claim cases were reviewed and considered.

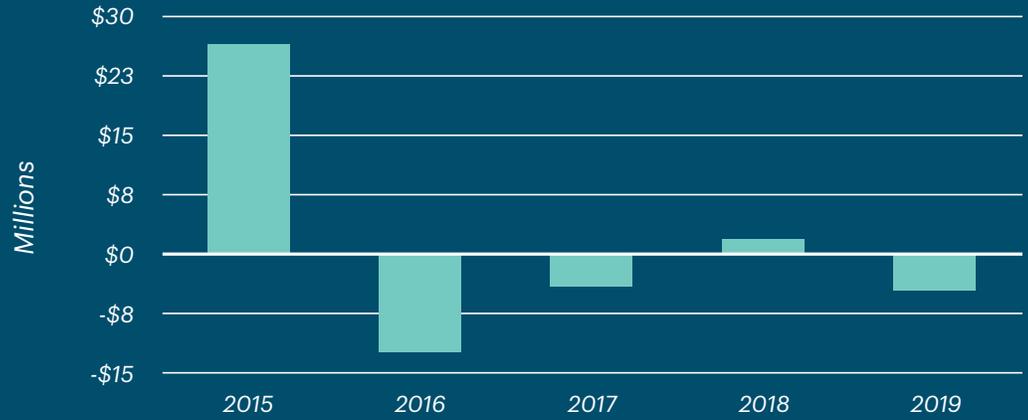
## National Prescription Drug Plan

The National Prescription Drug Plan (NPDP) continued its efforts to closely monitor the various groupings of beneficiaries, to ensure eligibility, equal access, and proper utilisation of the Plan. The Plan saw an increase of 2,002 registrants bringing the overall total number of beneficiaries to 32,856 by December 31, 2019. The top three registered beneficiaries are Retirees, Government Employees and Under 18 groups.

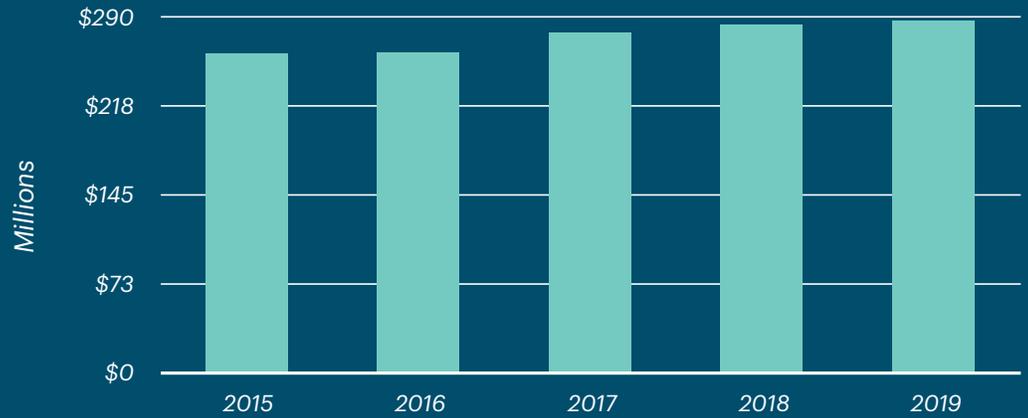
Due to closure of some facilities in Grand Bahama and Abaco as a result of Hurricane Dorian, there are currently 74 participating pharmacies in the Drug Plan: 44 private pharmacies and 30 public pharmacies.

The NPDP provides medications and supplies for 20 chronic conditions with hypertension, diabetes, and high cholesterol being the most prevalent non-communicable diseases. In 2019, a total of \$13.2 million was paid to private pharmacies for medications and supplies with \$292.9 thousand paid on behalf of public pharmacies.

**Total Comprehensive Income/(Loss)**



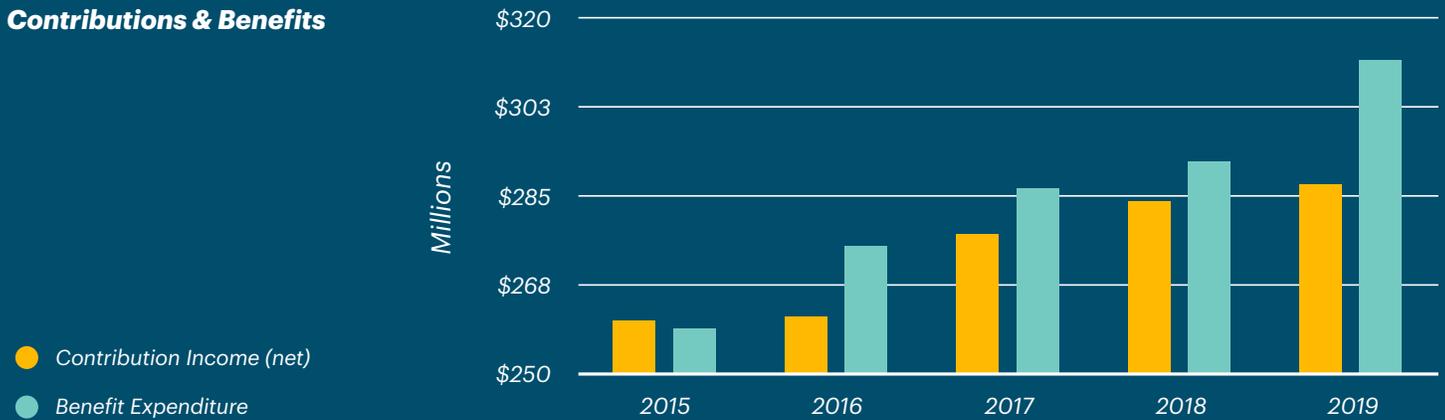
**Contribution Income**



**Benefit Expenditure**



**Contributions & Benefits**





# Around the Board

## 1. Improving Customer Service Delivery

### Strategic Plan

Over the years, NIB has embarked on numerous reform strategies to realign organisational needs and reflect socioeconomic changes in society. Through various efforts to reform and evolve, NIB has embraced opportunities to gradually transition its operations from manual to progressively increase digitised processes. It has become evident that more robust and coordinated efforts are required to reposition NIB as a world-class organisation. Therefore, a five-year strategic plan aimed to directly address and overcome the challenges and needs of the current business operations at NIB; while preparing NIB for its future was developed. The strategies outlined in the Strategic Plan will ensure that NIB fully meets its promise to the Bahamian people as the primary social security institution in the country and the commitments made to its employees to provide a safe, healthy and productive work environment. Our five-year Strategic Plan: Towards World Class Sustainable NIB is built on the foundation of four key goals:

- ▶ Strategic Goal 1: Providing Exceptional Customer Service
- ▶ Strategic Goal 2: Developing Talented and Motivated Employees
- ▶ Strategic Goal 3: Ensuring the Health of the Fund for Generations to Come
- ▶ Strategic Goal 4: Improving the Governance of NIB

Along with these four strategic goals, nine action items were identified to be accomplished between 2019 -2020. These are:

- ▶ Action Item 1: Answering Calls
- ▶ Action Item 2: Reducing Wait Time for Claims and Benefits
- ▶ Action Item 3: Using a Smart Approach to Compliance
- ▶ Action Item 4: Improving Customer Service – Increase Training, Increase Staffing
- ▶ Action Item 5: ESS Portal Rollout-Contributions Payment Online
- ▶ Action Item 6: Reducing Backlog for Occupational Health and Safety Unit Cases
- ▶ Action Item 7: Speeding up Smart Card Issuance
- ▶ Action Item 8: Preventative Maintenance of NIB Buildings
- ▶ Action Item 9: Employee Health Wellness Program

## Delivery Unit

The National Insurance Board's Delivery Unit was established in January 2019 to assist with improving the organisation's service delivery through transformational change and to achieve the following four goals:

- i. Track progress for the achievement of organisational priorities
- ii. Promote optimal visibility of performance results
- iii. Nurture a high performance culture and effective service throughout the organisation
- iv. Introduce catalytic initiatives to quickly unblock obstacles to service delivery

The Delivery Unit would also be instrumental to ensuring that the goals and action items of the Strategic Plan are executed.

## Core Operations

- **Hurricane Dorian**

After the harrowing experience of Hurricane Dorian in September, team members led by executives and managers performed herculean tasks to provide relief and services to the residents of Grand Bahama and Abaco. Compassion undergirded the fourth quarter's activity with staffers working whatever hours it took and going to every length they could to help provide support.



The Department of Labour (DOL) was on-site at NIB's headquarters to assist persons who were unemployed as a result of the storm. This partnership made it convenient to register with the DOL and file for the NIB unemployment benefit at the same location thus expediting the process.

Early pension payments were also made for the month of September.

The process for replacement of the National Insurance smart cards was simplified with the requirement for a police record, necessary for a lost or stolen card, removed and the replacement card fee waived for residents in the affected islands. Application forms were made available at all shelters throughout New Providence and were collected daily, processed and the replacement cards delivered within 48 hours for Bahamian registrants who were already in receipt of a smart card. This service was also available for non-Bahamians who previously had smart cards and where relevant current documents exist in NIB's system (such as permit expiration dates). Registrants, including children, who were never issued a smart card were required to visit a NIB office and provide the necessary documents.

*Central Benefits department processes and distributes pension cheques early to place money in the hands of those who may need it to support their families after Hurricane Dorian devastates the islands of Grand Bahama and Abaco, leaving many jobless and without basic necessities.*

- **Call Centre**

In 2019, the new Avaya system was chosen, approved and implemented. The new upgrade of the Contact Centre would improve the customer experience by improving efficiencies and increasing communication channels. In 2019, the Call centre averaged some 27,000 calls per month; which brings the total for 2019 to 324,000 for the year.

## 2. Administration and Business Support

### Information Technology

The restructuring of the IT department was a deliverable of the V3 Stabilisation Project which was first introduced in 2017. It is envisioned that NIB will have the IT support and leadership that is necessary to successfully chart the technology vision and make NIB a customer-centric organisation with information technology as the enabler. The Information Technology and Communications department had four strategic goals in 2019:

- i. Continuation of projects to stabilise the insurance management system. This focused on addressing the system defects and needed upgrades to IT systems and infrastructure.
- ii. Strategic software upgrades and implementation of projects aimed to resolve the performance, stability and availability issues for core functions across the Board.
- iii. Design, development and implementation of the Disaster Recovery Data Centre along with infrastructural challenges being addressed in the Production Environment resulting in the stabilised IT environment required to make NIB's digital transformation possible.

- iv. Maximise technology and infrastructure to transform organisational processes that impact the way we make decisions.

- **ESS Portal**

The hugely anticipated Employers Self Service (ESS) portal pilot programme launched by NIB Director Dr. Nicola Virgill-Rolle onboarded 30 employers eager for a first-hand view of how the online portal would simplify the process of submitting C10 statements, adding employees to rosters and making online payments. The roadshow continued with an informational session hosted by the Bahamas Chamber of Commerce and Employers' Confederation giving its members the opportunity to sign-up for the pilot programme.

### Actuarial and Research Services

In 2019, the Actuarial & Research Services Department was renamed the "Analytics, Research & Actuarial Services Department" which continued to carry out its primary functions of actuarial services, statistical reporting, data collection and analysis internally and externally.

With the catastrophic landfall of Hurricane Dorian on the islands of Abaco and Grand Bahama in September 2019, the department was called upon to provide revised financial and actuarial estimates regarding both contribution income and benefit payments to determine the level of impact Hurricane Dorian would have on economic activity in the islands. Projections were provided on the anticipated increase in Unemployment Benefit claims and expected decrease in contributions for eligible individuals employed prior to the hurricane.



Representatives from the National Insurance Board and the Bahamas Chamber of Commerce and Employers Confederation (BCCEC) photographed after the successful roll-out of NIB's Employer Self Service portal at BCCEC's popular Power Breakfast.

In August 2019, the department released a Request for Proposal (RFP) as a public tender to seek proposals from qualified actuaries or actuarial consulting firms to conduct the 11th Actuarial Review of the National Insurance Fund (NIF) for the period ending December 31, 2018. Section 48. (1) of the National Insurance Act mandates that a review on the operation of the Act be conducted at least once every five years. After the bidding process, the International Labour Organization (ILO) was selected to conduct the review. The Review is expected to be completed in 2021.

### Internal Audit

The Internal Audit Department (IA) continued to help the Board accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes through the implementation of a risk-based audit plan. One of the department's key accomplishments in 2019 was the finalisation of an Enterprise Risk Assessment (ERA). Using this ERA process, IA developed its annual risk-based audit plan to determine its priorities for the ensuing year, consistent with the Board's goals and objectives.

### Talent Management and Capacity Development

- **Training and Development**

The Human Resource department's name was changed to Talent Management and Capacity Development Department (TMCD). This name change reflected the department's focus on Strategic Action goal 2 of Developing Talented and Motivated staff. As such, emphasis was placed on providing opportunities for on

the job training, professional development certifications, both locally and internally, for soft, technical and management skills for team members.

- **In-house Training**

Staff participated in Fraud Training, Customer Service Training, Claims' Officers Training and KRONOS Time and Attendance Training.

- **Local Education Training and Development**

Staff attended the University of The Bahamas, Omega College, Bahamas Baptist Community College and Bahamas Technical Vocational Institute and achieved Bachelor Degrees in Management, Masters of Science Degrees in Occupational Safety Management, Associates Degrees in Public Administration and Associates Degrees in Office Procedures. Certifications were achieved in another 12 specialty courses.

- **International Training**

Staff from the Information Technology Department attended the V3 Connect User Conference in Orlando, Florida; VMARE Conference in San Francisco, California; Gartner CIO Leadership Forum in Phoenix, Arizona and Gartner Data & Analytics Summit in Orlando, Florida.



*The National Insurance Board hosts rigorous Claims' Officer training where successful candidates, knowledgeable about the National Insurance programme and claims adjudication, will be selected to assist with customer service delivery of benefits and assistances claims.*



*NIB representatives at the 30th Meeting of the Heads of CARICOM Social Security Organisations.*

- **International Conferences**

- 30th Meeting of the Heads of CARICOM Social Security Organisations

The 30th Meeting of the Heads of CARICOM Social Security Organisations was held July 16-17, 2019 in Guyana. Representing the Board at this meeting were Tami Francis, Assistant Director, Actuarial Services; Yvette Sands, Assistant Director, Board Relations and Delivery Unit and Roshan Miller, Manager, Office of the Director.

- International Social Security Association – World Social Security Forum

The Board was also represented at the 119th Meeting of the International Social Security Association (ISSA) Bureau World Social Security Forum in Brussels, Belgium, October 14-18, 2019. The meeting was held to discuss and share solutions regarding social security challenges faced by members representing different geographical regions of the world.

- Staff / Managers’ Meeting

The use of technology allowed far greater inclusion across the nation with all Family Island offices participating in one or more of a series of strategic planning meetings. Each meeting was live streamed and the level of participation demonstrated the value of engagement resulting in worthwhile recommendations and suggestions incorporated as appropriate.

- **Union Agreement and Partnership**

- New Industrial Agreement

The Board and the Union of Public Officers concluded negotiations for a new Industrial Agreement for the period January 1, 2019 to December 1, 2023.

- Gardening Initiative

The Director’s office partnered with the Union of Public Officers in the planting of the Northern Garden at NIB’s headquarters on Baillou Hill Road. This activity promoted team-building as well as beautification of the grounds.

- **Employee Relations**

- Hurricane Dorian

TMCD supported staff in Abaco and Grand Bahama following the passage of Hurricane Dorian. Staff were relocated to New Providence and other Family Islands. They were provided with food, clothing and shelter in addition to counselling and financial aid, lump sum cash assistance and were afforded loans with repayments being deferred.

- Civic Involvement

NIB continues to support youth development programs. In 2019, NIB was a corporate sponsor of the National Junior Achievement Program which involved 13 staff members volunteering as Advisors for the program. Twenty-one Achievers participated. Additionally the Board facilitated its Annual Summer Student work experience program partnering with St. John’s College and Anatol Rodgers High School.

- Basketball Tournament

The NIB Kings participated in the Bahamas Governmental Department Association Basketball tournament from June to August 2019.



*Two young participants of NIB’s job experience summer programme work the front desk, at NIB’s headquarters on Baillou Hill Road, assisting customers while learning first hand about the benefits of the country’s social security programme.*

## Public Relations

- **Business Outlook**

The Long Island and Exuma Business Outlooks provided additional forums for Director Dr. Nicola Virgill-Rolle and Assistant Director Tami Francis, respectively, to present to business communities on those islands.

- **Town Meeting and Speakers Bureau**

An open forum Town Meeting was held at the Ladies Friendship Centre in Gray's Long Island to address questions from residents. Director Rolle opened with a welcome to the residents of Long Island. Compliance Manager, Rochelle Rolle, presented on the Employers Self Service portal and Pandora Butler, Chief Manager, Director's Office, presented on services at the National Insurance Board.

- **45th Anniversary**

October was a month filled with activities to celebrate the 45th Anniversary of the Board. First on the calendar was Customer Appreciation Day during which clients visiting any facility in New Providence or the Family Islands were welcomed by staff and greeted with treats and prizes. Customers were also able to provide valuable feedback through the newly introduced customer service kiosks stationed within the foyer.

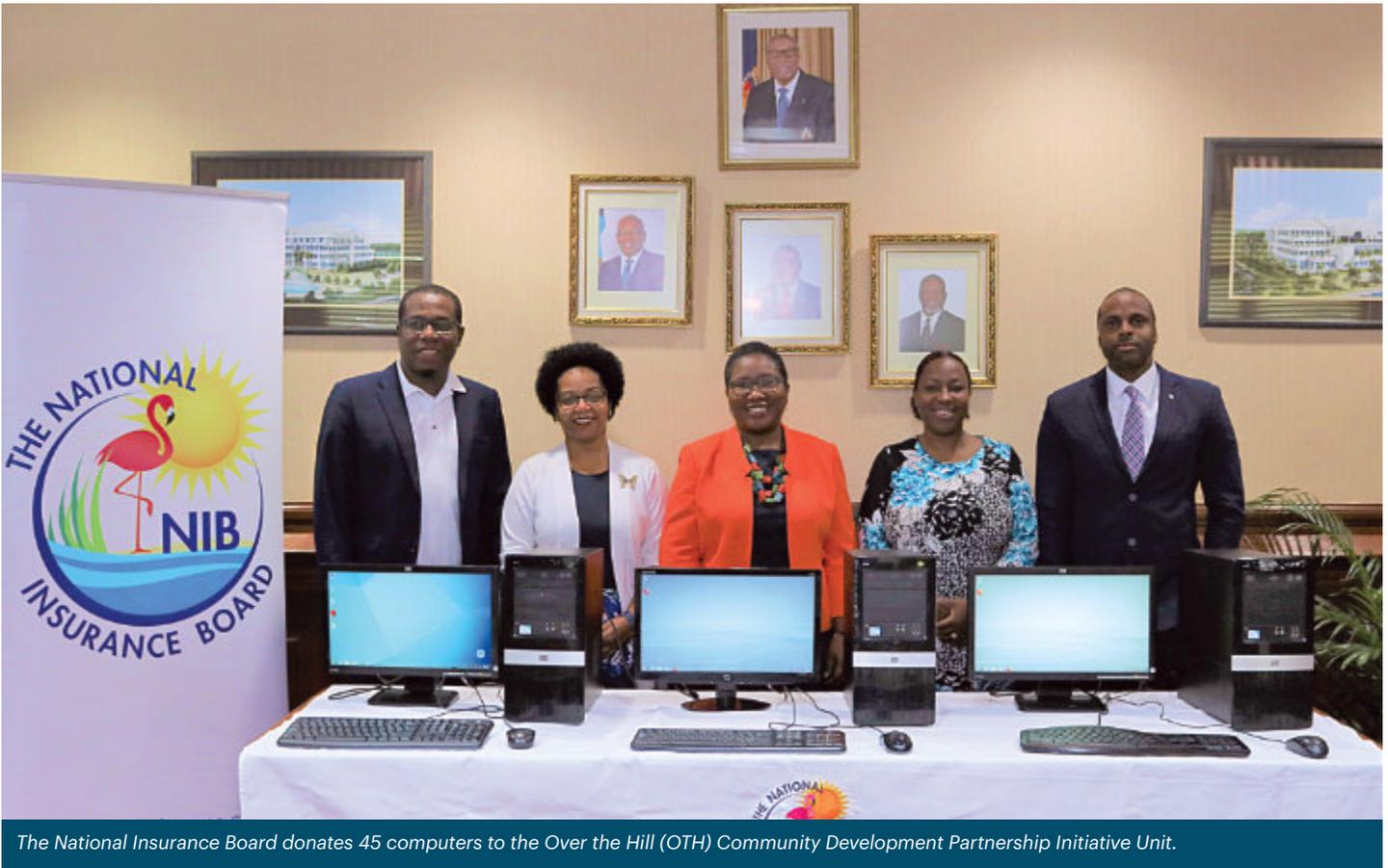
Staffers then took celebrations into the community as they got to spend time, bring cheer and share a meal with senior citizens at 10 homes in New Providence, Grand Bahama and Andros. The culminating event was a church service at Christ Church Cathedral in New Providence with Family Island staff attending services within their communities.



*Customer enjoying treats available at Customer Service Day to celebrate 45 successful years of social security delivery in The Bahamas.*



*NIB Board Members, Executives and staff photographed in the gardens at Christ Church Cathedral following a service of praise and thanksgiving to commemorate NIB's 45th anniversary.*



- **Over-the-Hill Computer Donation**

In recognition of its 45th Anniversary, the Board donated 45 computers to the Over-the-Hill (OTH) Community Development Partnership Initiative. The donation of the computers demonstrated NIB's commitment to community outreach empowerment initiatives and the Board's support for social independence programs.

### **Buildings and Facilities**

- **Bimini Government Complex**

In 2019, the project to complete the final stage of construction for the Bimini Government Complex restarted. The building will house the Island Administrator's Office, the Post Office, the Department of Immigration, the Customs Department, Magistrate's Court and the NIB Local Office.

- **Impact of Hurricane Dorian on Family Island Local Offices**

In Abaco, the Cooper's Town office suffered extensive damage forcing closure while the Marsh Harbour office was used as a shelter. In Grand Bahama, the first floor of the National Insurance Complex, which housed the Freeport local office, was completely flooded. Additionally, the High Rock Sub-Office was totally destroyed as the building it was housed in was flattened.

- **Digitisation of NIB's Bidding Process**

On a high note, NIB was the first Government organisation to utilise the Electronic Procurement (E-Procurement) portal which plunged the Board into the digitalisation of its bidding processes. This meant that contracts out for tender would have an even greater level of fairness and transparency as well as aid in the modernisation and ease of doing business.



# Consolidated Financial Statements



## Independent auditors' report

To the Government of the Commonwealth of The Bahamas

### **Our opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The National Insurance Fund and its subsidiary (together 'the Fund') as at December 31, 2019, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

### ***What we have audited***

The Fund's consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2019;
- the consolidated statement of comprehensive (loss)/income the year then ended;
- the consolidated statement of changes in reserves for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report.

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

### ***Independence***

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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### **Other information**

Management is responsible for the other information. The other information comprises the 2019 Annual Report (but does not include the consolidated financial statements and our auditors' report thereon).

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the 2019 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



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**Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, 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.

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

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

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**Auditors' responsibilities for the audit of the consolidated financial statements**

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

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

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



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

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**Other Matter**

This report, including the opinion, has been prepared for and only for the Government of the Commonwealth of The Bahamas in accordance with the terms of our engagement letter and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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*PricewaterhouseCoopers*  
**Chartered Accountants**  
**Nassau, Bahamas**

**December 4, 2020**

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

**Consolidated Statement of Financial Position**  
**As at December 31, 2019**  
(Expressed in Thousands of Bahamian dollars)

	Notes	December 31, 2019	December 31, 2018
		\$	\$
<b>ASSETS</b>			
Cash on hand and at banks	4	35,062	49,988
Receivables and advances	5	134,212	147,489
Prepaid expenses and deposits		<u>1,163</u>	<u>874</u>
		<b><u>170,437</u></b>	<b><u>198,351</u></b>
<b>Investments</b>			
Equity securities	6	<u>136,038</u>	<u>127,907</u>
Sovereign			
Bahamas Government registered stocks	7(a)	544,942	526,329
Bahamas Government B\$ notes	7(b)	4,268	5,690
Bahamas Government treasury bills	7(c)	1,633	1,592
Bahamas Government US\$ notes	7(d)	30,248	30,246
United States of America US\$ treasury notes	7(e)	51,421	46,833
Government of Barbados US\$ bonds	7(f)	2,921	3,446
Government of the Cayman Islands US\$ bonds	7(g)	-	2,511
Government of Trinidad & Tobago US\$ bonds	7(h)	<u>2,077</u>	<u>2,087</u>
		<b><u>637,510</u></b>	<b><u>618,734</u></b>
Corporate			
Certificates of deposit	7(i)	142,908	143,078
Bahamas Mortgage Corporation bonds	7(j)	95,893	95,900
Nassau Airport Development Company Limited debt securities	7(k)	88,293	89,855
Education Loan Authority bonds	7(l)	46,205	46,486
Bahamas Development Bank bonds	7(m)	37,761	37,649
Bahamas Power and Light Company Limited bonds	7(n)	25,888	25,884
Preference shares	7(o)	16,000	17,714
Clifton Heritage Authority bonds	7(p)	7,993	7,993
Latin American Investment Bank (Bahamas) Ltd. bonds	7(q)	3,503	3,503
Loans to Bahamas Government entities	7(r)	27,239	28,844
Long-term deposits	7(s)	7,758	7,472
Bridge Authority bonds	7(t)	1,856	2,826
Fidelity Bank (Bahamas) Limited notes	7(u)	818	1,830
The College of The Bahamas redeemable term notes	7(v)	1,292	1,477
Public Hospital Authority bonds	7(w)	9,455	10,131
Be Aliv notes	7(x)	1,000	1,000
Citigroup Funding Inc notes	7(y)	3,003	3,092
Corporate US\$ bonds	7(z)	<u>6,561</u>	<u>7,621</u>
		<b><u>523,426</u></b>	<b><u>532,355</u></b>
		1,160,936	1,151,089
Allowance for expected credit losses	23	<u>(10,248)</u>	<u>(11,999)</u>
		<u>1,150,688</u>	<u>1,139,090</u>
Net investment in finance leases	8	165,185	170,325
Investment property	9	3,101	3,101
Investments in associates	10	-	3,186
		<u>168,286</u>	<u>176,612</u>
<b>Total investments</b>		<b><u>1,455,012</u></b>	<b><u>1,443,609</u></b>

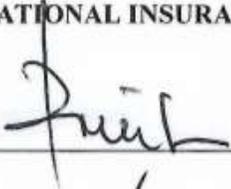
The accompanying notes are an integral part of these consolidated financial statements.

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

**Consolidated Statement of Financial Position**  
**As at December 31, 2019**  
 (Expressed in Thousands of Bahamian dollars)  
 (Continued)

	Notes	December 31, 2019	December 31, 2018
		\$	\$
<b>ASSETS (Continued)</b>			
Computer software	11	11,152	11,544
Property, plant and equipment	12	98,513	100,160
Construction in progress – finance leases	13	80,651	69,804
		<u>190,316</u>	<u>181,508</u>
<b>TOTAL ASSETS</b>		<b><u>1,815,765</u></b>	<b><u>1,823,468</u></b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	14	10,952	8,997
Staff pension fund	15	54,805	61,910
Accrued benefits payable		<u>17,125</u>	<u>15,043</u>
<b>TOTAL LIABILITIES</b>		<b><u>82,882</u></b>	<b><u>85,950</u></b>
<b>RESERVES</b>			
Short-term benefits	30	168,481	146,419
Pensions	30	1,403,473	1,426,967
Industrial benefits	30	60,207	64,646
Medical benefits	30	89,003	88,727
Disablement and death benefits	30	11,143	10,183
Fidelity bond	30	<u>576</u>	<u>576</u>
<b>TOTAL RESERVES</b>		<b><u>1,732,883</u></b>	<b><u>1,737,518</u></b>
<b>TOTAL LIABILITIES AND RESERVES</b>		<b><u>1,815,765</u></b>	<b><u>1,823,468</u></b>

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

  
 \_\_\_\_\_  
 Chairman

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Financial Controller

October 29, 2020  
 Date

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

**The National Insurance Fund**

**Consolidated Statement of Comprehensive (Loss)/Income  
For the Year Ended December 31, 2019  
(Expressed in Thousands of Bahamian dollars)**

	Notes	2019 \$	2018 \$
<b>INCOME</b>			
<b>Contributions</b>			
Employers		166,986	166,049
Insured persons		116,110	111,526
Self-employed persons		6,870	8,010
Voluntarily insured		<u>5</u>	<u>5</u>
		289,971	285,590
Refund of contributions		(729)	(779)
Allowance for expected credit losses - contributions	23	<u>(2,111)</u>	<u>(872)</u>
<b>Total net contributions</b>		<b>287,131</b>	<b>283,939</b>
Income from investments	17	68,484	72,799
Income from property	18	3,223	3,604
Share of losses of associates	10	(3,186)	(9,788)
Other income		<u>2,273</u>	<u>2,323</u>
<b>TOTAL INCOME</b>		<b><u>357,925</u></b>	<b><u>352,877</u></b>

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

## The National Insurance Fund

### Consolidated Statement of Comprehensive (Loss)/Income For the Year Ended December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

	Notes	2019 \$	2018 \$
<b>EXPENDITURE</b>			
<b>Benefits expenditure</b>			
Short-term		41,868	37,308
Pensions		246,470	230,512
Industrial		15,166	15,820
Disablement and death		<u>8,136</u>	<u>8,113</u>
<b>Total benefits expenditure</b>		<u><b>311,640</b></u>	<u><b>291,753</b></u>
<b>Administrative expenditure</b>			
Staff salaries, allowances and benefits	22	38,224	37,077
Expenses of the Board of Directors		183	170
Amortisation	11	979	1,211
Depreciation	12	1,866	1,630
Other administrative expenses	21	<u>10,427</u>	<u>9,735</u>
<b>Total administrative expenditure</b>		<u><b>51,679</b></u>	<u><b>49,823</b></u>
(Recovery)/provision for expected credit losses	23	<u>(800)</u>	<u>1,160</u>
<b>Expenditure of the medical benefits branch</b>			
Administrative expenditure		697	658
Depreciation	12	<u>3,191</u>	<u>3,120</u>
<b>Total expenditure of the medical benefits branch</b>		<u><b>3,888</b></u>	<u><b>3,778</b></u>
<b>TOTAL EXPENDITURE</b>		<u><b>366,407</b></u>	<u><b>346,514</b></u>
<b>(DEFICIENCY)/EXCESS OF INCOME OVER EXPENDITURE</b>		<u><b>(8,482)</b></u>	<u><b>6,363</b></u>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that will not be reclassified subsequently to income</i>			
Remeasurement of the defined benefit obligation		3,684	(4,576)
Unclaimed benefits		<u>163</u>	<u>85</u>
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME</b>		<u><b>(4,635)</b></u>	<u><b>1,872</b></u>

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, 2019 (Expressed in Thousands of Bahamian dollars)

	Notes	Short-term		Pensions		Industrial		Medical		Disability and Death		Fidelity Bond		Total	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>INCOME</b>															
Total net contributions		71,783	70,984	192,378	190,239	21,535	21,296	1,435	1,420	-	-	-	-	287,131	283,939
Income from investments		1,553	1,075	65,542	69,915	1,401	1,693	49	12	139	104	-	-	68,484	72,799
Income from property		-	-	1,111	1,493	-	-	2,112	2,111	-	-	-	-	3,223	3,604
Share of losses of associates		-	-	(3,186)	(9,788)	-	-	-	-	-	-	-	-	(3,186)	(9,788)
Periodically payable (disability and death benefits transferred from income and expenditure account of industrial benefits branch)	19	-	-	-	-	-	-	-	-	8,957	14,912	-	-	8,957	14,912
Death	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income		569	581	568	580	568	581	568	581	-	-	-	-	2,273	2,323
<b>TOTAL INCOME</b>		<b>73,705</b>	<b>72,640</b>	<b>256,413</b>	<b>252,439</b>	<b>23,504</b>	<b>23,570</b>	<b>4,164</b>	<b>4,124</b>	<b>9,096</b>	<b>15,016</b>	-	-	<b>366,882</b>	<b>367,789</b>
<b>EXPENDITURE</b>															
<b>Benefits expenditure</b>															
Sickness benefit		12,504	13,183	-	-	-	-	-	-	-	-	-	-	12,504	13,183
Unemployment benefit		16,301	11,707	-	-	-	-	-	-	-	-	-	-	16,301	11,707
Maternity benefit		8,107	7,477	-	-	-	-	-	-	-	-	-	-	8,107	7,477
Funeral benefit		3,412	3,431	-	-	-	-	-	-	-	-	-	-	3,412	3,431
Maternity grant		1,544	1,510	-	-	-	-	-	-	-	-	-	-	1,544	1,510
Sickness assistance		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retirement benefit		-	-	195,261	179,357	-	-	-	-	-	-	-	-	195,261	179,357
Survivors' benefit		-	-	22,326	21,647	-	-	-	-	-	-	-	-	22,326	21,647
Incapacity benefit		-	-	14,513	14,910	-	-	-	-	-	-	-	-	14,513	14,910
Incapacity assistance		-	-	8,704	8,682	-	-	-	-	-	-	-	-	8,704	8,682
Old age non-contributory retirement benefit		-	-	5,063	5,183	-	-	-	-	-	-	-	-	5,063	5,183
Survivors' assistance		-	-	603	733	-	-	-	-	-	-	-	-	603	733
Medical care		-	-	-	-	10,694	11,845	-	-	-	-	-	-	10,694	11,845
Injury benefit		-	-	-	-	4,472	3,975	-	-	-	-	-	-	4,472	3,975
Disability grant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment of current periodically payable benefits effected during the year:															
Disability	19	-	-	-	-	-	-	-	-	7,906	7,831	-	-	7,906	7,831
Death	19	-	-	-	-	-	-	-	-	230	282	-	-	230	282
		<b>41,868</b>	<b>37,308</b>	<b>246,470</b>	<b>230,512</b>	<b>15,166</b>	<b>15,820</b>	-	-	<b>8,136</b>	<b>8,113</b>	-	-	<b>311,640</b>	<b>291,753</b>
Disability benefit – capital value		-	-	-	-	8,957	14,912	-	-	-	-	-	-	8,957	14,912
Death benefit – capital value		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative expenditure		9,833	9,395	37,967	36,504	3,879	3,924	3,888	3,778	-	-	-	-	55,567	53,601
Provision for expected credit losses		-	-	(800)	(1,160)	-	-	-	-	-	-	-	-	(800)	(1,160)
<b>TOTAL EXPENDITURE</b>		<b>51,701</b>	<b>46,703</b>	<b>283,637</b>	<b>268,176</b>	<b>28,002</b>	<b>34,656</b>	<b>3,888</b>	<b>3,778</b>	<b>8,136</b>	<b>8,113</b>	-	-	<b>375,364</b>	<b>361,426</b>
<b>(DEFICIENCY)/EXCESS OF INCOME OVER EXPENDITURE</b>		<b>22,004</b>	<b>25,937</b>	<b>(27,224)</b>	<b>(15,737)</b>	<b>(4,498)</b>	<b>(11,086)</b>	<b>276</b>	<b>346</b>	<b>960</b>	<b>6,903</b>	-	-	<b>(8,482)</b>	<b>6,363</b>
<b>Other Comprehensive Income</b>															
Remeasurement of the defined benefit obligation		-	34	3,684	(4,576)	-	3	-	-	-	-	-	-	3,684	(4,576)
Unclaimed benefits		58	-	46	48	59	-	-	-	-	-	-	-	163	85
<b>RESERVES, beginning of year</b>		<b>146,419</b>	<b>120,448</b>	<b>1,426,967</b>	<b>1,447,232</b>	<b>64,646</b>	<b>75,729</b>	<b>88,381</b>	<b>88,381</b>	<b>10,183</b>	<b>3,280</b>	<b>576</b>	<b>576</b>	<b>1,737,518</b>	<b>1,737,646</b>
<b>RESERVES, end of year</b>		<b>168,481</b>	<b>146,419</b>	<b>1,403,473</b>	<b>1,426,967</b>	<b>60,207</b>	<b>64,646</b>	<b>89,003</b>	<b>88,727</b>	<b>11,143</b>	<b>10,183</b>	<b>576</b>	<b>576</b>	<b>1,732,883</b>	<b>1,737,518</b>

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, 2019 (Expressed in Thousands of Bahamian dollars)

	2019	2018
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Deficiency)/Excess of income over expenditure	(8,482)	6,363
Adjustments:		
Income from investments	(68,484)	(72,799)
Income from property	(3,223)	(3,604)
Share of losses of associates	3,186	9,788
(Gain)/loss on disposal/write-off of property, plant and equipment	(57)	2
Amortisation	979	1,211
Depreciation	5,057	4,750
Provisions for expected credit losses	450	2,008
Finance cost on leases	76	-
<b>Deficit before working capital changes</b>	<b>(70,498)</b>	<b>(52,281)</b>
Decrease/(increase) in receivables and advances	15,398	(67,627)
(Increase)/decrease in prepaid expenses and deposits	(289)	98
Increase in accounts payable and accrued expenses	842	1,417
(Decrease)/increase in staff pension fund	(3,421)	429
Increase in accrued benefits payable	2,082	2,079
<b>Net cash used in operating activities</b>	<b>(55,886)</b>	<b>(115,885)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received – trustee and other securities	49,057	45,818
Dividends received	2,706	4,408
Proceeds from finance leases	10,055	45,604
Proceeds from income received from property	1,789	15,707
Proceeds from sale of equity securities	24,032	1,948
Proceeds from United States of America US\$ Treasury notes	28,203	11,570
Proceeds on maturity of certificates of deposit	139,450	134,450
Proceeds from sale of Bahamas Government notes	5,656	11,666
Proceeds on maturity of Bahamas Government registered stocks	16,813	49,770
Proceeds from Government of Barbados bonds	23	214
Proceeds from Bahamas Government Treasury bills	3,212	3,133
Proceeds from redemption of preference shares	1,714	-

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, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

	2019	2018
	\$	\$
<b>CASH FLOWS FROM INVESTING ACTIVITIES (Continued)</b>		
Proceeds from Bahamas Mortgage Corporation	-	5,000
Proceeds from loan repayments from Bahamas Government entities	3,456	1,096
Proceeds from Nassau Airport Development Company Limited debt securities	1,487	3,373
Proceeds from College of the Bahamas notes	185	185
Proceeds from Public Hospital Authority bonds	665	665
Proceeds from Bridge Authority bonds	956	-
Proceeds from Bahamas Development Bank bonds	-	2,000
Proceeds from Cayman Island bonds	2,500	-
Proceeds from sale of property, plant and equipment	61	21
Proceeds from long term deposits	-	3,000
Proceeds from sale of Bahamas Government notes	-	1,414
Proceeds from US Corporate bonds	1,106	-
Proceeds from Fidelity Bank (Bahamas) Limited notes	1,000	500
Purchase of equity securities	(25,868)	(468)
Purchase of Bahamas Government notes	(4,242)	(11,666)
Purchase of Bahamas Government Registered stocks	(35,178)	(25,985)
Purchase of United States of America US\$ treasury notes	(32,450)	(8,111)
Placements of certificates of deposit	(139,450)	(139,450)
Issuance of loans to Bahamas Government entities	(1,300)	-
Purchase of Bahamas Government Treasury bills	(3,212)	(3,133)
Additions to computer software	(587)	(1,406)
Additions of property, plant and equipment	(1,903)	(1,218)
Additions to construction in progress – finance leases	(8,665)	(5,409)
<b>Net cash from investing activities</b>	<b><u>41,271</u></b>	<b><u>144,696</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest on lease liabilities	(76)	-
Principal payments on lease liabilities	(235)	-
<b>Net cash used in financing activities</b>	<b><u>(311)</u></b>	<b><u>-</u></b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(14,926)</b>	<b>28,811</b>
Cash and cash equivalents, beginning of year	<u>49,988</u>	<u>21,177</u>
<b>Cash and cash equivalents, end of year (Note 4)</b>	<b><u><u>35,062</u></u></b>	<b><u><u>49,988</u></u></b>

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

## **The National Insurance Fund**

### **Notes to the Consolidated Financial Statements**

**December 31, 2019**

**(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), which is the organisation charged with administering the social security programme of the country. The Fund has one wholly-owned subsidiary, Cloughton 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(l), 2(m), 2(n), 3, and 23.

The consolidated financial statements do not take account of liabilities to pay benefits in the future. An actuarial valuation is usually performed every five years, with the latest valuation presented to Parliament 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, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 2. Summary of Significant Accounting Policies (Continued)

##### (a) Basis of preparation (continued)

###### i) *New standards, amendments and interpretations adopted by the Fund*

With the exception of IFRS 16 *Leases* (IFRS 16), standards, and amendments and interpretations to published standards that became effective for the Fund's financial year beginning on January 1, 2019 were either not relevant or not significant to the Fund's operations and accordingly did not have a material impact on the Fund's accounting policies or consolidated financial statements.

The Fund has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

##### **IFRS 16 Leases**

The Fund adopted IFRS 16 retrospectively from January 1, 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening consolidated statement of financial position on January 1, 2019. The new accounting policies are disclosed in Note 2(k).

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17 *Leases* (IAS 17). Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. As such, IFRS 16 did not have an impact for leases where the Fund is the lessor.

##### *Measurement of lease liabilities*

On adoption of IFRS 16, the Fund recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at January 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 5.00%.

##### Practical expedients applied

In adopting IFRS 16, the Fund has used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at January 1, 2019; and
- Accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 2. Summary of Significant Accounting Policies (Continued)

##### (a) Basis of preparation (continued)

###### IFRS 16 Leases (continued)

###### *Measurement of lease liabilities (continued)*

###### Practical expedients applied (continued)

The Fund has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Fund relied on its assessment made applying IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease* (IFRIC 4).

The table below reconciles the operating lease commitments at December 31, 2018 to the lease liability at January 1, 2019:

	<b>2019</b>
	<b>\$</b>
Operating lease commitments disclosed as at December 31, 2018	49
Discounted using the lessee's incremental borrowing rate at the date of initial application	(3)
Less: short-term leases not recognised as a liability	(17)
Extension and termination options reasonably certain to be exercised	1,441
<b>Lease liability recognised as at January 1, 2019</b>	<b><u>1,470</u></b>
of which are:	
Current lease liabilities	230
Non-current lease liabilities	1,240
	<b><u>1,470</u></b>

###### *Measurement of right of use asset*

The right of use asset at the date of initial application for leases previously classified as an operating lease under the principles of IAS 17 was measured at the amount equal to the lease liability, adjusted as applicable by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at December 31, 2018.

The change in accounting policy affected the following items in the consolidated statement of financial position on 1 January 1, 2019:

- Property and equipment – increased by \$1,470
- Accrued expenses and other liabilities – increased by \$1,470

The net impact on reserves on 1 January 1, 2019 was \$Nil.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 2. Summary of Significant Accounting Policies (Continued)

##### (a) Basis of preparation (continued)

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

The application of new standards and amendments and interpretations to existing standards that have been published but are not yet effective are not expected to have a material impact on the Fund's accounting policies or consolidated financial statements in the period of initial application.

##### (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. The 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. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the subsidiary are changed where necessary to ensure consistency with the policies adopted by the Fund.

###### *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 recognized 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 (loss)/income, and its share of post-acquisition movements in other comprehensive income is recognized 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.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 2. Summary of Significant Accounting Policies (Continued)

##### (b) Consolidation (continued)

###### *Associates (continued)*

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Assets that suffered an impairment loss are reviewed for possible reversal of the impairment at the end of each reporting period.

##### (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 at the reporting date are recognised in the consolidated statement of comprehensive (loss)/income.

##### (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

###### *Classification and measurement*

IFRS 9 contains three principal classification categories for financial assets: (i) amortised cost, (ii) fair value through profit or loss ("FVTPL"), or (iii) fair value through other comprehensive income ("FVOCI").

###### Amortised Cost

A financial asset is measured at amortised cost if both of the following conditions are met: (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 2. Summary of Significant Accounting Policies (Continued)

##### (e) Financial assets (continued)

###### *Classification and measurement (continued)*

###### Fair Value Through Other Comprehensive Income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met: (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

###### Fair Value Through Profit or Loss

A financial asset is measured at fair value through profit or loss if it does not meet the criteria to be measured at amortised cost or at fair value through other comprehensive income.

The classification and subsequent measurement of financial assets depend on the Fund's business model for managing the asset, and the cash flow characteristics of the asset. Factors considered by the Fund in determining the business model for a group of financial assets include: past experience regarding the manner in which the cash flows for the financial assets were collected; the manner in which the performance of financial assets is evaluated and reported to key management personnel; the approach to assessing and managing risks associated with the financial assets.

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at fair value through profit or loss, are measured at amortised cost, adjusted by an allowance for expected credit losses (ECL), which is recognised and measured as disclosed in Note 2(g).

All purchases and sales of financial assets are recognised on the trade date – the date on which the Fund commits to originate, purchase or sell the asset.

The classification of financial assets under IFRS 9 is generally based on the business model under which the asset is held and its contractual cash flows characteristics.

##### (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.

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.

## **The National Insurance Fund**

### **Notes to the Consolidated Financial Statements**

**December 31, 2019**

**(Expressed in Thousands of Bahamian dollars)**

**(Continued)**

#### **2. Summary of Significant Accounting Policies (Continued)**

##### **(g) Impairment of financial assets**

The Fund assesses, on a forward looking basis, the expected credit losses (ECL) for financial assets at amortised cost and fair value through other comprehensive income. The Fund measures the ECL and recognises an allowance for ECL at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Financial assets measured at amortised cost are presented in the consolidated statement of financial position, along with the allowance for ECL. For debt instruments at FVOCI, changes in amortised cost, net of allowance for ECL, are recognised in profit or loss and other changes in carrying value are recognised in OCI as gains less losses on debt instruments at FVOCI.

The Fund applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next twelve months or until contractual maturity, if shorter (12-month ECL). If the Fund identifies a significant increase in credit risk (SICR) since initial recognition, the financial asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis (lifetime ECL), that is, up until contractual maturity but considering expected prepayments. If the Fund determines that a financial asset is credit-impaired, the financial asset is transferred to Stage 3 and its ECL is measured on a lifetime basis. The Fund's definition of credit-impaired financial assets and definition of default are explained in Note 3. For financial assets that are purchased or originated credit-impaired (POCI Assets), the ECL is always measured as a lifetime ECL.

For contributions receivable, the Fund applies a simplified approach in calculating ECLs. Therefore, the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Fund has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The carrying amount of the asset is reduced through the use of an allowance account.

Financial assets are written-off, in whole or in part when the Fund has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Recoveries of accounts previously written off are recognised directly in the consolidated statement of comprehensive (loss)/income as a part of the ECL expense included in excess of income over expenditure.

## **The National Insurance Fund**

### **Notes to the Consolidated Financial Statements**

**December 31, 2019**

**(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 at least every three years, from independent appraisers who hold recognised and relevant professional qualifications and have recent experience in the category of investment property being valued. 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 (loss)/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 (loss)/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 occupied by the Fund or medical clinics within the Medical Benefits Branch which are 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 (loss)/income during the financial period in which they are incurred.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2019

(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
Building renovations	20 years
Office furniture and equipment	5 – 10 years
Computer hardware	3 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 (loss)/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. The insurance administration system is amortised over fifteen years. The estimated useful life and amortisation 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 derecognised 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 recognised in the consolidated statement of comprehensive (loss)/income.

##### (k) Leases

*The Fund is lessee*

The Fund leases various properties for office and storage spaces. Agreements are typically made for fixed periods and may have renewal options exercisable by the Fund. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose any covenants with the exception of subleasing and alterations of the premises without the lessor's permission.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 2. Summary of Significant Accounting Policies (Continued)

##### (k) Leases (continued)

###### *The Fund is lessee (continued)*

Until December 31, 2018 leases in which a significant portion of the risks and rewards of ownership are retained by the lessor, were classified as operating leases. Payments made under operating leases were charged to the consolidated statement of comprehensive (loss)/income on a straight-line basis over the period of the lease.

From January 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Fund. Assets and liabilities arising from a lease are initially measured on a present value basis.

###### *Lease Liability*

Liabilities include the net present value of fixed payments. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the Fund's incremental borrowing rate at the lease commencement date as the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Fund uses a build-up approach that starts with a risk-free discount rate in the economic environment where the lease is located, adjusted for credit risk of the leases held by the Fund which does not have recent third-party financing.

Lease payments are allocated between principal and interest expense. Interest expense is charged to the consolidated statement of comprehensive (loss)/income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

###### *Right of Use Asset*

Right-of-use assets are initially measured at cost comprising the following:

- The amount of initial measurement of the lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Subsequently, right-of-use assets are recognised at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurements of the lease liabilities. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 2. Summary of Significant Accounting Policies (Continued)

##### (k) Leases (continued)

###### *The Fund is lessee (continued)*

###### Short-term leases

The Fund applies the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less). Payments associated with short-term leases are recognised on a straight-line basis as an expense in the consolidated statement of comprehensive (loss)/income.

###### *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 (loss)/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 long term 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 liability or asset recognised in the consolidated statement of financial position is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

## **The National Insurance Fund**

### **Notes to the Consolidated Financial Statements**

**December 31, 2019**

**(Expressed in Thousands of Bahamian dollars)**

**(Continued)**

#### **2. Summary of Significant Accounting Policies (Continued)**

##### **(l) Employee benefits (continued)**

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in staff salaries, allowances and benefits in the consolidated statement of comprehensive (loss)/income.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated statement of comprehensive (loss)/income, as past service costs.

##### **(m) Revenue recognition**

Contributions are accounted for on an accrual basis. Contribution income is recognised in the period for which the contribution relates. It is estimated based on the expected outstanding contributions for participants to the Fund considering the amount of contributions which are due but not yet paid by employers or individuals registered with the Fund, based on the Fund's historical contribution statements.

Interest income for all instruments measured at amortised cost is recognised in the consolidated statement of comprehensive (loss)/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**

The Fund recognises benefit expenditure when the Fund's obligation to make payment has been established. The Fund recognises an estimate of expenditure for claims submitted but not processed. The estimate is accrued considering the following assumptions based on historical experience: expected claims approval rates, the estimated claim period and an estimate of the claim entitlement.

Other expenses are recognised using the accrual basis of accounting.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (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:

	2019	2018
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.

For the years ended December 31, 2019 and 2018, the resulting proportion of administrative expenditure ascribed to the three benefit branches is as follows:

	2019	2018
Short-term benefits reserve	19.03%	18.86%
Pensions reserve	73.47%	73.27%
Industrial benefits reserve	7.50%	7.87%
	<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.

## **The National Insurance Fund**

### **Notes to the Consolidated Financial Statements**

**December 31, 2019**

**(Expressed in Thousands of Bahamian dollars)**

**(Continued)**

#### **2. Summary of Significant Accounting Policies (Continued)**

##### **(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 Value Added Tax rate changed to 12% as at July 1, 2018. 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.

##### **(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 and is included in Note 5.

##### **(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 authorised 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, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 3. Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Fund performed a detailed analyses of its business models for managing financial assets and financial liabilities, and analyses of the respective cash flow characteristics. The analyses performed resulted in debt investment securities being classified as financial assets at amortised cost, as the cash flow characteristics meet the requirements for SPPI, and the Fund's business model is to hold debt investments without an intention to sell.

The Fund invests in debt investments principally for the exclusive purpose of providing long-term security and growth of the Fund with minimal risk through financial assets that yield investment income, while securing liquidity in the event of significant events requiring cash and cash equivalents. The maturity profile of investment securities is managed to provide cash flows over short, medium and long term for the purposes of managing liquidity and accordingly, sales are expected to be infrequent.

The remaining financial assets (cash at banks, loans advances and receivables included in other assets), are classified as financial assets at amortised cost.

#### *Inputs, assumptions and estimation techniques factored into measuring ECL*

As a primary approach for the calculation of expected credit losses (ECL) of cash and cash equivalents, debt investment securities and promissory notes, management estimates parameters for the Probability of Default (PD), Loss Given Default (LGD) and the exposure at the time of default (EAD) for each individual financial asset.

At any point in time where a cash flow is expected there are two outcomes possible – either the issuer is solvent and the cash flow comes in the contractual amount, or the issuer is in default and the cash flow does not arrive and is collected later on, with some possible losses (e.g. the cash flow may arrive later than scheduled, in a lesser amount than is due or not at all). The probability of the first outcome is usually referred to as the probability of no default (or survival), while the probability of default (PD) for the issuer is the probability of the second outcome. These two probabilities add up to one, constituting all the possible outcomes (this includes transition from one non-default state into another for the issuer).

The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next twelve (12) months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.

The Fund utilises the rating transition matrices from an external rating agency (Moody's report) for calculation of the lifetime probability of default. The model assumes the external rating (or reliable internal rating) is available for issuers in scope together with sufficient history of observed rating transitions (covering at least one credit cycle). The same model can be used in particular to estimate lifetime PD for rated sovereign and corporate financial instruments. For unrated issuers, the Fund benchmarks the issuers probability of default to corporate ratings with similar default experiences derived from external rating agency transition matrices.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

##### *Inputs, assumptions and estimation techniques factored into measuring ECL (continued)*

The Fund defines a financial asset as in default, which is consistent with the regulatory definition of credit-impaired, when one (1) or more of the following criteria are met:

- An obligor is highly vulnerable to non-payment, e.g. a bankruptcy petition has been filed.
- An obligor has selectively defaulted on a specific issue or class of obligations but it will continue to meet payment obligations on other issues or classes of obligation in a timely manner.
- An obligor has failed to pay one or more of its financial obligations (rated or unrated) and the exposure is more or equal to 90 days past due.
- Financial asset has a “Defaulted” external rating.

The default definition has been applied consistently to model the PD, Exposure at Default (EAD) and LGD in all expected loss calculations.

Based on management’s decision, assets will not move directly from Stage 3 to Stage 1. When an asset ceases to be defaulted it will move to Stage 2 and then subsequently if it no longer is classed as “deteriorated” it will move to Stage 1. In general it is expected that financial assets will always move to Stage 2 prior to moving to Stage 3, but in some instances an asset may move directly from Stage 1 to Stage 3 (an example would be a counterparty declaring financial hardship where there had been no evidence of financial difficulties in rating behaviors).

The exposure in the context of calculating the ECL is determined based on the expected cash flows on the financial instrument from the measurement date (i.e. the balance sheet date) to the last cash flow date (i.e. end of lifetime – estimated and/or contractual). Cash flows are estimated over the lifetime of a financial instrument, the Fund estimates what it expects the balance of a financial instrument to be in the future (based on the amortization schedule). Any modeling of future cash flows is done at an appropriately granular level and considers the unique aspects of each financial asset.

LGD is the estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including discounted cash flows from any collateral. LGD is expressed as a percentage of EAD. LGD should be estimated over future periods to include the term of exposures and incorporate expectations about future. As explained in IFRS 9.B5.5.43, even when calculating 12 month ECLs, LGD is assessed over a life of the exposure rather than a 12 month LGD.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

##### *Inputs, assumptions and estimation techniques factored into measuring ECL (continued)*

Management utilises external data provider reports provided by Moody's for default and recovery rates.

The ECL is determined by projecting the PD, LGD and EAD for future periods and for each individual exposure. These three (3) components are multiplied together and adjusted for the likelihood of survival, which is that the exposure has not prepaid or defaulted in an earlier period. This effectively calculates an ECL for each future period, which is then discounted back to the financial reporting date and summed. The discount rate used in the ECL calculation is the approximation of the original effective interest rate.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by financial assets.

##### *Significant increase in credit risk (SICR)*

The determination of SICR is not defined in the standard. Therefore, qualitative and quantitative indicators are factored into the determination of SICR, considering all reasonable and supportable information available without undue cost and effort, on past events, current conditions and future behavioural aspects of particular portfolios of financial assets. The Fund makes best efforts to identify indicators of SICR of individual financial assets prior to delinquency and accordingly incorporates significant assumptions in its model.

The Fund continuously monitors all financial assets subject to ECLs, and assesses whether there has been a SICR since initial recognition, which is performed on an individual basis and on a portfolio basis. Cash at banks, loans and receivables and investment securities classified at amortised cost are assessed for SICR on an individual basis by monitoring the triggers stated below. For other financial assets, SICR is also assessed on an individual basis.

Some of the Fund's financial assets are investment grade corporate and sovereign securities with limited or no history of default. Management has applied the "low credit risk expedient" identified and defined in IFRS 9 which is considered a simplified approach to assessing whether or not there is a SICR from the date of initial recognition. In order for this operational simplification to apply, the financial asset has to meet the following requirements:

- It has a low risk of default.
- The borrower is considered, in the short term, to have strong capacity to meet its obligations.
- The lender expects, in the longer term, the adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the borrower to fulfil its obligations.

As the Fund considers the credit risk of these financial assets low and no SICR has arisen, impairment is measured using 12-month ECL and is classified as Stage 1.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2019

(Expressed in Thousands of Bahamian dollars)

(Continued)

### 3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

#### *Significant increase in credit risk (SICR) (continued)*

Significant increase in credit risk of all other financial assets of the Fund is assessed individually at the counterparty level by applying the following methodology:

- If a financial asset drops out of investment grade, it automatically migrates to Stage 2 as such drop indicates significant increase in credit risk from the origination.
- For the assets purchased/originated outside of investment grade, a movement of 2 notches in reference to an externally published credit rating is considered as a significant increase in credit risk.
- In addition, financial assets move to Stage 2 in the case of significant adverse changes in business, financial and/or economic conditions in which the counterparty operates.
- Contractual payments from the borrower are past due in excess of thirty (30) days.

The criteria used to identify SICR are monitored and reviewed periodically for appropriateness. The exposure will move back to Stage 1 once it no longer meet the criteria for a SICR.

#### *Forward-looking information factored into ECL models*

Forward looking information is factored into both the assessment of SICR (significant increase in credit risk) and the calculations of ECL. Historical analyses have been performed, which identified the key economic variables impacting credit risk and ECL for each type of financial asset. These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Management judgement has been applied in this process. Forecasts of these economic variables (the base economic scenario) are determined periodically based on benchmark information available in The Bahamas and the countries which the Fund places its investments, this information provides the best estimate view of the economy over the medium term. To project the economic variables out for the full remaining lifetime of each instrument, a mean reversion approach has been used, which means that economic variables trend towards a long run average growth rate (i.e. GDP) over a period of two to five years. The impact of the economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD.

In addition to the base economic scenario, other possible scenarios along with scenario weightings are determined. The number of other scenarios used is set based on the analyses of each major type of financial asset to ensure non-linear relationships are appropriately factored in. The number of scenarios and their attributes are reassessed at each financial reporting date. As at December 31, 2018 and December 31, 2019, three scenarios were deemed to appropriately capture non-linear relationships. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of.

The Fund used supportable forward-looking information for measurement of ECL, primarily an outcome of its own macro-economic forecasting model with three (3) macro-economic scenarios to calculate unbiased and probability weighted ECL: most likely outcome (Baseline); and two (2) less likely scenarios being better than Baseline (Upside) and worse than Baseline (Downside).

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

*Forward-looking information factored into ECL models (continued)*

##### Sensitivity analyses

The most significant assumption impacting the ECL is as follows:

- GDP: The gross domestic product growth rates as these have an impact on the counterparty's financial condition and their probability of default.

The table below sets out the changes to the ECL at December 31, 2019 that would result from reasonably possible changes in the parameters from the actual assumptions used in the Fund's economic variable assumption:

	Gross Domestic Product		
	-25 bps	No change	25 bps
	\$	\$	\$
Change in ECL	241	-	(218)

#### 4. Cash and Cash Equivalents

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

	2019	2018
	\$	\$
Cash on hand	55	52
Cash at banks – current account	23,019	22,120
Cash at brokers	1,200	1,224
Cash at the Central Bank of The Bahamas	10,801	26,616
	<u>35,075</u>	<u>50,012</u>
Allowance for expected credit losses (Note 23)	<u>(13)</u>	<u>(24)</u>
	<u><b>35,062</b></u>	<u><b>49,988</b></u>

Cash at the Central Bank of The Bahamas does not earn interest. The remaining cash and cash equivalents did not earn interest during 2019 and 2018.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 4. Cash and Cash Equivalents (continued)

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 at December 31, 2019, United States dollar (US\$) deposits total \$12,009 (2018: \$12,109).

#### 5. Receivables and Advances

Receivables and advances comprise:

	2019	2018
	\$	\$
Finance lease receivables	10,319	7,528
Rent receivable	2,471	1,037
Value Added Tax Receivable/Payable (net)	(27)	(21)
Other receivable – The Bahamas Government	86,245	105,212
Contribution Receivables (Note 23)	55,971	53,128
Advances to staff	1,317	584
	<u>156,296</u>	<u>167,468</u>
Provision for expected credit losses	<u>(22,084)</u>	<u>(19,979)</u>
	<u><b>134,212</b></u>	<u><b>147,489</b></u>

Movements in provision for expected credit losses are as follows:

	2019	2018
	\$	\$
At January 1 (IAS 39)	-	(19,039)
IFRS 9 transition adjustment	-	(60)
Balance, as restated (IFRS 9)	<u>(19,979)</u>	<u>(19,099)</u>
Increase in loss allowance	<u>(2,105)</u>	<u>(880)</u>
At December 31	<u><b>(22,084)</b></u>	<u><b>(19,979)</b></u>

The other receivables include \$36,303 (2018: \$43,189) which relates to the Medical Benefit and is in part supported by two Promissory Notes issued by The Bahamas Government dated May 5, 2016 and March 20, 2018 in the amounts of \$25,304 and \$38,000, respectively. The three year Promissory Notes bear interest at the rate of 3.75% per annum. The balance of these Promissory Notes is \$26,469 (2018: \$42,637). A promissory note in the amount of \$61,762 dated December 1, 2018 was issued by The Bahamas Government to cover all outstanding lease balances at June 30, 2018. The promissory note shall be repaid within four years of issue date and bears interest at a rate of Prime + ¼% per annum (currently 4.5%) See Note 23.

## **The National Insurance Fund**

### **Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)**

#### **6. 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.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2019

(Expressed in Thousands of Bahamian dollars)

(Continued)

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

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

Number of shares			2019	2018
2019	2018		\$	\$
		<i>Ordinary Shares / Mutual Funds</i>		
		<b>Level 1 US\$</b>		
1,973	-	Accenture PLC-CL A	415	-
-	1,200	Air Products & Chemical Inc.	-	192
310	149	Alphabet Incorporated	415	155
230	-	Amazon	425	-
10,258	6,958	American Electric Power Company	970	520
-	4,000	American International Group Inc	-	158
1,583	-	American Tower Corp	364	-
-	5,300	Anadaeko Petroleum Corporation	-	232
-	2,050	Apache	-	54
2,970	1,200	Apple Incorporated	872	189
-	6,600	Bank of America Corporation	-	163
1,410	-	Becton Dickinson and Co	383	-
1,040	-	Berkshire Hathaway Inc Cl	236	-
647	-	Blackrock	325	-
-	613	Brighthouse Financial Inc.	-	19
-	900	Boeing Co4	-	290
133	-	Booking Holdings Inc	273	-
-	1,900	Broadcom Ltd.	-	483
2,474	2,474	Chevron Corporation	298	269
6,723	-	Church & Dwight Co Inc	473	-
10,949	6,200	Citigroup Inc.	875	323
8,387	-	Cisco Systems Inc	402	-
7,417	7,417	Coca Cola Co.	411	351
15,116	6,640	Comcast Corporation	680	226
-	2,700	Conoco Philips	-	168
1,167	-	Costco Wholesale Corp	343	-
2,190	-	Danaher Corp	336	-
-	2,600	DowDuPont	-	139
4,460	4,460	Duke Energy Corporation	407	385
-	2,500	Eli Lilly & Co	-	289
-	3,100	EOG Resources Inc.	-	270
3,353	1,200	Facebook Inc	688	157
-	1,700	First Republican Bank	-	148

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

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

Number of shares			2019	2018
2019	2018		\$	\$
<i>Ordinary Shares/Mutual Funds (continued)</i>				
<b>Level 1 US\$ (Continued)</b>				
-	200	Garret Motion Inc	-	3
-	900	General Dynamics Corporation	-	142
12,232	17,932	General Electric Co.	137	136
-	2,030	Gilead Sciences Incorporated	-	127
-	500	Goldman Sachs Group Inc	-	84
-	3,600	Halliburton Company	-	96
2,807	1,200	Home Depot Inc.	613	206
3,420	2,000	Honeywell International Inc.	605	264
19,061	13,464	Intel Corp.	1,141	632
-	3,000	Jacobs Engineering Group Inc.	-	175
7,857	4,190	JP Morgan Chase Co.	1,095	409
2,940	-	Johnson & Johnson	429	-
-	7,800	Kinder Morgan Inc/DE	-	120
4,447	-	Marsh & McLennan COS	495	-
1,847	-	Laboratory Corp of America Holdings	313	-
-	1,900	Lyondellbasell Industries NV	-	158
2,710	-	McCormick & Company	460	-
-	6,750	MetLife Inc	-	277
8,553	5,200	Microsoft Corporation	1,349	528
-	3,000	Nike Incorporated	-	222
22,957	11,000	Pfizer Inc	899	480
-	900	Pioneer Natural Resources	-	118
3,366	3,366	Philip Morris International Inc	286	225
3,310	-	Prologis	295	-
3,650	3,650	Proctor & Gamble Company	456	335
-	2,610	Qualcomm Incorporated	-	149
-	333	Resideo Technologies Inc	-	7
-	5,200	Roche Holding Limited	-	161
-	2,200	Ryder Systems Incorporated	-	106
-	1,800	Royal Caribbean Cruises Limited	-	176
1,497	-	United health Group Inc	440	-
1,823	-	Verisk Analytics Inc	272	-
66	-	Wabtec Corp	5	-
4,283	-	Waste Management Inc	488	-
4,447	-	Wells Fargo & Company	239	-

## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2019

(Expressed in Thousands of Bahamian dollars)

(Continued)

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

Number of shares			2019	2018
2019	2018		\$	\$
<i>Ordinary Shares / Mutual Funds</i>				
<b>Level 1 US\$ (Continued)</b>				
4,367	-	Xylem	344	-
-	3,000	Royal Dutch Shell PLC	-	180
5,306	5,306	The Kraft Heinz Company	171	228
-	2,500	Valero Energy Corporation	-	187
3,767	1,400	Visa Incorporated	708	185
7,845	7,845	Ishares II PC-Property Yield Fund	167	147
			20,998	11,443
<b>Level 2 B\$</b>				
1,000	1,000	Bahamas Waste Limited	6	5
6,022,945	6,022,945	Bank of Bahamas Limited	14,154	8,794
3,343,749	3,343,749	Commonwealth Bank Ltd.	15,047	15,047
2,967,500	2,967,500	Commonwealth Brewery Limited	23,770	33,384
474,797	474,797	Consolidated Water Co. Ltd.	1,548	1,106
23,320	23,320	FamGuard Corporation Limited	177	146
213,472	213,472	Finance Corporation of Bahamas Limited	1,992	1,490
298,491	298,491	FirstCaribbean International Bank (Bahamas) Limited	3,301	3,045
1,125,459	1,125,459	Freeport Oil Holdings Company Ltd.	3,984	4,074
68,327	68,327	J.S. Johnson & Company Limited	956	889
			64,935	67,980
<b>Level 2 US\$</b>				
60,864	60,864	Axiom Balanced Fund	9,645	8,355
23,033	23,033	Axiom Conservative Fund	3,159	2,851
42,458	21,320	Axiom Growth Fund	8,052	3,364
24,428	24,428	CFAL Global Bond Fund	4,767	4,507
5,603	5,603	CFAL Global	934	828
111,793	111,793	Brown Advisory Funds PLC	1,752	1,287
14,923	14,890	Findlay Park Funds PLC	2,047	1,602
-	79,113	Franklin Templeton Frontier	-	1,320
103,900	-	Invesco Frontier Markets Etf	1,483	-
-	203,873	Investec Global Natural Resources	-	1,545
46,600	-	Ishares Core Msci Eafe Etf	3,040	-

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2019  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

Number of shares			2019	2018
2019	2018		\$	\$
<i>Ordinary Shares / Mutual Funds</i>				
<b>Level 2 US\$ (Continued)</b>				
-	13,079	Legg Mason Royce US Small CAP Fund	-	1,980
12,261	12,261	Morgan Stanley Investment Funds	1,761	1,440
63,597	63,597	Polar Capital Funds PLC-North American Fund	1,734	1,346
-	969,292	Scotiabank Global Growth Fund	-	2,568
44,600	-	SPDR S&P Global Natural resources	2,058	-
15,300	-	Vanguard Small Cap-Etf	2,534	-
4,298	4,298	Wells Fargo & Company	1,699	1,225
			<u>44,665</u>	<u>34,218</u>
<i>Preference Shares</i>				
<b>Level 2</b>				
-	87,460	Commonwealth Bank Ltd.; 7.00%	-	8,826
75	75	FamGuard Corporation Limited; Prime + 1.50%	75	75
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>5,440</u>	<u>14,266</u>
			<u>115,040</u>	<u>116,464</u>
			<b><u>136,038</u></b>	<b><u>127,907</u></b>

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial assets at fair value through profit or loss</b>				
Trading securities	20,998	-	-	20,998
Other financial instruments	-	115,040	-	115,040
<b>Balance as at December 31, 2019</b>	<b><u>20,998</u></b>	<b><u>115,040</u></b>	<b><u>-</u></b>	<b><u>136,038</u></b>
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial assets at fair value through profit or loss</b>				
Trading securities	11,443	-	-	11,443
Other financial instruments	-	116,464	-	116,464
<b>Balance as at December 31, 2018</b>	<b><u>11,443</u></b>	<b><u>116,464</u></b>	<b><u>-</u></b>	<b><u>127,907</u></b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

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

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

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Balance as at January 1, 2019	11,443	116,464	-	127,907
Purchases	12,875	12,993	-	25,868
Sales	(6,550)	(17,482)	-	(24,032)
Net realised gain (Note17)	1,128	1,244	-	2,372
Net unrealised gain (Note17)	2,102	1,821	-	3,923
<b>Balance as at December 31, 2019</b>	<b><u>20,998</u></b>	<b><u>115,040</u></b>	<b><u>-</u></b>	<b><u>136,038</u></b>
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Balance as at January 1, 2018	12,859	112,425	-	125,284
Purchases	468	-	-	468
Sales	(468)	(1,480)	-	(1,948)
Net realised gain (Note17)	-	292	-	292
Net unrealised gain/(loss)(Note17)	(1,416)	5,227	-	3,811
<b>Balance as at December 31, 2018</b>	<b><u>11,443</u></b>	<b><u>116,464</u></b>	<b><u>-</u></b>	<b><u>127,907</u></b>

The Fund did not have any financial instruments classified as Level 3 as at December 31, 2019. There were no transfers between levels during the year.

#### 7. Investments at Amortised Cost

Financial assets disclosed in Note 7 are at amortised cost. Refer to Note 23 for the credit quality, staging and expected credit losses applicable.

##### (a) Bahamas Government Registered Stocks

Investments in Bahamas Government Registered Stocks have interest rates varying from 2.38% to 5.40% (2018: 2.60% to 5.40%) per annum, most of which are tied to the Bahamian dollar Prime rate (Prime) which at December 31, 2019 was 4.25% (2018: 4.25%).

Face Value		Description	2019		2018	
2019	2018		2019	2018	2019	2018
\$	\$		\$	\$	\$	\$
-	16,813	Prime +0.04% to 0.47%; 2019	-	-	16,813	16,813
30,306	23,306	Prime + 0.02% to 0.53%; 2.38% to 4.08%; 2020	30,306	-	23,306	23,306
180,997	176,136	Prime + 0.22% to 0.56%; 4.25% to 4.81%; 2021-2025	181,111	-	176,171	176,171
171,788	171,788	Prime +0.04% to 0.41%; 4.25% to 4.82% 2026-2030	171,811	-	171,811	171,811
88,728	88,728	Prime + 0.06% to 0.56%; 2031-2035	88,728	-	88,728	88,728
66,462	43,645	Prime +0.18% to 0.63%; 5.00% to 5.40% 2036-2039	66,860	-	43,645	43,645
			538,816	-	520,474	520,474
		Accrued interest	6,126	-	5,855	5,855
			<b><u>544,942</u></b>	<b><u>-</u></b>	<b><u>526,329</u></b>	<b><u>526,329</u></b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 7. Investments at Amortised Cost (Continued)

##### (a) Bahamas Government registered stocks (continued)

The effective interest rate earned on Bahamas Government registered stocks was 4.53% (2018: 4.50%), and registered stocks with face values totalling \$71,727 (2018: \$60,531) have fixed interest rates varying from 2.38% to 5.40% (2018: 2.60% to 5.40%) and maturities ranging from 2020 to 2039 (2018: 2019 to 2038).

##### (b) Bahamas Government BS notes

Face Value		Description		
2019	2018		2019	2018
\$	\$		\$	\$
4,242	5,656	3.50%; 2020	4,242	5,656
		Accrued interest	26	34
			<u>4,268</u>	<u>5,690</u>

##### (c) Bahamas Government treasury bills

Face Value		Description		
2019	2018		2019	2018
\$	\$		\$	\$
-	1,596	2.50%; 2019	-	1,592
1,636	-	2.50%; 2020	1,633	-
			<u>1,633</u>	<u>1,592</u>

The effective interest rate earned on treasury bills is 2.51% (2018: 2.54%)

##### (d) Bahamas Government US\$ notes

Face Value		Description		
2019	2018		2019	2018
\$	\$		\$	\$
11,000	11,000	6.95%; 2029	10,991	10,990
4,800	4,800	6.63%; 2033	4,712	4,709
14,102	14,102	7.13%; 2038	14,169	14,171
			<u>29,872</u>	<u>29,870</u>
		Accrued interest	376	376
			<u>30,248</u>	<u>30,246</u>

As at December 31, 2019, The Bahamas debt was rated Baa3 (2018: Baa3) by Moody's.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 7. Investments at Amortised Cost (Continued)

##### (e) United States of America US\$ treasury notes

Face Value		Description	2018	
2019	2018		2019	2018
\$	\$		\$	\$
-	20,203	0.75% to 1.50%; 2019	-	20,162
1,800	-	1.375%; 2020	1,797	-
5,100	-	1.533%; 2020	5,086	-
19,956	10,344	1.625%; 2020	19,910	10,316
8,380	-	2.518%; 2020	8,363	-
16,250	16,250	1.625% to 1.875%; 2022	16,144	16,104
			<u>51,300</u>	<u>46,582</u>
		Accrued interest	<u>121</u>	<u>251</u>
			<b><u>51,421</u></b>	<b><u>46,833</u></b>

As at December 31, 2019, United States of America debt was rated Aaa (2018: Aaa) by Moody's.

##### (f) Government of Barbados US\$ bonds

Face Value		Description	2018	
2019	2018		2019	2018
\$	\$		\$	\$
-	643	Class B; 7.80%; 2019	-	643
-	2,500	7.25%; 2021	-	2,569
149	-	6.50%; 2021	503	-
2,435	-	6.50%; 2029	<u>2,409</u>	<u>-</u>
			<u>2,912</u>	<u>3,212</u>
		Accrued interest	<u>9</u>	<u>234</u>
			<b><u>2,921</u></b>	<b><u>3,446</u></b>

As at December 31, 2019, Barbados foreign currency debt was rated Caa1 (2018: Caa3) by Moody's. In 2019 no principal repayments were made (2018: \$214) on the bonds due in 2019. These bonds were in default.

During the month of June 2018, the Government of Barbados (GOB) suspended all payments to creditors of its external commercial debt which is denominated primarily in US dollars. Interest payments due on June 5, 2018 and June 15, 2018 were not made.

The announcement of the suspended payments was evidence that the financial assets were credit impaired and consequently, the Fund re-classified its debt security holdings to Stage 3 with a probability of default of 100%.

On September 7, 2018 the GOB announced its debt restructuring program which is being done in conjunction with the economic recovery plan and an IMF programme. The IMF programme will allow Barbados to reduce its current debt service cost substantially and it is expected that the manageability of the restructured cash flows will improve the credit quality of the instrument offered in the debt exchange.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 7. Investments at Amortised Cost (Continued)

##### (f) Government of Barbados US\$ bonds (continued)

The Fund signed an agreement with the Government of Barbados which outlined the terms of the debt exchange on November 21, 2019. In exchange for its debt, the Fund has accepted the following securities:

\$2,435 Bonds due 2029 interest rate 6.5%

\$149 PDI (past due interest) bonds due 2021 interest rate 6.5%

Cash consideration of \$23

The debt securities were de-recognised since the maturity profile and interest rates of the replacement debt securities were materially different.

The replacement debt securities are classified as purchases originated credit-impaired (POCI). The consequential movement in the carrying values of GOB debt for the period referred to above is summarised as follows:

	2019
	\$
Fair value on recognition of replacement securities	2,584
Cash consideration on replacement securities	23
Gross carrying amount on securities prior to de-recognition	<u>(3,574)</u>
Loss on de-recognition of original securities	(967)
Loss allowance prior to de-recognition	<u>1,550</u>
Recovery on de-recognition of original securities	<u>583</u>

##### (g) Government of the Cayman Islands US\$ bonds

Face Value		Description	2019		2018	
2019	2018		\$	\$	\$	\$
-	2,500	5.95%; 2019	-		2,496	
		Accrued interest	-		<u>15</u>	
			<u>-</u>		<u>2,511</u>	

As at December 31, 2019, the Cayman Islands foreign currency debt was rated Aa3 (2018: Aa3) by Moody's.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 7. Investments at Amortised Cost (Continued)

##### (h) Government of Trinidad & Tobago US\$ bonds

Face Value	Description	2019	2018
2019	2018	2019	2018
\$	\$	\$	\$
2,000	2,000	2,042	2,052
	3.79%; 2024 Accrued interest	35	35
		<u>2,077</u>	<u>2,087</u>

As at December 31, 2019, Trinidad & Tobago foreign currency debt was rated Ba1 (2018: Ba1) by Moody's.

##### (i) Certificates of deposit

	2019	2018
	\$	\$
Certificates of deposit	141,165	141,165
Accrued interest	1,743	1,913
	<u>142,908</u>	<u>143,078</u>

During the year, certificates of deposit earned interest at rates of 2.00% to 2.75% (2018: 2.00% to 3.75%) per annum. The effective interest earned on certificates of deposit was 2.67% (2018: 2.85%). Certificates of deposit mature within 12 months of the statement of financial position date.

As at December 31, 2019, the Fund has \$1,715 (2018: \$1,715) in certificates of deposit with Gulf Union Bank (Bahamas) Ltd., which is in compulsory liquidation. Accordingly, the Fund has made a specific provision for this amount, see Note 23. No payment was received during the year (2018: \$Nil).

##### (j) Bahamas Mortgage Corporation bonds

Series	Description	2019	2018
		\$	\$
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%; 2023-2032	75,600	75,600
M,S	25 year bonds; Prime* less 2.00% to 5.25%; 2034-2037	4,100	4,100
		<u>94,700</u>	<u>94,700</u>
	Accrued interest	1,193	1,200
		<u>95,893</u>	<u>95,900</u>

These bonds are guaranteed by The Bahamas Government\*. The terms of these bonds deem Prime to be no less than 7.00%.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 7. Investments at Amortised Cost (Continued)

##### (k) Nassau Airport Development Company Limited debt securities

Face Value		Description		
2019	2018		2019	2018
\$	\$		\$	\$
15,665	15,665	B\$ Subordinated participating debt; 7.50%; 2034	15,665	15,665
7,500	8,000	B\$ senior debt notes; 8.50%; 2031	7,500	8,000
7,500	8,000	US\$ senior debt notes; 8.50%; 2031	7,500	8,000
44,097	44,097	US\$ Subordinated participating debt; 7.50%; 2034	44,097	44,097
4,488	4,675	B\$ senior debt notes; Series B; 6.34%; 2035	4,488	4,675
4,525	4,675	US\$ senior debt notes; Series A; 6.34%; 2035	4,525	4,675
4,500	4,650	US\$ senior debt notes; Series C; 6.44%; 2035	4,500	4,650
			<u>88,275</u>	<u>89,762</u>
		Accrued interest	<u>18</u>	<u>93</u>
			<b><u>88,293</u></b>	<b><u>89,855</u></b>

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 is supported by a second priority security interest in the collateral supporting the senior debt notes. Effective December 31, 2018, NAD refinanced its Participating Debt Series A and B which bear interest of 7.50% per annum paid quarterly. Any interest not paid is capitalized and is accrued. In 2018 and up to the date of its refinancing this debt earned interest of 13.00% per annum, with 2.00% to be settled in cash and the remaining 11.00% to be settled in kind.

The previous debt agreements with NAD on the senior participating debt specify that the interest which is to be paid in kind should be capitalized to the principal balance with interest compounding on a quarterly basis.

##### (l) Education Loan Authority bonds

Face Value		Description		
2019	2018		2019	2018
\$	\$	\$	\$	
15,000	15,000	Series A; Prime + 0.25%; 2020	15,082	15,210
9,750	9,750	Series B; Prime + 0.50%; 2023	9,924	9,968
19,250	19,250	Series C; Prime + 0.75%; 2025 to 2028	20,399	20,508
			<u>45,405</u>	<u>45,686</u>
		Accrued interest	<u>800</u>	<u>800</u>
			<b><u>46,205</u></b>	<b><u>46,486</u></b>

These bonds are guaranteed by The Bahamas Government.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 7. Investments at Amortised Cost (Continued)

##### (m) Bahamas Development Bank bonds

Face Value		Description	2019	2018
2019	2018			
\$	\$		\$	\$
1,000	1,000	Series B; Prime less 1.00%; 2020	1,000	1,000
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
			<u>37,000</u>	<u>37,000</u>
		Accrued interest	761	649
			<u>37,761</u>	<u>37,649</u>

These bonds are guaranteed by The Bahamas Government.

##### (n) Bahamas Power and Light Company Limited bonds

Face Value		Description	2019	2018
2019	2018			
\$	\$		\$	\$
6,495	6,495	B\$ Series B; 6.41%; 2021	6,493	6,492
18,557	18,557	B\$ Series C; 6.56%; 2026	18,537	18,534
			<u>25,030</u>	<u>25,026</u>
		Accrued interest	858	858
			<u>25,888</u>	<u>25,884</u>

These bonds are guaranteed by The Bahamas Government.

##### (o) Preference Shares

Face Value		Description	2019	2018
2019	2018			
\$	\$		\$	\$
2,000,000	2,000,000	Colina Holdings Bahamas Limited; Prime + 1.50% redeemable	2,000	2,000
-	1,714	Grand Bahama Power Company Limited; 7.25 – 10%-redeemable	-	1,714
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 (US\$); 6.25%; 2025	1,500	1,500
			<u>16,000</u>	<u>17,714</u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 7. Investments at Amortised Cost (Continued)

##### (p) Clifton Heritage Authority bonds

Face Value		Description		
2019	2018		2019	2018
\$	\$		\$	\$
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
			<u>7,949</u>	<u>7,949</u>
		Accrued interest	<u>44</u>	<u>44</u>
			<u><b>7,993</b></u>	<u><b>7,993</b></u>

These bonds are guaranteed by The Bahamas Government.

##### (q) 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 Deltec Bank & Trust. Interest is earned at 0.70% above Prime. As at December 31, 2019, the carrying amount of the bonds includes the principal of \$2,282 (2018: \$2,282) plus accrued interest of \$1,221 (2018: \$1,221).

During the year, no principal payments were received (2018: \$Nil), with cumulative principal payments totalling \$2,718 (2018: \$2,718). This loan is in default.

##### (r) Loans to Bahamas Government entities

	1-Jan-19	Additional Funds	Repayments	31-Dec-19
	\$	\$	\$	\$
BPL	2,310	-	(2,310)	-
MOEH	9,880	-	-	9,880
WSC	12,309	-	(985)	11,324
BDB	-	1,300	-	1,300
BCB	3,612	-	(161)	3,451
	<u>28,111</u>	<u>1,300</u>	<u>(3,456)</u>	<u>25,955</u>
Accrued interest	<u>733</u>	<u>1,370</u>	<u>(819)</u>	<u>1,284</u>
	<u><b>28,844</b></u>	<u><b>2,670</b></u>	<u><b>(4,275)</b></u>	<u><b>27,239</b></u>

	1-Jan-18	Additional Funds	Repayments	31-Dec-18
	\$	\$	\$	\$
BPL	2,310	-	-	2,310
MOEH	9,880	-	-	9,880
WSC	13,249	-	(940)	12,309
BCB	3,768	-	(156)	3,612
	<u>29,207</u>	<u>-</u>	<u>(1,096)</u>	<u>28,111</u>
Accrued interest	<u>418</u>	<u>1,208</u>	<u>(893)</u>	<u>733</u>
	<u><b>29,625</b></u>	<u><b>1,208</b></u>	<u><b>(1,989)</b></u>	<u><b>28,844</b></u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2019

(Expressed in Thousands of Bahamian dollars)

(Continued)

#### 7. Investments at Amortised Cost (Continued)

##### (r) Loans to Bahamas Government entities (continued)

###### *BPL*

During August 2009, the Fund participated in a medium term US\$ loan facility provided to the then Bahamas Electricity Corporation (BEC), now Bahamas Power and Light Company Limited (BPL) to refinance its existing US\$ debt obligations. The loan bears interest at US\$ 3-month LIBOR plus 4.25%, with principal and interest payable quarterly. The loan after a series of extensions from 2012 matured and was repaid in December 2019. The loan was guaranteed by The Bahamas Government and was in default at 2018 as no repayments were made.

###### *MOEH*

During 2013 the Fund through a Memorandum of Understanding with the Ministry of the Environment and Housing (MOEH) agreed to lend up to \$10,000 for the Bahamas National Housing Construction Project. The interest rate on this loan is 2.00% plus the 91 day Treasury Bill rate at the issue date. The funds were disbursed in quarterly instalments of \$2,500 from December 2013. During October 2014 the second drawdown of \$2,500 was disbursed. A final disbursement of \$300 was made in 2017. The loan will be repaid from mortgages issued through lending institutions other than the Bahamas Mortgage Corporation (BMC). No repayments were made in 2019 (2018: \$Nil) and the loan is in default.

###### *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 interest only payments being made during the first two years of the agreement. Principal repayments made in 2019 amounted to \$985 (2018: \$940).

###### *BCB*

During July 2015, the Fund agreed to lend \$4,100 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. Principal repayments made in 2019 amounted to \$161 (2018: \$156).

###### *BDB*

During June 2019 the Fund agreed to lend \$1,300 to the Bahamas Development Bank (BDB) to fund the purchase of an office building in New Providence. The loan bears interest of 4.5% and principal and interest is repayable quarterly over 10 years. No principal payments were made in 2019.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 7. Investments at Amortised Cost (Continued)

##### (s) Long-term deposits

Face Value		Description	2019	2018
2019	2018			
\$	\$		\$	\$
6,500	6,500	Family Guardian Insurance 3.00 %; 2023	6,500	6,500
		Accrued interest	<u>1,258</u>	<u>972</u>
			<u><b>7,758</b></u>	<u><b>7,472</b></u>

The interest rate on the Family Guardian Single Premium Deferred Annuity will be reviewed every 5 years on the annuity anniversary date.

##### (t) Bridge Authority bonds

Face Value		Description	2019	2018
2019	2018			
\$	\$		\$	\$
-	956	Prime + 1.25%; 2019	-	956
1,025	1,025	Prime + 1.50%; 2024	1,025	1,025
802	802	Prime + 1.63%; 2029	<u>802</u>	<u>802</u>
		Accrued interest	<u>1,827</u>	<u>2,783</u>
			<u>29</u>	<u>43</u>
			<u><b>1,856</b></u>	<u><b>2,826</b></u>

##### (u) Fidelity Bank (Bahamas) Limited notes

Face Value		Description	2019	2018
2019	2018			
\$	\$		\$	\$
800	800	Series F Notes; Prime + 1.25%; 2022	800	800
-	1,000	Series B Notes; Prime + 1.75%; 2022	<u>-</u>	<u>1,000</u>
		Accrued interest	<u>800</u>	<u>1,800</u>
			<u>18</u>	<u>30</u>
			<u><b>818</b></u>	<u><b>1,830</b></u>

##### (v) The College of The Bahamas redeemable term notes

Face Value		Description	2019	2018
2019	2018			
\$	\$		\$	\$
1,291	1,476	7.00%; 2026	1,291	1,476
		Accrued interest	<u>1</u>	<u>1</u>
			<u><b>1,292</b></u>	<u><b>1,477</b></u>

**The National Insurance Fund**

**Notes to the Consolidated Financial Statements  
December 31, 2019  
(Expressed in Thousands of Bahamian dollars)  
(Continued)**

**7. Investments at Amortised Cost (Continued)**

**(w) Public Hospital Authority bonds**

Face Value		Description		
2019	2018		2019	2018
\$	\$		\$	\$
9,313	9,978	6.00%; 2033	9,313	9,978
		Accrued interest	142	153
			<u>9,455</u>	<u>10,131</u>

**(x) Be Aliv Notes**

Face Value		Description		
2019	2018		2019	2018
\$	\$		\$	\$
500	500	Series A 8.00%; 2026	500	500
500	500	Series B 8.50%; 2031	500	500
			<u>1,000</u>	<u>1,000</u>

**(y) Citigroup Funding Inc. notes**

Face Value		Description		
2019	2018		2019	2018
\$	\$		\$	\$
3,000	3,000	US\$ 3-Month LIBOR + 3.25%; 2020	3,000	3,000
		Accrued interest	3	92
			<u>3,003</u>	<u>3,092</u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 7. Investments at Amortised Cost (Continued)

##### (z) Corporate US\$ bonds

Face Value		Description	2019	2018
2019	2018		2019	2018
\$	\$		\$	\$
397	397	Freeport McMoran Copper & Gold 3.50%; 2022	388	384
104	397	Anheuser Busch Incorporated 2.50%; 2022	102	385
397	397	Amazon Incorporated 2.50%; 2022	385	381
397	397	American International Group 4.88%; 2022	407	412
397	397	Goldman Sachs Group 3.63%; 2023	390	388
397	397	Morgan Stanley Medium Term 4.88%; 2022	399	400
397	397	Simon Property Group 2.75%; 2023	385	382
397	397	Quest Diagnostics Incorporated 4.70%; 2021	402	406
157	157	Teva Pharmaceutical Finance 2.95%; 2022	153	151
-	397	Thermo Fisher Scientific Incorporated 3.60%; 2021	-	396
397	397	United Health Group 2.75%; 2023	387	384
397	397	WellPoint Incorporated 3.30%; 2023	390	387
397	397	Deer & Company 2.60%; 2023	391	388
397	397	General Dynamics Corporation 2.25%; 2022	384	380
397	397	General Electric Capital Group 3.10%; 2022	389	386
397	397	AT & T Incorporated 2.63%; 2022	384	380
397	397	Telefonos Emisiones 5.13%; 2020	398	402
397	397	Verizon Communications Incorporated 2.45%; 2022	383	378
397	397	Ebay Incorporated 2.60%; 2022	388	385
-	397	Oracle Corporation 2.38%; 2019	-	397
			6,505	7,552
		Accrued Interest	56	69
			<b>6,561</b>	<b>7,621</b>

#### 8. Net Investment in Finance Leases

Net investment in finance leases comprise:

	2019	2018
	\$	\$
<i>Gross receivables</i>		
Not later than one year	12,747	12,747
Later than one year and not later than five years	50,988	50,988
Later than five years	186,947	199,694
	250,682	263,429
Unearned finance income	(85,497)	(93,104)
	<b>165,185</b>	<b>170,325</b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 8. Net Investment in Finance Leases (Continued)

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

	2019 \$	2018 \$
Not later than one year	5,373	5,140
Later than one year and not later than five years	24,053	23,006
Later than five years	<u>135,759</u>	<u>142,179</u>
	<u><b>165,185</b></u>	<u><b>170,325</b></u>

At December 31, 2019, net finance leases were \$165,185 (2018: \$170,325). As at January 1, 2018, the Fund assessed the provision for expected credit losses under the requirements of IFRS 9. The Fund classified the leases at stage 3 as payments were past due, however, during December 2018 The Bahamas Government negotiated a Promissory Note to cover all the past due balances under the finance and operating leases in the amount of \$61,672. Set payments are to be made monthly and full repayment is not to exceed four years. Repayments during 2019 on the Promissory Note was \$12,224. The existing finance lease agreement remains in force for the duration of the Promissory note and as a result the applicable interest of Prime rate+ 1/4% (presently 4.50%) will apply to delinquent payments. At December 31, 2019, the finance leases were all current and as such are classified as stage 1.

The Fund presently has thirteen (2018: thirteen) office buildings being leased to The Bahamas Government under finance lease agreements, as follows:

	2019 \$	2018 \$
Poinciana Hill, New Providence	10,148	10,468
Thompson Boulevard, New Providence	16,146	16,655
Claughton House, New Providence	5,615	5,773
Police Headquarters, Grand Bahama	4,682	4,829
Police Dormitories, Grand Bahama	2,002	2,065
Robinson Road, New Providence	3,339	3,444
Police Residences, Grand Bahama	2,175	2,244
Police Gymnasium, Grand Bahama	608	627
Police Guard House, Grand Bahama	30	31
Freeport Government Complex	24,811	25,584
Marsh Harbour Government Complex	27,216	28,073
Office of the Attorney General	37,020	38,187
JL Centre	<u>31,393</u>	<u>32,345</u>
	<u><b>165,185</b></u>	<u><b>170,325</b></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 the Prime of 4.25% (2018: 4.25%) (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 was

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 8. Net Investment in Finance Leases (Continued)

##### Cloughton House Limited (continued)

executed. Also during 2014 the Fund was advised of the Government's 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 4.50% (2018: 4.50%). The Bahamas Government is responsible for the maintenance, insurance and taxes on all buildings under Finance Lease arrangements.

##### 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
Cloughton House, New Providence	2014
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	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, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 9. Investment Property

	Farrington Road Building \$	Modernistic Building \$	Total \$
As of January 1, 2019	2,600	501	3,101
<b>As of December 31, 2019</b>	<b><u>2,600</u></b>	<b><u>501</u></b>	<b><u>3,101</u></b>
As of January 31, 2018	2,600	501	3,101
<b>As of December 31, 2018</b>	<b><u>2,600</u></b>	<b><u>501</u></b>	<b><u>3,101</u></b>

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 the weighted average of the Cost Approach and the Income Approach with reference to discounted cash flows that consider assumptions such as rental rates and market discount rates. These properties were appraised as at December 31, 2017.

The Fund ranks its non-financial assets carried at fair value based on the hierarchy of valuation techniques required by IFRS as described in Note 6. The Fund classifies all investment property as Level 3 assets. There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. The table below illustrates the impact of changes in estimates and assumptions in the determination of the fair value of investment property.

Estimate/Assumption	Change	Impact on Reserves
Construction costs	+5.00%/-5.00%	\$297/(\$297)
Depreciation rate	+5.00%/-5.00%	(\$195)/\$195

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

	2019	2018
	\$	\$
Rental income	<u>377</u>	<u>448</u>
Direct operating expenses		
On property that generated rental income	142	142
On property that did not generate rental income	<u>13</u>	<u>8</u>
	<b><u>155</u></b>	<b><u>150</u></b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 9. Investment Property (Continued)

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

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 expected commitments on leases for investment properties are analysed as follows:

	Farrington Road Building 2019	2018
	\$	\$
No later than 1 year	374	374
Later than 1 year and no later than 5 years	1,496	1,496
Later than 5 years	3,366	3,740
	<u>5,236</u>	<u>5,610</u>

#### 10. Investment in Associates

As at December 31, 2019, the Fund owned 4,334,453 (2018: 4,334,453) of the ordinary voting shares of Bank of the Bahamas Limited (BOB), representing 11.74% (2018: 11.74%) of the total outstanding ordinary voting shares and 6,022,945 (2018: 6,022,945) non-voting ordinary shares. The Fund has determined it still has significant influence as it holds a seat on the board and participates in all significant financial and operating decisions. The cumulative net unrecognised losses on BOB at December 31, 2019 are \$10,832 (2018: \$10,985).

The number of shares owned by the Fund in Cable Bahamas total 9,482,759 (2018: 9,482,759), representing 21.61% (2018: 21.61%) of the total outstanding voting shares.

	Opening \$	Purchase \$	Share of Profit / (Losses) \$	Dividends \$	Closing \$
<b>As at December 31, 2019</b>					
Bank of The Bahamas Limited	-	-	-	-	-
Cable Bahamas Limited	3,186	-	(3,186)	-	-
	<u>3,186</u>	<u>-</u>	<u>(3,186)</u>	<u>-</u>	<u>-</u>
<b>As at December 31, 2018</b>					
Bank of The Bahamas Limited	-	-	-	-	-
Cable Bahamas	12,974	-	(9,788)	-	3,186
	<u>12,974</u>	<u>-</u>	<u>(9,788)</u>	<u>-</u>	<u>3,186</u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 10. Investment in Associates (Continued)

The associates reported the following balances and transactions as of, and for the twelve months ended, December 31, 2019 and 2018:

	Assets \$	Liabilities \$	Total Income \$	Net Income/ (Loss) \$
<b>2019</b>				
Bank of The Bahamas Limited	866,003	702,497	43,431	1,304
Cable Bahamas Limited	714,575	722,080	53,332	(39,837)
<b>2018</b>				
Bank of The Bahamas Limited	803,168	643,222	38,765	4,256
Cable Bahamas Limited	622,621	581,176	44,085	(45,304)

#### 11. Computer Software

Computer software comprises:

	Total \$
<b>Cost</b>	
Balance as at January 1, 2019	17,771
Additions	587
<b>Balance as at December 31, 2019</b>	<u><b>18,358</b></u>
<b>Accumulated amortisation</b>	
Balance as at January 1, 2019	6,227
Amortisation expense	979
<b>Balance as at December 31, 2019</b>	<u><b>7,206</b></u>
<b>Net book value as at December 31, 2019</b>	<u><u><b>11,152</b></u></u>
<b>Cost</b>	
Balance as at January 1, 2018	16,365
Additions	1,406
<b>Balances as at December 31, 2018</b>	<u><b>17,771</b></u>
<b>Accumulated amortisation</b>	
Balance as at January 1, 2018	5,016
Amortisation expense	1,211
<b>Balance as at December 31, 2018</b>	<u><b>6,227</b></u>
<b>Net book value as at December 31, 2018</b>	<u><u><b>11,544</b></u></u>

The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2019  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

12. Property, Plant and Equipment

Property, plant and equipment comprise:

Cost	Land & Buildings	Office Equipment	Computer Hardware	Motor Vehicles	Land Improvement	Leasehold Assets	Equipment & Vehicles	Total
\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at January 1, 2019	122,735	4,618	6,410	2,255	739	-	13,192	149,949
Effects of changes in accounting policies	-	-	-	-	-	1,470	-	1,470
Additions	-	178	1,690	28	-	41	7	1,944
Disposals	-	(39)	(29)	(178)	-	-	(22)	(268)
<b>Balance as at December 31, 2019</b>	<b>122,735</b>	<b>4,757</b>	<b>8,071</b>	<b>2,105</b>	<b>739</b>	<b>1,511</b>	<b>13,177</b>	<b>153,095</b>
<b>Accumulated depreciation</b>								
Balance as at January 1, 2019	30,359	3,733	6,048	1,752	-	-	7,897	49,789
Depreciation expense	3,005	306	351	258	-	265	872	5,057
Disposals	-	(35)	(29)	(178)	-	-	(22)	(264)
<b>Balance as at December 31, 2019</b>	<b>33,364</b>	<b>4,004</b>	<b>6,370</b>	<b>1,832</b>	<b>-</b>	<b>265</b>	<b>8,747</b>	<b>54,582</b>
<b>Net book value as at December 31, 2019</b>	<b>89,371</b>	<b>753</b>	<b>1,701</b>	<b>273</b>	<b>739</b>	<b>1,246</b>	<b>4,430</b>	<b>98,513</b>

Effective January 1, 2019 the Fund performed an assessment of its lease commitments and determined the relevant lease liabilities as the present value of unpaid lease payments using the rate of interest that would be required for borrowings to acquire an asset of similar value and a term consistent with the relevant lease term. This resulted in the recognition of leasehold assets and lease liabilities totalling \$1,470.

The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2019  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

12. Property, Plant and Equipment (Continued)

	Land & Buildings	Office Furniture & Equipment	Computer Hardware	Motor Vehicles	Land Improvement	Medical Equipment & Vehicles	Total
Cost	\$	\$	\$	\$	\$	\$	\$
Balance as at January 1, 2018	122,286	4,539	7,613	2,124	533	13,215	150,310
Additions	449	149	257	157	206	-	1,218
Disposals	-	(70)	(1,460)	(26)	-	(23)	(1,579)
<b>Balance as at December 31, 2018</b>	<b>122,735</b>	<b>4,618</b>	<b>6,410</b>	<b>2,255</b>	<b>739</b>	<b>13,192</b>	<b>149,949</b>
<b>Accumulated depreciation</b>							
Balance as at January 1, 2018	27,351	3,462	7,237	1,425	-	7,119	46,594
Depreciation expense	3,008	341	270	330	-	801	4,750
Disposals	-	(70)	(1,459)	(3)	-	(23)	(1,555)
<b>Balance as at December 31, 2018</b>	<b>30,359</b>	<b>3,733</b>	<b>6,048</b>	<b>1,752</b>	<b>-</b>	<b>7,897</b>	<b>49,789</b>
<b>Net book value as at December 31, 2018</b>	<b>92,376</b>	<b>885</b>	<b>362</b>	<b>503</b>	<b>739</b>	<b>5,295</b>	<b>100,160</b>

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
	2019	2018
	\$	\$
Cost	94,259	13,177
Accumulated depreciation	(19,268)	(8,746)
<b>Net book value</b>	<b>74,991</b>	<b>4,431</b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (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.

	2019 \$	2018 \$
Balance as at January 1	69,804	63,603
Additions	8,665	5,409
Interest income (Note 17)	2,182	1,946
Transfer to net investment in finance leases	-	(1,154)
<b>Balance as at December 31</b>	<b><u>80,651</u></b>	<b><u>69,804</u></b>

During 2011, the National Insurance Board resolved to reduce interest charged on outstanding balances related to projects currently inactive to 0.00%. As at December 31, 2019, projects with balances totalling \$14,733 (2018: \$14,661) are subject to this resolution.

#### 14. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses comprise:

	2019 \$	2018 \$
Accounts payable and accrued expenses	6,978	4,990
Accrued vacation pay	3,467	3,362
Unclaimed benefits	308	463
Employee pension contributions	178	181
Other	21	1
	<b><u>10,952</u></b>	<b><u>8,997</u></b>

#### *Lease Liability*

	Dec 31, 2019 \$	Jan 1, 2019 \$
<b>Lease liabilities</b>		
Current	248	230
Non-current	1,028	1,240
	<b><u>1,276</u></b>	<b><u>1,470</u></b>

The consolidated statement of comprehensive income reflects the following amounts related to leases:

	2019 \$	2018 \$
Finance cost	76	-

The total cash outflows for leases in 2019 was \$311.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (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 recognised in the consolidated statement of comprehensive (loss)/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, interest rate and market risk.

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

	2019	2018
	\$	\$
Present value of defined benefit obligations	138,930	135,166
Fair value of plan assets	<u>(84,125)</u>	<u>(73,256)</u>
Funded status- Deficit	<u>54,805</u>	<u>61,910</u>
<b>Net liability arising from defined benefit obligation in consolidated statement of financial position</b>	<b><u>54,805</u></b>	<b><u>61,910</u></b>

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

	2019	2018
	\$	\$
As at January 1	135,166	124,653
Interest cost	6,895	6,710
Current service cost	4,296	4,139
Employee contributions	1,074	1,084
Past service cost	-	27
Benefits paid	(5,268)	(4,147)
Actuarial (gains)/losses	<u>(3,233)</u>	<u>2,700</u>
<b>As at December 31</b>	<b><u>138,930</u></b>	<b><u>135,166</u></b>

The present value of the defined benefit obligation as at December 31, 2017, 2016, and 2015, was \$124,653, \$120,954, and \$117,725 respectively.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (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:

	2019	%	2018	%
	\$		\$	
Active members	94,555	68.1	95,972	71.0
Inactive members	44,375	31.9	39,194	29.0
<b>As at December 31</b>	<b><u>138,930</u></b>	<b><u>100.0</u></b>	<b><u>135,166</u></b>	<b><u>100.0</u></b>

As at December 31, 2019, the duration of the liability is 15.14 years.

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

	2019	2018
	\$	\$
As at January 1	73,256	67,748
Expected return on plan assets	3,828	3,655
Contributions	12,074	8,084
Benefits paid	(5,268)	(4,147)
Actuarial gains/(losses)	442	(1,886)
Administration and Other non-Plan Investment Management Expenses	(207)	(198)
<b>As at December 31</b>	<b><u>84,125</u></b>	<b><u>73,256</u></b>

The allocation of plan assets as at December 31, 2019 is as follows:

	2019	2018
	\$	\$
<b>Asset Allocation</b>		
Cash on hand and at banks	4,325	3,569
Certificates of deposit	3,774	6,547
Equity securities at fair value through profit or loss	11,972	9,300
Loans and receivables	63,712	53,560
Net current assets	342	280
<b>Fair value of plan assets at end of year</b>	<b><u>84,125</u></b>	<b><u>73,256</u></b>

All of the plan assets are domiciled in the Commonwealth of The Bahamas and are held in a separate Trust under the direction of the Trustee. Equity securities which are at fair value through profit or loss are quoted on the Bahamas International Securities Exchange.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 15. Staff Pension Fund (Continued)

The expense recognised in the consolidated statement of comprehensive (loss)/income comprises:

	2019 \$	2018 \$
Current service cost	4,296	4,139
Past service costs	-	27
Interest expense	3,067	3,055
Administration and Other non Plan Investment Management Expenses	207	198
<b>Total pension expense (See Note 22)</b>	<b>7,570</b>	<b>7,419</b>

Employer contributions to be paid to the staff pension fund in the subsequent year are estimated at \$10,759 (2018: \$10,791). Employee contributions to be paid to the staff pension fund in the subsequent year are estimated at \$1,114 (2018: \$1,137).

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

	2019 \$	2018 \$
As at January 1	61,910	56,905
Pension expense recognised	7,570	7,419
Contributions - employer	(10,991)	(6,990)
Actuarial gains for year –from experience	(3,242)	(2,316)
Actuarial (gains)/losses for year-plan assets	(442)	1,886
Actuarial losses from changes in economic assumptions	-	5,006
<b>As at December 31</b>	<b>54,805</b>	<b>61,910</b>

The principal actuarial assumptions used at December 31 were:

	2019	2018
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 2020 with Projection Scale AA (2018: 1994 Uninsured Pensioner Mortality Generational Table at 2019 with Projection Scale AA). The mortality rates used for December 31, 2019 allow for improvements in life expectancy as illustrated below:

Age	Gender	
	Male	Female
Age 60 in 2019	24.86	26.94
Age 60 in 20 years	26.45	27.78

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (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, 2019 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%	138,931	162,423	120,345
4.50%	136,289	158,998	118,276
5.50%	141,738	166,074	122,538

The defined benefit obligation would be \$141,590 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, 2019 and 2018.

#### 17. Income from Investments

	2019	2018
	\$	\$
<b>Income from trustee securities:</b>		
Bahamas Government registered stocks	24,289	24,045
Bahamas Government treasury bills	11	40
	<u>24,300</u>	<u>24,085</u>
<b>Income from other securities:</b>		
Certificates of deposit	3,141	3,365
Long term deposits	285	240
Nassau Airport Development Company Limited debt securities	6,688	9,846
Bahamas Mortgage Corporation bonds	3,331	3,470
Dividends from ordinary and preference shares	2,706	4,408
Education Loan Authority bonds	1,820	1,742
Bahamas Government US\$ notes	2,089	2,089
Bahamas Government B\$ notes	171	231
Bahamas Development Bank bonds	1,463	1,522
Bahamas Electricity Corporation bonds	1,637	1,637
Government of Barbados US\$ bonds	464	213
Clifton Heritage Authority bonds	388	386
United States of America US\$ treasury notes	852	946
Fidelity Bank (Bahamas) Limited notes	92	116
The College of The Bahamas redeemable term notes	97	110
Bridge Authority bonds	118	159
Government of the Cayman Islands US\$ bonds	105	153

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 17. Income from Investments (Continued)

	2019	2018
	\$	\$
<b>Income from other securities: (continued)</b>		
Government of Trinidad & Tobago US\$ bonds	78	78
Loans to Bahamas Government entities	1,392	1,211
Latin American Investment Bank (Bahamas) Ltd. bonds	-	113
Public Hospital Authority bonds	589	629
Corporate US\$ bonds	256	303
Citigroup Funding Inc. notes	1	102
Be Aliv notes	83	83
	<u>27,846</u>	<u>33,152</u>
	2019	2018
	\$	\$
<b>Income from other investments:</b>		
Interest income on net investment in finance leases	7,706	9,513
Interest income on construction in progress – finance leases (Note 13)	2,182	1,946
Net realised gain on investments at fair value through profit or loss (Note 6)	2,372	292
Net unrealised gains on investments at fair value through profit or loss (Note 6)	3,923	3,811
Net realised gain on other investments	155	-
	<u>16,338</u>	<u>15,562</u>
	<u>68,484</u>	<u>72,799</u>

#### 18. Income from Property

	2019	2018
	\$	\$
Rental income:		
Freeport office complex	669	951
New Providence buildings	442	542
Polyclinics	2,112	2,111
	<u>3,223</u>	<u>3,604</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 (loss)/income.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

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

Amount invested in other assets comprises:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Cash on hand	54	52
Cash at banks – current accounts	23,014	22,119
Cash at brokers	1,193	1,216
Receivables and advances	134,212	147,489
Prepaid expenses and deposits	1,163	874
Computer software	11,152	11,544
Property, plant and equipment	19,092	17,555
Construction in progress – finance leases	80,651	69,804
Accounts payable and accrued expenses	(10,952)	(8,997)
Accrued benefits payable	(17,125)	(15,043)
	<u><b>242,454</b></u>	<u><b>246,613</b></u>

#### 21. Other Expenses

Other expenses comprise:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Repairs and maintenance	3,088	3,055
Utilities	1,604	1,672
Consultancy fees	826	433
Printing, stationery and computer supplies	553	524
Transportation and travel	345	262
Training and scholarships	322	194
Janitorial	381	336
Advertising and publicity	111	99
External security	446	470
Rent	222	510
Motor vehicles	208	230
Insurance	247	241
Legal expenses	107	136
Audit fees	217	309
Real property tax	131	83
Bank charges	351	255
Tribunal membership	9	16
Finance cost-lease liability	76	-
Value Added Tax Expense	1,117	846
Other miscellaneous expenses	66	64
	<u><b>10,427</b></u>	<u><b>9,735</b></u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 22. Employee Benefits

	2019	2018
	\$	\$
Pension expense (Note 15)	7,570	7,419
Pension expense allocated to Medical Benefits Branch	(126)	(132)
	<u>7,444</u>	<u>7,287</u>
Staff salaries and allowance	25,793	25,148
Group health plan	3,628	3,251
National insurance contributions	1,007	997
Other benefits	<u>352</u>	<u>394</u>
	<u><b>38,224</b></u>	<u><b>37,077</b></u>

#### 23. Financial Risk Management

The Fund's activities expose it to a variety of financial risks: market risk (comprising price and interest rate risk), credit risk, liquidity risk and currency risk. The Fund's overall Risk Management program seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's Performance.

Management of these risks is carried out by the Investment and Finance & Audit Committees under policies approved by the Board. There have been no changes to the Fund's process during the year. The methods used are described below.

##### **Market Risk**

###### *Price Risk*

Price risk is the risk that the value of the financial instruments held at fair value will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security, its issuer or factors affecting all securities traded in the market. The Fund manages its risks by monitoring the price movement of securities on the local and foreign stock exchanges.

The Fund is exposed to securities price risk because of investments held by the Fund designated as financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio in accordance with the limits set by the Investment Committee. The Fund's exposure to price risk is detailed in Note 6. All of the Fund's investments at fair value are publicly traded and included in the S&P 500 index or are listed on the Bahamas International Securities Exchange (BISX). If the BISX and S&P 500 indices increased/decreased 6% (2018: 6%) with all other variables held constant, this would have increased/decreased reserves \$7,852 (2018: \$5,885).

###### *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 (which has not experienced frequent significant changes in prior years) or have short terms to maturities 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, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 23. Financial Risk Management (Continued)

##### Credit risk

###### *Risk management*

Credit risk is the risk that a counterparty may be unable to perform according to the terms of a contract. Credit risk arises mainly from investments in debt securities, cash at banks, receivables and advances and receivables from finance leases. Credit risk is managed by the Fund on a group basis. The Fund places its investments with custodians in good standing with the Securities Commission of The Bahamas or equivalent regulators. Certificates of deposit and cash at banks are placed with financial institutions in good standing with the Central Bank of The Bahamas or equivalent regulators. The Fund uses external rating agency credit ratings to assess the creditworthiness of its financial assets. The PD's associated with each grade are determined based on realised default rates as published by the external rating agency. For those financial assets which have no externally published credit ratings, the Fund assesses on an individual basis the credit quality of the counterparty taking into account their financial performance, past experience and other relevant factors.

###### *Maximum exposure*

As at December 31, 2019, the Fund's maximum exposure to credit risk before considering any collateral held is the carrying amount of financial assets in the amount \$1,625,449 (2018: \$1,638,859), principally concentrated with The Bahamas Government, which as at December 31, 2019 had foreign and local currency debt ratings of Baa3 (2018: Baa3) issued by Moody's. As at that date, the Fund had investments, loans and receivables with The Bahamas Government and its entities totalling \$1,170,485 (2018: \$1,169,773).

###### *Impairment of financial assets*

The Fund has three types of financial assets that are subject to the expected credit loss model:

- Debt investments classified at amortised cost;
- Contributions receivable; and
- Net investment in finance leases (see Note 8).

###### Debt investments at amortised cost

The Fund has assessed its cash balances held with financial institutions to be investment grade based on the external credit rating of the counterparties. As such all balances have been classified at Stage 1 at December 31, 2019 and December 31, 2018. The table below reconciles the loss allowance recognised at December 31, 2019:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Opening allowance at January 1,	24	22
(Decrease)/increase in expected credit loss	(11)	2
<b>Closing allowance at December 31,</b>	<b>13</b>	<b>24</b>

The following table shows the analysis of the credit risk exposure for debt instruments classified at amortised cost for which an ECL allowance is recognised. The gross carrying amount of the debt instruments represents the Fund's maximum exposure to the credit risk of these assets.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 23. Financial Risk Management (Continued) Credit risk (continued)

##### Impairment of financial assets (continued) Debt investments at amortised cost (continued)

	Credit Grade	Amortised Cost \$	Stage 1 \$	Stage 2 \$	Stage 3 \$	ECL \$	Carrying Value \$	2018 \$
<b>Sovereign</b>								
Bahamas Government registered stocks	Non-investment	544,942	544,942	-	-	(1,270)	543,672	525,313
Bahamas Government B\$ notes	Non-investment	4,268	4,268	-	-	(9)	4,259	5,681
Bahamas Government treasury bills	Non-investment	1,633	1,633	-	-	-	1,633	1,591
Bahamas Government US\$ notes	Non-investment	30,248	30,248	-	-	(72)	30,176	30,187
United States of America US\$ treasury notes	Investment	51,421	51,421	-	-	(1)	51,420	46,832
Government of Barbados US\$ bonds	Non-investment	2,921	-	2,921	-	-	2,921	1,896
Government of the Cayman Islands US\$ bonds	Investment	-	-	-	-	-	-	2,511
Government of Trinidad & Tobago US\$ bonds	Non-investment	2,077	-	2,077	-	(19)	2,058	2,065
		637,510	632,512	4,998	-	(1,371)	636,139	616,076
<b>Corporate</b>								
Certificates of deposit	Non-investment	142,908	141,193	-	1,715	(2,143)	140,765	140,862
Bahamas Mortgage Corporation bonds	Non-investment	95,893	95,893	-	-	(278)	95,615	95,591
Nassau Airport Development Company Limited debt securities	Investment	88,293	88,293	-	-	(88)	88,205	89,765
Education Loan Authority bonds	Non-investment	46,205	46,205	-	-	(118)	46,087	46,357
Bahamas Development Bank bonds	Non-investment	37,761	37,761	-	-	(107)	37,654	37,526
Bahamas Electricity Corporation bonds	Non-investment	25,888	-	25,888	-	(441)	25,447	25,411
Preference shares	Non-investment	16,000	6,000	10,000	-	(378)	15,622	17,178
Clifton Heritage Authority bonds	Non-investment	7,993	7,993	-	-	(23)	7,970	7,971
Latin American Investment Bank (Bahamas) Ltd. bonds	Non-investment	3,503	-	-	3,503	(1,974)	1,529	1,538
Loans to Bahamas Government entities	Non-investment	27,239	16,162	-	11,077	(3,224)	24,015	25,484
Long-term deposits	Non-investment	7,758	7,758	-	-	(44)	7,714	7,423
Bridge Authority bonds	Non-investment	1,856	1,856	-	-	(5)	1,851	2,820
Fidelity Bank (Bahamas) Limited notes	Non-investment	818	818	-	-	(5)	813	1,818
The College of The Bahamas redeemable term notes	Non-investment	1,292	1,292	-	-	(3)	1,289	1,473
Public Hospital Authority bonds	Non-investment	9,455	9,455	-	-	(26)	9,429	10,103
Be Aliv Note	Non-investment	1,000	1,000	-	-	(6)	994	994
Citigroup Funding Inc. notes	Investment	3,003	3,003	-	-	-	3,003	3,092
Corporate US\$ bonds	Investment & Non-investment	6,561	5,614	947	-	(14)	6,547	7,608
		523,426	470,296	36,835	16,295	(8,877)	514,549	523,014
		<b>1,160,936</b>	<b>1,102,808</b>	<b>41,833</b>	<b>16,295</b>	<b>(10,248)</b>	<b>1,150,688</b>	<b>1,139,090</b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 23. Financial Risk Management (Continued)

##### Credit risk (continued)

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

##### Debt investments at amortised cost (continued)

The following table contains an analysis of debt instruments of the Fund by credit quality at December 31, 2019 based on credit risk grades and discloses the balances by three stages for the purpose of ECL measurement.

	Stage 1	Stage 2	Stage 3	2019
	\$	\$	\$	\$
<b>Sovereign Investment Securities</b>				
Credit grade:				
Investment	51,421	-	-	51,421
Non-investment	581,091	4,998	-	586,089
Gross carrying amount	<u>632,512</u>	<u>4,998</u>	<u>-</u>	<u>637,510</u>
Loss allowance	(1,352)	(19)	-	(1,371)
Carrying amount	<u>631,160</u>	<u>4,979</u>	<u>-</u>	<u>636,139</u>
<b>Corporate Investment Securities</b>				
Credit grade:				
Investment	96,910	-	-	96,910
Non-investment	373,386	36,835	16,295	426,516
Gross carrying amount	<u>470,296</u>	<u>36,835</u>	<u>16,295</u>	<u>523,426</u>
Loss allowance	(1,243)	(795)	(6,839)	(8,877)
Carrying amount	<u>469,053</u>	<u>36,040</u>	<u>9,456</u>	<u>514,549</u>
<b>Total Investment Securities</b>				
Credit grade:				
Investment	148,331	-	-	148,331
Non-investment	954,477	41,833	16,295	1,012,605
Gross carrying amount	<u>1,102,808</u>	<u>41,833</u>	<u>16,295</u>	<u>1,160,936</u>
Loss allowance	(2,595)	(814)	(6,839)	(10,248)
Carrying amount	<u>1,100,213</u>	<u>41,019</u>	<u>9,456</u>	<u>1,150,688</u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 23. Financial Risk Management (Continued)

##### Credit risk (continued)

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

##### Debt investments at amortised cost (continued)

The following table contains the comparative analysis of debt instruments of the Fund by credit quality at December 31, 2018.

	Stage 1	Stage 2	Stage 3	2018
	\$	\$	\$	\$
<b>Sovereign Investment Securities</b>				
Credit grade:				
Investment	49,344	-	-	49,344
Non-investment	563,857	2,087	3,446	569,390
Gross carrying amount	<u>613,201</u>	<u>2,087</u>	<u>3,446</u>	<u>618,734</u>
Loss allowance	<u>(1,086)</u>	<u>(22)</u>	<u>(1,550)</u>	<u>(2,658)</u>
Carrying amount	<u>612,115</u>	<u>2,065</u>	<u>1,896</u>	<u>616,076</u>
<b>Corporate Investment Securities</b>				
Credit grade:				
Investment	99,619	-	-	99,619
Non-investment	378,633	36,041	18,062	432,736
Gross carrying amount	<u>478,252</u>	<u>36,041</u>	<u>18,062</u>	<u>532,355</u>
Loss allowance	<u>(1,417)</u>	<u>(965)</u>	<u>(6,959)</u>	<u>(9,341)</u>
Carrying amount	<u>476,835</u>	<u>35,076</u>	<u>11,103</u>	<u>523,014</u>
<b>Total Investment Securities</b>				
Credit grade:				
Investment	148,963	-	-	148,963
Non-investment	942,490	38,128	21,508	1,002,126
Gross carrying amount	<u>1,091,453</u>	<u>38,128</u>	<u>21,508</u>	<u>1,151,089</u>
Loss allowance	<u>(2,503)</u>	<u>(987)</u>	<u>(8,509)</u>	<u>(11,990)</u>
Carrying amount	<u>1,088,950</u>	<u>37,141</u>	<u>12,999</u>	<u>1,139,090</u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 23. Financial Risk Management (Continued)

##### Credit risk (continued)

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

##### Debt investments at amortised cost (continued)

The expected credit loss for financial assets which are measured at amortised cost is impacted by several factors, including:

- Transfers between Stage 1 and Stages 2 or 3 due to financial assets experiencing significant increases (or decreases) of credit risk or becoming credit-impaired during a financial period, and the consequent change between 12-month ECL and lifetime ECL.
- Increases for provision and/or allowances for new financial assets recognised during a financial period, and decreases for financial assets derecognised in a financial period.
- Impacts on the measurement of ECL due to changes made to model methodologies and assumptions.
- Decreases in provision and/or allowances related to financial assets written off during a financial period.

The following tables explain the stage changes in the gross carrying amount and the loss allowance for debt securities between the beginning and the end of the annual period. Included in the table are the gross carrying amounts for the debt securities purchased within the year.

<b>Sovereign Investment Securities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Gross carrying amount as at January 1, 2019</b>	613,201	2,087	3,446	618,734
Transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	61,976	2,921	-	64,897
Changes to exposure other than full derecognition	61	(10)	-	51
Financial assets derecognised during the period	<u>(42,726)</u>	<u>-</u>	<u>(3,446)</u>	<u>(46,172)</u>
<b>Gross carrying amount as at December 31, 2019</b>	<b><u>632,512</u></b>	<b><u>4,998</u></b>	<b><u>-</u></b>	<b><u>637,510</u></b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 23. Financial Risk Management (Continued)

##### Credit risk (continued)

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

##### Debt investments at amortised cost (continued)

<b>Sovereign Investment Securities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Loss allowance as at January 1, 2019</b>	1,086	22	1,550	2,658
Transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	73	-	-	73
Changes to model assumptions and methodologies	220	(3)	-	217
Financial assets derecognised during the period	(27)	-	(1,550)	(1,577)
<b>Loss allowance as at December 31, 2019</b>	<b><u>1,352</u></b>	<b><u>19</u></b>	<b><u>-</u></b>	<b><u>1,371</u></b>

<b>Sovereign Investment Securities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Gross carrying amount as at January 1, 2018</b>	642,554	5,578	-	648,132
Transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	(3,482)	3,482	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	41,559	-	-	41,559
Changes to exposure other than full derecognition	250	(9)	(36)	205
Financial assets derecognised during the period	(71,162)	-	-	(71,162)
<b>Gross carrying amount as at December 31, 2018</b>	<b><u>613,201</u></b>	<b><u>2,087</u></b>	<b><u>3,446</u></b>	<b><u>618,734</u></b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 23. Financial Risk Management (Continued)

##### Credit risk (continued)

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

##### Debt investments at amortised cost (continued)

<b>Sovereign Investment Securities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Loss allowance as at January 1, 2018</b>	1,110	364	-	1,474
Transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	(337)	337	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	61	-	-	61
Changes to model assumptions and methodologies	(5)	(5)	1,213	1,203
Financial assets derecognised during the period	(80)	-	-	(80)
<b>Loss allowance as at December 31, 2018</b>	<b>1,086</b>	<b>22</b>	<b>1,550</b>	<b>2,658</b>
<b>Corporate Investment Securities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Gross carrying amount as at January 1, 2019</b>	478,252	36,041	18,062	532,355
Transfers:				
Transfer from Stage 1 to Stage 2	(791)	791	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	1,314	-	-	1,314
Changes to exposure other than full derecognition	(227)	3	667	443
Financial assets derecognised during the period	(8,252)	-	(2,434)	(10,686)
<b>Gross carrying amount as at December 31, 2019</b>	<b>470,296</b>	<b>36,835</b>	<b>16,295</b>	<b>523,426</b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 23. Financial Risk Management (Continued)

##### Credit risk (continued)

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

##### Debt investments at amortised cost (continued)

<b>Corporate Investment Securities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Loss allowance as at January 1, 2019</b>	1,417	965	6,959	9,341
Transfers:				
Transfer from Stage 1 to Stage 2	(5)	5	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	4	-	-	4
Changes to model assumptions and methodologies	(155)	(175)	500	170
Financial assets derecognised during the period	(18)	-	(620)	(638)
<b>Loss allowance as at December 31, 2019</b>	<b>1,243</b>	<b>795</b>	<b>6,839</b>	<b>8,877</b>
<b>Corporate Investment Securities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Gross carrying amount as at January 1, 2018</b>	482,921	35,064	17,650	535,635
Transfers:				
Transfer from Stage 1 to Stage 2	(156)	156	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	203,085	-	-	203,085
Changes to exposure other than full derecognition	(5,531)	821	412	(4,298)
Financial assets derecognised during the period	(202,067)	-	-	(202,067)
<b>Gross carrying amount as at December 31, 2018</b>	<b>478,252</b>	<b>36,041</b>	<b>18,062</b>	<b>532,355</b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 23. Financial Risk Management (Continued)

##### Credit risk (continued)

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

##### Debt investments at amortised cost (continued)

<b>Corporate Investment Securities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Loss allowance as at January 1, 2018</b>	1,437	1,021	6,917	9,375
Transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	567	-	-	567
Changes to model assumptions and methodologies	(27)	(56)	42	(41)
Financial assets derecognised during the period	(560)	-	-	(560)
<b>Loss allowance as at December 31, 2018</b>	<b>1,417</b>	<b>965</b>	<b>6,959</b>	<b>9,341</b>
<b>Total Investment Securities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Gross carrying amount as at January 1, 2019</b>	1,091,453	38,128	21,508	1,151,089
Transfers:				
Transfer from Stage 1 to Stage 2	(791)	791	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	63,290	2,921	-	66,211
Changes to exposure other than full derecognition	(166)	(7)	667	494
Financial assets derecognised during the period	(50,978)	-	(5,880)	(56,858)
<b>Gross carrying amount as at December 31, 2019</b>	<b>1,102,808</b>	<b>41,833</b>	<b>16,295</b>	<b>1,160,936</b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 23. Financial Risk Management (Continued)

##### Credit risk (continued)

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

##### Debt investments at amortised cost (continued)

<b>Total Investment Securities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Loss allowance as at January 1, 2019</b>	2,503	987	8,509	11,999
Transfers:				
Transfer from Stage 1 to Stage 2	(5)	5	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	77	-	-	77
Changes to model assumptions and methodologies	65	(178)	500	387
Financial assets derecognised during the period	(45)	-	(2,170)	(2,215)
<b>Loss allowance as at December 31, 2019</b>	<u>2,595</u>	<u>814</u>	<u>6,839</u>	<u>10,248</u>
<b>Total Investment Securities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Gross carrying amount as at January 1, 2018</b>	1,125,475	40,642	17,650	1,183,767
Transfers:				
Transfer from Stage 1 to Stage 2	(156)	156	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	(3,482)	3,482	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	244,644	-	-	244,644
Changes to exposure other than full derecognition	(5,281)	812	376	(4,093)
Financial assets derecognised during the period	(273,229)	-	-	(273,229)
<b>Gross carrying amount as at December 31, 2018</b>	<u>1,091,453</u>	<u>38,128</u>	<u>21,508</u>	<u>1,151,089</u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 23. Financial Risk Management (Continued)

##### Credit risk (continued)

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

##### Debt investments at amortised cost (continued)

<b>Total Investment Securities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Loss allowance as at January 1, 2018</b>	2,547	1,385	6,917	10,849
Transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	(337)	337	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	628	-	-	628
Changes to model assumptions and methodologies	(32)	(61)	1,255	1,162
Financial assets derecognised during the period	(640)	-	-	(640)
<b>Loss allowance as at December 31, 2018</b>	<b>2,503</b>	<b>987</b>	<b>8,509</b>	<b>11,999</b>

The following tables explain the stage changes in the gross carrying amount for receivables and advances excluding contributions receivables and the loss allowance for the balances between the beginning and the end of the annual period.

<b>Receivables and Advances</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Gross carrying amount as at January 1, 2019</b>	114,408	-	-	114,408
Transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 1	-	-	-	-
New financial assets originated or purchased	5,076	-	-	5,076
Changes to exposure other than full derecognition	-	-	-	-
Financial assets derecognised during the period	(19,097)	-	-	(19,097)
<b>Gross carrying amount as at December 31, 2019</b>	<b>100,387</b>	<b>-</b>	<b>-</b>	<b>100,387</b>

<b>Receivables and Advances</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Gross carrying amount as at January 1, 2018</b>	37,904	-	33,334	71,238
Transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 1	33,334	-	(33,334)	-
New financial assets originated or purchased	58,412	-	-	58,412
Changes to exposure other than full derecognition	-	-	-	-
Financial assets derecognised during the period	(15,242)	-	-	(15,242)
<b>Gross carrying amount as at December 31, 2018</b>	<b>114,408</b>	<b>-</b>	<b>-</b>	<b>114,408</b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 23. Financial Risk Management (Continued)

##### Credit risk (continued)

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

##### Debt investments at amortised cost (continued)

Receivables and Advances	Stage 1	Stage 2	Stage 3	Total
	\$	\$	\$	\$
<b>Loss allowance as at January 1, 2019</b>	68	-	-	68
Transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	-	-	-	-
Changes to model assumptions and methodologies	-	-	-	-
Financial assets derecognised during the period	(6)	-	-	(6)
<b>Loss allowance as at December 31, 2019</b>	<u>62</u>	<u>-</u>	<u>-</u>	<u>62</u>

Receivables and Advances	Stage 1	Stage 2	Stage 3	Total
	\$	\$	\$	\$
<b>Loss allowance as at January 1, 2018</b>	60	-	-	60
Transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	8	-	-	8
Changes to model assumptions and methodologies	-	-	-	-
Financial assets derecognised during the period	-	-	-	-
<b>Loss allowance as at December 31, 2018</b>	<u>68</u>	<u>-</u>	<u>-</u>	<u>68</u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 23. Financial Risk Management (Continued)

##### Credit risk (continued)

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

###### Contribution receivables

The Fund applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all contribution receivables.

To measure the expected credit losses, contribution receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates for the contributions receivable are based on the payment profiles of contribution income over a period of 12 months before December 31, 2019 or December 31, 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the employers to settle the receivable balances.

The Fund has identified GDP growth rate of The Bahamas (which is the country in which its registrants are domiciled) to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

The table below outlines the loss allowance for contributions receivable as at December 31, 2019 and December 31, 2018:

<b>December 31, 2019</b>	<b>Current</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>Over 90 days</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Loss rate	-%	-%	-%	92.66%	
Contribution receivable	26,722	880	4,602	23,767	55,971
Loss allowance	-	-	-	22,022	22,022
<b>December 31, 2018</b>	<b>Current</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>Over 90 days</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Loss rate	-%	-%	-%	100%	
Contribution receivable	25,364	1,628	6,225	19,911	53,128
Loss allowance	-	-	-	19,911	19,911

The closing loss allowance for contributions receivables as at December 31, 2019 reconciled to the opening loss allowance is disclosed in Note 5.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 23. Financial Risk Management (Continued)

##### Credit risk (continued)

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

The following table reconciles the movement in the expected credit loss allowance recognised in the statement of comprehensive (loss)/income:

	2019	2018
	\$	\$
Impairment (recoveries)/losses on cash at banks	(11)	2
Impairment (recoveries)/losses on receivables and advances	(6)	8
Impairment losses on contributions receivable	2,111	872
Impairment (recoveries)/losses on investment securities	(783)	1,150
	<u>1,311</u>	<u>2,032</u>

##### 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. The maturities of the Fund's financial assets are disclosed in their respective notes. Financial liabilities are all due within one year.

##### Currency risk

The Fund is exposed to foreign exchange risk arising from currency exposure primarily with respect to financial assets denominated in the US dollar. The Bahamian dollar is pegged to the US dollar, therefore the Fund will not be affected by changes in movements in the exchange rate. The Fund manages its currency risk through limits set by the Investment Committee which are in line with the foreign exchange controls of the Central Bank of The Bahamas. The Fund's exposure to currency risk is noted in the currency for which investments and cash are held all other financial assets are denominated in The Bahamian dollar.

#### 24. Contingent Liabilities

- (a) The Fund has provided commitment letters to various medical institutions and other providers of medical care in relation to its industrial benefit claimants. Due to the nature of these commitments, it is not practicable 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, and employment related actions brought against the Fund by former employees. Management is of the opinion that the resolution of these matters will not have a material impact on the Fund's consolidated financial statements.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 25. Commitments

##### *Capital commitments*

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

	2019	2018
	\$	\$
<b>Capital commitments</b>	<b><u>3,657</u></b>	<b><u>8,669</u></b>

##### *Operating lease commitments*

From January 1, 2019 the Fund has recognised right-of-use assets for their operating leases except for short-term leases. See Note 2(k). The future aggregate minimum lease payments under non-cancellable operating leases, where the Fund is the lessee, are as follows:

	2019	2018
	\$	\$
No later than 1 year	-	49
Later than 1 year and no later than 5 years	<u>-</u>	<u>-</u>
	<u>-</u>	<u>49</u>

#### 26. Employees

The average number of persons employed by NIB during the year was 575 (2018: 585).

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 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	
	2019	2018	2019	2018
	\$	\$	\$	\$
Certificates of deposit	142,908	141,363	141,254	141,516
Long term deposit	7,758	7,472	6,624	6,641
Bahamas Government registered stocks	544,942	526,329	593,107	573,291
Bahamas Mortgage Corporation bonds	95,893	95,900	91,370	90,089
Nassau Airport Development Company Limited debt securities	88,293	89,855	103,649	106,078
Education Loan Authority bonds	46,205	46,486	47,605	49,527
Bahamas Development Bank bonds	37,761	37,649	38,464	38,283
Bahamas Government US\$ notes	30,248	30,246	37,969	38,352
Bahamas Power and Light Company Limited bonds	25,888	25,884	26,097	26,343
Clifton Heritage Authority bonds	7,993	7,993	8,265	8,646
Government of Barbados US\$ bonds	2,921	3,446	3,111	3,496
United States of America US\$ treasury notes	51,421	46,833	50,726	45,082
Loans to Bahamas Government entities	27,239	28,844	24,906	27,143
Latin American Investment Bank (Bahamas) Ltd. bonds	3,503	3,503	2,231	2,354
Citigroup Funding Inc. notes	3,003	3,092	3,024	3,049
Bridge Authority bonds	1,856	2,826	2,115	3,043
Fidelity Bank (Bahamas) Limited notes	818	1,830	832	1,947
The College of The Bahamas redeemable term notes	1,292	1,477	1,378	1,588
Government of the Cayman Islands US\$ bonds	-	2,511	-	2,593
Government of Trinidad & Tobago	2,077	2,087	2,066	1,914
Corporate US\$ bonds	6,561	7,621	5,634	6,416
Bahamas Government B\$ Notes	4,268	5,690	4,319	5,759
Public Hospital Authority bonds	9,455	10,131	9,673	10,376
Be Aliv Note	1,000	1,000	1,186	1,196
	<u>1,143,303</u>	<u>1,130,068</u>	<u>1,205,605</u>	<u>1,194,722</u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2019

(Expressed in Thousands of Bahamian dollars)

(Continued)

#### 27. Fair Value of Financial Instruments (Continued)

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.

#### Fair Value Hierarchy As at December 31, 2019

The table below disclosed the fair value hierarchy of investments classified at amortised cost at December 31.

	Level 1	Level 2	Level 3	Fair value
	\$	\$	\$	\$
Certificates of deposit	-	141,254	-	141,254
Long term deposit	-	6,624	-	6,624
Bahamas Government registered stocks	-	593,107	-	593,107
Bahamas Mortgage Corporation bonds	-	91,370	-	91,370
Nassau Airport Development Company Limited debt securities	-	103,649	-	103,649
Education Loan Authority bonds	-	47,605	-	47,605
Bahamas Development Bank bonds	-	38,464	-	38,464
Bahamas Government US\$ notes	-	37,969	-	37,969
Bahamas Power and Light Company Limited bonds	-	26,097	-	26,097
Clifton Heritage Authority bonds	-	8,265	-	8,265
Government of Barbados US\$ bonds	-	3,111	-	3,111
United States of America US\$ treasury notes	50,726	-	-	50,726
Loans to Bahamas Government entities	-	24,906	-	24,906
Latin American Investment Bank (Bahamas) Ltd. bonds	-	2,231	-	2,231
Citigroup Funding Inc. notes	-	3,024	-	3,024
Bridge Authority bonds	-	2,115	-	2,115
Fidelity Bank (Bahamas) Limited notes	-	832	-	832
The College of The Bahamas redeemable term notes	-	1,378	-	1,378
Government of Trinidad & Tobago	-	2,066	-	2,066
Corporate US\$ bonds	5,634	-	-	5,634
Bahamas Government B\$ Notes	-	4,319	-	4,319
Public Hospital Authority bonds	-	9,673	-	9,673
Be Aliv Note	-	1,186	-	1,186
	<u>56,360</u>	<u>1,149,245</u>	<u>-</u>	<u>1,205,605</u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2019

(Expressed in Thousands of Bahamian dollars)

(Continued)

#### 27. Fair Value of Financial Instruments (Continued)

##### Fair Value Hierarchy As at December 31, 2018

	Level 1 \$	Level 2 \$	Level 3 \$	Fair value \$
Certificates of deposit	-	141,516	-	141,516
Long term deposit	-	6,641	-	6,641
Bahamas Government registered stocks	-	573,291	-	573,291
Bahamas Mortgage Corporation bonds	-	90,089	-	90,089
Nassau Airport Development Company Limited debt securities	-	106,078	-	106,078
Education Loan Authority bonds	-	49,527	-	49,257
Bahamas Development Bank bonds	-	38,283	-	38,283
Bahamas Government US\$ notes	-	38,352	-	38,352
Bahamas Power and Light Company Limited bonds	-	26,343	-	26,343
Clifton Heritage Authority bonds	-	8,646	-	8,646
Government of Barbados US\$ bonds	-	3,496	-	3,496
United States of America US\$ treasury notes	45,082	-	-	45,082
Loans to Bahamas Government entities	-	27,143	-	27,143
Latin American Investment Bank (Bahamas) Ltd. bonds	-	2,354	-	2,354
Citigroup Funding Inc. notes	-	3,049	-	3,049
Bridge Authority bonds	-	3,043	-	3,043
Fidelity Bank (Bahamas) Limited notes	-	1,947	-	1,947
The College of The Bahamas redeemable term notes	-	1,588	-	1,588
Government of the Cayman Islands US\$ bonds	-	2,593	-	2,593
Government of Trinidad & Tobago	-	1,914	-	1,914
Corporate US\$ bonds	6,416	-	-	6,416
Bahamas Government B\$ Notes	-	5,759	-	5,759
Public Hospital Authority bonds	-	10,376	-	10,376
Be Aliv Note	-	1,196	-	1,196
	<u>51,498</u>	<u>1,143,224</u>	<u>-</u>	<u>1,194,722</u>

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

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (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 Personnel		The Bahamas Government		Other Governmental Entities and Agencies		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash at bank	1,211	1,210	-	-	-	-	-	-	10,801	26,616	12,012	27,826
Receivables and advances	-	-	51	42	-	-	98,348	113,613	4,917	4,871	103,316	118,526
Accounts payable and accrued expenses	24	9	215	182	-	-	2	2	193	672	434	865
Contributions	1,562	1,311	1,136	768	1	2	31,345	31,935	11,881	12,396	45,925	46,412
Administrative expenses	148	140	64	64	-	-	-	-	1,464	1,232	1,676	1,436
Benefits	-	-	3,981	3,095	-	38	-	-	-	-	3,981	3,133

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*:

	2019	2018
	\$	\$
Short-term employee benefits	1,892	2,442
Post-employment benefits	366	490
	<u>2,258</u>	<u>2,932</u>

These balances are included in administrative expenditure in the consolidated statement of comprehensive (loss)/income. Transactions entered into by the Fund with its associates include investments and related income which are disclosed in Notes 7(o), and 10 of these consolidated financial statements.

As at December 31, 2019, other related party investment balances are disclosed below and the associated investment income is disclosed in Note 17 of these consolidated financial statements.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 28. Related Party Balances and Transactions (Continued)

	Notes	2019 \$	2018 \$
Bahamas Government registered stocks	7(a)	544,942	526,329
Bahamas Mortgage Corporation bonds	7(j)	95,893	95,900
Net investment in finance leases	8	165,185	170,325
Nassau Airport Development Company Limited debt securities	7(k)	88,293	89,855
Bank of the Bahamas certificates of deposit	7(i)	51,900	56,900
Education Loan Authority bonds	7(l)	46,205	46,486
Bahamas Development Bank bonds	7(m)	37,761	37,649
Bahamas Government US\$	7(d)	30,248	30,246
Bahamas Power and Light Company Limited bonds	7(n)	25,888	25,884
Cable Bahamas preference shares	7(o)	10,000	10,000
Clifton Heritage Authority bonds	7(p)	7,993	7,993
Investment property	9	3,101	3,101
Latin American Investment Bank (Bahamas) Ltd. bonds	7(q)	3,503	3,503
Loans to Bahamas Government entities	7(r)	27,239	28,844
Bahamas Development Bank long-term deposit	7(s)	7,758	7,472
Bridge Authority bonds	7(t)	1,856	2,826
The College of The Bahamas redeemable team notes	7(v)	1,292	1,477
Public Hospital Authority bonds	7(w)	9,455	10,131
Bahamas Government B\$ notes	7(b)	4,268	5,690
Bahamas Government Treasury bills	7(c)	1,633	1,592
		<u>1,164,413</u>	<u>1,162,203</u>

#### 29. Events After The Reporting Period

- Amendments to the law and regulations governing the Fund made in 2010 will require an increase in the insurable wage ceiling and an increase in pension benefits based on the change in Retail Index effective July 1, 2020.
- In June 2020 the rating agency Moody's downgraded The Bahamas Government's credit rating from Baa3 to Ba2. This could have a significant impact on the expected credit loss allowance since the Fund holds significant investments in the Bahamas Government and its agencies.
- During the first quarter of 2020, The Bahamas was impacted by the global pandemic COVID-19. In response to this global pandemic The Bahamas Government closed the nation's borders and implemented a series of lockdowns across the country. As a result, many non-essential businesses were closed which resulted in mass temporary layoffs of employees. Whilst the Fund continued to operate, the Fund was negatively impacted by a significant decrease in contribution income and an unprecedented increase in unemployment benefit payments during the second quarter of 2020. In order to facilitate the increase in benefit payments, the Fund was required to liquidate certain of its investments.

Further, the extent and duration of the impact of the pandemic on the global and local economy, financial markets, and sectors and specific positions in which the Fund invests is uncertain at this time, but it has the potential to adversely affect the value of the Fund's portfolio and performance.

Management is of the view that the Fund has the ability to meet its current obligations, based on its level of Reserves.

The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2019  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

30. Investments of the Fund Allocated to the Reserves

	Short-Term	Pensions	Industrial	Medical	Disablement and Death	Fidelity Bond	Total
	\$	\$	\$	\$	\$	\$	\$
<b>As at December 31, 2019</b>							
Cash at the Central Bank of The Bahamas	-	10,000	235	-	-	566	10,801
Investments at fair value through profit or loss							
Ordinary shares/ Mutual funds	-	122,038	-	-	-	-	122,038
Preference shares	-	14,000	-	-	-	-	14,000
	-	136,038	-	-	-	-	136,038
Certificates of deposit							
Finance Corporation of Bahamas Limited	16,500	11,000	1,000	-	-	-	28,500
Bank of The Bahamas Limited	10,000	21,420	20,000	480	-	-	51,900
Fidelity Bank (Bahamas) Limited	12,900	9,994	-	1,756	3,000	-	27,650
First Caribbean International Bank (Bahamas)	4,700	20,700	2,000	765	3,235	-	31,400
Gulf Union Bank (Bahamas) Ltd.	-	1,715	-	-	-	-	1,715
Accrued interest	-	1,743	-	-	-	-	1,743
Provision for doubtful accounts	-	(1,715)	-	-	-	-	(1,715)
	44,100	64,857	23,000	3,001	6,235	-	141,193
Bahamas Government registered stocks							
Bahamas Mortgage Corporation bonds	-	544,942	-	-	-	-	544,942
Nassau Airport Development Company Limited debt securities	25,983	39,910	30,000	-	-	-	95,893
Education Loan Authority bonds	-	87,647	646	-	-	-	88,293
Bahamas Development Bank bonds	-	46,205	-	-	-	-	46,205
Bahamas Government US\$ notes	-	37,761	-	-	-	-	37,761
	-	30,248	-	-	-	-	30,248

The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2019  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

As at December 31, 2019 (Continued)	Short-Term	Pensions	Industrial	Medical	Disablement and Death	Fidelity Bond	Total
	\$	\$	\$	\$	\$	\$	\$
Bahamas Power and Light Company Limited bonds	-	25,888	-	-	-	-	25,888
Bahamas Government B\$ notes	-	4,268	-	-	-	-	4,268
Bahamas Treasury notes	-	1,633	-	-	-	-	1,633
Preference shares	-	16,000	-	-	-	-	16,000
Clifton Heritage Authority bonds	-	7,993	-	-	-	-	7,993
Government of Barbados US\$ bonds	-	2,921	-	-	-	-	2,921
United States of America US\$ treasury notes	-	51,421	-	-	-	-	51,421
Loans to Bahamas Government entities	-	27,239	-	-	-	-	27,239
Latin American Investment Bank (Bahamas) Ltd. bonds	-	3,503	-	-	-	-	3,503
Citigroup Funding Inc. Notes	-	3,003	-	-	-	-	3,003
Bridge Authority bonds	-	1,856	-	-	-	-	1,856
Fidelity Bank (Bahamas) Limited notes	-	818	-	-	-	-	818
The College of The Bahamas redeemable term notes	-	1,292	-	-	-	-	1,292
Government of the Cayman Islands US\$ bonds	-	-	-	-	-	-	-
Long Term Deposits	-	7,758	-	-	-	-	7,758
Corporate US\$ bonds	-	6,561	-	-	-	-	6,561
Public Hospital Authority bonds	-	9,455	-	-	-	-	9,455
Trinidad & Tobago bonds	-	2,077	-	-	-	-	2,077
Be Aliv notes	-	1,000	-	-	-	-	1,000
Net investment in finance leases	-	165,185	-	-	-	-	165,185
Investment property	-	3,101	-	-	-	-	3,101
Investments in associates	-	-	-	-	-	-	-
Property, plant and equipment	-	-	-	79,421	-	-	79,421
Amounts invested in other assets (Note 20)	98,398	126,231	6,326	6,581	4,908	10	242,454
Staff pension fund	-	(54,805)	-	-	-	-	(54,805)
Allowance for expected credit losses (Note 3)	-	(8,533)	-	-	-	-	(8,533)
<b>Total</b>	<b>168,481</b>	<b>1,403,473</b>	<b>60,207</b>	<b>89,003</b>	<b>11,143</b>	<b>576</b>	<b>1,732,883</b>

The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2019  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

	Short- Term	Pensions	Industrial	Medical	Disablement and Death	Fidelity Bond	Total
	\$	\$	\$	\$	\$	\$	\$
<b>As at December 31, 2018</b>							
Cash at the Central Bank of The Bahamas	-	25,985	50	-	-	566	26,601
Investments at fair value through profit or loss							
Ordinary shares/ Mutual funds	-	112,907	-	-	-	-	112,907
Preference shares	-	15,000	-	-	-	-	15,000
	-	127,907	-	-	-	-	127,907
Certificates of deposit							
Finance Corporation of Bahamas Limited	10,572	20,428	5,500	-	-	-	36,500
Bank of The Bahamas Limited	13,000	20,900	23,000	-	-	-	56,900
Fidelity Bank (Bahamas) Limited	3,976	28,995	-	2,125	2,954	-	38,050
First Caribbean International Bank (Bahamas)	1,000	2,000	2,000	-	3,000	-	8,000
Gulf Union Bank (Bahamas) Ltd.	-	1,715	-	-	-	-	1,715
Accrued interest	-	1,913	-	-	-	-	1,913
Provision for doubtful accounts	-	(1,715)	-	-	-	-	(1,715)
	28,548	74,236	30,500	2,125	5,954	-	141,363
Bahamas Government registered stocks							
Bahamas Mortgage Corporation bonds	-	526,329	-	-	-	-	526,329
Nassau Airport Development Company Limited debt securities	19,569	42,107	34,024	-	200	-	95,900
Education Loan Authority bonds	-	89,855	-	-	-	-	89,855
	-	46,486	-	-	-	-	46,486

The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2019  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

	Short-Term	Pensions	Industrial	Medical	Disablement and Death	Fidelity Bond	Total
As at December 31, 2018 (Continued)	\$	\$	\$	\$	\$	\$	\$
Bahamas Development Bank bonds	-	37,649	-	-	-	-	37,649
Bahamas Government US\$ notes	-	30,246	-	-	-	-	30,246
Bahamas Power and Light Company Limited bonds	-	25,884	-	-	-	-	25,884
Bahamas Government B\$ notes	-	5,690	-	-	-	-	5,690
Bahamas Treasury notes	-	1,592	-	-	-	-	1,592
Preference shares	-	17,714	-	-	-	-	17,714
Clifton Heritage Authority bonds	-	7,993	-	-	-	-	7,993
Government of Barbados US\$ bonds	-	3,446	-	-	-	-	3,446
United States of America US\$ treasury notes	-	46,833	-	-	-	-	46,833
Loans to Bahamas Government entities	-	28,844	-	-	-	-	28,844
Latin American Investment Bank (Bahamas) Ltd. bonds	-	3,503	-	-	-	-	3,503
Citigroup Funding Inc. Notes	-	3,092	-	-	-	-	3,092
Bridge Authority bonds	-	2,826	-	-	-	-	2,826
Fidelity Bank (Bahamas) Limited notes	-	1,830	-	-	-	-	1,830
The College of The Bahamas redeemable term notes	-	1,477	-	-	-	-	1,477
Government of the Cayman Islands US\$ bonds	-	2,511	-	-	-	-	2,511
Long Term Deposits	-	7,472	-	-	-	-	7,472
Corporate US\$ bonds	-	7,621	-	-	-	-	7,621
Public Hospital Authority bonds	-	10,131	-	-	-	-	10,131
Trinidad & Tobago bonds	-	2,087	-	-	-	-	2,087
Be Aliv notes	-	1,000	-	-	-	-	1,000
Net investment in finance leases	-	170,325	-	-	-	-	170,325
Investment property	-	3,101	-	-	-	-	3,101
Investments in associates	-	3,186	-	-	-	-	3,186
Property, plant and equipment	-	-	-	82,605	-	-	82,605
Amounts invested in other assets (Note 20)	98,302	140,203	72	3,997	4,029	10	246,613
Staff pension	-	(61,910)	-	-	-	-	(61,910)
Allowance for expected credit losses (Note 3)	-	(10,284)	-	-	-	-	(10,284)
<b>Total</b>	<b>146,419</b>	<b>1,426,967</b>	<b>64,646</b>	<b>88,727</b>	<b>10,183</b>	<b>576</b>	<b>1,737,518</b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2019 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 31. Actuarial Review (Unaudited)

The 9<sup>th</sup> 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 \$ 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 as they fall due.

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



## Statistical Appendix

**Table 1. New Registration of Employers & Self-Employed Persons**

Island/Local Office	2019			2018		
	Employers	Self-Employed	Total	Employers	Self-Employed	Total
<b>Abaco</b>						
Marsh Harbour	343	158	<b>501</b>	173	330	<b>503</b>
Coopers Town	54	65	<b>119</b>	22	34	<b>56</b>
<b>All Abaco</b>	<b>397</b>	<b>223</b>	<b>620</b>	<b>195</b>	<b>364</b>	<b>559</b>
<b>Andros</b>						
Fresh Creek	32	46	<b>78</b>	19	26	<b>45</b>
Kemps Bay	35	64	<b>99</b>	27	40	<b>67</b>
Mangrove Cay	1	4	<b>5</b>	-	-	<b>-</b>
Nicholls Town	69	78	<b>147</b>	44	61	<b>105</b>
<b>All Andros</b>	<b>137</b>	<b>192</b>	<b>329</b>	<b>90</b>	<b>127</b>	<b>217</b>
<b>Bimini &amp; Berry Islands</b>	<b>101</b>	<b>47</b>	<b>148</b>	<b>45</b>	<b>68</b>	<b>113</b>
<b>Cat Island</b>	<b>14</b>	<b>49</b>	<b>63</b>	<b>16</b>	<b>49</b>	<b>65</b>
<b>Crooked Island &amp; Acklins</b>	<b>13</b>	<b>17</b>	<b>30</b>	<b>22</b>	<b>21</b>	<b>43</b>
<b>Eleuthera</b>						
Governors Harbour	-	-	<b>-</b>	-	-	<b>-</b>
Harbour Island	35	64	<b>99</b>	47	76	<b>123</b>
Rock Sound	29	81	<b>110</b>	23	60	<b>83</b>
Spanish Wells & North Eleuthera	33	105	<b>138</b>	63	100	<b>163</b>
<b>All Eleuthera</b>	<b>97</b>	<b>250</b>	<b>347</b>	<b>133</b>	<b>236</b>	<b>369</b>
<b>Exuma &amp; Ragged Island</b>	<b>130</b>	<b>338</b>	<b>468</b>	<b>112</b>	<b>218</b>	<b>330</b>
<b>Grand Bahama</b>	<b>809</b>	<b>317</b>	<b>1,126</b>	<b>513</b>	<b>508</b>	<b>1,021</b>
<b>Inagua &amp; Mayaguana</b>	<b>40</b>	<b>26</b>	<b>66</b>	<b>5</b>	<b>43</b>	<b>48</b>
<b>Long Island</b>						
Deadmans Cay	17	35	<b>52</b>	13	29	<b>42</b>
Simms	3	6	<b>9</b>	7	12	<b>19</b>
<b>All Long Island</b>	<b>20</b>	<b>41</b>	<b>61</b>	<b>20</b>	<b>41</b>	<b>61</b>
<b>New Providence</b>	<b>8,091</b>	<b>1,728</b>	<b>9,819</b>	<b>6,158</b>	<b>2,473</b>	<b>8,631</b>
<b>San Salvador</b>	<b>12</b>	<b>26</b>	<b>38</b>	<b>9</b>	<b>28</b>	<b>37</b>
<b>Total</b>	<b>9,861</b>	<b>3,254</b>	<b>13,115</b>	<b>7,318</b>	<b>4,176</b>	<b>11,494</b>

**Table 2. New Registration of Insured Persons**

Island/Local Office	2019			2018		
	Active	Inactive	Total	Active	Inactive	Total
<b>Abaco</b>						
Marsh Harbour	144	300	<b>444</b>	75	376	<b>451</b>
Coopers Town	2	22	<b>24</b>	9	12	<b>21</b>
<b>All Abaco</b>	<b>146</b>	<b>322</b>	<b>468</b>	<b>84</b>	<b>388</b>	<b>472</b>
<b>Andros</b>						
Fresh Creek	6	21	<b>27</b>	3	33	<b>36</b>
Kemps Bay	8	19	<b>27</b>	5	32	<b>37</b>
Mangrove Cay	-	-	-	-	-	-
Nicholls Town	6	46	<b>52</b>	8	58	<b>66</b>
<b>All Andros</b>	<b>20</b>	<b>86</b>	<b>106</b>	<b>16</b>	<b>123</b>	<b>139</b>
<b>Bimini &amp; Berry Islands</b>	<b>17</b>	<b>62</b>	<b>79</b>	<b>30</b>	<b>96</b>	<b>126</b>
<b>Cat Island</b>	<b>2</b>	<b>8</b>	<b>10</b>	<b>1</b>	<b>16</b>	<b>17</b>
<b>Crooked Island &amp; Acklins</b>	<b>1</b>	<b>12</b>	<b>13</b>	<b>2</b>	<b>7</b>	<b>9</b>
<b>Eleuthera</b>						
Governors Harbour	-	-	-	-	-	-
Harbour Island	15	47	<b>62</b>	42	39	<b>81</b>
Rock Sound	36	55	<b>91</b>	26	44	<b>70</b>
Spanish Wells & North Eleuthera	17	50	<b>67</b>	47	45	<b>92</b>
<b>All Eleuthera</b>	<b>68</b>	<b>152</b>	<b>220</b>	<b>115</b>	<b>128</b>	<b>243</b>
<b>Exuma &amp; Ragged Island</b>	<b>52</b>	<b>135</b>	<b>187</b>	<b>80</b>	<b>135</b>	<b>215</b>
<b>Grand Bahama</b>	<b>458</b>	<b>882</b>	<b>1,340</b>	<b>214</b>	<b>1,068</b>	<b>1,282</b>
<b>Inagua &amp; Mayaguana</b>	<b>3</b>	<b>18</b>	<b>21</b>	-	<b>7</b>	<b>7</b>
<b>Long Island</b>						
Deadmans Cay	2	17	<b>19</b>	-	11	<b>11</b>
Simms	1	8	<b>9</b>	1	13	<b>14</b>
<b>All Long Island</b>	<b>3</b>	<b>25</b>	<b>28</b>	<b>1</b>	<b>24</b>	<b>25</b>
<b>New Providence</b>	<b>1,175</b>	<b>5,208</b>	<b>6,383</b>	<b>1,130</b>	<b>5,631</b>	<b>6,761</b>
<b>San Salvador</b>	<b>37</b>	<b>17</b>	<b>54</b>	<b>13</b>	<b>11</b>	<b>24</b>
<b>Total</b>	<b>1,982</b>	<b>6,927</b>	<b>8,909</b>	<b>1,686</b>	<b>7,634</b>	<b>9,320</b>

**Table 3. Total Net Contribution Income, 2019**

<b>Island/Local Office</b>	<b>Employers</b>	<b>Employees</b>	<b>Self-Employed</b>	<b>Voluntary Insured</b>	<b>Installment Agreements</b>	<b>Total 2019</b>	<b>Total 2018</b>
<b>Abaco</b>							
Marsh Harbour	3,565,717	2,422,779	374,416	1,690	34,749	<b>6,399,351</b>	<b>8,988,227</b>
Coopers Town	377,612	304,011	104,342	-	5,655	<b>791,620</b>	<b>1,175,424</b>
<b>All Abaco</b>	<b>3,943,328</b>	<b>2,726,790</b>	<b>478,758</b>	<b>1,690</b>	<b>40,404</b>	<b>7,190,971</b>	<b>10,163,651</b>
<b>Andros</b>							
Fresh Creek	283,276	199,286	28,942	-	-	<b>511,503</b>	<b>533,319</b>
Kemps Bay	109,516	76,696	45,523	-	6,019	<b>237,754</b>	<b>270,620</b>
Mangrove Cay	9,094	6,051	3,404	-	355	<b>18,905</b>	<b>-</b>
Nicholls Town	280,121	185,979	45,585	-	-	<b>511,686</b>	<b>506,428</b>
<b>All Andros</b>	<b>682,007</b>	<b>468,013</b>	<b>123,454</b>	<b>-</b>	<b>6,374</b>	<b>1,279,847</b>	<b>1,310,367</b>
<b>Bimini &amp; Berry Islands</b>							
<b>Cat Island</b>	<b>65,995</b>	<b>40,748</b>	<b>38,096</b>	<b>-</b>	<b>692</b>	<b>145,532</b>	<b>182,634</b>
<b>Crooked Island &amp; Acklins</b>	<b>21,839</b>	<b>14,434</b>	<b>45,596</b>	<b>-</b>	<b>2,451</b>	<b>84,320</b>	<b>92,327</b>
<b>Eleuthera</b>							
Governors Harbour	766,512	565,565	185,784	-	13,663	<b>1,531,524</b>	<b>1,460,710</b>
Harbour Island	1,027,026	969,967	169,423	-	2,894	<b>2,169,310</b>	<b>1,970,860</b>
Rock Sound	617,283	417,069	78,675	-	119	<b>1,113,146</b>	<b>973,782</b>
Spanish Wells & North Eleuthera	1,154,574	742,148	351,975	-	269	<b>2,248,966</b>	<b>2,013,801</b>
<b>All Eleuthera</b>	<b>3,565,394</b>	<b>2,694,750</b>	<b>785,857</b>	<b>-</b>	<b>16,945</b>	<b>7,062,946</b>	<b>6,419,154</b>
<b>Exuma &amp; Ragged Island</b>							
<b>Grand Bahama</b>	<b>12,794,879</b>	<b>8,552,010</b>	<b>373,387</b>	<b>-</b>	<b>80,377</b>	<b>21,800,653</b>	<b>22,815,088</b>
<b>Inagua &amp; Mayaguana</b>	<b>270,833</b>	<b>178,261</b>	<b>19,762</b>	<b>-</b>	<b>-</b>	<b>468,856</b>	<b>542,443</b>
<b>Long Island</b>							
Deadmans Cay	165,172	118,548	184,941	-	1,130	<b>469,791</b>	<b>426,042</b>
Simms	98,634	85,046	54,338	-	-	<b>238,018</b>	<b>303,709</b>
<b>All Long Island</b>	<b>263,806</b>	<b>203,595</b>	<b>239,279</b>	<b>-</b>	<b>1,130</b>	<b>707,809</b>	<b>729,751</b>
<b>New Providence</b>	<b>139,010,694</b>	<b>98,362,731</b>	<b>4,302,696</b>	<b>3,189</b>	<b>437,340</b>	<b>242,116,650</b>	<b>235,296,574</b>
<b>San Salvador</b>	<b>350,713</b>	<b>244,881</b>	<b>21,287</b>	<b>-</b>	<b>824</b>	<b>617,705</b>	<b>607,629</b>
<b>Total</b>	<b>164,581,321</b>	<b>114,971,463</b>	<b>6,870,438</b>	<b>4,879</b>	<b>703,148</b>	<b>287,131,249</b>	<b>283,938,689</b>

Note: Totals may not balance due to rounding.

**Table 4. Total Contribution Income, 2015 - 2019**

<b>Contribution Income ('000s)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Employers	\$165,016	\$164,459	\$158,469	\$148,836	\$147,097
Employees	\$115,266	\$111,177	\$110,358	\$101,866	\$98,133
Self-employed	\$6,870	\$8,010	\$7,409	\$6,505	\$5,917
Voluntarily Insured	\$5	\$5	\$0	1	\$2
Installment Agreements	\$703	\$1,067	\$2,194	\$4,791	\$10,093
Refund of Contributions	(\$729)	(\$779)	(\$945)	(\$808)	(\$782)
<b>Total ('000s)</b>	<b>\$287,131</b>	<b>\$283,939</b>	<b>\$277,485</b>	<b>\$261,191</b>	<b>\$260,460</b>

<b>Number of Contributors</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Employers	13,569	13,801	12,521	13,472	13,001
Employees	153,000	148,000	143,000	145,000	146,000
Self-employed	9,175	10,527	9,631	10,339	9,581
Voluntarily Insured	2	1	1	2	3
Installment Agreements	n/a	n/a	n/a	9,557	8,593
<b>Total Contributors</b>	<b>175,746</b>	<b>172,329</b>	<b>165,153</b>	<b>178,370</b>	<b>177,178</b>

Note: Totals may not balance due to rounding.

**Table 5. Benefit & Assistance Claims Received and Awarded**

Benefits & Assistances Type		Received		Awarded	
		2019	2018 (Restated)	2019	2018
<b>Long-term Benefits/Assistances</b>	Retirement Benefit	2,742	2,740	2,172	1,841
	Retirement Grant	n/a	n/a	235	186
	Invalidity Benefit	276	306	197	150
	Survivors' Benefit	816	1,013	598	649
	Survivors' Grant	n/a	n/a	125	85
	Old Age Non-Contributory Pension	219	196	51	97
	Invalidity Assistance	87	109	75	59
	Survivors' Assistance	36	63	11	14
<b>Total Long-term</b>		<b>4,176</b>	<b>4,427</b>	<b>3,464</b>	<b>3,081</b>
<b>Short-term Benefits/Assistances</b>	Sickness Benefit	12,598	14,144	12,494	12,279
	Maternity Benefit	3,353	3,434	2,808	2,452
	Maternity Grant	3,353	3,434	3,269	2,956
	Funeral Benefit	2,017	1,978	1,966	1,891
	Unemployment Benefit	9,257	7,308	7,117	5,974
	Sickness Assistance	0	0	0	0
<b>Total Short-term</b>		<b>30,578</b>	<b>30,298</b>	<b>27,654</b>	<b>25,552</b>
<b>Industrial Benefits/Grants</b>	Medical Care	4,452	4,526	3,586	3,851
	Injury Benefit	2,292	2,218	2,260	2,016
	Disablement Benefit & Grant	190	211	53	41
	Industrial Death	5	8	0	0
	Industrial Funeral	0	0	0	0
<b>Total Industrial</b>		<b>6,939</b>	<b>6,963</b>	<b>5,899</b>	<b>5,908</b>
<b>All Benefits</b>		<b>41,693</b>	<b>41,259</b>	<b>37,017</b>	<b>34,541</b>

**Table 6. Short-Term Benefit & Assistance Claims Awarded, 2019**

<b>Island/Local Office</b>	<b>Sickness Benefit</b>	<b>Maternity Benefit</b>	<b>Maternity Grant</b>	<b>Funeral Benefit</b>	<b>Unemployment Benefit</b>	<b>Sickness Assistance</b>	<b>Total</b>
<b>Abaco</b>							
Marsh Harbour	269	92	115	22	309	-	<b>807</b>
Coopers Town	25	6	8	1	18	-	<b>58</b>
<b>All Abaco</b>	<b>294</b>	<b>98</b>	<b>123</b>	<b>23</b>	<b>327</b>	<b>-</b>	<b>865</b>
<b>Andros</b>							
Fresh Creek	68	12	17	1	51	-	<b>149</b>
Kemps Bay	31	11	11	-	41	-	<b>94</b>
Mangrove Cay	2	-	-	-	-	-	<b>2</b>
Nicholls Town	59	14	15	1	61	-	<b>150</b>
<b>All Andros</b>	<b>160</b>	<b>37</b>	<b>43</b>	<b>2</b>	<b>153</b>	<b>-</b>	<b>395</b>
<b>Bimini &amp; Berry Islands</b>	<b>47</b>	<b>15</b>	<b>18</b>	<b>5</b>	<b>50</b>	<b>-</b>	<b>135</b>
<b>Cat Island</b>	<b>41</b>	<b>3</b>	<b>5</b>	<b>-</b>	<b>36</b>	<b>-</b>	<b>85</b>
<b>Crooked Island &amp; Acklins</b>	<b>31</b>	<b>-</b>	<b>1</b>	<b>2</b>	<b>8</b>	<b>-</b>	<b>42</b>
<b>Eleuthera</b>							
Governors Harbour	92	20	22	4	41	-	<b>179</b>
Harbour Island	41	21	20	3	72	-	<b>157</b>
Rock Sound	77	28	32	28	63	-	<b>228</b>
Spanish Wells & North Eleuthera	89	21	22	19	174	-	<b>325</b>
<b>All Eleuthera</b>	<b>299</b>	<b>90</b>	<b>96</b>	<b>54</b>	<b>350</b>	<b>-</b>	<b>889</b>
<b>Exuma &amp; Ragged Island</b>	<b>188</b>	<b>45</b>	<b>46</b>	<b>2</b>	<b>161</b>	<b>-</b>	<b>442</b>
<b>Grand Bahama</b>	<b>954</b>	<b>330</b>	<b>414</b>	<b>308</b>	<b>1,606</b>	<b>-</b>	<b>3,612</b>
<b>Inagua &amp; Mayaguana</b>	<b>85</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>11</b>	<b>-</b>	<b>115</b>
<b>Long Island</b>							
Deadmans Cay	45	3	6	3	36	-	<b>93</b>
Simms	7	2	2	-	17	-	<b>28</b>
<b>All Long Island</b>	<b>52</b>	<b>5</b>	<b>8</b>	<b>3</b>	<b>53</b>	<b>-</b>	<b>121</b>
<b>New Providence</b>	<b>10,286</b>	<b>2,170</b>	<b>2,501</b>	<b>1,559</b>	<b>4,350</b>	<b>-</b>	<b>20,866</b>
<b>San Salvador</b>	<b>57</b>	<b>9</b>	<b>8</b>	<b>1</b>	<b>12</b>	<b>-</b>	<b>87</b>
<b>Total</b>	<b>12,494</b>	<b>2,808</b>	<b>3,269</b>	<b>1,966</b>	<b>7,117</b>	<b>-</b>	<b>27,654</b>

**Table 7. Short-Term Benefit & Assistance Payments, 2019**

<b>Island/Local Office</b>	<b>Sickness Benefit</b>	<b>Maternity Benefit</b>	<b>Maternity Grant</b>	<b>Funeral Benefit</b>	<b>Unemployment Benefit</b>	<b>Sickness Assistance</b>	<b>Total</b>
<b>Abaco</b>							
Marsh Harbour	303,490	278,757	56,310	43,320	847,571	-	<b>1,529,448</b>
Coopers Town	20,813	12,927	3,920	1,810	42,394	-	<b>81,864</b>
<b>All Abaco</b>	<b>324,302</b>	<b>291,684</b>	<b>60,230</b>	<b>45,130</b>	<b>889,965</b>	<b>-</b>	<b>1,611,312</b>
<b>Andros</b>							
Fresh Creek	44,233	32,519	8,820	1,810	77,361	-	<b>164,742</b>
Kemps Bay	34,828	23,334	5,880	-	107,674	-	<b>171,716</b>
Mangrove Cay	726	-	-	-	-	-	<b>726</b>
Nicholls Town	32,700	30,944	7,350	2,114	97,360	-	<b>170,468</b>
<b>All Andros</b>	<b>112,486</b>	<b>86,797</b>	<b>22,050</b>	<b>3,924</b>	<b>282,394</b>	<b>-</b>	<b>507,652</b>
<b>Bimini &amp; Berry Islands</b>	<b>39,285</b>	<b>40,326</b>	<b>10,290</b>	<b>7,240</b>	<b>125,790</b>	<b>-</b>	<b>222,931</b>
<b>Cat Island</b>	<b>37,788</b>	<b>8,346</b>	<b>2,450</b>	<b>-</b>	<b>43,951</b>	<b>-</b>	<b>92,536</b>
<b>Crooked Island &amp; Acklins</b>	<b>16,261</b>	<b>1,635</b>	<b>980</b>	<b>1,810</b>	<b>10,662</b>	<b>-</b>	<b>31,348</b>
<b>Eleuthera</b>							
Governors Harbour	84,870	54,026	10,290	7,240	101,618	-	<b>258,043</b>
Harbour Island	54,272	58,647	9,800	5,430	169,185	-	<b>297,333</b>
Rock Sound	66,810	65,081	16,660	50,680	129,830	-	<b>329,061</b>
Spanish Wells & North Eleuthera	173,065	66,075	10,780	34,390	464,864	-	<b>749,175</b>
<b>All Eleuthera</b>	<b>379,017</b>	<b>243,829</b>	<b>47,530</b>	<b>97,740</b>	<b>865,497</b>	<b>-</b>	<b>1,633,613</b>
<b>Exuma &amp; Ragged Island</b>	<b>214,775</b>	<b>141,482</b>	<b>23,520</b>	<b>3,620</b>	<b>258,023</b>	<b>-</b>	<b>641,420</b>
<b>Grand Bahama</b>	<b>1,355,632</b>	<b>895,428</b>	<b>208,720</b>	<b>571,610</b>	<b>2,827,579</b>	<b>-</b>	<b>5,858,969</b>
<b>Inagua &amp; Mayaguana</b>	<b>96,464</b>	<b>16,275</b>	<b>3,430</b>	<b>12,670</b>	<b>20,142</b>	<b>-</b>	<b>148,981</b>
<b>Long Island</b>							
Deadmans Cay	47,883	10,131	2,940	8,177	44,175	-	<b>113,306</b>
Simms	3,234	5,908	980	-	27,370	-	<b>37,492</b>
<b>All Long Island</b>	<b>51,118</b>	<b>16,038</b>	<b>3,920</b>	<b>8,177</b>	<b>71,545</b>	<b>-</b>	<b>150,798</b>
<b>New Providence</b>	<b>9,840,839</b>	<b>6,334,934</b>	<b>1,157,117</b>	<b>2,658,120</b>	<b>10,887,440</b>	<b>-</b>	<b>30,878,451</b>
<b>San Salvador</b>	<b>35,720</b>	<b>30,786</b>	<b>3,920</b>	<b>1,810</b>	<b>18,164</b>	<b>-</b>	<b>90,400</b>
<b>Total</b>	<b>12,503,690</b>	<b>8,107,562</b>	<b>1,544,157</b>	<b>3,411,851</b>	<b>16,301,151</b>	<b>-</b>	<b>41,868,411</b>

Note: Totals may not balance due to rounding.

**Table 8. Short-Term Benefit & Assistance Claims Awarded, 2019**

<b>Island/Local Office</b>	<b>Retirement Benefit</b>	<b>Retirement Grant</b>	<b>Invalidity Benefit</b>	<b>Survivors' Benefit</b>	<b>Survivors' Grant</b>	<b>OANCP</b>	<b>Invalidity Assistance</b>	<b>Survivors' Assistance</b>	<b>Total</b>
<b>Abaco</b>									
Marsh Harbour	56	8	4	11	4	1	1	-	<b>85</b>
Coopers Town	17	3	-	5	-	1	1	-	<b>27</b>
<b>All Abaco</b>	<b>73</b>	<b>11</b>	<b>4</b>	<b>16</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>112</b>
<b>Andros</b>									
Fresh Creek	4	1	2	2	1	1	1	-	<b>12</b>
Kemps Bay	7	1	-	1	-	2	2	-	<b>13</b>
Mangrove Cay	-	-	-	-	-	-	-	-	<b>-</b>
Nicholls Town	23	1	4	4	2	3	3	-	<b>40</b>
<b>All Andros</b>	<b>34</b>	<b>3</b>	<b>6</b>	<b>7</b>	<b>3</b>	<b>6</b>	<b>6</b>	<b>-</b>	<b>65</b>
<b>Bimini &amp; Berry Islands</b>									
Cat Island	5	1	1	4	-	-	1	-	<b>12</b>
Crooked Island & Acklins	2	2	-	2	-	-	-	-	<b>6</b>
<b>Eleuthera</b>									
Governors Harbour	32	3	-	6	1	1	-	-	<b>43</b>
Harbour Island	15	-	1	1	2	-	-	-	<b>19</b>
Rock Sound	13	1	5	3	2	-	1	-	<b>25</b>
Spanish Wells & North Eleuthera	22	3	1	13	-	-	-	1	<b>40</b>
<b>All Eleuthera</b>	<b>82</b>	<b>7</b>	<b>7</b>	<b>23</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>127</b>
<b>Exuma &amp; Ragged Island</b>									
Grand Bahama	381	50	37	104	23	8	18	1	<b>622</b>
Inagua & Mayaguana	13	-	1	4	1	-	-	-	<b>19</b>
<b>Long Island</b>									
Deadmans Cay	16	-	2	7	-	1	-	-	<b>26</b>
Simms	6	1	-	2	-	-	-	-	<b>9</b>
<b>All Long Island</b>	<b>22</b>	<b>1</b>	<b>2</b>	<b>9</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>35</b>
<b>New Providence</b>	<b>1,497</b>	<b>154</b>	<b>133</b>	<b>414</b>	<b>86</b>	<b>32</b>	<b>47</b>	<b>9</b>	<b>2,372</b>
<b>San Salvador</b>	<b>7</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>
<b>Total</b>	<b>2,172</b>	<b>235</b>	<b>197</b>	<b>598</b>	<b>125</b>	<b>51</b>	<b>75</b>	<b>11</b>	<b>3,464</b>

**Table 9. Long-term Benefit & Assistance Payments, 2019**

<b>Island/Local Office</b>	<b>Retirement Benefit</b>	<b>Invalidity Benefit</b>	<b>Survivors' Benefit</b>	<b>OANCP</b>	<b>Invalidity Assistance</b>	<b>Survivors' Assistance</b>	<b>Total</b>
<b>Abaco</b>							
Marsh Harbour	7,088,302	499,545	984,194	307,218	325,616	50,980	<b>9,255,854</b>
Coopers Town	308,439	-	25,098	2,307	5,382	-	<b>341,226</b>
<b>All Abaco</b>	<b>7,396,741</b>	<b>499,545</b>	<b>1,009,292</b>	<b>309,525</b>	<b>330,997</b>	<b>50,980</b>	<b>9,597,080</b>
<b>Andros</b>							
Fresh Creek	865,572	86,559	120,103	43,131	57,157	4,644	<b>1,177,164</b>
Kemps Bay	826,335	55,317	132,655	91,125	127,945	15,460	<b>1,248,839</b>
Mangrove Cay	28,807	-	1,738	-	-	-	<b>30,544</b>
Nicholls Town	1,054,798	117,309	168,755	226,681	214,925	20,046	<b>1,802,514</b>
<b>All Andros</b>	<b>2,775,512</b>	<b>259,186</b>	<b>423,251</b>	<b>360,937</b>	<b>400,027</b>	<b>40,150</b>	<b>4,259,062</b>
<b>Bimini &amp; Berry Islands</b>	<b>1,259,613</b>	<b>60,777</b>	<b>126,859</b>	<b>66,789</b>	<b>64,308</b>	<b>7,883</b>	<b>1,586,229</b>
<b>Cat Island</b>	<b>616,391</b>	<b>40,005</b>	<b>73,952</b>	<b>88,966</b>	<b>83,408</b>	<b>6,570</b>	<b>909,292</b>
<b>Crooked Island &amp; Acklins</b>	<b>272,579</b>	<b>7,720</b>	<b>34,116</b>	<b>13,140</b>	<b>19,162</b>	<b>-</b>	<b>346,716</b>
<b>Eleuthera</b>							
Governors Harbour	2,478,352	127,801	215,439	37,129	89,787	9,855	<b>2,958,363</b>
Harbour Island	1,352,411	52,608	125,717	13,413	32,849	1,314	<b>1,578,313</b>
Rock Sound	1,190,360	201,287	142,284	74,174	152,343	9,033	<b>1,769,482</b>
Spanish Wells & North Eleuthera	2,676,424	86,572	308,995	73,089	73,910	4,975	<b>3,223,964</b>
<b>All Eleuthera</b>	<b>7,697,548</b>	<b>468,269</b>	<b>792,435</b>	<b>197,804</b>	<b>348,889</b>	<b>25,177</b>	<b>9,530,122</b>
<b>Exuma &amp; Ragged Island</b>	<b>2,596,773</b>	<b>195,072</b>	<b>337,541</b>	<b>51,719</b>	<b>122,040</b>	<b>9,855</b>	<b>3,313,000</b>
<b>Grand Bahama</b>	<b>31,660,805</b>	<b>2,761,701</b>	<b>3,643,195</b>	<b>765,260</b>	<b>1,411,831</b>	<b>80,009</b>	<b>40,322,801</b>
<b>Inagua &amp; Mayaguana</b>	<b>810,345</b>	<b>58,318</b>	<b>104,384</b>	<b>13,140</b>	<b>12,045</b>	<b>-</b>	<b>998,231</b>
<b>Long Island</b>							
Deadmans Cay	1,494,436	88,940	179,340	38,001	79,658	16,698	<b>1,897,073</b>
Simms	315,698	7,850	28,506	5,872	26,123	3,285	<b>387,333</b>
<b>All Long Island</b>	<b>1,810,133</b>	<b>96,791</b>	<b>207,845</b>	<b>43,873</b>	<b>105,781</b>	<b>19,983</b>	<b>2,284,406</b>
<b>New Providence</b>	<b>137,999,336</b>	<b>10,058,306</b>	<b>15,525,005</b>	<b>3,132,202</b>	<b>5,759,980</b>	<b>362,443</b>	<b>172,837,272</b>
<b>San Salvador</b>	<b>364,935</b>	<b>7,081</b>	<b>48,471</b>	<b>19,670</b>	<b>45,988</b>	<b>-</b>	<b>486,146</b>
<b>Total</b>	<b>195,260,711</b>	<b>14,512,768</b>	<b>22,326,347</b>	<b>5,063,026</b>	<b>8,704,457</b>	<b>603,050</b>	<b>246,470,359</b>

Note: Totals may not balance due to rounding.

**Table 10. Industrial Benefit Claims Awarded, 2019**

<b>Island/Local Office</b>	<b>Medical Care</b>	<b>Injury Benefit</b>	<b>Disablement Benefit &amp; Grant</b>	<b>Industrial Death</b>	<b>Industrial Funeral</b>	<b>Total</b>
<b>Abaco</b>						
Marsh Harbour	57	45	-	-	-	<b>102</b>
Coopers Town	-	5	-	-	-	<b>5</b>
<b>All Abaco</b>	<b>57</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107</b>
<b>Andros</b>						
Fresh Creek	-	6	-	-	-	<b>6</b>
Kemps Bay	1	68	-	-	-	<b>69</b>
Nicholls Town	-	68	-	-	-	<b>68</b>
<b>All Andros</b>	<b>1</b>	<b>142</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143</b>
<b>Bimini &amp; Berry Islands</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>
<b>Cat Island</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Crooked Island &amp; Acklins</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Eleuthera</b>						
Governors Harbour	-	10	-	-	-	<b>10</b>
Harbour Island	1	6	-	-	-	<b>7</b>
Rock Sound	-	10	-	-	-	<b>10</b>
Spanish Wells & North Eleuthera	4	15	-	-	-	<b>19</b>
<b>All Eleuthera</b>	<b>5</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46</b>
<b>Exuma &amp; Ragged Island</b>	<b>3</b>	<b>43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46</b>
<b>Grand Bahama</b>	<b>203</b>	<b>91</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>298</b>
<b>Inagua &amp; Mayaguana</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Long Island</b>						
Deadmans Cay	1	3	-	-	-	<b>4</b>
Simms	-	1	-	-	-	<b>1</b>
<b>All Long Island</b>	<b>1</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>
<b>New Providence</b>	<b>3,313</b>	<b>1,865</b>	<b>49</b>	<b>-</b>	<b>-</b>	<b>5,227</b>
<b>San Salvador</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>
<b>Total</b>	<b>3,586</b>	<b>2,260</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>5,899</b>

**Table 11. Industrial Benefit Payments, 2019**

<b>Island/Local Office</b>	<b>Medical Care</b>	<b>Injury Benefit</b>	<b>Disablement Benefit &amp; Grant</b>	<b>Industrial Death</b>	<b>Total</b>
<b>Abaco</b>					
Marsh Harbour	13,454	65,373	3,285	-	<b>82,112</b>
Coopers Town	-	2,102	-	-	<b>2,102</b>
<b>All Abaco</b>	<b>13,454</b>	<b>67,475</b>	<b>3,285</b>	<b>-</b>	<b>84,214</b>
<b>Andros</b>					
Fresh Creek	2,043	3,891	26,721	-	<b>32,655</b>
Kemps Bay	-	-	-	-	-
Mangrove Cay	-	-	-	-	-
Nicholls Town	906	6,034	-	-	<b>6,940</b>
<b>All Andros</b>	<b>2,949</b>	<b>9,925</b>	<b>26,721</b>	<b>-</b>	<b>39,595</b>
<b>Bimini &amp; Berry Islands</b>	<b>844</b>	<b>4,606</b>	<b>-</b>	<b>-</b>	<b>5,450</b>
<b>Cat Island</b>	<b>1,480</b>	<b>1,628</b>	<b>-</b>	<b>-</b>	<b>3,108</b>
<b>Crooked Island &amp; Acklins</b>	<b>-</b>	<b>1,778</b>	<b>22,655</b>	<b>-</b>	<b>24,433</b>
<b>Eleuthera</b>					
Governors Harbour	1,918	5,741	-	-	<b>7,659</b>
Harbour Island	290	2,566	-	-	<b>2,856</b>
Rock Sound	7,386	20,540	-	-	<b>27,926</b>
Spanish Wells & North Eleuthera	2,936	27,564	-	-	<b>30,499</b>
<b>All Eleuthera</b>	<b>12,530</b>	<b>56,410</b>	<b>-</b>	<b>-</b>	<b>68,940</b>
<b>Exuma &amp; Ragged Island</b>	<b>4,150</b>	<b>54,367</b>	<b>-</b>	<b>-</b>	<b>58,517</b>
<b>Grand Bahama</b>	<b>72,567</b>	<b>224,875</b>	<b>157,930</b>	<b>-</b>	<b>455,372</b>
<b>Inagua &amp; Mayaguana</b>	<b>-</b>	<b>4,249</b>	<b>-</b>	<b>-</b>	<b>4,249</b>
<b>Long Island</b>					
Deadmans Cay	-	9,197	-	-	<b>9,197</b>
Simms	-	1,120	-	-	<b>1,120</b>
<b>All Long Island</b>	<b>-</b>	<b>10,317</b>	<b>-</b>	<b>-</b>	<b>10,317</b>
<b>New Providence</b>	<b>10,585,851</b>	<b>3,999,624</b>	<b>7,695,563</b>	<b>230,004</b>	<b>22,511,042</b>
<b>San Salvador</b>	<b>-</b>	<b>36,717</b>	<b>-</b>	<b>-</b>	<b>36,717</b>
<b>Total</b>	<b>10,693,826</b>	<b>4,471,969</b>	<b>7,906,154</b>	<b>230,004</b>	<b>23,301,953</b>

Note: Totals may not balance due to rounding.

**Table 12. Pensions in Payment at Year-End, 2015 - 2019**

<b>Long-term Benefits</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Retirement Benefit	27,747	26,538	25,599	24,465	22,851
Invalidity Benefit	2,797	2,794	2,834	2,766	2,709
Survivors' Benefit	5,788	5,650	5,519	5,080	5,232
Old-Age Non-Cont. Pension	1,438	1,542	1,584	1,638	1,705
Invalidity Assistance	2,523	2,571	2,628	2,658	2,680
Survivors' Assistance	204	216	264	282	328
<b>Total</b>	<b>40,497</b>	<b>39,311</b>	<b>38,428</b>	<b>36,889</b>	<b>35,505</b>

<b>Industrial Benefits</b>					
Disablement	1,264	1,173	1,020	929	856
Industrial Death	41	50	50	47	59
<b>Total</b>	<b>1,305</b>	<b>1,223</b>	<b>1,070</b>	<b>976</b>	<b>915</b>

<b>All Benefits</b>	<b>41,802</b>	<b>40,534</b>	<b>39,498</b>	<b>37,865</b>	<b>36,420</b>
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**Table 13. Short-Term Benefits & Assurances, 2015 - 2019**

<b>Amount Paid ('000s)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Sickness Benefit	\$12,504	\$13,183	\$12,974	\$11,025	\$11,738
Maternity Benefit	\$8,108	\$7,477	\$7,814	\$7,016	\$7,117
Maternity Grant	\$1,544	\$1,511	\$1,467	\$1,552	\$1,487
Funeral Benefit	\$3,412	\$3,431	\$3,188	\$2,945	\$2,951
Unemployment Benefit	\$16,301	\$11,707	\$10,992	\$13,201	\$13,222
Sickness Assistance	\$0	(\$0)	\$1	\$0	\$0
<b>Total Paid ('000s)</b>	<b>\$41,868</b>	<b>\$37,308</b>	<b>\$36,435</b>	<b>\$35,739</b>	<b>\$36,516</b>

<b>Number of Claims Awarded</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Sickness Benefit	12,494	12,279	13,304	11,827	14,730
Maternity Benefit	2,808	2,452	2,501	2,539	3,181
Maternity Grant	3,269	2,956	2,946	2,415	3,099
Funeral Benefit	1,966	1,891	1,697	1,699	1,737
Unemployment Benefit	7,117	5,974	5,737	6,300	7,246
Sickness Assistance	-	-	-	-	1
<b>Total Awarded</b>	<b>27,654</b>	<b>25,552</b>	<b>26,185</b>	<b>24,780</b>	<b>29,994</b>

Note: Totals may not balance due to rounding.

**Table 14. Long-Term Benefits & Assurances, 2015 - 2019**

<b>Amount Paid ('000s)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Retirement Benefit & Grant	\$195,261	\$179,357	\$165,655	\$152,993	\$140,590
Invalidity Benefit	\$14,513	\$14,910	\$16,880	\$16,410	\$15,534
Survivors' Benefit & Grant	\$22,326	\$21,647	\$20,564	\$19,641	\$18,973
Old-Age Non-Cont. Pension	\$5,063	\$5,183	\$5,552	\$5,464	\$5,647
Invalidity Assistance	\$8,704	\$8,681	\$8,918	\$8,746	\$8,708
Survivors' Assistance	\$603	\$733	\$779	\$842	\$926
<b>Total Paid ('000s)</b>	<b>\$246,470</b>	<b>\$230,512</b>	<b>\$218,349</b>	<b>\$204,096</b>	<b>\$190,378</b>

<b>Number of Claims Awarded</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Retirement Benefit & Grant	2,407	2,027	2,223	2,374	1,844
Invalidity Benefit	197	150	224	201	206
Survivors' Benefit & Grant	723	734	626	681	669
Old-Age Non-Cont. Pension	51	97	87	67	86
Invalidity Assistance	75	59	79	50	77
Survivors' Assistance	11	14	6	12	31
<b>Total Awarded</b>	<b>3,464</b>	<b>3,081</b>	<b>3,245</b>	<b>3,385</b>	<b>2,913</b>

Note: Totals may not balance due to rounding.

**Table 15. Industrial Benefits, 2015 - 2019**

<b>Amount Paid ('000s)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Medical Care	\$10,694	\$11,845	\$18,703	\$23,712	\$20,912
Injury Benefit	\$4,472	\$3,975	\$4,273	\$4,087	\$4,169
Disablement Benefit & Grant	\$7,906	\$7,831	\$8,444	\$7,211	\$6,502
Industrial Death	\$230	\$282	\$285	\$310	\$367
<b>Total Paid ('000s)</b>	<b>\$23,302</b>	<b>\$23,933</b>	<b>\$31,705</b>	<b>\$35,320</b>	<b>\$31,950</b>

<b>Number of Claims Awarded</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Medical Care	3,586	3,851	3,297	3,340	3,335
Injury Benefit	2,260	2,016	2,062	2,096	2,198
Disablement Benefit & Grant	53	41	66	83	81
Industrial Death	-	-	-	1	1
Industrial Funeral	-	-	-	-	-
<b>Total Awarded</b>	<b>5,899</b>	<b>5,908</b>	<b>5,425</b>	<b>5,520</b>	<b>5,615</b>

Note: Totals may not balance due to rounding.



