



THE  
BAHAMAS

# 2022 ANNUAL REPORT

CHARTING THE COURSE









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## VISION STATEMENT

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To be recognized as a reliable and sustainable Financial Support System that consistently delivers on its Promises.

## MISSION STATEMENT

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To demonstrate visionary and responsible leadership in the administration of the National Insurance program, and to create an environment where staff are well-trained, motivated, committed to integrity and accountability.

To ensure the efficient collection of contributions, as well as the timely and accurate payment of the relevant Benefits and Assistance.

To achieve customer service excellence in the delivery of the National Insurance mandates.

To advance the prudent investments of the National Insurance Fund for the overall growth and development of The Bahamas.





## LETTER TO THE MINISTER

August 11, 2023

The Honourable Myles LaRoda, M.P.  
Minister of State in the Office of the Prime Minister  
Sir Cecil Wallace Whitfield Centre  
P.O. Box CB 10980  
Nassau, N.P., The Bahamas

Dear Minister LaRoda:

### **RE: THE NATIONAL INSURANCE BOARD'S 2022 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,

Philip McKenzie, FLMI, HIA (Mr.)  
Chairman





**THE NATIONAL INSURANCE BOARD**  
**HEADQUARTERS**



## ABOUT THE NATIONAL INSURANCE BOARD

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The National Insurance programme was established on December 12, 1972 with the signing into law of the National Insurance Act, 1972. The National Insurance Board (NIB), the organization charged with administering the social security programme, opened its doors officially on October 7, 1974.

Its primary mission was and is to provide income-replacement. NIB covers employed and self-employed persons for three main types of social security benefits – short-term (sickness, maternity, unemployment), long-term (retirement, invalidity, survivors) and industrial (employment injury) benefits.

The system is financed by contributions that are levied on employment earnings up to a wage ceiling and are paid by employers, employees and self-employed persons.

NIB's secondary mission in the administration of the country's social security programme is to provide assistance for disadvantaged citizens under specific circumstances and to assist with infrastructural development of the country.

Surplus funds are invested in various types of securities and properties. The reserves of the National Insurance Fund (NIF) stand at approximately \$1.44 billion with an active insured persons base of approximately 142,000 and monthly pension payments for over 45,000 pensioners.

# MINISTER AND THE BOARD



**The Honourable Myles LaRoda, M.P.**

Minister of State in the Office of the  
Prime Minister



**Philip McKenzie, KC, FLMI, HIA**

Chairman



**Theofanis Cochinamogulos**

Deputy Chairman





**Michelle Pindling-Sands**  
Member



**Leana Ingraham**  
Member



**Rozalia Elaine Bowe**  
Member



**Amancha Williams**  
Member



**Theresa Thompson**  
Member



**Daniel Thompson**  
Member



**Timothy Ingraham**  
Member



**Lisa Turnquest**  
Member



**Don Williams**  
Member

# COMMITTEES OF THE BOARD

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## OPERATIONS COMMITTEE

Michelle Pindling-Sands - Chairman  
Philip McKenzie - Member  
Theofanis Cochinamogulos - Member  
Daniel Thompson - Member  
Theressa Thompson - Member  
Rozalia Bowe - Member  
Lisa Turnquest - Member

## FINANCE & AUDIT COMMITTEE

Theofanis Cochinamogulos - Chairman  
Leana Ingraham - Member  
Timothy Ingraham - Member  
Theressa Thompson - Member  
Don Williams - Member  
Torez Hanna - (co-opt)

## INVESTMENTS COMMITTEE

Lisa Turnquest - Chairman  
Philip McKenzie - Member  
Rozalia Bowe - Member  
Theofanis Cochinamogulos - Member  
Leana Ingraham - Member  
Theressa Thompson - Member  
Torez Hanna - (co-opt)

## BUILDINGS COMMITTEE

Leana Ingraham - Chairman  
Philip McKenzie - Member  
Amancha Williams - Member  
Don Williams - Member  
Daniel Thompson - Member  
Lisa Turnquest - Member

## HUMAN RESOURCES COMMITTEE

Daniel Thompson - Chairman  
Philip McKenzie - Member  
Amancha Williams - Member  
Michelle Pindling-Sands - Member  
Timothy Ingraham - Member  
Rozalia Bowe - Member  
Don Williams - Member

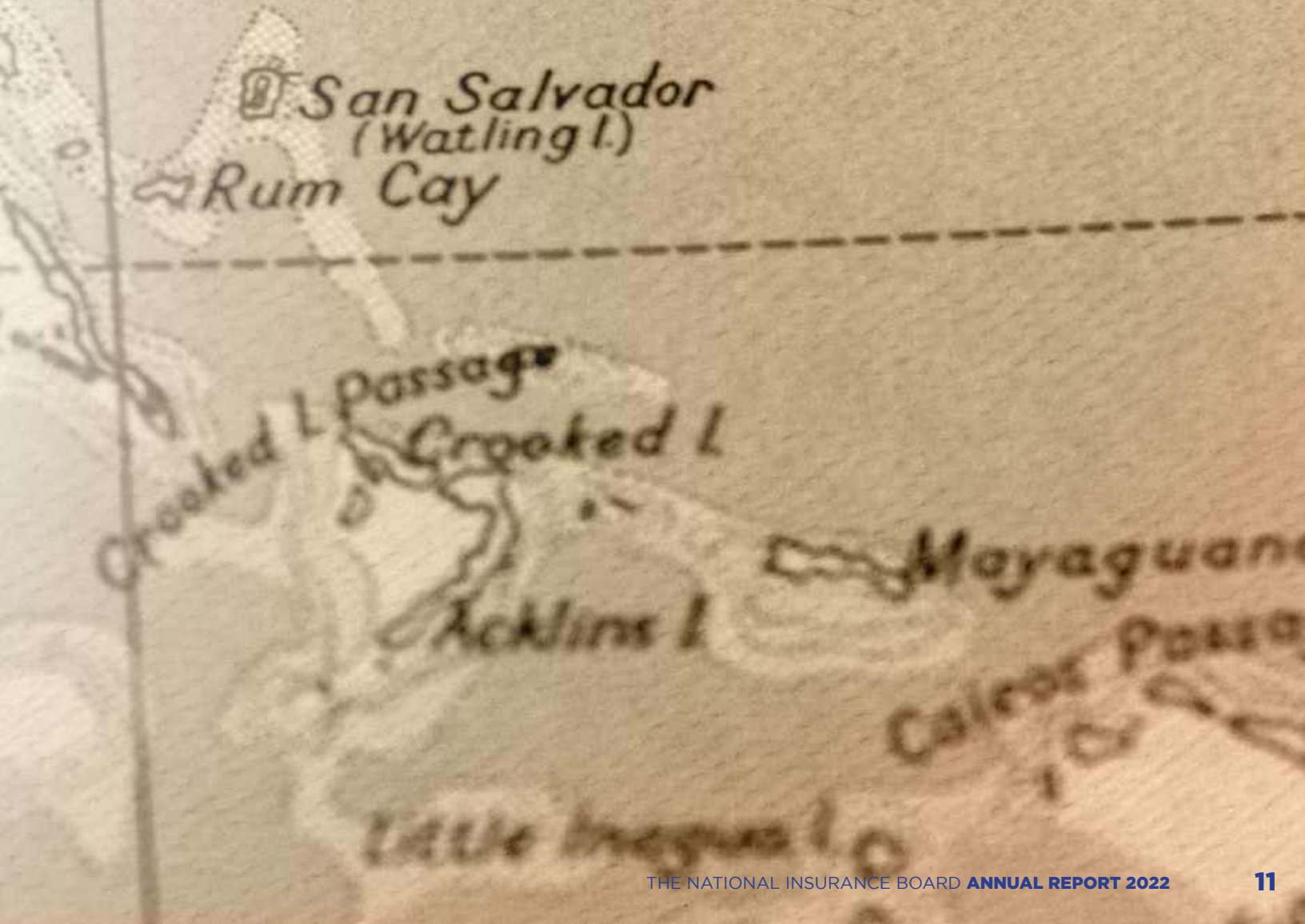
## TENDERS & CONTRACTS COMMITTEE

Philip McKenzie - Chairman  
Amancha Williams - Member  
Michelle Pindling-Sands - Member  
Leana Ingraham - Member  
Timothy Ingraham - Member  
Rozalia Bowe - Member  
Lisa Turnquest - Member

# THE HAMAS

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# EXECUTIVE MANAGEMENT

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**Sonia Gill.**  
\*Director  
(Effective May 14, 2022)



**Gertrude Holder**  
\*\*Medical Officer  
(Effective March 1, 2022)



**Whitney Patton**  
Chief Internal Auditor



**Paula Knowles Hunter**

\*\*\*Acting Financial Controller  
(Effective May 18, 2022)



**Heather Maynard**

Legal Officer



**Damian Forbes**

Deputy Director  
Investments and Compliance



**Sherelle Saunders**

Deputy Director  
Talent Management and  
Capacity Development  
(Effective May 8, 2022)



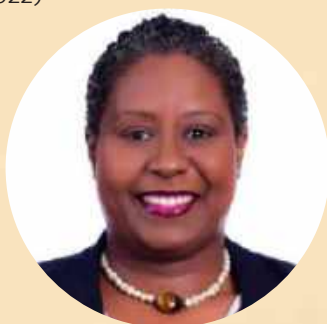
**Kevin Knowles**

Deputy Director  
Information Technology  
(Effective March 1, 2022)



**Jeff Moncur**

Deputy Director  
Core Services - Family Islands,  
Buildings and Facilities  
(Effective March 1, 2022)



**Tami Francis**

\*\*\*\*Deputy Director  
Core Services - New Providence  
and Actuarial Services  
(Effective March 8, 2022)



**Indira Archer**

Assistant Director  
Core Services - New Providence  
(Effective July 18, 2022)

\*James Moss served as Director until February 16, 2022 with Sonia Gill serving as Acting Director from February 17, 2022 until May 14, 2022

\*\*Patrick Whitfield served as Medical Officer until June 30, 2022

\*\*\*Sonia Gill served as Financial Controller until February 16, 2022

\*\*\*\*Rhonda Ingraham served as Assistant Director, Core Services- Claims and Benefits, New Providence until December 1, 2022  
Waldon Russell served as a Board Member until July 1, 2022

# FOREWORD

## CELEBRATING SHORT-TERM GAINS

As we reflect on the milestones achieved in 2022, it is evident that we stand at a pivotal juncture, marked by resilience, adaptation, and forward momentum. The year, akin to 2021, commenced with a beacon of hope, signaling a robust recovery for our domestic economy from the profound impact of the COVID-19 pandemic.

This resurgence not only invigorated our spirits but also translated into tangible gains for the National Insurance Fund with Contribution income on a continuous upward trend surpassing the pre-pandemic benchmark of 2019, and Investment income considerable up from the extreme dip experienced in 2020, and slightly up from income realized in 2019.

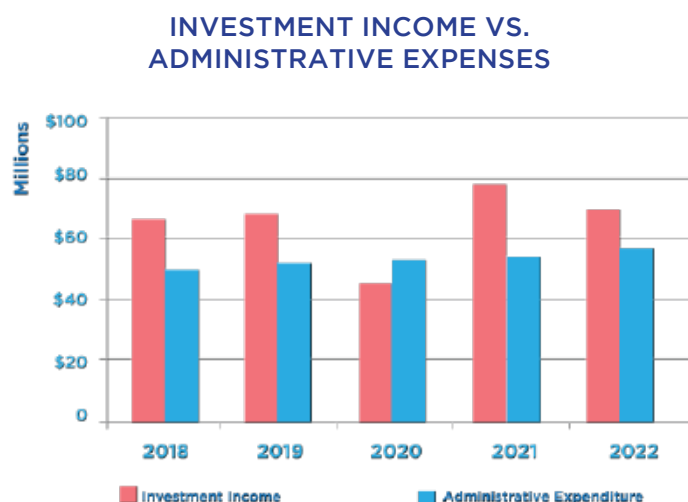
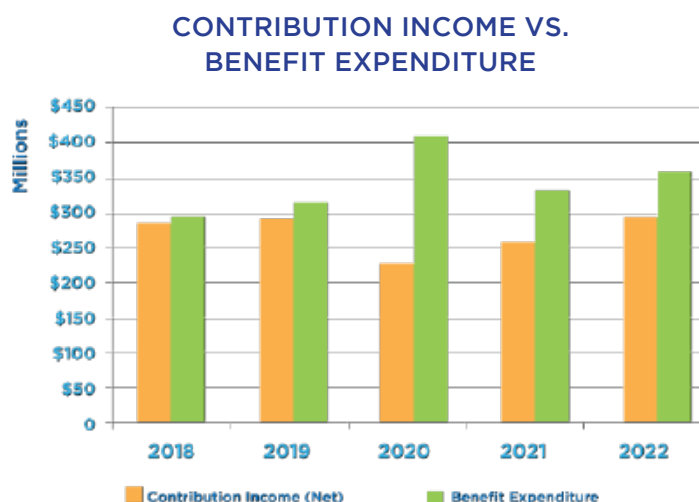
It was this growth in Contribution income, realized investments and the Fund's ability to utilize liquid and near-term assets to pay the increasing cost of Benefits that allowed for a reduction in deficiency over income in 2022 compared to 2021.

PERFORMANCE INDICATORS	2022	2021	2020	2019
Total Net Contribution Income	\$290.5 m	\$257.7 m	\$226.0 m	\$287.1 m
Investment Income	\$69.3 m	\$77.4 m	\$45.2 m	\$68.5 m
Deficiency of Income over Expenditure	-\$57.1 m	-\$60.4 m	-\$189.5 m	-\$8.5 m

## UNDERSTANDING LONG-TERM CHALLENGES

Despite the steady gains post-pandemic, there were headwinds that would have to be maneuvered for both The Bahamas and for the sustainability of the National Insurance Fund. For NIB, 2022 recorded a deficit for the seventh consecutive year reflecting predictions from the 11th Actuarial Review that was released earlier in the year. Comparative analysis favorably illustrate that Investment income steadily outpaced Administrative expenses, with the exception of the year 2020, while too much dismay, Contribution income has trailed the rising cost of Benefit expenditure.





## Findings of the Actuarial Review

The Eleventh Actuarial Review as of December 31, 2018 was released at the end of February 2022. The report was daunting indicating, as done in previous reports, that the long-term sustainability of the Fund is in jeopardy of being depleted by the year 2028, just one year earlier than predicted in previous reports.

Sited as key influencers impacting the sustainability of the Fund are demographics trends that adversely impact Benefit Expenditure and Contribution Income. These changes have most certainly indicated that the current National Insurance rate, that has remained unchanged except for the inclusion of the Unemployment Benefit Branch in 2010, can no longer support the modernized, evolved and expanded social security programme that currently exist.

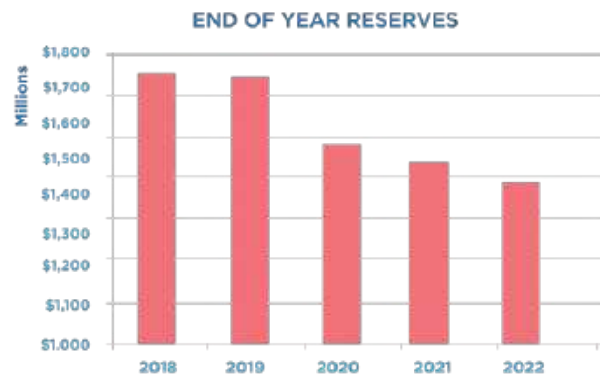
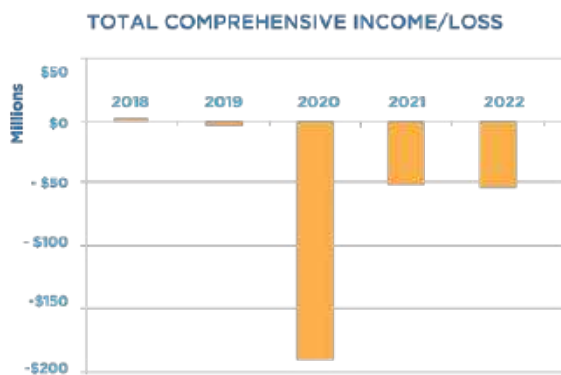
Initial discussions have commenced with NIB strongly considering recommendations offered by the International Labour Organization (ILO) for a gradual phased-in rate of 1.5% every two years to ease the burden on employers and employees while also allowing consideration for future socioeconomic conditions within the Bahamas. With these considerations in mind, action can no longer be delayed if we are to protect the social safety net which generations of Bahamians have come to depend on. The time to act is NOW!

In NIB's 48th year, we draw strength from our triumphs, guided by a steadfast commitment to preserve the legacy of security and support that defines our National Insurance system. We are driven by our customers' demand for excellence, innovation, efficiency, and the enduring bonds that unite us as a community. Together, we navigate the seas of uncertainty, charting a course towards a future defined by resilience, prosperity, and unwavering solidarity.

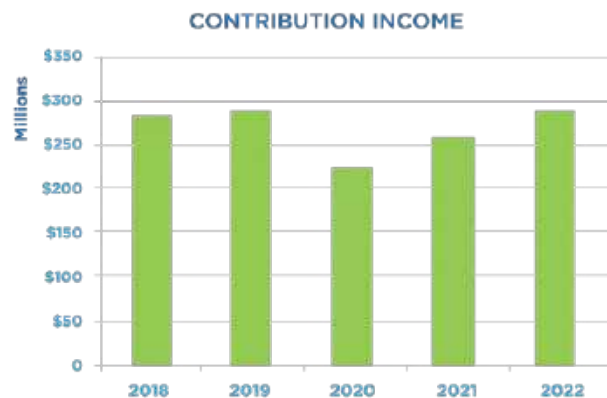
# REPORT ON OPERATIONS

## END OF YEAR RESERVES

The deficit narrowed slightly by \$3.3 million from \$60.4 million in 2021 to \$57.1 million in 2022, reducing total reserves to \$1.440 billion. Total reserves at year-end were positively influenced by small gains in Contribution and Investment income and reduced by increasing Benefits expenditure. Administrative costs remained relatively unchanged. This section of the Report clearly details these findings. Additional details, with numbers and values by local office, can be found in the Statistical Appendix of this Report.



## CONTRIBUTION INCOME



### Net Contribution Income Upward Trajectory

In the 2022 fiscal year, total Net Contribution Income grew to \$290.5 million, marking a remarkable 12.7% increase from the previous year and surpassing the 2019 pre-pandemic benchmark of \$287.1 million. This upward trajectory owes its momentum not only to external economic rebounds but also to internal factors like the increase in the weekly wage ceiling from \$710 to \$740, the increase in the number of actively insured persons and diligent enforcement of compliance measures.

## Growth in Contribution Income Across Local Economies

The collective improvement in Contribution payments across various islands reflects the resilience, progress and recovery, within our local economies, post the 2020 COVID-19 pandemic and Hurricane Dorian in 2019.

Several islands, including Eleuthera, Long Island and Crooked Island and Acklins, demonstrated particularly favorable trends, surpassing both income collected pre-pandemic figures of 2020 and pre-2019 Hurricane Dorian figures.

Notably, Abaco exhibited substantial growth, with a net increase of \$1.6 million, representing a 24.2% rise from 2021. However, while Abaco's Contribution income exceeded the COVID-19 figure of \$3.5 million, income still fell short of 2018 pre-Hurricane Dorian income of \$10.2 million.

## Fund Contributors as of December 31, 2022

The number of persons contributing to the Fund increased by 5.1% reflecting an increase in all categories. Self-employed contributors increased by 26.7%.

PERFORMANCE INDICATORS	2022	2021	% CHANGE
# of Contributing Employers	12,488	11,297	10.5%
# of Contributing Self-Employed Persons	8,566	6,761	26.7%
# of Active Employees (Estimate)	133,000	127,000	3.9%

## Registration

Each year, the number of persons contributing to the National Insurance Fund is directly impacted by the number of new active persons entering the system each year. Both the number of new active insured persons and the number of new inactive insured persons were up. New registrations by secondary accounts were significantly down in 2022, self-employed persons were up, and the number of new employers was relatively unchanged from 2021 to 2022.



## NEW REGISTRATIONS AS OF DECEMBER 31, 2022

TYPE	2022	2021	% CHANGE
Employers	13,855	13,901	-0.3%
Self-Employed Persons	2,488	2,336	6.5%
Secondary Accounts	656	1,358	-51.7%
Active Insured Persons	2,903	607	378.3%
Inactive Persons	11,189	6,345	76.3%

### Compliance Efforts Reap Rewards

In recent years, the need for greater compliance efforts has launched a series of initiatives intended to make it easier for employers to meet their obligations. One such effort is through Installment Agreements which gives the employer the ability to make partial monthly payments towards outstanding arrears while also fulfilling their current monthly contribution commitments. Although the amount collected in overall Installment Agreements was down 31.9% from 2021, the amount collected through Installment Agreements by way of prosecutions hit a record high of \$676,470.70. A total of 709 prosecutions were actioned in 2022.

### Investment Portfolio Provides Cushion of Stability

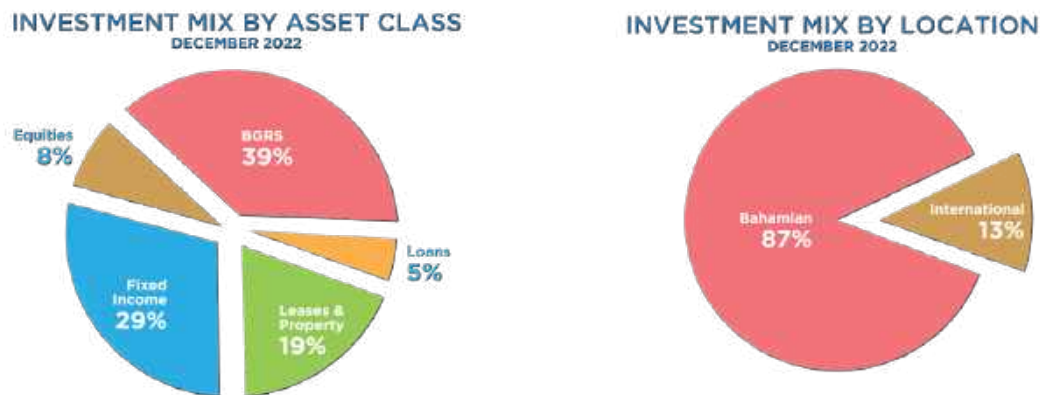
Amidst economic flux, NIB's investment portfolio provided a beacon of stability. Positive shifts in the residential real estate and banking sectors, particular the increase in share price for Bank of the Bahamas, Commonwealth Bank, and Commonwealth Brewery, positively influenced the Fund's investment return for the year. Astute maneuvers in Bahamas USD bonds presented an investment opportunity to purchase on the short-end of the yield curve, which has already materialized into gains for the Fund.

The continuous income generated from the Bahamas Registered Stocks and the liquidity from the certificate of deposits, provided a cushion of stability as the economy recovers. Additionally, the outstanding payments owed to NIB by sector entities are steadily increasing.

While the investment portfolio provided some stability, the average return during 2022 was 5.0%, down from 5.5% in 2021. Investment income declined by \$8.1 million, or 10.5%, from \$77.4 million in 2021 to \$69.3 million and holdings of certificates of deposit declined from \$6.6 million to nil. Despite these daunting figures, at the end of 2022, the National Insurance Fund investments stood at \$1.166 billion relatively unchanged from 2021.

PERFORMANCE INDICATORS	2022	2021	% CHANGE
Year-end Investments	\$1,166 m	\$1,165 m	0.0%
Yield on Investments	5.0%	5.5%	-9.1%

Investment income earned on reserves remains an important component of the Fund finances. The Fund remains heavily invested (80%) in public sector securities – Government of the Bahamas debt, real estate finance leases, and quasi-government debt.



BENEFIT EXPENDITURE

Claims Received, Awarded and Paid

The number of claims received, awarded and paid was up in 2022 resulting in an increase in Benefit expenditure for short-term, long-term and Industrial Benefits. This increase could be attributed to efforts by the Customer Service Department, Central Benefits Department and the Occupational Health and Safety Unit to streamline the claims’ intake process to ensure fully completed Benefit applications are received thereby improving claims’ registration, adjudication and social reports resulting in reduced wait times for claimants waiting to receive a Benefit.

Overall claims received was up by 6.5% reflecting an increase in short-term Benefit claims and a significant increase in the number of Industrial Benefit claims received. The increase in short-term Benefits was due mostly to the increase in Sickness claims while the increase in Industrial Benefits was due mostly to Medical Care. For long-term Benefits, there was a decline in the number of claims received.

There was an increase in the number of claims awarded for all three Benefit types with long-term Benefits and Industrial Benefits reflecting a 24.5% and 31.1% increase respectively. The increase in the number of claims awarded for long-term Benefits was in part due to an increase in Retirement and Survivors Benefit claims. Increase in Industrial Benefits awarded was mainly due to the award of the Injury Benefit and corresponding award of Medical Benefit.

SUMMARY OF CLAIMS RECEIVED

BENEFIT TYPE	2022	2021	% CHANGE
Long-term (pensions)	5,307	5,456	-2.7%
Short-term	24,896	24,042	3.6%
Industrial	5,752	4,270	34.7%
Total	35,955	33,768	6.5%

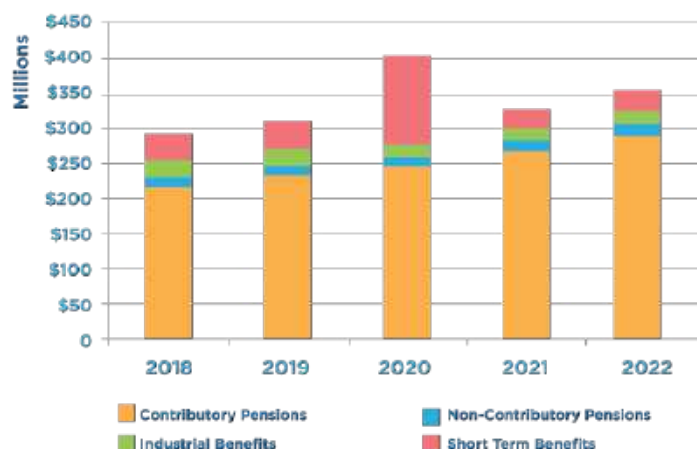
## SUMMARY OF CLAIMS AWARDED

BENEFIT TYPE	2022	2021	%CHANGE
Long-term (pensions)	4,626	3,716	24.5%
Short-term	21,097	20,828	1.3%
Industrial	4,114	3,138	31.1%
Total	29,837	27,682	7.8%

## SUMMARY OF CLAIMS PAID

BENEFIT TYPE	2022	2021	%CHANGE
Long-term	\$301.6 m	\$282.6 m	6.7%
Short-term	\$31.3 m	\$27.8 m	12.6%
Industrial	\$20.6 m	\$17.0 m	21.2%
Total	\$353.5 m	\$327.5 m	8.0%

## BENEFIT EXPENDITURE



Benefits Expenditure increased by \$26.1 million, or 8.0%, from \$327.5 million in 2021 to \$353.5 million. The increase in short-term expenditure was mainly due to an increase in Unemployment Benefit payments while increases in Injury Benefit and Medical Care payments were the primary reasons Industrial Benefit expenditure increased. Retirement Benefit explained most of the increase observed in long-term Benefit expenditure. Retirement Benefit increased by \$18.2 million, or 7.9%, from \$231.1 million to \$249.3 million in 2022.

Long-term Benefits still account for the largest part of Benefit Expenditure. At the end of 2022, over 45,000 persons were in receipt of monthly pension payments. This increase in pensions is expected as more new pensioners are added than taken away. The number of pensions in payment increased for three of the five Benefit types (the exceptions being Disablement and Death) but decreased for all three Assistance types. This increase in the pension branch is predicted to have an upward trend as the scheme is faced with the increase in life expectancy resulting in persons receiving a pension over a longer period of time.



## PENSIONS IN PAYMENT AT YEAR-END

BENEFIT/ASSISTANCE	2022	2021
Retirement Benefit	31,361	30,066
Invalidity Benefit	2,659	2,647
Survivors Benefit	6,008	5,704
Old-age Non-contributory Pension	1,191	1,223
Invalidity Assistance	2,349	2,379
Survivors Assistance	161	176
Disablement Benefit	1,272	1,288
Death Benefit	31	37
<b>Total</b>	<b>45,032</b>	<b>43,520</b>

## NATIONAL PRESCRIPTION DRUG PLAN

The Drug Plan continues its efforts to monitor closely the various groupings of beneficiaries to ensure eligibility, equal access, and proper utilization of the Plan. In 2022, the total number of Active Members was 39,614. This was an increase by 6.9% from the number of Active Members in 2021. Deaths, periodic eligibility, regrouping, and terminations continuously impact the 'Total Member Count by Group'. The top three registered beneficiaries are Retirees, Government Employees and the indigent (which only this year rose above the Student under age 18 group).

The top three conditions most commonly seen were hypertension, diabetes and hypercholesterolemia. The conditions with the highest cost consisted of diabetes, hypertension, and glaucoma respectively, followed closely by hypercholesterolemia.

CONDITIONS	Total Sum Paid 2021	Total Sum Paid 2022
Diabetes	912,081.01	979,393.09
Hypertension	586,701.67	501,634.81
Glaucoma	271,012.43	271,869.09

CONDITIONS	Prescription Totals 2021	Prescription Totals 2022
Hypertension	44,847	47,595
Diabetes	41,927	40,630
Hypercholesterolemia	14,552	12,074

# AROUND THE BOARD

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## EXCELLENCE THROUGH INNOVATION, EFFICIENCY, LEADERSHIP AND COMMUNITY

For NIB, key to charting the way forward, beyond the 2019 and 2020 crisis and amidst long term challenges regarding the sustainability of the National Insurance Fund, would entail perusing organizational excellence through innovative processes, efficient and competent service, inspired and motivated leaders and by fostering internal and external community with stakeholders.

### Innovation

EzRENEW Card Renewal Portal - A successful soft launch of the EzRENEW portal was carried out to test the online card renewal process in preparation for the eventual rollout. The soft launch offered staff and selected customers the opportunity to be the first users of the online tool for the renewal of their expired cards. For this test, various categories of persons were selected including members of staff, seniors and family island residents. Also, essential in the testing phase was the need to test the tool's overall functionality when using various devices such as desktops, laptops, tablets and cellular phones.



Photo caption: NIB staff renew their cards via the newly developed portal using various devices to test the tool's overall functionality.

BTC INKNOWVATION Small Business Conference Collaboration - The Bahamas Telecommunications Company (BTC) Inknowvation Conference collaboration was an opportunity to provide valuable information to small business owners and to introduce small businesses to simplified ways to conduct business with NIB through innovative technology. As one of the featured entities, NIB participated in an educational panel discussion. At the NIB booth, business owners could request a live demonstration of the portal's functionality, learn about the benefits of using the portal and sign-up for a user account. NIB participated in similar initiatives throughout the year to promote the use of the Employer Self Service (ESS) portal to submit contribution statements and make contribution payments. By the end of the year, over 3,200 employers were signed up to use the portal.



Photo caption: NIB's Rochelle Rolle participates in BTC's Small Business InKnowvation Conference panel discussion



Photo caption: Queen's College representative signs-up for use of the portal

## Efficiency

Employer Self Service (ESS) Portal Training – Key to increasing the number of businesses using the ESS portal is ongoing efforts to ensure staff are knowledgeable about the portal, have hands-on expertise and are capable of selling the portal's attributes to customers. The ESS team facilitated a number of training workshops geared toward building capacity amongst inspectors and Family Island managers on the use of the portal.



Speakers Bureau Recruitment and Training – With the resurgence of in-person speaking engagements in 2022, the Public Relations Department, in collaboration with Training, launched a recruitment and training workshop to educate and equip staff interested in serving as speaking ambassadors on behalf of NIB. At the completion of the course, participants were able to make presentations regarding NIB's processes, policies, Benefits and Assistance to over 30 private, government and quasi-government organizations throughout the year.



Photo caption: Jenee Meadows makes presentation during the Speakers Bureau Training

Inspector Recruitment and Training – Cognizant of long-term challenges ahead, an invigorating focus was placed on the need for greater Contributions compliance resulting in the hiring of twenty inspectors throughout New Providence and the Family Islands. With the employment of additional inspectors, it is hoped that long-standing arrears will be reduced, better inspector/employer coverage would be experienced nationwide and overall inspector productivity would increase.

G.E.M. Awards Compliance Initiative – To enhance overall compliance efficiency, another measure implemented entailed fostering performance by through incentivized standardized benchmarks. In 2022, the Compliance department initiated the “Going the Extra Mile” (GEM) Awards program. Under this program, the top three inspectors who conducted the highest number of inspections while meeting their monthly budget target were recognized with a certificate with the overall winner receiving a special gift.



Photos caption: Recipients of the GEM Certificate

## Leadership

PMU/NIB sign 5 Year Industrial Agreement – Pioneering excellence into the future would not be possible without an appreciation of the important role managers play in driving progress. In August, the Public Managers Union (PMU) and NIB signed a 5-year industrial agreement. The Agreement would enforce conditions that are crucial in protecting the rights and interests of managers, promoting fair and equitable treatment in the workplace, and to fostering a positive and productive work environment for some 155 managers.



Photo caption: PMU representatives, NIB Executives and Board Members reach new Industrial Agreement

**New Director Appointed** – For the first time in NIB’s history, a female employee was elevated to the position of Acting Director and later confirmed as Director and Chief Executive Officer. Mrs. Sonia Gill prior to her appointment served NIB for nearly 30 years, previously holding the position of Financial Controller. Given Sonia’s extensive tenure, she brought a wealth of historical insight, financial prudence, an understanding of internal processes, an in-depth knowledge of statutory policy and an appreciation of social security preservation.

**Leadership Conclaves** - Throughout 2022, several leadership conclaves were convened. In January, a leaders’ retreat took place on the island of Grand Bahama under the theme “And Still We Rise: Overcoming Challenges, Soaring Towards Success.” The overarching objective was to regroup, refocus, recommit, and rejuvenate. The staff from the islands of Abaco and Bimini were also a part of this empowering experience. In June, a conclave was held for the Executive Management team, during which they provided insights into the operations of their respective departments to the newly appointed Board Members. Themed “Reshaping the Future of NIB,” this conclave aimed to elucidate strategic visions. In November, a leadership conclave was convened for middle management to deliberate on the principles of management and leadership.



Photos caption: NIB’s Chairman addresses Board Members, Executives and Senior Management at Leadership Conclave



Photo caption: Participants in Grand Bahama’s Leaders Conference given team building and individual development assignments



International Labour Organization Seeks NIB's Expertise – Delegations from the International Labour Organization (ILO) along with officials representing the Jamaican social security programme, visited NIB to conduct a comprehensive study of NIB Unemployment Benefit Branch. This visit came at the cusp of the widespread unemployment triggered by the COVID-19 pandemic. The visit spanned two days, during which visiting delegates were able exchange insights and expertise with NIB's various operational departments, study NIB's Act and Regulations and interact with clients.



Photo caption: ILO delegates and officials representing the Jamaican social security programme meet with NIB representatives.

International Social Security Association (ISSA) Forum – Director Sonia Gill received an invitation from ISSA to participate in a panel discussion on Promoting Employment and Protecting the Unemployed during the World Social Security Forum 2022. The event was held in Marrakech, Morocco from October 24 – 28, 2024 under the theme “Social Security Resilient and Inclusive Societies”. In attendance were over 1,000 participants and 160 countries.



Photo caption: Director Sonia Gill, in attendance at ISSA World Social Security Forum 2022, poses with other delegates.



## Community

Professional Community Fairs - The National Insurance Board participated in a number of Fairs during the course of the year. These opportunities allowed NIB access to various audiences and the ability to educate about National Insurance Benefits and Assistance, operational processes, trouble shoot customer queries, showcase live online demonstrations and sign customers up for various user accounts.



Photo caption: The Atlantis exposition provided NIB with the opportunity to interact with over 600 staff.



Photo caption: NIB attends the First Central Government Agency Fair in Grand Bahama hosted for residents to obtain vital information from various government agencies



Photo caption: NIB joined St. John's College Fair for its 75th Anniversary Health and Wellness Fair.

Staff Relations - With COVID-19 pandemic in the review mirror, the Board took significant strides in fostering staff engagement within the organization. Recognizing the importance of reconnecting in person, several programs that were put on hold were reintroduced such as the staff Christmas party and Anniversary celebrations. The Long Service Awards, which was held virtually in 2021, was once again held as an in-person formal event.

The health and wellness challenge, now in its second reiteration post-COVID-19, continues to promote employee well-being and camaraderie. Additionally, the Board forged a partnership with the Salvation Army, underscoring its commitment to community engagement and social responsibility. These initiatives not only signify a return to normalcy but also reflect the Board's dedication to fostering excellence through a supportive and inclusive workplace environment.

### Health and Wellness Fitness Challenge



Photo caption: A day in Grand Bahama's Health and Wellness Challenge

### Long Service Awards



Photo caption: The 2022 Long Service Awards celebrated 43 staff members, serving between 10 – 40 years of employment, and honoured 13 retirees.



## Forty-eighth Anniversary Celebrations



Photos caption: NIB executives take the lead to celebrate NIB's 48th anniversary. Left photo (L-R): Minister Myles LaRoda, Director Sonia Gill and Chairman Philip Mckenzie attend celebrations at the Freeport Local Office. Right photo (L-R): Board member Timothy Ingraham and Deputy Chairman Theofanis Cochiamogulos attend Customer Appreciation Day at NIB's headquarters.



Photos caption: Customers enjoying NIB's 48th Anniversary Customer Service Day at NIB Headquarters



Photo caption: Anniversary Celebration at Fresh Creek, Andros Local Office



Salvation Army Red Kettle Bell Fundraiser - NIB staff from the islands of New Providence, Grand Bahama and Eleuthera partnered with The Salvation Army's "Love Beyond Christmas" Red Kettle Bell fundraiser to provide assistance to those in need.



Photo caption: Deputy Director Tami Francis makes a presentation on behalf of NIB to support The Salvation Army.



Photos caption: New Providence staff all smiles raising funds to benefit The Salvation Army.



Photos caption: Staff on the islands of Eleuthera (left) and Grand Bahama (right) donate time to The Salvation Army's charity drive.





# THE NATIONAL INSURANCE FUND CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022



## 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, 2022, 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, 2022;
- the consolidated statement of comprehensive loss for 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 significant accounting policies and other explanatory information.

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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 Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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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 group 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, The Bahamas

August 11, 2023



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

**Consolidated Statement of Financial Position**  
**As at December 31, 2022**  
(Expressed in Thousands of Bahamian dollars)

	Notes	2022	2021
		\$	\$
<b>ASSETS</b>			
Cash on hand and at banks	4	130,738	91,391
Receivables and advances	5	84,030	182,136
Prepaid expenses and deposits		881	859
		<u>215,649</u>	<u>274,386</u>
<b>Investments</b>			
Equity securities	6	<u>83,615</u>	<u>75,070</u>
Sovereign			
Bahamas Government registered stocks	7(a)	463,331	479,368
Bahamas Government B\$ notes	7(b)	1,415	2,847
Bahamas Government treasury bills	7(c)	1,761	1,717
Bahamas Government US\$ notes	7(d)	61,338	30,253
Bahamas Government US\$ loan	7(e)	12,150	13,513
Government of Barbados US\$ bonds	7(f)	2,455	2,453
Government of Trinidad & Tobago US\$ bonds	7(g)	2,046	2,057
		<u>544,496</u>	<u>532,208</u>
Corporate			
Certificates of deposit	7(h)	-	6,564
Bahamas Mortgage Corporation bonds	7(i)	95,894	95,894
Nassau Airport Development Company Limited debt securities	7(j)	95,132	91,678
Education Loan Authority bonds	7(k)	30,370	30,542
Bahamas Power and Light Company Limited bonds	7(l)	18,576	18,573
Preference shares	7(m)	10,500	10,500
Clifton Heritage Authority bonds	7(n)	7,993	7,993
Latin American Investment Bank (Bahamas) Ltd. bonds	7(o)	-	3,503
Loans to Bahamas Government entities	7(p)	55,584	58,104
Long-term deposits	7(q)	8,477	8,230
Bridge Authority bonds	7(r)	1,856	1,856
Fidelity Bank (Bahamas) Limited notes	7(s)	-	804
The College of The Bahamas redeemable term notes	7(t)	738	923
Public Hospital Authority bonds	7(u)	7,429	8,104
Be Aliv notes	7(v)	900	1,000
Corporate US\$ bonds	7(w)	1,610	4,133
		<u>335,059</u>	<u>348,401</u>
		879,555	880,609
Allowance for expected credit losses	23	<u>(29,105)</u>	<u>(23,771)</u>
		<u>850,450</u>	<u>856,838</u>
Net investment in finance leases	8	228,577	230,218
Investment property	9	3,307	3,307
		<u>231,884</u>	<u>233,525</u>
<b>Total investments</b>		<u>1,165,949</u>	<u>1,165,433</u>

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

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

**Consolidated Statement of Financial Position**  
**As at December 31, 2022**  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

	Notes	2022	2021
		\$	\$
<b>ASSETS (Continued)</b>			
Computer software	11	8,847	9,967
Property and equipment	12	83,613	87,601
Construction in progress – finance leases	13	24,950	23,117
		<u>117,410</u>	<u>120,685</u>
<b>TOTAL ASSETS</b>		<b><u>1,499,008</u></b>	<b><u>1,560,504</u></b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	14	12,008	11,862
Staff pension fund	15	31,904	38,925
Accrued benefits payable		<u>15,461</u>	<u>16,588</u>
<b>TOTAL LIABILITIES</b>		<b><u>59,373</u></b>	<b><u>67,375</u></b>
<b>RESERVES</b>			
Short-term benefits	30	145,626	111,225
Pensions	30	1,134,151	1,221,544
Industrial benefits	30	68,221	64,741
Medical benefits	30	90,549	89,787
Disablement and death benefits	30	512	5,256
Fidelity bond	30	<u>576</u>	<u>576</u>
<b>TOTAL RESERVES</b>		<b><u>1,439,635</u></b>	<b><u>1,493,129</u></b>
<b>TOTAL LIABILITIES AND RESERVES</b>		<b><u>1,499,008</u></b>	<b><u>1,560,504</u></b>

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

  
Chairman

  
Director

  
Acting Financial Controller

July 27, 2023  
Date

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

## The National Insurance Fund

### Consolidated Statement of Comprehensive Loss For the Year Ended December 31, 2022 (Expressed in Thousands of Bahamian dollars)

	Notes	2022 \$	2021 \$
<b>INCOME</b>			
<b>Contributions</b>			
Employers		172,095	151,981
Insured persons		115,286	102,308
Self-employed persons		7,604	5,975
Voluntarily insured		<u>4</u>	<u>11</u>
		294,989	260,275
Refund of contributions		(697)	(499)
Allowance for expected credit losses - contributions	23	<u>(3,788)</u>	<u>(2,089)</u>
<b>Total net contributions</b>		<b>290,504</b>	<b>257,687</b>
Income from investments	17	66,007	74,154
Income from property	18	3,298	3,270
Other income		<u>2,555</u>	<u>4,341</u>
<b>TOTAL INCOME</b>		<b><u>362,364</u></b>	<b><u>339,452</u></b>

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

## The National Insurance Fund

### Consolidated Statement of Comprehensive Loss For the Year Ended December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

	Notes	2022 \$	2021 \$
<b>EXPENDITURE</b>			
<b>Benefits expenditure</b>			
Short-term		31,262	27,846
Pensions		301,641	282,585
Industrial		12,042	8,771
Disablement and death		8,585	8,271
<b>Total benefits expenditure</b>		<b>353,530</b>	<b>327,473</b>
<b>Administrative expenditure</b>			
Staff salaries, allowances and benefits	22	40,870	39,644
Expenses of the Board of Directors		392	190
Amortisation	11	1,417	1,273
Depreciation	12	2,245	2,318
Other administrative expenses	21	11,602	10,529
<b>Total administrative expenditure</b>		<b>56,526</b>	<b>53,954</b>
Provision for expected credit losses	23	5,679	14,632
<b>Expenditure of the medical benefits branch</b>			
Administrative expenditure		792	780
Depreciation	12	2,907	3,032
<b>Total expenditure of the medical benefits branch</b>		<b>3,699</b>	<b>3,812</b>
<b>TOTAL EXPENDITURE</b>		<b>419,434</b>	<b>399,871</b>
<b>DEFICIENCY OF INCOME OVER EXPENDITURE</b>		<b>(57,070)</b>	<b>(60,419)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that will not be reclassified subsequently to income</i>			
Remeasurement of the defined benefit obligation		3,436	9,136
Unclaimed benefits		140	138
<b>TOTAL COMPREHENSIVE LOSS</b>		<b>(53,494)</b>	<b>(51,145)</b>

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, 2022 (Expressed in Thousands of Bahamian dollars)

	Notes	Short-term		Pensions	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>INCOME</b>					
Total net contributions		72,626	64,422	194,637	172,650
Income from investments		1,474	678	63,647	73,089
Income from property		-	-	1,181	1,158
Share of losses of associates		-	-	-	-
Periodically payable disablement and death benefits transferred from income and expenditure account of industrial benefits branch:					
Disablement	19	-	-	-	-
Death	19	-	-	-	-
Other income		639	1,085	638	1,085
<b>TOTAL INCOME</b>		<b>74,739</b>	<b>66,185</b>	<b>260,103</b>	<b>247,982</b>
<b>EXPENDITURE</b>					
<b>Benefits expenditure</b>					
Sickness benefit		11,183	11,095	-	-
Unemployment benefit		7,602	4,017	-	-
Maternity benefit		6,493	6,022	-	-
Funeral benefit		4,569	5,394	-	-
Maternity grant		1,415	1,318	-	-
Sickness assistance		-	-	-	-
Retirement benefit		-	-	249,276	231,064
Survivors' benefit		-	-	24,799	24,015
Invalidity benefit		-	-	13,826	13,661
Invalidity assistance		-	-	8,683	8,537
Old age non-contributory retirement benefit		-	-	4,556	4,720
Survivors' assistance		-	-	501	588
Medical care		-	-	-	-
Injury benefit		-	-	-	-
Disablement grant		-	-	-	-
Payment of current periodically payable benefits effected during the year:					
Disablement	19	-	-	-	-
Death	19	-	-	-	-
Disablement benefit – capital value		31,262	27,846	301,641	282,585
Death benefit – capital value		-	-	-	-
Administrative expenditure		9,139	8,526	43,656	42,068
Provision for expected credit losses		-	-	5,679	14,632
<b>TOTAL EXPENDITURE</b>		<b>40,401</b>	<b>36,372</b>	<b>350,976</b>	<b>339,285</b>
<b>EXCESS/(DEFICIENCY) OF INCOME OVER EXPENDITURE</b>		<b>34,338</b>	<b>29,813</b>	<b>(90,873)</b>	<b>(91,303)</b>
<b>Other Comprehensive Income</b>					
Remeasurement of the defined benefit obligation		-	-	3,436	9,136
Unclaimed benefits		63	63	44	62
<b>RESERVES, beginning of year</b>		<b>111,225</b>	<b>81,349</b>	<b>1,221,544</b>	<b>1,303,649</b>
<b>RESERVES, end of year</b>		<b>145,626</b>	<b>111,225</b>	<b>1,134,151</b>	<b>1,221,544</b>

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

Industrial		Medical		Disablement and Death		Fidelity Bond		Total	
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
21,787	19,327	1,454	1,288	-	-	-	-	290,504	257,687
613	299	252	45	21	43	-	-	66,007	74,154
-	-	2,117	2,112	-	-	-	-	3,298	3,270
-	-	-	-	-	-	-	-	-	-
-	-	-	-	3,820	2,960	-	-	3,820	2,960
639	1,085	639	1,086	-	-	-	-	2,555	4,341
<b>23,039</b>	<b>20,711</b>	<b>4,462</b>	<b>4,531</b>	<b>3,841</b>	<b>3,003</b>	<b>-</b>	<b>-</b>	<b>366,184</b>	<b>342,412</b>
-	-	-	-	-	-	-	-	11,183	11,095
-	-	-	-	-	-	-	-	7,602	4,017
-	-	-	-	-	-	-	-	6,493	6,022
-	-	-	-	-	-	-	-	4,569	5,394
-	-	-	-	-	-	-	-	1,415	1,318
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	249,276	231,064
-	-	-	-	-	-	-	-	24,799	24,015
-	-	-	-	-	-	-	-	13,826	13,661
-	-	-	-	-	-	-	-	8,683	8,537
-	-	-	-	-	-	-	-	4,556	4,720
-	-	-	-	-	-	-	-	501	588
7,648	5,899	-	-	-	-	-	-	7,648	5,899
4,394	2,872	-	-	-	-	-	-	4,394	2,872
-	-	-	-	-	-	-	-	-	-
-	-	-	-	8,411	8,063	-	-	8,411	8,063
-	-	-	-	174	208	-	-	174	208
<b>12,042</b>	<b>8,771</b>	-	-	<b>8,585</b>	<b>8,271</b>	-	-	<b>353,530</b>	<b>327,473</b>
3,820	2,960	-	-	-	-	-	-	3,820	2,960
3,731	3,360	3,699	3,812	-	-	-	-	60,225	57,766
-	-	-	-	-	-	-	-	5,679	14,632
<b>19,593</b>	<b>15,091</b>	<b>3,699</b>	<b>3,812</b>	<b>8,585</b>	<b>8,271</b>	<b>-</b>	<b>-</b>	<b>423,254</b>	<b>402,831</b>
<b>3,446</b>	<b>5,620</b>	<b>763</b>	<b>719</b>	<b>(4,744)</b>	<b>(5,268)</b>	<b>-</b>	<b>-</b>	<b>(57,070)</b>	<b>(60,419)</b>
-	-	-	-	-	-	-	-	3,436	9,136
33	13	-	-	-	-	-	-	140	138
64,742	59,109	89,786	89,067	5,256	10,524	576	576	1,493,129	1,544,274
<b>68,221</b>	<b>64,742</b>	<b>90,549</b>	<b>89,786</b>	<b>512</b>	<b>5,256</b>	<b>576</b>	<b>576</b>	<b>1,439,635</b>	<b>1,493,129</b>

## The National Insurance Fund

### Consolidated Statement of Cash Flows For the Year Ended December 31, 2022 (Expressed in Thousands of Bahamian dollars)

	2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Deficiency of income over expenditure	(57,070)	(60,419)
Adjustments:		
Income from investments	(66,007)	(74,154)
Income from property	(3,298)	(3,270)
(Gain)/loss on disposal/write-off of property and equipment	(32)	70
Amortisation	1,417	1,273
Depreciation	5,152	5,350
Provisions for expected credit losses	9,468	16,723
Finance cost on leases	53	52
<b>Deficit before working capital changes</b>	<b>(110,317)</b>	<b>(114,375)</b>
Decrease/(increase) in receivables and advances	94,380	(5,834)
(Increase)/decrease in prepaid expenses and deposits	(22)	(229)
(Decrease)/increase in accounts payable and accrued expenses	(125)	1,636
(Decrease)/increase in staff pension fund	(3,585)	(2,156)
(Decrease)/increase in accrued benefits payable	(1,127)	(1,544)
<b>Net cash used in operating activities</b>	<b>(20,796)</b>	<b>(122,502)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received – trustee and other securities	38,108	41,071
Dividends received	2,053	1,862
Proceeds from finance leases	12,173	15,130
Proceeds from income received from property	3,520	3,465
Proceeds from sale of equity securities	-	74
Proceeds on maturity of certificates of deposit	6,500	50,500
Proceeds from sale of Bahamas Government notes	2,824	6,715
Proceeds on maturity of Bahamas Government registered stocks	50,380	55,538
Proceeds from Government of Barbados bonds	-	11
Proceeds from Bahamas Government Treasury bills	115,929	13,284
Proceeds from redemption of preference shares	8,500	4,000
Proceeds from Bahamas Government US\$ notes	5,156	-
Proceeds from Bahamas Government US\$ loan	1,403	-

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, 2022

(Expressed in Thousands of Bahamian dollars)

(Continued)

	2022 \$	2021 \$
<b>CASH FLOWS FROM INVESTING ACTIVITIES (Continued)</b>		
Proceeds from loan repayments from Bahamas Government entities	2,739	5,599
Proceeds from Nassau Airport Development Company Limited debt securities	1,825	2,000
Proceeds from College of the Bahamas notes	184	185
Proceeds from Public Hospital Authority bonds	665	665
Proceeds from Bahamas Power & Light bonds	-	6,479
Proceeds from sale of property and equipment	-	84
Proceeds from US Corporate bonds	2,541	1,614
Proceeds from Fidelity Bank (Bahamas) Limited	800	-
Proceeds from Latin American Investments bonds	2,282	-
Proceeds from Be Aliv	100	-
Purchase of Bahamas Government notes	(1,403)	(6,004)
Purchase of Bahamas Government Registered stocks	(35,000)	(3,000)
Purchases of Bahamas Government US\$ notes	(33,783)	-
Placements of certificates of deposit	-	(8,200)
Additional loans to Bahamas Government entities	-	(3,679)
Purchase of Bahamas Government Treasury bills	(115,952)	(13,308)
Purchase of Preference shares	(8,500)	-
Additions to computer software	(297)	(411)
Additions of property and equipment	(473)	(1,319)
Additions to construction in progress – finance leases	(1,833)	(2,852)
<b>Net cash from investing activities</b>	<b>60,441</b>	<b>169,503</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance cost on lease liabilities	(53)	(52)
Principal payments on lease liabilities	(245)	(269)
<b>Net cash used in financing activities</b>	<b>(298)</b>	<b>(321)</b>
<b>Net increase in cash and cash equivalents</b>	<b>39,347</b>	<b>46,680</b>
Cash and cash equivalents, beginning of year	91,391	44,711
<b>Cash and cash equivalents, end of year (Note 4)</b>	<b>130,738</b>	<b>91,391</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, 2022

(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 Act/Regulations states that employers/self-employed persons have statutory obligation to collect and pay contributions in relation to its employees to NIB. The Fund has one wholly-owned subsidiary, Cloughton House Limited, which is consolidated in these financial statements.

#### 2. 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(f), 2(g), 2(k), 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, 2018. Certain results of the actuarial valuation are described in Note 31.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

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

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

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

The Fund has adopted the following amendment for the first time for their annual reporting period commencing 1 January 2022:

Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9

The amendment listed above did not have any impact on the amounts recognised in prior periods and is not expected to significantly affect the current or future periods. Other amendments and interpretations to published standards that became effective for the Fund's fiscal year beginning on January 1, 2022 were either not relevant or not significant to the Fund's operations and accordingly did not impact the Fund's accounting policies or financial statements.

###### ii) *New standards, amendments to accounting standards and interpretations issued but not yet effective and not early adopted by the Fund*

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for December 31, 2022 reporting periods and have not been early adopted by the Fund. These standards, amendments or interpretations are not expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

##### (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, 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



## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2022  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 2. Significant Accounting Policies (Continued)

#### (b) Consolidation (continued)

##### *Associates (continued)*

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.

#### (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.

#### (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, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 2. 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(f).

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.

##### (f) 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 National Insurance Fund**

### **Notes to the Consolidated Financial Statements December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)**

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

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

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 as a part of the ECL expense included in deficiency of income over expenditure.



## **The National Insurance Fund**

### **Notes to the Consolidated Financial Statements December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)**

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

##### **(g) 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 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. 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.

If an investment property becomes occupied by the Fund, it is reclassified as property and equipment. Its fair value as at the date of reclassification becomes its cost for subsequent accounting purposes.

##### **(h) Property 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 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 during the financial period in which they are incurred.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

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

##### (h) Property 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.

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

##### (i) 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.

##### (j) Leases

*The Fund is lessee*

The Fund leases various properties for office and storage spaces. Agreements are typically made for fixed periods, (usually three years) 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, 2022  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 2. Significant Accounting Policies (Continued)

#### (j) Leases (continued)

*The Fund is lessee (continued)*

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 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.

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. 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.



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

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

##### (j) Leases (continued)

*The Fund is lessee.*

###### 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.

*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 effective interest 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 and equipment in the consolidated statement of financial position. Rental income is recognised in the consolidated statement of comprehensive loss on a straight-line basis over the period of the lease.

##### (k) Impairment of non-financial assets

"Non-financial" assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## **The National Insurance Fund**

**Notes to the Consolidated Financial Statements**  
**December 31, 2022**  
**(Expressed in Thousands of Bahamian dollars)**  
**(Continued)**

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

#### **(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 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.

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, as past service costs.

#### **(m) Income 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 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(j).

Other income amounts are recognised using the accrual basis of accounting.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

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

##### (n) Expense recognition

The Fund recognises benefit expenditure when the Fund's obligation to make payment has been established. The Fund has a statutory obligation to pay benefits when claims are submitted and the eligibility criteria in the Act/Regulations has been met. 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.

##### (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 to reserves

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:

	2022	2021
Short-term benefits reserve	25.0%	25.0%
Pensions reserve	67.0%	67.0%
Industrial benefits reserve	7.5%	7.5%
Medical benefits reserve	0.5%	0.5%
	<u>100.0%</u>	<u>100.0%</u>

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



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

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

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

For the years ended December 31, 2022 and 2021, the resulting proportion of administrative expenditure ascribed to the three benefit branches is as follows:

	2022	2021
Short-term benefits reserve	16.17%	15.80%
Pensions reserve	77.23%	77.97%
Industrial benefits reserve	6.60%	6.23%
	<u>100.0%</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.
- vi. Each Branch has a reserve to/from which income/expenditures are allocated in line with each branch stated above.

##### (p) 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.

##### (q) Taxation

The Fund is established under the laws of the Commonwealth of The Bahamas and is not subject to income and capital gains taxes. The Fund is subject to Value Added Tax at a rate of 10% (2021:12%) imposed by the Bahamas Government. The Fund's operations do not subject it to taxation in any other jurisdiction, except for withholding taxes imposed by certain countries on investment income and capital gains for investments domiciled in those countries.

##### (r) 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.

## **The National Insurance Fund**

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

**December 31, 2022**

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

**(Continued)**

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

##### **(s) 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.

##### **(t) Corresponding Figures**

Certain corresponding figures for related party balances and transactions have been reclassified to conform with the current year's presentation.

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2022  
(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, 2022  
(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 the 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, 2022

(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, 2022

(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. 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, 2021 and December 31, 2022, 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, 2022 (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 analysis

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, 2022 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 2022	65	-	(64)
Change in ECL 2021	194	-	(184)

#### 4. Cash and Cash Equivalents

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

	2022	2021
	\$	\$
Cash on hand	65	65
Cash at banks – current account	37,199	21,885
Cash at brokers	6,268	4,475
Cash at the Central Bank of The Bahamas	87,251	65,003
	<u>130,783</u>	<u>91,428</u>
Allowance for expected credit losses (Note 23)	(45)	(37)
	<u>130,738</u>	<u>91,391</u>

Cash at the Central Bank of The Bahamas does not earn interest. The remaining cash and cash equivalents did not earn interest during 2022 and 2021.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2022

(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, 2022, United States dollar (US\$) deposits total \$20,559 (2021: \$12,050).

#### 5. Receivables and Advances

Receivables and advances comprise:

	2022	2021
	\$	\$
Finance lease receivables	15,280	15,028
Rent receivable	4,336	4,558
Value Added Tax receivable/payable (net)	(4,234)	(1,076)
Other receivable – The Bahamas Government	27,087	117,775
Contribution Receivables (Note 23)	72,715	73,309
Advances to staff	612	553
	<u>115,796</u>	<u>210,147</u>
Provision for expected credit losses	<u>(31,766)</u>	<u>(28,011)</u>
	<b>84,030</b>	<b>182,136</b>

Movements in provision for expected credit losses are as follows:

	2022	2021
	\$	\$
At January 1	(28,011)	(25,883)
Increase in loss allowance	<u>(3,755)</u>	<u>(2,128)</u>
At December 31	<b>(31,766)</b>	<b>(28,011)</b>

The other receivables include \$19,141 (2021: \$38,118) which relates to the Chronic Diseases Prescription Drug Fund (Drug Fund) and is in part supported by a Promissory Note issued by The Bahamas Government dated January 5, 2021 in the amount \$38,500. The three-year Promissory Note bears interest at the rate of 3.75% per annum. The balance of this Promissory Note is \$5,751.

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. At December 31, 2021, the balance of this Promissory Note was \$34,086 and was fully repaid in 2022.

A promissory note in the amount of \$15,000 dated April 19, 2021 was issued by the Bahamas Government to cover the Education Loan Authority Series A Bond that defaulted at maturity on August 15, 2020. The promissory note shall be repaid in five (5) instalments of \$3,000 no later than September 16, 2023 and bears interest at a fixed rate of 5.00% per annum. The balance of this Promissory Note is \$7,529 (2021: \$15,000).

The expected credit loss provision amount of \$ 31,766 (2021: \$ 28,011) includes \$ 31,744 (2021: \$ 27,956) and \$ 21 (2021: \$ 54) loss allowances related to contribution receivables and other receivables and advances respectively (Note 23).

## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2022

(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, 2022  
(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			2022	2021
2022	2021		\$	\$
<i>Ordinary Shares / Mutual Funds</i>				
<b>Level 2 B\$</b>				
1,000	1,000	Bahamas Waste Limited	10	9
6,022,945	6,022,945	Bank of Bahamas Limited	15,720	14,937
3,343,749	3,343,749	Commonwealth Bank Ltd.	11,971	10,165
2,967,500	2,967,500	Commonwealth Brewery Limited	30,417	25,966
474,797	474,797	Consolidated Water Co. Ltd.	1,405	1,011
23,320	23,320	FamGuard Corporation Limited	262	234
213,472	213,472	Finance Corporation of Bahamas Limited	2,348	2,103
298,491	298,491	FirstCaribbean International Bank (Bahamas) Limited	4,773	3,582
1,125,459	1,125,459	Freeport Oil Holdings Company Ltd.	4,479	4,479
68,327	68,327	J.S. Johnson & Company Limited	1,077	1,059
			<u>72,462</u>	<u>63,545</u>
<b>Level 2 US\$</b>				
24,428	24,428	CFAL Global Bond Fund	4,779	4,970
5,603	5,603	CFAL Global	1,009	1,190
			<u>5,788</u>	<u>6,160</u>
<i>Preference Shares</i>				
<b>Level 2</b>				
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>5,365</u>	<u>5,365</u>
			<b><u>83,615</u></b>	<b><u>75,070</u></b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (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, 2022	-	75,070	-	75,070
Purchases	-	-	-	-
Sales	-	-	-	-
Net unrealised gain (Note 17)	-	8,545	-	8,545
<b>Balance as at December 31, 2022</b>	<b>-</b>	<b>83,615</b>	<b>-</b>	<b>83,615</b>
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Balance as at January 1, 2021	-	59,542	-	59,542
Purchases	-	-	-	-
Sales	-	(74)	-	(74)
Net unrealised gain (Note 17)	-	15,602	-	15,602
<b>Balance as at December 31, 2021</b>	<b>-</b>	<b>75,070</b>	<b>-</b>	<b>75,070</b>

The Fund did not have any financial instruments classified as Level 3 as at December 31, 2022 (2021: \$Nil).  
There were no transfers between levels during the year (2021: \$Nil).

#### 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 3.15% to 5.60% (2021: 4.25% to 5.60%) per annum, most of which are tied to the Bahamian dollar Prime rate (Prime) which at December 31, 2022 was 4.25% (2021: 4.25%).

Face Value 2022 \$	2021 \$	Description	2022 \$	2021 \$
-	50,380	Prime + 0.18% to 0.41%; 4.25% 2022	-	50,380
41,692	6,692	Prime + 0.22% to 0.38%; 3.15%; 2023	41,692	6,692
183,022	183,022	Prime + 0.04% to 0.38%; 4.25% to 4.82%; 2024-2028	183,049	183,057
155,989	155,989	Prime + 0.06% to 0.44%; 4.30% to 5.45%; 2029-2033	156,033	156,037
57,574	57,574	Prime+0.18% to 0.63%; 5.00% to 5.40%; 2034-2038	57,922	57,940
19,818	19,818	5.00% to 5.60%; 2039-2040	19,818	19,818
			458,514	473,924
		Accrued interest	4,817	5,444
			<b>463,331</b>	<b>479,368</b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (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 4.54% (2021: 4.66%), and registered stocks with face values totalling \$128,546 (2021: \$103,576) have fixed interest rates varying from 3.15% to 5.60% (2021: 4.25% to 5.60%) and maturities ranging from 2023 to 2040 (2021: 2022 to 2040).

##### (b) Bahamas Government B\$ notes

Face Value 2022 \$	2021 \$	Description	2022 \$	2021 \$
-	2,825	4.00%; 2022	-	2,825
1,403	-	4.75%; 2023	1,403	-
		Accrued interest	12	22
			<u>1,415</u>	<u>2,847</u>

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

Face Value 2022 \$	2021 \$	Description	2022 \$	2021 \$
-	1,719	2.50%; 2022	-	1,717
1,763	-	2.50%; 2023	1,761	-
			<u>1,761</u>	<u>1,717</u>

The effective interest rate earned on treasury bills is 3.26% (2021: 2.13%)

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

Face Value 2022 \$	2021 \$	Description	2022 \$	2021 \$
29,160	-	5.75%; 2024	26,560	-
5,000	-	6.00%; 2028	3,846	-
11,000	11,000	6.95%; 2029	10,992	10,992
4,800	4,800	6.63%; 2033	4,725	4,721
14,102	14,102	7.13%; 2038	14,162	14,164
			<u>60,285</u>	<u>29,877</u>
		Accrued interest	1,053	376
			<u>61,338</u>	<u>30,253</u>



## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2022  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

#### (e) Bahamas Government US\$ loan

Face Value		Description		
2022	2021		2022	2021
\$	\$		\$	\$
-	13,315	US\$ 2 day LIBOR+ 6.50%; 2021	-	13,315
11,912	-	US\$ 3 month SOFR + SOFR ADJ. + 6.75%; 2027	11,912	-
		Accrued interest	238	198
			<u>12,150</u>	<u>13,513</u>

As at December 31, 2022, The Bahamas debt was rated B1 (2021: Ba3) by Moody's.

In July 2020, the Fund contributed \$13,315 to this medium term US\$ loan facility which was transferred to the Government of The Bahamas from Bahamas Power and Light Company Limited (BPL). The loan matured on January 28, 2022 and a new loan Tranche A was negotiated to mature January 28, 2027. The loan bears interest at the SOFR rate plus the applicable margin of 6.75%. If the SOFR rate is below 1%, 1% will be used plus the applicable margin. Also, the applicable margin will be increased by 0.25% per annum for each and every credit level downgrade as recorded by Fitch, Moody's and Standard & Poor. The applicable interest rate at December 2022 was 11.09% (2021:8.25%).

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

Face Value		Description		
2022	2021		2022	2021
\$	\$		\$	\$
2,435	2,435	6.50%; 2029	2,415	2,413
			2,415	2,413
		Accrued interest	40	40
			<u>2,455</u>	<u>2,453</u>

As at December 31, 2022, Barbados foreign currency debt was rated Caa1 (2021: Caa1) by Moody's.

In 2022 principal repayments made were \$Nil (2021: \$11) on the restructured bonds.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

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

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

Face Value		Description	2022	2021
2022	2021		2022	2021
\$	\$		\$	\$
2,000	2,000	3.79%; 2024	2,011	2,022
		Accrued interest	35	35
			<u>2,046</u>	<u>2,057</u>

As at December 31, 2022, Trinidad & Tobago foreign currency debt was rated Ba2 (2021: Ba2) by Moody's.

##### (h) Certificates of deposit

	2022	2021
	\$	\$
Certificates of deposit	-	6,500
Accrued interest	-	64
	<u>-</u>	<u>6,564</u>

During the year, certificates of deposit earned interest at rates of 2.00% to 2.25% (2021: 1.25% to 2.50%) per annum. The effective interest earned on certificates of deposit was 1.13% (2021: 2.31%). Certificates of deposit mature within 12 months of the statement of financial position date.

At December 31, 2021, a certificate of deposit held with Gulf Union Bank (Bahamas) Ltd., in compulsory liquidation, which was previously fully provided for was derecognized and the ECL thereon was eliminated. No payment was received during 2022.

##### (i) Bahamas Mortgage Corporation bonds

Series	Description	2022	2021
		\$	\$
Q	15 year bonds; Prime; 2024 - 2027	15,000	15,000
N,O,P	20 year bonds; Prime* less 1.00% to 2.00%; 2023-2026	64,500	64,500
R	20 year bonds; Prime + ¼; 2029-2032	11,100	11,100
S	25 year bonds; Prime + 1/2%; 2034-2037	4,100	4,100
		<u>94,700</u>	<u>94,700</u>
	Accrued interest	1,194	1,194
		<u>95,894</u>	<u>95,894</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, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

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

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

Face Value		Description		
2022	2021		2022	2021
\$	\$		\$	\$
18,863	17,512	B\$ Subordinated participating debt; 7.50%; 2035	18,863	17,512
5,700	6,300	B\$ senior debt notes; 8.50%; 2031	5,700	6,300
5,700	6,300	US\$ senior debt notes; 8.50%; 2031	5,700	6,300
53,099	49,296	US\$ Subordinated participating debt; 7.50%; 2035	53,099	49,296
3,813	4,063	B\$ senior debt notes; Series B; 6.34%; 2035	3,813	4,063
3,875	4,063	US\$ senior debt notes; Series A; 6.34%; 2035	3,875	4,063
3,937	4,125	US\$ senior debt notes; Series C; 6.44%; 2035	3,937	4,125
			94,987	91,659
		Accrued interest	145	19
			<b>95,132</b>	<b>91,678</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 Participating Debt Notes bear interest of 7.50% per annum paid quarterly. The Note Purchase Agreement Section 10.15 (a) and (b) of these Notes due 2035 states that if insufficient cash is available in the Revenue account any interest accrued quarterly and not paid is to be capitalised, thereby increasing the principal outstanding. The Participating Debt Notes did not meet their interest payments in December 2022 and as a result, under the terms of the agreement interest capitalized as at December 31, 2022 totalled \$5,153 (2021: \$4,784). Due to the significant increases in passenger arrival in 2022 and the growth forecasted, NAD Participating Debt remains at Stage 1 for the assessment of the ECL model.

##### (k) Education Loan Authority bonds

Face Value		Description		
2022	2021		2022	2021
\$	\$		\$	\$
9,750	9,750	Series B; Prime + 0.50%; 2023	9,782	9,831
19,250	19,250	Series C; Prime + 0.75%; 2025 to 2028	20,044	20,168
			29,826	29,999
		Accrued interest	544	543
			<b>30,370</b>	<b>30,542</b>

These bonds are guaranteed by The Bahamas Government. On April 19, 2021, the Government of The Bahamas issued a Promissory Note to repay the principal and interest on the unpaid matured \$15,000 Series A Bond \$7,472 was repaid in 2022. The bonds are classified as Stage 2 for the assessment of the ECL model.



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

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

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

Face Value		Description		
2022	2021		2022	2021
\$	\$		\$	\$
18,558	18,558	B\$ Series C; 6.56%; 2026	18,545	18,542
			18,545	18,542
		Accrued interest	31	31
			<u>18,576</u>	<u>18,573</u>

These bonds are guaranteed by The Bahamas Government.

##### (m) Preference Shares

Face Value		Description		
2022	2021		2022	2021
\$	\$		\$	\$
2,000	2,000	Colina Holdings Bahamas Limited; Prime + 1.50% redeemable	2,000	2,000
-	8,500	Cable Bahamas Limited; 5.75%; 2024	-	8,500
8,500	-	Cable Bahamas Limited; 5.50%; 2032	<u>8,500</u>	<u>-</u>
			<u>10,500</u>	<u>10,500</u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

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

##### (n) Clifton Heritage Authority bonds

Face Value		Description		
2022	2021		2022	2021
\$	\$		\$	\$
1,455	1,455	Prime + 0.50%; 2025	1,455	1,455
4,219	4,219	Prime + 0.63%; 2030	4,219	4,219
2,274	2,274	Prime + 0.75%; 2035	2,274	2,274
			<u>7,948</u>	<u>7,948</u>
		Accrued interest	<u>45</u>	<u>45</u>
			<u>7,993</u>	<u>7,993</u>

These bonds are guaranteed by The Bahamas Government.

##### (o) 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. The bonds were due to mature December 31, 2015. As this bond was not paid at its maturity date it was in default. Principal of \$2,282 and interest of \$1,221 were outstanding as at December 31, 2022.

During 2022 settlement payment of \$3,132 was received. A loss allowance of \$371 was recognized.

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

	1-Jan-22	Additional Funds	Repayments	31-Dec-22
	\$	\$	\$	\$
MOEH	5,880	-	-	5,880
WSC	9,208	-	(1,136)	8,072
BDB	37,153	-	(1,395)	35,758
BCB	3,545	-	(208)	3,337
	<u>55,786</u>	<u>-</u>	<u>(2,739)</u>	<u>53,047</u>
Accrued interest	<u>2,318</u>	<u>866</u>	<u>(647)</u>	<u>2,537</u>
	<u>58,104</u>	<u>866</u>	<u>(3,386)</u>	<u>55,584</u>

	1-Jan-21	Additional Funds	Repayments	31-Dec-21
	\$	\$	\$	\$
MOEH	5,880	-	-	5,880
WSC	10,379	-	(1,171)	9,208
BDB	38,164	-	(1,011)	37,153
BCB	3,284	481	(220)	3,545
	<u>57,707</u>	<u>481</u>	<u>(2,402)</u>	<u>55,786</u>
Accrued interest	<u>1,229</u>	<u>1,444</u>	<u>(355)</u>	<u>2,318</u>
	<u>58,936</u>	<u>1,925</u>	<u>(2,757)</u>	<u>58,104</u>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2022  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

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

##### *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 principal repayments made in 2022 (2021: \$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 2022 amounted to \$1,136 (2021: \$1,171).

##### *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 2022 amounted to \$208 (2021: \$220).

##### *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. Principal repayments made in 2022 amounted to \$115 (2021: \$83).

During November 2020 the Fund agreed to convert the total \$37,000 Bahamas Development Bonds to a loan to allow the Bank to improve its liquidity by accessing the bond sinking fund. The loan is payable by equal quarterly instalments over a period of 20 years and bears interest of 3.94%. Principal repayments made in 2022 amounted to \$1,280 (2021: \$927).



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

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

##### (q) Long-term deposits

Face Value		Description	2022	2021
2022	2021			
\$	\$		\$	\$
6,500	6,500	Family Guardian Insurance 3.00 %; 2023	6,500	6,500
		Accrued interest	1,977	1,730
			<u>8,477</u>	<u>8,230</u>

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

##### (r) Bridge Authority bonds

Face Value		Description	2022	2021
2022	2021			
\$	\$		\$	\$
1,025	1,025	Prime + 1.50%; 2024	1,025	1,025
802	802	Prime + 1.63%; 2029	802	802
			<u>1,827</u>	<u>1,827</u>
		Accrued interest	29	29
			<u>1,856</u>	<u>1,856</u>

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

Face Value		Description	2022	2021
2022	2021			
\$	\$		\$	\$
-	800	Series F Notes; Prime + 1.25%; 2022	-	800
		Accrued interest	-	4
			<u>-</u>	<u>804</u>

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

Face Value		Description	2022	2021
2022	2021			
\$	\$		\$	\$
738	923	7.00%; 2026	738	923
			<u>738</u>	<u>923</u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

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

##### (u) Public Hospital Authority bonds

Face Value		Description		
2022	2021		2022	2021
\$	\$		\$	\$
7,317	7,982	6.00%; 2033	7,317	7,982
		Accrued interest	112	122
			<u>7,429</u>	<u>8,104</u>

Principal repayments began in 2015 and will occur until maturity. In 2022 principal repayments made were \$665 (2021: \$665).

##### (v) Be Aliv Notes

Face Value		Description		
2022	2021		2022	2021
\$	\$		\$	\$
400	500	Series A 8.00%; 2026	400	500
500	500	Series B 8.50%; 2031	500	500
			<u>900</u>	<u>1,000</u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2022

(Expressed in Thousands of Bahamian dollars)

(Continued)

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

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

Face Value 2022 \$	2021 \$	Description	2022 \$	2021 \$
-	397	Amazon Incorporated 2.50%; 2022	-	393
397	397	Goldman Sachs Group 3.63%; 2023	397	394
-	397	Morgan Stanley Medium Term 4.88%; 2022	-	398
-	157	Teva Pharmaceutical Finance 2.95%; 2022	-	156
397	397	United Health Group 2.75%; 2023	397	393
397	397	WellPoint Incorporated 3.30%; 2023	397	394
-	397	Deer & Company 2.60%; 2023	-	396
-	397	General Dynamics Corporation 2.25%; 2022	-	393
397	397	General Electric Capital Group 3.10%; 2023	397	394
-	397	AT & T Incorporated 2.63%; 2022	-	393
-	397	Ebay Incorporated 2.60%; 2022	-	395
			1,588	4,099
		Accrued Interest	22	34
			<b>1,610</b>	<b>4,133</b>

#### 8. Net Investment in Finance Leases

Net investment in finance leases comprise:

	2022 \$	2021 \$
<i>Gross receivables</i>		
Not later than one year	31,960	27,385
Later than one year and not later than five years	69,304	68,943
Later than five years	232,367	247,966
	333,631	344,294
Unearned finance income	(105,054)	(114,076)
	<b>228,577</b>	<b>230,218</b>



## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2022

(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:

	2022 \$	2021 \$
Not later than one year	22,419	17,564
Later than one year and not later than five years	34,848	33,192
Later than five years	171,310	179,462
	<u>228,577</u>	<u>230,218</u>

At December 31, 2022, net finance leases were \$228,577 (2021: \$230,218). The Fund previously classified the leases in stage 3 under the expected credit loss model 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 were to be made monthly and full repayment was not to exceed four years. 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%) applied to delinquent payments. During 2022 the Promissory Note balance was paid in full in the amount of \$34,086 (2021:\$5,254).

At December 31, 2022, the finance leases payments are in arrears and in default. The finance lease receivables are listed at Stage III with a LGD of 0% as they are collateralized by the underlying assets, the buildings, the replacement values of which if liquidated will reduce the exposure.

The Fund presently has fifteen (2021: fifteen) office buildings being leased to The Bahamas Government under finance lease agreements, as follows:

	2022 \$	2021 \$
Poinciana Hill, New Providence	9,887	9,858
Thompson Boulevard, New Providence	15,730	15,685
Claughton House, New Providence	5,304	5,485
Police Headquarters, Grand Bahama	4,379	4,548
Police Dormitories, Grand Bahama	1,795	1,867
Robinson Road, New Providence	3,123	3,243
Police Residences, Grand Bahama	1,951	2,029
Police Gymnasium, Grand Bahama	545	567
Police Guard House, Grand Bahama	26	27
Freeport Government Complex	24,972	24,957
Marsh Harbour Government Complex	25,458	26,437
Office of the Attorney General	34,629	35,962
JL Centre	30,666	30,556
JFK National Security	50,829	50,684
Bimini Complex	19,283	18,313
	<u>228,577</u>	<u>230,218</u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2022

(Expressed in Thousands of Bahamian dollars)

(Continued)

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

##### 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% (2021: 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 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% (2021: 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 Claughton House.

Location	Date Construction/ Renovation Commenced
Poinciana Hill, New Providence	1998
Thompson Boulevard, New Providence	2000
Claughton 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
JFK National Security	2013
Bimini Complex	2014

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

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 9. Investment Property

	Farrington Road Building \$	Total \$
As of January 1, 2022	3,307	3,307
As of December 31, 2022	<u>3,307</u>	<u>3,307</u>
As of January 31, 2021	<u>3,307</u>	<u>3,307</u>
As of December 31, 2021	<u>3,307</u>	<u>3,307</u>

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. The Farrington Road building was appraised as at December 31, 2020.

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.

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

	2022 \$	2021 \$
Rental income	<u>388</u>	<u>388</u>
Direct operating expenses		
On property that did not generate rental income	<u>-</u>	<u>33</u>
	<u>-</u>	<u>33</u>

Operating lease agreement for The Bahamas Government, Farrington Road, New Providence is expired and new term are being negotiated.

#### 10. Investment in Associates

As at December 31, 2022, the Fund owned 4,334,453 (2021: 4,334,453) of the ordinary voting shares of Bank of the Bahamas Limited (BOB), representing 11.66% (2021: 11.74%) of the total outstanding ordinary voting shares and 6,022,945 (2021: 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, 2022 are \$9,050 (2021: \$10,934).

The number of shares owned by the Fund in Cable Bahamas total 9,482,759 (2021: 9,482,759), representing 21.61% (2021: 21.61%) of the total outstanding voting shares. The cumulative net unrecognised losses on CAB at December 31, 2022 are \$5,951 (2021: \$5,830).



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (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, 2022 and 2021:

	<b>Assets</b> <b>\$</b>	<b>Liabilities</b> <b>\$</b>	<b>Total Income</b> <b>\$</b>	<b>Net Income/ (Loss)</b> <b>\$</b>
<b>2022</b>				
Bank of The Bahamas Limited	971,469	796,738	51,503	16,166
Cable Bahamas Limited	526,846	488,756	82,485	(560)
<b>2021</b>				
Bank of The Bahamas Limited	891,212	729,000	46,948	4,135
Cable Bahamas Limited	525,569	478,763	58,968	(22,996)

#### 11. Computer Software

Computer software comprises:

	<b>Total</b> <b>\$</b>
<b>Cost</b>	
Balance as at January 1, 2022	19,205
Additions	297
Disposal	-
<b>Balance as at December 31, 2022</b>	<b>19,502</b>
<b>Accumulated amortisation</b>	
Balance as at January 1, 2022	9,238
Amortisation expense	1,417
Disposals	-
<b>Balance as at December 31, 2022</b>	<b>10,655</b>
<b>Net book value as at December 31, 2022</b>	<b>8,847</b>
<b>Cost</b>	
Balance as at January 1, 2021	18,794
Additions	411
Disposal	-
<b>Balance as at December 31, 2021</b>	<b>19,205</b>
<b>Accumulated amortisation</b>	
Balance as at January 1, 2021	7,965
Amortisation expense	1,273
Disposals	-
<b>Balance as at December 31, 2021</b>	<b>9,238</b>
<b>Net book value as at December 31, 2021</b>	<b>9,967</b>

# The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2022  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

## 12. Property and Equipment

Property and equipment comprise:

	Land & Buildings	Office Furniture & Equipment	Computer Hardware	Motor Vehicles	Land Improvement	Leasehold Assets	Medical Equipment & Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>								
Balance as at January 1, 2022	117,751	5,114	9,078	1,962	918	1,525	12,535	148,883
Additions	20	82	371	-	-	1,096	-	1,569
Disposals	-	(42)	(380)	(8)	-	(914)	-	(1,344)
<b>Balance as at December 31, 2022</b>	<b>117,771</b>	<b>5,154</b>	<b>9,069</b>	<b>1,954</b>	<b>918</b>	<b>1,707</b>	<b>12,535</b>	<b>149,108</b>
<b>Accumulated depreciation</b>								
Balance as at January 1, 2022	37,392	4,268	7,094	1,884	-	802	9,842	61,282
Charge for the year	2,825	180	1,129	40	-	288	690	5,152
Disposals	-	(42)	(381)	(8)	-	(508)	-	(939)
<b>Balance as at December 31, 2022</b>	<b>40,217</b>	<b>4,406</b>	<b>7,842</b>	<b>1,916</b>	<b>-</b>	<b>582</b>	<b>10,532</b>	<b>65,495</b>
<b>Net book value as at December 31, 2022</b>	<b>77,554</b>	<b>748</b>	<b>1,227</b>	<b>38</b>	<b>918</b>	<b>1,125</b>	<b>2,003</b>	<b>83,613</b>

Right of use assets of \$1,125 is included in property and equipment.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 12. Property and Equipment (Continued)

	Land & Buildings \$	Office Furniture & Equipment \$	Computer Hardware \$	Motor Vehicles \$	Land Improvement \$	Leasehold Assets \$	Medical Equipment & Vehicles \$	Total \$
<b>Cost</b>								
Balance as at January 1, 2021	117,951	4,871	9,278	2,105	844	1,511	12,666	149,226
Additions	33	265	878	55	74	14	-	1,319
Disposals	(233)	(22)	(1,078)	(198)	-	-	(131)	(1,662)
<b>Balance as at December 31, 2021</b>	<b>117,751</b>	<b>5,114</b>	<b>9,078</b>	<b>1,962</b>	<b>918</b>	<b>1,525</b>	<b>12,535</b>	<b>148,883</b>
<b>Accumulated depreciation</b>								
Balance as at January 1, 2021	34,738	4,088	7,021	1,992	-	530	9,152	57,521
Change for the year	2,817	199	1,151	90	-	272	821	5,350
Disposals	(163)	(19)	(1,078)	(198)	-	-	(131)	(1,589)
<b>Balance as at December 31, 2021</b>	<b>37,392</b>	<b>4,268</b>	<b>7,094</b>	<b>1,884</b>	<b>-</b>	<b>802</b>	<b>9,842</b>	<b>61,282</b>
<b>Net book value as at December 31, 2021</b>	<b>80,359</b>	<b>846</b>	<b>1,984</b>	<b>78</b>	<b>918</b>	<b>723</b>	<b>2,693</b>	<b>87,601</b>

Right of use assets of \$723 is included in property and equipment.

	Land & Buildings 2022 \$	Land & Buildings 2021 \$	Medical Equipment & Vehicles 2022 \$	Medical Equipment & Vehicles 2021 \$
<b>Cost</b>				
Balance as at January 1, 2021	90,003	90,003	12,534	12,535
Additions	(24,492)	(22,275)	(10,531)	(9,842)
<b>Net book value</b>	<b>65,511</b>	<b>67,728</b>	<b>2,003</b>	<b>2,693</b>



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (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.

	2022 \$	2021 \$
Balance as at January 1	23,117	86,543
Additions	1,833	2,852
Interest income (Note 17)	-	623
Transfer to net investment in finance leases	-	(66,901)
<b>Balance as at December 31</b>	<b>24,950</b>	<b>23,117</b>

#### 14. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses comprise:

	2022 \$	2021 \$
Accounts payable and accrued expenses	6,656	6,426
Accrued vacation pay	4,693	4,689
Unclaimed benefits	324	427
Employee pension contributions	3	270
Other	332	50
	<b>12,008</b>	<b>11,862</b>

Accounts payable and accrued expenses are all current with the exception lease liability non-current amount of \$916 (2021:\$501) as shown below.

#### *Lease Liability*

	2022 \$	2021 \$
<b>Lease liabilities</b>		
Current	271	275
Non-current	916	501
	<b>1,187</b>	<b>776</b>

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

	2022 \$	2021 \$
Finance cost	53	52

The total cash outflows for leases in 2022 was \$298 (2021: \$321).

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (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 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:

	2022 \$	2021 \$
Present value of defined benefit obligations	145,261	140,657
Fair value of plan assets	(113,357)	(101,732)
Funded status- Deficit	<u>31,904</u>	<u>38,925</u>
<b>Net liability arising from defined benefit obligation in consolidated statement of financial position</b>	<b><u>31,904</u></b>	<b><u>38,925</u></b>

The current liability of the staff pension fund is \$8,800.

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

	2022 \$	2021 \$
As at January 1	140,657	143,114
Interest cost	7,522	7,255
Current service cost	4,129	4,271
Employee contributions	1,225	1,080
Benefits paid	(5,456)	(6,732)
Actuarial gains	<u>(2,816)</u>	<u>(8,331)</u>
<b>As at December 31</b>	<b><u>145,261</u></b>	<b><u>140,657</u></b>

The present value of the defined benefit obligation as at December 31, 2020, 2019, and 2018, was \$143,114, \$138,930, and \$135,166 respectively.

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2022  
(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:

	2022	%	2021	%
	\$		\$	
Active members	88,753	62.3	85,279	60.6
Inactive members	56,508	37.7	55,378	39.4
<b>As at December 31</b>	<b>145,261</b>	<b>100.00</b>	<b>140,657</b>	<b>100.0</b>

As at December 31, 2022, the duration of the liability is 14.09 years.

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

	2022	2021
	\$	\$
As at January 1	101,732	92,897
Expected return on plan assets	5,486	4,727
Contributions	11,225	10,280
Benefits paid	(5,456)	(6,732)
Actuarial gains	599	805
Administration and Other non-Plan Investment Management Expenses	(229)	(245)
<b>As at December 31</b>	<b>113,357</b>	<b>101,732</b>

The allocation of plan assets as at December 31, 2022 is as follows:

	2022	2021
	\$	\$
<b>Asset Allocation</b>		
Cash on hand and at banks	4,440	6,999
Certificates of deposit	2,720	1,602
Equity securities at fair value through profit or loss	28,241	19,667
Loans and receivables	77,202	72,775
Net current assets	754	689
<b>Fair value of plan assets at end of year</b>	<b>113,357</b>	<b>101,732</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, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

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

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

	2022 \$	2021 \$
Current service cost	4,129	4,271
Interest expense	2,036	2,528
Administration and Other non Plan Investment Management Expenses	229	245
<b>Total pension expense (See Note 22)</b>	<b>6,394</b>	<b>7,044</b>

Employer contributions to be paid to the staff pension fund in the subsequent year are estimated at \$12,357 (2021: \$11,257). Employee contributions to be paid to the staff pension fund in the subsequent year are estimated at \$1,259 (2021: \$1,143).

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

	2022 \$	2021 \$
As at January 1	38,925	50,217
Pension expense recognised	6,394	7,044
Contributions – employer	(10,000)	(9,200)
Actuarial gains for year –from experience	(1,285)	(3,204)
Actuarial gains for year-plan assets	(599)	(805)
Actuarial gains from changes in economic assumptions	(1,531)	(5,127)
<b>As at December 31</b>	<b>31,904</b>	<b>38,925</b>

The principal actuarial assumptions used at December 31 were:

	2022	2021
Rates per annum		
Discount rate	5.325%	5.25%
Expected return on plan assets	5.325%	5.25%
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 2023 with Projection Scale AA (2021: 1994 Uninsured Pensioner Mortality Generational Table at 2022 with Projection Scale AA). The mortality rates used for December 31, 2022 allow for improvements in life expectancy as illustrated below:

Age	Gender	
	Male	Female
Age 60 in 2022	25.11	27.07
Age 60 in 20 years	26.67	27.90

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (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, 2022 would have changed as a result of a change in the assumptions used.

Future salary increase	Discount Rate		
	5.33%	4.33%	6.33%
	\$	\$	\$
5.00%	145,261	168,053	127,118
4.50%	142,908	164,975	125,293
5.50%	147,774	171,350	129,062

The defined benefit obligation would be \$148,147 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, 2022 and 2021.

#### 17. Income from Investments

	2022 \$	2021 \$
<b>Income from trustee securities:</b>		
Bahamas Government registered stocks	21,274	23,967
Bahamas Government treasury bills	1,112	89
	<u>22,386</u>	<u>24,056</u>
<b>Income from other securities:</b>		
Certificates of deposit	73	652
Brokers	(411)	(121)
Long term deposits	247	240
Nassau Airport Development Company Limited debt securities	6,950	6,729
Bahamas Mortgage Corporation bonds	3,338	3,335
Dividends from ordinary and preference shares	2,053	1,862
Education Loan Authority bonds	1,253	1,002
Bahamas Government US\$ notes	4,203	2,090
Bahamas Government US\$ loan	1,174	1,082
Bahamas Government BS notes	93	136
Bahamas Power & Light Company Limited bonds	1,221	1,627
Government of Barbados US\$ bonds	160	157
Clifton Heritage Authority bonds	388	388
United States of America US\$ treasury notes	12	-
Fidelity Bank (Bahamas) Limited notes	18	44
The College of The Bahamas redeemable term notes	58	71
Bridge Authority bonds	106	106

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

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

	2022 \$	2021 \$
<b>Income from other securities: (continued)</b>		
Government of Trinidad & Tobago US\$ bonds	77	77
Loans to Bahamas Government entities	2,078	2,840
Public Hospital Authority bonds	469	509
Corporate US\$ bonds	111	211
Be Aliv notes	83	83
	<u>23,754</u>	<u>23,120</u>
	2022 \$	2021 \$
<b>Income/(loss) from other investments:</b>		
Interest income on net investment in finance leases	10,784	10,797
Interest income on construction in progress – finance leases (Note 13)	-	623
Net unrealised gain on investments at fair value through profit or loss (Note 6)	8,545	15,602
Net realised gain/(loss) on other investments	538	(44)
	<u>19,867</u>	<u>26,978</u>
	<u>66,007</u>	<u>74,154</u>

#### 18. Income from Property

	2022 \$	2021 \$
Rental income:		
Freeport office complex	727	704
New Providence buildings	454	454
Polyclinics	2,117	2,112
	<u>3,298</u>	<u>3,270</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.



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 20. Assets/Liabilities Included in Other Assets (See Note 30)

Amount invested in other assets comprises:

	2022 \$	2021 \$
Cash on hand	65	65
Cash at banks – current accounts	37,175	21,865
Cash at brokers	6,248	4,458
Receivables and advances	84,030	182,136
Prepaid expenses and deposits	881	859
Computer software	8,847	9,967
Property and equipment	16,098	17,180
Construction in progress – finance leases	24,950	23,117
Accounts payable and accrued expenses	(12,008)	(11,862)
Accrued benefits payable	(15,461)	(16,588)
	<b>150,825</b>	<b>231,197</b>

#### 21. Other Administrative Expenses

Other administrative expenses comprise:

	2022 \$	2021 \$
Repairs and maintenance	3,975	3,422
Utilities	1,287	1,416
Consultancy fees	553	199
Printing, stationery and computer supplies	736	808
Transportation and travel	264	272
Training and scholarships	256	269
Janitorial	438	497
Advertising and publicity	101	93
External security	460	362
Rent	243	234
Motor vehicles	210	186
Insurance	333	315
Legal expenses	158	155
Audit fees	216	216
Real property tax	264	76
Bank charges	810	620
Tribunal membership	23	7
Finance cost-lease liability	53	52
Value Added Tax Expense	1,172	1,283
Other miscellaneous expenses	50	47
	<b>11,602</b>	<b>10,529</b>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2022  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 22. Employee Benefits

	2022 \$	2021 \$
Pension expense (Note 15)	6,394	7,044
Pension expense allocated to the Drug Fund	(189)	(179)
	6,205	6,865
Staff salaries and allowance	27,952	26,670
Group health plan	5,176	4,628
National insurance contributions	1,164	1,104
Other benefits	373	377
	<u>40,870</u>	<u>39,644</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 20% (2021: 6%) with all other variables held constant, this would have increased/decreased reserves \$15,650 (2021: \$4,182).

##### *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, 2022 (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, 2022, the Fund's maximum exposure to credit risk before considering any collateral held is the carrying amount of financial assets in the amount \$1,378,291 (2021: \$1,436,512), principally concentrated with The Bahamas Government, which as at December 31, 2022 had foreign and local currency debt ratings of B1 (2021: Ba3) issued by Moody's. As at that date, the Fund had investments, loans and receivables with The Bahamas Government and its entities totalling \$1,071,388 (2021: \$1,069,740).

###### *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, 2022 and December 31, 2021. The table below reconciles the loss allowance recognised at December 31, 2022:

	2022	2021
	\$	\$
Opening allowance at January 1,	37	15
Increase in expected credit loss	8	22
<b>Closing allowance at December 31,</b>	<b>45</b>	<b>37</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, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

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

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

	Credit Grade	Amortised Cost \$	Stage 1 \$	Stage 2 \$	Stage 3 \$	POCI \$	ECL \$	Carrying Value \$	2021 \$
<b>Sovereign</b>									
Bahamas Government registered stocks	Non investment	463,331	121,381	341,950	-	-	(12,017)	451,314	479,368
Bahamas Government BS notes	Non investment	1,415	-	1,415	-	-	(2)	1,413	2,847
Bahamas Government treasury bills	Non investment	1,761	1,761	-	-	-	-	1,761	1,717
Bahamas Government US\$ notes	Non investment	61,338	31,082	30,256	-	-	(1,618)	59,720	30,253
Bahamas Government US\$ loan	Non investment	12,150	12,150	-	-	-	(15)	12,135	13,513
Government of Barbados US\$ bonds	Non investment	2,455	-	-	-	2,455	-	2,455	2,453
Government of Trinidad & Tobago US\$ bonds	Non investment	2,046	-	2,046	-	-	-	2,046	2,057
		544,496	166,374	375,667	-	2,455	(13,652)	530,844	532,208
<b>Corporate</b>									
Certificates of deposit	Non investment	-	-	-	-	-	-	-	6,564
Bahamas Mortgage Corporation bonds	Non investment	95,894	-	80,779	15,115	-	(8,776)	87,118	95,894
Nassau Airport Development Company Limited debt securities	Non investment	95,132	95,132	-	-	-	(314)	94,818	91,678
Education Loan Authority bonds	Non investment	30,370	-	30,370	-	-	(857)	29,513	30,542
Bahamas Power and Light Company Limited bonds	Non investment	18,576	-	18,576	-	-	(467)	18,109	18,573
Preference shares	Non investment	10,500	2,000	8,500	-	-	(87)	10,413	10,500
Clifton Heritage Authority bonds	Non investment	7,993	-	7,993	-	-	(419)	7,574	7,993
Latin American Investment Bank (Bahamas) Ltd. bonds	Non investment	-	-	-	-	-	-	-	3,503
Loans to Bahamas Government entities	Non investment	55,584	8,104	39,683	7,797	-	(4,496)	51,088	58,104
Long-term deposits	Non investment	8,477	8,477	-	-	-	(18)	8,459	8,230
Bridge Authority bonds	Non investment	1,856	1,856	-	-	-	(3)	1,853	1,856
Fidelity Bank (Bahamas) Limited notes	Non investment	-	-	-	-	-	-	-	804
The College of The Bahamas redeemable term notes	Non investment	738	738	-	-	-	(1)	737	923
Public Hospital Authority bonds	Non investment	7,429	7,429	-	-	-	(12)	7,417	8,104
The Aliv Note	Non investment	900	900	-	-	-	(3)	897	1,000
	Investment &								
Corporate US\$ bonds	Non investment	1,610	1,610	-	-	-	-	1,610	4,133
		335,059	126,246	185,901	22,912	-	(15,453)	319,606	348,401
		879,555	292,620	561,568	22,912	2,455	(29,105)	850,450	880,609

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (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, 2022 based on credit risk grades and discloses the balances by three stages for the purpose of ECL measurement.

	Stage 1	Stage 2	Stage 3	POCI	2022
	\$	\$	\$	\$	\$
<b>Sovereign Investment Securities</b>					
Credit grade:					
Investment	-	-	-	-	-
Non-investment	166,374	375,667	-	2,455	544,496
Gross carrying amount	166,374	375,667	-	2,455	544,496
Loss allowance	(239)	(13,413)	-	-	(13,652)
Carrying amount	166,135	362,254	-	2,455	530,844
<b>Corporate Investment Securities</b>					
Credit grade:					
Investment	1,610	-	-	-	1,610
Non-investment	124,636	185,901	22,912	-	333,449
Gross carrying amount	126,246	185,901	22,912	-	335,059
Loss allowance	(383)	(8,885)	(6,185)	-	(15,453)
Carrying amount	125,863	177,016	16,727	-	319,606
<b>Total Investment Securities</b>					
Credit grade:					
Investment	1,610	-	-	-	1,610
Non-investment	291,010	561,568	22,912	2,455	877,945
Gross carrying amount	292,620	561,568	22,912	2,455	879,555
Loss allowance	(622)	(22,298)	(6,185)	-	(29,105)
<b>Carrying amount</b>	<b>291,998</b>	<b>539,270</b>	<b>16,727</b>	<b>2,455</b>	<b>850,450</b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (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, 2021.

	Stage 1	Stage 2	Stage 3	POCI	2021
	\$	\$	\$	\$	\$
<b>Sovereign Investment Securities</b>					
Credit grade:					
Investment	-	-	-	-	-
Non-investment	101,622	428,133	-	2,453	532,208
Gross carrying amount	101,622	428,133	-	2,453	532,208
Loss allowance	(115)	(15,040)	-	-	(15,155)
Carrying amount	101,507	413,093	-	2,453	517,053
<b>Corporate Investment Securities</b>					
Credit grade:					
Investment	3,977	-	-	-	3,977
Non-investment	165,134	168,237	11,053	-	344,424
Gross carrying amount	169,111	168,237	11,053	-	348,401
Loss allowance	(652)	(5,554)	(2,410)	-	(8,616)
Carrying amount	168,459	162,683	8,643	-	339,785
<b>Total Investment Securities</b>					
Credit grade:					
Investment	3,977	-	-	-	3,977
Non-investment	266,756	596,370	11,053	2,453	876,632
Gross carrying amount	270,733	596,370	11,053	2,453	880,609
Loss allowance	(767)	(20,594)	(2,410)	-	(23,771)
Carrying amount	269,966	575,776	8,643	2,453	856,838



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (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 local and foreign currency sovereign credit ratings of The Bahamas remained unchanged with a stable outlook during 2022. The downgrade during 2021 was due to the economic impact of the decline in the tourism sector, sluggish fiscal reform, and increased fiscal deficits. Inflation rose as a result of the increase cost of food and fuel brought on by the war in Ukraine in addition to other natural disasters due to climate change. During 2022, the Bahamian economy experienced significant growth with a robust rebound in the tourism sector as air and sea traffic surpassed the prior year 2021 levels. In addition, there is continued stimulus in the construction sector with post-hurricane buildings works. The external reserves are projected to remain more than adequate to maintain the Bahamian dollar currency in spite of the forecasted local and external borrowings to finance the debt. As such, management has elected to maintain the Stage I classification and apply the S&P credit rating to the sovereign investments which were purchased after 2016 and those purchased prior to were classified as Stage II when the Bahamas credit rating declined beyond investment grade. In 2021, Stage I classification was maintained and the S & P credit rating was used. The S&P historic credit ratings, results in a more conservative estimate.

The Fund's ECL model uses GDP as one of its main factor due to the high concentration of sovereign investments

The IMF reported a real GDP growth of 8.00% for 2022 and forecasts a GDP growth rate of 4.10% for 2023, down from 13.72% in 2021 representing a modest growth following strong rebound in the post-COVID-19 economy in prior years. However, management has determined to use a more conservative estimate of 5.03%, which represents the average GDP growth for The Bahamas for 2022 (8.00%) and the following two forecasted years 2023 (4.10%) and 2024 (3.00%).

In addition to the GDP growth rate being used, management has adopted the use of three economic scenarios in the global economic environment. They represent a 'most likely outcome' (Base case) and two, less likely scenarios on either side of the Base line, referred to as a 'Best' and a 'Worst' case scenario respectively. The three economic probability-weighted scenarios were estimated as Base case 85%; Best case 10% and Worst case 5%.

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.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (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>POCI</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Gross carrying amount as at January 1, 2022</b>	101,622	428,133	-	2,453	532,208
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	66,088	-	-	-	66,088
Changes to exposure other than full derecognition	(1,336)	(1,440)	-	2	(2,774)
Financial assets derecognised during the period	-	(51,026)	-	-	(51,026)
<b>Gross carrying amount as at December 31, 2022</b>	<b>166,374</b>	<b>375,667</b>	<b>-</b>	<b>2,455</b>	<b>544,496</b>
<b>Sovereign Investment Securities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Loss allowance as at January 1, 2022</b>	115	15,040	-	-	15,155
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	80	-	-	-	80
Changes in risk parameters and exposure	-	-	-	-	-
Changes to model assumptions and methodologies	44	(1,588)	-	-	(1,544)
Financial assets derecognised during the period	-	(39)	-	-	(39)
<b>Loss allowance as at December 31, 2022</b>	<b>239</b>	<b>13,413</b>	<b>-</b>	<b>-</b>	<b>13,652</b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (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)

Sovereign Investment Securities	Stage 1	Stage 2	Stage 3	POCI	Total
	\$	\$	\$	\$	\$
<b>Gross carrying amount as at January 1, 2021</b>	581,875	2,067	-	2,466	586,408
Transfers:					
Transfer from Stage 1 to Stage 2	(426,785)	426,785	-	-	-
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	3,049	-	-	-	3,049
Changes to exposure other than full derecognition	(74)	(719)	-	2	(791)
Financial assets derecognised during the period	(56,443)	-	-	(15)	(56,458)
<b>Gross carrying amount as at December 31, 2021</b>	<b>101,622</b>	<b>428,133</b>	<b>-</b>	<b>2,453</b>	<b>532,208</b>
<b>Sovereign Investment Securities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Loss allowance as at January 1, 2021</b>	502	9	-	-	511
Transfers:					
Transfer from Stage 1 to Stage 2	(378)	378	-	-	-
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 in risk parameters and exposures	-	14,653	-	-	14,653
Changes to model assumptions and methodologies	33	-	-	-	33
Financial assets derecognised during the period	(46)	-	-	-	(46)
<b>Loss allowance as at December 31, 2021</b>	<b>115</b>	<b>15,040</b>	<b>-</b>	<b>-</b>	<b>15,155</b>



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (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)

Corporate Investment Securities	Stage 1	Stage 2	Stage 3	POCI	Total
	\$	\$	\$	\$	\$
<b>Gross carrying amount as at January 1, 2022</b>	169,111	168,237	11,053	-	348,401
Transfers:					
Transfer from Stage 1 to Stage 2	(37,760)	37,760	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-
Transfer from Stage 2 to Stage 3	-	(15,115)	15,115	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-
New financial assets originated or purchased	-	-	-	-	-
Changes to exposure other than full derecognition	1,611	(1,794)	247	-	64
Financial assets derecognised during the period	(6,716)	(3,187)	(3,503)	-	(13,406)
<b>Gross carrying amount as at December 31, 2022</b>	<b>126,246</b>	<b>185,901</b>	<b>22,912</b>	<b>-</b>	<b>335,059</b>

Corporate Investment Securities	Stage 1	Stage 2	Stage 3	POCI	Total
	\$	\$	\$	\$	\$
<b>Loss allowance as at January 1, 2022</b>	652	5,554	2,410	-	8,616
Transfers:					
Transfer from Stage 1 to Stage 2	(222)	222	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-
Transfer from Stage 2 to Stage 3	-	(137)	137	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-
New financial assets originated or purchased	-	-	-	-	-
Changes in risk parameters and exposure	-	1,836	3,880	-	5,716
Changes to model assumptions and methodologies	(37)	1,432	129	-	1,524
Financial assets derecognised during the period	(10)	(22)	(371)	-	(403)
<b>Loss allowance as at December 31, 2022</b>	<b>383</b>	<b>8,885</b>	<b>6,185</b>	<b>-</b>	<b>15,453</b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (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)

Corporate Investment Securities	Stage 1	Stage 2	Stage 3	POCI	Total
	\$	\$	\$	\$	\$
<b>Gross carrying amount as at January 1, 2021</b>	296,355	111,163	10,257	-	417,775
Transfers:					
Transfer from Stage 1 to Stage 2	(141,197)	141,197	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-
Transfer from Stage 2 to Stage 1	62,037	(62,037)	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-
New financial assets originated or purchased	-	-	-	-	-
Changes to exposure other than full derecognition	327	73	796	-	1,196
Financial assets derecognised during the period	(48,411)	(22,159)	-	-	(70,570)
<b>Gross carrying amount as at December 31, 2021</b>	<b>169,111</b>	<b>168,237</b>	<b>11,053</b>	<b>-</b>	<b>348,401</b>
<b>Corporate Investment Securities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Loss allowance as at January 1, 2021</b>	596	5,304	2,788	-	8,688
Transfers:					
Transfer from Stage 1 to Stage 2	(245)	245	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-
Transfer from Stage 2 to Stage 1	4,796	(4,796)	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-
New financial assets originated or purchased	-	-	-	-	-
Changes in risk parameters and exposures	(4,555)	4,559	-	-	4
Changes to model assumptions and methodologies	155	250	(378)	-	27
Financial assets derecognised during the period	(95)	(8)	-	-	(103)
<b>Loss allowance as at December 31, 2021</b>	<b>652</b>	<b>5,554</b>	<b>2,410</b>	<b>-</b>	<b>8,616</b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (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>POCI</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Gross carrying amount as at January 1, 2022</b>	270,733	596,370	11,053	2,453	880,609
Transfers:					
Transfer from Stage 1 to Stage 2	(37,760)	37,760	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-
Transfer from Stage 2 to Stage 3	-	(15,115)	15,115	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-
New financial assets originated or purchased	66,088	-	-	-	66,088
Changes to exposure other than full derecognition	275	(3,234)	247	2	(2,710)
Financial assets derecognised during the period	(6,716)	(54,213)	(3,503)	-	(64,432)
<b>Gross carrying amount as at December 31, 2022</b>	<b>292,620</b>	<b>561,568</b>	<b>22,912</b>	<b>2,455</b>	<b>879,555</b>

<b>Total Investment Securities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Loss allowance as at January 1, 2022</b>	767	20,594	2,410	-	23,771
Transfers:					
Transfer from Stage 1 to Stage 2	(222)	222	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-
Transfer from Stage 2 to Stage 3	-	(137)	137	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-
New financial assets originated or purchased	80	-	-	-	80
Changes in risk parameters and exposure	-	1,836	3,880	-	5,716
Changes to model assumptions and methodologies	7	(156)	129	-	(20)
Financial assets derecognised during the period	(10)	(61)	(371)	-	(442)
<b>Loss allowance as at December 31, 2022</b>	<b>622</b>	<b>22,298</b>	<b>6,185</b>	<b>-</b>	<b>29,105</b>



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (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>POCI</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Gross carrying amount as at January 1, 2021</b>	878,230	113,230	10,257	2,466	1,004,183
Transfers:					
Transfer from Stage 1 to Stage 2	(567,982)	567,982	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-
Transfer from Stage 2 to Stage 1	62,037	(62,037)	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-
New financial assets originated or purchased	3,049	-	-	-	3,049
Changes to exposure other than full derecognition	253	(646)	796	2	405
Financial assets derecognised during the period	(104,854)	(22,159)	-	(15)	(127,028)
<b>Gross carrying amount as at December 31, 2021</b>	<b>270,733</b>	<b>596,370</b>	<b>11,053</b>	<b>2,453</b>	<b>880,609</b>
<b>Total Investment Securities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Loss allowance as at January 1, 2021</b>	1,098	5,313	2,788	-	9,199
Transfers:					
Transfer from Stage 1 to Stage 2	(623)	623	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-
Transfer from Stage 2 to Stage 1	4,796	(4,796)	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-
New financial assets originated or purchased	4	-	-	-	4
Changes in risk parameters and exposures	(4,555)	19,212	-	-	14,657
Changes to model assumptions and methodologies	188	250	(378)	-	60
Financial assets derecognised during the period	(141)	(8)	-	-	(149)
<b>Loss allowance as at December 31, 2021</b>	<b>767</b>	<b>20,594</b>	<b>2,410</b>	<b>-</b>	<b>23,771</b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

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

##### Credit risk (continued)

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

##### Receivables and Advances

The following tables demonstrates 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.

	Stage 1	Stage 2	Stage 3	Total
	\$	\$	\$	\$
<b>Gross carrying amount as at January 1, 2022</b>	135,643	-	-	135,643
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	1,614	-	-	1,614
Changes to exposure other than full derecognition	-	-	-	-
Financial assets derecognised during the period	(94,209)	-	-	(94,209)
<b>Gross carrying amount as at December 31, 2022</b>	<b>43,048</b>	<b>-</b>	<b>-</b>	<b>43,048</b>
	Stage 1	Stage 2	Stage 3	Total
	\$	\$	\$	\$
<b>Gross carrying amount as at January 1, 2021</b>	114,716	-	-	114,716
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	30,467	-	-	30,467
Changes to exposure other than full derecognition	-	-	-	-
Financial assets derecognised during the period	(9,540)	-	-	(9,540)
<b>Gross carrying amount as at December 31, 2021</b>	<b>135,643</b>	<b>-</b>	<b>-</b>	<b>135,643</b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

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

##### Credit risk (continued)

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

##### Receivables and Advances (continued)

	Stage 1	Stage 2	Stage 3	Total
	\$	\$	\$	\$
<b>Loss allowance as at January 1, 2022</b>	54	-	-	54
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	(33)	-	-	(33)
Financial assets derecognised during the period	-	-	-	-
<b>Loss allowance as at December 31, 2022</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>21</b>
	Stage 1	Stage 2	Stage 3	Total
	\$	\$	\$	\$
<b>Loss allowance as at January 1, 2021</b>	16	-	-	16
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	15	-	-	15
Changes to model assumptions and methodologies	23	-	-	23
Financial assets derecognised during the period	-	-	-	-
<b>Loss allowance as at December 31, 2021</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>54</b>



## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2022  
(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, 2022 or December 31, 2021 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, 2022 and December 31, 2021:

<b>December 31, 2022</b>	<b>Current</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>Over 90 days</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Loss rate	2.4%	12.0%	32.4%	79.0%	
Contribution receivable	25,079	6,035	5,266	36,335	72,715
Loss allowance	611	723	1,708	28,702	31,744
<b>December 31, 2021</b>	<b>Current</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>Over 90 days</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Loss rate	0.8%	7.9%	26.3%	81.0%	
Contribution receivable	25,860	10,788	5,126	31,535	73,309
Loss allowance	204	853	1,351	25,548	27,956

The closing loss allowance for contributions receivables as at December 31, 2022 reconciled to the opening loss allowance is disclosed in Note 5.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (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:

	2022 \$	2021 \$
Impairment losses on cash at banks	8	22
Impairment (recoveries)/losses on receivables and advances	(33)	38
Impairment losses on contributions receivable	3,788	2,089
Impairment losses on investment securities	5,704	14,572
	<u>9,467</u>	<u>16,721</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, with the exception of a legal matter as disclosed in note 29. 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, 2022  
(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:

	2022 \$	2021 \$
Capital commitments	<u>204</u>	<u>1,406</u>

### 26. Employees

The average number of persons employed by NIB during the year was 638 (2021: 616).



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (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	
	2022	2021	2022	2021
	\$	\$	\$	\$
Certificates of deposit	-	6,564	-	6,559
Long term deposit	8,477	8,230	6,551	6,444
Bahamas Government registered stocks	463,331	479,368	498,727	491,319
Bahamas Mortgage Corporation bonds	95,894	95,894	93,891	91,580
Nassau Airport Development Company Limited debt securities	95,132	91,678	101,754	98,653
Education Loan Authority bonds	30,370	30,542	30,757	31,087
Bahamas Government US\$ notes	61,338	30,253	65,310	33,973
Bahamas Government US\$ loan	12,150	13,513	13,623	13,840
Bahamas Power and Light Company Limited bonds	18,576	18,573	19,339	19,874
Clifton Heritage Authority bonds	7,993	7,993	7,956	7,980
Government of Barbados US\$ bonds	2,455	2,453	2,527	2,534
Loans to Bahamas Government entities	55,584	58,104	41,307	42,647
Latin American Investment Bank (Bahamas) Ltd. bonds	-	3,503	-	2,125
Bridge Authority bonds	1,856	1,856	1,951	1,987
Fidelity Bank (Bahamas) Limited notes	-	804	-	814
The College of The Bahamas redeemable term notes	738	923	779	1,004
Government of Trinidad & Tobago	2,046	2,057	2,017	2,018
Corporate US\$ bonds	1,610	4,133	1,610	3,846
Bahamas Government B\$ Notes	1,415	2,847	1,434	2,851
Public Hospital Authority bonds	7,429	8,104	7,040	7,655
Be Aliv Note	900	1,000	107	1,166
	<u>867,294</u>	<u>868,392</u>	<u>896,680</u>	<u>869,956</u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2022

(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, 2022

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	-	-	-	-
Long term deposit	-	6,551	-	6,551
Bahamas Government registered stocks	-	498,727	-	498,727
Bahamas Mortgage Corporation bonds	-	93,891	-	93,891
Nassau Airport Development Company Limited debt securities	-	101,754	-	101,754
Education Loan Authority bonds	-	30,757	-	30,757
Bahamas Government US\$ notes	-	65,310	-	65,310
Bahamas Government US\$ loan	-	13,623	-	13,623
Bahamas Power and Light Company Limited bonds	-	19,339	-	19,339
Clifton Heritage Authority bonds	-	7,956	-	7,956
Government of Barbados US\$ bonds	-	2,527	-	2,527
Loans to Bahamas Government entities	-	41,307	-	41,307
Bridge Authority bonds	-	1,951	-	1,951
The College of The Bahamas redeemable term notes	-	779	-	779
Government of Trinidad & Tobago	-	2,017	-	2,017
Bahamas Government B\$ Notes	-	1,610	-	1,610
Public Hospital Authority bonds	-	1,434	-	1,434
Be Aliv Note	-	7,040	-	7,040
Corporate US\$ bonds	1,027	-	-	1,027
	<u>1,027</u>	<u>896,573</u>	<u>-</u>	<u>897,600</u>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2022  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

#### Fair Value Hierarchy as at December 31, 2021

	Level 1 \$	Level 2 \$	Level 3 \$	Fair value \$
Certificates of deposit	-	6,559	-	6,559
Long term deposit	-	6,444	-	6,444
Bahamas Government registered stocks	-	491,319	-	491,319
Bahamas Mortgage Corporation bonds	-	91,580	-	91,580
Nassau Airport Development Company Limited debt securities	-	98,653	-	98,653
Education Loan Authority bonds	-	31,087	-	31,087
Bahamas Government US\$ notes	-	33,973	-	33,973
Bahamas Government US\$ loan	-	13,840	-	13,840
Bahamas Power and Light Company Limited bonds	-	19,874	-	19,874
Clifton Heritage Authority bonds	-	7,980	-	7,980
Government of Barbados US\$ bonds	-	2,534	-	2,534
Loans to Bahamas Government entities	-	42,647	-	42,647
Latin American Investment Bank (Bahamas) Ltd. bonds	-	2,125	-	2,125
Bridge Authority bonds	-	1,987	-	1,987
Fidelity Bank (Bahamas) Limited notes	-	814	-	814
The College of The Bahamas redeemable term notes	-	1,004	-	1,004
Government of Trinidad & Tobago	-	2,018	-	2,018
Bahamas Government B\$ Notes	-	2,851	-	2,851
Public Hospital Authority bonds	-	7,655	-	7,655
Be Aliv Note	-	1,166	-	1,166
Corporate US\$ bonds	3,846	-	-	3,846
	<u>3,846</u>	<u>866,110</u>	<u>-</u>	<u>869,956</u>

There were no transfers between Level 1 and Level 2 during the year (2021: \$Nil).



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash at bank	689	(221)	-	-	-	-	-	-	87,251	65,003	87,940	64,782
Receivables and advances	-	-	13	7	-	-	54,579	154,485	8,179	7,011	62,771	161,503
Accounts payable and accrued expenses	22	46	205	259	-	-	6	11	150	82	383	398
Contributions	1,571	2,184	40	725	2	-	37,277	28,742	11,749	10,776	50,639	42,427
Administrative expenses	193	206	-	-	-	-	-	-	1,094	1,210	1,287	1,416
Benefits	-	-	-	1,116	-	-	-	-	-	-	-	1,116

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*:

	2022	2021
	\$	\$
Short-term employee benefits	2,163	1,800
Post-employment benefits	247	311
	<u>2,410</u>	<u>2,111</u>

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

As at December 31, 2022, 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, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

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

	Notes	Assets 2022 \$	2021 \$	Income 2022 \$	2021 \$
Bahamas Government registered stocks	7(a)	463,331	479,368	21,274	23,967
Bahamas Mortgage Corporation bonds	7(i)	95,894	95,894	3,338	3,335
Net investment in finance leases	8	228,577	230,218	10,784	10,797
Nassau Airport Development Company Limited debt securities	7(j)	95,132	91,678	6,950	6,729
Bank of the Bahamas certificates of deposit	7(h)	-	3,000	36	219
Education Loan Authority bonds	7(k)	30,370	30,542	1,253	1,002
Bahamas Government US\$ note	7(d)	61,338	30,253	4,203	2,090
Bahamas Power and Light Company Limited bonds	7(l)	18,576	18,573	1,221	1,627
Cable Bahamas preference shares	7(m)	8,500	8,500	242	242
Clifton Heritage Authority bonds	7(n)	7,993	7,993	388	388
Investment property	9	3,307	3,307	3,298	3,270
Latin American Investment Bank (Bahamas) Ltd. bonds	7(o)	-	3,503	-	-
Loans to Bahamas Government entities	7(p)	55,584	58,104	2,078	2,840
Bridge Authority bonds	7(r)	1,856	1,856	106	106
The College of The Bahamas redeemable term notes	7(i)	738	923	58	71
Public Hospital Authority bonds	7(u)	7,429	8,104	469	509
Bahamas Government B\$ notes	7(b)	1,415	2,847	93	136
Bahamas Government US\$ loan	7(e)	12,150	13,513	1,174	1,082
Bahamas Government Treasury bills	7(c)	1,761	1,717	1,112	89
		<u>1,093,951</u>	<u>1,089,893</u>	<u>58,077</u>	<u>58,499</u>

#### 29. Events After the Reporting Period

- (a.) On April 28, 2023, the Supreme Court of the Bahamas (The Supreme Court) issued its ruling against the Fund in relation to an ongoing employment matter. On June 9, 2023, the Fund filed an appeal to the Court of Appeal seeking to set aside the judgement and the appeal is now pending. Management believes that the legal matter does not have a material effect on the consolidated financial statements as of December 31, 2022.
- (b.) In June 2023, The Government of the Bahamas announced effective July 2024, that there would be an increase in the contribution rate.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2022

(Expressed in Thousands of Bahamian dollars)

(Continued)

#### 30. Investments of the Fund Allocated to the Reserves

	Short-Term Term \$	Pensions \$	Industrial \$	Medical \$	Disability and Death \$	Fidelity Bond \$	Total \$
<b>As at December 31, 2022</b>							
Cash at the Central Bank of The Bahamas	38,000	46,565	2,120	-	-	566	87,251
Investments at fair value through profit or loss							
Ordinary shares / Mutual funds	-	41,000	31,462	-	-	-	72,462
Preference shares	-	4,615	337	6,001	200	-	11,153
	-	45,615	31,799	6,001	200	-	83,615
Bahamas Government registered stocks	-	463,331	-	-	-	-	463,331
Bahamas Mortgage Corporation bonds	59,747	17,566	8,581	10,000	-	-	95,894
Nassau Airport Development Company Limited debt securities	-	95,132	-	-	-	-	95,132
Education Loan Authority bonds	-	30,370	-	-	-	-	30,370
Bahamas Government US\$ notes	-	61,338	-	-	-	-	61,338
Bahamas Government US\$ loan	-	12,150	-	-	-	-	12,150



## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

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

As at December 31, 2022 (Continued)	Short-Term	Pensions	Industrial	Medical	Disability and Death	Fidelity Bond	Total
	\$	\$	\$	\$	\$	\$	\$
Bahamas Power and Light Company Limited bonds	-	18,576	-	-	-	-	18,576
Bahamas Government BS notes	-	1,415	-	-	-	-	1,415
Bahamas Treasury notes	-	1,761	-	-	-	-	1,761
Preference shares	-	10,500	-	-	-	-	10,500
Clifton Heritage Authority bonds	-	7,993	-	-	-	-	7,993
Government of Barbados US\$ bonds	-	2,455	-	-	-	-	2,455
Loans to Bahamas Government entities	-	55,584	-	-	-	-	55,584
Latin American Investment Bank (Bahamas) Ltd. bonds	-	1,856	-	-	-	-	1,856
The College of The Bahamas redeemable term notes	-	738	-	-	-	-	738
Long Term Deposits	-	8,477	-	-	-	-	8,477
Corporate US\$ bonds	-	1,610	-	-	-	-	1,610
Public Hospital Authority bonds	-	7,429	-	-	-	-	7,429
Trinidad & Tobago bonds	-	2,046	-	-	-	-	2,046
Be Aliv notes	-	900	-	-	-	-	900
Net investment in finance leases	-	228,577	-	-	-	-	228,577
Investment property	-	3,307	-	-	-	-	3,307
Property and equipment	-	-	-	67,514	-	-	67,514
Assets/Liabilities included in other assets (Note 20)	47,879	69,869	25,721	7,034	312	10	150,825
Staff pension fund	-	(31,904)	-	-	-	-	(31,904)
Allowance for expected credit losses (Note 23)	-	(29,105)	-	-	-	-	(29,105)
<b>Total</b>	<b>145,626</b>	<b>1,134,151</b>	<b>68,221</b>	<b>90,549</b>	<b>512</b>	<b>576</b>	<b>1,439,635</b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2022 (Expressed in Thousands of Bahamian dollars) (Continued)

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

	Short-Term Term \$	Pensions \$	Industrial \$	Medical \$	Disability and Death \$	Fidelity Bond \$	Total \$
As at December 31, 2021							
Cash at the Central Bank of The Bahamas	24,643	37,674	2,120	-	-	566	65,003
Investments at fair value through profit or loss							
Ordinary shares / Mutual funds	-	60,000	-	-	-	-	60,000
Preference shares	-	12,070	-	1,000	2,000	-	15,070
	-	72,070	-	1,000	2,000	-	75,070
Certificates of deposit							
Bank of The Bahamas Limited	1,000	2,000	-	-	-	-	3,000
Fidelity Bank (Bahamas) Limited	-	3,000	63	-	437	-	3,500
First Caribbean International Bank (Bahamas)	-	-	-	-	-	-	-
Accrued interest	-	64	-	-	-	-	64
	1,000	5,064	63	-	437	-	6,564
Bahamas Government registered stocks	-	479,368	-	-	-	-	479,368
Bahamas Mortgage Corporation bonds	29,075	57,302	9,517	-	-	-	95,894
Nassau Airport Development Company Limited debt securities	-	91,678	-	-	-	-	91,678
Education Loan Authority bonds	-	30,542	-	-	-	-	30,542
Bahamas Government US\$ notes	-	30,253	-	-	-	-	30,253
Bahamas Government US\$ loan	-	13,513	-	-	-	-	13,513

# The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2022  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

As at December 31, 2021 (Continued)	Short-Term	Pensions	Industrial	Medical	Disablement and Death	Fidelity Bond	Total
	\$	\$	\$	\$	\$	\$	\$
Bahamas Power and Light Company Limited bonds	-	18,573	-	-	-	-	18,573
Bahamas Government BS notes	-	2,847	-	-	-	-	2,847
Bahamas Treasury notes	-	1,717	-	-	-	-	1,717
Preference shares	-	10,500	-	-	-	-	10,500
Clifton Heritage Authority bonds	-	7,993	-	-	-	-	7,993
Government of Barbados US\$ bonds	-	2,453	-	-	-	-	2,453
Loans to Bahamas Government entities	-	58,104	-	-	-	-	58,104
Latin American Investment Bank (Bahamas) Ltd. bonds	-	3,503	-	-	-	-	3,503
Bridge Authority bonds	-	1,856	-	-	-	-	1,856
Fidelity Bank (Bahamas) Limited notes	-	804	-	-	-	-	804
The College of The Bahamas redeemable term notes	-	923	-	-	-	-	923
Long Term Deposits	-	8,230	-	-	-	-	8,230
Corporate US\$ bonds	-	4,133	-	-	-	-	4,133
Public Hospital Authority bonds	-	8,104	-	-	-	-	8,104
Trinidad & Tobago bonds	-	2,057	-	-	-	-	2,057
Be Aliv notes	-	1,000	-	-	-	-	1,000
Net investment in finance leases	-	230,218	-	-	-	-	230,218
Investment property	-	3,307	-	-	-	-	3,307
Investments in associates	-	-	-	-	-	-	-
Property and equipment	-	-	-	70,421	-	-	70,421
Assets/Liabilities included in other assets (Note 20)	56,507	100,454	53,041	18,366	2,819	10	231,197
Staff pension fund	-	(38,925)	-	-	-	-	(38,925)
Allowance for expected credit losses (Note 23)	-	(23,771)	-	-	-	-	(23,771)
<b>Total</b>	<b>111,225</b>	<b>1,221,544</b>	<b>64,741</b>	<b>89,787</b>	<b>5,256</b>	<b>576</b>	<b>1,493,129</b>



## **The National Insurance Fund**

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

**December 31, 2022**

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

**(Continued)**

#### **31. Actuarial Review (Unaudited)**

The 11<sup>th</sup> Actuarial Review of the Fund was conducted as of December 31, 2018 at that time the Fund had reserves of \$1.74 billion. The projections were extended for a sixty-year period.

The report further indicates that the current contribution rate would be insufficient to pay benefits in the long term and recommends an immediate increase in the contribution rate.

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. While the Fund is meeting all of its obligations as they fall due if no pension reform is implemented the Fund is projected to be depleted in 2028. The projected low birth rate and increasing life expectancy results in a decreasing contributor to pensioner ratio which will result in the reduction of the reserve.



# STATISTICAL APPENDIX

2022



TABLE 1. NEW REGISTRATION OF EMPLOYERS &amp; SELF-EMPLOYED PERSONS

Island/Local Office	2022			2021		
	Employers	Self-Employed	Total	Employers	Self-Employed	Total
<b>Abaco</b>						
Marsh Harbour	504	261	<b>765</b>	573	367	<b>940</b>
Coopers Town	-	-	-	-	-	-
<b>All Abaco</b>	<b>504</b>	<b>261</b>	<b>765</b>	<b>573</b>	<b>367</b>	<b>940</b>
<b>Andros</b>						
Fresh Creek	116	31	<b>147</b>	61	60	<b>121</b>
Kemps Bay	33	56	<b>89</b>	47	92	<b>139</b>
Mangrove Cay	-	-	-	-	-	-
Nicholls Town	210	11	<b>221</b>	319	260	<b>579</b>
<b>All Andros</b>	<b>359</b>	<b>98</b>	<b>457</b>	<b>427</b>	<b>412</b>	<b>839</b>
<b>Bimini &amp; Berry Islands</b>	<b>107</b>	<b>43</b>	<b>150</b>	<b>103</b>	<b>50</b>	<b>153</b>
<b>Cat Island</b>	<b>100</b>	<b>10</b>	<b>110</b>	<b>61</b>	<b>37</b>	<b>98</b>
<b>Crooked Island &amp; Acklins</b>	<b>48</b>	<b>14</b>	<b>62</b>	<b>68</b>	<b>6</b>	<b>74</b>
<b>Eleuthera</b>						
Governors Harbour	-	-	-	-	-	-
Harbour Island	59	62	<b>121</b>	39	96	<b>135</b>
Rock Sound	72	60	<b>132</b>	4	32	<b>36</b>
Spanish Wells & North Eleuthera	133	129	<b>262</b>	34	95	<b>129</b>
<b>All Eleuthera</b>	<b>264</b>	<b>251</b>	<b>515</b>	<b>77</b>	<b>223</b>	<b>300</b>
<b>Exuma &amp; Ragged Island</b>	<b>119</b>	<b>316</b>	<b>435</b>	<b>108</b>	<b>463</b>	<b>571</b>
<b>Grand Bahama</b>	<b>1,277</b>	<b>473</b>	<b>1,750</b>	<b>1,474</b>	<b>571</b>	<b>2,045</b>
<b>Inagua &amp; Mayaguana</b>	<b>62</b>	<b>13</b>	<b>75</b>	<b>79</b>	<b>16</b>	<b>95</b>
<b>Long Island</b>						
Deadmans Cay	10	68	<b>78</b>	18	86	<b>104</b>
Simms	7	30	<b>37</b>	-	14	<b>14</b>
<b>All Long Island</b>	<b>17</b>	<b>98</b>	<b>115</b>	<b>18</b>	<b>100</b>	<b>118</b>
<b>New Providence</b>	<b>10,972</b>	<b>1,555</b>	<b>12,527</b>	<b>10,896</b>	<b>1,404</b>	<b>12,300</b>
<b>San Salvador</b>	<b>26</b>	<b>12</b>	<b>38</b>	<b>17</b>	<b>45</b>	<b>62</b>
<b>Total</b>	<b>13,855</b>	<b>3,144</b>	<b>16,999</b>	<b>13,901</b>	<b>3,694</b>	<b>17,595</b>



TABLE 2. NEW REGISTRATION OF INSURED PERSONS

Island/Local Office	2022			2021		
	Active	Inactive	Total	Active	Inactive	Total
<b>Abaco</b>						
Marsh Harbour	328	638	<b>966</b>	65	373	<b>438</b>
Coopers Town	-	-	<b>-</b>	-	-	<b>-</b>
<b>All Abaco</b>	<b>328</b>	<b>638</b>	<b>966</b>	<b>65</b>	<b>373</b>	<b>438</b>
<b>Andros</b>						
Fresh Creek	22	59	<b>81</b>	2	39	<b>41</b>
Kemps Bay	-	27	<b>27</b>	3	23	<b>26</b>
Mangrove Cay	-	-	<b>-</b>	-	-	<b>-</b>
Nicholls Town	5	49	<b>54</b>	-	43	<b>43</b>
<b>All Andros</b>	<b>27</b>	<b>135</b>	<b>162</b>	<b>5</b>	<b>105</b>	<b>110</b>
<b>Bimini &amp; Berry Islands</b>	<b>112</b>	<b>149</b>	<b>261</b>	<b>5</b>	<b>102</b>	<b>107</b>
<b>Cat Island</b>	<b>3</b>	<b>14</b>	<b>17</b>	<b>-</b>	<b>13</b>	<b>13</b>
<b>Crooked Island &amp; Acklins</b>	<b>1</b>	<b>15</b>	<b>16</b>	<b>1</b>	<b>7</b>	<b>8</b>
<b>Eleuthera</b>						
Governors Harbour	-	-	<b>-</b>	-	-	<b>-</b>
Harbour Island	90	63	<b>153</b>	3	59	<b>62</b>
Rock Sound	51	62	<b>113</b>	4	24	<b>28</b>
Spanish Wells & North Eleuthera	138	104	<b>242</b>	4	51	<b>55</b>
<b>All Eleuthera</b>	<b>279</b>	<b>229</b>	<b>508</b>	<b>11</b>	<b>134</b>	<b>145</b>
<b>Exuma &amp; Ragged Island</b>	<b>118</b>	<b>188</b>	<b>306</b>	<b>22</b>	<b>170</b>	<b>192</b>
<b>Grand Bahama</b>	<b>163</b>	<b>1,002</b>	<b>1,165</b>	<b>226</b>	<b>926</b>	<b>1,152</b>
<b>Inagua &amp; Mayaguana</b>	<b>3</b>	<b>30</b>	<b>33</b>	<b>-</b>	<b>20</b>	<b>20</b>
<b>Long Island</b>						
Deadmans Cay	1	22	<b>23</b>	-	24	<b>24</b>
Simms	2	12	<b>14</b>	-	9	<b>9</b>
<b>All Long Island</b>	<b>3</b>	<b>34</b>	<b>37</b>	<b>-</b>	<b>33</b>	<b>33</b>
<b>New Providence</b>	<b>1,036</b>	<b>8,680</b>	<b>9,716</b>	<b>272</b>	<b>4,445</b>	<b>4,717</b>
<b>San Salvador</b>	<b>20</b>	<b>75</b>	<b>95</b>	<b>-</b>	<b>17</b>	<b>17</b>
<b>Total</b>	<b>2,093</b>	<b>11,189</b>	<b>13,282</b>	<b>607</b>	<b>6,345</b>	<b>6,952</b>

TABLE 3. TOTAL NET CONTRIBUTION INCOME, 2022

Island/Local Office	Employers	Employees	Self-Employed	Voluntary Insured	Installment Agreements	Total 2022	Total 2021
<b>Abaco</b>							
Marsh Harbour	4,606,726	3,248,793	661,108	-	11,300	8,527,927	6,865,435
Coopers Town	-	-	-	-	-	-	-
<b>All Abaco</b>	<b>4,606,726</b>	<b>3,248,793</b>	<b>661,108</b>	<b>-</b>	<b>11,300</b>	<b>8,527,927</b>	<b>6,865,435</b>
<b>Andros</b>							
Fresh Creek	288,464	166,385	41,346	-	-	496,195	689,328
Kemps Bay	141,598	95,660	48,666	-	-	285,924	221,231
Mangrove Cay	-	-	-	-	-	-	-
Nicholls Town	261,489	172,560	42,482	-	-	476,530	450,333
<b>All Andros</b>	<b>691,550</b>	<b>434,605</b>	<b>132,494</b>	<b>-</b>	<b>-</b>	<b>1,258,649</b>	<b>1,360,892</b>
<b>Bimini &amp; Berry Islands</b>	<b>422,693</b>	<b>284,865</b>	<b>102,103</b>	<b>-</b>	<b>-</b>	<b>809,662</b>	<b>763,090</b>
<b>Cat Island</b>	<b>52,809</b>	<b>32,441</b>	<b>39,728</b>	<b>-</b>	<b>-</b>	<b>124,978</b>	<b>127,941</b>
<b>Crooked Island &amp; Acklins</b>	<b>21,768</b>	<b>14,582</b>	<b>50,971</b>	<b>-</b>	<b>100</b>	<b>87,421</b>	<b>74,141</b>
<b>Eleuthera</b>							
Governors Harbour	602,898	466,333	139,625	-	3,323	1,212,180	1,042,440
Harbour Island	1,161,124	1,149,619	156,277	-	5,141	2,472,161	1,900,222
Rock Sound	516,857	342,114	102,713	-	-	961,684	751,618
Spanish Wells & North Eleuthera	1,424,573	913,097	408,668	-	342	2,746,679	2,582,181
<b>All Eleuthera</b>	<b>3,705,452</b>	<b>2,871,163</b>	<b>807,284</b>	<b>-</b>	<b>8,806</b>	<b>7,392,705</b>	<b>6,276,460</b>
<b>Exuma &amp; Ragged Island</b>	<b>1,908,812</b>	<b>524,594</b>	<b>371,611</b>	<b>-</b>	<b>132</b>	<b>2,805,150</b>	<b>2,051,814</b>
<b>Grand Bahama</b>	<b>9,064,696</b>	<b>6,044,044</b>	<b>509,135</b>	<b>-</b>	<b>34,451</b>	<b>15,652,326</b>	<b>15,273,324</b>
<b>Inagua &amp; Mayaguana</b>	<b>192,949</b>	<b>127,050</b>	<b>24,910</b>	<b>-</b>	<b>-</b>	<b>344,909</b>	<b>391,786</b>
<b>Long Island</b>							
Deadmans Cay	180,030	114,591	212,683	-	850	508,154	425,587
Simms	135,437	118,745	87,640	-	-	341,822	246,934
<b>All Long Island</b>	<b>315,467</b>	<b>233,336</b>	<b>300,324</b>	<b>-</b>	<b>850</b>	<b>849,977</b>	<b>672,521</b>
New Providence	148,263,291	99,609,912	4,587,905	4,147	5,887	252,471,142	223,756,440
San Salvador	97,513	65,236	16,355	-	-	179,104	73,826
<b>Total</b>	<b>169,343,726</b>	<b>113,490,621</b>	<b>7,603,926</b>	<b>4,147</b>	<b>61,526</b>	<b>290,503,948</b>	<b>257,687,671</b>

Note: Totals may not balance due to rounding.

TABLE 4. TOTAL CONTRIBUTION INCOME, 2018 - 2022

Contribution Income ('000s)					
	2022	2021	2020	2019	2018
<b>Employers</b>	\$169,760	\$150,637	\$131,608	\$165,016	\$164,459
<b>Employees</b>	\$113,771	\$101,472	\$89,456	\$115,266	\$111,177
<b>Self-employed</b>	\$7,604	\$5,975	\$5,196	\$6,870	\$8,010
<b>Voluntarily Insured</b>	\$4	\$11	\$1	5	\$5
<b>Installment Agreements</b>	\$62	\$91	\$160	\$703	\$1,067
<b>Refund of Contributions</b>	(\$697)	(\$499)	(\$437)	(\$730)	(\$779)
<b>Total ('000s)</b>	<b>\$290,504</b>	<b>\$257,687</b>	<b>\$225,984</b>	<b>\$287,131</b>	<b>\$283,939</b>

Number of Contributors					
<b>Employers</b>	12,488	12,083	13,569	13,801	12,521
<b>Employees</b>	133,000	137,000	153,000	148,000	143,000
<b>Self-employed</b>	8,566	7,479	9,175	10,527	9,631
<b>Voluntarily Insured</b>	3	1	2	1	1
<b>Installment Agreements</b>	n/a	n/a	n/a	n/a	n/a
<b>Total Contributors</b>	<b>154,057</b>	<b>156,563</b>	<b>175,746</b>	<b>172,329</b>	<b>165,153</b>

Note: Totals may not balance due to rounding.



TABLE 5. BENEFIT &amp; ASSISTANCE CLAIMS RECEIVED AND AWARDED

Benefit Type		2022	2021	2022	2021
<b>Long-term Benefits/ Assistance</b>	Retirement Benefit	3,541	3,605	2,806	2,539
	Retirement Grant	n/a	n/a	287	242
	Invalidity Benefit	267	266	189	128
	Survivors' Benefit	1,101	1,178	837	553
	Survivors' Grant	n/a	n/a	290	180
	Old Age Non-Contributory Pension	230	233	117	42
	Invalidity Assistance	108	111	87	28
	Survivors' Assistance	60	63	13	4
<b>Total Long-term</b>		<b>5,307</b>	<b>5,456</b>	<b>4,626</b>	<b>3,716</b>
<b>Short-term Benefits</b>	Sickness Benefit	12,345	11,389	10,467	9,769
	Maternity Benefit	2,966	3,025	2,036	2,050
	Maternity Grant	2,966	3,025	2,742	2,720
	Funeral Benefit	2,290	2,916	2,326	2,882
	Unemployment Benefit	4,329	3,687	3,526	3,407
	Sickness Assistance	0	0	0	0
<b>Total Short-term</b>		<b>24,896</b>	<b>24,042</b>	<b>21,097</b>	<b>20,828</b>
<b>Industrial Benefits</b>	Medical Care	3,709	2,738	2,459	1,931
	Injury Benefit	1,834	1,357	1,630	1,176
	Disablement Benefit & Grant	207	166	25	31
	Industrial Death	2	9	0	0
	Industrial Funeral	0	0	0	0
<b>Total Industrial</b>		<b>5,752</b>	<b>4,270</b>	<b>4,114</b>	<b>3,138</b>
<b>All Benefits</b>		<b>35,955</b>	<b>33,768</b>	<b>29,837</b>	<b>27,682</b>

TABLE 6. SHORT-TERM BENEFIT &amp; ASSISTANCE CLAIMS AWARDED, 2022

Island/Local Office	Sickness Benefit	Maternity Benefit	Maternity Grant	Funeral Benefit	Unemployment Benefit	Sickness Assistance	Total
<b>Abaco</b>							
Marsh Harbour	201	64	81	31	127	-	<b>504</b>
Coopers Town	-	-	-	-	-	-	<b>-</b>
<b>All Abaco</b>	<b>201</b>	<b>64</b>	<b>81</b>	<b>31</b>	<b>127</b>	<b>-</b>	<b>504</b>
<b>Andros</b>							
Fresh Creek	61	11	21	4	81	-	<b>178</b>
Kemps Bay	46	10	12	-	76	-	<b>144</b>
Mangrove Cay	-	-	-	-	-	-	<b>-</b>
Nicholls Town	62	10	16	1	46	-	<b>135</b>
<b>All Andros</b>	<b>169</b>	<b>31</b>	<b>49</b>	<b>5</b>	<b>203</b>	<b>-</b>	<b>457</b>
<b>Bimini &amp; Berry Islands</b>	<b>110</b>	<b>14</b>	<b>18</b>	<b>4</b>	<b>20</b>	<b>-</b>	<b>166</b>
<b>Cat Island</b>	<b>61</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>22</b>	<b>-</b>	<b>91</b>
<b>Crooked Island &amp; Acklins</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>16</b>
<b>Eleuthera</b>							
Governors Harbour	48	12	16	2	26	-	<b>104</b>
Harbour Island	-	13	16	2	42	-	<b>73</b>
Rock Sound	66	14	20	4	23	-	<b>127</b>
Spanish Wells & North Eleuthera	58	26	30	44	74	-	<b>232</b>
<b>All Eleuthera</b>	<b>172</b>	<b>65</b>	<b>82</b>	<b>52</b>	<b>165</b>	<b>-</b>	<b>536</b>
<b>Exuma &amp; Ragged Island</b>	<b>226</b>	<b>32</b>	<b>27</b>	<b>6</b>	<b>95</b>	<b>-</b>	<b>386</b>
<b>Grand Bahama</b>	<b>892</b>	<b>289</b>	<b>412</b>	<b>432</b>	<b>694</b>	<b>-</b>	<b>2,719</b>
<b>Inagua &amp; Mayaguana</b>	<b>45</b>	<b>3</b>	<b>4</b>	<b>10</b>	<b>34</b>	<b>-</b>	<b>96</b>
<b>Long Island</b>							
Deadmans Cay	57	10	11	1	69	-	<b>148</b>
Simms	-	-	-	-	-	-	<b>-</b>
<b>All Long Island</b>	<b>57</b>	<b>10</b>	<b>11</b>	<b>1</b>	<b>69</b>	<b>-</b>	<b>148</b>
<b>New Providence</b>	<b>8,507</b>	<b>1,522</b>	<b>2,050</b>	<b>1,785</b>	<b>2,082</b>	<b>-</b>	<b>15,946</b>
<b>San Salvador</b>	<b>14</b>	<b>2</b>	<b>4</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>32</b>
<b>Total</b>	<b>10,467</b>	<b>2,036</b>	<b>2,742</b>	<b>2,326</b>	<b>3,526</b>	<b>-</b>	<b>21,097</b>

TABLE 7. SHORT-TERM BENEFIT & ASSISTANCE PAYMENTS, 2022

Island/Local Office	Sickness Benefit	Maternity Benefit	Maternity Grant	Funeral Benefit	Unemployment Benefit	Sickness Assistance	Total
<b>Abaco</b>							
Marsh Harbour	200,678	209,047	42,600	55,421	272,394	-	<b>780,139</b>
Coopers Town	-	-	-	-	-	-	<b>-</b>
<b>All Abaco</b>	<b>200,678</b>	<b>209,047</b>	<b>42,600</b>	<b>55,421</b>	<b>272,394</b>	<b>-</b>	<b>780,139</b>
<b>Andros</b>							
Fresh Creek	54,646	23,009	10,855	7,720	152,962	-	<b>249,192</b>
Kemps Bay	39,788	23,395	6,740	-	157,016	-	<b>226,939</b>
Mangrove Cay	-	-	-	-	-	-	<b>-</b>
Nicholls Town	28,694	26,033	8,270	1,810	101,458	-	<b>166,266</b>
<b>All Andros</b>	<b>123,128</b>	<b>72,438</b>	<b>25,865</b>	<b>9,530</b>	<b>411,436</b>	<b>-</b>	<b>642,397</b>
<b>Bimini &amp; Berry Islands</b>	<b>90,165</b>	<b>37,054</b>	<b>9,875</b>	<b>7,720</b>	<b>40,785</b>	<b>-</b>	<b>185,600</b>
<b>Cat Island</b>	<b>38,562</b>	<b>14,326</b>	<b>2,090</b>	<b>-</b>	<b>26,563</b>	<b>-</b>	<b>81,542</b>
<b>Crooked Island &amp; Acklin</b>	<b>6,735</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,622</b>	<b>-</b>	<b>14,357</b>
<b>Eleuthera</b>							
Governors Harbou	41,199	34,977	9,375	3,710	56,923	-	<b>146,183</b>
Harbour Island	-	39,496	8,300	1,900	94,656	-	<b>144,352</b>
Rock Sound	78,885	37,226	9,935	7,660	41,879	-	<b>175,585</b>
Spanish Wells & North Eleuthera	96,244	80,841	15,660	84,404	194,871	-	<b>472,019</b>
<b>All Eleuthera</b>	<b>216,328</b>	<b>192,539</b>	<b>43,270</b>	<b>97,674</b>	<b>388,329</b>	<b>-</b>	<b>938,139</b>
<b>Exuma &amp; Ragged Island</b>	<b>151,471</b>	<b>100,493</b>	<b>14,560</b>	<b>11,460</b>	<b>216,966</b>	<b>-</b>	<b>494,950</b>
<b>Grand Bahama</b>	<b>1,090,138</b>	<b>850,458</b>	<b>213,465</b>	<b>832,980</b>	<b>1,436,737</b>	<b>-</b>	<b>4,423,778</b>
<b>Inagua &amp; Mayaguana</b>	<b>39,169</b>	<b>6,624</b>	<b>2,075</b>	<b>19,480</b>	<b>105,143</b>	<b>-</b>	<b>172,491</b>
<b>Long Island</b>							
Grays	28,112	27,978	5,740	3,710	95,608	-	<b>161,148</b>
Simms	-	-	515	-	-	-	<b>515</b>
<b>All Long Island</b>	<b>28,112</b>	<b>27,978</b>	<b>6,255</b>	<b>3,710</b>	<b>95,608</b>	<b>-</b>	<b>161,663</b>
<b>New Providence</b>	<b>9,177,220</b>	<b>4,974,396</b>	<b>1,052,370</b>	<b>3,531,523</b>	<b>4,578,252</b>	<b>-</b>	<b>23,313,761</b>
<b>San Salvador</b>	<b>21,004</b>	<b>7,475</b>	<b>2,575</b>	<b>-</b>	<b>22,488</b>	<b>-</b>	<b>53,542</b>
<b>Total</b>	<b>11,182,709</b>	<b>6,492,828</b>	<b>1,415,000</b>	<b>4,569,498</b>	<b>7,602,324</b>	<b>-</b>	<b>31,262,359</b>

Note: Totals may not balance due to rounding.



TABLE 8. LONG-TERM BENEFIT &amp; ASSISTANCE CLAIMS AWARDED, 2022

	Retirement Benefit	Retirement Grant	Invalidity Benefit	Survivors' Benefit	Survivors' Grant	OANCP	Invalidity Assistance	Survivors' Assistance	Total
<b>Abaco</b>									
Marsh Harbour	100	11	9	33	17	9	7	-	186
Coopers Town	1	-	-	-	-	-	-	-	1
<b>All Abaco</b>	101	11	9	33	17	9	7	-	187
<b>Andros</b>									
Fresh Creek	20	5	5	16	3	-	-	-	49
Kemps Bay	5	1	2	2	-	-	2	-	12
Mangrove Cay	-	-	-	-	-	-	-	-	-
Nicholls Town	11	2	3	3	1	1	-	-	21
<b>All Andros</b>	36	8	10	21	4	1	2	-	82
<b>Bimini &amp; Berry Islands</b>	26	4	-	4	1	3	1	-	39
<b>Cat Island</b>	14	2	1	2	-	5	1	-	25
<b>Crooked Island &amp; Acklins</b>	8	-	-	-	-	-	-	-	8
<b>Eleuthera</b>									
Governors Harbour	17	3	1	10	-	-	-	-	31
Harbour Island	13	1	-	7	1	1	-	-	23
Rock Sound	26	2	3	5	-	-	-	-	36
Spanish Wells & North Eleuthera	32	2	1	10	3	-	-	-	48
<b>All Eleuthera</b>	88	8	5	32	4	1	-	-	138
<b>Exuma &amp; Ragged Island</b>	41	1	4	12	5	1	2	1	67
<b>Grand Bahama</b>	533	71	54	138	56	40	28	2	922
<b>Inagua &amp; Mayaguana</b>	26	-	-	4	2	2	-	-	34
<b>Long Island</b>									
Deadmans Cay	26	-	2	10	2	-	1	-	41
Simms	-	-	-	-	-	-	-	-	-
<b>All Long Island</b>	26	-	2	10	2	-	1	-	41
<b>New Providence</b>	1,894	180	104	580	199	55	44	10	3,066
<b>San Salvador</b>	13	2	-	1	-	-	1	-	17
<b>Total</b>	<b>2,806</b>	<b>287</b>	<b>189</b>	<b>837</b>	<b>290</b>	<b>117</b>	<b>87</b>	<b>13</b>	<b>4,626</b>

TABLE 9. LONG-TERM BENEFIT & ASSISTANCE PAYMENTS, 2022

Island/Local Office	Retirement Benefit	Invalidity Benefit	Survivors' Benefit	OANCP	Invalidity Assistance	Survivors' Assistance	Total
<b>Abaco</b>							
Marsh Harbour	8,400,190	522,832	1,115,407	338,015	358,384	40,193	10,775,020
Coopers Town	206,439	-	20,895	-	3,492	-	230,826
<b>All Abaco</b>	<b>8,606,629</b>	<b>522,832</b>	<b>1,136,302</b>	<b>338,015</b>	<b>361,876</b>	<b>40,193</b>	<b>11,005,846</b>
<b>Andros</b>							
Fresh Creek	880,082	89,077	163,338	33,152	48,038	1,396	1,215,085
Kemps Bay	927,800	55,274	144,605	64,862	111,930	13,969	1,318,440
Mangrove Cay	49,608	-	3,255	-	-	-	52,863
Nicholls Town	895,632	105,724	112,682	108,982	142,301	9,680	1,375,001
<b>All Andros</b>	<b>2,753,122</b>	<b>250,076</b>	<b>423,880</b>	<b>206,996</b>	<b>302,269</b>	<b>25,046</b>	<b>3,961,389</b>
<b>Bimini &amp; Berry Islands</b>	<b>1,628,025</b>	<b>52,049</b>	<b>138,898</b>	<b>75,010</b>	<b>63,083</b>	<b>-</b>	<b>1,957,064</b>
<b>Cat Island</b>	<b>796,401</b>	<b>56,299</b>	<b>73,699</b>	<b>65,268</b>	<b>67,976</b>	<b>3,492</b>	<b>1,063,134</b>
<b>Crooked Island &amp; Acklins</b>	<b>393,424</b>	<b>14,383</b>	<b>16,886</b>	<b>10,477</b>	<b>16,871</b>	<b>-</b>	<b>452,041</b>
<b>Eleuthera</b>							
Governors Harbour	2,943,210	114,164	257,698	41,318	76,832	8,419	3,441,641
Harbour Island	1,539,554	43,232	116,601	19,629	34,637	-	1,753,652
Rock Sound	1,699,154	207,660	166,282	65,130	123,979	8,318	2,270,522
Spanish Wells & North Eleuthera	3,489,141	108,570	385,554	56,165	54,934	2,793	4,097,156
<b>All Eleuthera</b>	<b>9,671,058</b>	<b>473,625</b>	<b>926,135</b>	<b>182,241</b>	<b>290,381</b>	<b>19,530</b>	<b>11,562,971</b>
<b>Exuma &amp; Ragged Island</b>	<b>3,155,253</b>	<b>285,942</b>	<b>327,802</b>	<b>43,066</b>	<b>120,746</b>	<b>6,985</b>	<b>3,939,793</b>
<b>Grand Bahama</b>	<b>42,729,817</b>	<b>2,516,985</b>	<b>4,343,253</b>	<b>861,051</b>	<b>1,510,215</b>	<b>93,788</b>	<b>52,055,110</b>
<b>Inagua &amp; Mayaguana</b>	<b>1,210,209</b>	<b>40,512</b>	<b>104,103</b>	<b>15,613</b>	<b>10,477</b>	<b>-</b>	<b>1,380,914</b>
<b>Long Island</b>							
Grays	1,868,046	79,914	191,478	32,292	82,117	13,969	2,267,816
Simms	256,976	8,200	25,035	3,492	27,349	-	321,052
<b>All Long Island</b>	<b>2,125,022</b>	<b>88,114</b>	<b>216,513</b>	<b>35,784</b>	<b>109,466</b>	<b>13,969</b>	<b>2,588,868</b>
<b>New Providence</b>	<b>175,628,215</b>	<b>9,516,619</b>	<b>17,042,893</b>	<b>2,704,707</b>	<b>5,774,563</b>	<b>298,365</b>	<b>210,965,362</b>
<b>San Salvador</b>	<b>578,986</b>	<b>8,134</b>	<b>48,551</b>	<b>17,462</b>	<b>55,551</b>	<b>-</b>	<b>708,683</b>
<b>Total</b>	<b>249,276,161</b>	<b>13,825,571</b>	<b>24,798,915</b>	<b>4,555,691</b>	<b>8,683,475</b>	<b>501,367</b>	<b>301,641,180</b>

Note: Totals may not balance due to rounding.

TABLE 10. INDUSTRIAL BENEFIT CLAIMS AWARDED, 2022

Island/Local Office		Medical Care	Injury Benefit	Disablement Benefit & Grant	Industrial Death	Industrial Funeral	Total
<b>Abaco</b>							
	Marsh Harbour	42	37	-	-	-	<b>79</b>
	Coopers Town	-	-	-	-	-	<b>-</b>
<b>All Abaco</b>		<b>42</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79</b>
<b>Andros</b>							
	Fresh Creek	-	1	-	-	-	<b>1</b>
	Kemps Bay	-	4	-	-	-	<b>4</b>
	Nicholls Town	-	3	-	-	-	<b>3</b>
<b>All Andros</b>		<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>
<b>Bimini &amp; Berry Islands</b>		<b>7</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</b>
<b>Cat Island</b>		<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</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	-	3	-	-	-	<b>3</b>
	Harbour Island	-	5	-	-	-	<b>5</b>
	Rock Sound	-	7	-	-	-	<b>7</b>
	Spanish Wells & North Eleuthera	-	12	-	-	-	<b>12</b>
<b>All Eleuthera</b>		<b>-</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27</b>
<b>Exuma &amp; Ragged Island</b>		<b>-</b>	<b>31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31</b>
<b>Grand Bahama</b>		<b>138</b>	<b>83</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>224</b>
<b>Inagua &amp; Mayaguana</b>		<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Long Island</b>							
	Deadmans Cay	-	2	-	-	-	<b>2</b>
	Simms	-	-	-	-	-	<b>-</b>
<b>All Long Island</b>		<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>New Providence</b>		<b>2,270</b>	<b>1,431</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>3,723</b>
<b>San Salvador</b>		<b>2</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>
<b>Total</b>		<b>2,459</b>	<b>1,630</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>4,114</b>



TABLE 11. INDUSTRIAL BENEFIT PAYMENTS, 2022

Island/Local Office	Medical Care	Injury Benefit	Disablement Benefit & Grant	Industrial Death	Total
<b>Abaco</b>					
Marsh Harbour	1,822	31,363	144,772	1,531	<b>179,488</b>
Coopers Town	-	-	-	-	<b>-</b>
<b>All Abaco</b>	<b>1,822</b>	<b>31,363</b>	<b>144,772</b>	<b>1,531</b>	<b>179,488</b>
<b>Andros</b>					
Fresh Creek	-	5,673	28,048	-	<b>33,721</b>
Kemps Bay	422	1,034	28,409	-	<b>29,865</b>
Mangrove Cay	-	-	-	-	<b>-</b>
Nicholls Town	-	2,475	12,857	-	<b>15,332</b>
<b>All Andros</b>	<b>422</b>	<b>9,182</b>	<b>69,314</b>	<b>-</b>	<b>78,918</b>
<b>Bimini &amp; Berry Islands</b>	<b>-</b>	<b>2,595</b>	<b>29,503</b>	<b>-</b>	<b>32,098</b>
<b>Cat Island</b>	<b>-</b>	<b>206</b>	<b>3,492</b>	<b>-</b>	<b>3,698</b>
<b>Crooked Island &amp; Acklins</b>	<b>-</b>	<b>217</b>	<b>-</b>	<b>-</b>	<b>217</b>
<b>Eleuthera</b>					
Governors Harbour	513	2,316	25,526	2,493	<b>30,848</b>
Harbour Island	-	10,210	16,722	-	<b>26,932</b>
Rock Sound	240	3,868	31,602	-	<b>35,710</b>
Spanish Wells & North Eleuthera	-	11,098	96,533	4,254	<b>111,886</b>
<b>All Eleuthera</b>	<b>753</b>	<b>27,492</b>	<b>170,384</b>	<b>6,748</b>	<b>205,376</b>
<b>Exuma &amp; Ragged Island</b>	<b>2,884</b>	<b>32,692</b>	<b>79,703</b>	<b>-</b>	<b>115,279</b>
<b>Grand Bahama</b>	<b>41,280</b>	<b>178,952</b>	<b>931,717</b>	<b>53,200</b>	<b>1,205,149</b>
<b>Inagua &amp; Mayaguana</b>	<b>-</b>	<b>1,136</b>	<b>11,459</b>	<b>-</b>	<b>12,595</b>
<b>Long Island</b>					
Grays	-	917	38,416	-	<b>39,333</b>
Simms	-	-	-	-	<b>-</b>
<b>All Long Island</b>	<b>-</b>	<b>917</b>	<b>38,416</b>	<b>-</b>	<b>39,333</b>
<b>New Providence</b>	<b>7,600,835</b>	<b>4,100,100</b>	<b>6,923,726</b>	<b>112,829</b>	<b>18,737,490</b>
<b>San Salvador</b>	<b>-</b>	<b>7,313</b>	<b>8,553</b>	<b>-</b>	<b>15,866</b>
<b>Total</b>	<b>7,647,996</b>	<b>4,392,164</b>	<b>8,411,039</b>	<b>174,307</b>	<b>20,625,506</b>

Note: Totals may not balance due to rounding.

TABLE 12. PENSIONS IN PAYMENT AT YEAR-END, 2018 - 2022

Long-term Benefits					
	2022	2021	2020	2019	2018
Retirement Benefit	31,361	30,066	29,068	27,747	26,538
Invalidity Benefit	2,659	2,647	2,738	2,797	2,794
Survivor's Benefit	6,008	5,704	5,956	5,788	5,650
Old-Age Non-Cont. Pension	1,191	1,223	1,354	1,438	1,542
Invalidity Assistance	2,349	2,379	2,474	2,523	2,571
Survivor's Assistance	161	176	192	204	216
<b>Total</b>	<b>43,729</b>	<b>42,195</b>	<b>41,782</b>	<b>40,497</b>	<b>39,311</b>

Industrial Benefits					
Disablement	1,272	1,288	1,291	1,264	1,173
Industrial Death	31	37	41	41	50
<b>Total</b>	<b>1,303</b>	<b>1,325</b>	<b>1,332</b>	<b>1,305</b>	<b>1,223</b>

<b>All Benefits</b>	<b>45,032</b>	<b>43,520</b>	<b>43,114</b>	<b>41,802</b>	<b>40,534</b>
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TABLE 13. SHORT-TERM BENEFITS &amp; ASSISTANCE, 2018 - 2022

Amount Paid ('000s)					
	2022	2021	2020	2019	2018
Sickness Benefit	\$11,183	\$11,095	\$8,773	\$12,504	\$13,183
Maternity Benefit	\$6,493	\$6,022	\$7,751	\$8,108	\$7,477
Maternity Grant	\$1,415	\$1,318	\$1,401	\$1,544	\$1,511
Funeral Benefit	\$4,569	\$5,394	\$4,268	\$3,412	\$3,431
Unemployment Benefit	\$7,602	\$4,017	\$107,647	\$16,301	11,707
Sickness Assistance	\$0	\$0	\$0	\$0	(\$0)
<b>Total Paid ('000s)</b>	<b>\$31,262</b>	<b>\$27,846</b>	<b>\$129,840</b>	<b>\$41,868</b>	<b>\$37,308</b>

Number of Claims Awarded					
Sickness Benefit	10,467	9,769	7,071	12,494	12,279
Maternity Benefit	2,036	2,050	2,329	2,808	2,452
Maternity Grant	2,742	2,720	2,764	3,269	2,956
Funeral Benefit	2,326	2,882	2,236	1,966	1,891
Unemployment Benefit	3,526	3,407	44,182	7,117	5,974
Sickness Assistance	-	-	-	-	-
<b>Total Awarded</b>	<b>21,097</b>	<b>20,828</b>	<b>58,582</b>	<b>27,654</b>	<b>25,552</b>

Note: Totals may not balance due to rounding.

TABLE 14. LONG-TERM BENEFITS &amp; ASSISTANCE, 2018 - 2022

Amount Paid ('000s)					
	2022	2021	2020	2019	2018
<b>Retirement Benefit &amp; Grant</b>	\$249,276	\$231,064	\$208,899	\$195,261	\$179,357
<b>Invalidity Benefit</b>	\$13,826	\$13,661	\$13,569	\$14,513	\$14,910
<b>Survivor's Benefit &amp; Grant</b>	\$24,799	\$24,015	\$22,493	\$22,326	\$21,647
<b>Old-Age Non-Cont. Pension</b>	\$4,556	\$4,720	\$4,809	\$5,063	\$5,183
<b>Invalidity Assistance</b>	\$8,683	\$8,537	\$8,514	\$8,704	\$8,681
<b>Survivor's Assistance</b>	\$501	\$588	\$557	\$603	\$733
<b>Total Paid ('000s)</b>	<b>\$301,641</b>	<b>\$282,585</b>	<b>\$258,841</b>	<b>\$246,470</b>	<b>\$230,512</b>

Number of Claims Awarded					
<b>Retirement Benefit &amp; Grant</b>	3,093	2,781	2,629	2,407	2,027
<b>Invalidity Benefit</b>	189	128	133	197	150
<b>Survivor's Benefit &amp; Grant</b>	1,127	733	846	723	734
<b>Old-Age Non-Cont. Pension</b>	117	42	79	51	97
<b>Invalidity Assistance</b>	87	28	41	75	59
<b>Survivor's Assistance</b>	13	4	6	11	14
<b>Total Awarded</b>	<b>4,626</b>	<b>3,716</b>	<b>3,734</b>	<b>3,464</b>	<b>3,081</b>

Note: Totals may not balance due to rounding.



TABLE 15. INDUSTRIAL BENEFITS, 2018 - 2022

Amount Paid ('000s)	2022	2021	2020	2019	2018
<b>Medical Care</b>	\$7,648	\$5,899	\$6,360	\$10,694	\$11,845
<b>Injury Benefit</b>	\$4,392	\$2,872	\$2,852	\$4,470	\$3,976
<b>Disablement Benefit &amp; Grant</b>	\$8,413	\$8,063	\$7,767	\$7,908	\$7,831
<b>Industrial Death</b>	\$174	\$208	\$216	\$230	\$282
<b>Industrial Funeral*</b>	\$2	\$0	\$0	\$2	\$0
<b>Total Paid ('000s)</b>	<b>\$20,629</b>	<b>\$17,042</b>	<b>\$17,195</b>	<b>\$23,304</b>	<b>\$23,934</b>

<b>Medical Care</b>	2,459	1,931	1,426	3,586	3,851
<b>Injury Benefit</b>	1,630	1,176	1,115	2,260	2,016
<b>Disablement Benefit &amp; Grant</b>	25	31	54	53	41
<b>Industrial Death</b>	-	-	-	-	-
<b>Industrial Funeral</b>	-	-	-	-	-
<b>Total Awarded</b>	<b>4,114</b>	<b>3,138</b>	<b>2,595</b>	<b>5,899</b>	<b>5,908</b>

Note: Totals may not balance due to rounding.



2022 CHARTING THE COURSE