



2023

ANNUAL REPORT



NATIONAL
INSURANCE BOARD

www.nisgrenada.org





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OUR MISSION

Provide for the efficient payment of relevant benefits to contributors in a customer-focused environment through effective collection of contributions and prudent management of funds with highly trained staff using innovative technology.

OUR VISION

The National Insurance Scheme will be an exemplary social security institution providing sustained coverage, responsive to national and global challenges.



OUR CORE VALUES

- Confidentiality
- Good Governance
- Customer Focused
- Prudent Management
- Teamwork
- Accountability
- Integrity
- Excellence

CORPORATE INFORMATION

REGISTERED OFFICE

Melville Street, St. George's

SUB-OFFICES

Cnr. Victoria & Jubilee Streets, Grenville, St. Andrew's
Church Street, Hillsborough, Carriacou

BANKERS

Grenada Co-operative Bank Ltd.
Church Street, St. George's

Republic Bank Grenada Ltd.
Melville Street, St. George's

LEGAL COUNSEL

Keisha Lander

AUDITORS

BDO Eastern Caribbean
Kingstown Park, Kingstown
St. Vincent and the Grenadines



BOARD OF **DIRECTORS**



MR. PHILBERT LEWIS
Chairman
Government Representative



MR. OSBERT HOOD
Deputy Chairman
Government Representative



MR. BERT PATERSON
Employees' Representative



MR. KENNY JAMES
Employees' Representative



MRS. LYDIA COURTNEY-FRANCIS
Employers' Representative



MR. JAMES PITT
Employers' Representative



MR. DORSETT CROMWELL
Director

INVESTMENT COMMITTEE



MR. MIKE SYLVESTER
Chairman



MR. MUSA JASAT
Member (Jan-May)



MR. FITZROY O'NEALE
Member (Jun-Dec)



MR. OSBERT HOOD
Member



MS. SHEENA REGIS
Member



MR. DORSETT CROMWELL
Director

EXECUTIVE MANAGEMENT TEAM



MR. DORSETT CROMWELL
Director



MS. CINDIAN ST. BERNARD
Deputy Director



MR. MAX GORDON
Finance Manager

MANAGEMENT TEAM



MRS. ASHER COMPTON
Human Resource Manager



MR. DUANE NOEL
Information Technology Manager



MS. FRANCA BELLE
Compliance Manager



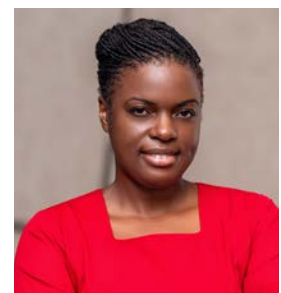
MS. KEISHA LANDER
Legal Counsel



MS. MARCELLE CHARLES
Board Secretary/Executive Assistant



MS. ROXANNE JAMES
Executive Assistant - Interim



MS. RHEA MC LEISH
Internal Auditor
(reports to Audit Committee)

OFFICERS



MRS. STEPHAN FRANCIS-PHILLIP
Accounts Officer



MRS. LISA GIBBS-DOUGLAS
Public Relations Officer



MRS. MERYLANN CATO-FRANCIS
Human Resource Officer



MS. MARSHA LEWIS
Statistics Research &
Planning Officer



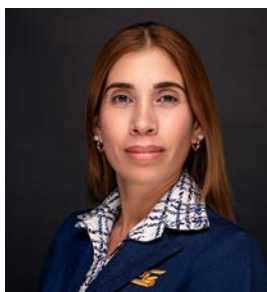
MS. GIZELLE MCMEO
Investment Analyst



MR. KELON BUBB
Snr. Lending Officer



MR. JEAN CARLOS SOTO
Programmer



MS. SARAHI PALACIO
Programmer



MR. RITCH FREDERICK
Network Administrator



MS. ALEENA OLLIVIERRE
Property Co-ordinator

MINISTER'S MESSAGE



Hon. Philip A. Telesford

Minister for Social and Community Development, Housing and Gender Affairs (Social Security)

As Minister in the Ministry of Social and Community Development, Housing and Gender Affairs, the National Insurance Board (NIB) falls directly under my purview, and I am honoured to comment on the performance of the Board for the year 2023. This year was a pivotal year for the NIB as it relates to its ability to ensure the long-term sustainability of the Fund, to be able to continue providing support to the Grenadian workforce and its pensioners.

The NIB has proudly served the Grenadian public for over 40 years, a journey that we are extremely proud of. It has been able to consistently provide much needed financial support to contributors in need. Maintaining this stella history has not been easy. The global disruptors demanded that the leadership teams exercise discipline and caution in the investment and management of the Fund.

Despite these challenges, the NIB saw a return on investment of \$19.2 million and, at the end of 2023, the reserve stood at \$991 million. This can only be attributed to the knowledge applied, and the discipline exercised by the Investment and Leadership Team. \$121.2 million in contributions were collected and \$138.3 million in benefits were paid.

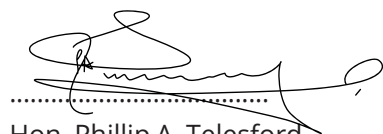
Recognizing the adverse long-term effect of non-implementation of the recommendations within the 13th Actuarial Review, the leadership team of the NIB embarked on a journey to lobby with the decision makers within the Government to make the recommended changes identified within the Review that would ensure the longevity of the Fund. The Board, through its Public Relations Department, also completed several public consultations with an aim to educate and sensitize the Grenadian public on these same recommendations.

It was a watershed moment for the NIB and its stakeholders when the recommendations presented to the Government were approved for implementation in the fiscal year 2024. Significant changes included the following:

- (1) Gradual increase of the contribution rate.
- (2) Gradual increase of the retirement age.
- (3) Adjustment to the minimum number of contributions required to earn a pension.
- (4) Restructuring of the Self-Employed Benefit.

The NIB strives to be an organization that provides “relevant benefits to its contributors” and in keeping with this excerpt from their mission statement, they implemented an Unemployment Benefit in 2023. This benefit is available to all registered unemployed individuals or self-employed persons who have lost their jobs through no fault of their own. This is a significant accomplishment for the Board having recently experienced the effects of global pandemics on the economic ability of the nation. At the end of 2023, the Board provided support to 186 unemployed registered contributors in the amount of \$314,367. This new benefit also positions the NIB as a leader amongst Social Security Services as one of few that provides this benefit regionally and to the self-employed categories of workers. This only exemplifies the NIB’s vision of being an institution that “provides sustained coverage, responsive to national and global challenges”.

I would like to close by thanking the Board of Directors, Management, and Staff of the National Insurance Scheme for an exceptional year, for their efficiency, teamwork, and prudent management of the Fund.

A handwritten signature in black ink, appearing to read "Phillip A. Telesford", written over a horizontal dotted line.

Hon. Phillip A. Telesford

Minister of Social and Community Development, Housing and Gender Affairs (Social Security)

CHAIRMAN'S REPORT



I am pleased to share the progress and accomplishments of the National Insurance Board (NIB) during the year 2023. As Chairman, I am immensely proud of the dedication and hard work demonstrated by our team, as well as the support and understanding shown by contributors and other valued stakeholders.

In response to the urgent need highlighted by the 13th Actuarial Review, the NIB has embarked on a series of parametric changes aimed at ensuring the long-term sustainability of its Fund. These changes include increases in the pensionable age, contribution rates, and minimum pension amounts, among others. Details can be found on pages 11 and 12 of this report. We are grateful to the Government of Grenada for its cooperation in implementing these crucial reforms.

Our efforts have been met with understanding and support from the public, as evidenced by the constructive feedback received during our public consultation sessions. It is heartening to see citizens recognize the importance of shared sacrifice in securing the future of our social security system for generations to come.

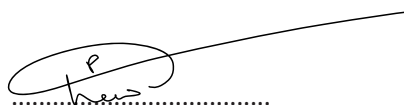
Furthermore, our partnership with the International Labour Organization (ILO) under the "Resilient Caribbean" program has enabled us to extend social

security coverage to informal workers, thereby strengthening our social protection system.

Financially, the NIB has shown resilience and improvement despite the challenges posed by the global economy. With increased contribution income and prudent investment strategies, we have managed to achieve a surplus for the financial year 2023, contributing to the growth of our Reserves.

As we look ahead, the Board remains committed to ensuring the continued success and sustainability of the NIB. I extend my sincere gratitude to my fellow Directors, Committee members, Management, and Staff for their unwavering dedication and commitment to our noble cause. Your sacrifices do not go unnoticed, and I commend you for your exemplary service.

Together, we will continue to work towards a stronger, more resilient National Insurance Board that fulfills its mandate of providing reliable social security to all Grenadians.



Philbert Lewis
CHAIRMAN

DIRECTOR'S REPORT

The year 2023 marked a watershed moment in the life and history of the National Insurance Board (NIB). On April 4, 2023, the NIB proudly celebrated its 40th Anniversary marking the organization's continued contribution to nation building and the maintenance of the social fabric of the society. In addition to this significant milestone, the Government of Grenada undertook bold and prudent measures to put the National Insurance Board on a path that will ensure its sustainability for generations to come, while ensuring that the promise of intergenerational transfer is maintained. One of the measures taken by the Government to ensure the sustainability of the NIB was accepting and legislating all of the recommendations of the 13th Actuarial Review. After decades of inaction, which negatively affected the sustainability of the Fund, these changes were fundamental to ensuring that the National Insurance Board can continue to play a pivotal role in maintaining an adequate social infrastructure in our tri-island state of Grenada, Carriacou and Petite Martinique.

The following highlights the actuarially recommended changes that have been accepted and legislated:

- (1) The pensionable age has been increased and will move from sixty to sixty-five years (60 to 65 yrs.) over the period 2024 to 2029.
- (2) The Contribution rate will be increased in a phased approach reaching 16% in 2031.
- (3) The National Insurance (Benefit) Regulations was amended by SRO 44 of 2023 to adjust the accrual pension rate gradually from 30% to 25%, to commence in the year 2024 at a pension rate of 29%.
- (4) The National Insurance (Collection of Contributions) Regulations was amended by SRO 43 of 2023 to adjust the contribution ceiling from \$5,000 per month (\$1,160.00 weekly) to \$5,200.00 per month (\$1,200.00 weekly).
- (5) The minimum pension amount will be increased by 25% and the minimum pension amount for Survivors to a percentage of the Age Pension minimum will be adjusted.



- (6) A permanent Unemployment Benefit funded by a 1% increase in the contribution rate commenced in February 2023. This Benefit was available and introduced on May 1, 2023.
- (7) A new approach for self-employed persons and informal sector workers to easily pay contributions and receive benefits from the NIS was implemented in July 2023.

These changes were only adopted after extensive nationwide public consultations held between February and July 2023. More than twenty-five (25) separate forums were conducted with key stakeholders nationwide, across every parish. The fundamental objective was to obtain public understanding and acceptance of the need for urgent parametric reforms. The public's response was overwhelmingly positive and provided the impetus and confidence to proceed.

The consultations focused on the following:

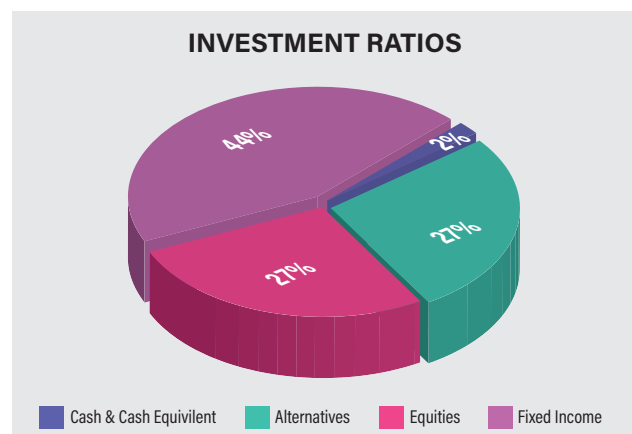
- (1) The negative impact of continued inaction by policymakers on the NIB's ability to carry out its mandate in the long term.
- (2) The findings and recommendations of the 13th Actuarial Review and the urgent need for change.

INVESTMENT

During the fiscal year 2023, the National Insurance Board continued its engagement with the World Bank through the RAMPS Program geared towards technical assistance and capacity building in Investment Management. As part of the work plan for 2023 the Board in collaboration with Ramps developed and approved a new Investment Policy Statement. The new policy took into consideration

the Board's current risk tolerance, expected long-term returns, and, the current liquidity constraints in developing the new Strategic Asset Allocation (SAA). The SAA detailed the long-term investment strategy of the Board and established the appropriate mix of asset classes to deliver the long-term targeted real rate returns of 4% required to enhance Fund sustainability. The policy also included the new asset class Alternatives and benchmark against which performance would be measured. During 2023 the NIB realized a nominal rate of return of 6.4% on its investments. The NIB Investment Portfolio increased from \$908.7 million in 2022 to \$985.3 million in fiscal 2023, a 8.4% growth.

The following pie chart highlights the composition of the portfolio by asset classes.



INCOME AND EXPENDITURE

The National Insurance Board earned \$184,929,827 in revenue during the period January to December 2023. This represents a massive 162.8% increase from the \$70,365,710 that was earned in 2022. This significant upsurge in total revenue was driven by the performance of the NIB International Equity Portfolio. The Investment Securities moved from an unrealized loss in 2022 to an unrealized gain of

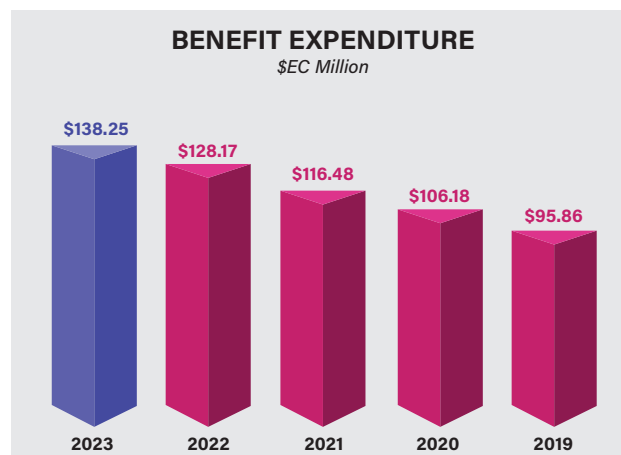
\$35.2 million correlated with the performance of the equity market. Contribution income also increased. The NIB also recorded an \$8.9 million gain on the revaluation of investment properties.

The National Insurance Board's total expenditure increased from \$139.1 million in 2022 to \$151.6 million in 2023, an increase of 9%. At the end of the fiscal year 2023, the NIB earned a net surplus of \$33.3 million.

BENEFIT ADMINISTRATION

At the end of the fiscal year, the NIB disbursed \$138.3 million to contributors and their beneficiaries, a growth of \$10.01 million or 7.9% over 2022. Benefit expenditure has exceeded contribution income by \$17.01 million. Over the last five years, benefit expenditures have increased annually by 9.6%. From the \$138.3 million paid to beneficiaries, \$121.5 million was paid to long-term beneficiaries; with \$988,646 and \$15.7 million paid from the Employment Injury Benefit Branch and Short-term Benefit Branch respectively. Included in the latter is the amount of \$314,367 paid to recipients of the newly introduced Unemployment Benefit.

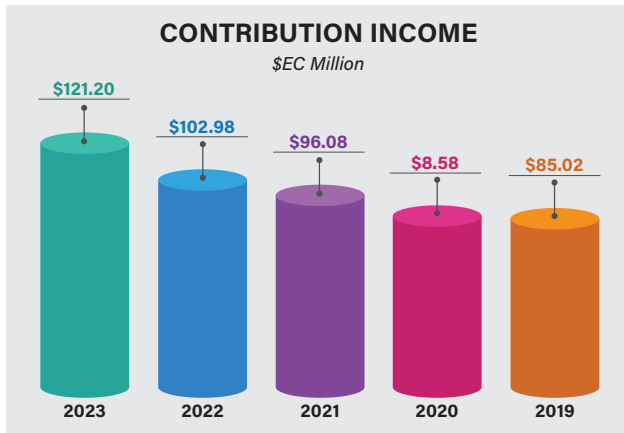
With ever-improving life expectancies both at birth and at retirement age, overall benefit expenditure continues to be driven annually by the increasing number of pensioners. During the fiscal year 2023, pension expenditure totaled \$119.35 million accounting for 86.3% of total benefit expenditure. Pension expenditure in 2023 increased by 10.8% over the previous year. Pension has increased annually by 10.5% over the last five years closely correlating with annual increases in the number of pensioners.



The NIB received a total of 27,801 claims during the year under review. This was 10.8% more than in 2022. From the total claims received, 25,137 were Short-term, 2,224 were long-term and 440 were unemployment benefits.

CONTRIBUTION INCOME

In the fiscal year 2023, the National Insurance Fund (NIF) had \$121.2 million in contribution income which, was a 17.7% increase over the \$102.9 million in 2022. The significant increase in contribution income was impacted by improvements in compliance, enhanced public awareness as well as the increase in the contribution rate from 11% to 12%. The 1% increase in contribution income was legislated to facilitate the introduction of a funded unemployment benefit program. Grenada is now only the third country in the English-speaking Caribbean to offer this benefit to its contributors and one (1) of only a few in the World that offers it to Self-Employed persons. The Chart below highlights the annual growth in contribution income over the last five (5) financial years. Over the last five fiscal years, the NIF contribution income increased annually at an average rate of 9.4%.



During the year 2023, some 6,153 persons contributed to the NIB for the first time. This compared with 6,971 new entrants in the previous year represented an 11.7% falloff. 50,126 persons contributed to the NIB during the year, representing a marginal 0.5% decrease relative to 2022.

REGISTRATION ACTIVITY

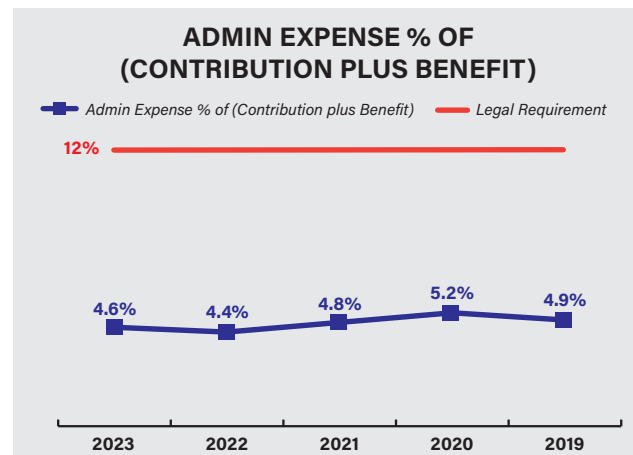
During the financial year, 1,223 employers were registered with the NIB. In contrast, employer registration in 2022 totaled 1,553, a significant 21.2% decline. Self-employed registration in 2023 totaled 541 which, was a marginal 3.4% increase relative to the previous year.

Employee registration decreased by 16.6%, moving from 3,203 in 2022 to 2,671 in 2023. This decrease in the number of registrations was mostly motivated by the decline in the number of people registering who were not yet employed at the time of registration. In 2022, a total of 2,018 such persons were registered; this figure fell to 1,798 in 2023. The number of persons in 2023 who were employed at the time of registration totaled 873. This total is 26.3% less than the 1,185 recorded in 2022. With the exception of personal and household services and construction, all other industries experienced declines in the number of new registrations.

GENERAL AND ADMINISTRATIVE EXPENSES

The General and Administrative expenses of the National Insurance Board totaled \$11.9 million in 2023, compared to \$10.3 million in 2022. The NIB continues to practice exceptional budgetary discipline in the management of the monies held in trust. The National Insurance Regulations require that administrative expenses, as a percentage of benefits plus contribution, not exceed 12%. In the fiscal year 2023, this critical ratio was realized at 4.6%. This is well below both the statutory limit of 12% and our internal benchmark of 6%.

As a consequence of the parametric and legislative changes that were realized in 2023, the NIB incurred higher than usual expenses for actuarial assessment, public education, and consultations.



HUMAN RESOURCE DEVELOPMENT

The NIB continued to invest significantly in its most valued asset, its human capital. This was achieved by conducting training and development sessions for its Team members ensuring that they are better equipped to execute the Boards' strategic goals. Training costs increased from \$142,198.00 in 2022 to \$168,006.00 in 2023. Training was conducted over a wide range of topics including but not limited to the following:

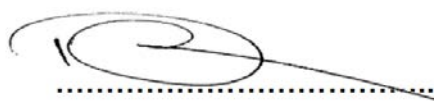
- (a) Customer Service
- (b) Supervisory Management
- (c) Report writing and business writing.
- (d) First Aid
- (e) Fire Safety Training
- (f) Occupational Health and Safety
- (g) NIS Laws and Regulations
- (h) Good Governance Principles
- (i) Executive Leadership Training
- (j) Workshop on the Fundamentals of Active Portfolio Management
- (k) Artificial Intelligence
- (l) Certified Cloud Security Officer
- (m) Certified Disaster Recovery Engineer
- (n) Advocacy Communications and Social Protection
- (o) Employment services training.

The NIB had a complement of eighty-eight (88) employees comprising sixty-four (64) females and twenty-four (24) males.

Employee Engagement was another essential area that the organization focused on in 2023. A significant number of engagement activities were completed during the year including a lunch and learn session, interdepartmental meetings, reward and recognition activities, innovation competition, and staff socials. Team members' health and wellness are key to the performance and continuous engagement at the NIB. It was therefore important to implement a Mental Health Day for employees.

APPRECIATION

The achievements of 2023 were many and quintessential to provide Social Security Coverage for generations to come. This however would not have been possible without the leadership and guidance of the Board, the support of the Minister with responsibility for Social Security, and the dedicated employees of the National Insurance Board.



Dorsett Cromwell
DIRECTOR

STATISTICAL TABLES

Table 1: Newly Registered Self-Employed Persons By Economic Activity

INDUSTRIAL CLASSIFICATION	FINANCIAL YEAR				
	2019	2020	2021	2022	2023
Agriculture, Hunting, Forestry & Fishing	69	83	53	92	47
Manufacturing	17	25	23	31	28
Electricity, Gas & Water	2	-	-	-	1
Construction	24	45	40	35	43
Wholesale & Retail Trade	107	155	96	108	101
Restaurants & Hotels	15	23	10	8	11
Transport, Storage & Communication	43	221	43	22	28
Banking, Finance & Insurance	1	3	2	3	5
Real Estate & Business Services	41	49	39	39	54
Social & Related Community Services	87	99	105	132	197
Personal & Household Services	20	39	24	31	15
Recreation & Cultural Services	8	15	5	11	9
Public Administration & Defense	-	-	2	1	-
Sanitary & Similar Services	6	1	9	10	2
Total	440	758	451	523	541

STATISTICAL TABLES

Table 2: Newly Registered Employers By Parish

PARISH	FINANCIAL YEAR				
	2019	2020	2021	2022	2023
CARRIACOU	46	39	34	70	50
ST. ANDREW	136	151	260	379	331
ST. DAVID	44	46	75	175	123
ST. GEORGE	310	310	383	618	456
ST. JOHN	29	47	49	110	91
ST. MARK	9	23	35	63	52
ST. PATRICK	36	60	92	138	120
Total	610	676	928	1,553	1,223

Table 3: Newly Registered Employers By Economic Activity

INDUSTRIAL CLASSIFICATION	FINANCIAL YEAR				
	2019	2020	2021	2022	2023
Agriculture, Hunting, Forestry & Fishing	33	41	83	129	91
Manufacturing	20	27	56	79	47
Electricity, Gas & Water	1	-	1	4	-
Construction	75	85	140	128	111
Wholesale & Retail Trade	102	98	88	220	124
Restaurants & Hotels	51	47	56	68	52
Transport, Storage & Communication	20	28	18	25	23
Banking, Finance & Insurance	3	3	9	14	41
Real Estate & Business Services	51	54	71	81	91
Social & Related Community Services	62	60	64	139	123
Personal & Household Services	66	38	53	52	29
Recreation & Cultural Services	13	20	19	22	17
Public Administration & Defense	-	-	-	1	1
Sanitary & Similar Services	2	3	3	5	1
Roadside Cleaning & Maintenance	111	172	267	586	472
Total	610	676	928	1,553	1,223

STATISTICAL TABLES

Table 4: Newly Registered Employees By Parish

PARISH	FINANCIAL YEAR				
	2019	2020	2021	2022	2023
CARRIACOU	84	115	59	124	99
ST. ANDREW	459	570	662	797	527
ST. DAVID	244	225	311	445	395
ST. GEORGE	947	836	994	1,342	1,256
ST. JOHN	122	129	159	205	143
ST. MARK	68	77	82	104	89
ST. PATRICK	156	161	193	186	162
Total	2,080	2,113	2,460	3,203	2,671

Table 5: Newly Registered Employees By Age Group

AGE GROUP	FINANCIAL YEAR				
	2019	2020	2021	2022	2023
15-19	987	937	1,279	1,675	1,520
20-24	528	569	653	775	459
25-29	153	110	134	187	129
30-34	108	94	95	143	125
35-39	80	58	82	102	110
40-44	54	52	58	77	91
45-49	53	62	48	63	62
50-54	48	62	37	67	73
55-59	37	51	33	47	52
60-64	20	33	16	37	23
65+	12	85	25	30	27
TOTAL	2,080	2,113	2,460	3,203	2,671

STATISTICAL TABLES

Table 6: Benefit Paid by Benefit Branch

BENEFIT BRANCH	FINANCIAL YEAR				
	2019	2020	2021	2022	2023
LONG-TERM					
Age Benefit	\$73,817,242	\$80,496,147	\$89,837,073	\$99,025,610	\$110,677,283
Survivors Benefit	\$4,721,602	\$4,869,363	\$5,789,677	\$6,596,295	\$6,832,675
Invalidity Benefit	\$3,426,274	\$3,446,980	\$3,709,385	\$3,943,706	\$4,006,598
Sub-total	\$81,965,118	\$88,812,490	\$99,336,135	\$109,565,611	\$121,516,556
SHORT-TERM					
Sickness	\$8,853,787	\$7,710,402	\$10,653,990	\$12,960,077	\$11,195,316
Maternity	\$2,638,631	\$2,500,279	\$2,615,671	\$2,763,815	\$2,653,155
Funeral	\$1,234,003	\$1,396,331	\$1,795,097	\$1,595,873	\$1,584,825
Unemployment Asssistance Benefit	\$-	\$4,659,631	\$1,122,684	\$(22,916)	\$314,367
Sub-total	\$12,726,421	\$16,266,643	\$16,187,442	\$17,296,849	\$15,747,663
EMPLOYMENT INJURY					
Injury	\$670,781	\$369,996	\$532,127	\$600,465	\$661,408
Medical Expense	\$234,508	\$478,771	\$117,043	\$400,714	\$108,730
Disablement Grant	\$99,261	\$69,049	\$125,445	\$136,692	\$53,739
Disablement Pension	\$109,448	\$112,538	\$109,279	\$107,035	\$99,644
Death Benefit	\$56,365	\$71,058	\$74,820	\$67,247	\$65,125
Sub-total	\$1,170,363	\$1,101,412	\$958,714	\$1,312,153	\$988,646
Grand Total	\$95,861,902	\$106,180,545	\$116,482,291	\$128,174,613	\$138,252,865

Table 7: No. of Benefit Paid by Benefit Branch

BENEFIT BRANCH	FINANCIAL YEAR				
	2019	2020	2021	2022	2023
LONG-TERM					
Age Benefit	8,919	9,457	10,057	10,653	11,221
Survivors Benefit	1,494	1,554	1,785	1,798	1,773
Invalidity Benefit	679	697	701	705	690
Sub-total	11,092	11,708	12,543	13,156	13,684
SHORT-TERM					
Sickness	16,444	12,972	17,502	21,205	21,222
Maternity	1,761	1,636	1,713	1,639	1,639
Funeral	560	631	805	716	716
Unemployment Asssistance Benefit	-	14,109	4,121	-	186
Sub-total	18,765	29,348	24,141	23,560	23,763
EMPLOYMENT INJURY					
Injury	813	473	580	679	802
Medical Expense	418	257	247	201	248
Disablement Grant	11	9	7	9	6
Disablement Pension	18	18	18	17	16
Death Benefit	11	14	15	13	12
Sub-total	1,271	771	867	919	1,084
Grand Total	31,128	41,827	37,551	37,635	38,531

STATISTICAL TABLES

Table 8: Contribution By Industrial Classification

INDUSTRIAL CLASSIFICATION	FINANCIAL YEAR				
	2019	2020	2021	2022	2023
Agriculture, Hunting, Forestry & Fishing	\$1,595,859	\$1,408,283	\$1,771,256	\$1,898,327	\$2,092,667
Manufacturing	\$3,809,036	\$3,431,427	\$4,322,707	\$4,632,820	\$5,691,409
Electricity, Gas & Water	\$2,546,352	\$2,437,312	\$3,047,968	\$3,266,631	\$4,089,780
Construction	\$5,839,250	\$4,938,634	\$6,296,048	\$6,747,730	\$8,159,018
Wholesale & Retail Trade	\$10,743,406	\$10,324,682	\$11,518,690	\$12,345,048	\$15,170,876
Restaurants & Hotels	\$8,044,264	\$5,600,514	\$5,361,053	\$5,745,658	\$13,659,250
Transport, Storage & Communication	\$5,070,599	\$4,448,411	\$4,808,004	\$5,152,933	\$6,417,972
Financial Intermediations	\$5,372,109	\$5,239,991	\$6,602,456	\$7,076,120	\$7,928,200
Real Estate & Business Services	\$7,467,989	\$7,236,368	\$9,099,674	\$9,752,490	\$10,746,359
Public Administration & Defense	\$22,483,453	\$28,232,674	\$28,938,808	\$31,014,896	\$29,630,951
Social & Related Community Services	\$9,057,699	\$9,483,185	\$11,047,137	\$11,839,665	\$13,632,591
Personal & Household Services	\$867,743	\$745,494	\$834,449	\$894,312	\$1,168,061
Recreation & Cultural Services	\$946,707	\$745,878	\$901,543	\$966,220	\$1,371,466
Sanitary & Similar Services	\$243,571	\$251,393	\$308,628	\$330,769	\$372,502
Roadside Cleaning & Maintenance	\$933,922	\$1,051,483	\$1,224,949	\$1,312,827	\$1,064,537
TOTAL	\$85,021,960	\$85,575,730	\$96,083,368	\$102,976,446	\$121,195,638

A photograph of a man and a woman sitting on a sandy beach, looking out at the ocean under a clear blue sky. The man is wearing a blue and white striped shirt, and the woman is wearing a blue floral dress. They are sitting close together, with the woman's arm around the man's shoulder.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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**DIRECTOR OF AUDIT REPORT TO THE HOUSE OF REPRESENTATIVES
ON THE FINANCIAL STATEMENTS OF NATIONAL INSURANCE BOARD
FOR YEAR ENDED 31 DECEMBER 2023**

Section 9 of the Audit Act CAP. 22A of the Laws of Grenada permits me as Director of Audit, to delegate my responsibility or power under the Act, other than the responsibility to make a report to the Minister or an appropriate Minister that is to be laid before the House of Representatives, to a professional auditor entitled by law to practice accounting in Grenada.

The Minister shall, not later than seven days after the House of Representatives first meet, after he has received the report, lay it before the House of Representatives. This is in compliance with Section 82(4) of the Constitution of Grenada.

I delegated my responsibility to BDO Eastern Caribbean to conduct the audit of the financial statements of National Insurance Board (NIB) in accordance with appropriate auditing standards; I have also delegated my powers to access records and obtain information under Section 19 of the Audit Act CAP. 22A of the Laws of Grenada. I have reviewed the audited financial statements of the National Insurance Board for the year ended 31 December 2023 and I am satisfied with the opinion given by BDO Eastern Caribbean.

Auditors Opinion

BDO has audited the financial statements of the National Insurance Board, which comprise the statement of financial position as at 31 December, 2023 and the Statement of Comprehensive Income, Statement of Cash Flows for the year then ended and Notes to the financial statements, including a summary of significant accounting policies.

In their opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at 31 December, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

BDO conducted their audit in accordance with International Standards on Auditing (ISAs). Their responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of their report. They are independent of the Board in accordance with the ethical requirements that are relevant to their audit of the financial statements in Grenada, and they have fulfilled their other responsibilities in accordance with these requirements. They believe that the audit evidence they have obtained is sufficient and appropriate to provide a basis for their opinion.

Responsibilities of Management and those charged with governance for the Financial Statements

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

**DIRECTOR OF AUDIT REPORT TO THE HOUSE OF REPRESENTATIVES
ON THE FINANCIAL STATEMENTS OF NATIONAL INSURANCE BOARD
FOR YEAR ENDED 31 DECEMBER 2023
(Continued)**

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

BDO objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes their opinion. Reasonable assurance is a high level 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 financial statements.

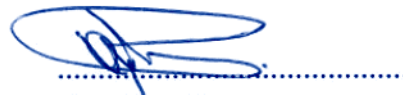
As part of an audit in accordance with ISAs, they exercise professional judgment and maintain professional scepticism throughout the audit. They also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for their 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 Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relate to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If they conclude that a material uncertainty exists; they are required to draw attention in their auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of their auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.

**DIRECTOR OF AUDIT REPORT TO THE HOUSE OF REPRESENTATIVES
ON THE FINANCIAL STATEMENTS OF NATIONAL INSURANCE BOARD
FOR YEAR ENDED 31 DECEMBER 2023
(Continued)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



**Gary Walters
DIRECTOR OF AUDIT (AG.)**

**5 April 2024
AUDIT OFFICE
GRENADA**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
National Insurance Board
Grenada

Report on the Audit of the Financial Statements.

Opinion

We have audited the financial statements of National Insurance Board ("the NIB"), which comprise:

- the statement of financial position as at December 31, 2023
- the statements of income and expenditure and other Comprehensive Income changes in funds and cash flows for the year then ended,
- and the notes to the financial statements including material Accounting Policy Information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the National Insurance Board as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the National Insurance Board (NIB) in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Board of Directors of
National Insurance Board
Grenada

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NIB'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 NIB'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 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 NIB to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



BDO Eastern Caribbean
Kingstown, St. Vincent and the Grenadines
March 30, 2024


STATEMENTS OF FINANCIAL POSITION

As At December 31, 2023
(Expressed in Eastern Caribbean Dollars)

	Notes	2023 \$	2022 \$
ASSETS			
Property, plant, and equipment	4	32,883,637	20,026,402
Investment properties	5	117,995,195	107,642,407
Investment securities - equity	6	299,412,018	263,606,983
Investment securities - debt	7	441,408,346	396,727,885
Mortgages and other loans	8	72,281,539	52,095,422
Contribution and other receivables	9	12,773,816	13,237,250
Interest receivable	10	4,506,702	6,217,732
Cash and cash equivalents	11	15,671,924	89,765,573
TOTAL ASSETS		996,933,177	949,319,654
FUNDS AND LIABILITY			
Funds			
Long-term benefits	12	933,692,921	907,727,399
Short-term benefits	13	14,805,165	11,123,955
Employment injury benefits	14	29,570,738	25,900,595
Total funds		978,068,824	944,751,949
Revaluation reserve		12,951,447	-
Total Funds and revaluation reserve		991,020,271	944,751,949
LIABILITY			
Trade and other payables	15	5,912,906	4,567,705
Total liability		5,912,906	4,567,705
TOTAL FUNDS AND LIABILITY		996,933,177	949,319,654

The notes on pages 31 to 62 are an integral part of these financial statements.

APPROVED ON BEHALF OF THE BOARD


Chairman


Director

STATEMENT OF INCOME AND EXPENDITURE ACCOUNT AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

	Notes	Long-term benefits	Short-term benefits	Employment injury benefits	2023 \$	2022 \$
Income						
Contributions	18 (a)	96,956,511	20,966,845	3,272,282	121,195,638	102,976,446
Surcharge and interest contribution	18 (a)	113,561	24,558	3,833	141,952	141,256
Investment income	16, 18	18,412,258	225,637	525,365	19,163,260	19,102,580
Valuation gain on investment securities	6(iii)	33,783,532	414,008	963,961	35,161,501	(52,219,044)
Gain on revaluation of investment properties	5	8,505,148	104,228	242,681	8,852,057	-
Other income	17, 18	399,139	4,891	11,389	415,419	364,472
Total income		158,170,149	21,740,167	5,019,511	184,929,827	70,365,710
Expenditure						
Benefits (Schedule I)		121,516,556	15,747,663	988,646	138,252,865	128,174,613
General and administrative expenses (Schedule II)	19, 28	9,594,123	2,074,729	323,802	11,992,654	10,277,023
Credit loss expense, net		1,093,946	236,566	36,921	1,367,433	657,209
Total expenditure		132,204,625	18,058,958	1,349,369	151,612,952	139,108,845
Net (deficit)/surplus for the year		25,965,524	3,681,209	3,670,143	33,316,875	(68,743,135)
Other Comprehensive Income						
Gain on revaluation of land and buildings		-	-	-	12,951,447	-
Total Comprehensive Income		-	-	-	46,268,322	-

The notes on pages 31 to 62 are an integral part of these financial statements.

STATEMENT OF CHANGES IN FUNDS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

	Note	Long-term benefits \$	Short-term benefits \$	Employment injury benefits \$	Revaluation reserve \$	Total \$
Balance as at January 1, 2022		975,056,034	12,889,603	25,549,447	-	1,013,495,084
Net surplus (deficit) for the year		(67,328,635)	(1,765,648)	351,148	-	(68,743,135)
Balance as at December 31, 2022		907,727,399	11,123,955	25,900,595	-	944,751,949
Net surplus for the year		25,965,522	3,681,210	3,670,143	-	33,316,875
Gain on revaluation of land and buildings		-	-	-	12,951,447	12,951,447
Balance as at December 31, 2023		933,692,921	14,805,165	29,570,738	12,951,447	991,020,271

The notes on pages 31 to 62 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Net surplus/(deficit) for the year		33,316,875	(68,743,135)
Adjustments for:			
Gain on revaluation of investment properties		(8,852,057)	-
Unrealised loss/(gain) on investment securities		(35,161,501)	52,219,046
Expected credit loss		1,367,433	657,210
Depreciation	4	1,107,474	955,620
Interest income		(14,881,725)	(15,156,469)
Dividend income	16	(5,825,405)	(5,601,056)
Operating deficit before working capital changes		(28,928,906)	(35,668,784)
Change in non-cash working capital items:			
Decrease in contributions and other receivables		449,540	494,220
Increase in trade and other payables		1,345,201	1,859,267
(Increase)/Decrease in mortgages and other loans		(20,958,027)	753,721
Net cash used in operating activities		(48,092,192)	(32,561,576)
Cash flows from investing activities			
Purchase of property, plant, and equipment	4	(1,013,262)	(725,736)
Purchase of investment property	5	(2,373,511)	-
Proceeds from sale of investment property		872,780	12,232
Net movement in investments securities		(45,905,625)	51,164,358
Interest received		16,592,756	16,411,057
Dividend received		5,825,405	5,601,056
Net cash (used in)/generated from investing activities		(26,001,457)	72,462,967
Net change in cash and cash equivalents		(74,093,649)	39,901,391
Cash and cash equivalents - beginning of year		89,765,573	49,864,182
Cash and cash equivalents - end of year		15,671,924	89,765,573

The notes on pages 31 to 62 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

1. Corporate information

The National Insurance Scheme (“the Scheme”) was established by Peoples Law No. 14 of 1983 and continued under Chapter 205 of the Continuous Revised Edition of the Laws of Grenada having come into effect on 4th April of 1983 by S.R.O. No. 10 of 1983, for the purpose of providing social security benefits for nationals of Grenada, Carriacou and Petite Martinique and other qualified persons. The principal place of business is located at Melville Street, St. George’s.

2. Material accounting policies

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

(a) Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards)

The financial statements were authorised for the issue by the Board of Directors on March 27, 2024.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the NIB’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these financial statements are disclosed in Note 3.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items (refer to individual accounting policies for details):

- Financial instruments - fair value through profit or loss
- Investment property
- Revaluation of property, plant, and equipment

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

2. Material accounting policies (cont'd)

(c) *Changes in accounting policies and disclosures*

(i) **New accounting standards, amendments and interpretations**

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the NIB's annual financial statements for the year ended December 31, 2023 except for the adoption of new standards and interpretations below.

New standards impacting the NIB have been adopted in the annual financial statements for the year ended 31 December 2023, and which have given rise to changes in the NIB's accounting policies are:

a) New standards, interpretations and amendments effective from 1 January 2023

New standards impacting the NIB have been adopted in the annual financial statements for the year ended 31 December 2023, and which have given rise to changes in the Board's accounting policies are:

- IFRS 17 Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes); and
- International Tax Reform - Pillar Two Model Rules (Amendment to IAS 12 Income Taxes) (effective immediately upon the issue of the amendments and retrospectively).

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after 1 January 2023. See the applicable notes for further details on how the amendments affected the NIB.

IFRS 17 Insurance Contracts

IFRS 17 was issued by the IASB in 2017 and replaces IFRS 4 for annual reporting period beginning on or after 1 January 2023.

IFRS 17 introduces an internationally consistent approach to the accounting for insurance contracts. Prior to IFRS 17, significant diversity has existed worldwide relating to the accounting for and disclosure of insurance contracts, with IFRS 4 permitting many previous accounting approaches to be followed.

Since IFRS 17 applies to all insurance contracts issued by an entity (with limited scope exclusions), its adoption may have an effect on non-insurers such as NIB. The NIB carried out an assessment of its contracts and operations and concluded that the adoption of IFRS 17 has had no effect on the annual financial statements of the NIB.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

2. Material accounting policies (cont'd)

(c) Changes in accounting policies and disclosures (cont'd)

(i) New accounting standards, amendments and interpretations (cont'd)

a) New standards, interpretations and amendments effective from 1 January 2023 (cont'd)

Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements)

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments have no effect on the measurement or presentation of any items in the financial statements of the NIB but affect the disclosure of accounting policies of the NIB.

Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors)

The amendments to IAS 8, which added the definition of accounting estimates, clarify that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors.

These amendments had no effect on the financial statements of the NIB.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes)

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

These amendments had no effect on the annual financial statements of the NIB.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

2. Material accounting policies (cont'd)

(c) Changes in accounting policies and disclosures (cont'd)

(i) New accounting standards, amendments and interpretations (cont'd)

a) New standards, interpretations and amendments effective from 1 January 2023 (cont'd)

International Tax Reform - Pillar Two Model Rules (Amendment to IAS 12 Income Taxes)

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework for a global minimum tax that is expected to be used by individual jurisdictions. The goal of the framework is to reduce the shifting of profit from one jurisdiction to another in order to reduce global tax obligations in corporate structures. In March 2022, the OECD released detailed technical guidance on Pillar Two of the rules.

Stakeholders raised concerns with the IASB about the potential implications on income tax accounting, especially accounting for deferred taxes, arising from the Pillar Two model rules. The IASB issued the final Amendments (the Amendments) International Tax Reform - Pillar Two Model Rules, in response to stakeholder concerns on 23 May 2023.

The Amendments introduce a mandatory exception to entities from the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two model rules. The exception is effective immediately and retrospectively. The Amendments also provide for additional disclosure requirements with respect to an entity's exposure to Pillar Two income taxes.

Management of NIB has determined that the entity is not within the scope of OECD's Pillar Two Model Rules and the exception to the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes is not applicable to the NIB.

The amendments have no significant impact on the NIB's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

2. Material accounting policies (cont'd)

(c) Changes in accounting policies and disclosures (cont'd)

(i) New accounting standards, amendments and interpretations (cont'd)

b) New standards, interpretations, and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the NIB has decided not to adopt early.

The following amendments are effective for periods beginning on or after 1 January 2024:

- Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements);
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements); and
- Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)

The following amendments are effective for periods beginning on or after 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The NIB is currently assessing the impact of these new accounting standards and amendments. The NIB does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability. The NIB does not expect any other standards issued by the IASB, but are yet to be effective, to have a material impact on the NIB.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

2. Material accounting policies (cont'd)

(d) *Property, plant and equipment*

Land and Buildings comprise properties located at Melville Street, St. George's, and Victoria Street, Grenville. Land and buildings are stated at cost or revalued amounts, less subsequent depreciation and impairment provision.

Subsequent costs are included in the assets carrying amounts or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the NIB and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to revaluation reserve in the fund. Decreases that offset previous increases of the same assets are charged against the surplus directly in the fund; all other decreases are charged to the income and expenditure.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives. The rates used are as follows:

	Per annum
Freehold buildings	2% - 10%
Furniture and equipment	10% - 16⅔%
Computer equipment	25%
Motor vehicles	20%

The 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.

(e) *Investment property*

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. It is initially measured at cost and subsequently at fair value. Investment properties were revalued during the current year using external professional valuers. The revalued amounts have been included in the financial statements and gain/losses recognised in statement of income and expenditure and other comprehensive income.

(f) *Mortgages and other loans*

Mortgages and other loans are financial assets with fixed or determinable payments. These are measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

2. Material accounting policies (cont'd)

(g) Financial instruments

(i) Classification and measurement

Initial recognition

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The NIB recognises loans to borrowers on the date on which they are originated. All other financial instruments (including regular-way purchases and sale of financial assets) are recognised on the trade date, which is the date on which the NIB becomes a party to the contractual provisions of the instrument.

Initial measurement

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss (FVPL) whereby transaction costs are added to, or subtracted from, this amount.

Measurement categories of financial assets and liabilities

The NIB classifies all of its assets at either:

- Amortised cost or
- FVPL

The NIB retained the existing requirements in IAS 39 for the classification of financial liabilities which is at amortised cost.

Amortised cost

The NIB measures its cash and cash equivalents, debt securities, mortgage and other loans and contributions and other receivables at amortised cost. Financial assets are measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets in this category are those that are designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9.

Financial assets at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss.

Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other income when the right to the payment has been established.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

2. Material accounting policies (cont'd)

(g) Financial instruments (cont'd)

(ii) Impairment

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss (ECL) model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the NIB to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. Therefore, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Effective 1st January 2022 the NIB has been recording an allowance for expected credit losses mortgages and other loans receivable, debt securities, contributions and Accounts Receivables.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the NIB expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Impairment of financial assets (cont'd)

ECLs are recognised in three stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures which are credit impaired or for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The NIB considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the NIB may also consider a financial asset to be in default when internal or external information indicates that the NIB is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the NIB.

Based on the above process, the NIB classifies its ECLs into Stage 1, Stage 2 and Stage 3.

Stage 1

When financial assets are first recognised, the NIB recognises an allowance based on 12 months ECLs. Stage 1 financial assets also include facilities where the credit risk has improved, and the financial assets have been reclassified from Stage 2.

Stage 2

When financial assets have shown a significant increase in credit risk since origination, the NIB records an allowance for the Lifetime ECLs. Stage 2 also include facilities, where the credit risk has improved, and financial assets have been reclassified from Stage 3.

Stage 3

Financial assets considered credit impaired. Here the NIB records an allowance for the Lifetime ECLs.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

2. Material accounting policies (cont'd)

(g) Financial instruments (cont'd)

(ii) Impairment (cont'd)

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

- PD The Probability of Default is an estimate of the likelihood of default over a given period of time. A default may only happen at a certain time over the asserted period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date including repayments of principal and interest, whether scheduled by contract or otherwise.
- LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and the cash flows expected to be received. It is usually expressed as a percentage of the EAD.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument.

Calculation of ECLs

Stage 1

The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The NIB calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD.

Stage 2

When financial assets have shown a significant increase in credit risk since origination, the NIB records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the loan.

Stage 3

For financial assets considered credit-impaired, the NIB recognises the lifetime expected credit losses for these financial assets. The method is similar to that for Stage 2 assets.

(iii) Impairment of other financial assets

Cash and cash equivalents

The NIB's cash at bank and short-term debt securities (fixed deposits and treasury bills) are deposits placed with reputable institutions and countries where there has been no significant default. The NIB therefore considers the risk of default to be low. The ECLs on these instruments were therefore determined to be zero.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

2. Material accounting policies (cont'd)

(g) *Financial instruments (cont'd)*

(iv) *Write offs*

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally when the NIB determines that the borrower does not have assets or resources of income that would generate sufficient cash flows to repay the amount subject to the write-off. However, the financial assets could still be subject to enforcement activities in order to comply with the NIB's procedures.

(v) *Derecognition of financial assets*

The NIB derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the NIB neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the NIB recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the NIB retains substantially all the risks and rewards of ownership of a transferred financial asset, the NIB continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(vi) *Financial liabilities*

When financial liabilities are recognised, they are measured at fair value of the consideration given plus transactions costs directly attributable to the acquisition of the liability. Financial liabilities are re-measured at amortised cost.

Financial liabilities are derecognized when they are extinguished, that is when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability extinguished and the consideration price is recognised in the statement of comprehensive income.

(h) *Contributions receivable*

Contributions receivable are amounts due from contributors in the ordinary course of business. Contributions are expected to be collected within one year. Contribution receivables are classified as current asset in the financial statement.

(i) *Cash and cash equivalents*

Cash and cash equivalents include cash on hand and at bank and short-term demand deposits with original maturities of three (3) months or less.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

2. Material accounting policies (cont'd)

(j) *Trade payables*

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Accounts payable are recognised initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

(k) *Employee benefits*

Pension benefits

The NIB operates a defined contribution pension plan. The NIB pays fixed contributions into the fund and has no legal or constructive obligation to pay further contributions. The NIB's contribution is recorded as an expense in the statement of comprehensive income.

(l) *Provisions*

Provisions are recognised when the NIB has a present legal or constructive obligation, as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the obligation can be made of the amount.

(m) *Foreign currencies*

Foreign currency transactions during the year have been effected at the rates of exchange ruling at the dates of the transactions. Assets and liabilities expressed in foreign currencies are translated to Eastern Caribbean Currency Dollars at the rates of exchange ruling at the end of the financial year. Differences arising from fluctuations in exchange rates are included in the statement of comprehensive income.

(n) *Revenue recognition*

Contributions and surcharges and interest on contributions are accounted for in current operations on the accrual basis.

i) *Interest income/ Investment income*

These are recognised on an accrual basis.

ii) *Sales of services*

Sales of services are recognised in the accounting period in which the services are rendered.

iii) *Dividend income*

Dividend income is recognized on the accrual basis.

iv) *Rental income*

Rental income is recognized on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

2. Material accounting policies (cont'd)

(o) Leases

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

Assets leased out under operating leases are included in investment property, in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar property, plant, and equipment. Rental income is recognized on a straight-line basis over the lease term. Payments made under operating leases are charged to the statement of comprehensive income in accordance with the terms of the lease.

Under a finance lease, substantially all the risks and rewards incidental to legal ownership are transferred by the NIB to the lessor. Finance leases are recognized as receivables and reported in loans and receivables financial assets. Finance lease income is recognized over the term of the lease.

(p) Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. Transactions entered into with related parties in the normal course of business are carried out on commercial terms and conditions and market rates during the year.

3. Critical accounting estimates and judgments in applying accounting policies

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the NIB's reported assets, liabilities, revenues, and expenses. The items which may have the most effect on these financial statements are set out below.

Valuation of property

The NIB utilises professional valuers to determine the fair value of its properties. Valuations are determined through the application of a variety of different valuation methods which are all sensitive to the underlying assumptions chosen.

Fair value of equity investments

The fair values of financial instruments that are not quoted in active markets are determined using the last traded value for the investment. Where no such value exists, cost is used as an appropriate estimate of fair value.

Property, plant, and equipment

Management exercises judgment in determining whether future economic benefits can be derived from expenditures to be capitalized and in estimating the useful lives and residual values of these assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

3. Critical accounting estimates and judgments in applying accounting policies (cont'd)

Calculation of expected credit loss allowances

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to change in circumstances and of forecast economic conditions. The NIB's historical credit loss experience and forecast of economic conditions may also not be representative of actual default in the future.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

4. Property, plant, and equipment					
	Land and buildings	Furniture and equipment	Computer equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$
Cost					
As of January 1, 2022	23,632,125	4,905,018	4,269,164	357,090	33,163,397
Additions	69,545	465,432	190,759	-	725,736
Disposal	-	-	(28,453)	-	(28,453)
As of December 31, 2022	23,701,670	5,370,450	4,431,470	357,090	33,860,680
As of January 1, 2023	23,701,670	5,370,450	4,431,470	357,090	33,860,680
Additions	20,756	451,898	540,608	-	1,013,262
Revaluation	8,377,580	-	-	-	8,377,580
As of December 31, 2023	32,100,006	5,822,348	4,972,078	357,090	43,251,522
Accumulated depreciation					
As of January 1, 2022	4,492,689	4,104,744	4,040,969	268,709	12,907,111
Charge for the year	540,366	262,435	107,219	45,600	955,620
Disposal	-	-	(28,453)	-	(28,453)
As of December 31, 2022	5,033,055	4,367,179	4,119,735	314,309	13,834,278
As of January 1, 2023	5,033,055	4,367,179	4,119,735	314,309	13,834,278
Charge for the year	542,651	356,300	174,924	33,599	1,107,474
Revaluation	(4,573,867)	-	-	-	(4,573,867)
As of December 31, 2023	1,001,839	4,723,479	4,294,659	347,908	10,367,885
Carrying amounts					
As of January 01, 2021	19,139,436	800,274	228,195	88,381	20,256,286
As of December 31, 2022	18,668,615	1,003,271	311,735	42,781	20,026,402
As of December 31, 2023	31,098,167	1,098,869	677,419	9,182	32,883,637

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

4. Property, plant, and equipment (cont'd)

The NIB's land and buildings were revalued on a comparative sales basis on March 12th 2024 and March 14th 2024 effective December 31, 2023, by an independent firm, Glean's Construction & Engineering Co. (G'da) Ltd. The Directors have agreed to carry the land and buildings at revalued amounts. Fair value was determined using level 2 fair value measurements.

The surplus arising on revaluation is recognized in the statement of income and expenditure as other comprehensive income and disclosed as revaluation reserves.

Valuation techniques	Significant unobservable inputs	Inter relationship between key unobservable inputs and fair value measurement
<p>Comparative sales approach. This model takes into account:</p> <ul style="list-style-type: none"> The rate applied to similar land & buildings within the same market (topography of land, materials and finishes in construction) Adjustments to reflect differences between each comparable property (including market conditions, location and physical characteristics) 	<ul style="list-style-type: none"> Restrictive covenants or onerous or statutory requirements existing on similar properties 	<p>The estimated fair value would increase / (decrease) if:</p> <ul style="list-style-type: none"> Restrictive covenants or onerous or statutory requirements exist or do not exist on similar properties used in valuation

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

5. Investment properties

	Opening Carrying Amount 01.01.2023 \$	Revaluation Increase (Decrease) \$	Additions/ (Disposal) \$	Closing Carrying Amount 31.12.2023 \$
Development land				
River Antoine	10,000,000	356,000	-	10,356,000
Grand Anse	5,000,000	-	-	5,000,000
Calliste	8,564,000	(1,062,700)	-	7,501,300
Point Estate	11,000,000	512,000	-	11,512,000
Belle Isle	5,165,000	154,000	-	5,319,000
St. James Hotel	4,600,000	1,910,000	-	6,510,000
Woolwich Road	825,000	45,000	-	870,000
Scott Street	320,000	-	(320,000)	-
Maran	290,000	-	(290,000)	-
Thebaide	262,780	-	(262,780)	-
Drill Yard	3,385,581	171,395	-	3,556,976
Sandino Plant	9,949,390	1,036,610	2,373,511	13,359,511
Hotel California	14,700,000	1,939,000	-	16,639,000
La Digue	150,000	5,000	-	155,000
Craigston	7,905,808	-	-	7,905,808
Lauriston Carriacou				
- Undeveloped land	8,450,640	4,053,360	-	12,504,000
- Developed land	1,070,310	46,290	-	1,116,600
	91,638,509	9,165,955	1,500,731	102,305,195
Land and building				
Hillsborough Street	2,800,000	(1,060,000)	-	1,740,000
Melville Street	9,103,898	546,102	-	9,650,000
	11,903,898	(513,898)	-	11,390,000
Leasehold property				
Melville Street Annex	4,100,000	200,000	-	4,300,000
	107,642,407	8,852,057	1,500,731	117,995,195

(i) Lease arrangements

Included in total investment property are assets in which the NIB is a lessee for a portion of Land which was leased by the NIB from St. George's Newport Property Development Company Limited, for a period of 99 years with an option to renew for a further 66 years. Under the agreement a maintenance fee is charged annually. The lease confers the right to hold 3,056 'A' shares in Melville Street Property Management Company Limited, a service company registered in Grenada. The lease terms provide for substantially all lease payments to be made at the beginning of the lease.

The NIB leases the building which is on the land to individual tenants, and the leases are classified as operating leases. On adoption of IFRS 16 the lease liabilities for the NIB's obligation under the head lease was recognized with the corresponding investment property recognized at fair value and recorded with total investment property. As at the adoption date, the lease liability was Nil, as all lease payments were made at the beginning of the lease.

NOTES TO THE FINANCIAL STATEMENTS

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6. Investment securities - equity

	Number of shares	2023 \$	2022 \$
(i) Regional Equity Securities measured at fair value through profit or loss			
Quoted equity securities			
Grenada Electricity Services Limited	2,204,838	23,150,799	26,458,056
Republic Bank (Grenada) Limited	190,704	8,581,680	8,581,680
Grenreal Property Corporation Limited	1,500,000	8,276,184	3,416,184
Grenada Co-operative Bank Limited	811,637	7,304,733	7,207,337
		<u>47,313,396</u>	<u>45,663,257</u>
Unquoted equity securities			
ACB Grenada Bank Limited (formerly RBTT Bank Grenada Limited)	4,035,915	7,538,999	7,538,999
Jonas Browne & Hubbard (Grenada) Limited	10,000	200,000	200,000
Eastern Caribbean Stock Exchange (ECSE)	10,000	100,000	100,000
Eastern Caribbean Home Mortgage Bank	9,357	1,497,120	1,497,120
Melville Street Property Management Co. Ltd.	1,819	1	1
Cable and Wireless Grenada Limited	4,855,000	19,420,000	19,420,000
Grenada Breweries Limited	389,336	2,336,016	2,336,016
		<u>31,092,136</u>	<u>31,092,136</u>
		<u>78,405,532</u>	<u>76,755,393</u>
(ii) Portfolio Investments measured at fair value through profit or loss			
International Quoted Equity Securities			
Kovack Securities		75,046,340	66,071,532
Oppenheimer		73,506,161	60,096,430
UBS Financial Services		72,453,985	60,683,628
		<u>221,006,486</u>	<u>186,851,590</u>
		<u>299,412,018</u>	<u>263,606,983</u>
(iii) Valuation gain/(loss) on investment securities			
		2023 \$	2022 \$
Kovack Securities		10,546,332	(21,866,389)
Oppenheimer		11,947,728	(14,400,293)
UBS Financial Services		11,017,302	(15,952,362)
Grenada Co-operative Bank Limited		97,396	-
Grenada Electricity Services Limited		(3,307,257)	-
Grenreal Property Co-operation Limited		4,860,000	-
		<u>35,161,501</u>	<u>(52,219,044)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
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7. Investment securities - debt

(a) Government securities measured at amortised cost

	2023 \$	2022 \$
Treasury bills:		
- Government of Grenada	48,092,109	48,082,425
- Government of St. Lucia	-	9,899,814
- US Treasury bills:	164,124,544	-
Repurchase agreement:		
- First Citizen Investment Services	2,672,004	14,018,875
Corporate note:		
- Eastern Caribbean Home Mortgage Bank	8,500,000	26,270,000
Bonds:		
- Government of Grenada	133,660,698	133,763,734
- Grenreal	11,918,694	12,164,303
- Government of the Commonwealth of Dominica	1,837,749	2,061,064
- Government of St. Vincent and the Grenadines	-	-
- Government of Barbados	8,317,890	8,317,890
- Government of Aruba	-	10,257,623
- Government of Bahamas	24,793,353	25,051,934
- Government of Bermuda	-	-
- Government of Trinidad and Tobago	31,584,987	32,128,054
- Government of Panama	3,958,725	3,964,731
- Government of Peru	3,962,780	3,968,227
	443,423,533	329,948,674
Less: Allowance for expected credit loss (ECLs)	(2,015,187)	(2,668,100)
	441,408,346	327,280,574

(b) Fixed and other deposits measured at amortised cost

	2023 \$	2022 \$
Fixed deposits - Commercial banks	-	69,447,312
British American Insurance Company Limited		
- Flexible premium annuity	8,090,554	8,090,554
Colonial Life Insurance Company (Trinidad) Limited		
- Flexible premium annuity	21,544,120	21,544,119
	29,634,674	99,081,985
Less: Allowance for expected credit loss (ECLs)	(29,634,674)	(29,634,674)
	-	69,447,311
Total investment securities - debt	441,408,346	396,727,885

Judicial Managers appointed to handle the operations of British American Insurance Company Limited (BAICO) issued a report which revealed that the Company is insolvent. Subsequent developments have resulted in considerable doubt as to the recovery of annuitants and policyholders' investments. The NIB therefore decided to provide for full impairment of the investments.

Given the cash flow problems being experienced by Cllico International Life Insurance Limited, evidenced by non-payment of interest and matured investments, the NIB provided for a full impairment of the investments.

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Eastern Caribbean Dollars)

8. Mortgages and other loans

	2023 \$	2022 \$
Mortgages		
Housing loan: Other		
- Secured by legal mortgages. Repayable over varying periods by equal monthly installments.	19,034,777	18,169,641
Housing loan: Staff		
- Secured by legal mortgages. Repayable over varying periods by equal monthly installments.	2,671,305	2,095,555
Belvidere lands	150,352	162,234
- Repayable over twenty-two (22) years from 1995		
Staff loans		
- Secured by bills of sale and third-party guarantees. Repayable over varying periods.	797,905	429,799
Student loans		
- Secured by legal mortgage, repayable over varying periods.	96,329	57,600
Vehicle & Consumer Loans	428,618	-
	23,179,286	20,914,829
Less: Allowance for expected credit loss (ECLs)	(922,140)	(773,659)
	22,257,146	20,141,170
Loans receivable from statutory corporations	5,525,512	6,201,430
Loans receivable from other corporations	51,158,912	31,789,424
	56,684,424	37,990,854
Less: Allowance for expected credit loss (ECLs)	(6,660,031)	(6,036,602)
	50,024,393	31,954,252
	72,281,539	52,095,422

9. Contribution and other receivables

	2023 \$	2022 \$
Contribution receivable	10,371,157	7,152,480
Finance lease receivable	1,461,455	1,564,658
Other receivable	4,534,719	4,030,810
Prepayment	202,075	4,270,998
	16,569,406	17,018,946
Less: Allowance for expected credit loss (ECL)	(3,795,590)	(3,781,696)
	12,773,816	13,237,250

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
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9. Contribution and other receivables (cont'd)

As at December 31, 2023 the analysis of contribution receivable that were past due but not impaired is as follows:

	Neither past due nor impaired	31-60 days	61-90 days	91-120 days	Over 120 days	Total
2023	5,083,699	389,428	742,449	146,857	4,008,724	10,371,157
2022	2,423,343	230,461	77,372	416,520	4,004,784	7,152,480
2021	9,146,149	533,274	272,735	213,189	3,165,580	13,330,927
2020	9,254,969	-	-	17,678	2,637,014	11,909,661
2019	7,356,622	217,977	46,868	179,269	2,655,199	10,455,935

10. Interest receivable

	2023 \$	2022 \$
Bonds and treasury bills:		
- Government of Grenada	996,037	878,551
- Eastern Caribbean Home Mortgage Bank	38,973	207,526
- Government of St. Lucia	-	53,464
- Government of the Commonwealth of Dominica	30,486	26,681
- Government of St. Vincent and the Grenadines	-	16,612
- Government of Barbados	135,161	135,161
- Government of Trinidad and Tobago	397,303	397,699
- Government of Aruba	-	139,412
- Government of Bermuda	-	-
- Government of Bahamas	177,892	177,892
- Government of Peru	56,461	56,461
- Government of Panama	42,923	42,922
- Grenreal	24,921	1,257,599
- Repurchase agreement - First Citizen Investment	52,576	104,892
- Royalton Hotel and Spa	1	1
	1,952,734	3,494,873
Less: Allowance for expected credit loss (ECLs)	(35,960)	(35,960)
	1,916,774	3,458,913
Other investments:		
Statutory bodies	8,265	9,242
Commercial banks - fixed deposits	562	26,175
Mortgages - housing loans	593,424	566,468
- other loans	3,404,229	3,542,910
Student and staff loans	1,796	1,095
	4,008,276	4,145,890
Less: Allowance for expected credit loss (ECLs)	(1,418,348)	(1,387,071)
	2,589,928	2,758,819
Total interest receivable	4,506,702	6,217,732

Interest earned ranged from 2% to 10.5% (2022: 2% to 10.5%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

11. Cash and cash equivalents

	2023 \$	2022 \$
Cash on hand and at bank	1,078,377	59,370,675
91-day fixed deposits - Commercial banks	-	13,429,392
91-day treasury bill- Government of St. Lucia	-	1,975,642
91-day treasury bill- Government of St. Vincent	-	5,960,386
Short-term portfolio investments (cash placements)	13,389,621	7,831,474
Pershing USD cash account	1,203,926	1,198,004
	15,671,924	89,765,573

12. Long-term benefits

This fund is held to cover retirement pensions, retirement grants, invalidity and survivors' benefits in respect of qualifying persons.

13. Short-term benefits

This fund is held to cover sickness, maternity benefits and funeral grants in respect of qualifying persons.

14. Employment injury benefits

This fund is held to cover employment injury benefits to eligible insured persons.

15. Trade and other payables

	2023 \$	2022 \$
Accruals	3,438,901	3,922,767
Other payables	2,474,005	644,938
	5,912,906	4,567,705

16. Investment income

	2023 \$	2022 \$
Government of Grenada - 3-7% debentures	4,045,875	4,147,000
ECHMB - corporate note	520,354	654,592
Sundry bonds	3,761,921	4,714,639
Treasury bills	2,774,362	2,273,306
Statutory bodies	293,160	334,992
Commercial banks - fixed deposits and savings	8,238	134,837
Mortgages - housing loans	1,184,259	1,111,697
Other loans	2,290,237	1,781,658
Dividends	5,825,405	5,601,056
Early closure fees	3,318	3,748
	20,707,129	20,757,525
Rental income - investment property	1,322,062	1,032,332
	22,029,191	21,789,857
Less: Investment expenses	(2,865,931)	(2,687,277)
	19,163,260	19,102,580

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

17. Other income

	2023 \$	2022 \$
Rent	309,688	323,844
Gain on disposal of property, plant, and equipment	-	152
Other income	105,731	40,476
	<u>415,419</u>	<u>364,472</u>

18. Allocations of income/expenditure

(a) Contributions, surcharge, and interest on contributions are allocated over the various classes of benefits at the following rates.

	2023 %	2022 %
Long-term benefits		
- Age, invalidity, and survivors' pension/grants	80	80.00
Short-term benefits		
- Sickness and maternity benefits and funeral grants	17.30	17.30
Employment injury benefits		
- Injury, disablement and death benefits, medical expenses, and funeral grants	2.70	2.70
	<u>100</u>	<u>100.00</u>

(b) General and administrative expenses are allocated using the rates specified in (a) above.

(c) Investment and other income are allocated on a ratio of the reserves at the beginning of the year.

	2023 %	2022 %
Long-term benefits		
- Age, invalidity, and survivors' pension/grants	96.08	96.21
Short-term benefits		
- Sickness and maternity benefits and funeral grants	1.18	1.27
Employment injury benefits		
- Injury, disablement and death benefits, medical expenses, and funeral grants	2.74	2.52
	<u>100.00</u>	<u>100.00</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

19. General and administrative expenses

- a) Under the provisions of Sec. 20 (A) of the National Insurance Act (as amended), these expenses are limited to 12% of total contributions collected, plus total benefits paid in that year.

Actual expenses are 4.62% (2022: 4.45%).

- b) The following items are included in the above expenses:

	2023 \$	2022 \$
Staff cost:		
- Salaries, wages, overtime, and allowances	6,221,101	5,829,857
- Contribution - National Insurance Board	230,895	168,125
- Employee injury benefits	27,985	33,618
- Staff uniforms	76,614	72,728
- Staff training and scholarships	168,006	143,537
- Pension plan	466,877	226,682
- Staff health insurance and group life plan	103,185	105,279
- Other staff costs	85,932	97,787
Total staff costs	7,380,595	6,677,613
Depreciation	1,107,474	955,620
Other general and administration expenses	3,504,585	2,643,790
Total expenses	11,992,654	10,277,023

During the year, the NIB employed on average eighty-one (81) persons (2022 - 85 persons).

20. Commitments

The National Insurance Board was committed to lend funds totaling \$12,125,458 (2022: 1,248,547) as at 31st December, 2023 on mortgage loans which were not disbursed at the end of the financial year.

21. Taxation

The National Insurance Board is exempted from income tax under Section 62 of the National Insurance Law, 1983.

22. Staff pension plan

The National Insurance Board maintains a defined contribution pension plan previously administered by Cllico International Life Insurance Limited. The employer pays 5 - 7½% and employees pay 5% of gross salary into the plan on a monthly basis. The plan is being administered by Demerara Mutual Life Assurance Society Limited, Sagicor Life Inc. and Ariza Credit Union Limited.

The National Insurance Board's pension contribution was \$466,877 (2022: \$226,682).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

23. Related party transactions

The following transactions were carried out with related parties:

	2023 \$	2022 \$
Directors and other key management compensation	1,638,962	1,559,867
Directors and other key management loans	975,167	439,672
Government of Grenada investments and loans	181,752,806	181,846,158
Government of Grenada contributions	31,753,526	26,752,051

24. Financial risk management

The NIB's activities expose it to the following risks from the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk
- Foreign exchange risk

Risk management structure

The NIB's risk management policies are established to identify and analyse the risk faced by the NIB, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the NIB through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Board of Directors is responsible for the overall risk management of the National Insurance Board. The Directors approve the implementation of risk strategies, principles, policies and procedures. Day to day adherence to risk principles is carried out by Management in compliance with the policies approved by the Board of Directors.

The Board of Directors has established an Audit Committee which has oversight for the integrity of the financial statements and reviews the adequacy and effectiveness of internal controls and risk management procedures.

Credit risk

Credit risk is the risk of financial loss to the NIB if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the NIB's receivables from customers and its investments.

The NIB limits its exposure with respect to its bond portfolio by investing only in bonds issued by the Regional and Extra-Regional Governments or institutions with high creditworthiness. The NIB, through the Investments Unit and the Investment Committee, consistently monitors the performance of these instruments.

In respect to the mortgage portfolio, constant monitoring is also employed. The necessary contact with mortgagees is maintained to ensure that payments are received in a timely manner. Where necessary, mortgage re-scheduling is done which considers the borrower's new financial position. When recovery seems doubtful, provisions are set aside to cover any potential losses.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

24. Financial risk management (cont'd)

Exposure to credit risk

The following table shows the maximum exposure to credit risk from the components of the statement of financial position:

	2023	2022
	\$	\$
Investment securities - equity	299,412,018	263,606,983
Investment securities - debt	441,408,346	396,727,885
Mortgages and other loans	72,281,539	52,095,422
Contribution and other receivables	12,773,816	13,237,250
Interest receivable	4,506,702	6,217,732
Cash and cash equivalents	15,671,924	89,765,573
	<u>846,054,345</u>	<u>821,650,845</u>

Illustration of concentration of credit risk by customer sector:

The following table summarizes the credit exposure for contributions and other receivables at their carrying amounts by customer sectors:

	2023	2022
	\$	\$
Government	3,057,315	2,381,990
Other	11,848,561	8,801,300
	<u>14,905,876</u>	<u>11,183,290</u>

The NIB holds no collateral for its contributions receivable. Contributions receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the NIB, and a failure to make contractual payments.

Impairment losses on contributions receivable are presented as net impairment losses within operating surplus. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets

With respect to credit risk arising from the other financial assets of the NIB, which comprise cash on hand and at bank, term deposits, interest receivable and other receivables, the NIB's exposure to credit risk arises from default of the counter-party. The NIB seeks to hold its funds with financial institutions which management regards as strong.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

24. Financial risk management (cont'd)

Exposure to credit risk (cont'd)

Analysis of gross carrying amount and corresponding ECL are as follows:

Mortgages and other loans

	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
Balance at December 31, 2023				
Gross loans	53,107,790	5,160,842	21,595,078	79,863,710
ECL	(115,886)	(424,946)	(7,041,339)	(7,582,171)
Net balance	52,991,904	4,735,896	14,553,739	72,281,539
 ECL as a percentage of gross loan	 0.22%	 8.23%	 32.61%	 9.49%
	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
Balance at December 31, 2022				
Gross loans	28,332,964	2,963,331	27,609,391	58,905,686
ECL	(2,918)	(18,669)	(6,788,677)	(6,810,264)
Net balance	28,330,046	2,944,662	20,793,360	52,095,422
 ECL as a percentage of gross loan	 0.01%	 0.63%	 24.59%	 11.56%

	2023 %	2022 %
Stage 1	66.50	48.10
Stage 2	6.46	5.03
Stage 3	27.04	46.87
	100.00	100.00

Analysis of gross carrying amount and corresponding ECL are as follows:

Investment securities - debt

	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
Balance at December 31, 2023				
Gross investments	413,941,296	29,482,237	29,634,674	473,058,207
ECL	(892,706)	(1,122,481)	(29,634,674)	(31,649,861)
Net balance	413,048,590	20,041,866	8,317,890	441,408,346
 ECL as a percentage of gross investments	 0.22%	 3.81%	 100%	 6.69%
	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
Balance at December 31, 2022				
Gross investments	378,913,794	20,482,193	29,634,673	429,030,660
ECL	(1,458,653)	(1,182,092)	(29,634,673)	(32,275,418)
Net balance	377,455,141	19,300,101	-	396,755,242
 ECL as a percentage of gross investments	 0.40%	 4.5%	 100%	 7.53%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

24. Financial risk management (cont'd)

Exposure to credit risk (cont'd)

	2023 %	2022 %
Stage 1	87.50	88.32
Stage 2	4.47	4.77
Stage 3	8.02	6.91
	100.00	100.00

Movements in ECL provision

	2023 \$	2022 \$
Balance as at 1 January	44,317,763	43,649,652
Provisions made during the year	1,367,433	657,210
Provisions reversed during the year	-	(248,125)
Recovery	-	259,026
Balance as at December 31	45,685,196	44,317,763

Liquidity risk

Liquidity risk is the risk that the NIB will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or financial assets.

The NIB's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the NIB's reputation. The NIB's liquidity position is monitored on a daily basis and generally the NIB monitors its risk to a shortage of funds by considering planned and probable expenditures against projected cash inflows from operations.

The NIB's financial liabilities contractual maturity dates are within one (1) year of the statement of financial position date.

Market risk

The NIB takes on exposure to market risk which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly arises from changes in foreign currency exchange rates and interest rates. There have been no changes to the NIB's exposure to market risks or the manner in which it manages and measures the risk from the previous years.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

24. Financial risk management (cont'd)

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Such exposure arises from investment in cash and cash equivalents in currencies other than the NIB's functional currency.

Management monitors its exposure to foreign currency fluctuation and employs appropriate strategies to mitigate any potential losses. The NIB operates primarily in Eastern Caribbean Currency Dollars; although some transactions are in United States Dollars, the currency risk exposures are minimal due to the fact that the Eastern Caribbean Currency Dollar is pegged to the United States Dollar. The NIB is also exposed to a minimal amount of currency risks from transactions conducted in Trinidad and Tobago Dollars and Barbados Dollars. The exchange rates of these currencies at year-end were as follows:

	2023 \$	2022 \$
United States (\$USD)	2.7169	2.7169
Trinidad and Tobago (\$TTD)	0.4010	0.3920
Barbados (\$BBD)	1.3500	1.3500

The aggregate value of financial assets and liabilities by report currency are as follows:

	US\$	EC\$	Total \$
Assets			
Investment securities - equity	221,006,486	78,405,532	299,412,018
Investment securities - debt	236,742,729	204,666,067	441,408,346
Mortgages and other loans	-	72,281,539	72,281,539
Contribution and other receivables	-	12,773,816	12,773,816
Interest receivable	-	4,506,702	4,506,702
Cash and cash equivalents	14,593,547	1,078,377	15,671,924
Balance at 31 December 2023	472,342,312	373,712,033	846,054,345

Liabilities

Trade and other payables	-	5,912,906	5,912,906
Balance at 31 December 2023	-	5,912,906	5,912,906

	US\$	EC\$	Total \$
Assets			
Investment securities - equity	186,851,590	76,755,393	263,606,983
Investment securities - debt	113,323,133	283,404,752	396,727,885
Mortgages and other loans	-	52,095,422	52,095,422
Contribution and other receivables	-	13,237,250	13,237,250
Interest receivable	-	6,217,732	6,217,732
Cash and cash equivalents	9,029,477	80,736,096	89,765,573
Balance at 31 December 2022	309,204,200	512,446,645	821,650,845

Liabilities

Trade and other payables	-	4,567,705	4,567,705
Balance at 31 December 2022	-	4,567,705	4,567,705

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

24. Financial risk management (cont'd)

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Exposure to interest rate risk

The NIB is primarily exposed to interest rate risk with respect to its fixed rate debentures, government securities and bonds.

Management of interest rate risk

These are regularly monitored by the Investment Unit and communicated to the Board of Directors by the Investment Committee.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the NIB's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of good corporate behavior. Operational risks arise from all of the NIB's operations. The NIB's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the NIB's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall NIB standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions
- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- Requirements for the reporting of operational losses and proposed remedial action
- Development of contingency plans
- Training and professional development
- Risk mitigation, including insurance where this is effective

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

24. Financial risk management (cont'd)

Financial instruments measured at fair value - Fair value hierarchy

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets measured at fair value through profit or loss:				
- debt securities	-	-	441,408,346	441,408,346
- equity securities	221,006,486	47,313,396	31,092,136	299,412,018
Balance at 31 December 2023	<u>221,006,486</u>	<u>47,313,396</u>	<u>472,500,482</u>	<u>740,820,364</u>
Assets measured at fair value through profit or loss:				
- debt securities	-	-	396,727,885	396,727,885
- equity securities	186,851,590	45,663,257	31,092,136	263,606,983
Balance at 31 December 2022	<u>186,851,590</u>	<u>45,663,257</u>	<u>427,820,021</u>	<u>660,334,868</u>

IFRS 7 specifies a hierarchy of valuation techniques 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 Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges such as Eastern Caribbean and New York.
- 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 investments and debt instruments with significant unobservable components.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

25. Actuarial review

Section 22 of the National Insurance Act requires an actuarial review of the National Insurance Scheme to be conducted at least every three years.

The Thirteenth actuarial review of the National Insurance Scheme as at December 31, 2021 was conducted by an actuary of the LifeWorks.

The key results of the financial and demographic projections based on the contribution and benefit provisions in place as of the valuation date are:

- The financial pressure on the scheme in the coming years will be so high that immediate actions are needed to make it sustainable and equitable for the next generations. Contributions are no longer sufficient to pay for expenditures on an annual basis. According to the base scenario and if no adjustment to the contribution rate or the benefits is made:
 - i) Expenditure is expected to exceed total income in all years.
 - ii) The reserve is expected to be exhausted in 2034.
 - iii) When reserves are exhausted, annual expenditure relative to total insurable wages (pay-as-you-go rate) will be around 25%. The contribution rate will therefore have to be increased to this level to meet total expenditure.
 - iv) The pay-as-you-go rate will increase to over 30% in the early 2040's and over 40% in the early 2050's.
 - v) The number of contributors (under age 60) for each pension in payment is expected to fall from 3.8 in 2022 to 1.3 in 2081.
- This actuarial valuation clearly demonstrates that modifications to the scheme is necessary and that delaying the normal retirement age from 60 to 65 is one of the first steps to achieve long-term sustainability.
- In the short term, the contribution rate should be increased to reduce pressure on the scheme and to continue to grow the reserve in the future.
- Adopt a funding policy that will set the financing parameters surrounding the actuarial valuation and give tools to maintain the financial sustainability of the scheme (period of projection, targeted level of reserve, automatic adjustment mechanisms to equilibrate the scheme, equity between generations, etc.). Future increases in the contribution rate should be based on this funding policy.
- It was also recommended that a comprehensive Benefits Policy be created which should include specific objectives, priorities and circumstances to be avoided for each NIS benefit. It should specifically consider benefit adequacy, equity and affordability. The report suggests that current benefits may become unaffordable and as such, it may be necessary to reduce some benefits in the future.
- This actuarial valuation contains other suggestions related to the adjustment to pension accrual rate, the automatic adjustment to the parameters of the scheme (ceiling used for determining the insured salary, minimum pension and funeral benefit) and the investment policy.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

26. Comparative figures

Certain comparative amounts have been reclassified to conform with the current year's presentation.

27. Contingency liability

As at the reporting date, there was a legal proceeding against the National Insurance Board. The outcome of this matter and the extent of any resultant liability cannot be reasonably determined. As a result, there is no provision in the financial statements for liabilities or costs that are likely to be incurred on the matter.

If the court rules against the National Insurance Board on the matter, all liabilities and costs resulting from the judgement will be recorded in the period in which the final ruling is made.

A photograph of a man and a woman sitting on a sandy beach, viewed from behind. The man is wearing a blue and white striped polo shirt, and the woman is wearing a blue floral dress. They are both looking out at the ocean under a clear blue sky. The image is framed by a large green triangle on the left and bottom, and a grey triangle on the top right.

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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The Financial Services Centre
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ADDITIONAL COMMENTS OF INDEPENDENT AUDITORS

To the Board of Directors of
National Insurance Board
Grenada

The accompanying schedules I and II are presented as additional information only. In this respect, they do not form part of the financial statements of National Insurance Board for the year ended December 31, 2023 and hence are excluded from the opinion expressed in our report dated March 30, 2024 to the directors on such financial statements.

A handwritten signature in blue ink that reads 'BDO'. The letters are stylized and connected, with a long horizontal stroke extending from the end of the 'O'.

BDO Eastern Caribbean
Kingstown, St. Vincent and the Grenadines
March 30, 2024

SCHEDULE OF BENEFITS

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

SCHEDULE I

	2023 \$	2022 \$
Benefits		
Long-term benefits:		
Pension:		
Age	107,109,016	95,628,858
Provident fund	596,047	696,730
Invalidity	3,999,309	3,932,930
Survivors	6,823,285	6,585,277
Reduced age	661,616	674,372
Grants:		
Age	2,310,604	2,025,650
Invalidity	7,289	10,776
Survivors	9,390	11,018
	121,516,556	109,565,611
Short-term benefits:		
Sickness	11,195,316	12,960,077
Maternity	2,203,191	2,308,109
Funeral	1,584,825	1,595,873
Maternity grant	449,964	455,706
Unemployment	314,367	(22,916)
	15,747,663	17,296,849
Employment injury:		
Benefit	661,408	600,465
Medical	108,730	400,714
Disablement pension	99,644	107,035
Disablement grant	53,739	136,692
Death benefit	65,125	67,247
	988,646	1,312,153
Total benefits	138,252,865	128,174,613

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES

For the year ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

SCHEDULE II

	2023 \$	2022 \$
Actuarial review	-	163,136
Advertising	3,088	19,626
Anniversary expenses	64,011	8,199
Appeal tribunal fees	13,625	-
Audit fees	79,000	69,000
Bank charges	41,806	35,528
Cleaning	151,786	141,659
COVID-19 expenses	-	4,315
Depreciation	1,107,474	955,620
Directors and subcommittee fees	183,082	125,105
Entertainment	46,010	69,273
Insurance	245,120	244,430
Investment expense	124,352	97,476
Legal and professional fees	678,718	438,781
Licenses	1,010	980
Medical expenses	17,303	20,090
Miscellaneous	13,078	1,792
Office supplies and stationery	287,580	257,035
Printing	3,868	9,710
Public relations	463,533	89,500
Publications and journals	4,540	14,080
Rent	63,686	56,837
Repairs and maintenance	198,109	118,168
Security	160,525	136,812
Staff costs	7,380,595	6,677,613
Subscription	173,386	70,086
Utilities	487,369	452,172
Total expenses	11,992,654	10,277,023

NOTE PAGE

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