



TRANSFORMATION
WITH
PURPOSE



Annual Report
2023-2024



Vision

To Be an Innovative Provider of Relevant National Insurance.

Mission

The Effective Management of National Insurance through Good Governance, Technological Advancements & Empowered Employees, to Ensure Quality Service Delivery.

Mandate

The National Insurance Act, Chapter 32:01 mandates that the Board... “operate and manage the system of National Insurance.”





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NIBTT's Core Values show that we

care

NIBTT'S CORE VALUES

We stand for the following core values that define how we conduct business, govern how we behave, communicate, and interact internally and externally.

Collaboration & Commitment

Through cooperation and dedication we multiply the value we create for Trinidad and Tobago.

Accountability

Underpinning all our work, we think and act with integrity and respect. Through effective corporate governance we will be held accountable to the highest standards of fairness, integrity and transparency.

Resourcefulness & Resilience

We endure despite challenges and respond with innovative solutions that enable us to achieve our vision.

Empathy

We serve our internal and external customers by understanding what they are going through, and improve our service based on this understanding.



The National Insurance Board of Trinidad and Tobago

CORPORATE INFORMATION

HEAD OFFICE

14-19 Queen's Park East
Port of Spain
Trinidad, W.I.

(868) 625-2171-8
NIBTT Toll Free 877 4647
NIBTT HOTLINE - 625 4NIS[4647]
customercare@nibtt.net
www.nibtt.net

BANKERS

First Citizens

9 Queen's Park East
Port of Spain
Trinidad and Tobago, W.I.

Republic Bank Limited

9-17 Park Street
Port of Spain
Trinidad and Tobago, W.I.

AUDITORS

Ernst & Young
5-7 Sweet Briar Road,
St. Clair,
Port of Spain
Trinidad and Tobago, W.I.

SERVICE CENTRES

ARIMA

Cor. Woodford and Sorzano Streets

BARATARIA

35-36 Fifth Street

CHAGUANAS

Market and Ramsaran Streets

COUVA

2 Captain Watson Street
Exchange Lots

POINT FORTIN

7A Techier Main Road

PORT-OF-SPAIN

112 Edward Street

PRINCES TOWN

Marlson's Building
Charlotte and High Streets

RIO CLARO

2461 Naparima/Mayaro Road

SANGRE GRANDE

Henderson Street

SIPARIA

Grell Street

SOUTH REGIONAL

27 Harris Promenade, San
Fernando

TUNAPUNA

Eastern Main Road

WOODBROOK

4 Luis Street

TOBAGO

Fircon Building,
9 Bacolet Street,
Scarborough

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We offer 23 Benefits.



NATIONAL INSURANCE BENEFITS

SICKNESS

The Sickness Benefit is paid to an insured person who is employed but unable to work and suffers loss of pay as a result of illness not related to an accident on the job. The period of illness must be certified by a registered medical practitioner and must be for four or more days. This benefit is intended to provide financial assistance during certified periods of illness. The benefit you receive, however, may not cover full loss of earnings.

MATERNITY

The Maternity Benefit is paid to a pregnant insured woman using her National Insurance contributions. A special maternity grant, however, is paid to a pregnant woman using the father's contributions when the mother does not have sufficient contributions for the benefit. The pregnancy must have lasted at least 26 weeks or have resulted in a live birth. Both the maternity benefit and the special maternity grant are paid as a lump sum. The maternity benefit consists of an allowance for up to 14 weeks and a grant per child, while the special maternity grant is a single payment per child.

INVALIDITY

The Invalidity Benefit is paid to an insured person who is medically certified as unable to work for a year or more because of a mental or bodily disease or illness, not caused by a job-related injury.

FUNERAL GRANT

The Funeral Grant is a lump sum, one-time payment that is made to the person who met the costs of the funeral expenses for a deceased insured. It is intended to ease the funeral-related costs for a deceased insured and does not include the cost of items such as food, flowers, rental of chairs, etc.

RETIREMENT

The Retirement Benefit is paid to an insured person who has made contributions to the NIBTT and has attained retirement age. This benefit is intended to supplement one's retirement income and can either be in the form of a pension, payable for life, or a lump sum grant payment. The number of contributions made over an insured's working life determines whether a pension or grant is paid. A pension is paid where the insured has a minimum of 750 contributions and a grant where the insured has contributed less than 750 contributions. The minimum pension or grant payable is \$3,000.00.

EMPLOYMENT INJURY

The Employment Injury Benefit is paid to an insured person who is injured in the course of and as a result of his/her employment and comprises a range of individual benefits including Injury Benefit, Disablement Benefit, Death Benefit and Medical Expenses. These benefits are intended to provide financial assistance for various contingencies in the case of a job-related injury or accident. An insured person does not have to experience any loss of earnings in order to access these benefits.

SURVIVOR'S

The Survivor's Benefit is paid to certain dependents of a deceased insured person who has died other than by a job-related accident. If the insured person died as a result of a job-related accident or injury, an application for Death Benefit can be made. The benefit is payable to a widow, widower, child, stepchild, disabled child, orphan or dependent parent of a deceased insured person who has made a least 50 contributions. Survivor's Benefit is intended to provide financial assistance in the event of the death of a breadwinner.



PATRICK FERREIRA
Chairman

Introduction

The Board of Directors of the National Insurance Board of Trinidad and Tobago (NIBTT) was reconstituted within the financial year with the appointments of three new directors in December 2023 and January 2024. The new appointments were timely as the NIBTT sought to navigate the key phases of our digital transformation project and brought with them many years of skill and experience within the manufacturing and financial services industries. The Board was therefore able to focus on our strategic and operational goals for the year in a manner that reflects the guiding principles of the institution.

The financial year 2024 was marked by increased activities overseen by the Board towards bringing the NIBTT back in line with its pre-pandemic trajectory of boosting participation within the National Insurance System (NIS), increasing efficiency in our service delivery to our customers and lobbying for much needed reforms to address underlying issues faced by the NIS. The backdrop to these efforts were tepid economic conditions both locally and internationally which impacted our contributor base as well as the financial returns we were able to achieve.

The fluctuations within the economy manifested within the labour market, with the unemployment rate decreasing from 4.9% in January 2023 to 4.1% at the end of December 2023, increasing sharply to 5.1% at the end of March 2024. This rise in unemployment reflected a contraction of the labour force of approximately 10,000 persons and somewhat mirrors events within the NIS which recorded a slight decline in the number of contributors for the year ending June 2024 when compared to the previous financial year.

Investment performance was very encouraging with a portfolio return of 6.30% for the period ended June 30, 2024. The return for the current year was 217 basis points above the 4.13% recorded in the previous financial year. Net Realised Investment Income also increased significantly, moving from \$897.91 Mn in FY2023 to \$1,239.93 Mn in FY2024. Due to the continuing situation of Benefit Expenditure outstripping Contribution Income, however, this almost doubling of investment income could not redound directly to the Fund. Instead, the investment income earned had to be supplemented by a further depletion of half a billion dollars in NIS assets to finance the shortfall between income and expenditure.

The Fund

At the end of FY2024, NIBTT's asset base was \$28.5 billion, with total funds amounting to \$28.01 billion. Based on the latest available data, the total assets within Trinidad's financial system are valued at approximately \$354.2 billion. This means that NIBTT holds roughly 8% of the country's financial assets, a significant portion for a single entity. This reinforces the substantial impact the NIBTT has on the broader economy and the nation as a major institutional investor, with significant holdings in local investment funds as well as major conglomerates.

Fund sustainability is of paramount importance to the NIBTT, particularly given the trend of Benefit Expenditure exceeding Contribution Income consistently since FY2013. We remain mindful of this threat to the sustainability of the NIS as we closely monitor our operations and work towards bridging this gap, thus ensuring that the National Insurance fund endures for future generations.

EMPOWER

A key pillar of our shift towards improving the efficiency of our operations remains through leveraging technology. The improvement of all our business operations through technological advancement remains a central strategic objective and is expected to be a key contributor to NIBTT's future growth, development and sustainability. These objectives will be operationalized through the EMPOWER project, which is a digital solution tailored to the NIBTT's specific needs. When completed, EMPOWER will deliver enhanced efficiency through digitized processes, shared services and optimized resource uses.

During the financial year, significant strides were taken with respect to the EMPOWER project. It is anticipated that within the coming year (FY2025), several key phases will be completed with all modules scheduled to be operationalised by April 2025. With the anticipated benefits in mind, we look forward to the completion of this project and an updated service-delivery architecture which will move the NIBTT's operations firmly into the cutting-edge of the 21st century.

Subsidiaries & Associated Companies

National Insurance Property Development Company Limited, better known as NIPDEC, produced improved revenue streams and profits. The Company continued in 2024 to make significant strides in its quest to become the premier project and facilities management partner.

The Trinidad & Tobago Mortgage Bank Limited (TTMB) was established and formally launched in 2024 following the merger of the Trinidad & Tobago Mortgage Finance Company Limited (TTMF) and the Home Mortgage Bank (HMB).

The new entity is off to a great start with significant improvements in revenue and profits.

Companies where we hold significant shareholdings (Republic Financial Holdings Limited -18.84% and Massy Holdings Limited -20%) performed satisfactorily.

Accountability and Assurance

In accordance with the National Insurance Act, Chapter 32:01, Section 25(2), the National Insurance Board of Trinidad and Tobago (NIBTT) engaged external auditors, Ernst & Young, for the statutory annual audit.

Management may also engage the external auditors for special non-audit services outside the statutory audit, provided that such services do not compromise the auditors' independence or limit the scope of their independent audit.

The fees for audit services paid to our auditors amounted to \$701,190.00 for FY2024 inclusive of VAT. Fees incurred for non-audit work performed by the auditors amounted to \$164,118.13 for FY2024.

A review of the non-audit services provided by the external auditor during the financial year was performed and the Audit, Risk and Compliance Committee provided its assurance that the non-audit services would not impair the objectivity and independence of the external auditors.

Conclusion

Ultimately, despite the challenges faced over the past year, the NIBTT remains steadfast in its mission and stands as a pillar of social support for the people of Trinidad and Tobago. We remain committed to our mandate to administer the National Insurance System and provide support to the most vulnerable in our society.

In closing, the committed efforts of the Leadership Team and all NIBTT staff deserve special acknowledgement, and I would like to commend them for their dedication and sacrifices in service to the NIBTT, and by extension, the working people of Trinidad and Tobago.

I wish to thank our former Directors, whose terms of office expired - Mr. Douglas Camacho (Business), Mr. Calvin Bijou (Government) and Mr. Javed Razack (Business) for their sterling contributions to the group. I welcome their replacements - Mr. Robin Lewis (Business), Mr. Roger Roach (Business) and Mr. Deyson R. Scott (Government). I also welcome back our reappointed members, Ms. Marilyn Gordon (Government), Mrs. Muriel Alfred James (Government), Mr. Gary Awai (Business), Mr. James Lambert (Labour), Mr. Gregory Marchan (Labour) and Mr. Teddy Stapleton (Labour).

I must also thank the Honourable Minister of Finance, Colm Imbert and the Honourable Minister in the Ministry of Finance, Mr. Brian Manning, for their full and continued support during the financial year.

CHAIRMAN'S review



CORPORATE GOVERNANCE STRUCTURE

The NIBTT is governed by a tripartite Board: The Board is supported by a statutory Investment Committee which advises on the investment policy of the Board (and investment decisions-making), as well as several Board-appointed committees.

The Board of Directors is a tripartite body with equal representation by Government, Business and Labour, an independent Chairman, and the Executive Director who is an ex-officio member. Directors are appointed for a period of not more than two years but may be reappointed. The NIBTT reports to Parliament through the Ministry of Finance.

governance

BOARD OF directors



Patrick Ferreira
Chairman



Muriel Alfred-James
Deputy Chairman



Marilyn Gordon
Director - Government



Gary Awai
Director - Business



James Lambert
Director - Labour

BOARD OF directors



Robin Lewis
Director - Business



Gregory Marchan
Director - Labour



Roger Roach
Director - Business



Deyson Scott
Director - Government



Teddy Stapleton
Director - Labour



Niala Persad-Poliah
Executive Director (Ex-Officio)

INVESTMENT. **committee**



Patrick Ferreira
Chairman



Robin Lewis
Member - Business



Marilyn Gordon
Member - Government



Peter Clarke
Member - Business



Charmaine Alleyne
Member - Labour



Natalie Mansoor
Member - Government



James Lambert
Member - Labour



Brendon Nelson
Chief Operating Officer -
Corporate Services
(Ex-Officio)



Niala Persad-Poliah
Executive Director

AUDIT, RISK & COMPLIANCE

Chairman (Member - Business)
Gary Awai
Member - Government
Marilyn Gordon
Member - Labour
Gregory Marchan

ICT OVERSIGHT

Chairman - (w.e.f. December 12, 2023)
Robin Lewis
Chairman - (until November 9, 2023)
Douglas Camacho
Member - Government (w.e.f. January 24, 2024)
Deyson Scott
Member - Government (until January 23, 2024)
Calvin Bijou
Member - Labour
Teddy Stapleton
Member - Business (until November 9, 2023)
Javed Razack

TENDERS

Chairman (Member - Labour)
Gregory Marchan
Member - Business (w.e.f. December 12, 2023)
Roger Roach
Member - Business (until November 9, 2023)
Javed Razack
Member - Government
Muriel Alfred-James

HUMAN RESOURCES

Chairman (w.e.f. January 24, 2024)
Deyson Scott
Chairman (until January 23, 2024)
Calvin Bijou
Member - Business (w.e.f. December 12, 2023)
Roger Roach
Member - Business (until November 9, 2023)
Javed Razack
Member - Labour
Gregory Marchan

RIVERWOODS MANAGEMENT

Chairman (Member - Government)
Marilyn Gordon
Member - Business
Gary Awai
Member - Labour
Teddy Stapleton

NOMINATIONS & GOVERNANCE

Chairman
Patrick Ferreira
Member - Labour
Gregory Marchan
Member - Business
Gary Awai
Member - Government
Muriel Alfred-James

ACTUARIAL REVIEW

Chairman (Member - Business) (w.e.f. November 10, 2023)
Gary Awai
Chairman (until November 9, 2023)
Douglas Camacho
Member - Government (w.e.f. January 24, 2024)
Deyson Scott
Member - Government (until January 23, 2024)
Calvin Bijou
Member - Labour
James Lambert
Member - Labour (until November 9, 2023)
Sylvan Wilson

BUILDING GOVERNANCE

Chairman - (Member - Business) (w.e.f. November 10, 2023)
Robin Lewis
Chairman - (until November 9, 2023)
Douglas Camacho
Member - Government
Muriel Alfred-James
Member - Labour
James Lambert

**CORPORATE
GOVERNANCE
STRUCTURE**

**BOARD APPOINTED
committees**

Financial Year

The financial year of the NIBTT is the 12-month period ending June 30.

Subsidiaries of the NIBTT



National Insurance Property Development Company Limited (NIPDEC)

NIPDEC is a fully owned subsidiary of the NIBTT. Its vision is to be the premier project and procurement management agency in the region providing top quality, sustainable projects, products and services.



Class A Shares

Trinidad & Tobago Mortgage Bank (TTMB)

TTMB's vision is to be the premier financial services provider of diverse and innovative property finance and investment products that empower our customers to achieve their wealth creation goals. The NIBTT fully own its class B shares.

Owning 51% of Class A shares provides the NIBTT with majority ownership of TTMB.



Class B Shares

Related Bodies

The National Insurance Appeals Tribunal

The National Insurance Appeals Tribunal (NIAT) is an independent body comprising 11 members appointed by the President of the Republic of Trinidad and Tobago in accordance with Section 60 of the National Insurance Act. This body functions as a tribunal of fact for persons aggrieved by decisions of the Board with respect to their claims.

Executive Director and Executive Management Team

The Executive Director is the chief executive officer of the NIBTT and is responsible for carrying out the decisions of the Board of Directors. The Executive Director leads a team of executive managers who oversee the operations of the NIBTT.

Operational Structure

The operations of the NIBTT are divided into eight (8) Business Units and five (5) Departments as follows:



Departments



EXECUTIVE
management
TEAM



Isha Khan
Executive Manager –
Human Resources



Brendon Nelson
Chief Operating Officer –
Corporate Services



Niala Persad-Poliah
Executive Director



Andy Edwards
Chief Operating Officer –
Business Services



Navin Rajkumar
Executive Manager –
Investments



Donnell Cuffie
Executive Manager
- Policy Planning &
Actuarial Services (Ag.)



Adrian Clarke
Executive Manager
- Risk



Sarah Baboolal
Executive Manager -
Legal Services



Amanda Fulchan-Lakhan
Executive Manager - Technology



Shaun Ramjattan
Executive Manager Finance
and Administration



Amrika Armstrong
Executive Manager
Insurance Operations (Ag)

SENIOR management TEAM



Clint Connelly
Manager Corporate
Projects



Anika Gordon-Bedeau
Manager Investigations and
Controls



Tricia Clarke
Manager Corporate Communications



Madhavi Teeluckchan-Maraj
Corporate Secretary



Renée Camillo-Castillo
Internal Auditor



Sherene Spencer
Executive Assistant
Office of the Executive
Director

OFFICE OF THE EXECUTIVE DIRECTOR

Anika Gordon-Bedeau
Manager Investigations and Controls

Clint Connelly
Manager Corporate Projects

Tricia Clarke
Manager Corporate Communications

Renée Camillo-Castillo
Internal Auditor

Madhavi Teeluckchan-Maraj
Corporate Secretary

Candice George
Assistant Corporate Secretary

Sherene Spencer
Executive Assistant

INVESTMENTS

Sherma Mahabirsingh *
Manager Investments (Fixed Income)

Amrit Seunarine
Manager Investments (Equities)

Russel Ramedwar
Senior Investment Analyst

Trevis Gangaya
Senior Investment Analyst

Debra Gross
Manager Mortgages (Ag.)

FINANCE & ADMINISTRATION

Karen Davis-Holder *
Financial Accountant

Jennifer Creese *
Financial Accountant

Jennifer Creese
Manager Budgets & Controls

Ahcadi Bradshaw
Manager Settlements

Javed Khan * Manager Facilities,
Keonne James * Services & Security

RISK

Candice Ward
Manager Enterprise Risk

Donna Lawrence
Manager Compliance

Moses Mohammed
Manager Business Continuity Planning

**SENIOR
MANAGEMENT
TEAM (continued)**

business units

POLICY, PLANNING & ACTUARIAL SERVICES

Karlene Noreiga
Manager Actuarial Services

INSURANCE OPERATIONS

Shaun Waldron
Manager Insurance Operations

Sherwin Williams
Area Operations Manager

Sharon Mc Neil
Area Operations Manager

Tracey Du Bois-Ottley
Area Operations Manager

Ryan Isava
Manager Customer Relations

LEGAL SERVICES

Ashook Balroop *
Manager Legal Services

Jerome Riley *
Manager Legal Services

Rishi Ramrattan
Manager Procurement

Chael Casimire
Legal Officer

Louise Peters
Legal Officer

Bernadine Henry
Legal Officer

TECHNOLOGY

Mikhail Noel
Manager IT Development

Adrian Fortuné
Manager IT Security

Darien Peters
Manager IT Infrastructure

Roy Jack
Manager Database, Administration & Support

Kareem Belcon
ICT Coordinator (Ag.)

HUMAN RESOURCES

Bianca Attong
Manager Human Resource Services

Marisha Ramlogan *
Manager Employee/Industrial Relations

Michael Gopaul
Manager Organisation Development

Darcell Lovell-Peters
Industrial Relations Officer

* officers identified either began role after the start of the financial year or were no longer employed with the NIBTT as at the end of the financial year.



Overview

Financial year July 1, 2023, through June 30, 2024 (FY2024) represented a period of significant institutional development for the National Insurance Board of Trinidad and Tobago (NIBTT). Notwithstanding extant challenges to the National Insurance System (NIS) on account of the ageing of the Trinidad and Tobago population, FY2024 was marked by notable organisational progress, with the efforts of many years of planning and preparation finally bearing fruit with the completion of key milestones in the NIBTT's EMPOWER digital transformation project, including the beginning of the 'design and testing' phase.

We are eager to bring the operations of the NIBTT fully into the 21st century by leveraging cutting edge technology to transform our Human Resource, Finance and Accounting, and Insurance Operations processes, which will replace the current paper-based system that has predominated since our beginnings in 1972. This process of transformation is well on its way to completion with all modules of the project on pace to be operationalised within the coming financial year. I would like to express my gratitude for the support rendered by the Board of Directors (BoD) to the management in navigating this period of change and take the opportunity to welcome the three (3) new directors appointed to the BoD during the financial year: Mr. Roger Roach and Mr. Robin Lewis representing Business with effect from December 13, 2023; and Mr Deyson Scott representing Government with effect from January 24, 2024.

Notwithstanding the critical importance of technology in our thrust to improve service delivery to our customers, we remain cognizant and prepared for the new risks and vulnerabilities associated with digitalisation. Midway into the financial year, on December 27, 2023, the NIBTT was the unfortunate target of a ransomware attack—one of several local institutions targeted for malicious cyberattacks around that time. With the combined efforts of our diligent staff and cyber security partners together with the support of the leadership team and Board of Directors, immediate and decisive steps were taken

to preserve the integrity of our data and IT systems, which resulted in the recommencement of services to the public in relatively quick time (on a phased basis) from January 19, 2024.

I am proud to report that after forensic analysis by our cyber security specialists, there was no evidence of data exfiltration and no expected risk to sensitive customer information held by the NIBTT. Not only did we focus on recovering from the immediate effects of the attack, but we also reinforced our systems by re-evaluating our cybersecurity strategies and fortifying our defences, ensuring that the NIBTT is better prepared to withstand and respond to similar challenges that may occur in the future. The incident highlighted the critical importance of cybersecurity in our operations and underscored the need for continuous vigilance and adaptation in the face of evolving digital threats.

Turning our attention to the economy, on the local economic front the non-energy sector was the primary driver of overall growth, with significant resurgence in the Construction, Agriculture and Manufacturing sectors, which recorded growth rates of 15.8%, 6.5% and 5.4% respectively in the fourth quarter of 2023¹. Despite the signs pointing to increased economic activity there was a slight decrease in the number of contributors recorded within the NIS in FY2024.

¹ Central Bank of Trinidad and Tobago, Summary of Economic Indicators, pg. 1.

This and other key performance highlights in respect of the administration of the NIS over the last financial year are provided in the table below.

Financial and Performance Highlights:

	FY2022	FY2023	FY2024	% Increase/ Decrease 2022-2023	% Increase/ Decrease 2023-2024
Claims					
Benefit Recipients	214,490	223,281	226,618	4.10%	1.49%
Long – Term Beneficiaries	186,332	195,859	202,686	5.11%	3.49%
New Claims Paid	37,440	41,917	38,366	11.96%	-8.47%
Compliance					
Customer Base	648,366	723,368	693,286	11.57%	-4.16%
Insured Contributors	455,448	491,726	488,256	7.97%	-0.71%
Employers	18,635	19,140	19,341	4.15%	-0.20%
Employers Surveyed	4,107	4,213	4,562	2.58%	8.28%
Financial					
Contribution Income (\$Mn)	4,530.15	4,807.61	4,748.91	6.12%	-1.22%
Net Investment Income Realised (\$Mn)	1,259.00	897.91	1,239.93	-28.68%	38.09%
Miscellaneous Income (\$Mn)	3.38	3.30	2.86	-2.37%	-13.33%
Benefit Expenditure (\$Mn)	5,728.90	6,164.28	6,499.99	7.60%	5.45%
Administrative Cost (\$Mn)	225.86	280.94	210.52	24.39%	-25.07%
Administrative Cost as a % of Contribution Income	4.99%	5.84%	4.43%	0.85*	-1.41%
Administrative Cost as a % of Total Income	4.45%	5.06%	3.66%	0.61*	-1.40%
Net Yield of Investment Portfolio (realised & unrealised) / Overall Investment Portfolio Return **	4.57%	4.13%	6.30%	-0.44*	2.17
Total Funds (\$Bn)	29.94	28.99	28.09	-3.17%	-3.10%
Total Assets (\$Bn)	30.24	29.44	28.47	-2.65%	-3.29%

*Percentage Points

** Return based on Investment Portfolio-Excludes Cash Balances from NIBTT's Pension Plan a/c, MAT securities (Mortgages) Funeral Grant Cash Account and other cash accounts related to Insurance Operations

EXECUTIVE DIRECTOR'S review

Key operational statistics include:



Contribution Income in FY2024 was \$4,748.91Mn, a marginal decrease of 1.22% when compared to the \$4,807.61 Mn figure recorded in FY2023.



The number of Benefit Recipients increased by 3,337 or 1.49% to 226,618 in FY2024 compared to 223,281 in FY2023.



Benefit Expenditure amounted to \$6.50 Bn and represented an increase of 5.45% over the previous year.



Total Funds decreased by 3.10% from \$28.99 Bn as at June 30, 2023 to \$28.09 Bn as at June 30, 2024.



Total Assets decreased by 3.29% from \$29.44 Bn as at June 30, 2023 to \$28.47 Bn as at June 30, 2024.



Administrative Expenses as a percentage of Contribution Income decreased from 5.84% in FY2023 to 4.43% in FY2024.

Employer and Employee Registration

During FY2024 the number of employers registering for the first time with the NIBTT was 1,647. This represented a marginal increase of 9 or 0.55% in comparison to the employers registered in the previous Financial Year 2023. The Active Employer population increased by 1.05% compared to the previous year, rising from 19,140 in FY2023 to 19,341 at the end of FY2024. With respect to Employee registration, 100% of the 25,575 applications for processing in the financial year were determined. Of these, 19,830 or 77.54% were new insured persons who were added to the database this year, an increase of 296 or 1.5% when compared with 19,534 new registrants added to the database in FY2023. This increase could, in part, be attributed to a heightened focus on registration within the NIBTT's marketing and education initiatives.

Benefit Administration

At the end of FY2024, 226,618 persons received a total of \$6.50 Bn in benefit payments. This represented an increase in expenditure of 5.45% over the previous reporting period.

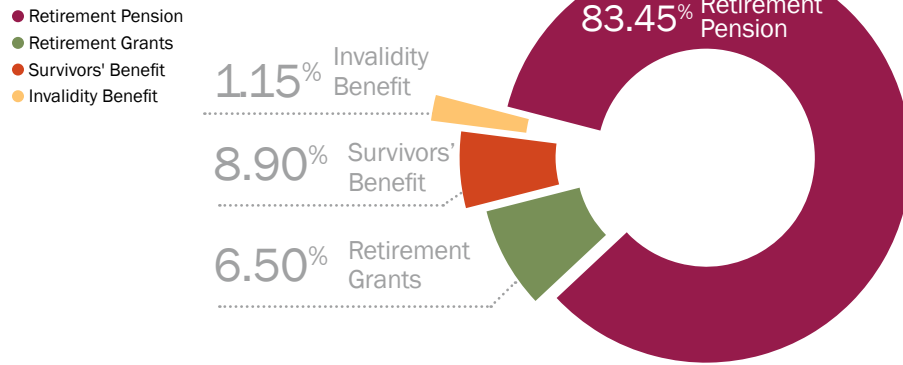
Long-Term Benefits

The Long-Term branch of benefits administered by the NIBTT comprises Retirement (pension and grant), Invalidity and Survivors' benefits (including pension, grant and allowance). There were 202,686 recipients of Long-Term benefits which accounted for 89.44% of total beneficiaries for FY2024, an increase of 3.49% from the 195,859 recorded in FY2023. This group of beneficiaries received 95.88% of the total benefit expenditure amounting to \$6,232.24 Mn, an increase from \$5,880.45 Mn or 95.39% in FY2023. Quite typically, the Retirement Pension accounted for the largest component of Long-Term benefits, totalling \$5,200.46 Mn or 83.45% of total Long-Term Benefit Expenditure.

Table 2. Long-Term Benefits

Benefit Type	Number of Beneficiaries	Benefit Expenditure	% of Total Long-Term Beneficiaries	% of Total Long-Term Expenditure
Retirement Pension	140,473	\$5,200,458,751.49	69.31%	83.45%
Retirement Grants	6,864	\$405,032,642.06	3.39%	6.50%
Survivors' Benefit	52,349	\$554,891,917.70	25.83%	8.90%
Invalidity Benefit	3000	\$71,851,700.83	1.48%	1.15%
Total	202,686	6,232,235,012.08		
% of Total Beneficiaries	89.44%			
% of Total Benefit Expenditure		95.88%		

Long-Term Benefit Expenditure



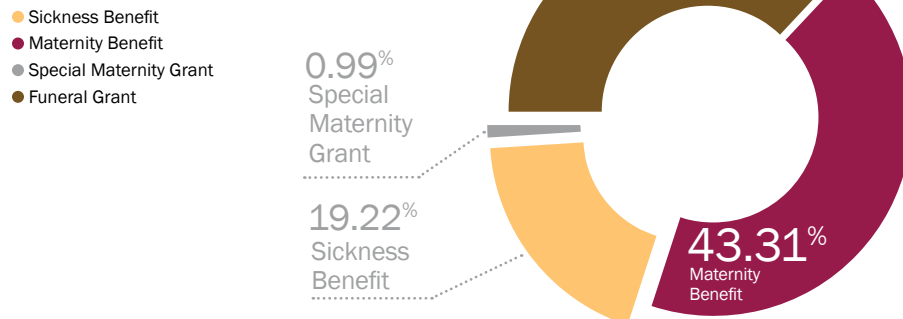
Short-Term Benefits

Short-Term benefits include Sickness, Maternity (grant and allowance), Special Maternity and Funeral Grant. Payment to this group totalled \$193.53 Mn or 2.98% of Total Benefit Expenditure. This represents a decrease from the \$211.92 Mn or 3.44% of Total Benefit Expenditure in FY2023. A similar pattern of decrease was seen in the number of Short-Term beneficiaries falling by 14.66% from 23,292 in FY2023 to 19,877 in FY2024. Recipients of Funeral Grants again accounted for the largest cohort (47.5%) of Short-Term beneficiaries while the Maternity Benefit accounted for the highest percentage (43.31%) of Short-Term benefit expenditure.

Table 3. Short-Term Benefits

Benefit Type	Number of Beneficiaries	Benefit Expenditure	% of Total Short-Term Beneficiaries	% of Total Short-Term Expenditure
Sickness Benefit	5,371	\$37,194,587.44	27.02%	19.22%
Maternity Benefit	4,561	\$83,811,505.28	22.95%	43.31%
Special Maternity Grant	503	\$1,920,000	2.53%	0.99%
Funeral Grant	9,442	\$70,605,000	47.50%	36.48%
Total	19,877	\$193,531,092.72		
% of Total Beneficiaries	8.77%			
% of Total Benefit Expenditure		2.98%		

Short-Term Benefit Expenditure



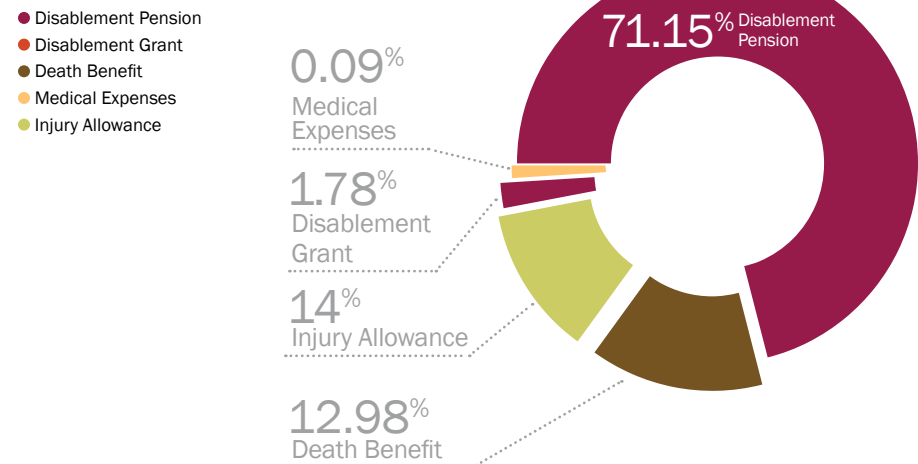
Employment Injury Benefits

Employment Injury Benefits comprise Disablement (Pension and Grant), Death Benefit, Medical Expenses, and Injury Allowance. Payment of Employment Injury benefits totalled \$74.23 Mn or 1.14% of total Benefit Expenditure. This represents an increase of 3.23% over total Employment Injury Benefit expenditure for FY2023 of \$71.91 Mn. There was a 1.82% decrease in Employment Injury Beneficiaries from 4,130 beneficiaries in FY2023 to 4,055 in FY2024. Employment Injury beneficiaries accounted for 1.79% of the total number of beneficiaries.

Table 4. Employment Injury Benefits

Benefit Type	Number of Beneficiaries	Benefit Expenditure	% of Total EIB Beneficiaries	% of Total EIB Expenditure
Disablement Pension	2,973	\$52,814,448.45	73.32%	71.15%
Disablement Grant	28	\$1,320,623.18	0.69%	1.78%
Death	397	\$9,631,862.63	9.79%	12.98%
Medical Expenses	30	\$70,147.42	0.74%	0.09%
Injury allowance	627	\$10,390,133.52	15.46%	14.00%
Total	4,055	\$74,227,215.20		
% of Total Beneficiaries	1.79%			
% of Total Benefit Expenditure		1.14%		

Employment Injury Benefit Expenditure



REVENUE

Contribution Income collected for the year ending June 2024 was \$4,748.91 Mn, \$348.91 Mn above the budgeted estimate of \$4,400.00 Mn for the same period. Income from penalties and interest amounted to \$12.99 Mn in FY2024, an increase of \$1.32 Mn from the \$11.67 Mn collected in the previous year. A comparison of Contribution Income for the years 2020 through 2024, is provided below, showing a steady recovery following the impact of the COVID-19 pandemic beginning in FY2020.

Table 5. Contribution Income for FY2020 to FY2024

	FY2020	FY2021	FY2022	FY2023	FY2024
Contribution Income (\$Mn)	\$4,685.85	\$4,510.37	\$4,530.15	\$4,807.61	\$4,748.91
% Increase/Decrease	-	-3.74%	0.44%	6.12%	-1.22%

Demographic factors continue to impact the NIS, highlighted by an increasing beneficiary base relative to the contributory base. Consequently, Benefit Expenditure has consistently surpassed Contribution Income since financial year 2013. The table below shows the excess of Benefit Expenditure over Contribution Income from FY2020 to FY2024, highlighting a consistent increase every year, with the shortfall accumulating to \$5,995.6Mn over this period. This represents 79% of the total shortfall since FY2013, which has so far amounted to \$7,551.36 Mn.

Table 6. Shortfall in Contribution Income for FY2020 to FY2024

	FY2020	FY2021	FY2022	FY2023	FY2024
Contribution Income (\$Mn)	\$4,685.85	\$4,510.37	\$4,807.61	\$4,807.61	\$4,748.91
Benefit Expenditure (\$Mn)	\$5,350.81	\$5,534.51	\$5,728.90	\$6,164.28	\$6,499.99
Shortfall (\$Mn)	(\$664.96)	(\$1,024.14)	(\$1,198.75)	(\$1,356.67)	(\$1,751.08)

In FY2024 the total shortfall was \$1,751.08 Mn. Net realised Investment Income for the year was \$1,239.93 Mn, hence \$511.15 Mn in assets were used to finance the shortfall between benefit expenditure and total income. These results are consistent with the most recent Actuarial Reviews of the NIS and continue to underscore the need for pension reform as recommended by the International Labour Organization (ILO) in the actuarial review. The need for reform was also highlighted in the International Monetary Fund (IMF) 2024 Article IV consultation report on Trinidad and Tobago.

INVESTMENT

Asset Allocation as at June 30, 2024

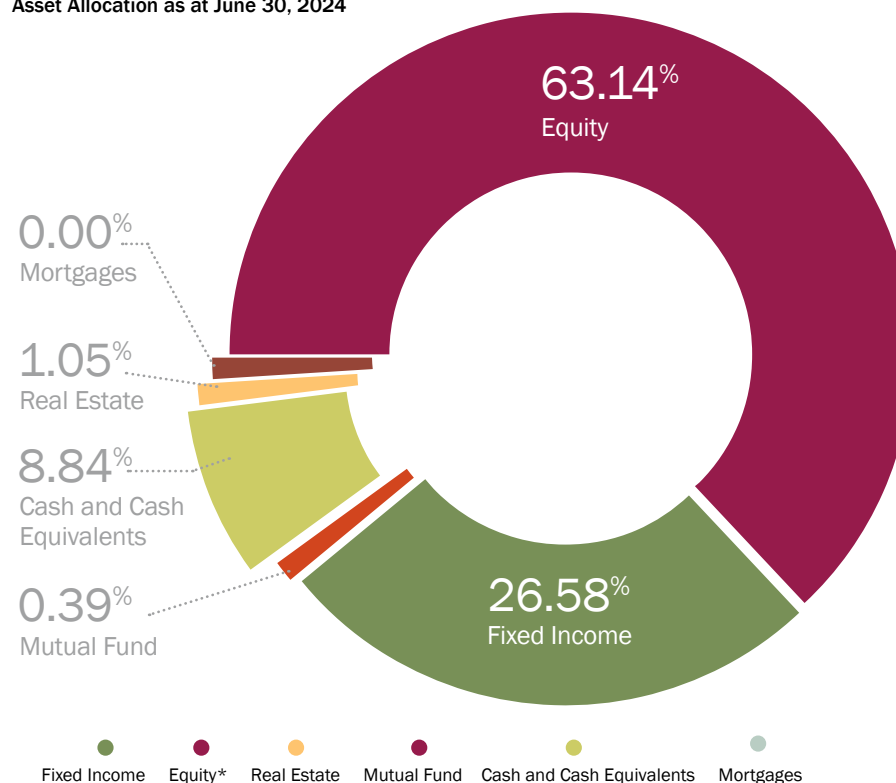


Table 7. Current Asset Allocation

Asset Class	Market Value as at June 30, 2024	Current Asset Allocation
Fixed Income	\$7,179,230,000	26.58%
Equity**	\$17,056,120,000	63.14%
Real Estate	\$283,302,000	1.05%
Mutual Fund	\$105,670,000	0.39%
Cash and Cash Equivalents	\$2,387,312,000	8.84%
Mortgages	\$463,000	0.00%
Total	\$27,012,097,000	100.00%

*Figures based on the draft financials (Based on 20-Sep-2024 for FY 2023/24)

**Includes Investment in subsidiary companies

The NIBTT's investment portfolio as at June 30, 2024 was valued at \$27.01 Bn, representing a \$0.95 Bn or 3.38% decline when compared to the corresponding period at the end of the financial year 2023. The decline in the portfolio's market value was mainly attributable to approximately \$369.57 Mn in unrealised losses as well as the withdrawal of TT\$1.96 Bn to finance the NIS deficit during the financial year.

At the start of FY2024, the global economy grappled with the hurdles on its path to a much-needed recovery, including escalating geopolitical tension, and the growing trend of deglobalization and trade protectionism. However, economic activity showed some rebound towards the latter half of the financial year following the stagnation seen in many western economies over 2023. The IMF in its April 2024 World Economic Outlook (WEO) stated global economic activity showed resilience through early 2024, supported by robust private consumption in key economies.

In the US, its Federal Reserve (the Fed) kept its short-term benchmark rate steady with only one rate hike in July 2023 from 5.25% to 5.50%. The Fed's stance at that time included balancing the risks between controlling inflation and supporting employment. The Core Personal Consumption Expenditures (PCE) inflation showed some downward pressure, registering 2.6% year-over-year in June 2024, with market players expressing some concern that not acting to lower rates could hamper confidence in the economy. The US stock market represented by the S&P 500 Index benchmark advanced by 24.54% on a year-on-year period, ending June 30, 2024, compared to the prior year's 19.57%.

The geographical composition of the NIBTT's portfolio was approximately 70.02% invested in Trinidad and Tobago, while the remaining 29.98% in North America as at the end of June 2024. Furthermore, the two primary sector exposures were Financial (36.39%) and Sovereign (15.28%).

The NIBTT's overall equity portfolio stood at \$17.06 Bn, which accounted for the largest asset class at 63% of the total fund size at the end of FY2024. This market value represented a decline of \$9.61 Mn or 0.06% when compared to the prior financial year. It is noted that the Fund's locally listed equity portfolio underperformed its benchmark, the ALL T&T Index return of -5.16% by 385 basis points, due to the portfolio's overweight position to specific assets.

Meanwhile, the much-anticipated merger between Trinidad & Tobago Mortgage Finance (TTMF) and Home Mortgage Bank (HMB) was effected on January 17, 2024 during the NIBTT's third quarter of FY2024. This has culminated in the creation of a new subsidiary entity for NIBTT called Trinidad & Tobago Mortgage Bank (TTMB). This merger is a thrust to improve synergies and economies of scale thereby significantly reducing pre-existing expenses and ultimately reduce the cost of mortgage lending for low and middle-income earners.

The international equity portfolio continued to be the main driver of the National Insurance Fund advancing by approximately 23.97%, from a total return perspective, primarily US market centric. Factors inclusive of the emergence of

AI (Artificial Intelligence), favourable growth prospects and tempered inflationary pressures in advanced economies, spurred hopes of a reduction in the US benchmark interest rate. This coupled with looming U.S. elections provided support for a buoyant US equity market.

As at June 30, 2024, the Fixed Income portfolio decreased by 18.40% or \$1.62 Bn to \$7.18 Bn with a weighted average purchased yield to maturity of 5.06%. During the financial year approximately \$1.39Bn in fixed income securities matured, with new purchases amounting to \$216Mn. Investment activity was hindered as fixed income maturities were used to fund the liquidity gap of the NI System in the absence of the adoption of key reform measures. The portfolio primarily consists of government and government guaranteed local debt instruments which accounted for approximately 54.65% of the fixed income portfolio.

Regarding the local economy, IMF in its 2024 Article IV Consultation with Trinidad and Tobago noted that the economy is undergoing a gradual and sustained economic recovery. Real Gross Domestic Product (GDP) is estimated to have further expanded by 2.1% in 2023, reflecting a strong performance of the non-energy sector. Further, the IMF stated that inflation declined sharply, mainly due to decelerating global food and imported goods prices.

S&P Global Ratings affirmed Trinidad and Tobago's BBB- credit rating, with a stable outlook on July 26, 2023. The affirmation reflects the sovereign's favourable external profile and stable democracy. According to S&P, the rating reflects still-solid government financial assets that mitigate the effect of economic cycles on fiscal and external performance.

On June 14, 2024, Moody's Ratings (Moody's) revised the outlook for the Government of Trinidad & Tobago from "Positive" to "Stable" and affirmed the Ba2 long-term local and foreign currency issuer and senior unsecured ratings. The rating agency indicated that the change in the outlook to stable is driven by increasing external vulnerability risks as highlighted by the accelerated pace of drawdowns in liquid foreign exchange reserves observed over the first four months of 2024.

The NIBTT's ability to service the liquidity needs of the NIS continued to be of paramount importance. For the FY2024, withdrawals totalled \$1.96Bn, an increase of over 30% compared to last financial year's \$1.5Bn. The increasing liquidity needs of the system has the potential to hinder the growth of the portfolio as funds are being prioritized for withdrawals and the consequent risk averse nature of portfolio management strategies considering the current liquidity situation.

The NIBTT's investment holdings recorded a net unrealised investment loss over the period of TT\$369.57 Mn with the equity and fixed income investments contributing losses of \$296.27 Mn and \$77.70 Mn respectively. The unrealised losses from these two asset classes totalled \$373.97 Mn.

Additionally, total realised investment income amounted to \$1.26 Bn, with the main contributors being dividend income from local equities totalling \$410.79 Mn, gains from the sale of foreign equity holdings amounting to \$369.35 Mn and interest income from local bonds of \$342.90 Mn.

Table 8: Net Unrealised Investment Income/Loss

Year on Year Net Unrealised Investment Income (\$'000)		
Asset Class	2023/2024	2022/2023
Equity	-296,272	-238,572
Bonds	-77,696	-3,889
Mutual Funds	4,400	-48,113
Total	-369,568	-290,574

Table 9: Total Realised Investment Income

Year on Year Total Realised Investment Income (\$'000)		
	2023/2024	2022/2023
Interest Income	\$342,903	\$386,721
Dividend Income	\$410,791	\$370,899
Gain on sale of foreign equities	\$369,347	\$42
Loss on sale of Local equities	\$0.00	-\$14,857
Gain/(loss) from foreign exchange	-\$40,961	-\$4,224
Gain on sale of foreign bonds	\$0.00	\$0
Gain on sale of Investment Property	\$0.00	\$2,000
Gain/ (loss) on sale of mutual funds	\$0.00	\$51,653
Other Income	\$176,580	\$140,760
Total Realised Investment Income	\$1,258,660	\$932,994

Operational Highlights

The sections that follow focus on other aspects of the NIS or NIBTT's operations which are not explicitly defined within the requirements of NIBTT's Annual Report compliance obligation, but which offers useful information on the organization's performance that may be of interest to stakeholders.

One-Year Tactical Plan for FY2025

The anticipated expiration of the NIBTT's current Strategic Plan (Vision 2024) on June 30, 2024, led to procurement activities to secure a vendor for facilitating the development of a new five-year Strategic Plan. However, given the resource demand and prioritization of the EMPOWER digital transformation project, the organization took the decision to implement a one-year transitional Tactical Plan for FY2025, with the new five-year planning cycle resuming in financial year 2026.

Digital Transformation

In FY2024, the NIBTT committed itself to efforts related to the implementation of the EMPOWER project which was integral to NIBTT's Vision 2020-2024 emphasis on leveraging technology. EMPOWER is NIBTT's comprehensive innovative digital solution, designed to address key strategic and organisational needs with a clear customer-centric focus. The impetus for the EMPOWER project was the need to replace outdated technology systems that have served NIBTT for over twenty (20) years. With evolving customer expectations and advancements in technology, a modern, multi-tiered, web-enabled approach is required to ensure optimal business efficiency. The successful implementation of this End-To-End ICT solution, comprising 49 modules, will support and integrate the following six (6) key areas of the NIBTT's operations:

1. Insurance Operations
2. Human Resources and Payroll
3. Finance and Accounting
4. Technology
5. Data and Information Management
6. Customer and Stakeholder Relationship Management

During the financial year, significant progress was made on the 'Configure and Build' as well as the 'Test and Validate' phases of the project. These phases were accompanied by technical reviews as well as change management exercises to ensure that all relevant internal stakeholders have sufficient input into the new system and are apprised of the forthcoming changes in operations.

It is anticipated that when completed, EMPOWER will result in the following benefits:

1. Faster turnaround for the settlement of claims.
2. Standardization of processes throughout the Service Centre Network.
3. Less Service Centre traffic.
4. Improved accountability through easier asset auditing.
5. Reduced downtime for core business services.
6. Shorter payroll processing time.
7. Improved access to data analytics to generate organizational insights.
8. Ease in generating staff information.
9. Reduction in Industrial Relations grievances.
10. Reduction in errors in the capture of individual contribution records.

With respect to the EMPOWER project, the following milestones were achieved during the financial year:

- The successful completion and testing of the *Human Capital Management* module within the final quarter of the FY2024.
- The completion of the 'Design & Discovery' phase for the Finance and Accounting *Fusion* module in the 2nd quarter.
- The completion of IT EMPOWER Pods as part of the *Nutanix and Network Refresh* projects which will provide simpler and improved infrastructure as well as boost the NIBTT's Business Continuity capacity. These works are critical to support the Insurance Operations module, which is currently in the 'Configure and Build' phase.

In the final quarter of FY2024, to ensure fullest engagement of our internal stakeholder, the NIBTT held several outreach caravan events at our various office locations. These outreach workshops were intended to provide updates and encourage dialogue with staff on the EMPOWER project, with discussions focused on the impact of the EMPOWER upgrades on all internal Business Units and Departments. We are therefore confident that all internal stakeholders are fully committed and excited for the "go live" of the different modules in the coming financial year.

Manpower, Staff Training and Welfare

During the year, significant effort was also placed on the 'discovery and design', 'configure and build' and the 'test and validate' phases of the Human Capital Management module of EMPOWER. This module is carded to launch in the new financial year and will positively transform how we engage with our staff. Leave, salary slip and job letter requests, among other Human Resource engagement, will be done at the click of a button, providing a more efficient and timely response to staff needs.

Additionally, priority was also placed on filling critical vacant positions and staff training, whilst maintaining a safe and healthy working environment. During the financial year, 39 positions were filled compared to 180 in FY2023. At the end of FY2024, the approved staff complement stood at 755 with a permanent staff headcount of 639. Additionally, the NIBTT has exposed a total of 66 employees to a total of 22 Training Programmes, with 3 being held internally, and 19 being held externally.

In keeping with the thrust towards the EMPOWER upgrades, several unplanned training programmes were accessed for staff. These ad-hoc programmes fed directly into the achievement of strategic and corporate targets.

Customer Service Delivery

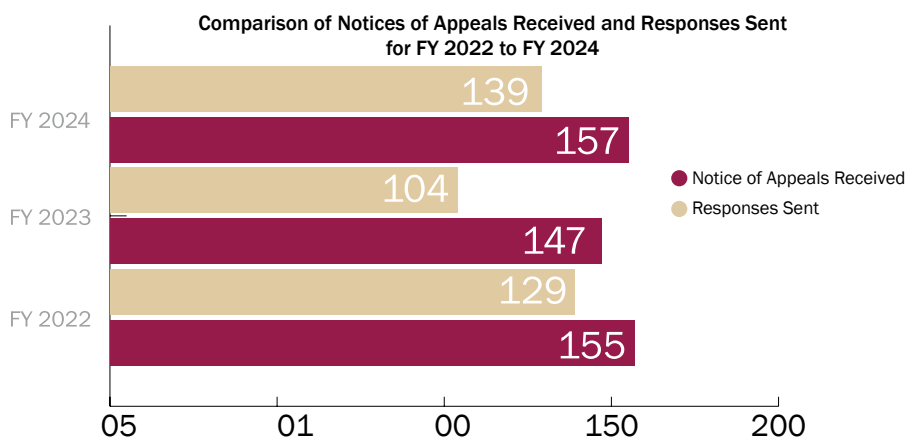
A key priority of NIBTT's operations is its customer service delivery. This lies at the heart of the NIBTT experience as all participants within the NIS must at some point interface with representatives of Service Centres, Customer Care Centre or other offices. The Appointment and Queue Management system instituted previously continues to assist NIBTT in managing its walk-in customers in a manner that ensures that customers wait time is minimised.

In accordance with our drive to improve and standardise our network of service centre locations, during the financial year the NIBTT acquired a property at 60-62 Lady Hailes Avenue in San Fernando which will be the location of our South Corporate Headquarters. This facility will accommodate approximately fifty (50) permanent members of staff of the NIBTT and will house our new, state-of-the-art San Fernando service centre, which will be moved from its current location at Harris Promenade. The new South Corporate Headquarters will also contain training/conferences facilities, as well as offices to facilitate remote working arrangements for officers who would otherwise have to commute further north for work. Such changes are in line with our overall push towards modernisation and digital transformation.

Additionally, to improve the timeliness in updating contribution records, a data capture project was implemented in two phases. Phase I was completed with a total of 5.5 million records and 234,611 documents digitized. Phase II was launched and is currently in progress. This work will continue into FY2025 as it forms a key pillar of the work to be included in the ongoing EMPOWER upgrades and is complementary to the modules being developed to facilitate more efficient claims processing and contributions collections.

Appeals

Claimants aggrieved by decisions of the NIBTT with respect to determination of their claims continue to exercise their right of appeal. At the close of FY2024, 157 Notices of Appeals were received from the National Insurance Appeals Tribunal a body independent of the NIBTT, representing a 6.8% increase from the 147 received in FY2023. Of the 157 Notices of Appeals 106 concerned Long Term benefits, 29 concerned Short Term benefits and 22 concerned Employment Injury benefits. The NIBTT forwarded 139 responses to the National Insurance Appeals Tribunal.



During FY2024, 109 matters were heard by the National Insurance Appeals Tribunal, of which 25 were allowed, 18 were dismissed, 60 were adjourned and 6 were withdrawn. Payments totalling \$2,088,488.33 were made in respect of allowed matters. At the end of FY2024, there were 1,721 matters awaiting a hearing date. This represents an increase of 3.6% when compared to the 1,661 matters at the end of FY2023.

Education & Outreach

Outreach sessions were conducted throughout the year, with a brief disruption in December 2023 and January 2024 due to the ransomware attack. The NIBTT was able to participate in engagements with external stakeholders, employee/ employer representatives, private sector as well as public and quasi-public institutions to facilitate pop-up booths or other educational interventions at these events. The NIBTT was able to place booths at health fairs such as those held periodically by regional health authorities, trade conventions, career fairs/days held by local educational institutions as well as at the invitation of companies seeking to provide their employees with easier access to information on NIBTT benefits and processes.

For FY2024, a total of 12,557 participants were engaged through education initiatives which consisted of 6,387 participants at workshops/seminars and 6,170 at other outreach events. It is important to note, however, that this number does not take into consideration the persons educated on NIS-related matters through marketing efforts via newspapers, social media, digital media, radio etc.

The figures recorded for the current year represent a significant increase when compared to the previous reporting period FY2023, in which 4,639 participants were engaged. This increase can be attributed to more employers making use of NIBTT workshops and seminars via both virtual platforms as well as in-person sessions during FY2024. Going forward, with the continuing roll-out of EMPOWER, our public education drive will be of even greater significance as we mobilise to sensitise employers and claimants on our upgraded services and how they stand to benefit.

Conclusion and Acknowledgements

FY2024 involved tremendous internal mobilisation and coordination with respect to EMPOWER, with significant work accomplished toward implementation of our major transformational agenda. This could not be possible without the guidance of the Board of Directors as well as the commitment of staff who have been instrumental to the delivery of this project. I would like to make special mention of our Information Technology, Human Resource and Insurance Operations Business Units which have gone above and beyond to help drive this project forward to the point of impending launch in FY2025.

Looking toward to FY2025, we are excited to unveil EMPOWER to our customers, especially our new digital processes for contribution payment and claims submission. We are committed to building on the many lessons learned over the years as the administrators of the National Insurance System while collaborating with our key stakeholders with a view to addressing the challenges faced by the System and offering solutions in pursuit of our mission as an organisation.

Niala Persad-Poliah
Executive Director

FINANCIAL **statements** 2023-2024



THE NATIONAL INSURANCE BOARD OF TRINIDAD AND TOBAGO

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying special purpose financial statements of The National Insurance Board of Trinidad and Tobago ('the Board' or 'NIBTT') which comprise the statement of financial position as at 30 June 2024 and the statements of comprehensive loss, cash flows and changes in funds for the year then ended, and a summary of material accounting policy information;
- Ensuring that the Board keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Board's assets, detection/prevention of fraud, and the achievement of entity's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the National Insurance Act 35 of 1971; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited special purpose financial statements, management utilised the financial reporting provisions of the National Insurance Act. Where the financial reporting provisions of the National Insurance Act is not clear reference is made to International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago to determine the Board's alternative accounting treatments. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Board will not remain a going concern up to the date the accompanying special purpose financial statements have been authorised for issue.

Management affirms that it has carried out its responsibilities as outlined above.



Executive Director
27 September 2024



Chief Operating Officer – Corporate Services

Report on the Audit of the Special Purpose Financial Statements

Our Opinion

We have audited the special purpose financial statements of The National Insurance Board of Trinidad and Tobago ("the Board"), which comprise the statement of financial position as at 30 June 2024, the statement of comprehensive loss, statement of cash flows and the statement of changes in funds for the year then ended, and notes to the special purpose financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the financial position of the Board as at 30 June 2024 and its financial performance and its cash flows for the year then ended in accordance with the financial reporting provisions of The National Insurance Act.

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 Special Purpose Financial Statements* section of our report. We are independent of the Board in accordance with the International Ethics Standards Board for Accountants' ("IESBA") International Code of Ethics for Professional Accountants (including International Independence Standards) ("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.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 4 of the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared to assist the Minister of Finance of the Government of Trinidad and Tobago in meeting their reporting requirements under the National Insurance

Act. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the Government of Trinidad and Tobago, and may be made available to the Inspector of Financial Institutions of the Central Bank of Trinidad and Tobago and should not be distributed to or used by parties other than those stipulated. Our opinion is not modified in respect of this matter.

Other information included in the Board's 2024 Annual Report

Other information consists of the information included in the Board's 2024 Annual Report, other than the special purpose financial statements and our auditor's report thereon. Management is responsible for the other information. The Board's 2024 Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

Responsibilities of Management and the Audit, Risk and Compliance Committee for the Special Purpose Financial Statements

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

In preparing the special purpose 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 realistic alternative but to do so.

The Audit, Risk and Compliance Committee is responsible for overseeing the Board's financial reporting process.

Report on the Audit of the Special Purpose Financial Statements

(Continued)

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 special purpose 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 special purpose 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 Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit, Risk and Compliance Committee 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.



Port of Spain
TRINIDAD
27 September 2024

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)

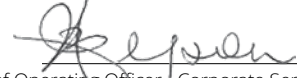
	Notes	2024 \$'000	2023 \$'000
Assets			
Property, plant and equipment	5	248,513	210,438
Investment properties	6	283,302	303,481
Investment in subsidiary companies	7	1,951,370	1,837,350
Investment securities	8	22,389,650	24,127,275
Mortgage advances	9	463	593
Property being developed for sale	10	4,167	613
Right-of-use assets	11	10,736	9,439
Other assets	12	1,172,346	1,260,675
Post-employment benefit asset	13	17,931	–
Cash and cash equivalents	14	<u>2,387,312</u>	<u>1,688,785</u>
Total assets		<u>28,465,790</u>	<u>29,438,649</u>
Funds, reserves and liabilities			
Long-term benefits fund	15	26,962,351	27,844,090
Short-term benefits fund	15	387,060	423,840
Employment injury benefits fund	15	<u>742,270</u>	<u>719,060</u>
Total funds		<u>28,091,681</u>	<u>28,986,990</u>
Revaluation reserve	16	<u>72,564</u>	<u>72,564</u>
Total funds and reserves		<u>28,164,245</u>	<u>29,059,554</u>
Lease liabilities	11	10,833	10,284
Post-employee benefit liability	13	–	52,746
Other liabilities	17	<u>290,712</u>	<u>316,065</u>
Total liabilities		<u>301,545</u>	<u>379,095</u>
Total funds, reserves and liabilities		<u>28,465,790</u>	<u>29,438,649</u>

The accompanying notes form an integral part of these special purpose financial statements.

These special purpose financial statements have been authorised for issue on 27 September 2024.


Chairman


Executive Director


Chief Operating Officer / Corporate Services

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

(Expressed in Trinidad and Tobago Dollars)

	Notes	2024 \$'000	2023 \$'000
Income			
Contributions			
Employers in compliance		4,267,835	4,260,549
Employers in arrears		481,677	547,102
Voluntary		<u>489</u>	<u>90</u>
		4,750,001	4,807,741
Refunds		<u>(1,088)</u>	<u>(131)</u>
Total net contributions		<u>4,748,913</u>	<u>4,807,610</u>
Net realised investment income	18	1,239,929	897,907
Net unrealised investment (loss)	19	(369,568)	(290,574)
Gain on revaluation of subsidiaries	7	114,020	117,033
(Loss)/gain on revaluation of investment properties	6	(4,621)	3,900
Penalties and interest		12,991	11,666
Miscellaneous income		<u>2,865</u>	<u>3,303</u>
Total income		<u>5,744,529</u>	<u>5,550,845</u>
Expenditure			
Benefits expenditure			
Long-term		6,232,236	5,880,449
Short-term		193,530	211,920
Employment injury		<u>74,227</u>	<u>71,906</u>
Total benefits expenditure		<u>6,499,993</u>	<u>6,164,275</u>
Administrative expenditure			
Staff salaries, allowances and benefits	20	171,512	163,835
Board of Directors expenses		867	1,005
Depreciation	5	9,404	9,362
Depreciation – right-of-use assets	11	6,827	7,006
Expected credit loss (write-back)/charge	12	(42,435)	34,299
Other expenses	21	<u>64,347</u>	<u>65,428</u>
Total administrative expenditure		<u>210,522</u>	<u>280,935</u>
Other			
Pension expense		<u>18,531</u>	<u>13,449</u>
Total other		<u>18,531</u>	<u>13,449</u>
Total expenditure		<u>6,729,046</u>	<u>6,458,659</u>
Deficit of expenditure over income		(984,517)	(907,814)
Re-measurement of defined benefit asset/(liability)	13	<u>89,208</u>	<u>(60,640)</u>
Total comprehensive (loss)		<u>(895,309)</u>	<u>(968,454)</u>

The accompanying notes form an integral part of these special purpose financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)

	2024	2023
	\$'000	\$'000
Cash flows from operating activities		
Deficit of expenditure over income	(984,517)	(907,814)
Adjustments:		
Unrealised investment loss	369,568	290,574
Gain from foreign exchange	40,961	4,224
Depreciation	9,404	9,362
Depreciation – right-of-use assets	6,827	7,006
Pension expense	18,531	13,449
Revaluation of investment in subsidiary companies	(114,020)	(117,033)
Revaluation of investment properties	4,621	(3,900)
Revaluation of property, plant and equipment	–	–
Adjustments to property, plant and equipment	<u>7,924</u>	<u>14,100</u>
Deficit before working capital changes	(640,701)	(690,032)
Decrease in mortgage advances	130	248
Decrease in other assets	(34,867)	(319,952)
Increase in other liabilities	<u>44,190</u>	<u>124,026</u>
Cash used in operations	(631,248)	(885,710)
Repayment of principal portion of lease liabilities	<u>(7,959)</u>	<u>(7,594)</u>
Net cash (used in) operating activities	(639,207)	(893,304)
Cash flows from investing activities		
Purchase of property, plant and equipment	(47,505)	(4,086)
Purchase of investments	(3,992,405)	(4,514,780)
Purchase of investment in subsidiary	1,100,000	–
Sale of investment in subsidiary	(1,100,000)	–
Sale/maturity of investments	<u>5,377,644</u>	<u>3,818,364</u>
Net cash generated/(used in) investing activities	<u>1,337,733</u>	<u>(700,502)</u>
Net (decrease) in cash and cash equivalents	698,527	(1,593,806)
Cash and cash equivalents at beginning of the year	<u>1,688,785</u>	<u>3,282,591</u>
Cash and cash equivalents at the end of the year	<u>2,387,312</u>	<u>1,688,785</u>

The accompanying notes form an integral part of these special purpose financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)

	Long-term benefits		Short-term benefits		Employment injury benefits		Total funds	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fund balance as at 1 July	27,844,090	28,815,950	423,840	449,984	719,060	689,510	28,986,990	29,955,444
Income								
Contribution	4,215,103	4,278,292	291,169	287,976	242,641	241,342	4,748,913	4,807,610
Penalties and interest	12,808	11,489	58	61	125	116	12,991	11,666
Revaluation of subsidiaries	114,020	117,033	–	–	–	–	114,020	117,033
Revaluation of investment properties	(4,621)	3,900	–	–	–	–	(4,621)	3,900
Net realised investment income	1,222,463	884,259	5,507	4,579	11,959	9,069	1,239,929	897,907
Net unrealised investment (loss)/income	(364,394)	(286,157)	(1,663)	(1,511)	(3,511)	(2,906)	(369,568)	(290,574)
Miscellaneous income	2,865	3,303	–	–	–	–	2,865	3,303
Total income	<u>5,198,244</u>	<u>5,012,119</u>	<u>295,071</u>	<u>291,105</u>	<u>251,214</u>	<u>247,621</u>	<u>5,744,529</u>	<u>5,550,845</u>
Expenditure								
<i>Benefits</i>								
Retirement benefit	5,200,459	4,977,349	–	–	–	–	5,200,459	4,977,349
Survivors benefit	554,892	533,105	–	–	–	–	554,892	533,105
Invalidity benefit	71,852	73,674	–	–	–	–	71,852	73,674
Retirement grant	405,033	296,321	–	–	–	–	405,033	296,321
Funeral grant	–	–	70,605	71,963	–	–	70,605	71,963
Sickness benefit	–	–	37,194	39,935	–	–	37,194	39,935
Maternity benefit	–	–	83,811	97,780	–	–	83,811	97,780
Special maternity	–	–	1,920	2,242	–	–	1,920	2,242
Employment injury	–	–	–	–	74,227	71,906	74,227	71,906
	<u>6,232,236</u>	<u>5,880,449</u>	<u>193,530</u>	<u>211,920</u>	<u>74,227</u>	<u>71,906</u>	<u>6,499,993</u>	<u>6,164,275</u>
Administrative expenditure	181,920	250,004	15,601	16,800	13,001	14,131	210,522	280,935
Pension expense	18,270	13,231	82	63	179	155	18,531	13,449
Total expenditure	<u>6,432,426</u>	<u>6,143,684</u>	<u>209,213</u>	<u>228,783</u>	<u>87,407</u>	<u>86,192</u>	<u>6,778,539</u>	<u>6,458,659</u>
Surplus/(deficit)	(1,234,182)	(1,131,565)	85,858	62,322	163,807	161,429	(984,517)	(907,814)
Other comprehensive Income/(loss)	87,950	(59,657)	401	(285)	857	(698)	89,208	(60,640)
Transfers	264,493	219,362	(123,039)	(88,181)	(141,454)	(131,181)	–	–
Fund at end of year	<u>26,962,351</u>	<u>27,844,090</u>	<u>387,060</u>	<u>423,840</u>	<u>742,270</u>	<u>719,060</u>	<u>28,091,681</u>	<u>28,986,990</u>

The accompanying notes form an integral part of these special purpose financial statements.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

(Expressed in Trinidad and Tobago Dollars)

1. Incorporation and principal activity

The National Insurance Board of Trinidad and Tobago (NIBTT or the Board) was incorporated under the National Insurance Act No. 35 of 1971 (The National Insurance Act), as subsequently amended, and commenced operations in 1972. The principal activity of NIBTT is to carry out the requirements of The National Insurance Act in providing social security benefits to the insurable population of Trinidad and Tobago. The registered office is located at 14-19 Queen's Park East, Port-of-Spain, Trinidad and Tobago.

2. Actuarial review

Section 70 (1) of The National Insurance Act requires an Actuarial Review of the National Insurance System (NIS) at intervals not exceeding five years. The 11th Actuarial Review was conducted as at 30 June 2020 and was completed by the International Labour Organization (ILO) on 26 September 2022. The report was submitted to the Minister of Finance in October 2022. The 12th Actuarial Review is in the processing of commencing. The main objectives of these reviews are to assess the long-term financial condition of the National Insurance Fund and to make recommendations for improving its sustainability.

In general, contribution receipts and benefit payments are based on a system of earnings classes. The contribution amount is paid by the employer and the employee in a proportion of two-thirds/one-third respectively. Benefits are grouped into three funds: long-term benefits, short-term benefits and employment injury benefits. The total benefit expenditures and administrative expenses are now funded by contribution income, investment income and cash reserves in the National Insurance fund. At present the fund is meeting all its obligations.

3. Legislative amendments

The following legislative amendments were proposed in line with recommendations of the 11th Actuarial Report:

- i. Increase the contribution rate to 17.2 percent;
- ii. The parameters of the system should be automatically adjusted and the minimum pension should be frozen until it is at most 80 per cent of the minimum wage;
- iii. Gradually increase from 60 to 65 the age at which the full NIS pension may be received, by reducing pensions by 6 percent for each year of retirement before the stipulated retirement age.

These recommendations were reassessed in the 11th Actuarial Review. The results of this review will be made public once it has been laid in Parliament.

4. Summary of material accounting policies

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

a. Basis of preparation

These special purpose financial statements are prepared in accordance with the financial reporting provisions of The National Insurance Act. In cases where the financial reporting provision is not clear or does not address particular situations, reference is made to International Financial Reporting Standards (IFRS) for guidance in determining NIBTT's accounting policy. The Board and management of NIBTT are currently reviewing its financial reporting framework to determine whether it can in the future prepare its special purpose financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)
(Continued)

4. Summary of material accounting policies (Continued)

a. Basis of preparation (Continued)

These special purpose financial statements are the parent company unconsolidated financial statements of NIBTT. NIBTT does not prepare consolidated financial statements. Further, these special purpose financial statements are prepared on the historical cost basis, except for the following items in the statement of financial position:

- » Investment securities are measured at fair value;
- » Investment properties are measured at fair value;
- » Investments in subsidiary companies are measured at fair value;
- » Artwork and freehold properties classified as property, plant and equipment are measured at fair value;
- » The defined benefit asset/liability is recognised as plan assets, plus unrecognised past service cost, less the present value of the defined benefit obligation and based on actuarial valuations.

The preparation of these special purpose financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Information about critical estimates in applying accounting policies that have the most significant effect on the amounts recognised in the special purpose financial statements is included in Note 4q.

b. Right-of-use assets and lease liabilities

The NIBTT assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The NIBTT as a lessee

The NIBTT applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The NIBTT recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

The NIBTT recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- » Land and building 3 – 10 years
- » Office equipment 3 – 4 years

If ownership of the leased asset transfers to the NIBTT at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)
(Continued)

4. Summary of material accounting policies (Continued)

b. Right-of-use assets and lease liabilities (Continued)

ii. Lease liabilities

At the commencement date of the lease, the NIBTT recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the NIBTT uses its incremental borrowing rate at the lease commencement date, if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short-term leases and leases of low-value assets

The NIBTT applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term. The NIBTT recognised rent expense from low-value leases of \$1.38 million for the year ended 30 June 2024 (2023: \$1.64 million).

c. Investment in subsidiary companies

Subsidiaries are all entities over which the NIBTT has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. These are as follows:

Companies	Percentage ownership	
	2024	2023
National Insurance Property Development Company Limited (NIPDEC)	100%	100%
Trinidad and Tobago Mortgage Bank (TTMB) [formerly Trinidad and Tobago Finance Company Limited (TTMF) Class A shares]	51%	51%
Trinidad and Tobago Mortgage Bank (TTMB) [formerly Trinidad and Tobago Finance Company Limited (TTMF) Class B shares]	100%	-%
Home Mortgage Bank (HMB)	-%	100%

Investment in subsidiary companies are initially recorded at cost and adjusted to fair market value based on valuations conducted by an independent professional valuator. Gains and/or losses arising from the change in fair value are included in the statement of comprehensive income.

Investment in subsidiary companies are valued by an independent valuator and are based on the assumption that they will continue to operate as going concerns and that the principal activities and legal structure of the companies will remain unchanged. TTMB was valued utilizing primarily the market comparable and the adjusted net asset value approach with the adjusted net asset value continuing to be the primary valuation method used for NIPDEC. The Board deems these approaches to be most applicable to the individual entities.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)
(Continued)

4. Summary of material accounting policies (Continued)

d. Foreign currency

i. Functional and presentation currency

Items included in these special purpose financial statements are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). These special purpose financial statements are presented in Trinidad and Tobago dollars, which is NIBTT’s functional and presentation currency, unless otherwise stated.

ii. Foreign currency

Transactions in foreign currencies are initially recorded at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at the rate of exchange ruling on the reporting date as obtained from the Central Bank of Trinidad & Tobago. All differences arising are taken to the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

e. Cash and cash equivalents

Cash and cash equivalents, for the purpose of the statement of cash flows, represent cash and bank balances and highly liquid investments with a maturity period of three months or less.

f. Financial assets

Classification and measurement

Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Purchase or sales of financial assets are recognized on the trade date, which is the date on which NIBTT commits to purchase or sell the asset.

NIBTT’s financial assets include cash and cash equivalents, investment securities, mortgage advances and other assets.

NIBTT has applied IFRS 9 and classifies its financial assets in the following measurement categories:

i. Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (‘SPPI’), and that are not designated at FVPL, are measured at amortised cost (AC). The carrying amount of these assets is adjusted by any ECL allowance recognised. NIBTT classified cash and cash equivalents, mortgage advances and other assets at AC.

ii. Fair value through other comprehensive income

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in statement of comprehensive income. NIBTT did not classify any of its financial assets as FVOCI.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)

(Continued)

4. Summary of material accounting policies (Continued)

f. Financial assets (Continued)

iii. Fair value through profit or loss

Assets that do not meet the criteria for AC or FVOCI are measured at fair value through profit or loss (FVPL). A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in the statement of comprehensive income in the year in which it arises. NIBTT on initial recognition, irrevocably designate a financial asset that otherwise meets the requirements to be measured at AC or FVOCI as FVPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets held for trading or are managed and whose performance is evaluated on a fair value basis, are measured at fair value through statement of comprehensive income. NIBTT classified investment securities at FVPL.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as mortgage advances, government and corporate bonds and floating NAV mutual funds.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares. Subsequent to initial recognition, NIBTT measures all equity investments at fair value, and changes in the fair value of equity instruments are recognised in the statement of comprehensive income.

Classification and measurement (Continued)

Classification and subsequent measurement of debt and equity instruments depend on:

- a. NIBTT's business model for managing the asset; and
- b. the cash flow characteristics of the asset.

NIBTT performed a detailed analysis of its business models for managing financial assets and analysis of their cash flow characteristics.

Business model assessment

The business model reflects how NIBTT manages the assets in order to generate cash flows. Factors considered by NIBTT in determining the business model include:

- » past experience on how these cash flows were collected;
- » the past and future objectives of the portfolio. Specifically, whether NIBTT's objective is solely to collect contractual cash flows or to collect both contractual cash flows and cash flows from the sale of the assets;
- » determination of assets performance and how this is evaluated and reported to key management personnel; and
- » NIBTT's assessment of risk and how these are managed.

NIBTT's main objective for holding financial assets is to provide liquidity support to its Insurance Operations. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the business model and measured at FVPL. An assessment was performed by NIBTT which noted that there would be a liquidity gap in the near future resulting in NIBTT having to sell some of its financial assets. Therefore, the main factor affecting how NIBTT manages its investment portfolio is future liquidity requirements.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)

(Continued)

4. Summary of material accounting policies (Continued)

f. Financial assets (Continued)

Classification and measurement (Continued)

The solely payments of principal and interest (SPPI) test

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, NIBTT assesses whether the financial assets' cash flows represent solely payments of principal and interest. In making this assessment, NIBTT considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVPL.

NIBTT reclassifies debt instruments when and only when its business model for managing those assets changes. The re-classification takes place from the start of the first reporting year following the change. Such changes are expected to be very infrequent and none occurred during the current year.

Recognition and de-recognition

NIBTT's financial assets and financial liabilities are recognised in the statement of financial position when it becomes party to the contractual obligation of the instrument. A financial asset is derecognised when the right to receive the cash flows from the asset has expired or where NIBTT has transferred all the risks and rewards of ownership of the asset. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. All "regular way" purchases and sales are recognised at settlement date.

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received is recognised in the statement of comprehensive income. In addition, on de-recognition of an investment in a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified to the statement of comprehensive income.

Modification of financial assets

If the terms of financial assets have been modified, NIBTT assesses whether or not the new terms are substantially different to the original terms. If the terms are substantially different, NIBTT derecognises the original financial assets and recognises a new financial asset at fair value. The date of modification is consequently considered to be the date of initial recognition for impairment purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. NIBTT also assesses whether the new financial asset is deemed to be credit impaired at initial recognition. Differences in the carrying amount are also recognized in statement of comprehensive income as a gain or loss on derecognition.

If the terms are not substantially different, the modification of the terms do not result in derecognition and NIBTT recalculates the gross carrying amount based on the revised cash flows and recognises a modification gain or loss in the statement of comprehensive income. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit impaired financial assets).

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)

(Continued)

4. Summary of material accounting policies (Continued)

f. Financial assets (Continued)

Impairment of financial assets

With respect to impairment of financial assets, NIBTT applied a simplified approach of recognizing expected credit loss (ECL) for contributions receivable. Cash and cash equivalents are short term funds placed with reputable financial institutions and the risk of default is considered to be low, therefore ECL was determined to be nil.

The measurement of the ECL allowance for contributions receivable, measured at amortised cost, is an area that requires the use of models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of employer's defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- » determining criteria for significant increase in credit risk;
- » choosing appropriate models and assumptions for the measurement of ECL;
- » establishing groups of similar employers for the purposes of measuring ECL;
- » determination of default for contributions receivable;
- » establishing the number and relative weightings of forward-looking scenarios for each type of employers and the associated ECL.

NIBTT reviewed and validates the models and inputs to the models to reduce any differences between ECL estimates and actual credit loss experience.

g. Mortgage advances

Mortgage advances are financial assets with fixed or determinable payments and are not quoted in an active market created by NIBTT providing money to a debtor other than those created with the intention of short-term profit sharing. Such assets are stated at amortised cost, net of any advances for credit losses using the effective interest method.

Mortgage advances are measured net of provisions for impairment. A mortgage advance is classified as impaired (non-performing) when there is objective evidence that NIBTT will not be able to collect all amounts due according to the original contractual terms of the loan. Objective evidence of impairment includes observable data that comes to the attention of NIBTT such as:

- » Significant financial difficulties of the borrower
- » Actual delinquencies
- » Adverse change in the payment status of a borrower
- » Bankruptcy or reorganisation by the borrower.

If there is objective evidence that an impairment loss on mortgage advance has been incurred, the amount of the allowance for impairment is measured as the difference between the carrying amount and the recoverable amount, being the present value of expected future cash flows, including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of loans.

The allowance which is made during the year, less amounts released, and recoveries of bad debts previously written off, is charged against the revenue and expenditure accounts. When a loan is deemed uncollectible, it is written off against the related allowance for losses.

NIBTT reviews its problem mortgage advances at each reporting date to assess whether an allowance for impairment should be recorded in the statement of comprehensive income. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required.

Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)
(Continued)

4. Summary of material accounting policies (Continued)

g. Mortgage advances (Continued)

In addition to specific allowances against individually significant mortgage advances, NIBTT also makes a collective impairment allowance where applicable, against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. This takes into consideration factors such as any deterioration in country risk, industry, and technological obsolescence, as well as identified structural weaknesses or deterioration in cash flows.

h. Investment properties

Investment properties are properties held by NIBTT to earn rental income or for capital appreciation or both. Property held for undetermined future use is regarded as investment properties, as such is held for capital appreciation.

Some properties comprise a portion that is held to earn rental income or for capital appreciation and another portion that is held for use in providing services or for administrative purposes. If these portions can be sold separately or leased out separately under a finance lease, NIBTT accounts for the portions separately as investment properties or property, plant and equipment (Note 4 i) respectively. If the portions cannot be sold separately, the property is classified as investment property, only if an insignificant portion is held for use in providing services or for administrative purposes. Otherwise it is considered property, plant and equipment (Note 4 i).

Investment properties are initially measured at cost. After initial recognition, investment properties are measured at fair value based on valuations conducted by an independent professional valuator. Gains and losses arising from the change in fair value are included in the statement of comprehensive income.

The valutors have adopted standard valuation methods and assumed good title, vacant possession and no unduly restrictive covenants or onerous or unusual outgoings running with the land.

i. Property, plant and equipment

Property held for future use as owner-occupied property, property held for future development and subsequent use as owner-occupied property, property occupied by employees and owner-occupied property awaiting disposal are deemed to be property, plant and equipment.

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses except for artwork and freehold properties which are stated at valuations conducted by independent professional valutors every 3 years. Freehold properties were professionally valued in June 2022 using the market approach (Note 5). Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to NIBTT 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 year in which they are incurred.

If an asset's carrying value is increased as a result of a revaluation, the increase is credited directly to reserves under the heading revaluation reserve. If an asset's carrying value is decreased as a result of a revaluation, the decrease is debited directly to equity to the extent of any credit balance existing in the revaluation reserve in respect of that asset. Any decrease in excess of this amount is recognised in the statement of comprehensive income.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)

(Continued)

4. Summary of material accounting policies (Continued)

i. Property, plant and equipment (Continued)

Additionally, for those assets that are revalued as at the statement of financial position date, the accumulated depreciation for the revalued assets are credited to the revaluation reserve. The accumulated depreciation for revaluated assets is therefore brought to zero.

Depreciation is provided on a straight-line basis at varying rates sufficient to write-off the cost/market value respectively of the assets over their estimated useful lives. The rates used are as follows:

Freehold and leasehold properties	-	2% on buildings
<hr/>		
Improvements to premises:		
<hr/>		
Owned	-	Equal annual instalments over a period of ten years
<hr/>		
Leased	-	Equal annual instalments over the period of the lease
<hr/>		
Machinery, equipment, furniture and fittings:	-	7.5% - 25%
<hr/>		
Artwork and motor vehicles	-	25%

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with their carrying amount and are recognised in the statement of comprehensive income.

j. Property being developed for sale

Property available for sale is carried at cost less provisions for impairment. The provision is estimated as the difference between the cost and the selling price of the units available for sale less the estimated cost to complete the units.

k. Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the NIBTT has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

i. Basis of allocation

Contribution income and other income have been allocated to the various fund accounts on the basis set out in the Actuarial review.

i. Contribution income

	2024	2023
Contribution income is allocated as follows:	%	%
Long-term benefits fund	89	89
Short-term benefits fund	6	6
Employment injury benefit fund	<u>5</u>	<u>5</u>
	<u>100</u>	<u>100</u>

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)
(Continued)

4. Summary of material accounting policies (Continued)

k. Provisions (Continued)

ii. Other income

Other income comprising investment income less expenses, penalty income and pension asset income is allocated to the benefit funds in the ratio of their opening fund balances. Investment expenses comprise direct staff costs and overhead expenses of the investments department and other direct expenses including mortgage management fees and provisions for diminution in value of investments.

iii. Fund ratios

Based on the recommendations of the eighth actuarial review and maintained in the ninth and tenth actuarial reviews, NIBTT implemented the following: short-term benefit fund and employment injury benefit fund balances will be maintained at 2.0 times and 10 times the respective benefits incurred during the current year, the remaining excess of income over expenditure is to be allocated to the long-term benefit fund.

These fund allocations are based solely on the ratios recommended by the independent actuary and do not represent NIBTT's liability to beneficiaries at 30 June 2024.

m. Employee benefits

i. Short-term

Employee benefits are all forms of consideration given by NIBTT in exchange for service rendered by its employees. These include current or short-term benefits such as salaries, bonuses, NIS contributions and annual leave. It also includes non-monetary benefits such as, medical care and loans; post-employment benefits such as pensions; and other long-term employee benefits such as termination benefits.

i. Short Term (Continued)

Employee benefits that are earned as a result of past or current service are recognised in the following manner: short-term employee benefits are recognised as a liability, net of payments made and charged as expense. Post-employment benefits are accounted for as described below.

ii. Post-employment

NIBTT contributes to a defined benefit staff pension plan which covers all qualifying employees. Members contribute 5% (2023: 5%) of their pensionable salaries to the plan, whilst NIBTT currently contributes 14% (2023: 14%). All permanent employees are eligible for membership and temporary employees under certain conditions.

The asset/liability recognised in the statement of financial position in respect of defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting year less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

In countries where there is no deep market in such bonds, the market rates on the government bonds are used. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of comprehensive income in the year in which it arise. Past-service costs are recognised immediately in income.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)

(Continued)

n. Determination of fair values

A number of NIBTT's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

i. Investment securities

Investment securities are measured at their fair values based on quoted market prices. Where the instrument is not actively traded or quoted on recognised exchanges, fair value is determined using discounted cash flow analysis, recent arm's length transaction and other valuation techniques. Professional valuations are also used to value these securities. Where fair value cannot be reliably measured, it is determined by using internally developed models.

The NIBTT uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

Level 1

Included in the Level 1 category are financial assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2

Included in the Level 2 category are financial assets and liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing services, but where fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued based using its own models whereby the majority of assumptions are market observable.

Level 3

Included in the Level 3 category are financial assets and liabilities that are not quoted as there are no active markets to determine a price. These financial instruments are held at cost, being the fair value of the consideration paid for the acquisition of the investment, and are regularly assessed for impairment.

ii. Investment in subsidiary companies

An external, independent valuation company, having appropriate recognised professional qualifications and experience is used to value NIBTT's investment in subsidiary companies. In determining the value of subsidiary companies, three (3) valuation methods were considered. The three valuation approaches are income approach, market approach and asset (or cost) approach. The approach best suited to each subsidiary is used to value NIBTT investment in subsidiary companies at year end.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)
(Continued)

4. Summary of material accounting policies (Continued)

n. Determination of fair values (Continued)

iii. Investment properties and property, plant and equipment at fair value

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, was used by NIBTT to value its investment property portfolio. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly.

iv. Other

The carrying amounts of financial assets and liabilities, included under other assets, cash and cash equivalents and other liabilities, approximate their fair values because of the short-term maturities on these instruments. The carrying values of fixed deposits are assumed to approximate fair value due to their term to maturity not exceeding one year.

o. Revenue recognition

i. Contribution

Contribution income is generally accounted for on the cash basis. An accrual is made at the statement of financial position date to take account of employers that have not settled amounts due up to the statement of financial position date. The amount due is estimated using the average of payments made for the past twelve months and applying the average contribution amount to the periods not paid by reference to the date last paid. An expected credit loss is recognised on contributions receivable.

ii. Interest income

Interest income is recognised using the effective interest method. Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- » Purchased or originated credit-impaired financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
- » Financial assets that are not purchased or originated credit-impaired but have subsequently become credit-impaired, for which interest revenue is calculated by applying the effective interest rate to their amortised cost i.e. net of the expected credit loss provision.

p. Benefits

Benefit expenditure is generally accounted for on a cash basis. Benefits paid in the final month of the year which relate to the following year are reflected as a prepayment at the statement of financial position date.

q. Significant accounting estimates and judgements

The preparation of these special purpose financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future. These assumptions include the following and are further described within the respective notes:

- » Impairment losses on contributions receivable
- » Fair valuation of financial assets
- » Employee benefits

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)

(Continued)

5. Property, plant and equipment

	Land freehold/ leasehold buildings \$'000	Machinery equipment furniture and fittings \$'000	Motor vehicles \$'000	Art \$'000	Total \$'000
Year ended 30 June 2024					
Cost/valuation at beginning of year	233,334	80,221	4,648	1,568	319,771
Purchases	45,080	2,172	253		47,505
Revaluation					
Adjustments/disposals	<u>—</u>	<u>(7,924)</u>	<u>—</u>	<u>—</u>	<u>(7,924)</u>
At the end of year	<u>278,414</u>	<u>74,469</u>	<u>4,901</u>	<u>1,568</u>	<u>359,352</u>
Accumulated depreciation at beginning of year	39,526	66,496	3,311	—	109,333
Current year charge	4,348	4,364	641	51	9,404
Revaluation					
Disposal/adjustments	<u>—</u>	<u>(7,898)</u>	<u>—</u>	<u>—</u>	<u>(7,898)</u>
At the end of year	<u>43,874</u>	<u>62,962</u>	<u>3,952</u>	<u>51</u>	<u>110,839</u>
Net book value	<u>234,540</u>	<u>11,507</u>	<u>949</u>	<u>1,517</u>	<u>248,513</u>
Year ended 30 June 2023					
Cost/valuation at beginning of year	231,098	92,759	4,366	1,568	329,791
Purchases	2,258	850	978	—	4,086
Revaluation	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Adjustments/transfers	<u>(22)</u>	<u>(13,388)</u>	<u>(696)</u>	<u>—</u>	<u>(14,106)</u>
At the end of year	<u>233,334</u>	<u>80,221</u>	<u>4,648</u>	<u>1,568</u>	<u>319,771</u>
Accumulated depreciation at beginning of year	35,327	75,214	3,262	—	113,803
Current year charge	4,199	4,417	746	—	9,362
Revaluation	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Disposal/adjustments	<u>—</u>	<u>(13,135)</u>	<u>(697)</u>	<u>—</u>	<u>(13,832)</u>
At the end of year	<u>39,526</u>	<u>66,496</u>	<u>3,311</u>	<u>—</u>	<u>109,333</u>
Net book value	<u>193,808</u>	<u>13,725</u>	<u>1,337</u>	<u>1,568</u>	<u>210,438</u>

Note:

Valuation of land and freehold and leasehold buildings has been expressed by way of open market values as determined by valuations conducted by independent professional valuers every 3 years.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)

(Continued)

6. Investment properties

	1 July 2023	Additions/(disposals)	Appreciation/ (depreciation) in fair value	Transfers	2024
	\$'000	\$'000	\$'000	\$'000	\$'000
Buildings	121,881	(15,558)	(7,071)	–	99,252
Land	<u>181,600</u>	<u>–</u>	<u>2,450</u>	<u>–</u>	<u>184,050</u>
	<u>303,481</u>	<u>(15,558)</u>	<u>(4,621)</u>	<u>–</u>	<u>283,302</u>
	1 July 2022	Additions/(disposals)	Appreciation/ (depreciation) in fair value	Transfers	2023
	\$'000	\$'000	\$'000	\$'000	\$'000
Buildings	120,808	73	1,000	–	121,881
Land	<u>189,200</u>	<u>(10,500)</u>	<u>2,900</u>	<u>–</u>	<u>181,600</u>
	<u>310,008</u>	<u>(10,427)</u>	<u>3,900</u>	<u>–</u>	<u>303,481</u>

Rental income from investment properties during the year amounted to \$6.58 million (2023: \$6.93 million). Direct operating expenses incurred on investment properties during the year amounted to \$3.5 million (2023: \$5.5 million).

The valuation of the investment properties was conducted as at June 2024 by an independent professional valuator in accordance with the Royal Institute of Chartered Surveyors valuation – professional standards.

The Income Approach which considers a property's potential cash flow and analyses the present worth of the anticipated future benefits to the owner over an assumed holding period was the methodology used to value the buildings. The market approach and residual technique were utilised for the valuation of land. The market approach measures the value of a property by comparing recent sales or offerings of similar or substitute property and related market data.

The residual technique begins with an estimate of gross proceeds of sale that are expected from the sale of developed lots in the proposed sub-division. All costs (hard and soft) associated with the development of the proposed sub-division, together with an allowance for entrepreneurial profit are then deducted from the estimated gross proceeds of sale. Development costs obtained from engineers and entrepreneurial profit is based on discussions with developers. This technique was utilised in the valuation of the lands at Palmiste.

For all other properties where the market approach was adopted the value in the special purpose financial statements are based on its highest and best use.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)
(Continued)

7. Investment in subsidiary companies

The investments in subsidiary companies comprise the following companies reported at fair value:

	2024	2023
	\$'000	\$'000
NIPDEC	202,970	176,350
TTMB (formerly TTMF)	1,748,400	561,000
HMB	<u>–</u>	<u>1,100,000</u>
	<u>1,951,370</u>	<u>1,837,350</u>

Movement in the carrying value of investments in subsidiaries is as follows:

2024	NIPDEC	TTMF/TTMB	HMB	Total
	\$'000	\$'000	\$'000	\$'000
Balance as at 30 June 2023	176,350	561,000	1,100,000	1,837,350
Sales/Transfers		1,100,000	(1,100,000)	–
Market value adjustments	<u>26,620</u>	<u>87,400</u>	<u>–</u>	<u>114,020</u>
Balance as at 30 June 2024	<u>202,970</u>	<u>1,748,400</u>	<u>–</u>	<u>1,951,370</u>

2023	NIPDEC	TTMF	HMB	Total
	\$'000	\$'000	\$'000	\$'000
Balance as at 30 June 2022	146,567	573,750	1,000,000	1,720,317
Market value adjustments	<u>29,783</u>	<u>(12,750)</u>	<u>100,000</u>	<u>117,033</u>
Balance as at 30 June 2023	<u>176,350</u>	<u>561,000</u>	<u>1,100,000</u>	<u>1,837,350</u>

The cost of investment in subsidiaries is as follows:

2024	NIPDEC	TTMB	HMB	Total
	\$'000	\$'000	\$'000	\$'000
Balance as at 30 June 2023	25,000	7,200	496,404	528,604
Purchases/Transfers	–	1,100,000	–	1,100,000
Sale	<u>–</u>	<u>–</u>	<u>(496,404)</u>	<u>(496,404)</u>
Balance as at 30 June 2024	<u>25,000</u>	<u>1,107,200</u>	<u>–</u>	<u>1,132,200</u>

2023	NIPDEC	TTMF	HMB	Total
	\$'000	\$'000	\$'000	\$'000
Balance as at 30 June 2022	25,000	7,200	496,404	528,604
Purchases	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Balance as at 30 June 2023	<u>25,000</u>	<u>7,200</u>	<u>496,404</u>	<u>528,604</u>

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)
(Continued)

7. Investment in subsidiary companies (Continued)

The Board of Directors of the National Insurance Board of Trinidad and Tobago (NIBTT) at the 560th Board Meeting held on November 3, 2023, agreed on the mechanism to give effect to the merger of the Home Mortgage Bank (HMB) and the Trinidad and Tobago Mortgage Finance Company (TTFM). The current Ordinary shares held by the NIBTT and the Government of Trinidad and Tobago (GORTT) in TTFM will remain unchanged at the current ownership percentage of 51/49 respectively and will carry the rights and obligations attached to these shares currently including the right to vote. Under the merger, NIBTT's shareholding in HMB will be 'transferred' to TTFM and HMB's assets transferred to TTFM via a distribution in specie. As consideration for the transfer of NIBTT's shares in HMB, NIBTT was assigned Non-Voting, Convertible, Ordinary Shares designated Class 'B' Shares.

On January 17, 2024, the transaction took effect, with the NIBTT purchasing two million, three hundred and sixty-nine thousand, five hundred and eighty-three (2,369,583) Class B Ordinary Shares in the TTFM for a total subscription price of One Billion One Hundred Million Dollars (\$1,100,000,000). The merged entity now being branded the Trinidad and Tobago Mortgage Bank (TTMB).

8. Investment securities

	2024	2023
	\$'000	\$'000
Fair value through profit or loss:		
Bonds (8 i.)	7,179,230	8,798,489
Equities (8 ii.)	15,104,750	15,228,376
Mutual funds (8 iii.)	<u>105,670</u>	<u>100,410</u>
	<u>22,389,650</u>	<u>24,127,275</u>
The analysis below shows the composition of the various investment categories.		
<i>i. Bonds</i>		
Foreign	989,484	1,163,612
Government	3,990,665	4,890,153
Corporate	<u>2,199,081</u>	<u>2,744,724</u>
	<u>7,179,230</u>	<u>8,798,489</u>
Local and corporate bonds earn interest at rates varying between to 2.00% and 9.00% (2023: 2.00% and 9.00%).		
	2024	2023
	\$'000	\$'000
<i>ii. Equities</i>		
Quoted		
Foreign	6,812,428	5,704,025
Local	8,170,163	9,370,174
Unquoted	<u>122,159</u>	<u>154,177</u>
	<u>15,104,750</u>	<u>15,228,376</u>
<i>iii. Mutual funds</i>		
Quoted		
Local	48,000	43,600
Unquoted	<u>57,670</u>	<u>56,810</u>
	<u>105,670</u>	<u>100,410</u>

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)

(Continued)

8. Investment securities (Continued)

The following table shows an analysis of investment securities recorded at fair value by level of fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
30 June 2024				
Bonds	923,222	6,256,008	–	7,179,230
Equities	14,982,591	120,512	1,647	15,104,750
Mutual funds	<u>48,000</u>	<u>–</u>	<u>57,670</u>	<u>105,670</u>
	<u>15,953,813</u>	<u>6,376,520</u>	<u>59,317</u>	<u>22,389,650</u>
30 June 2023				
Bonds	880,634	7,917,855	–	8,798,489
Equities	15,074,199	152,527	1,650	15,228,376
Mutual funds	<u>43,600</u>	<u>–</u>	<u>56,810</u>	<u>100,410</u>
	<u>15,998,433</u>	<u>8,070,382</u>	<u>58,460</u>	<u>24,127,275</u>

The following table shows a reconciliation of all movement in the fair value of investment securities categorised within level 3 between the beginning and end of the reporting year:

	2024	2023
	\$'000	\$'000
Balance at the beginning of the year	58,460	57,612
Transfers/Repayments	857	848
Net unrealised gain	<u>–</u>	<u>–</u>
Balance at the end of the year	<u>59,317</u>	<u>58,460</u>

9. Mortgage advances

Mortgage balances are stated net of specific allowance for non-performing advances as follows:

	2024	2023
	\$'000	\$'000
Gross mortgage advances	52,473	52,473
Specific allowance for non-performing advances	<u>(52,010)</u>	<u>(51,880)</u>
	<u>463</u>	<u>593</u>

The movement in the specific allowance for non-performing advances was as follows:

	2024	2023
	\$'000	\$'000
Balance as at beginning of the year	51,880	51,632
Movement for the year	<u>130</u>	<u>248</u>
Balance as at end of the year	<u>52,010</u>	<u>51,880</u>

Mortgage advances earn interest at an average effective rate of 1% (2023: 1%).

10. Property being developed for sale

In 2004, the NIBTT commenced development of a residential gated community in D'Abadie, O'Meara known as Riverwoods comprising of single-family homes and townhouses. The single-family units were successfully completed in 2017.

	2024	2023
	\$'000	\$'000
The carrying value of properties being developed for sale was arrived at as follows:		
Cost as at 1 July	613	613
Transfer of Cost – additional units	4,564	–
Units sold	<u>(1,010)</u>	<u>–</u>
	<u>4,167</u>	<u>613</u>

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)

(Continued)

11. Leases

Below are the carrying amounts of right-of-use assets and lease liabilities recognized and the movements during the year:

	Land and building \$'000	Office equipment \$'000	Total \$'000		Land and building \$'000	Office equipment \$'000	Total \$'000
2024				2023			
Right-of-use assets				Right-of-use assets			
Balance – beginning of year	8,382	1,057	9,439	Balance – beginning of year	219	464	683
Additions	8,124	–	8,124	Additions	14,009	1,753	15,762
Depreciation expense	<u>(6,027)</u>	<u>(800)</u>	<u>(6,827)</u>	Depreciation expense	<u>(5,846)</u>	<u>(1,160)</u>	<u>(7,006)</u>
Balance – end of year	<u>10,479</u>	<u>257</u>	<u>10,736</u>	Balance – end of year	<u>8,382</u>	<u>1,057</u>	<u>9,439</u>
Leased liabilities				Leased liabilities			
Balance – beginning of year	8,244	2,040	10,284	Balance – beginning of year	–	815	815
Additions	8,124	–	8,124	Additions	14,226	2,428	16,654
Accretion of interest	366	18	384	Accretion of interest	341	68	409
Principal payments	<u>(6,165)</u>	<u>(1,794)</u>	<u>(7,959)</u>	Principal payments	<u>(6,323)</u>	<u>(1,271)</u>	<u>(7,594)</u>
Balance – end of year	<u>10,569</u>	<u>264</u>	<u>10,833</u>	Balance – end of year	<u>8,244</u>	<u>2,040</u>	<u>10,284</u>
Current			6,142	Current			4,185
Non-current			4,691	Non-current			6,099

The following amounts are recognized in the statement of comprehensive loss:

	2024 \$'000	2023 \$'000
Depreciation expense of right-of-use assets	6,827	7,006
Interest expense on lease liabilities	<u>384</u>	<u>409</u>
	<u>7,211</u>	<u>7,415</u>

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)
(Continued)

12. Other assets

	2024	2023
	\$'000	\$'000
Investment income receivable	74,006	90,525
Sundry debtors	249,474	222,320
Prepayments	325,046	499,104
Work In Progress	125,561	–
Contributions receivable	<u>398,259</u>	<u>448,726</u>
	<u>1,172,346</u>	<u>1,260,675</u>
<u>Contributions receivable</u>		
Gross contributions receivable	439,616	532,518
Less: Expected credit losses	<u>(41,357)</u>	<u>(83,792)</u>
	<u>398,259</u>	<u>448,726</u>
The movement in the expected credit losses is as follows:		
Balance – beginning of year	83,792	49,493
Movement during the year	<u>(42,435)</u>	<u>34,299</u>
Balance – end of year	<u>41,357</u>	<u>83,792</u>
<u>Claims receivable: Clico Investment Bank Limited (CIB)</u>		
Gross amount	313,878	313,878
Provision for impairment	<u>(313,878)</u>	<u>(313,878)</u>
Carrying amount	<u>–</u>	<u>–</u>

Work in progress represents the cost of hardware and software licences for the change out of forty-nine (49) modules that affect nine (9) priority areas of the operations of the National Insurance Board of Trinidad and Tobago. These modules are expected to be implemented in the next financial period of the Board.

Over the period September 2008 to January 2009, the NIBTT deposited sums of money with Clico Investment Bank Limited (CIB) as Investment Note Certificates (INC). In November 2009, legal action was initiated by the NIBTT due to breach on the part of CIB. On 27 September 2011, judgement was awarded in favour of the NIBTT on the deposited sums with interest at the rate of 6% per annum from the dates of maturity of each deposit to the date of judgement.

On or about October 2011, CIB was placed in compulsory liquidation and Deposit Insurance Corporation (DIC) appointed as Liquidator. The NIBTT has adopted a prudent approach and maintained the full provision on this debt.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)
(Continued)

13. Post-employment benefit

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

	2024	2023
	\$'000	\$'000
<i>Net (asset)/liability in statement of financial position</i>		
Present value of defined benefit obligation	1,118,246	1,164,208
Fair value of assets	<u>(1,136,177)</u>	<u>(1,111,462)</u>
Net defined benefit (asset)/liability	<u>(17,931)</u>	<u>52,746</u>
<i>Movement in present value of defined benefit obligation</i>		
Defined benefit obligation at start of year	1,164,208	1,068,250
Current service cost	28,757	27,469
Interest cost	68,461	62,875
Members' contributions	4,598	4,377
Re-measurements		
- Experience adjustments	(100,744)	42,507
Benefits paid	<u>(47,034)</u>	<u>(41,270)</u>
Defined benefit obligation at end of year	<u>1,118,246</u>	<u>1,164,208</u>

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

	2024	2023
Active	45%	45%
Deferred members	1%	1%
Pensioners	54%	54%

The weighted average duration of the defined benefit obligation 15.9 years.

95% of the value of the benefits for active members is vested.

34% of the defined benefit obligation for active members is conditional on future salary increases.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)
(Continued)

13. Post employment benefit (Continued)

	2024	2023
	\$'000	\$'000
<i>Movement in fair value of plan assets</i>		
Fair value of plan assets at start of year	1,111,462	1,089,593
Interest income	65,814	64,647
Return on plan assets, excluding interest income	(11,536)	(18,133)
Board contributions	12,873	12,248
Members' contributions	4,598	4,377
Benefits paid	<u>(47,034)</u>	<u>(41,270)</u>
Fair value of plan assets at end of year	<u>1,136,177</u>	<u>1,111,462</u>
Actual return on plan assets	<u>54,278</u>	<u>46,514</u>
<i>Asset allocation</i>		
Regionally listed equities (prices quoted on regional exchanges)	250,766	279,378
Overseas equities (developed markets outside of CARICOM)	286,334	229,856
TT\$ Gov't and Gov't Guaranteed bonds (no quoted market prices)	536,671	519,659
TT\$ corporate bonds (no quoted market prices)	34,315	24,019
US\$ bonds (no quoted market prices)	13,480	9,730
Mortgages (no quoted market prices)	–	–
Local equity/income mutual fund	4,978	5,012
Cash and cash equivalents	<u>9,633</u>	<u>43,808</u>
Fair value of plan assets at end of year	<u>1,136,177</u>	<u>1,111,462</u>

All asset values as at 30 June 2024 were provided by the Plan's Investment Manager (First Citizens Asset Management Limited).

The majority of the Plan's government bonds were issued by the Government of Trinidad and Tobago.

	2024	2023
	\$'000	\$'000
<i>Expense recognised in profit or loss</i>		
Current service cost	28,757	27,469
Net interest on net defined benefit liability/(asset)	<u>2,647</u>	<u>(1,772)</u>
Net pension cost	<u>31,404</u>	<u>25,697</u>

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)
(Continued)

13. Post employment benefit (Continued)

	2024	2023
	\$000	\$000
<i>Re-measurements recognised in comprehensive income</i>		
Experience (gains)/losses	(89,208)	60,640
Effect of asset ceiling	—	—
Total amount recognised in comprehensive income/(loss)	<u>(89,208)</u>	<u>60,640</u>
<i>Reconciliation of opening and closing statement of financial position entries</i>		
Opening defined benefit liability/(asset)	52,746	(21,343)
Net pension cost	31,404	25,697
Re-measurements recognised in comprehensive (loss)/income	(89,208)	60,640
Board contributions paid	<u>(12,873)</u>	<u>(12,248)</u>
Closing defined benefit (asset)/liability	<u>(17,931)</u>	<u>52,746</u>
	2024	2023
Discount rate	6.0%	6.0%
General salary increases	4.0%	4.0%
Salary increases due to age, merit and promotion	1.0%	1.0%
Total individual salary increases	5.0%	5.0%
Future pension increases	3.0%	3.0%
Life expectancy at age 60 for current pensioner in years		
-Male	22.0	21.9
-Female	26.2	26.2
Life expectancy at age 60 for current members age 40 in years		
-Male	22.8	22.8
-Female	27.1	27.1
<i>Sensitivity analysis</i>		
	1%pa lower	1%pa higher
	\$000	\$000
Discount rate	(149,104)	191,596
Future salary increase	46,258	(40,203)
Future pension increases	133,291	(112,546)

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at 30 June 2024 by \$24.172 million (2023: \$24.497 million).

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

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)

(Continued)

13. Post employment benefit (Continued)

Funding

NIBTT meets the balance of the cost of funding the defined benefit pension plan and must pay contributions at least equal to those paid by members, which are fixed. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the plan and the assumptions used to determine the funding required may differ from those set out above. The last actuarial valuation was performed as at 1 July 2022 and the next valuation due is at 1 July 2025. NIBTT expects to pay contributions of \$13.3 million to the pension plan during 2024/25. However, this amount could increase if outstanding pay negotiations are completed during the year.

14. Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Cash at bank (TT\$)	1,286,286	1,422,504
Cash at bank (US\$)	876,763	103,910
Money Market Fund (TT\$)	2,684	2,647
Money Market Fund (US\$)	<u>221,579</u>	<u>159,724</u>
	<u>2,387,312</u>	<u>1,688,785</u>

15. Benefits fund

The benefits fund comprise the following funds:

- Long-term benefits fund which is held to cover retirement pensions, retirement grants, invalidity and survivors' benefits for qualifying persons.
- Short-term benefits fund which is held to cover sickness and maternity benefits and funeral grants for qualifying persons.
- Employment injury benefits fund which is held to cover employment injury benefits to eligible insured persons.

As described in Notes 2 and 4, the benefits fund balances do not represent NIBTT's liability to beneficiaries but instead reflects the allocation of the accumulated fund based on the application of certain ratios as advised by NIBTT's Actuary.

16. Revaluation reserve

The revaluation reserve reflects gains or losses on revaluation of freehold properties.

	2024	2023
	\$'000	\$'000
Opening balance for the year	72,564	73,280
Movement for the year	<u>–</u>	<u>(716)</u>
Closing balance for the year	<u>72,564</u>	<u>72,564</u>

17. Other liabilities

Sundry creditors and accruals	272,118	301,716
Provision for other payables	<u>18,594</u>	<u>14,349</u>
	<u>290,712</u>	<u>316,065</u>

18. Net realised investment income

Interest income – local	342,903	386,721
Dividend income – local	410,791	370,899
Rental income	6,578	6,938
Miscellaneous income	10,673	1,626
Income – mutual funds	1,668	6,137
Income – foreign equity	98,591	93,882
Income – foreign bonds	59,070	32,177
Gain on sale of foreign equities	369,347	42
Gain/(loss) on sale of local equities	–	(14,857)
(Loss) from foreign exchange	(40,961)	(4,224)
Gain on sale of investment property	–	2,000
Gain on sale of mutual funds	<u>–</u>	<u>51,653</u>
Total realised investment income	1,258,660	932,994
Investment expense	<u>(18,731)</u>	<u>(35,087)</u>
Net realised investment income	<u>1,239,929</u>	<u>897,907</u>

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)
(Continued)

19. Net unrealised investment loss

	2024	2023
	\$'000	\$'000
Local equity	(1,230,218)	(931,191)
Foreign equity	933,946	692,619
Mutual funds	4,400	(48,113)
Foreign bonds	12,598	(15,494)
Local bonds	<u>(90,294)</u>	<u>11,605</u>
	<u>(369,568)</u>	<u>(290,574)</u>

20. Staff salaries, allowances and benefits

Pension contributions (Note 13)	12,873	12,248
Salaries and other related expenses	146,658	140,298
Group health plan	2,641	2,398
National insurance contributions	7,534	7,039
Training	265	759
Travelling and subsistence	1,268	849
Other	<u>273</u>	<u>244</u>
	<u>171,512</u>	<u>163,835</u>

21. Other expenses

	2024	2023
	\$'000	\$'000
Janitorial	4,547	4,537
Advertising and publicity	1,208	1,482
Bank charges	1,832	1,833
Electricity	3,043	2,320
Insurance	3,924	3,294
Legal and professional	7,895	10,485
Printing stationery and office supplies	2,006	2,350
Rent	1,780	1,505
Repairs and maintenance – equipment	11,664	7,287
Repairs and maintenance – premises	3,836	3,617
Security	6,234	8,246
Pension administration	4,076	4,118
Telephone	7,555	5,055
Interest expense – leases (Note 11)	384	409
Data Processing services	1,977	4,573
Other	<u>2,386</u>	<u>4,317</u>
	<u>64,347</u>	<u>65,428</u>

As at 30 June 2024, administrative expenses amounted to 4.43% (2023: 5.84%) of contribution income and this did not exceed the limit established by NIBTT of 7.5%.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)

(Continued)

22. Contingent liabilities and capital commitments

	2024	2023
	\$'000	\$'000
<i>i. Pending litigation and outstanding appeals</i>		
As at 30 June 2024, there were certain legal proceedings outstanding against NIBTT. No provision has been made as professional advice indicates that it is unlikely that any significant loss will arise.		
<i>ii. Industrial relations</i>		
A provision of \$186.94 million (2023: \$151.78 million) has been made in the accounts for wage negotiations up to June 2024 for bargaining units A & B staff.		
	Net (redemptions)/investments in debt of subsidiary companies	(34,140) 182,000
	Purchase of investment in subsidiary companies	1,100,000 –
	Sale of investment in subsidiary companies	(1,100,000) –
	Interest received	<u>12,101</u> <u>38,010</u>
	<u>(22,039)</u>	<u>220,010</u>

23. Related party transactions and balances

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. These transactions were carried out on normal terms and conditions at market rates.

The following table provides the total amount of balances and transactions, which have been entered into with related parties for the relevant financial year.

i. Transactions with related parties

During the years ended 30 June 2024 and 2023, NIBTT carried out the following significant transactions with related parties during the course of normal operations:

ii. Balances due to/from related parties

The amounts due to/from related companies comprise of the following:

Balance due to	<u>6,235</u>	<u>881</u>
Balance due from	<u>3,728</u>	<u>3,224</u>

iii. Transactions with key management personnel

In addition to their salaries, NIBTT also provides non-cash benefits to executive officers and contributions to a post-employment defined benefit plan on their behalf. The key management personnel compensations are as follows:

	2024	2023
	\$'000	\$'000
Short-term employee benefits	5,034	5,214
Post-employment benefits	<u>1,542</u>	<u>939</u>
Balance due	<u>6,576</u>	<u>6,153</u>

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)
(Continued)

24. Taxation

The Board was established under the laws of Trinidad and Tobago and is not subject to income, capital gains or other corporate taxes. The Board's operations do not subject it to taxation in any other jurisdictions, except for withholding taxes imposed by certain countries on investment income and capital gains for investments domiciled in those countries.

25. Financial risk management

The NIBTT's activities expose it to credit risk, liquidity risk and market risk. Its principal financial instruments comprise investment securities, mortgage advances, other assets and cash and cash equivalents.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. NIBTT is mainly exposed to credit risk with respect to its investment securities (excluding equities), mortgage advances, other assets and cash and cash equivalents. Credit risk is the single largest risk for the Board due to the magnitude of the balances of these assets; management therefore carefully manages its exposure to credit risk. The executive management team therefore carefully manages its exposure to credit risk and reports to the Board of Directors regularly. The Board has established a credit quality review process involving regular analysis of the ability of borrowers and other counterparties to meet interest and capital repayment obligations.

The Board limits its exposure to credit risk by investing in liquid securities and with counterparties that have high credit quality. As a consequence, management's expectation of default is low. The Board limits its exposure with respect to its investment portfolio by investing only in securities issued by the Government of Trinidad and Tobago or institutions with high credit worthiness.

Credit risk (continued)

The Board has documented investment policies which facilitate the management of credit risk on investment securities and resale agreements. The Board's exposure and the credit ratings of its counterparties are continually monitored.

In respect to the mortgage portfolio, constant monitoring is also employed. The necessary contact with mortgagors is maintained to ensure that payments are received in a timely manner, where necessary mortgage re-scheduling is done, which considers the borrowers new financial position. In the event where recovery may seem doubtful, specific loss allowances are made.

Exposure to credit risk on receivables is managed through regular analysis of the ability of continuing customers and new customers to meet repayment obligations.

Cash and cash equivalents are held in financial institutions which management regards as strong and there is no significant concentration. The strength of these financial institutions is continually reviewed by the Mark to Market Committee.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)
(Continued)

25. Financial risk management (Continued)

Credit risk (continued)

The carrying amount of investment securities (excluding equities), mortgage advances, other assets and cash and cash equivalents represent the maximum credit exposure. The following table shows the maximum exposure to credit risk without taking account of any collateral or other credit enhancements:

	2024	2023
	\$'000	\$'000
Bonds	7,179,230	8,798,489
Mutual funds	105,670	100,410
Mortgage advances	463	593
Contributions receivable	398,259	448,726
Other assets	648,526	811,949
Cash and cash equivalents	<u>2,387,312</u>	<u>1,688,785</u>
Total credit risk exposure	<u>10,719,460</u>	<u>11,848,952</u>

Where financial instruments are recorded at fair value the amounts shown above represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

The maximum exposure to credit risk for investment securities (excluding equities), mortgage advances, other assets and cash and cash equivalents at the reporting date by location was:

	2024	2023
	\$'000	\$'000
Trinidad and Tobago	9,518,286	10,551,501
North America	1,151,155	1,238,082
Europe	<u>50,019</u>	<u>59,369</u>
Total geographic concentration	<u>10,719,460</u>	<u>11,848,952</u>

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

To measure the expected credit losses, contribution receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of contributions over a period of 36 months before 30 June 2024 and the corresponding historical credit losses experienced within this year.

Contribution receivables 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 Board, and a failure to make payments for a period of greater than 365 days past due. Impairment losses on contribution receivables are presented as net impairment losses within administrative expenditure. Subsequent recoveries of amounts previously written off are credited against the same line item.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)
(Continued)

25. Financial risk management (Continued)

Credit risk (continued)

On that basis, the loss allowance as at 30 June 2024 and 2023 was determined as follows:

	ECL rate	Gross contributions receivable	ECL allowance	Net contributions receivable
30 June 2024	%	\$'000	\$'000	\$'000
Current	0.72	366,647	2,640	364,007
More than 30 days	10.98	21,493	2,360	19,133
More than 60 days	34.23	6,963	2,383	4,580
More than 90 days	49.21	13,772	6,777	6,995
More than 180 days	78.36	16,379	12,835	3,544
More than 365 days	100.00	<u>14,362</u>	<u>14,362</u>	<u>—</u>
		<u>439,616</u>	<u>41,357</u>	<u>398,259</u>

	ECL rate	Gross contributions receivable	ECL allowance	Net contributions receivable
30 June 2023	%	\$'000	\$'000	\$'000
Current	0.76	356,762	2,721	354,041
More than 30 days	11.67	52,814	6,162	46,652
More than 60 days	32.05	38,694	12,400	26,294
More than 90 days	41.93	32,494	13,625	18,869
More than 180 days	76.10	12,007	9,137	2,870
More than 365 days	100.00	<u>39,747</u>	<u>39,747</u>	<u>—</u>
		<u>532,518</u>	<u>83,792</u>	<u>448,726</u>

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)
(Continued)

25. Financial risk management (Continued)

Liquidity risk

Liquidity risk is the risk that the Board will encounter difficulty in meeting obligations associated with financial instruments when they fall due under normal and stress circumstances. To mitigate this risk the daily liquidity position for both operational and the payment of benefits is monitored to ensure that the bank accounts are adequately serviced. Transfers are done between bank accounts and the excess of contribution income over benefit payments are taken up and invested to earn above average interest rate margins through investing in high quality, high yielding assets with acceptable risk.

Parliament mandated that benefit payments be made from current monthly contributions as per the National Insurance Act.

The table below analyses the undiscounted cash flows of the Board's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

30 June 2024	Up to one year \$'000	One to five years \$'000	Over five years \$'000	Total \$'000
Financial liabilities				
Lease liabilities	6,142	4,691	–	10,833
Other liabilities	<u>290,712</u>	<u>–</u>	<u>–</u>	<u>290,712</u>
	<u>296,854</u>	<u>4,691</u>	<u>–</u>	<u>301,545</u>
30 June 2023	Up to one year \$'000	One to five years \$'000	Over five years \$'000	Total \$'000
Financial liabilities				
Lease liabilities	4,167	6,117	–	10,284
Other liabilities	<u>316,065</u>	<u>–</u>	<u>–</u>	<u>316,065</u>
	<u>320,232</u>	<u>6,117</u>	<u>–</u>	<u>326,349</u>

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)
(Continued)

25. Financial risk management (Continued)

Market risk – interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Board is primarily exposed to interest rate risk with respect to its fixed rate debentures, government securities and bonds.

At the reporting date, the interest rate profile of the Board interest bearing financial instruments was:

	<1 mth	1-3 mths	3 mths-1 yr	1 yr-5 yrs	Over 5 yrs	Non-interest bearing	Total
Asset allocation - 2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bonds	458,412	93,550	805,472	3,414,935	2,406,861	–	7,179,230
Equities	–	–	–	–	–	15,104,750	15,104,750
Mutual funds	–	–	–	–	–	105,670	105,670
Other assets	–	–	–	–	–	1,172,346	1,172,346
Cash and cash equivalents	<u>1,909,259</u>	<u>224,262</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>253,791</u>	<u>2,387,312</u>
Total	<u>2,367,671</u>	<u>317,812</u>	<u>805,472</u>	<u>3,414,935</u>	<u>2,406,861</u>	<u>16,636,557</u>	<u>25,949,308</u>
	<1 mth	1-3 mths	3 mths-1 yr	1 yr-5 yrs	Over 5 yrs	Non-interest bearing	Total
Asset allocation - 2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bonds	440,299	249,420	1,312,985	3,597,995	3,197,790	–	8,798,489
Equities	–	–	–	–	–	15,228,376	15,228,376
Mutual funds	–	–	–	–	–	100,410	100,410
Other assets	–	–	–	–	–	1,260,675	1,260,675
Cash and cash equivalents	<u>1,426,133</u>	<u>162,371</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>100,281</u>	<u>1,688,785</u>
Total	<u>1,866,432</u>	<u>411,791</u>	<u>1,312,985</u>	<u>3,597,995</u>	<u>3,197,790</u>	<u>16,689,742</u>	<u>27,076,735</u>

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)

(Continued)

25. Financial risk management (Continued)

Market risk – interest rate risk (continued)

Fair value sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the year-end would have increase/(decrease) the total funds by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2024 and 2023.

	100bp increase \$'000	100bp decrease \$'000
June 2024	(231,928)	231,928
June 2023	(295,853)	295,853

Market risk – currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Board's exposure to the effects of fluctuations in foreign currency exchange rates arises mainly from its financial assets. The Board has no financial liabilities denominated in currencies other than the reporting currency. The table below summaries the Board's exposure to currency risks:

As at 30 June 2024	TT \$'000	US \$'000	Total \$'000
Assets			
Cash and cash equivalents	1,289,469	1,097,843	2,387,312
Bonds	4,958,787	2,220,443	7,179,230
Equities	8,199,494	6,905,256	15,104,750
Mutual funds	105,670	–	105,670
Right-of-use assets	10,736	–	10,736
Mortgage advances	463	–	463
Other assets	<u>1,172,346</u>	<u>–</u>	<u>1,172,346</u>
Total financial assets	<u>15,736,965</u>	<u>10,223,542</u>	<u>25,960,507</u>

Market risk – currency risk (continued)

As at 30 June 2023	TT \$'000	US \$'000	Total \$'000
Assets			
Cash and cash equivalents	1,425,151	263,634	1,688,785
Bonds	6,043,739	2,754,750	8,798,489
Equities	9,400,045	5,828,331	15,228,376
Mutual funds	100,410	–	100,410
Right-of-use assets	9,439	–	9,439
Mortgage advances	593	–	593
Other assets	<u>1,260,675</u>	<u>–</u>	<u>1,260,675</u>
Total financial assets	<u>18,240,052</u>	<u>8,846,715</u>	<u>27,086,767</u>

The following significant exchange rates were applied during the year:

	Average mid-rate 30 June 2024	30 June 2023	Reporting date spot rate 30 June 2024	30 June 2023
USD	6.71695	6.74925	6.71695	6.74925

Sensitivity analysis

A 1% strengthening/weakening of TTD against USD at year end would have decreased/increased the total funds by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2024 and 2023.

	2024 \$'000	2023 \$'000
TTD + / - 1%	102,235	88,467

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

(Expressed in Trinidad and Tobago Dollars)
(Continued)

25. Financial risk management (Continued)

Market risk – equity price risk

Equity price risk is the risk that investments held in the portfolio will fluctuate due to changes in market price.

The Board invests in financial instruments that are traded on registered exchanges. These securities are susceptible to market price risk arising from uncertainties about future prices of the instruments. The Board has set investment objectives to reduce its market risk by setting limits to its exposure by geographical concentration and industry sector. Through ongoing daily control procedures, management closely monitors the exposure of the Board's investment portfolio to changes in market prices and is therefore able to mitigate the market risk resulting from fluctuations in underlying prices.

The table below summarises the Board's exposure to price risk by geographical concentrations:

	2024	2023
	\$'000	\$'000
Trinidad and Tobago	8,292,322	9,524,351
North America	<u>6,812,428</u>	<u>5,704,025</u>
Total geographic concentration	<u>15,104,750</u>	<u>15,228,376</u>

26. Staff complement

The staff complement as at 30 June 2024 was 639 (2023: 656).

27. Subsequent events

There were no subsequent events noted by management up to the date of authorisation of the special purpose financial statements that require adjustment to or disclosure in these special purpose financial statements.

Outreach



Empowerment



Empower



Corporate Social Responsibility



Culture



Staff Engagement



