

# 2012 ANNUAL REPORT



The National Insurance Board  
of the Commonwealth of The Bahamas

INSURANCE BOARD





The National Insurance Board  
of the Commonwealth of The Bahamas

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June 28, 2013

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

Dear Minister Gibson:

**Re: The National Insurance Board's 2012 Annual Report**

In accordance with Section 47(1) of the National Insurance Act, 1972, I have the privilege of submitting to you, on behalf of the Board of Directors, the Annual Report of the National Insurance Board for the year 2012.

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

Sincerely yours,

Rev. Dr. James Moultrie  
Chairman

## NIB Vision

To be recognized as a reliable and sustainable financial support system that consistently delivers on its promises.

## NIB Mission

- To demonstrate visionary and compassionate leadership in the advancement of the economic security of our people as we continuously shape and manage the National Insurance program.
- To ensure the efficient collection of contributions as well as the timely and accurate payment of the relevant Benefits and Assistance.
- To create an environment where staff are well trained, motivated, committed to integrity and accountability, and are recognized and rewarded for service excellence.
- To advance the prudent investments of the National Insurance Fund for the overall growth and development of The Bahamas.



# Contents

- 
- 4 Ministers and Board of Directors
  - 5 Committees of the Board
  - 6 Executive Management Team
  - 7 Report on Operations
  - 12 Still Delivering on the Promise
  - 15 Consolidated Financial Statements
  - 87 Statistical Appendices



# Minister & Board of Directors



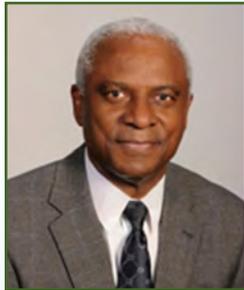
Hon. D. Shane Gibson, M.P.  
*Minister of Labour & National Insurance*



Gregory Moss, M.P.  
*Chairman*



Bernard R. Evans, Sr.  
*Deputy Chairman*



Jayson Moxey  
*Member*



Linda Denise Evans  
*Member*



Frederick R. Munnings  
*Member*



Dr. Josephine Bartlett  
*Member*



Philip J. Beneby  
*Member*



Patrick Davis  
*Member*



Merrit Storr  
*Member*



Marquista Thompson  
*Member*



Bishop Harry Collie  
*Member*

*The above captioned members were appointed in June 2012. Serving to May 2012 were: Prime Minister the Honourable Hubert A. Ingraham, M.P., Minister of Finance with responsibility for National Insurance, and Hon. Zhivargo Laing, M.P., Minister of State. Serving to June 2012 were: Mr. Patrick Ward, Chairman; Rev. Fr. E. Etienne Bowleg, Deputy Chairman; and members Evan Dean, Van Diah, Debbie Ferguson, Nicole Martin, Brian Nutt, John Pinder, Dr. Robin Roberts, Robert Sands, and Belinda Wilson.*



## Committees of the Board - 2012

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### **AUDIT COMMITTEE**

Philip J. Beneby, Chairman  
Frederick R. Munnings, Member  
Patrick Davis, Member  
Alphanette Grant, Co-Opted Member

### **CONTRACTS & TENDERS COMMITTEE**

Patrick Davis, Chairman (Sept. 1 – Nov. 29)  
Jayson Moxey, Chairman (effective Nov. 29)  
Merrit Storr, Member  
Bishop Harry Collie, Member  
Johnnie Taylor, Co-Opted Member

### **FINANCE/INVESTMENT COMMITTEE**

Gregory Moss, M.P., Chairman  
Josephine Bartlett, Member  
Philip J. Beneby, Member  
Patrick Davis, Member  
Claudine Thompson, Co-Opted Member

### **HUMAN RESOURCES COMMITTEE**

Bernard R. Evans, Sr., Chairman  
Josephine Bartlett, Member  
Jayson Moxey, Member  
Franklyn Clarke, Co-Opted Member

### **OPERATIONS COMMITTEE**

#### **(including Legislative and Legal Affairs)**

Merrit Storr, Chairman  
Patrick Davis, Member  
Linda Denise Evans, Member  
Jayson Moxey, Member  
Marquista Thompson, Member  
Renaë McKay, Co-Opted Member



## Executive Management Team 2012

**Algernon Cargill**  
*Director*



**Cecile Williams-Bethel**  
*Sr. Deputy Director  
Operations*



**Dr. Kevin Bowe**  
*Medical Officer  
Medical Services*



**V. Theresa Burrows**  
*Deputy Director  
Administration & Business  
Support Services*



**Anthony Curtis**  
*Assistant Director  
Family Islands &  
Operations Training  
(Effective December 1, 2012)*



**Gerard Elliott**  
*Assistant Director  
New Providence Operations  
(Effective December 1, 2012)*



**Sonia Gill**  
*Financial Controller*



**Richenda King**  
*Deputy Director  
H.R. & Training*



**Phaedra Knowles**  
*Deputy Director  
Investments*



**Heather Maynard**  
*Legal Officer  
Legal Services*



**Derek Osborne**  
*Consultant Actuary*



**Whitney Patton**  
*Chief Internal Auditor  
Internal Audit*



**Raymond Wells**  
*Deputy Director  
Information Technology*



## Report on Operations

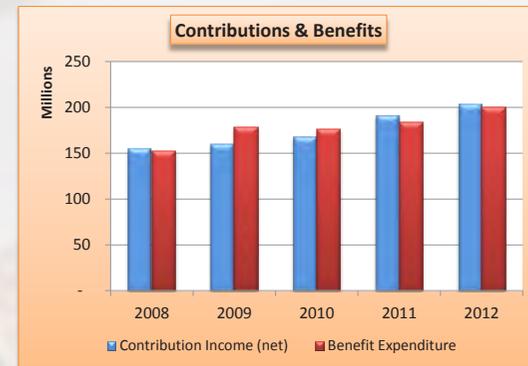
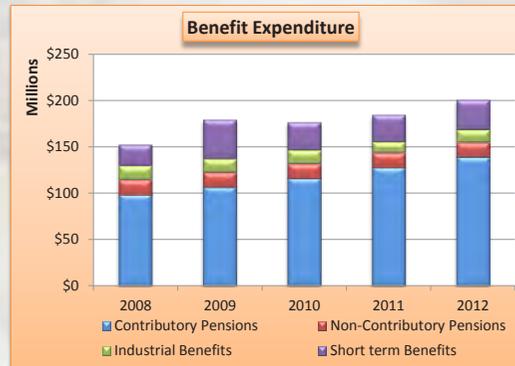
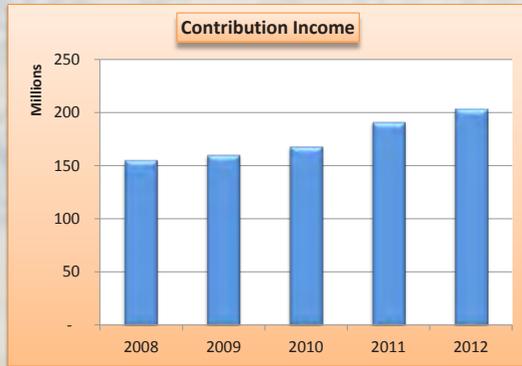
Although the economy remained sluggish in 2012, both contribution income and investment income for the year increased over 2011. The increase in investment income was realised notwithstanding the general decline in interest rates. A portion of the contribution income growth was due to the weekly wage ceiling being increased from \$500 to \$600 in July.

Benefit payments also increased in 2012 as the number of pensioners increased and all pensions in payment were increased by up to 4.6% in July 2012. This was the second adjustment since automatic biennial cost-of-living adjustments were introduced.

Due to an amendment to the staff pension plan and revisions to accounting standards related to pension plan disclosures, there was a significant increase in administrative expenditure. Total comprehensive income for the year was \$25.1 million compared to \$34.4 million in 2011. Total reserves increased from \$1.628 billion to \$1.653 billion.

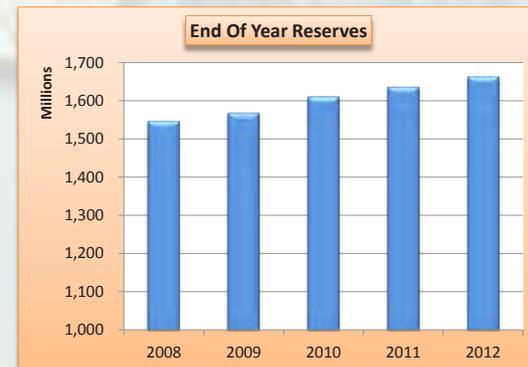
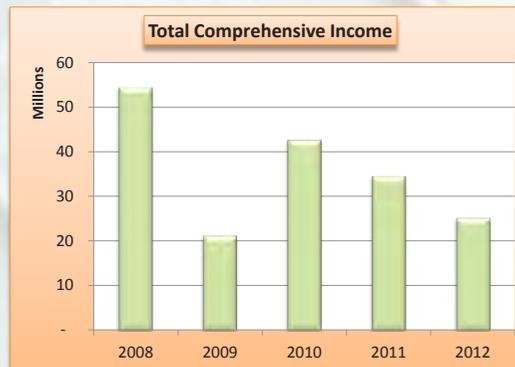
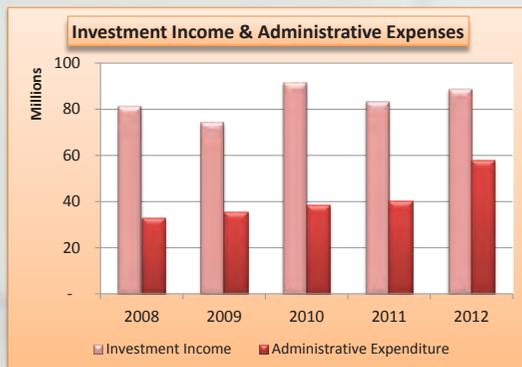
The following table provides results for key financial factors in 2012 with comparative figures for 2011.

PERFORMANCE INDICATORS	2012	2011 (Restated)	% CHANGE
Total Net Contributions Income	\$203.0 m	\$190.5 m	6.6%
Investment Income	88.6 m	83.2 m	6.5%
Benefits Expenditure	199.8 m	183.8 m	8.7%
Expenditure of National Prescription Drug Plan	7.0 m	5.1 m	37.3%
Administrative Expenditure	57.8 m	39.9 m	44.9%
Total Comprehensive Income	25.1 m	34.4 m	-27.0%
Year-end Reserves	1,653 m	1,628 m	1.5%
Year-end Investments	1,545 m	1,519 m	1.7%
Yield on Investments	5.0%	4.8%	4.2%
Administrative Expenditure as % of Contribution Income (Gross)	25.9%	20.9%	23.9%



Contribution income continues to increase each year. Increases in 2011 and 2012 were due to adjustments to the wage ceiling and increased efforts in the area of compliance. Benefits have also increased each year given the natural increase in the number of pensions in payment and the average pension amount. The gap between contribution income and benefit expenditure has narrowed.

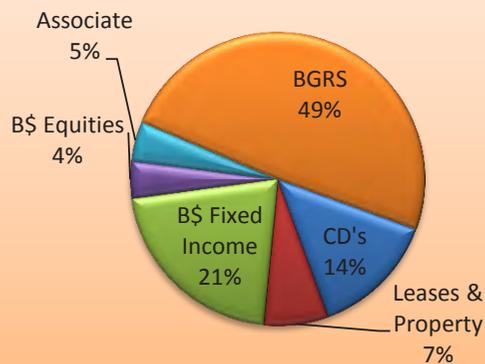
Investment income earned on reserves remains an important component of the Fund's finances. While this source of income can be volatile given changes in interest rates and equity prices, it consistently exceeds administrative costs. As a result, total income continues to exceed total expenditure and thus reserves continue to increase.



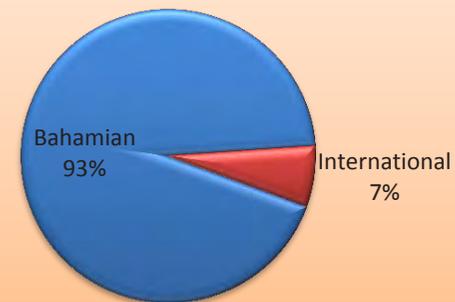
At the end of 2012, National Insurance Fund investments stood at \$1.545 billion up from \$1.519 billion at the end of 2011. The average return during 2012 was 5.0%, up from 4.8% in 2011, despite the 2011 reduction in Prime Rate to which most of NIB's investments are linked. Contributing to this increase were returns of 6.2% on combined Bahamian and United States equities. This performance was favourable when compared to 2011 when there was a significant unrealised loss on equities. In 2012, a decision was taken to write down by \$2.5 million the goodwill in the carrying value of Bank of The Bahamas, one of the two publicly traded companies (Cable Bahamas Ltd. being the other) in which NIB has a significant shareholding.

The Fund remains heavily invested (74%) in public sector securities - Government of The Bahamas debt, real estate finance leases, and quasi-government debt. During 2012, office complexes in Grand Bahama and Abaco were completed and handed over to the Government. This led to net investments in finance leases to The Bahamas Government increasing from \$46 million to \$95 million. Holdings of certificates of deposit declined from \$290 million to \$194 million. Efforts to diversify investments into different assets classes, both locally and overseas, are ongoing. For example, the Fund now has a substantial investment of \$86 million (up from \$67 million in 2011) in the Nassau Airport Development Company and holds 7% of all investments overseas.

**Investment Mix By Asset Class, Dec. 2012**



**Investment Mix By Location, Dec. 2012**



PERFORMANCE INDICATORS	2012	2011	% CHANGE
# Contributing Employers	12,598	12,393	1.7%
# Contributing Self-Employed Persons	7,644	6,553	16.6%
# Active Employees (estimate)^	142,000	141,000	0.7%
# Short-term Benefit Claims Awarded	33,282	32,641	2.0%
# Long-term Benefit Claims Awarded	3,171	3,207	-1.1%
# Contributory Pensioners (at year-end)	26,903	25,578	5.2%
# Assistance Pensioners (at year-end)	5,077	5,304	-4.3%
# Cases Approved For Prosecution	598	990	-39.6%
# Employees (December)	526	484	8.7%

*^ figure for 2011 revised from 145,000*

The National Insurance Board performs many operational functions, most notably registration of employers and insured persons, collection of contributions, the adjudication of benefit claims and the payment of various types of benefits.

The following tables highlight activities related to registration, claims awarded and pensions in payment in 2011 and 2012. Additional details, with numbers and values by Local office, can be found in the Statistical Appendices of this Report.

## Registration

While new registrations by self-employed persons were up significantly, the number of new employers was unchanged from 2011 to 2012. The number of individuals applying for N.I. numbers (for the first time) was lower in 2012 than in 2011.

Type	2012	2011
Employers	2,197	2,188
Self-Employed Persons	3,748	2,776
Active Insured Persons	2,204	2,374
Inactive Persons	10,981	13,892

## Claims Awarded

There was a slight increase in the overall number of claims awarded for the three major benefit types. Most of the increases were due to a significant increase in the number of unemployment benefit claims in 2012 over 2011.

Benefit Type	2012	2011
Long-term (pensions)	3,171	3,207
Short-term	33,282	32,641
Industrial	4,775	4,698
<b>Total</b>	<b>41,228</b>	<b>40,546</b>

Benefit expenditure in all three major categories increased in 2012. For long-term benefits/pensions increases are expected as more new pensioners are added than taken away and in 2012 pensions were increased by up to 4.6%. The increase in

the number of short-term benefit expenditure was mainly due to an increase in unemployment benefit payments while increases in Medical Care payments was the primary reason Industrial benefit expenditure increased.

Benefit Type	2012	2011
Long-term	\$154.6 m	\$143.4 m
Short-term	\$31.9 m	\$28.9 m
Industrial	\$13.3 m	\$11.5 m
<b>Total</b>	<b>\$199.8 m</b>	<b>\$183.8 m</b>

## Pensions In Payment At Year-end

At the end of 2012, almost 32,000 persons were in receipt of monthly pension payments. The number of pensions in payment increased for four of the five benefit types (the exception being Death benefit), but decreased for all three assistance types.

Benefit/Assistance	2012	2011
Retirement	19,288	18,375
Invalidity Benefit	2,401	2,288
Survivors Benefit	4,477	4,209
Old-age Non-contributory	2,024	2,175
Invalidity Assistance	2,648	2,685
Survivors Assistance	405	444
Disablement	676	637
Death	61	69
<b>Total</b>	<b>31,980</b>	<b>30,882</b>



## Still Delivering on the Promise

National Insurance - the social security programme of the Commonwealth of The Bahamas - exists to reduce economic hardship on workers of the country when they are unable to engage temporarily or permanently in gainful employment. Through contributions paid into the Programme, income security is provided and a national savings pool is maintained. In 2012, every area of the Board's operations, no matter their function within the organization, was focused on protecting and strengthening the Programme and Fund so as to deliver on the social security promise made to workers and their dependents, not just for today, but well into the future.

### Administration

2012 saw ministerial and Board-level changes for NIB. Social Security was taken out of the Ministry of Finance and placed within the Ministry of Labour & National Insurance, headed by the Honourable D. Shane Gibson, M.P.

During the year, there were several key changes in the personnel of the Board's executive management team: Cecile Williams-Bethel, former Deputy Director for Operations, returned to the Board as Senior Deputy Director; V. Theresa Burrows, former Deputy Director with responsibility for Human Resources and Training, returned as

Deputy Director with responsibility for Administration & Business Support Services; Anthony Curtis former Senior Deputy Director with responsibility for Operations, who had served as Acting Director in 2008, returned as Assistant Director responsible for the Family Island offices and Operations Training; and Gerard Elliott joined the team as Assistant Director, New Providence Operations.

In November, Williams-Bethel was appointed to the position of Acting-Director in the absence of sitting Director Cargill, who was the primary subject of a forensic investigation into certain affairs at NIB.

### Legislation

22 Amendments to the National Insurance Benefits and Contributions Regulations were passed in 2010; most of them took effect in 2011, positioning the social security programme to be more relevant, responsive and sustainable into the future. Two landmark achievements were included in these 22 amendments – automatic increases to pensions in payment linked to increases in the cost of living, and automatic increases in the wage ceiling on which workers pay contributions.

The first automatic increase in pensions was made in July 2012, when

grants and pensions in payment were increased by up to 4.6%. As for the insurable wage ceiling, the 2010 Amendments provided for the increasing of the ceiling from \$500 per week to \$600 per week; this took effect in July 2012. The provision of the 2012 Amendments relative to the automatic increase in the ceiling will begin in 2014. Changes to the ceiling in this regard will be aligned with changes in The Bahamas Retail Price Index over the prior two calendar years plus 2%.

## Human Resources

2012 was a year of training, development and growth as the National Insurance Board was repositioned to meet the ever-changing needs of the Bahamian public.

The 2012 Leaders Conference was held on January 25-26 under the theme, “The Year of Leadership with Accountability.” The parley looked at NIB’s past accomplishments and charted the way forward. The Inspectorate Summit followed on February 8-10, and served as a motivating force for Inspectors who have the arduous task of ensuring compliance with the National Insurance Act and Regulations. The two gatherings focused the organization on its continuing need to retool all of its resources as everyone works towards the Mission to “create an environment where staff are well trained, motivated, committed to integrity and accountability, and are recognized and rewarded for service excellence”.

A Board-wide training initiative was implemented to upgrade

computer skills in the Microsoft Office suite of products. The first phase of this initiative was undertaken from June 11-July 31 and focused on the use of Excel and Word at both the beginners and intermediate level and it has already reaped benefits for the organization.

In October 2012, 80 staff members were honored at the Annual Long Service Awards Ceremony held at Government House. Included in the list of honourees were five retirees, and six pioneering staffers who have been with the organization from its establishment in 1974.

There was one notable subtraction to the organization’s staff complement in the death of Sr. Inspector George Clarke.

## Operations

In 2011, NIB began the process to develop and implement a new insurance administration system to replace the old one portions of which had been developed more than 25 years ago. In May 2012, following the signing of a contract with the ViTech Systems Group, Inc., NIB began the task of reengineering its business processes while engaging in an involved process of designing and developing a new modern system. The new system will offer several business advantages that will make the Board more efficient. These include:

1. The ability to quickly make changes to the system when there are legislative or other mandated requirements.
2. The ability to allow NIB participants to go online to see the

status of their account such as benefit history, contribution history, status of claims, and to access other NIB services.

3. The ability of employers to go online to access their employer record to update their contribution status as well as pay via the e-payment facility.
4. The opportunity to allow the system to automate much of the manual tasks that are time consuming and frustrating to customers.

The first rollout of the system is scheduled for June 2013 and will introduce a new system for the registration of individuals and will also include a self-service module so that contributors can view their contribution history on-line.

In mid-2012, following an intense and extensive training programing, 18 staff members were confirmed in the role of Inspectors as part of NIB's efforts to strengthen its compliance cadre.

The Marsh Harbour Local Office was, in August 2012, re-located to the new Government Administration Office, funded by the National Insurance Board.

The last quarter of 2012 saw the restructuring of the Operations Division aimed at strengthening the division and addressing operational inefficiencies. As a result of the restructuring exercise, a significant number of staff members were promoted, received increments or were reclassified, all in an effort to better reflect the changing needs of the organization. In addition, Inspectorate

functions were returned to Local Offices around New Providence where they had previously been confined to the Local Office at Jumbey Village.

2012 was a challenging year for administrators of the social security programme and the Drug Plan; but despite the challenges, the organization ended the year on a high note in many respects. One such high note was the presentation to NIB of the Certificate of Merit by the International Social Security Association (ISSA) as part of its "ISSA Good Practice Awards Americas Competition."

## **National Prescription Drug Plan**

In September 2012, NIB celebrated the second anniversary of the National Prescription Drug Plan. Launched in 2010 with 6,500 beneficiaries in four benefit categories, at the end of 2012, the Plan had a membership of more than 20,549 and provided prescription drugs free-of-charge to active beneficiaries in 11 benefit categories. Some 45 private pharmacies and all public pharmacies participated for a total of some 100 distribution points.

## **Annual Report**

NIB continues its remarkable and laudable accomplishment with regards to the Annual Report. The 2011 Report was presented to the Minister on June 11, 2012, well ahead of the June 30 statutory deadline.



# Consolidated Financial Statements

December 31, 2012



## **INDEPENDENT AUDITORS' REPORT**

### **To the Government of the Commonwealth of The Bahamas**

We have audited the accompanying consolidated financial statements of the National Insurance Fund and its subsidiary, which comprise the consolidated statement of financial position as of December 31, 2012, and the consolidated statements of comprehensive income, changes in reserves and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Consolidated Financial Statements*

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

#### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

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Nassau | New Providence | Bahamas

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*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the National Insurance Fund and its subsidiary as of December 31, 2012, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and with the requirements of the National Insurance Act and the National Insurance (Financial and Accounting) Regulations.

*Emphasis of Matter*

Without qualifying our opinion, we draw your attention to Notes 2(a) (ii), 2(l), and 15 to the consolidated financial statements which describe the effect of adopting the amendments on International Accounting Standard (IAS) 19, in advance of its effective date of January 1, 2013. The changes were applied retrospectively as reflected in the consolidated financial statements of the National Insurance Fund and its subsidiary as of December 31, 2012.

*Other Matters*

The consolidated financial statements of the National Insurance Fund and its subsidiary as of December 31, 2011, were audited by other auditors whose report dated June 8, 2012, expressed an unqualified opinion thereon.

The audit for the year ended December 31, 2012 was conducted in accordance with International Standards on Auditing. We are required to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatements due to fraud, through designing and implementing appropriate responses. During our audit, there were no significant matters that came to our attention that were similar to the matters discussed in the Forensic Audit Report, as disclosed in Note 29 of the consolidated financial statements, which might have an effect on the fair presentation of the financial statements as a whole.



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

**June 20, 2013**

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

**Consolidated Statement of Financial Position**  
As of December 31, 2012  
(Expressed in Thousands of Bahamian dollars)

	Notes	2012 \$	2011 (Restated) \$	January 1, 2011 (Restated) \$
<b>ASSETS</b>				
Cash on hand and at banks	3	11,504	9,161	13,210
Receivables and advances	4	10,207	6,207	6,138
Prepaid expenses and deposits		1,208	906	957
		<b>22,919</b>	<b>16,274</b>	<b>20,305</b>
<b>Investments</b>				
At fair value through profit or loss:				
Equity securities	5	68,538	65,030	65,920
Held-to-maturity:				
Bahamas Government US\$ notes	6(a)	30,407	30,337	30,266
United States of America US\$ treasury notes	6(b)	20,964	4,469	9,447
Government of Barbados US\$ bonds	6(c)	5,779	6,080	5,912
Citigroup Funding Inc. notes	6(d)	3,006	3,006	-
Government of the Cayman Islands US\$ bonds	6(e)	2,490	2,487	2,485
Loans and receivables:				
Bahamas Government registered stocks	7(a)	689,663	659,781	671,924
Certificates of deposit	7(b)	194,182	289,759	287,887
Bahamas Mortgage Corporation bonds	7(c)	107,183	101,454	117,728
Nassau Airport Development Company Limited debt securities	7(d)	86,045	66,883	43,852
Education Loan Authority bonds	7(e)	48,024	48,231	48,564
Bahamas Development Bank bonds	7(f)	46,492	46,492	47,013
Bahamas Electricity Corporation bonds	7(g)	26,087	26,902	25,046
Preference shares	7(h)	14,500	14,500	11,500
Bank of The Bahamas Limited bonds	7(i)	13,508	17,004	17,005
Clifton Heritage Authority bonds	7(j)	7,998	7,998	8,005
Latin American Investment Bank (Bahamas) Ltd. bonds	7(k)	3,209	3,076	3,200
Loans to Bahamas Government entities	7(l)	3,088	3,226	3,844
Long-term deposit - Bahamas Development Bank	7(m)	3,004	-	-
Bridge Authority bonds	7(n)	2,829	2,829	2,835
Fidelity Bank (Bahamas) Limited notes	7(o)	2,828	2,828	2,830
The College of The Bahamas redeemable term notes	7(p)	2,584	2,677	-
Consolidated Water (Bahamas) Ltd. bonds	7(q)	-	1,729	1,701
Bahamas Government treasury bills		-	-	6,991
Net investment in finance leases	8	95,108	46,117	51,478
Investment property	9	5,120	5,120	11,432
Investments in associates	10	61,989	60,954	31,465
<b>Total investments</b>		<b>1,544,625</b>	<b>1,518,969</b>	<b>1,508,330</b>

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

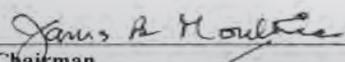
**The National Insurance Fund**  
(Established under the laws of the Commonwealth of The Bahamas)

**Consolidated Statement of Financial Position**  
As of December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

	Notes	2012 \$	2011 (Restated) \$	January 1, 2011 (Restated) \$
<b>ASSETS (Continued)</b>				
Computer software	11	4,617	576	495
Property, plant and equipment	12	80,546	64,395	47,613
Construction in progress – finance leases	13	78,688	114,588	92,548
<b>TOTAL ASSETS</b>		<b>1,731,395</b>	<b>1,714,802</b>	<b>1,669,291</b>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	14	7,134	6,578	7,238
Staff pension fund	15	67,193	77,629	65,100
Accrued benefits payable		4,100	2,737	3,523
<b>TOTAL LIABILITIES</b>		<b>78,427</b>	<b>86,944</b>	<b>75,861</b>
<b>RESERVES</b>				
Short-term benefits	30	30,909	22,748	11,579
Pensions	30	1,399,034	1,379,019	1,358,454
Industrial benefits	30	112,530	109,228	104,723
Medical benefits	30	86,977	92,276	95,085
Disablement and death benefits	30	22,942	24,011	23,013
Fidelity bond	16 & 30	576	576	576
<b>TOTAL RESERVES</b>		<b>1,652,968</b>	<b>1,627,858</b>	<b>1,593,430</b>
<b>TOTAL LIABILITIES AND RESERVES</b>		<b>1,731,395</b>	<b>1,714,802</b>	<b>1,669,291</b>

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

APPROVED BY THE BOARD OF DIRECTORS AND SIGNED ON ITS BEHALF BY:

  
Chairman

  
Acting Director

  
Financial Controller

June 20, 2013  
Date

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

## The National Insurance Fund

### Consolidated Statement of Comprehensive Income For the Year Ended December 31, 2012 (Expressed in Thousands of Bahamian dollars)

	Notes	2012 \$	2011 (Restated) \$
<b>INCOME</b>			
<b>Contributions</b>			
Employers		123,891	119,612
Insured persons		74,438	66,940
Self-employed persons		5,183	4,364
Voluntarily insured		<u>1</u>	<u>1</u>
		203,513	190,917
Refund of contributions		<u>(469)</u>	<u>(429)</u>
<b>Total net contributions</b>		<b><u>203,044</u></b>	<b><u>190,488</u></b>
Income from investments	17	81,524	76,710
Income from property	18	1,999	1,851
Share of profits of associates	10	5,081	4,649
Other income		<u>255</u>	<u>307</u>
<b>TOTAL INCOME</b>		<b><u>291,903</u></b>	<b><u>274,005</u></b>
<b>EXPENDITURE</b>			
<b>Benefits expenditure</b>			
Short-term		31,901	28,895
Pensions		154,561	143,401
Industrial		8,929	7,752
Disablement and death		<u>4,414</u>	<u>3,791</u>
<b>Total benefits expenditure</b>		<b><u>199,805</u></b>	<b><u>183,839</u></b>

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

**The National Insurance Fund**

**Consolidated Statement of Comprehensive Income  
For the Year Ended December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)**

	Notes	2012 \$	2011 (Restated) \$
<b>Administrative expenditure</b>			
Staff salaries, allowances and benefits	22	45,694	27,844
Expenses of the Board of Directors		196	124
Amortisation		356	301
Depreciation	12	2,493	1,752
Other expenses	21	9,109	9,925
<b>Total administrative expenditure</b>		<b>57,848</b>	<b>39,946</b>
<b>Expenditure of the medical benefits branch</b>			
Polyclinics			
Administrative expenditure		403	525
Depreciation	12	1,079	743
		1,482	1,268
National Prescription Drug Plan		6,964	5,078
<b>Total expenditure of the medical benefits branch</b>		<b>8,446</b>	<b>6,346</b>
<b>Other</b>			
Net impairment of goodwill	10	2,463	-
Net fair value loss on investment property	9	-	312
<b>Total other</b>		<b>2,463</b>	<b>312</b>
<b>TOTAL EXPENDITURE</b>		<b>268,562</b>	<b>230,443</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>23,341</b>	<b>43,562</b>
Remeasurement of the defined benefit obligation		1,593	(9,336)
Unclaimed benefits		176	202
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>25,110</b>	<b>34,428</b>

## The National Insurance Fund

### Consolidated Statement of Changes in Reserves For the Year Ended December 31, 2012 (Expressed in Thousands of Bahamian dollars)

Notes	Short-term		Pensions		Industrial		Medical		Disablement and Death		Fidelity Bond		Total	
	2012	2011 Restated	2012	2011 Restated	2012	2011 Restated	2012	2011 Restated	2012	2011 Restated	2012	2011 Restated	2012	2011 Restated
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>														
Total net contributions	50,761	47,622	136,040	127,627	15,228	14,287	1,015	952	-	-	-	-	203,044	190,488
Income from investments	1,000	681	74,747	68,629	3,472	4,495	1,394	1,891	911	1,014	-	-	81,524	76,710
Income from property	-	-	1,325	1,234	-	-	674	617	-	-	-	-	1,999	1,851
Share of profits of associates	-	-	5,081	4,649	-	-	-	-	-	-	-	-	5,081	4,649
Periodically payable disablement and death benefits transferred from														
income and expenditure account of industrial benefits branch:														
Disablement	19	-	-	-	-	-	-	-	2,434	3,775	-	-	2,434	3,775
Death	19	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income		64	77	64	77	63	77	64	76	-	-	-	255	307
<b>TOTAL INCOME</b>		<b>51,825</b>	<b>48,380</b>	<b>217,287</b>	<b>202,216</b>	<b>18,763</b>	<b>18,859</b>	<b>3,147</b>	<b>3,536</b>	<b>3,345</b>	<b>4,789</b>	-	<b>294,337</b>	<b>277,780</b>
<b>EXPENDITURE</b>														
<b>Benefits expenditure</b>														
Sickness benefit	11,873	11,204	-	-	-	-	-	-	-	-	-	-	11,873	11,204
Unemployment benefit	9,238	7,080	-	-	-	-	-	-	-	-	-	-	9,238	7,080
Maternity benefit	6,831	6,664	-	-	-	-	-	-	-	-	-	-	6,831	6,664
Funeral benefit	2,487	2,459	-	-	-	-	-	-	-	-	-	-	2,487	2,459
Maternity grant	1,481	1,487	-	-	-	-	-	-	-	-	-	-	1,481	1,487
Sickness assistance	(9)	1	-	-	-	-	-	-	-	-	-	-	(9)	1
Retirement benefit	-	-	108,488	99,735	-	-	-	-	-	-	-	-	108,488	99,735
Survivors' benefit	-	-	16,888	15,287	-	-	-	-	-	-	-	-	16,888	15,287
Invalidity benefit	-	-	13,129	12,248	-	-	-	-	-	-	-	-	13,129	12,248
Invalidity assistance	-	-	8,512	8,060	-	-	-	-	-	-	-	-	8,512	8,060
Old age non-contributory retirement benefit	-	-	6,516	6,683	-	-	-	-	-	-	-	-	6,516	6,683
Survivors' assistance	-	-	1,028	1,388	-	-	-	-	-	-	-	-	1,028	1,388
Medical care	-	-	-	-	6,843	5,886	-	-	-	-	-	-	6,843	5,886
Injury benefit	-	-	-	-	1,961	1,694	-	-	-	-	-	-	1,961	1,694
Disablement grant	-	-	-	-	125	172	-	-	-	-	-	-	125	172
Payment of current periodically payable benefits effected during the year:														
Disablement	19	-	-	-	-	-	-	-	4,062	3,405	-	-	4,062	3,405
Death	19	-	-	-	-	-	-	-	352	386	-	-	352	386
		<b>31,901</b>	<b>28,895</b>	<b>154,561</b>	<b>143,401</b>	<b>8,929</b>	<b>7,752</b>	-	<b>4,414</b>	<b>3,791</b>	-	-	<b>199,805</b>	<b>183,839</b>
Disablement benefit – capital value	-	-	-	-	2,434	3,775	-	-	-	-	-	-	2,434	3,775
Death benefit – capital value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative expenditure	11,900	8,429	41,835	28,672	4,113	2,846	8,446	6,345	-	-	-	-	66,294	46,292
Other expenditure	-	-	2,463	312	-	-	-	-	-	-	-	-	2,463	312
<b>TOTAL EXPENDITURE</b>		<b>43,801</b>	<b>37,324</b>	<b>198,859</b>	<b>172,385</b>	<b>15,476</b>	<b>14,373</b>	<b>8,446</b>	<b>6,345</b>	<b>4,414</b>	<b>3,791</b>	-	<b>270,996</b>	<b>234,218</b>
<b>EXCESS/(DEFICIENCY) OF INCOME OVER EXPENDITURE</b>		<b>8,024</b>	<b>11,056</b>	<b>18,398</b>	<b>29,831</b>	<b>3,287</b>	<b>4,486</b>	<b>(5,299)</b>	<b>(2,809)</b>	<b>(1,069)</b>	<b>998</b>	-	<b>23,341</b>	<b>43,562</b>
Remeasurement of the defined benefit obligation	-	-	1,593	(9,336)	-	-	-	-	-	-	-	-	1,593	(9,336)
Unclaimed benefits	137	113	24	70	15	19	-	-	-	-	-	-	176	202
<b>RESERVES, beginning of year (Restated)</b>		<b>22,748</b>	<b>11,579</b>	<b>1,379,019</b>	<b>1,358,454</b>	<b>109,228</b>	<b>104,723</b>	<b>92,276</b>	<b>95,085</b>	<b>24,011</b>	<b>23,013</b>	<b>576</b>	<b>576</b>	<b>1,627,858</b>
<b>RESERVES, end of year</b>		<b>30,909</b>	<b>22,748</b>	<b>1,399,034</b>	<b>1,379,019</b>	<b>112,530</b>	<b>109,228</b>	<b>86,977</b>	<b>92,276</b>	<b>22,942</b>	<b>24,011</b>	<b>576</b>	<b>1,652,968</b>	<b>1,627,858</b>

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

## The National Insurance Fund

### Consolidated Statement of Cash Flows For the Year Ended December 31, 2012 (Expressed in Thousands of Bahamian dollars)

	<b>2012</b>	<b>2011</b>
	\$	(Restated) \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of income over expenditure	23,341	43,562
Adjustments:		
Income from investments	(81,524)	(76,710)
Income from property	(1,999)	(1,851)
Share of profits of associates	(5,081)	(4,649)
(Gain)/Loss on disposal/write-off of property, plant and equipment	46	(86)
Amortisation	356	301
Depreciation	3,572	2,495
Net impairment of goodwill	2,463	-
Net fair value loss on investment property	-	312
<b>Deficit before working capital changes</b>	<b>(58,826)</b>	<b>(36,626)</b>
(Increase)/Decrease in receivables and advances	(12)	81
(Increase)/Decrease in prepaid expenses and deposits	(302)	51
(Decrease) in accounts payable and accrued expenses	732	(458)
(Decrease)/Increase in staff pension fund	(10,436)	12,529
Increase/(Decrease) in accrued benefits payable	1,363	(786)
<b>Net cash used in operating activities</b>	<b>(67,481)</b>	<b>(25,209)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received – trustee and other securities	64,740	69,486
Dividends received	4,254	3,271
Proceeds from finance leases	8,592	10,112
Income received from property	1,445	1,946
Dividends received from associates	1,583	892
Proceeds from sale of equity securities	110	1,053
Proceeds from United States of America US\$ Treasury notes	441	10,569
Proceeds on maturity of certificates of deposit	372,500	333,505
Proceeds on maturity of Bahamas Government registered stocks	16,456	19,237

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

## The National Insurance Fund

### Consolidated Statement of Cash Flows For the Year Ended December 31, 2012 (Expressed in Thousands of Bahamian dollars) (Continued)

	2012	2011
	\$	(Restated) \$
<b>CASH FLOWS FROM INVESTING ACTIVITIES (Continued)</b>		
Proceeds on maturity of Bahamas Mortgage Corporation bonds	5,100	20,500
Proceeds on redemption of preference shares	-	1,000
Proceeds on redemption of Bank of The Bahamas Limited bonds	3,500	1,000
Proceeds from loan repayments from Bahamas Government entities	136	605
Proceeds from Nassau Airport Development Company Limited debt securities	200	-
Proceeds on maturity of Latin American Investment Bank (Bahamas) Ltd. bonds	-	135
Proceeds from Consolidated Water (Bahamas) Ltd. bonds	1,700	-
Net movement in Bahamas Government treasury bills	-	1,979
Proceeds from sale of property, plant and equipment	35	93
Purchase of equity securities	(1,909)	(32,891)
Purchase of United States of America US\$ treasury notes	(16,924)	(4,447)
Purchase of Citigroup Funding Inc. notes	-	(3,000)
Placements of certificates of deposit	(278,000)	(336,113)
Placements of long-term deposits	(3,000)	-
Purchase of Bahamas Government registered stocks	(46,057)	(8,371)
Purchase of Bahamas Mortgage Corporation bonds	(10,700)	(4,400)
Purchase of Nassau Airport Development Company Limited debt securities	(15,000)	(20,000)
Purchase of Bahamas Electricity Corporation bonds	-	(1,003)
Purchase of preference shares	-	(4,000)
Additional loans to Bahamas Government entities	-	(5)
Purchase of The College of The Bahamas redeemable term notes	-	(2,583)
Additions to computer software	(4,397)	(382)
Additions to of property, plant and equipment	(19,726)	(11,284)
Additions to construction in progress – finance leases	(15,255)	(20,420)
<b>Net cash from investing activities</b>	<b>69,824</b>	<b>26,484</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,343</b>	<b>(9,061)</b>
Cash and cash equivalents, beginning of year	9,161	18,222
<b>Cash and cash equivalents, end of year (Note 3)</b>	<b>11,504</b>	<b>9,161</b>

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

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2012 (Expressed in Thousands of Bahamian dollars)

#### 1. General Information

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

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

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

#### 2. Summary of Significant Accounting Policies

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

##### (a) Basis of preparation

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

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

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

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2012

(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

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

###### *New and amended standards adopted by the Fund*

The Fund adopted the following new and revised IFRSs, which prescribe new accounting recognition, measurement and disclosure requirements applicable to the Fund. When applicable, the adoption of these new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as a change in accounting policy under IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

##### i. Amendments to IFRS 7 *Financial Instruments: Disclosures - Transfer of Financial Assets*

The amendments to IFRS 7 require additional disclosures for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposure when a financial asset is transferred, but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period. The effective date of the amendment is for the annual periods beginning on or after July 1, 2011, with earlier application permitted. The adoption of this revision did not have any material impact on the Fund's accounting policies or consolidated financial statements.

##### ii. Amendments to IAS 19 *Employee Benefits*

IAS 19 has been significantly revised and the following changes have been made. The amendments are effective for periods beginning on or after 1 January 2013. Earlier application is permitted.

- Actuarial gains and losses are renamed remeasurements and are now required to be recognised in other comprehensive income. The options to recognise actuarial gains and losses in profit and loss or to use the corridor approach to defer actuarial gains or losses have been removed. Remeasurements will not be recycled through profit and loss.
- Past-service costs will be recognised in the period of a plan amendment, while unvested benefits will no longer be spread over a future-service period.
- A curtailment now occurs only when an entity significantly reduces the number of employees. Curtailment gains or losses are accounted for as past-service costs.
- Costs for a funded benefit plan will include net interest income or expense, calculated by applying the discount rate to the net benefit asset or liability. This will replace finance charge and expected return on plan assets. There will be less flexibility in income statement presentation, where benefit cost should be split between:
  1. the cost of benefits accrued in the current period and benefit changes; and
  2. finance expense or income.
- Enhanced disclosure requirements, most notably the characteristics of amounts recognised in the financial statement and the risks and characteristics of benefit schemes.

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

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

*New and amended standards adopted by the Fund (continued)*

##### ii. Amendments to IAS 19 *Employee Benefits* (continued)

- Taxes related to benefit plans should be included either in the return on assets or the calculation of the benefit obligation, depending on their nature.
- Investment management costs should be recognised as part of the return on assets; other costs of running a benefit plan should be recognised as period costs when incurred.
- Under the new standards any benefit that has a future-service obligation is not a termination benefit. A liability for a termination benefit is recognised when the entity can no longer withdraw the offer of the termination benefit or recognises any related restructuring costs.

During the current year, the Fund has early-adopted the amendments to IAS 19 *Employee Benefits* with a date of initial application of January 1, 2012 and changed its basis for determining the income or expense related to defined benefit plans.

Other amendments and interpretations issued and published by the International Accounting Standards Board (IASB) that became effective for the financial year beginning January 1, 2012 were either not relevant or not significant to the Fund's operations and accordingly did not have a material impact on the Fund's accounting policies or consolidated financial statements.

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

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

##### i. IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* issued in November 2009 and amended in October 2010 addresses the classification, measurement and recognition of financial assets and financial liabilities. The standard requires all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement*, to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. IFRS 9 is effective for annual periods beginning on or after January 1, 2015, with earlier application permitted. The Fund has not yet assessed the full impact of adopting IFRS 9, but intends to adopt IFRS 9 no later than the fiscal period beginning on or after January 1, 2015.

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

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

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

##### ii. IFRS 10 Consolidated Financial Statements

IFRS 10 *Consolidated Financial Statements* establishes the principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The Standard defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. This IFRS will supersede IAS 27 *Consolidated Financial Statements and Separate Financial Statements* and SIC 12 *Consolidation – Special Purpose Entities*. IFRS 10 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Fund has not yet assessed the full impact of adopting IFRS 10, but intends to adopt IFRS 10 no later than the fiscal period beginning on or after January 1, 2013.

##### iii. IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 *Disclosure of Interests in Other Entities* applies to entities that have an interest in a subsidiary, a joint arrangement, and an associate or an unconsolidated structured entity. It benefits the users by identifying the profit or loss and cash flows available to the reporting entity and determining the value of current or future investment in the reporting entity. IFRS 12 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

##### iv. Amendments to IFRS 10, IFRS 12, and IAS 27

These amendments apply to a particular class of business that qualifies as investment entities. The IASB uses the term “investment entity” to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organizations, venture capital organizations, pension funds, sovereign wealth funds and other investment funds. Under IFRS 10 *Consolidated Financial Statements*, reporting entities were required to consolidate all investees that they control (i.e. all subsidiaries). The Investment Entities amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities. The amendments to IFRS 10, IFRS 12, and IAS 27 are effective for annual periods beginning on or after January 1, 2013.

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

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

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

##### v. IFRS 13 *Fair Value Measurement*

IFRS 13 explains how to measure fair value for financial reporting. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It emphasizes that fair value is market-based, not an entity-specific measurement; hence an entity's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant when measuring fair value. It was developed to eliminate inconsistencies of fair value measurements dispersed in various existing IFRSs. It also clarifies the definition of fair value, provides a single framework for measuring fair value and enhances fair value disclosures. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

##### vi. IAS 1 *Presentation of Items of Other Comprehensive Income*

To improve the presentation of items of other comprehensive income (OCI), the IASB amended IAS 1 to require entities to fund items presented in the OCI on the basis of whether they would be reclassified to (recycled to) profit or loss subsequently. The amendments did not address which items should be presented in the OCI and did not change the option to present OCI items either before or net of tax. Those amendments are effective for annual periods beginning on or after July 1, 2012, with earlier application permitted.

##### vii. Amendments to IAS 27 *Consolidated and Separate Financial Statements*

The amendments to IAS 27 are a result of the completion and issuance of a new standard on consolidation, IFRS 10 *Consolidated Financial Statements*. Therefore, IAS 27 will now be titled "Separate Financial Statements" and contain requirements relating only to separate financial statements. The amended standard is applicable to annual periods beginning on or after January 1, 2013, with earlier application permitted.

##### viii. Amendments to IAS 28 *Investment in Associates*

The amendments to IAS 28 are a result of the completion and issuance of a new standard on joint arrangements, IFRS 11 *Joint Arrangements*. As a result, IAS 28 will now be titled "Investment in Associates and Joint Ventures" and incorporate requirements for joint ventures. The amended standard is applicable to annual periods beginning on or after January 1, 2013, with earlier application permitted.

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

#### (b) Consolidation

##### *Subsidiaries*

Subsidiaries are all entities over which the Fund has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Fund. They are deconsolidated from the date that control ceases.

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

##### *Associates*

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

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

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

#### (c) Foreign currency translation

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

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2012 (Expressed in Thousands of Bahamian dollars) (Continued)

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

##### (d) Cash and cash equivalents

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

##### (e) Financial assets

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

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

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

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

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

##### (f) Sale and repurchase agreements

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

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

#### (g) Impairment of financial assets

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

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

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

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

#### (h) Investment property

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

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

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

#### (h) Investment property (continued)

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

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

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

#### (i) Property, plant and equipment

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

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

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

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

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

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

#### (i) Property, plant and equipment (continued)

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

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

#### (j) Computer software

Computer software comprises software packages and other costs associated with implementing the software and ensuring that it is fully operational. The asset is stated at historical cost less amortisation, calculated using the straight-line basis over the estimated useful life of three years.

#### (k) Leases

*The Fund is lessee*

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

*The Fund is lessor*

##### Finance leases

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

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

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

#### (k) Leases (continued)

*The Fund is lessor (continued)*

##### Operating leases

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

#### (l) Employee benefits

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

In the current year, the Fund early adopted the amendments to IAS 19 *Employee Benefits* as revised in June 2011. The Fund has applied IAS 19 as revised retrospectively and in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. These transitional provisions do not have an impact on future periods. The opening and closing statements of financial position of the earliest comparative period presented (2011) have been restated.

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

The impact of the new accounting policy is as follows:

- The effect on the consolidated statement of financial position as at January 1, 2011 is an increase in the pension plan liability of \$17,080 and a decrease in the pensions reserve of the same amount.
- The effect on the consolidated statement of financial position as at December 31, 2011 is an increase in the pension plan liability of \$25,228 and a decrease in the pensions reserve of the same amount.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2012 (Expressed in Thousands of Bahamian dollars) (Continued)

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

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

- The effect on the consolidated statement of financial position as at December 31, 2012 is an increase in the pension plan liability of \$32,704 and a decrease in the pensions reserve of the same amount.
- The effect on the consolidated statement of comprehensive income for the year ended December 31, 2011 is a decrease in pension expense of \$1,188 and recognition of an actuarial loss of \$9,336.
- The effect on the consolidated statement of comprehensive income for the year ended December 31, 2012 is an increase in pension expense of \$9,069 and recognition of an actuarial gain of \$1,593.

##### *Correction of Error*

In the prior year, the Fund overstated the present value of the defined benefit obligation by \$3,259 due to an error in the pension calculation. There was no impact on the prior year's pension expense. The effect of the correction of this error is shown along with the effect of the change in accounting policy in the restated figures.

##### (m) Revenue recognition

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

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

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

##### (n) Expense recognition

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

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

#### (o) Unclaimed benefits

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

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

Sections 18 and 19 of the Regulations provide the following:

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

	2012	2011
Short-term benefits reserve	25.0%	25.0%
Pensions reserve	67.0%	67.0%
Industrial benefits reserve	7.5%	7.5%
Medical benefits reserve	0.5%	0.5%
	<u>100.0%</u>	<u>100.0%</u>

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

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

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

For the years ended December 31, 2012 and 2011, the resulting proportion of administrative expenditure ascribed to the three benefit branches is as follows:

	2012	2011
Short-term benefits reserve	20.57%	20.49%
Pensions reserve	72.32%	72.59%
Industrial benefits reserve	7.11%	6.92%
	<u>100.00%</u>	<u>100.00%</u>

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

#### (q) Related parties

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

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

#### (r) Taxation

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

#### (s) Corresponding figures

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

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2012 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 3. Cash and Cash Equivalents

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

	2012	2011
	\$	\$
Cash on hand	29	30
Cash at banks – current account	3,159	5,625
Cash at brokers	1,040	940
Cash at the Central Bank of The Bahamas	7,276	2,566
	<u>11,504</u>	<u>9,161</u>

Cash at the Central Bank of The Bahamas does not earn interest. The remaining cash and cash equivalents did not earn interest during 2012 (2011: effective interest of Nil%).

#### 4. Receivables and Advances

Receivables and advances comprise:

	2012	2011
	\$	\$
Finance lease receivables	5,428	2,157
Rent receivable	2,187	1,633
Other receivable – The Bahamas Government	1,661	1,498
Advances to staff	391	277
Education loans – staff	243	289
Automobile loans – staff	168	278
Miscellaneous receivables	71	14
Computer loans – staff	68	68
Staff uniforms and telephone	-	3
	<u>10,217</u>	<u>6,217</u>
Provision for doubtful accounts	(10)	(10)
	<u>10,207</u>	<u>6,207</u>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 5. Investments at Fair Value Through Profit or Loss

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

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

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

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

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

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

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

Units			2012	2011
2012	2011		\$	\$
<i>Ordinary Shares / Mutual Funds</i>				
<b>Level 1 B\$</b>				
1,000	1,000	Bahamas Waste Limited	2	3
1,114,583	1,114,583	Commonwealth Bank Ltd.	7,334	7,802
2,967,500	2,967,500	Commonwealth Brewery Limited	26,767	25,224
474,796	474,796	Consolidated Water Co. Ltd.	703	812
23,320	23,320	FamGuard Corporation Limited	120	127
213,472	213,472	Finance Corporation of Bahamas Limited	1,227	960
298,491	298,491	FirstCaribbean International Bank (Bahamas) Limited	2,179	2,430
375,153	375,153	Freeport Oil Holdings Company Ltd.	2,153	1,876
158,769	158,769	ICD Utilities Limited	1,030	1,159
68,327	68,327	J.S. Johnson & Company Limited	683	671
			42,198	41,064
<b>Level 1 US\$</b>				
460	300	Apple Inc.	245	121
3,260	-	AT&T Inc.	110	-
2,740	-	Coca Cola Co.	99	-
1,260	-	Deer & Co.	109	-
2,390	1,200	Exxon Mobil Corp.	207	102
3,250	1,550	Fluor Corp.	191	78
4,520	1,850	Freeport-McMoran Copper & Gold Inc.	155	68
5,210	-	General Electric Co.	110	-
4,650	4,650	Intel Corp.	96	113
2,300	2,300	JP Morgan Chase & Co.	101	76

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

Units			2012	2011
2012	2011		\$	\$
<i>Ordinary Shares / Mutual Funds (continued)</i>				
<b>Level 1 US\$ (continued)</b>				
2,000	2,000	Marathon Oil Corp.	61	59
3,350	1,000	Marathon Petroleum Corp.	211	33
2,360	1,350	McDonald's Corp.	208	135
1,250	1,250	McKesson Corp.	121	97
5,150	2,350	MetLife Inc.	170	73
7,170	3,950	Microsoft Corp.	192	103
4,420	1,300	Nike Inc.	228	125
2,150	1,050	Occidental Petroleum Corp.	165	98
6,450	3,000	Oracle Corp.	215	77
9,740	5,200	Pfizer Inc.	244	113
-	2,500	Southern Co./The	-	116
4,480	2,200	State Street Corp.	211	89
1,200	1,200	United Technologies Corp.	98	88
6,190	-	Wells Fargo & Company	212	-
22,255	22,255	Axion Bal. Fund	2,686	2,444
23,033	23,033	Axion Cons. Fund	2,641	2,481
			<u>9,086</u>	<u>6,689</u>
			<u>51,284</u>	<u>47,753</u>
<b>Level 3 B\$</b>				
3,000	3,000	Royal Fidelity International Investment Fund Limited; IndexLinked Sub Fund, Class N shares Series 3	2,913	2,936
			<u>2,913</u>	<u>2,936</u>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

Units			2012	2011
2012	2011		\$	\$
<i>Preference Shares</i>				
<b>Level 2</b>				
87,460	87,460	Commonwealth Bank Ltd.; 7.00%	8,826	8,826
150	150	FamGuard Corporation Limited; Prime + 1.50%	150	150
100,000	100,000	Fidelity Bank Limited; Prime + 2.25%	1,000	1,000
4,365,000	4,365,000	Freeport Oil Holdings Company Ltd.; Prime + 1.75%	4,365	4,365
			14,341	14,341
			<b>68,538</b>	<b>65,030</b>

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

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Balance as of January 1, 2012	47,753	14,341	2,936	65,030
Purchases	1,909	-	-	1,909
Sales	(110)	-	-	(110)
Net realised gain/(loss)	4	-	-	4
Net unrealised gain/(loss)	1,728	-	(23)	1,705
<b>Balance As of December 31, 2012</b>	<b>51,284</b>	<b>14,341</b>	<b>2,913</b>	<b>68,538</b>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Balance as of January 1, 2011	48,587	13,341	3,992	65,920
Purchases	31,891	1,000	-	32,891
Sales	(53)	-	(1,000)	(1,053)
Transfers to investments in associates (Note 10)	(25,732)	-	-	(25,732)
Net realised gain/(loss)	2,240	-	-	2,240
Net unrealised gain/(loss)	(9,180)	-	(56)	(9,236)
<b>Balance As of December 31, 2011</b>	<b><u>47,753</u></b>	<b><u>14,341</u></b>	<b><u>2,936</u></b>	<b><u>65,030</u></b>

As of December 31, 2012, the cost of ordinary shares/mutual funds and preference shares totals \$52,458 (2011: \$50,655) and \$14,341 (2011: \$14,341), respectively, which include the cost of Level 3 securities of \$3,000 (2011: \$3,000).

### 6. Held-To-Maturity Investments

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

Face Value		Description	2012		2011	
2012 \$	2011 \$		\$	\$	\$	\$
11,000	11,000	6.95%; 2029	10,987		10,986	
4,800	4,800	6.63%; 2033	4,693		4,692	
14,102	14,102	7.13%; 2038	<u>14,181</u>		<u>14,183</u>	
		Accrued interest	29,861		29,861	
			546		476	
			<b><u>30,407</u></b>		<b><u>30,337</u></b>	

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 6. Held-To-Maturity Investments (Continued)

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

Face Value		Description	2012	2011
2012	2011		\$	\$
2,270	2,270	1.50%; 2016	2,260	2,257
1,755	2,180	2.00%; 2021	1,762	2,190
7,770	-	0.25%; 2015	7,755	-
6,250	-	0.75%; 2017	6,262	-
2,903	-	1.13% to 1.25%:2019	2,907	-
			<u>20,946</u>	<u>4,447</u>
		Accrued interest	18	22
			<u><b>20,964</b></u>	<u><b>4,469</b></u>

As of December 31, 2012, United States of America debt was rated AA+ (2011: AAA) by Standard and Pools.

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

Face Value		Description	2012	2011
2012	2011		\$	\$
3,000	3,000	Class B; 7.80%; 2019	3,000	3,000
2,500	2,500	7.25%; 2021	2,677	2,691
			<u>5,677</u>	<u>5,691</u>
		Accrued interest	102	389
			<u><b>5,779</b></u>	<u><b>6,080</b></u>

As of December 31, 2012, Barbados foreign currency debt was rated BB+ (2011: BBB-) by Standard and Pools.



## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 7. Loans and Receivables

#### (a) Bahamas Government registered stocks

Investments in Bahamas Government registered stocks have interest rates varying from 4.77% to 9.00% (2011: 4.75% to 8.75%) per annum, most of which are tied to the Bahamian dollar Prime rate (Prime).

Face Value		Description		
2012	2011		2012	2011
\$	\$		\$	\$
-	16,456	Prime + 0.69% to 0.94%; 8.75%; 2012	-	16,456
41,231	41,231	Prime + 0.03% to 1.06%; 9.00%; 2013	41,231	41,231
182,447	182,447	Prime + 0.03% to 1.25%; 6.63%; 2014-2018	182,447	182,447
135,386	125,830	Prime + 0.02% to 0.56%; 4.10% to 4.75%; 2019-2023	135,386	125,830
171,307	162,355	Prime + 0.06% to 0.38%; 4.25%; 2024-2028	171,307	162,355
121,865	94,316	Prime + 0.06% to 0.41%; 4.50%; 2029-2033	121,865	94,316
27,859	27,859	Prime + 0.18% to 0.63%; 2035-2037	27,859	27,859
			680,095	650,494
		Accrued interest	9,568	9,287
			<b>689,663</b>	<b>659,781</b>

The effective interest rate earned on Bahamas Government registered stocks was 5.30% (2011: 5.63%), and registered stocks with face values totalling \$30,420 (2011: \$28,349) have fixed interest rates varying from 4.10% to 9.00% (2011: 6.63% to 8.75%) and maturities ranging from 2013 to 2029 (2011: 2012 to 2014).

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 7. Loans and Receivables (Continued)

#### (b) Certificates of deposit

	2012	2011
	\$	\$
Certificates of deposit	192,181	285,346
Provision for doubtful accounts	<u>(2,001)</u>	<u>(2,001)</u>
	190,180	283,345
Accrued interest	<u>4,002</u>	<u>6,414</u>
	<u><b>194,182</b></u>	<u><b>289,759</b></u>

During the year, certificates of deposit earned interest at rates of 2.75% to 5.25% (2011: 2.25% to 6.00%) per annum. The effective interest earned on certificates of deposit was 3.97% (2011: 4.68%). The vast majority of certificates of deposit mature within 12 months of the statement of financial position date.

The Fund is permitted, under foreign exchange controls of the Central Bank of The Bahamas, to invest a maximum of \$25 million annually (\$6.25 million quarterly) in specific foreign currency investments. This annual facility commenced in 2006 and annual maximums ranged from \$12.5million to \$25 million. As of December 31, 2012, certificates of deposit include United States dollar (US\$) deposits of \$2,680 (2011: \$1,345).

As of December 31, 2012, the Fund has \$2,001 (2011: \$2,001) in certificates of deposit with Gulf Union Bank (Bahamas) Ltd., which is in compulsory liquidation. Accordingly, the Fund has made full provision for amounts outstanding. No payments were received in 2012 or 2011.

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 7. Loans and Receivables (Continued)

#### (c) Bahamas Mortgage Corporation bonds

These bonds are guaranteed by The Bahamas Government. As of December 31, 2012 and 2011 the face values of the bonds equal the carrying values, excluding accrued interest. The terms of these bonds deem Prime to be no less than 7.00%.

Series	Description	2012 \$	2011 \$
Q	15 year bonds; Prime*; 2024-2027	15,000	12,000
J,L,N,O,P,R	20 year bonds; Prime* less 2.00% to 5.00%; 2013-2032	75,600	74,500
A,C,H,M,S	25 year bonds; Prime* less 2.00% to 5.25%; 2013-2037	15,100	13,600
		105,700	100,100
	Accrued interest	1,483	1,354
		<b>107,183</b>	<b>101,454</b>

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

Face Value		Description	2012 \$	2011 \$
2012 \$	2011 \$			
10,000	10,000	B\$ Series A subordinated participating debt; 13.00%; 2034	10,000	10,000
10,000	10,000	US\$ Series A subordinated participating debt; 13.00%; 2034	10,000	10,000
9,900	10,000	B\$ senior debt notes; 8.50%; 2031	9,900	10,000
9,900	10,000	US\$ senior debt notes; 8.50%; 2031	9,900	10,000
20,000	20,000	US\$ Series B subordinated participating debt; 13.00%; 2034	20,000	20,000
5,000	-	B\$ senior debt notes; Series B; 6.34%; 2035	5,000	-
5,000	-	US\$ senior debt notes; Series A; 6.34%; 2035	5,000	-
5,000	-	US\$ senior debt notes; Series C; 6.44%; 2035	5,000	-
			74,800	60,000
		Accrued interest	11,245	6,883
			<b>86,045</b>	<b>66,883</b>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 7. Loans and Receivables (Continued)

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

The Fund acquired debt securities of Nassau Airport Development Company Limited (NAD). The proceeds of the debt offerings were used for the financing of phase II of the expansion of the Lynden Pindling International Airport. During 2012, an additional \$15 million in secured notes was acquired toward the financing of phase III.

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

#### (e) Education Loan Authority bonds

Face Value		Description	2012	2011
2012	2011		2012	2011
\$	\$		\$	\$
15,000	15,000	Series A; Prime + 0.25%; 2020	15,884	15,982
9,750	9,750	Series B; Prime + 0.50%; 2023	10,194	10,226
19,250	19,250	Series C; Prime + 0.75%; 2025 to 2028	21,062	21,139
			47,140	47,347
		Accrued interest	884	884
			<b>48,024</b>	<b>48,231</b>

These bonds are guaranteed by The Bahamas Government.

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 7. Loans and Receivables (Continued)

#### (f) Bahamas Development Bank bonds

Face Value		Description		
2012	2011		2012	2011
\$	\$		\$	\$
10,000	10,000	Series B; Prime less 1.00%; 2016-2020	10,000	10,000
15,000	15,000	Series A; Prime; 2020-2024	15,000	15,000
10,000	10,000	Series D; Prime less 1.00%; 2021-2024	10,000	10,000
11,000	11,000	Series C; Prime; 2026-2029	11,000	11,000
			<u>46,000</u>	<u>46,000</u>
		Accrued interest	492	492
			<u><b>46,492</b></u>	<u><b>46,492</b></u>

These bonds are guaranteed by The Bahamas Government.

#### (g) Bahamas Electricity Corporation bonds

Face Value		Description		
2012	2011		2012	2011
\$	\$		\$	\$
1,003	1,003	US\$ Series A: 6.43%; 2016	1,003	1,003
6,495	6,495	B\$ Series B; 6.41%; 2021	6,487	6,487
18,557	18,557	B\$ Series C; 6.56%; 2026	18,522	18,520
			<u>26,012</u>	<u>26,010</u>
		Accrued interest	75	892
			<u><b>26,087</b></u>	<u><b>26,902</b></u>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 7. Loans and Receivables (Continued)

#### (h) Preference Shares

Face Value		Description	2012	2011
2012	2011		\$	\$
2,000,000	2,000,000	Colina Holdings Bahamas Limited; Prime + 1.50%	2,000	2,000
3,500	3,500	Cable Bahamas Limited; 7.00%; 2015	3,500	3,500
5,000	5,000	Cable Bahamas Limited; 8.00%; 2019	5,000	5,000
400,000	400,000	Fidelity Bank (Bahamas) Limited; 5.75%; 2021	4,000	4,000
			<u>14,500</u>	<u>14,500</u>

As of December 31, 2012, the cost of preference shares totals \$14,500 (2011: \$14,500).

#### (i) Bank of The Bahamas Limited bonds

Face Value		Description	2012	2011
2012	2011		\$	\$
-	3,500	Series A; Prime; 2012	-	3,500
4,800	4,800	Series B; Prime; 2013	4,800	4,800
2,600	2,600	Series C; Prime; 2014	2,600	2,600
6,100	6,100	Series D; Prime; 2015	6,100	6,100
			<u>13,500</u>	<u>17,000</u>
		Accrued interest	8	4
			<u>13,508</u>	<u>17,004</u>

The Series A, B, C and D bonds are supported by Bank of The Bahamas Limited's Government Guaranteed Advanced Education Loan Scheme portfolio.

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
 December 31, 2012  
 (Expressed in Thousands of Bahamian dollars)  
 (Continued)

### 7. Loans and Receivables (Continued)

#### (j) Clifton Heritage Authority bonds

Face Value		Description		
2012	2011		2012	2011
\$	\$		\$	\$
1,126	1,126	Prime + 0.75%; 2020	1,126	1,126
1,455	1,455	Prime + 0.50%; 2025	1,455	1,455
4,219	4,219	Prime + 0.63%; 2030	4,219	4,219
1,149	1,149	Prime + 0.75%; 2035	1,149	1,149
			<u>7,949</u>	<u>7,949</u>
		Accrued interest	49	49
			<u><b>7,998</b></u>	<u><b>7,998</b></u>

These bonds are guaranteed by The Bahamas Government.

#### (k) Latin American Investment Bank (Bahamas) Ltd. bonds

In prior years, the Fund acquired \$5,000 of the bonds that are supported by the Government Guaranteed Advanced Education Loan Scheme held in trust by SG Hambros Bank and Trust (Bahamas) Limited. Interest is earned at 0.70% above Prime. As of December 31, 2012, the carrying amount of the bonds includes the principal of \$2,443 (2011: \$2,443) plus accrued interest of \$766 (2011: \$633).

During the year, principal payments totalling \$Nil (2011: \$135) were received, with cumulative principal payments totalling \$2,556 (2011: \$2,556). The bonds fully mature in 2015.

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
 December 31, 2012  
 (Expressed in Thousands of Bahamian dollars)  
 (Continued)

### 7. Loans and Receivables (Continued)

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

	1-Jan-12 \$	Additional Funds \$	Repayments/ Adjustments \$	31-Dec-12 \$
BEC (b)	3,199	-	(136)	3,063
Accrued interest	27	-	(2)	25
	<u>3,226</u>	<u>-</u>	<u>(138)</u>	<u>3,088</u>
	1-Jan-11 \$	Additional Funds \$	Repayments/ Adjustments \$	31-Dec-11 \$
BEC (a)	503	-	(503)	-
BEC (b)	3,296	5	(102)	3,199
	3,799	5	(605)	3,199
Accrued interest	45	-	-	27
	<u>3,844</u>	<u>5</u>	<u>(605)</u>	<u>3,226</u>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 7. Loans and Receivables (Continued)

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

*BEC (b)*

During August 2009, the Fund participated in a medium term US\$ loan facility provided to BEC to refinance its existing US\$ debt obligations. The loan bears interest at US\$ 3-month LIBOR plus 3.25%, with principal and interest payable quarterly. The terms of this loan was extended and is scheduled to mature April 2013. The loan is guaranteed by The Bahamas Government.

*Chronic Diseases Prescription Drug Plan*

During 2010, the Board of Directors and relevant Minister resolved that the Fund would bear the costs of the initial capital expenditure and costs of the Drug Plan during its non-contributory phase. Accordingly, the original loan of \$497 was expensed. Further, the additional costs incurred during 2012 and recorded as administrative expenditure in the medical benefits branch totalled \$6,964 (2011: \$5,078).

#### (m) Long-term deposit – Bahamas Development Bank

Face Value		Description	2012	2011
2012	2011		2012	2011
\$	\$		\$	\$
3,000	-	3.75%: 2016 Accrued interest	3,000 4	- -
			<u>3,004</u>	<u>-</u>

During the year, a \$3 million deposit was placed with Bahamas Development Bank for four years at 3.75% interest per annum. The funds are to be used to establish a roadwork compensation loan facility to assist small businesses impacted by the New Providence Road Improvement Project.

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 7. Loans and Receivables (Continued)

#### (n) Bridge Authority bonds

Face Value		Description		
2012	2011		2012	2011
\$	\$		\$	\$
956	956	Prime + 1.25%; 2019	956	956
1,025	1,025	Prime + 1.50%; 2024	1,025	1,025
802	802	Prime + 1.63%; 2029	802	802
			<u>2,783</u>	<u>2,783</u>
		Accrued interest	46	46
			<u><b>2,829</b></u>	<u><b>2,829</b></u>

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

Face Value		Description		
2012	2011		2012	2011
\$	\$		\$	\$
500	500	Series C Notes; 7.00%; 2013	500	500
800	800	Series D Notes; Prime + 1.75%; 2015	800	800
500	500	Series A Notes; 7.00%; 2017	500	500
1,000	1,000	Series B Notes; Prime + 1.75%; 2022	1,000	1,000
			<u>2,800</u>	<u>2,800</u>
		Accrued interest	28	28
			<u><b>2,828</b></u>	<u><b>2,828</b></u>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 7. Loans and Receivables (Continued)

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

Face Value		Description	2012	2011
2012	2011		\$	\$
2,583	2,583	7.00%; 2026 Accrued interest	2,583 1	2,583 94
			<u>2,584</u>	<u>2,677</u>

#### (q) Consolidated Water (Bahamas) Ltd. bonds

In prior years, the Fund acquired \$2,000 of Consolidated Water (Bahamas) Ltd. Series A bonds to assist in the financing of the design and construction of the Blue Hills water plant to meet the supply of water to the Water & Sewerage Corporation. Interest is earned at 2.00% above Prime and is paid quarterly. These bonds were redeemed during 2012. As of December 31, 2011, the carrying amount of the bonds included the principal of \$1,700 plus accrued interest of \$29.

### 8. Net Investment in Finance Leases

Net investment in finance leases comprise:

	2012	2011
	\$	\$
<i>Gross receivables</i>		
Not later than one year	14,465	8,601
Later than one year and not later than five years	57,861	34,408
Later than five years	62,232	15,140
	<u>134,558</u>	<u>58,149</u>
Unearned finance income	(39,450)	(12,032)
	<u>95,108</u>	<u>46,117</u>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

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

	2012 \$	2011 \$
Not later than one year	8,340	5,663
Later than one year and not later than five years	39,547	26,765
Later than five years	47,221	13,689
	<u>95,108</u>	<u>46,117</u>

The Fund presently has ten (2011: eight) office buildings being leased to The Bahamas Government under finance lease agreements, as follows:

	2012 \$	2011 \$
Poinciana Hill, New Providence	10,443	11,826
Thompson Boulevard, New Providence	15,067	17,263
Police Headquarters, Grand Bahama	5,531	6,379
Police Dormitories, Grand Bahama	2,432	2,702
Robinson Road, New Providence	3,889	4,129
Police Residences, Grand Bahama	2,655	2,950
Police Gymnasium, Grand Bahama	742	825
Police Guard House, Grand Bahama	39	43
Freeport Government Complex	25,288	-
Marsh Harbour Government Complex	29,022	-
	<u>95,108</u>	<u>46,117</u>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
 December 31, 2012  
 (Expressed in Thousands of Bahamian dollars)  
 (Continued)

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

#### *Cloughton House Limited*

On September 12, 1996, the Fund purchased all of the outstanding shares of Cloughton House Limited (formerly Chemical Realty (Bahamas) Holdings Limited) (Cloughton House) whose sole asset was an office building in Nassau, New Providence. Effective the same date, Cloughton House agreed to enter into a fifteen (15) year finance lease with The Bahamas Government for the office building. The payments due under the lease agreement were set, and are to be revised as necessary, to allow the Fund to recover its capital outlay and yield a return of 1.75% above Prime (an effective rate of 6.50% per annum in 2012 and 6.50% in 2011). This lease expired June 13, 2011 and as of December 31, 2012 the title is pending transfer to The Bahamas Government, which is responsible for the maintenance, insurance and taxes on the office building.

#### *Bahamas Government buildings*

In prior years, the Ministry of Finance negotiated appropriate funding packages with the Fund for the construction or renovation of certain buildings, namely Poinciana Hill, Thompson Boulevard, Police Headquarters, Police Dormitories, Robinson Road, Police Residences, Police Gymnasium and Police Guard House. During 2012 the Freeport Government Complex and the Marsh Harbour Government Complex were transferred from Work in Progress to Net Investment in Finance Leases. The Fund has executed lease agreements with The Bahamas Government for these buildings, on the same terms as the finance lease involving Cloughton House Limited.

<b>Location</b>	<b>Date Construction/ Renovation Commenced</b>	<b>Agreed Date of Lease</b>
Poinciana Hill, New Providence	1998	12/31/2002
Thompson Boulevard, New Providence	2000	10/31/2003
Police Headquarters, Grand Bahama	2000	07/31/2003
Police Dormitories, Grand Bahama	2001	09/30/2004
Robinson Road, New Providence	2004	07/01/2008
Police Residences, Grand Bahama	2001	10/01/2010
Police Gymnasium, Grand Bahama	2001	10/01/2010
Police Guard House, Grand Bahama	2001	10/01/2010
Freeport Government Complex	2009	04/01/2012
Marsh Harbour Government Complex	2009	08/09/2012

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

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 9. Investment Property

	Buena Vista \$	Farrington Road Building \$	Modernistic Building \$	Total \$
As of January 1, 2012	<u>2,000</u>	<u>2,600</u>	<u>520</u>	<u>5,120</u>
<b>As of December 31, 2012</b>	<b><u>2,000</u></b>	<b><u>2,600</u></b>	<b><u>520</u></b>	<b><u>5,120</u></b>
<b>Cost:</b>				
As of December 31, 2012	<b><u>2,000</u></b>	<b><u>768</u></b>	<b><u>614</u></b>	<b><u>3,382</u></b>
As of December 31, 2011	<b><u>2,000</u></b>	<b><u>768</u></b>	<b><u>614</u></b>	<b><u>3,382</u></b>
As of January 1, 2011	-	2,852	580	11,432
Transfer to property, plant and equipment (Note 12)	-	-	-	(8,000)
Transferred from construction in progress – finance lease (Note 13)	2,000	-	-	2,000
Net fair value loss	<u>-</u>	<u>(252)</u>	<u>(60)</u>	<u>(312)</u>
<b>As of December 31, 2011</b>	<b><u>2,000</u></b>	<b><u>2,600</u></b>	<b><u>520</u></b>	<b><u>5,120</u></b>
<b>Cost:</b>				
As of December 31, 2011	<b><u>2,000</u></b>	<b><u>768</u></b>	<b><u>614</u></b>	<b><u>3,382</u></b>
As of December 31, 2010	<u>-</u>	<u>768</u>	<u>614</u>	<u>7,207</u>

The fair values of the properties were last determined by an independent professionally qualified appraiser as of December 31, 2011.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2012 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 9. Investment Property (Continued)

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

	2012 \$	2011 \$
Rental income	669	437
Direct operating expenses		
On property that generated rental income	246	256
On property that did not generate rental income	63	48
	<u>309</u>	<u>304</u>

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

Location	Lease Term	Lease Date
Buena Vista/John Watling's Distillery, Meeting Street, New Providence	10 years	11/03/2011
Bahamas Government, Farrington Road, New Providence	21 years	02/20/1992
National Insurance Board, Wulff Road, New Providence	21 years	01/20/1997
National Insurance Board, Freeport, Grand Bahama	21 years	01/01/2011

The Buena Vista lease agreement includes a purchase option that must be exercised within the first three years of the agreement. The lease agreements for Farrington Road, Wulff Road and Freeport may have revisions to the rent every three years to reflect the cost of living increase based on the retail price index of the preceding three years. The commitments on leases for investment properties are analysed as follows:

	Buena Vista \$	Farrington Road Building \$	Wulff Road Building \$	Freeport, GB Building \$	Total \$
No later than 1 year	200	374	63	656	1,293
Later than 1 year and no later than 5 years	800	1,496	252	2,626	5,174
Later than 5 years	967	5,922	9	9,190	16,088
	<u>1,967</u>	<u>7,792</u>	<u>324</u>	<u>12,472</u>	<u>22,555</u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2012 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 10. Investments in Associates

As of December 31, 2012, the Fund owned 4,334,453 (2011: 4,334,453) of the ordinary shares of Bank of The Bahamas Limited, representing 27.80% (2011: 27.80%) of the total outstanding ordinary shares. The Fund also owned 3,034,483 (2011: 3,034,483) of the ordinary shares of Cable Bahamas Limited, representing 22.32% (2011: 22.32%) of the total outstanding ordinary shares. During 2011, the Fund was given a seat on the Board of Directors, which upon reassessment led to the conclusion that the Fund has the ability to exercise significant influence. Accordingly, the investment was reclassified from an investment in equity securities to an investment in associate.

	<b>2012</b>	<b>2011</b>
	\$	\$
As of January 1	60,954	31,465
Transfer from investments at fair value through profit or loss (Note 5)	-	25,732
Share of profits	5,081	4,649
Dividends received	(1,583)	(892)
Write down of goodwill	(2,463)	-
<b>As of December 31</b>	<b><u>61,989</u></b>	<b><u>60,954</u></b>

Included in investments in associates is goodwill of \$Nil (2011: \$2,463), representing the cumulative premium for Bank of The Bahamas shares acquired on the securities market. There was a write-down of goodwill during the year of \$2,463 (2011: \$Nil) following an assessment of the fair value of the cumulative premium.

The fair value of the ordinary shares held by the Fund based on the quoted prices as of December 31, 2012 is \$57,719 (2011: \$52,476).

The associates reported the following balances and transactions as of, and for the twelve months ended, December 31, 2012 and 2011:

	<b>Assets</b>	<b>Liabilities</b>	<b>Total Income</b>	<b>Net Income</b>
	\$	\$	\$	\$
<b>2012</b>				
Bank of The Bahamas Limited	895,992	777,495	45,467	3,313
Cable Bahamas Limited	221,898	127,732	47,196	21,561
<b>2011</b>				
Bank of The Bahamas Limited	838,903	720,892	39,114	4,823
Cable Bahamas Limited	213,613	135,978	44,200	20,843

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 11. Computer Software

Computer software comprises:

	<b>Total</b>
	<b>\$</b>
<b>Cost</b>	
Balance as of January 1, 2012	3,037
Additions	4,397
Disposals	-
<b>Balance as of December 31, 2012</b>	<b><u>7,434</u></b>
<b>Accumulated amortization</b>	
Balance as of January 1, 2012	2,461
Amortization expense	356
Disposals	-
<b>Balance as of December 31, 2012</b>	<b><u>2,817</u></b>
<b>Net book value as of December 31, 2012</b>	<b><u>4,617</u></b>
	<b>Total</b>
	<b>\$</b>
<b>Cost</b>	
Balance as of January 1, 2011	2,655
Additions	382
Disposals	-
<b>Balance as of December 31, 2011</b>	<b><u>3,037</u></b>
<b>Accumulated amortization</b>	
Balance as of January 1, 2011	2,160
Amortization expense	301
Disposals	-
<b>Balance as of December 31, 2011</b>	<b><u>2,461</u></b>
<b>Net book value as of December 31, 2011</b>	<b><u>576</u></b>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 12. Property, Plant and Equipment

Property, plant and equipment comprise:

	Land & Buildings \$	Office Furniture & Equipment \$	Computer Hardware \$	Motor Vehicles \$	Land Improvement \$	Medical Equipment \$	Total \$
<b>Cost</b>							
Balance as of January 1, 2012	75,179	3,950	5,348	1,722	449	4,894	91,542
Transfer	(3)	-	-	-	-	-	(3)
Additions	15,786	291	969	101	84	2,495	19,726
Disposals	-	(242)	-	(105)	-	-	(347)
<b>Balance as of December 31, 2012</b>	<b>90,962</b>	<b>3,999</b>	<b>6,317</b>	<b>1,718</b>	<b>533</b>	<b>7,389</b>	<b>110,918</b>
<b>Accumulated depreciation</b>							
Balance as of January 1, 2012	16,753	1,853	3,651	984	-	3,906	27,147
Depreciation expense	1,305	346	1,241	281	-	399	3,572
Disposals	-	(242)	-	(105)	-	-	(347)
<b>Balance as of December 31, 2012</b>	<b>18,058</b>	<b>1,957</b>	<b>4,892</b>	<b>1,160</b>	<b>-</b>	<b>4,305</b>	<b>30,372</b>
<b>Net book value as of December 31, 2012</b>	<b>72,904</b>	<b>2,042</b>	<b>1,425</b>	<b>558</b>	<b>533</b>	<b>3,084</b>	<b>80,546</b>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

	Land & Buildings	Office Furniture & Equipment	Computer Hardware	Motor Vehicles	Land Improvement	Medical Equipment	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>							
Balance as of January 1, 2011	58,073	3,504	4,506	1,480	449	4,747	72,759
Transfer from investment property (Note 9)	8,000	-	-	-	-	-	8,000
Additions	9,106	446	842	703	-	187	11,284
Disposals	-	-	-	(461)	-	(40)	(501)
<b>Balance as of December 31, 2011</b>	<b>75,179</b>	<b>3,950</b>	<b>5,348</b>	<b>1,722</b>	<b>449</b>	<b>4,894</b>	<b>91,542</b>
<b>Accumulated depreciation</b>							
Balance as of January 1, 2011	15,606	1,574	2,897	1,276	-	3,793	25,146
Depreciation expense	1,147	279	754	169	-	146	2,495
Disposals	-	-	-	(461)	-	(33)	(494)
<b>Balance as of December 31, 2011</b>	<b>16,753</b>	<b>1,853</b>	<b>3,651</b>	<b>984</b>	<b>-</b>	<b>3,906</b>	<b>27,147</b>
<b>Net book value as of December 31, 2011</b>	<b>58,426</b>	<b>2,097</b>	<b>1,697</b>	<b>738</b>	<b>449</b>	<b>988</b>	<b>64,395</b>

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

	Land & Buildings		Medical Equipment & Vehicles	
	2012	2011	2012	2011
	\$	\$	\$	\$
Cost	63,293	47,926	7,389	4,894
Accumulated depreciation	(8,524)	(7,879)	(4,306)	(3,906)
<b>Net book value</b>	<b>54,769</b>	<b>40,047</b>	<b>3,083</b>	<b>988</b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2012 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 13. Construction in Progress – Finance Leases

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

	2012	2011
	\$	\$
Balance as of January 1	114,588	92,548
Additions	15,255	20,420
Interest income (Note 17)	4,503	5,118
Transfer to net investment in finance leases	(55,658)	-
Transfer to receivables and advances	-	(1,498)
Transfer to investment property (Note 9)	-	(2,000)
<b>Balance as of December 31</b>	<b><u>78,688</u></b>	<b><u>114,588</u></b>

During 2011, the Board of Directors resolved to reduce interest charged on outstanding balances related to projects currently inactive to 0.00%. As of December 31, 2012, projects with balances totalling \$30,803 (2011: \$25,781) are subject to this resolution. Further, during 2011 the funding arrangement for one of the projects was terminated and the property was transferred to investment property at its appraised value as of the date of the transfer; the property is now under an operating lease with a third party. The difference between the carrying value of the property transferred and the appraised value was recorded as a receivable from The Bahamas Government.

#### 14. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses comprise:

	2012	2011
	\$	\$
Accounts payable and accrued expenses	4,120	3,806
Accrued vacation pay	2,540	2,312
Unclaimed benefits	224	334
Employee pension contributions	143	-
Accrued staff retirement benefits	107	123
Unearned finance income	-	3
	<b><u>7,134</u></b>	<b><u>6,578</u></b>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 15. Staff Pension Fund

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

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

	2012 \$	2011 (Restated) \$
Present value of defined benefit obligations	98,278	78,629
Fair value of plan assets	<u>(31,085)</u>	<u>(1,000)</u>
Funded status - Deficit	<u>67,193</u>	<u>77,629</u>
<b>Net liability arising from defined benefit obligation in consolidated statement of financial position</b>	<b><u>67,193</u></b>	<b><u>77,629</u></b>

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

	2012 \$	2011 (Restated) \$
As of January 1	78,629	65,100
Interest cost	4,744	3,728
Current service cost	3,265	1,939
Employee contributions	723	489
Past service cost	14,498	-
Benefits paid	(2,035)	(1,963)
Actuarial (gains)/losses	<u>(1,546)</u>	<u>9,336</u>
<b>As of December 31</b>	<b><u>98,278</u></b>	<b><u>78,629</u></b>

The present value of the defined benefit obligation as of December 31, 2010, 2009 and 2008 was \$65,100, \$62,640, and \$56,020 respectively.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2012 (Expressed in Thousands of Bahamian dollars) (Continued)

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

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

	2012		2011 (Restated)	
	\$	%	\$	%
Active members	74,294	75.6	55,833	71.0
Inactive members	23,984	24.4	22,796	29.0
	<u>98,278</u>	<u>100.0</u>	<u>78,629</u>	<u>100.0</u>

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

	2012 \$	2011 (Restated) \$
As of January 1	1,000	-
Expected return on plan assets	781	-
Contributions	31,292	2,963
Benefits paid	(2,035)	(1,963)
Actuarial gains/(losses)	47	-
<b>As of December 31</b>	<b><u>31,085</u></b>	<b><u>1,000</u></b>

The allocation of plan assets as at December 31, 2012 is as follows:

	2012 \$	2011 (Restated) \$
<b>Asset Allocation</b>		
Cash on hand and at banks	1,005	1,000
Certificates of deposit	4,648	-
Equity securities at fair value through profit or loss	5,069	-
Loans and receivables	19,236	-
Net current assets	<u>1,127</u>	<u>-</u>
<b>Fair value of plan assets at end of year</b>	<b><u>31,085</u></b>	<b><u>1,000</u></b>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 15. Staff Pension Fund (Continued)

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

	2012 \$	2011 (Restated) \$
Current service cost	3,265	1,939
Past service costs recognised	14,498	-
Interest expense/(income)	3,963	3,728
<b>Total pension expense (See Note 22)</b>	<b>21,726</b>	<b>5,667</b>

The Fund early adopted the amendments to IAS 19 *Employee Benefits*, the impact of which is disclosed in Note 2(l). The effect of the early adoption of this change in accounting policy along with the February 1, 2012 amendment to the Fund's pension plan to remove the integration clause required the immediate recognition of associated past service costs in the current year, resulting in a significant increase in the pension expense.

Employer contributions to be paid to the staff pension fund in the subsequent year are estimated at \$2,261. Employee contributions to be paid to the staff pension fund in the subsequent year are estimated at \$741.

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

	2012 \$	2011 (Restated) \$
As of January 1	77,629	65,100
Pension expense recognized	21,726	5,667
Additional liability for employee contributions	-	489
Contributions - employer	(30,569)	(2,963)
Actuarial (gains)/losses recognised in other comprehensive income	(1,593)	9,336
<b>As of December 31</b>	<b>67,193</b>	<b>77,629</b>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2012 (Expressed in Thousands of Bahamian dollars) (Continued)

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

The principal actuarial assumptions used were:

	2012	2011 (Restated)
Discount rate	5.00%	5.00%
Expected return on plan assets	5.00%	5.00%
Future salary increase:		
at age 18	5.00%	5.00%
at age 59	5.00%	5.00%

Early retirement rates used were 0% before completing 30 years of pensionable service and 10% after completing 30 years of pensionable service. Mortality rates have been taken from the 1994 Group Annuity Mortality Static Table (2011: 1994 Group Annuity Mortality Static Table).

#### *Sensitivity Analysis*

The calculation of the defined benefit obligation is sensitive to the assumptions used. The following table summarizes how the defined benefit obligation as at December 31, 2012 would have changed as a result of a change in the assumptions used.

Future salary increase	Discount Rate	
	5.00%	4.75%
	\$	\$
5.00%	98,278	102,344
4.50%	95,987	99,917
5.50%	100,689	104,901

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

#### 16. Fidelity Bond Reserve

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

There was no income or expenditure in respect of this reserve for the years ended December 31, 2012 and 2011.

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 17. Income from Investments

	2012	2011
	\$	\$
<b>Income from trustee securities:</b>		
Bahamas Government registered stocks	34,955	36,989
Bahamas Government treasury bills	-	24
	<u>34,955</u>	<u>37,013</u>
<b>Income from other securities:</b>		
Certificates of deposit	8,869	12,619
Nassau Airport Development Company Limited debt securities	7,373	4,914
Dividends from ordinary and preference shares	4,254	3,271
Bahamas Mortgage Corporation bonds	4,239	4,742
Bahamas Government US\$ notes	2,158	2,157
Education Loan Authority bonds	2,116	2,254
Bahamas Development Bank bonds	1,986	2,132
Bahamas Electricity Corporation bonds	1,700	1,640
Bank of The Bahamas Limited bonds	807	862
Clifton Heritage Authority bonds	428	454
Fidelity Bank (Bahamas) Limited notes	187	193
Bridge Authority bonds	173	181
Government of the Cayman Islands US\$ bonds	152	151
Loans to Bahamas Government entities	138	124
Latin American Investment Bank (Bahamas) Ltd. bonds	133	65
Citigroup Funding Inc. notes	126	6
Government of Barbados US\$ bonds	113	582
United States of America US\$ treasury notes	100	216
The College of The Bahamas redeemable term notes	88	189
Long-term Deposit - Bahamas Development Bank	4	-
Consolidated Water (Bahamas) Ltd. bonds	3	156
	<u>35,147</u>	<u>36,908</u>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 17. Income from Investments (Continued)

#### Income from other investments:

Interest income on net investment in finance leases	5,196	3,498
Interest income on construction in progress – finance leases (Note 13)	4,503	5,118
Net realised gain/(loss) on investments at fair value through profit or loss (Note 5)	4	2,240
Net unrealised gain/(loss) on investments at fair value through profit or loss (Note 5)	1,705	(9,236)
Net realised gain on other investments	14	1,169
	<u>11,422</u>	<u>2,789</u>
	<u>81,524</u>	<u>76,710</u>

### 18. Income from Property

	2012	2011
	\$	\$
<b>Rental income:</b>		
Polyclinics	674	617
New Providence buildings	669	437
Freeport office complex	656	797
	<u>1,999</u>	<u>1,851</u>

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

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

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

Amount invested in other assets comprises:

	2012	2011
	\$	\$
Cash on hand	29	30
Cash at banks – current accounts	3,159	5,625
Cash at brokers	1,040	940
Receivables and advances	10,207	6,207
Prepaid expenses and deposits	1,208	906
Computer software	4,617	576
Property, plant and equipment	22,692	23,360
Construction in progress – finance leases	78,688	114,588
Accounts payable and accrued expenses	(7,134)	(6,578)
Accrued benefits payable	(4,100)	(2,737)
	<u>110,406</u>	<u>142,917</u>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 21. Other Expenses

Other expenses comprise:

	2012	2011
	\$	\$
Repairs and maintenance	2,416	2,292
Utilities	1,633	1,440
Consultancy fees	867	836
Printing, stationery and computer supplies	705	766
Transportation and travel	553	505
Training and scholarships	385	781
Janitorial	361	292
Advertising and publicity	334	244
External security	322	324
Rent	316	558
Motor vehicles	273	267
Insurance	246	262
Legal expenses	229	907
Audit fees	169	195
Real property tax	138	112
Bank charges	36	34
Tribunal membership	31	38
Other miscellaneous expenses	95	72
	<u>9,109</u>	<u>9,925</u>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 22. Employee Benefits

	2012 \$	2011 (Restated) \$
Pension expense (Note 15)	21,726	5,667
Pension expense allocated to Medical Benefits Branch	(136)	-
	<u>21,590</u>	<u>5,667</u>
Staff salaries and allowances	20,480	19,158
Group health plan	2,303	1,807
National insurance contributions	755	692
Other benefits	566	520
	<u><u>45,694</u></u>	<u><u>27,844</u></u>

### 23. Financial Risk Management

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

#### Credit risk

Credit risk is the risk that a counterparty may be unable to perform according to the terms of a contract. As of December 31, 2012, the Fund's total exposure to credit risk was \$1,564,612 (2011: \$1,524,862), principally concentrated with The Bahamas Government, which as of December 31, 2012 had foreign and local currency debt ratings of BBB (2011: BBB+) and a country transfer and convertibility rating of BBB+ (2011: A-) issued by Standard and Poors. As of that date, the Fund had investments, loans and accruals with The Bahamas Government and its entities totalling \$1,299 (2011: \$1,138). Certificates of deposit are placed with banks in good standing with the Central Bank of The Bahamas or equivalent regulators (see Note 30).

#### Liquidity risk

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

#### Interest rate risk

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

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 24. Contingent Liabilities

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

### 25. Commitments

#### *Capital commitments*

Capital commitments consist principally of amounts relating to construction of medical facilities and buildings for The Bahamas Government as well as information technology projects. During 2012, the Fund executed contracts in the sum of \$34,900 for the construction of two health care facilities in the Family Islands and the renovation of a construction in progress – finance lease property. Further, the Fund executed contracts in the sum of \$15,900 for the development of a new insurance administration system, with the project expected to span three years. Capital commitments contracted as of the statement of financial position date but not yet incurred are as follows:

	2012 \$	2011 \$
Capital commitments	<u>18,505</u>	<u>3,810</u>

#### *Operating lease commitments*

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

	2012 \$	2011 \$
No later than 1 year	107	22
Later than 1 year and no later than 5 years	<u>16</u>	<u>266</u>
	<u>123</u>	<u>288</u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2012 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 26. Employees

The average number of persons employed by NIB during the year was 521 (2011: 493).

#### 27. Fair Value of Financial Instruments

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

	Carrying Value		Fair Value	
	2012 \$	2011 \$	2012 \$	2011 \$
Bahamas Government registered stocks	689,663	659,781	697,577	671,656
Certificates of deposit	194,182	289,759	194,151	291,427
Bahamas Mortgage Corporation bonds	107,183	101,454	96,642	92,481
Nassau Airport Development Company Limited debt securities	86,045	66,883	96,622	69,031
Education Loan Authority bonds	48,024	48,231	49,424	49,918
Bahamas Development Bank bonds	46,492	46,492	44,299	44,119
Bahamas Government US\$ notes	30,407	30,337	33,931	31,925
Bahamas Electricity Corporation bonds	26,087	26,902	26,654	25,090
United States of America US\$ treasury notes	20,964	4,469	21,045	4,544
Bank of The Bahamas Limited bonds	13,508	17,004	13,128	16,210
Clifton Heritage Authority bonds	7,998	7,998	8,466	8,476
Government of Barbados US\$ bonds	5,779	6,080	5,755	5,582
Latin American Investment Bank (Bahamas) Ltd. bonds	3,209	3,076	2,358	2,441
Loans to Bahamas Government entities	3,088	3,226	3,088	4,221
Citigroup Funding Inc. notes	3,006	3,006	2,804	2,720
Long-term Deposit - Bahamas Development Bank	3,004	-	2,819	-
Bridge Authority bonds	2,829	2,829	3,110	3,129
Fidelity Bank (Bahamas) Limited notes	2,828	2,828	2,852	2,826
The College of The Bahamas redeemable term notes	2,584	2,677	2,759	2,703
Government of the Cayman Islands US\$ bonds	2,490	2,487	2,937	2,688
Consolidated Water (Bahamas) Ltd. Bonds	-	1,729	-	1,746
	<b>1,299,370</b>	<b>1,327,248</b>	<b>1,310,421</b>	<b>1,332,933</b>

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

**The National Insurance Fund**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2012**  
**(Expressed in Thousands of Bahamian dollars)**  
**(Continued)**

**28. Related Party Balances and Transactions**

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

	Associates		Key Management Personnel		Close Family Members of Key Management Personnel		The Bahamas Government		Other Governmental Entities and Agencies		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash at bank	1,171	2,261	-	-	-	-	-	-	7,276	2,566	8,447	4,827
Receivables and advances	-	-	160	97	-	-	9,276	5,266	-	-	9,436	5,363
Accounts payable and accrued expenses	1	6	197	165	-	-	69	10	383	242	650	423
Contributions	1,296	1,159	105	146	-	-	21,048	19,775	9,217	9,171	31,666	30,251
Administrative expenses	104	116	126	266	-	-	-	-	1,529	1,338	1,759	1,720
Benefits	-	-	-	-	118	76	-	-	-	-	118	76

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

As at December 31, 2011 and December 31, 2012, an amount of \$10,418 is included in the Property, plant and equipment of the Medical Benefits Branch related to construction costs paid to a company whose President is a close family member of a former Director of NIB.

During 2011 and the first six months of 2012, the agency that provided general insurance coverage for the Fund was a wholly-owned subsidiary of a company in which the then Chairman of NIB was the company's President and Chief Executive Officer.

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

	2012	2011
	\$	\$
Short-term employee benefits	1,453	1,522
Post-employment benefits	235	107
	<u>1,688</u>	<u>1,629</u>

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

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
 December 31, 2012  
 (Expressed in Thousands of Bahamian dollars)  
 (Continued)

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

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

As of December 31, 2012, other related party investment balances are disclosed below and the associated investment income is disclosed in Note 17 of these consolidated financial statements.

	Notes	2012 \$	2011 \$
Bahamas Government registered stocks	7(a)	689,663	659,781
Bahamas Mortgage Corporation bonds	7(c)	107,183	101,454
Net investment in finance leases	8	95,108	46,117
Nassau Airport Development Company Limited debt securities	7(d)	86,045	66,883
Bank of the Bahamas certificates of deposit	7(b)	65,000	51,500
Education Loan Authority bonds	7(e)	48,024	48,231
Bahamas Development Bank bonds	7(f)	46,492	46,492
Bahamas Government US\$ notes	6(a)	30,407	30,337
Bahamas Electricity Corporation bonds	7(g)	26,087	26,902
Bank of The Bahamas Limited bonds	7(i)	13,508	17,004
Cable Bahamas preference shares	7(h)	8,500	8,500
Clifton Heritage Authority bonds	7(j)	7,998	7,998
Investment property	9	5,120	5,120
Latin American Investment Bank (Bahamas) Ltd. bonds	7(k)	3,209	3,076
Loans to Bahamas Government entities	7(l)	3,088	3,226
Bahamas Development Bank long-term deposit	7(m)	3,004	
Bridge Authority bonds	7(n)	2,829	2,829
The College of The Bahamas redeemable term notes	7(p)	2,584	2,677
Consolidated Water (Bahamas) Ltd. bonds	7(q)	-	1,729
		<u>1,243,849</u>	<u>1,129,856</u>

## The National Insurance Fund

### Notes to the Consolidated Financial Statements December 31, 2012 (Expressed in Thousands of Bahamian dollars) (Continued)

#### 29. Subsequent Events

- (a) Amendments to the constitutive documents governing the staff pension plan made during 2012 required a 1% increase in employee contributions from 4% in 2012 to 5% effective February 1, 2013.
- (b) In October 2012, John Watlings Distillery Limited exercised its option to purchase the premises of Buena Vista at the appraised value of \$2,000 as per the operating lease agreement dated November 3, 2011. The sale agreement was executed and a deposit of \$200 was received in March 2013.
- (c) Amendments to the laws and regulations governing the Fund made during 2010 relative to hotel/hospitality workers and Pensionable Civil Servants are scheduled to take effect on July 1, 2013. The amendment relative to hotel/hospitality workers will require them to pay contributions on gratuities, as currently, contributions are only paid on their base wages. The amendment relative to Pensionable Civil Servants will remove the restriction on the amount of wages on which they are able to pay contributions in respect of pensions (long-term benefits). Currently, they are limited to paying contributions on a weekly ceiling of \$110 (absolute dollars) for pensions.
- (d) During 2012, a forensic audit was initiated as a result of allegations of misconduct by certain key management personnel. The forensic audit was completed in 2013 and a report issued thereon. There are various matters contained in the report which were not fully dispensed with as at the date of the issuance of these consolidated financial statements. Management is of the opinion that any possible legal matters arising will not have an adverse or significant impact on these consolidated financial statements.

## The National Insurance Fund

### Notes to the Consolidated Financial Statements

December 31, 2012

(Expressed in Thousands of Bahamian dollars)

(Continued)

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

	Interest Rate	Maturity Date	Short-Term \$	Pensions \$	Industrial \$	Medical \$	Disablement and Death \$	Fidelity Bond \$	Total \$
<b>As of December 31, 2012</b>									
Cash at the Central Bank of The Bahamas			-	-	1,711	5,000	-	565	7,276
Investments at fair value through profit or loss									
Ordinary shares / Mutual funds			-	54,197	-	-	-	-	54,197
Preference shares			-	14,341	-	-	-	-	14,341
			<u>-</u>	<u>68,538</u>	<u>1,711</u>	<u>5,000</u>	<u>-</u>	<u>565</u>	<u>75,814</u>
Certificates of deposit									
Commonwealth Bank Ltd.	2.750% - 3.000%	02/15/13 - 11/15/13	-	27,500	-	-	-	-	27,500
Finance Corporation of Bahamas Limited	4.000% - 4.500%	01/15/13 - 12/30/13	-	38,820	16,180	2,000	15,000	-	72,000
Bank of The Bahamas Limited	3.000% - 5.000%	01/15/13 - 12/30/13	27,500	500	37,000	-	-	-	65,000
FirstCaribbean International Bank (Bahamas) Limited B\$			-	-	-	-	-	-	-
Fidelity Bank (Bahamas) Limited			-	23,000	-	-	-	-	23,000
Royal Bank of Canada			-	-	-	-	-	-	-
FirstCaribbean International Bank (Bahamas) Limited US\$			-	2,263	-	-	-	-	2,263
Scotiabank (Bahamas) Limited			-	417	-	-	-	-	417
Gulf Union Bank (Bahamas) Ltd.			-	2,001	-	-	-	-	2,001
Accrued interest			-	4,002	-	-	-	-	4,002
Provision for doubtful accounts			-	(2,001)	-	-	-	-	(2,001)
			<u>27,500</u>	<u>96,502</u>	<u>53,180</u>	<u>2,000</u>	<u>15,000</u>	<u>-</u>	<u>194,182</u>
Bahamas Government registered stocks			-	689,663	-	-	-	-	689,663
Bahamas Mortgage Corporation bonds			2,000	56,483	20,200	21,500	7,000	-	107,183
Nassau Airport Development Company Limited debt securities			-	86,046	-	-	-	-	86,046
Education Loan Authority bonds			-	48,024	-	-	-	-	48,024

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

	Interest Rate	Maturity Date	Short- Term \$	Pensions \$	Industrial \$	Medical \$	Disablement and Death \$	Fidelity Bond \$	Total \$
As of December 31, 2012 (Continued)									
Bahamas Development Bank bonds			-	46,494	-	-	-	-	46,494
Bahamas Government US\$ notes			-	30,407	-	-	-	-	30,407
Bahamas Electricity Corporation bonds			-	26,087	-	-	-	-	26,087
Bank of The Bahamas Limited bonds			-	13,508	-	-	-	-	13,508
Preference shares			-	14,500	-	-	-	-	14,500
Clifton Heritage Authority bonds			-	7,998	-	-	-	-	7,998
Government of Barbados US\$ bonds			-	5,779	-	-	-	-	5,779
United States of America US\$ treasury notes			-	20,964	-	-	-	-	20,964
Loans to Bahamas Government entities			-	3,088	-	-	-	-	3,088
Latin American Investment Bank (Bahamas) Ltd. Bonds			-	3,209	-	-	-	-	3,209
Citigroup Funding Inc. notes			-	3,006	-	-	-	-	3,006
Bridge Authority bonds			-	2,829	-	-	-	-	2,829
Fidelity Bank (Bahamas) Limited notes			-	2,828	-	-	-	-	2,828
The College of The Bahamas redeemable term notes			-	2,584	-	-	-	-	2,584
Government of the Cayman Islands US\$ bonds			-	2,491	-	-	-	-	2,491
Long Term Deposits			-	3,000	-	-	-	-	3,000
Consolidated (Water) Bahamas Limited bonds			-	-	-	-	-	-	-
Net investment in finance leases			-	95,108	-	-	-	-	95,108
Investment property			-	5,120	-	-	-	-	5,120
Investments in associates			-	61,989	-	-	-	-	61,989
Property, plant and equipment			-	-	-	57,854	-	-	57,854
Amounts invested in other assets (Note 20)			1,409	69,982	37,439	623	942	11	110,406
Staff pension fund			-	(67,193)	-	-	-	-	(67,193)
			<u>30,909</u>	<u>1,399,034</u>	<u>112,530</u>	<u>86,977</u>	<u>22,942</u>	<u>576</u>	<u>1,652,968</u>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

	Interest Rate	Maturity Date	Short- Term \$	Pensions \$	Industrial \$	Medical \$	Disablement and Death \$	Fidelity Bond \$	Total \$
<b>As of December 31, 2011</b>									
Cash at the Central Bank of The Bahamas		Demand	-	-	-	2,000	-	566	2,566
Investments at fair value through profit or loss									
Ordinary shares / Mutual funds			-	50,689	-	-	-	-	50,689
Preference shares			-	14,341	-	-	-	-	14,341
			<u>-</u>	<u>65,030</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>566</u>	<u>67,596</u>
Certificates of deposit									
Commonwealth Bank Ltd.	3.00%-5.25%	01/30/12-10/30/12	-	80,655	-	11,000	-	-	91,655
Finance Corporation of Bahamas Limited	4.00%-5.25%	01/15/12-12/30/12	-	-	44,500	35,345	-	-	79,845
Bank of The Bahamas Limited	4.00%-5.25%	01/15/12-12/15/12	7,000	33,000	11,500	-	-	-	51,500
FirstCaribbean International Bank (Bahamas) Limited B\$	2.75%-4.25%	03/30/12-06/30/12	-	-	25,500	-	15,000	-	40,500
Fidelity Bank (Bahamas) Limited	4.50%-5.00%	01/30/12-10/15/12	-	-	13,500	-	-	-	13,500
Royal Bank of Canada	2.25%	3/30/2012	-	5,000	-	-	-	-	5,000
FirstCaribbean International Bank (Bahamas) Limited US\$	0.00%		-	1,333	-	-	-	-	1,333
Scotiabank (Bahamas) Limited	0.00%		-	12	-	-	-	-	12
Gulf Union Bank (Bahamas) Ltd.	0.00%		-	2,001	-	-	-	-	2,001
Accrued interest			-	6,414	-	-	-	-	6,414
Provision for doubtful accounts			-	(2,001)	-	-	-	-	(2,001)
			<u>7,000</u>	<u>126,414</u>	<u>95,000</u>	<u>46,345</u>	<u>15,000</u>	<u>-</u>	<u>289,759</u>
Bahamas Government registered stocks	4.78%-9.00%	2012-2037	-	659,781	-	-	-	-	659,781
Bahamas Mortgage Corporation bonds	2.75%-5.75%	2012-2034	12,500	66,354	12,500	2,500	7,600	-	101,454
Nassau Airport Development Company Limited debt securities	8.50%-13.00%	2031-2034	-	66,883	-	-	-	-	66,883
Education Loan Authority bonds	5.00%-5.50%	2018-2028	-	48,231	-	-	-	-	48,231

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

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

	Interest Rate	Maturity Date	Short- Term \$	Pensions \$	Industrial \$	Medical \$	Disablement and Death \$	Fidelity Bond \$	Total \$
As of December 31, 2011 (Continued)									
Bahamas Development Bank bonds	3.75%-4.75%	2016-2029	-	46,492	-	-	-	-	46,492
Bahamas Government US\$ notes	6.63%-7.13%	2029-2038	-	30,337	-	-	-	-	30,337
Bahamas Electricity Corporation bonds	6.41%-6.56%	2016-2026	-	26,902	-	-	-	-	26,902
Bank of The Bahamas Limited bonds	4.75%	2012-2015	-	17,004	-	-	-	-	17,004
Preference shares		2015-2021	-	14,500	-	-	-	-	14,500
Clifton Heritage Authority bonds	5.25%-5.50%	2020-2035	-	7,998	-	-	-	-	7,998
Government of Barbados US\$ bonds	7.25%-7.80%	2019-2021	-	6,080	-	-	-	-	6,080
United States of America US\$ treasury notes	1.50%-2.63%	2015-2021	-	4,469	-	-	-	-	4,469
Loans to Bahamas Government entities	3.83%	2012	-	3,226	-	-	-	-	3,226
Latin American Investment Bank (Bahamas) Ltd. Bonds	5.45%	31/12/15	-	3,076	-	-	-	-	3,076
Citigroup Funding Inc. notes	4.20%	2015	-	3,006	-	-	-	-	3,006
Bridge Authority bonds	6.00%-6.38%	2019-2029	-	2,829	-	-	-	-	2,829
Fidelity Bank (Bahamas) Limited notes	6.50%-7.00%	2013-2022	-	2,828	-	-	-	-	2,828
The College of The Bahamas redeemable term notes	7.00%	2026	-	2,677	-	-	-	-	2,677
Government of the Cayman Islands US\$ bonds	5.95%	2019	-	2,487	-	-	-	-	2,487
Consolidated (Water) Bahamas Limited bonds	6.75%	1/7/2015	-	1,729	-	-	-	-	1,729
Net investment in finance leases	6.50%	2017-2023	-	46,117	-	-	-	-	46,117
Investment property			-	5,120	-	-	-	-	5,120
Investments in associates			-	60,954	-	-	-	-	60,954
Property, plant and equipment/polyclinics			-	-	-	41,035	-	-	41,035
Amounts invested in other assets (Note 20)			3,248	136,124	1,728	396	1,411	10	142,917
Staff pension fund (Restated)			-	(77,629)	-	-	-	-	(77,629)
			<u>22,748</u>	<u>1,379,019</u>	<u>109,228</u>	<u>92,276</u>	<u>24,011</u>	<u>576</u>	<u>1,627,858</u>

## The National Insurance Fund

Notes to the Consolidated Financial Statements  
December 31, 2012  
(Expressed in Thousands of Bahamian dollars)  
(Continued)

### 31. Actuarial Review (Unaudited)

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

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

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

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



# Statistical Appendices



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

Island/Local Office	2012			2011		
	Employers	Self-Employed	Total	Employers	Self-Employed	Total
<b>Abaco</b>						
Marsh Harbour	96	130	226	73	93	166
Coopers Town	11	17	28	13	21	34
<b>All Abaco</b>	<b>107</b>	<b>147</b>	<b>254</b>	<b>86</b>	<b>114</b>	<b>200</b>
<b>Andros</b>						
Fresh Creek	8	11	19	8	19	27
Kemps Bay	8	14	22	6	20	26
Nicholls Town	58	47	105	28	19	47
<b>All Andros</b>	<b>74</b>	<b>72</b>	<b>146</b>	<b>42</b>	<b>58</b>	<b>100</b>
<b>Bimini &amp; Berry Islands</b>	<b>17</b>	<b>10</b>	<b>27</b>	<b>12</b>	<b>3</b>	<b>15</b>
<b>Cat Island</b>	<b>3</b>	<b>16</b>	<b>19</b>	<b>5</b>	<b>6</b>	<b>11</b>
<b>Crooked Island &amp; Acklins</b>	<b>6</b>	<b>12</b>	<b>18</b>	<b>6</b>	<b>14</b>	<b>20</b>
<b>Eleuthera</b>						
Governors Harbour	33	40	73	38	67	105
Harbour Island	32	30	62	26	28	54
Rock Sound	10	29	39	18	64	82
Spanish Wells & North Eleuthera	15	28	43	21	25	46
<b>All Eleuthera</b>	<b>90</b>	<b>127</b>	<b>217</b>	<b>103</b>	<b>184</b>	<b>287</b>
<b>Exuma &amp; Ragged Island</b>	<b>43</b>	<b>51</b>	<b>94</b>	<b>40</b>	<b>64</b>	<b>104</b>
<b>Grand Bahama</b>	<b>194</b>	<b>206</b>	<b>400</b>	<b>211</b>	<b>179</b>	<b>390</b>
<b>Inagua &amp; Mayaguana</b>	<b>5</b>	<b>12</b>	<b>17</b>	<b>3</b>	<b>3</b>	<b>6</b>
<b>Long Island</b>						
Grays	14	26	40	15	38	53
Simms	7	20	27	7	31	38
<b>All Long Island</b>	<b>21</b>	<b>46</b>	<b>67</b>	<b>22</b>	<b>69</b>	<b>91</b>
<b>New Providence</b>	<b>1,633</b>	<b>3,041</b>	<b>4,674</b>	<b>1,654</b>	<b>2,072</b>	<b>3,726</b>
<b>San Salvador</b>	<b>4</b>	<b>8</b>	<b>12</b>	<b>4</b>	<b>10</b>	<b>14</b>
<b>Total</b>	<b>2,197</b>	<b>3,748</b>	<b>5,945</b>	<b>2,188</b>	<b>2,776</b>	<b>4,964</b>

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

Island/Local Office	2012			2011		
	Active	Inactive	Total	Active	Inactive	Total
<b>Abaco</b>						
Marsh Harbour	88	384	<b>472</b>	88	418	<b>506</b>
Coopers Town	31	118	<b>149</b>	34	126	<b>160</b>
<b>All Abaco</b>	<b>119</b>	<b>502</b>	<b>621</b>	<b>122</b>	<b>544</b>	<b>666</b>
<b>Andros</b>						
Fresh Creek	6	70	<b>76</b>	13	96	<b>109</b>
Kemps Bay	2	39	<b>41</b>	7	80	<b>87</b>
Nicholls Town	9	155	<b>164</b>	29	211	<b>240</b>
<b>All Andros</b>	<b>17</b>	<b>264</b>	<b>281</b>	<b>49</b>	<b>387</b>	<b>436</b>
<b>Bimini &amp; Berry Islands</b>	<b>36</b>	<b>81</b>	<b>117</b>	<b>30</b>	<b>95</b>	<b>125</b>
<b>Cat Island</b>	<b>4</b>	<b>21</b>	<b>25</b>	<b>2</b>	<b>14</b>	<b>16</b>
<b>Crooked Island &amp; Acklins</b>	<b>3</b>	<b>9</b>	<b>12</b>	<b>9</b>	<b>30</b>	<b>39</b>
<b>Eleuthera</b>						
Governors Harbour	13	73	<b>86</b>	9	79	<b>88</b>
Harbour Island	26	96	<b>122</b>	31	154	<b>185</b>
Rock Sound	39	71	<b>110</b>	37	111	<b>148</b>
Spanish Wells & North Eleuthera	14	90	<b>104</b>	19	144	<b>163</b>
<b>All Eleuthera</b>	<b>92</b>	<b>330</b>	<b>422</b>	<b>96</b>	<b>488</b>	<b>584</b>
<b>Exuma &amp; Ragged Island</b>	<b>71</b>	<b>79</b>	<b>150</b>	<b>102</b>	<b>171</b>	<b>273</b>
<b>Grand Bahama</b>	<b>412</b>	<b>1,533</b>	<b>1,945</b>	<b>481</b>	<b>2,010</b>	<b>2,491</b>
<b>Inagua &amp; Mayaguana</b>	<b>2</b>	<b>18</b>	<b>20</b>	<b>2</b>	<b>25</b>	<b>27</b>
<b>Long Island</b>						
Grays	2	7	<b>9</b>	-	1	<b>1</b>
Simms	6	35	<b>41</b>	7	77	<b>84</b>
<b>All Long Island</b>	<b>8</b>	<b>42</b>	<b>50</b>	<b>7</b>	<b>78</b>	<b>85</b>
<b>New Providence</b>	<b>1,412</b>	<b>8,073</b>	<b>9,485</b>	<b>1,462</b>	<b>10,024</b>	<b>11,486</b>
<b>San Salvador</b>	<b>28</b>	<b>29</b>	<b>57</b>	<b>12</b>	<b>26</b>	<b>38</b>
<b>Total</b>	<b>2,204</b>	<b>10,981</b>	<b>13,185</b>	<b>2,374</b>	<b>13,892</b>	<b>16,266</b>

**Table 3. Total Net Contributions Income, 2012**

Island/Local Office	Employers	Employees	Self-Employed	Voluntary Insured	Installment Agreements	Total 2012	Total 2011
<b>Abaco</b>							
Marsh Harbour	3,185,037	2,047,635	425,715	-	213,237	5,871,624	<b>4,882,539</b>
Coopers Town	438,906	288,942	142,865	-	35,056	905,769	<b>878,504</b>
<b>All Abaco</b>	<b>3,623,943</b>	<b>2,336,576</b>	<b>568,581</b>	<b>-</b>	<b>248,294</b>	<b>6,777,393</b>	<b>5,761,043</b>
<b>Andros</b>							
Fresh Creek	334,667	220,381	38,154	-	28,825	622,027	<b>543,680</b>
Kemps Bay	134,483	88,146	22,817	-	2,772	248,218	<b>195,307</b>
Nicholls Town	218,973	138,952	33,319	-	38,010	429,254	<b>314,626</b>
<b>All Andros</b>	<b>688,123</b>	<b>447,479</b>	<b>94,291</b>	<b>-</b>	<b>69,608</b>	<b>1,299,499</b>	<b>1,053,613</b>
<b>Bimini &amp; Berry Islands</b>	685,575	440,709	50,048	-	45,130	1,221,462	<b>861,605</b>
<b>Cat Island</b>	112,884	70,774	29,478	-	-	213,136	<b>163,270</b>
<b>Crooked Island &amp; Acklins</b>	52,838	32,716	64,407	-	6,062	156,023	<b>105,370</b>
<b>Eleuthera</b>							
Governors Harbour	486,383	307,099	150,701	-	143,822	1,088,005	<b>823,303</b>
Harbour Island	618,201	386,697	140,444	-	62,839	1,208,181	<b>1,029,216</b>
Rock Sound	119,481	75,077	38,238	-	13,443	246,239	<b>223,624</b>
Spanish Wells & North Eleuthera	1,093,097	706,203	161,973	-	29,851	1,991,123	<b>1,790,689</b>
<b>All Eleuthera</b>	<b>2,317,162</b>	<b>1,475,077</b>	<b>491,356</b>	<b>-</b>	<b>249,955</b>	<b>4,533,548</b>	<b>3,866,832</b>
<b>Exuma &amp; Ragged Island</b>	1,303,959	856,484	209,522	-	207,410	2,577,375	<b>2,442,939</b>
<b>Grand Bahama</b>	12,071,337	7,683,763	421,762	-	512,773	20,689,635	<b>19,150,757</b>
<b>Inagua &amp; Mayaguana</b>	303,778	200,096	33,247	-	9,113	546,234	<b>413,089</b>
<b>Long Island</b>							
Grays	177,063	103,673	165,180	-	11,778	457,694	<b>471,838</b>
Simms	121,820	73,987	68,435	-	3,272	267,514	<b>372,358</b>
<b>All Long Island</b>	<b>298,883</b>	<b>177,661</b>	<b>233,615</b>	<b>-</b>	<b>15,049</b>	<b>725,208</b>	<b>844,196</b>
<b>New Providence</b>	96,717,706	60,351,564	2,969,456	609	3,763,775	163,803,110	<b>155,384,201</b>
<b>San Salvador</b>	285,237	188,255	17,957	-	10,245	501,694	<b>441,546</b>
<b>Total</b>	<b>118,461,424</b>	<b>74,261,153</b>	<b>5,183,720</b>	<b>609</b>	<b>5,137,413</b>	<b>203,044,317</b>	<b>190,488,461</b>

**Table 4. Total Contributions Income, 2008 – 2012**

<b>Contribution Income ('000s)</b>					
	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Employers</b>	\$118,754	\$113,846	\$98,723	\$93,801	\$95,922
<b>Employees</b>	\$74,438	\$66,940	\$60,003	\$56,968	\$52,166
<b>Self-employed</b>	\$5,183	\$4,364	\$3,346	\$3,447	\$3,504
<b>Voluntarily Insured</b>	\$1	\$1	\$0	-	\$3
<b>Installment Agreements</b>	\$5,137	\$5,766	\$5,719	\$5,662	\$3,568
<b>Refund of Contributions</b>	(\$469)	(\$429)	(\$311)	(\$229)	(\$301)
<b>Total Contribution Income ('000s)</b>	<b>\$203,044</b>	<b>\$190,488</b>	<b>\$167,479</b>	<b>\$159,648</b>	<b>\$154,862</b>
<b>Number of Contributors</b>					
<b>Employers</b>	12,598	12,393	12,564	13,119	13,098
<b>Employees</b>	142,000	141,000	140,933	140,238	142,903
<b>Self-employed</b>	7,644	6,559	5,492	5,392	5,464
<b>Voluntarily Insured</b>	1	1	1	-	3
<b>Installment Agreements</b>	7,946	7,317	6,230	5,196	5,515
<b>Total Contributors</b>	<b>170,189</b>	<b>167,270</b>	<b>165,220</b>	<b>163,945</b>	<b>166,983</b>

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

Benefit Type		Received		Awarded	
		2012	2011	2012	2011
<b>Long-term Benefits/ Assistance</b>	Retirement Benefit/Grant	2,046	1,853	1,805	1,802
	Invalidity Benefit	310	338	270	277
	Survivors' Benefit/Grant	964	1,270	842	842
	Old Age Non-Contributory Pension	180	190	94	108
	Invalidity Assistance	165	165	112	138
	Survivors' Assistance	81	78	48	40
	<b>Total Long-term</b>	<b>3,746</b>	<b>3,894</b>	<b>3,171</b>	<b>3,207</b>
<b>Short-term Benefits</b>	Sickness Benefit	19,332	20,229	18,233	19,311
	Maternity Benefit	3,590	3,625	3,331	3,446
	Maternity Grant	3,590	3,625	3,270	3,435
	Funeral Benefit	1,599	1,609	1,517	1,557
	Unemployment Benefit	8,167	6,076	6,920	4,884
	Sickness Assistance	14	7	11	8
<b>Total Short-term</b>	<b>36,292</b>	<b>35,171</b>	<b>33,282</b>	<b>32,641</b>	
<b>Industrial Benefits</b>	Medical Care	3,809	3,623	2,945	2,919
	Injury Benefit	2,052	1,855	1,741	1,688
	Disablement Benefit & Grant	295	237	88	87
	Industrial Death	2	6	1	4
	Industrial Funeral	0	0	0	0
<b>Total Industrial</b>	<b>6,158</b>	<b>5,721</b>	<b>4,775</b>	<b>4,698</b>	
<b>All Benefits</b>		<b>46,196</b>	<b>44,786</b>	<b>41,228</b>	<b>40,546</b>

**Table 6. Short-Term Benefit & Assistance Claims Awarded, 2012**

<b>Island/Local Office</b>	<b>Sickness Benefit</b>	<b>Maternity Benefit</b>	<b>Maternity Grant</b>	<b>Funeral Benefit</b>	<b>Unemployment Benefit</b>	<b>Sickness Assistance</b>	<b>Total</b>
<b>Abaco</b>							
Marsh Harbour	448	102	98	36	284	6	<b>974</b>
Coopers Town	74	22	20	6	67	3	<b>192</b>
<b>All Abaco</b>	<b>522</b>	<b>124</b>	<b>118</b>	<b>42</b>	<b>351</b>	<b>9</b>	<b>1,166</b>
<b>Andros</b>							
Fresh Creek	157	10	9	2	79	-	<b>257</b>
Kemps Bay	50	6	6	1	50	-	<b>113</b>
Nicholls Town	89	15	15	1	87	-	<b>207</b>
<b>All Andros</b>	<b>296</b>	<b>31</b>	<b>30</b>	<b>4</b>	<b>216</b>	<b>-</b>	<b>577</b>
<b>Bimini &amp; Berry Islands</b>	46	18	15	2	21	-	<b>102</b>
<b>Cat Island</b>	57	6	6	1	-	-	<b>70</b>
<b>Crooked Island &amp; Acklins</b>	46	1	1	1	-	-	<b>49</b>
<b>Eleuthera</b>							
Governors Harbour	116	19	20	12	141	-	<b>308</b>
Harbour Island	54	14	16	9	2	-	<b>95</b>
Rock Sound	141	26	28	7	-	-	<b>202</b>
Spanish Wells & North Eleuthera	190	24	24	12	139	-	<b>389</b>
<b>All Eleuthera</b>	<b>501</b>	<b>83</b>	<b>88</b>	<b>40</b>	<b>282</b>	<b>-</b>	<b>994</b>
<b>Exuma &amp; Ragged Island</b>	199	34	32	15	124	-	<b>404</b>
<b>Grand Bahama</b>	1,461	521	517	218	1,394	-	<b>4,111</b>
<b>Inagua &amp; Mayaguana</b>	49	4	4	1	-	-	<b>58</b>
<b>Long Island</b>							
Grays	59	8	7	5	67	-	<b>146</b>
Simms	31	5	5	-	-	-	<b>41</b>
<b>All Long Island</b>	<b>90</b>	<b>13</b>	<b>12</b>	<b>5</b>	<b>67</b>	<b>-</b>	<b>187</b>
<b>New Providence</b>	14,906	2,490	2,442	1,187	4,462	2	<b>25,489</b>
<b>San Salvador</b>	60	6	5	1	3	-	<b>75</b>
<b>Total</b>	<b>18,233</b>	<b>3,331</b>	<b>3,270</b>	<b>1,517</b>	<b>6,920</b>	<b>11</b>	<b>33,282</b>

**Table 7. Short-Term Benefit & Assistance Payments, 2012**

Island/Local Office	Sickness Benefit	Maternity Benefit	Maternity Grant	Funeral Benefit	Unemployment Benefit	Sickness Assistance	Total
<b>Abaco</b>							
Marsh Harbour	273,335	224,213	43,480	58,720	429,008	1,827	<b>1,030,582</b>
Coopers Town	28,215	29,464	9,580	10,000	73,957	192	<b>151,408</b>
<b>All Abaco</b>	<b>301,550</b>	<b>253,676</b>	<b>53,060</b>	<b>68,720</b>	<b>502,964</b>	<b>2,019</b>	<b>1,181,990</b>
<b>Andros</b>							
Fresh Creek	76,301	15,708	5,670	3,280	70,815	-	<b>171,773</b>
Kemps Bay	17,946	8,381	2,620	1,600	33,688	-	<b>64,235</b>
Nicholls Town	39,285	23,566	7,370	1,680	78,464	-	<b>150,365</b>
<b>All Andros</b>	<b>133,531</b>	<b>47,654</b>	<b>15,660</b>	<b>6,560</b>	<b>182,968</b>	<b>-</b>	<b>386,372</b>
<b>Bimini &amp; Berry Islands</b>	<b>26,863</b>	<b>20,853</b>	<b>6,570</b>	<b>3,280</b>	<b>20,427</b>	<b>-</b>	<b>77,992</b>
<b>Cat Island</b>	<b>16,116</b>	<b>4,571</b>	<b>2,660</b>	<b>1,600</b>	<b>1,115</b>	<b>-</b>	<b>26,061</b>
<b>Crooked Island &amp; Acklins</b>	<b>11,263</b>	<b>1,604</b>	<b>450</b>	<b>1,600</b>	<b>-</b>	<b>-</b>	<b>14,917</b>
<b>Eleuthera</b>							
Governors Harbour	72,395	32,884	8,680	19,840	103,224	-	<b>237,023</b>
Harbour Island	34,707	20,999	6,940	14,640	6,100	-	<b>83,386</b>
Rock Sound	101,445	44,332	12,260	11,520	-	-	<b>169,557</b>
Spanish Wells & North Eleuthera	131,500	49,305	10,480	19,600	120,902	-	<b>331,787</b>
<b>All Eleuthera</b>	<b>340,047</b>	<b>147,520</b>	<b>38,360</b>	<b>65,600</b>	<b>230,227</b>	<b>-</b>	<b>821,754</b>
<b>Exuma &amp; Ragged Island</b>	<b>108,030</b>	<b>69,136</b>	<b>14,020</b>	<b>25,130</b>	<b>146,238</b>	<b>-</b>	<b>362,554</b>
<b>Grand Bahama</b>	<b>1,260,802</b>	<b>937,573</b>	<b>233,370</b>	<b>358,880</b>	<b>2,023,949</b>	<b>-</b>	<b>4,814,573</b>
<b>Inagua &amp; Mayaguana</b>	<b>21,581</b>	<b>4,531</b>	<b>1,780</b>	<b>1,680</b>	<b>1,000</b>	<b>-</b>	<b>30,572</b>
<b>Long Island</b>							
Grays	35,875	15,128	3,010	8,080	66,001	-	<b>128,094</b>
Simms	12,357	11,742	2,150	-	-	-	<b>26,249</b>
<b>All Long Island</b>	<b>48,232</b>	<b>26,871</b>	<b>5,160</b>	<b>8,080</b>	<b>66,001</b>	<b>-</b>	<b>154,343</b>
<b>New Providence</b>	<b>9,558,309</b>	<b>5,296,046</b>	<b>1,107,916</b>	<b>1,944,390</b>	<b>6,060,018</b>	<b>(10,495)</b>	<b>23,956,184</b>
<b>San Salvador</b>	<b>46,376</b>	<b>20,811</b>	<b>2,190</b>	<b>1,600</b>	<b>2,920</b>	<b>-</b>	<b>73,897</b>
<b>Total</b>	<b>11,872,701</b>	<b>6,830,847</b>	<b>1,481,196</b>	<b>2,487,120</b>	<b>9,237,826</b>	<b>(8,476)</b>	<b>31,901,214</b>

**Table 8. Long-Term Benefit & Assistance Claims Awarded, 2012**

Island/Local Office	Retirement Benefit	Retirement Grant	Invalidity Benefit	Survivors' Benefit	Survivors' Grant	OANCP	Invalidity Assistance	Survivors' Assistance	Total
<b>Abaco</b>									
Marsh Harbour	42	5	7	20	3	1	4	-	82
Coopers Town	10	-	-	2	1	2	-	-	15
<b>All Abaco</b>	<b>52</b>	<b>5</b>	<b>7</b>	<b>22</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>-</b>	<b>97</b>
<b>Andros</b>									
Fresh Creek	11	-	-	4	3	-	1	-	19
Kemps Bay	6	-	1	8	-	5	2	1	23
Nicholls Town	15	-	1	9	-	9	1	4	39
<b>All Abaco</b>	<b>32</b>		<b>2</b>	<b>21</b>		<b>14</b>	<b>4</b>	<b>5</b>	<b>81</b>
<b>Bimini &amp; Berry Islands</b>	8	-	1	1	1	3	2	-	16
<b>Cat Island</b>	3	-	-	1	-	1	-	-	5
<b>Crooked Island &amp; Acklins</b>	2	1	-	-	-	-	-	-	3
<b>Eleuthera</b>									
Governors Harbour	12	1	1	7	2	1	-	1	25
Harbour Island	12	-	1	-	-	-	1	-	14
Rock Sound	19	-	6	8	1	2	1	-	37
Spanish Wells & North Eleuthera	14	-	-	9	-	1	2	-	26
<b>All Eleuthera</b>	<b>57</b>		<b>8</b>	<b>24</b>		<b>4</b>	<b>4</b>	<b>1</b>	<b>102</b>
<b>Exuma &amp; Ragged Island</b>	25	-	3	12	1	2	1	1	45
<b>Grand Bahama</b>	305	33	59	123	19	11	18	6	574
<b>Inagua &amp; Mayaguana</b>	15	-	2	3	-	-	-	-	20
<b>Long Island</b>									
Grays	8	-	-	7	-	-	2	-	17
Simms	7	-	3	2	-	-	1	1	14
<b>All Long Island</b>	<b>15</b>		<b>3</b>	<b>9</b>		<b>-</b>	<b>3</b>	<b>1</b>	<b>31</b>
<b>New Providence</b>	1,182	64	185	530	62	56	76	34	2,189
<b>San Salvador</b>	5	-	-	3	-	-	-	-	8
<b>Total</b>	<b>1,701</b>	<b>104</b>	<b>270</b>	<b>749</b>	<b>93</b>	<b>94</b>	<b>112</b>	<b>48</b>	<b>3,171</b>

**Table 9. Long-Term Benefit & Assistance Payments, 2012**

Island/Local Office	Retirement Benefit	Invalidity Benefit	Survivors' Benefit	OANCP	Invalidity Assistance	Survivors' Assistance	Total
<b>Abaco</b>							
Marsh Harbour	3,217,089	350,422	604,068	267,284	285,491	73,556	<b>4,797,910</b>
Coopers Town	35,979	1,729	5,170	1,226	4,852	98	<b>49,054</b>
<b>All Abaco</b>	<b>3,253,068</b>	<b>352,151</b>	<b>609,238</b>	<b>268,510</b>	<b>290,343</b>	<b>73,654</b>	<b>4,846,964</b>
<b>Andros</b>							
Fresh Creek	483,387	62,323	115,580	60,950	53,545	6,764	<b>782,549</b>
Kemps Bay	527,036	47,165	97,704	110,666	94,028	19,577	<b>896,177</b>
Nicholls Town	502,727	63,652	132,159	194,114	157,254	37,303	<b>1,087,209</b>
<b>All Andros</b>	<b>1,513,150</b>	<b>173,140</b>	<b>345,443</b>	<b>365,730</b>	<b>304,827</b>	<b>63,645</b>	<b>2,765,935</b>
<b>Bimini &amp; Berry Islands</b>	576,442	31,480	100,177	65,419	62,277	6,967	<b>842,762</b>
<b>Cat Island</b>	309,359	26,139	36,954	122,790	61,269	7,474	<b>563,985</b>
<b>Crooked Island &amp; Acklins</b>	174,147	6,360	42,687	41,007	15,920	6,377	<b>286,498</b>
<b>Eleuthera</b>							
Governors Harbour	1,061,620	112,493	167,743	41,883	56,797	3,968	<b>1,444,504</b>
Harbour Island	575,396	54,536	50,932	8,607	28,030	1,442	<b>718,941</b>
Rock Sound	837,993	123,357	115,763	80,331	150,556	21,335	<b>1,329,336</b>
Spanish Wells & North Eleuthera	1,530,402	71,979	188,380	93,089	49,564	15,565	<b>1,948,978</b>
<b>All Eleuthera</b>	<b>442,357</b>	<b>60,120</b>	<b>64,866</b>	<b>22,742</b>	<b>19,699</b>	<b>336</b>	<b>5,441,759</b>
<b>Exuma &amp; Ragged Island</b>	1,322,945	118,663	264,842	75,707	98,973	25,894	<b>1,907,023</b>
<b>Grand Bahama</b>	13,350,259	2,002,610	2,065,515	692,136	1,012,736	104,732	<b>19,227,988</b>
<b>Inagua &amp; Mayaguana</b>	442,357	60,120	64,866	22,742	19,699	336	<b>610,119</b>
<b>Long Island</b>							
Grays	957,465	85,901	106,813	56,298	95,270	18,209	<b>1,319,956</b>
Simms	400,556	26,196	56,520	28,773	58,266	15,958	<b>586,269</b>
<b>All Long Island</b>	<b>1,358,021</b>	<b>112,097</b>	<b>163,333</b>	<b>85,071</b>	<b>153,536</b>	<b>34,167</b>	<b>1,906,225</b>
<b>New Providence</b>	81,964,778	9,874,230	12,656,405	4,518,896	6,178,268	662,792	<b>115,855,368</b>
<b>San Salvador</b>	217,626	9,488	15,366	33,767	29,564	-	<b>305,811</b>
<b>Total</b>	<b>108,487,563</b>	<b>13,128,843</b>	<b>16,887,644</b>	<b>6,515,685</b>	<b>8,512,359</b>	<b>1,028,347</b>	<b>154,560,441</b>

**Table 10. Industrial Benefit Claims Awarded, 2012**

Island/Local Office	Medical Care	Injury Benefit	Disablement Benefit & Grant	Industrial Death	Industrial Funeral	Total
<b>Abaco</b>						
Marsh Harbour	58	66	1	-	-	<b>125</b>
Coopers Town	5	3	-	-	-	<b>8</b>
<b>All Abaco</b>	<b>63</b>	<b>69</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>133</b>
<b>Andros</b>						
Fresh Creek	9	6	-	-	-	<b>15</b>
Kemps Bay	1	1	-	-	-	<b>2</b>
Nicholls Town	3	2	1	-	-	<b>6</b>
<b>All Andros</b>	<b>13</b>	<b>9</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>23</b>
<b>Bimini &amp; Berry Islands</b>	<b>8</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>
<b>Cat Island</b>	<b>3</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>
<b>Crooked Island &amp; Acklins</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Eleuthera</b>						
Governors Harbour	2	5	-	-	-	<b>7</b>
Harbour Island	10	8	-	-	-	<b>18</b>
Rock Sound	9	9	-	-	-	<b>18</b>
Spanish Wells & North Eleuthera	32	38	-	-	-	<b>70</b>
<b>All Eleuthera</b>	<b>53</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113</b>
<b>Exuma &amp; Ragged Island</b>	<b>29</b>	<b>33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62</b>
<b>Grand Bahama</b>	<b>339</b>	<b>179</b>	<b>16</b>	<b>1</b>	<b>-</b>	<b>535</b>
<b>Inagua &amp; Mayaguana</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>6</b>
<b>Long Island</b>						
Grays	6	8	-	-	-	<b>14</b>
Simms	6	7	-	-	-	<b>13</b>
<b>All Long Island</b>	<b>12</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27</b>
<b>New Providence</b>	<b>2,411</b>	<b>1,353</b>	<b>69</b>	<b>-</b>	<b>-</b>	<b>3,833</b>
<b>San Salvador</b>	<b>11</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21</b>
<b>Total</b>	<b>2,945</b>	<b>1,741</b>	<b>88</b>	<b>1</b>	<b>-</b>	<b>4,775</b>

**Table 11. Industrial Benefit Payments, 2012**

Island/Local Office	Medical Care	Injury Benefit	Disablement Benefit & Grant	Industrial Death	Industrial Funeral	Total
<b>Abaco</b>						
Marsh Harbour	8,418	43,171	62,072	12,996	-	<b>126,657</b>
Coopers Town	-	772	-	-	-	<b>772</b>
<b>All Abaco</b>	<b>8,418</b>	<b>43,943</b>	<b>62,072</b>	<b>12,996</b>	<b>-</b>	<b>127,429</b>
<b>Andros</b>						
Fresh Creek	200	2,659	8,827	-	-	<b>11,686</b>
Kemps Bay	-	131	17,508	-	-	<b>17,639</b>
Nicholls Town	920	7,319	7,940	-	-	<b>16,179</b>
<b>All Andros</b>	<b>1,120</b>	<b>10,109</b>	<b>34,275</b>	<b>-</b>	<b>-</b>	<b>45,504</b>
<b>Bimini &amp; Berry Islands</b>	560	4,630	17,263	3,648	-	<b>26,101</b>
<b>Cat Island</b>	1,272	1,097	2,274	-	-	<b>4,643</b>
<b>Crooked Island &amp; Acklins</b>	-	-	2,274	-	-	<b>2,274</b>
<b>Eleuthera</b>						
Governors Harbour	544	7,963	9,976	7,226	-	<b>25,709</b>
Harbour Island	560	8,250	3,261	-	-	<b>12,071</b>
Rock Sound	2,476	7,578	16,031	2,670	-	<b>28,755</b>
Spanish Wells & North Eleuthera	2,875	42,632	12,733	5,713	-	<b>63,953</b>
<b>All Eleuthera</b>						
<b>Exuma &amp; Ragged Island</b>	4,990	20,693	16,001	-	-	<b>41,684</b>
<b>Grand Bahama</b>	58,720	185,969	403,767	50,674	-	<b>699,130</b>
<b>Inagua &amp; Mayaguana</b>	1,796	772	6,591	-	-	<b>9,159</b>
<b>Long Island</b>						
Grays	-	4,001	31,566	2,670	-	<b>38,237</b>
Simms	955	2,265	4,548	-	-	<b>7,768</b>
<b>All Long Island</b>	<b>955</b>	<b>6,266</b>	<b>36,115</b>	<b>2,670</b>	<b>-</b>	<b>46,006</b>
<b>New Providence</b>	6,759,182	1,612,824	3,554,229	266,164	-	<b>12,192,399</b>
<b>San Salvador</b>	-	8,238	10,211	-	-	<b>18,449</b>
<b>Total</b>	<b>6,843,468</b>	<b>1,960,964</b>	<b>4,187,072</b>	<b>351,761</b>	<b>-</b>	<b>13,343,265</b>

**Table 12. Pensions in Payment at Year-End, 2008 – 2012**

<b>Long-term Benefits</b>					
	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Retirement Benefit</b>	19,288	18,375	17,378	16,796	15,240
<b>Invalidity Benefit</b>	2,401	2,288	2,162	2,171	2,092
<b>Survivor's Benefit</b>	4,477	4,209	3,803	3,940	3,790
<b>Old-Age Non-Cont. Pension</b>	2,024	2,175	2,275	2,477	2,584
<b>Invalidity Assistance</b>	2,648	2,685	2,676	2,747	2,695
<b>Survivor's Assistance</b>	405	444	504	548	602
<b>Total</b>	<b>31,243</b>	<b>30,176</b>	<b>28,798</b>	<b>28,679</b>	<b>27,003</b>
<b>Industrial Benefits</b>					
<b>Disablement</b>	676	637	607	580	537
<b>Industrial Death</b>	61	69	67	66	72
<b>Total</b>	<b>737</b>	<b>706</b>	<b>674</b>	<b>646</b>	<b>609</b>
<b>All Benefits</b>	<b>31,980</b>	<b>30,882</b>	<b>29,472</b>	<b>29,325</b>	<b>27,612</b>

**Table 13. Short-Term Benefits & Assistance, 2008 – 2012**

<b>Amount Paid ('000s)</b>					
	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Sickness Benefit</b>	\$11,873	\$11,204	\$10,073	\$10,056	\$11,468
<b>Maternity Benefit</b>	\$6,831	\$6,664	\$6,777	\$6,998	\$7,244
<b>Maternity Grant</b>	\$1,481	\$1,487	\$1,502	\$1,430	\$1,440
<b>Funeral Benefit</b>	\$2,487	\$2,459	\$2,295	\$2,225	\$1,983
<b>Unemployment Benefit</b>	\$9,238	\$7,080	\$8,759	\$20,810	-
<b>Sickness Assistance</b>	(\$9)	\$1	\$9	\$6	\$4
<b>Total Paid ('000s)</b>	<b>\$31,901</b>	<b>\$28,895</b>	<b>\$29,415</b>	<b>\$41,525</b>	<b>\$22,140</b>
<b>Number of Claims Awarded</b>					
<b>Sickness Benefit</b>	18,233	19,311	17,528	17,270	22,143
<b>Maternity Benefit</b>	3,331	3,446	3,607	3,145	3,158
<b>Maternity Grant</b>	3,270	3,435	3,563	3,580	3,658
<b>Funeral Benefit</b>	1,517	1,557	1,472	1,476	1,317
<b>Unemployment Benefit</b>	6,920	4,884	5,655	14,071	-
<b>Sickness Assistance</b>	11	8	11	18	11
<b>Total Awarded</b>	<b>33,282</b>	<b>32,641</b>	<b>31,836</b>	<b>39,560</b>	<b>30,287</b>

**Table 14. Long-Term Benefits & Assistance, 2008 – 2012**

<b>Amount Paid ('000s)</b>					
	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Retirement Benefit &amp; Grant</b>	\$108,488	\$99,735	\$90,292	\$82,048	\$74,922
<b>Invalidity Benefit</b>	\$13,129	\$12,248	\$11,424	\$10,644	\$10,281
<b>Survivor's Benefit &amp; Grant</b>	\$16,888	\$15,287	\$14,082	\$13,893	\$13,280
<b>Old-Age Non-Cont. Pension</b>	\$6,516	\$6,683	\$6,779	\$7,023	\$7,353
<b>Invalidity Assistance</b>	\$8,512	\$8,060	\$8,018	\$7,786	\$7,662
<b>Survivor's Assistance</b>	\$1,028	\$1,388	\$1,299	\$1,598	\$1,641
<b>Total Paid ('000s)</b>	<b>\$154,561</b>	<b>\$143,401</b>	<b>\$131,893</b>	<b>\$122,992</b>	<b>\$115,139</b>
<b>Number of Claims Awarded</b>					
<b>Retirement Benefit &amp; Grant</b>	1,805	1,802	1,741	1,977	1,540
<b>Invalidity Benefit</b>	270	277	189	201	175
<b>Survivor's Benefit &amp; Grant</b>	842	842	452	479	473
<b>Old-Age Non-Cont. Pension</b>	94	108	146	134	176
<b>Invalidity Assistance</b>	112	138	138	137	113
<b>Survivor's Assistance</b>	48	40	41	44	43
<b>Total Awarded</b>	<b>3,171</b>	<b>3,207</b>	<b>2,707</b>	<b>2,972</b>	<b>2,520</b>

**Table 15. Industrial Benefits, 2008 – 2012**

<b>Amount Paid ('000s)</b>					
	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Medical Care</b>	\$6,843	\$5,886	\$8,708	\$8,566	\$9,473
<b>Injury Benefit</b>	\$1,961	\$1,694	\$1,832	\$1,441	\$1,617
<b>Disablement Benefit &amp; Grant</b>	\$6,622	\$3,577	\$3,763	\$3,871	\$3,415
<b>Industrial Death</b>	\$352	\$386	\$342	\$325	\$337
<b>Total Paid ('000s)</b>	<b>\$15,779</b>	<b>\$11,543</b>	<b>\$14,645</b>	<b>\$14,203</b>	<b>\$14,842</b>
<b>Number of Claims Awarded</b>					
<b>Medical Care</b>	2,945	2,919	2,481	2,263	1,868
<b>Injury Benefit</b>	1,741	1,688	1,689	1,456	1,623
<b>Disablement Benefit &amp; Grant</b>	88	87	62	49	32
<b>Industrial Death</b>	1	4	10	1	2
<b>Industrial Funeral</b>	-	-	-	-	1
<b>Total Awarded</b>	<b>4,775</b>	<b>4,698</b>	<b>4,242</b>	<b>3,769</b>	<b>3,526</b>



