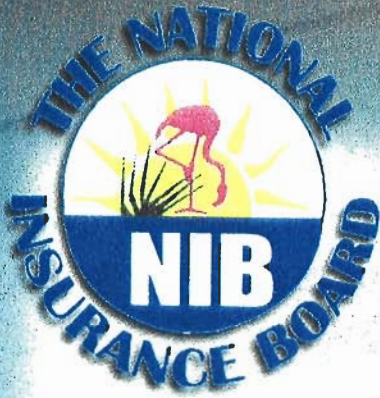


The National Insurance Board

of the Commonwealth of the Bahamas



ANNUAL REPORT

2002



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THE NATIONAL INSURANCE BOARD OF THE COMMONWEALTH OF THE BAHAMAS

P. O. Box N-7508, Nassau, Bahamas • Tel: (242) 502-1500 • Fax: (242) 322-3048 • E.mail: info@nib-bahamas.com

September 1th, 2003

The Honourable D. Shane Gibson, M.P.
Minister of Housing & National Insurance
Claughton House
Shirley & Charlotte Streets
Nassau, Bahamas

Dear Minister Gibson:

Re: The National Insurance Board's 2002 Annual Report

In accordance with Section 44(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 Board for the year 2002. Please note that this report is as at December 31st, 2002 and so sections referenced are as they appeared in the Act prior to the reprinting in mid 2003, which changed it from Chapter 320 to Chapter 350.

Included with this report is the account of securities in which monies forming part of the National Insurance Fund are invested in accordance with the Third Schedule of the Act and the accounts certified by the Auditor pursuant to Section 44(1) of the National Insurance Act, 1972, together with the report of the Auditor.

Sincerely yours,

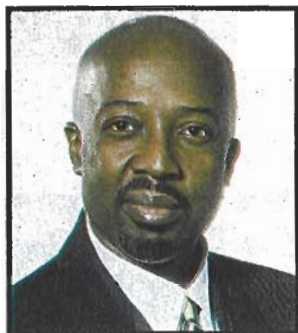
Philip Davis, M.P.
Chairman

PD:mam



MINISTER AND BOARD OF DIRECTORS

FROM JULY 2002



Hon. D. Shane Gibson, M.P.
Minister of Housing &
National Insurance (from May 2003)



Mr. Philip B. Davis, M.P.
Chairman



Mr. Michael Adderley
Deputy Chairman



Mrs. Wendy Craig
Member



Mr. Felix Stubbs
Member



Mr. Frank Carter
Member



Mr. Claude Hanna
Member



Mr. Lemuel T. Sweeting
Member



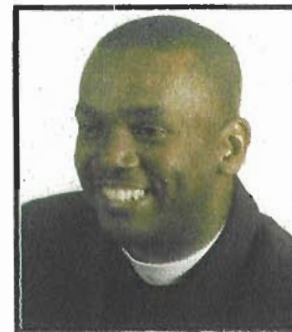
Mrs. Claudine Thompson
Member



Dr. Doswell C. Coakley
Member



Dr. Nicholas Hepburn
Member



Pastor Delton Ellis
Member

Serving to May 2002 were: The Honourable Theresa Moxey-Ingraham, M.P., Minister of Public Service & Cultural Affairs and Mr. James M. Pinder, Chairman; and to June 2002, were: Mrs. Wendy Craig; Mr. Kingsley Black; Mr. John Delaney; Dr. Mildred Hall-Watson; Mr. Philip Stubbs; Mr. Patrick Ward; Mr. Raymond Winder; and Archdeacon Etienne Bowleg.



EXECUTIVE MANAGEMENT TEAM

2002



Seated, from left: V. Theresa Burrows, Deputy Director; Lennox McCartney, Director; Van Delaney, Deputy Director; and Jayson Moxey, Assistant Director.

Standing, from left: Anthony Curtis, Assistant Director; Sonia Gill, Accountant II/Acting Financial Controller; Whitney Patton, Chief Internal Auditor; Heather Maynard, Acting Legal Officer; Andre Bethel, Deputy IT Manager; and Derek Osborne, Actuary;

(Mr. Royston Jones served as Financial Controller and Arlean Strachan as Assistant Director to February 2002.)

REPORT ON OPERATIONS

This report provides a review of the operations of the National Insurance Board for fiscal year 2002. It includes the audited Financial Statements for the year 2002 with additional Statistical Appendices that give details on our core activities - Registration, Contributions and Benefits - in all of our offices.

The mission of the National Insurance Board (NIB) is to provide partial income replacement by means of cash payments to eligible contributors and their dependents during certain specified conditions. In 2002, the performance of the Board in fulfilling its mission was impacted by a number of factors.

The Employment Act was passed in December 2001. In it was an adjustment to the maternity leave period from eight weeks to 12 weeks. For the Board, the main impact has been a half-week increase in the average payment period for Maternity Benefit.

Additionally, the Act created/identified the need for National Insurance to adjust its rate of payment in respect of Maternity Benefit, to ensure that female workers receive full wages up to the ceiling while on maternity leave. The new Employment Act provides for employees to pay qualifying females one-third of their insurable earnings while on maternity leave, with National Insurance expected to pay the remaining two-thirds. The National Insurance Act, however, allows for only 60% to be paid. This and a number of other issues formed the basis of discussions in 2002 for future amendments to the National Insurance Act and Regulations.

Completion of the 7th Actuarial Report in 2002 precipitated a number of sessions with Government/Union leaders, for the purpose of explaining and discussing with them the actuarial findings and projections.

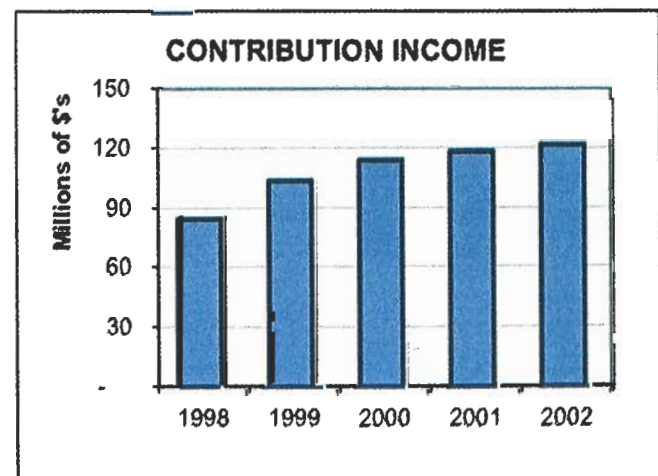
PERFORMANCE HIGHLIGHTS

Highlights of the Board's performance in fiscal year 2002, were:

- Contribution income in 2002 increased to \$121.7 million from \$118.7 million in 2001;
- Benefit payments in 2002 totaled \$103.7, up from \$94.8 million in 2001;
- At the end of 2002, there were 24,180 persons on the pension register as compared with 23,290 in 2001;
- At the end of 2002, the National Insurance Fund stood at \$ 1.2 billion;
- Investment and property income totaled \$65.5 million in 2002, up from 64.2 million in 2001; and
- Administrative expenditure decreased from 10.6% of contributions and benefits in 2001, to 9.5% in 2002.

CONTRIBUTIONS

In spite of a sluggish economy, the Board, through its aggressive approach in dealing with delinquent employers and self-employed persons, was able to exceed the contribution budget for the year 2002 by \$6.5 million, which was 2.25% above our collection for the year 2001. The level of compliance for employers in the construction and domestic industry, and for self-employed persons, continues to pose a challenge for the Board.



REGISTRATION

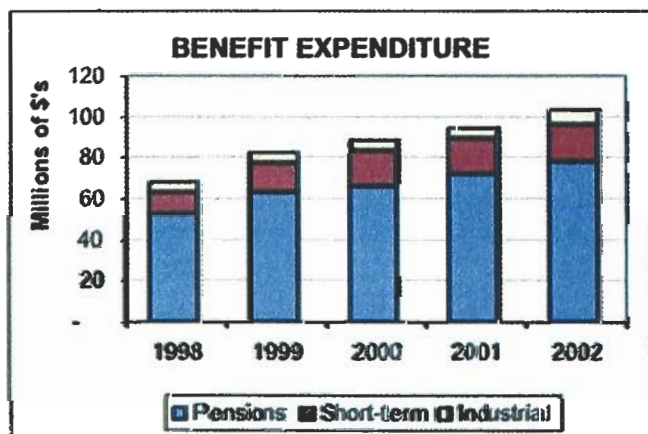
There was a 27.5% increase in the registration of employers and 32% decrease of self-employed persons as compared to 2001. This can be attributed to the increased vigilance by those areas of the Board, which are charged with ensuring compliance.

Registration of employed persons increased by 11% over 2001. It must be noted that this figure does not take into account the large number of inactive registrants - persons registering for reasons other than employment, such as students for educational purposes, persons applying for benefit/assistance, or consumers seeking to satisfy requirements of other agencies.

In 2002, there were 8,910 such registrants as opposed to 4,906 active registrants.

BENEFITS

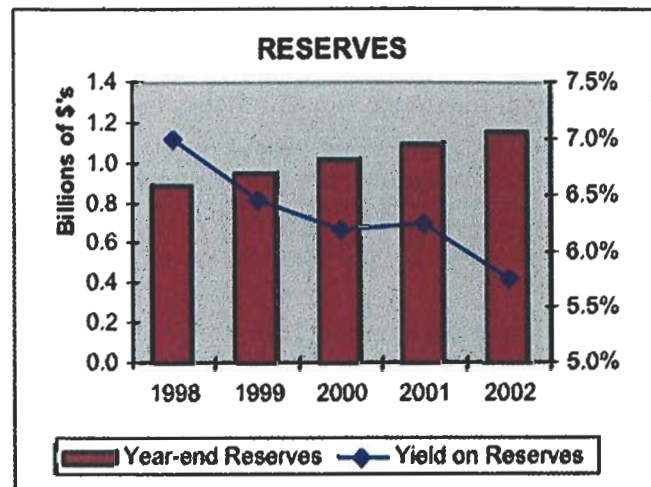
During the year, benefit expenditure totaled \$103.7, up from \$94.8 million in 2001, despite the fact that there was a decrease in the actual number of claims received. Of the 34,129 claims received during the year, 29,153 were awarded.



INVESTMENT PERFORMANCE

In fiscal year 2002 the reserves grew by 5.8% to \$1,162.5 million. Total investment income increased by 2% from \$64.2 million in 2001 to \$65.5 million

in 2002, while the yield on the Fund was 5.8% compared to 6.2% in 2001.



At year-end, holdings of Bahamas Government Treasury Bills increased by \$62.6 million compared to 2001 as a result of limited suitable investments being available. The Board also purchased \$3 million of Bahamas Development Bank Bonds and \$17 million Bank of the Bahamas Government Guaranteed Advanced Educational Scholarship Loans Bonds.

In 2002, the Poincianna Hill Complex between Meeting and Delancy Streets was occupied, principally, by the Ministry of Health and the Ministry of Public Service. The construction of the Police Complex in Freeport, Grand Bahama and the Ministry of Education Complex on Thompson Boulevard were substantially completed by the end of 2002. The buildings will be furnished and occupied in 2003. These are all leased to the Bahamas Government for 15 years at an interest rate of 1 3/4% above the prime rate.

Most of the Board's investments remain in Bahamas Government Registered Stocks, fixed deposits, and other fixed income securities.

ADMINISTRATION

NIB continued to provide social security services from 27 strategically located Regional Offices, with the Head Offices being located in the Jumbey Village Complex on Blue Hill Road in New Providence.

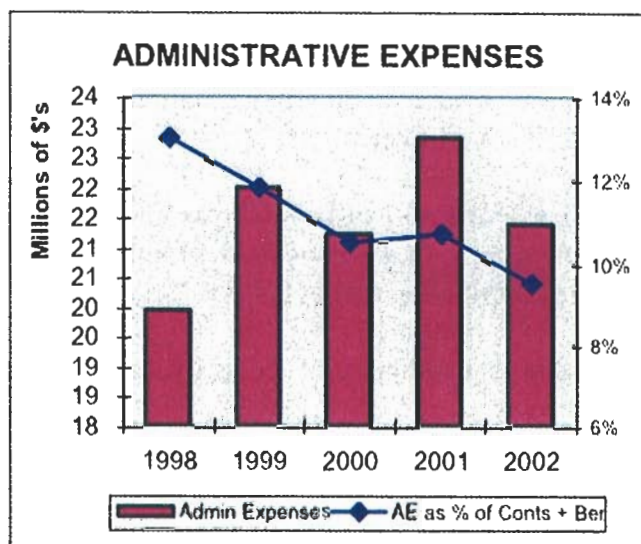
From January to May of 2002, J.M. Pinder served as Chairman of NIB's 11-member Board of Directors, which fell under the portfolio of the Honourable Theresa Moxey-Ingraham, Minister of Public Service & Cultural Affairs. From July 1st, Chairman Philip Davis, M.P., headed the Board and it fell under the purview of the Honourable D. Shane Gibson, M.P., Minister of Housing & National Insurance.

Mr. Lennox McCartney served as Director and was responsible for the day-to-day operations of the organization, including coordinating monthly meetings of the Board of Directors, and regular meetings of various standing Committees. Total staff strength during the year was 471, down from 474 in 2001. One person joined the Board in Executive Management position during 2002 - Ms. V. Theresa Burrows, Deputy Director; and two persons - Royston Jones, Financial Controller and Arlean Strachan, Assistant Director - resigned/retired from Executive Management positions. In addition, two persons joined the Board in middle management, and four left - either through retirement, resignation or termination. In the "Non-Management Group", 16 persons joined the Board, and 16 left.

In 2002, NIB undertook a compensation review and manpower needs assessment exercise for staff members in its two bargaining units. Objectives of the exercise includes:

- To provide NIB with accurate market information for future revisions to salary scales;
- To conduct an audit of the current ranking of NIB jobs;
- To ensure that all job descriptions and job charts reflect current structure and account abilities, identifying the key factors that affect the level of each position; and
- To provide an analysis of NIB functional areas to determine the number of persons needed at the management/supervisory and non-management levels.

It is anticipated that the exercise will be completed by mid-2003.



2003 & BEYOND

Several key objectives have been set for 2003. These focus on the areas of compliance and improved service. The special focus will be on self-employed persons, to improve their level of compliance, and on pensioners, to increase the number of them who have their payments deposited directly to their bank accounts. The objectives include the implementation of specific programmes to increase self-employed compliance to the 50% level; to increase direct bank deposits of Long-Term payments to 75%; and to provide contributors with contribution statements.

ACTUARIAL REVIEW

The 7th Actuarial Review of the National Insurance Fund was completed in 2002. In this review, an examination of the Fund's current and projected future financial status was made and the recommendations provided steps that may be taken to help ensure that NIB remains solvent for future generations, while providing meaningful benefits to current workers and pensioners.

The main findings of the review are:

- If the present contribution rate and benefit provisions are maintained, the National Insurance Fund would be exhausted in 2029.

(b) Should this occur, the contribution rate would have to be increased to 17% and then gradually thereafter to over 25% for NIB to continue meeting its benefit commitments.

(c) The average cost of benefits payable over the next 60 years is 15.5% compared with the current average contribution rate of 8.4%.

Following is a summary of the key recommendations made:

(a) Review the level of the insurable wage ceiling and thereafter increase it annually with rules governing such adjustments placed in National Insurance Regulations.

(b) Increase pensions annually in line with changes in the cost of living.

(c) Gradually increase the contribution period required to qualify for a Retirement pension from 3 to 10 years.

(d) Gradually increase the number of years over which wages are averaged for calculating pensions so that pension amounts more closely reflect earnings over one's career, and not just over only the three years with greatest earnings.

(e) Consider paying more than just the greater of Retirement and Survivors benefits where the widowed spouse has earned his/her own pension.

(f) Ensure that the income test applied to non-contributory pensioners is strictly adhered to so that only those who are truly eligible receive assistance payments.

(g) Review the terms under which pensionable civil servants participate in the National Insurance programme with an objective of enacting similar provisions for all insured persons.

(h) Initiate a comprehensive review of NIB's Act & Regulations. This review should ensure that all provisions are relevant to prevailing socio-economic

conditions and that legislation is consistent with current practice, intent, and other Bahamian laws.

(i) Approve and adopt an Investment Policy Statement for the investment of the Board's assets and seek new investment avenues for surplus funds, both locally and abroad.

(j) Reduce significantly the amount spent on administrative expenses from the 19.2% of contribution income spent in 2001 to 10% over the medium term.

(k) Provide to all past and current contributors annual contribution statements that indicate past contributions, their benefit eligibility status and what, if any, additional contributions are required to qualify for certain benefits.

(l) Initiate extensive public relations campaigns aimed at increasing general awareness of National Insurance, the benefits offered, the need to plan for retirement, and the future challenges and reforms that will be required.

While no immediate contribution rate increase was recommended, the need for future rate increases was stressed.

The complete report is available at the NIB web site: <http://www.nib-bahamas.com>.

THE NATIONAL INSURANCE BOARD

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2002

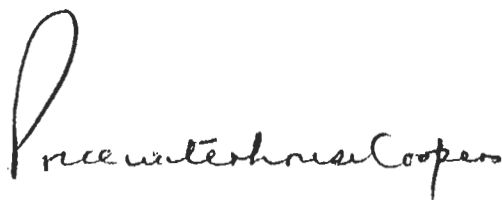
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of The National Insurance Fund

We have audited the accompanying consolidated balance sheet of The National Insurance Fund (the Fund) as of 31 December 2002 and the related consolidated statements of income and expenditure, cash flows and consolidated income and expenditure account of the benefits branches for the year then ended. These consolidated financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Fund as of 31 December 2002, and the results of its operations and its cash flows for the year then ended in accordance with International Accounting Standards and comply with The National Insurance Act and The National Insurance (Financial and Accounting) Regulations, 1974.



29 April 2003

The National Insurance Fund

2

Consolidated Balance Sheet

As of 31 December 2002

(Amounts Expressed in Thousands of Bahamian Dollars)

	Notes	2002 \$	2001 \$
ASSETS			
Cash in hand and at banks	3	8,202	12,266
Accounts receivable and advances	4	5,426	5,849
Accrued income receivable	5	25,639	27,062
Prepaid expenses and deposits		608	563
		<u>39,875</u>	<u>45,740</u>
Investments			
Available-for-sale investments			
Equity securities	6	8,244	8,300
Originated loans and receivables			
Certificates of deposit	7(a)	295,200	309,450
Preference shares	7(b)	6,500	6,500
Bahamas Government treasury bills	7(c)	67,659	4,976
Bahamas Government registered stocks	7(d)	506,163	514,720
Loans to Bahamas Government corporations	7(e)	11,902	12,681
Bahamas Mortgage Corporation bonds	7(f)	92,700	93,700
Bridge Authority bonds	7(g)	2,447	2,447
Bahamas Development Bank bonds	7(h)	17,000	14,000
Bank of The Bahamas bonds	7(i)	17,000	-
Net investment in direct financing leases	8	25,406	3,410
Investment property	9	19,077	21,330
Total investments		<u>1,069,298</u>	<u>991,514</u>
Deferred charges		532	594
Property, plant and equipment	10	38,104	38,668
Construction in progress – financing leases	11	39,511	45,596
Total assets		<u>1,187,320</u>	<u>1,122,112</u>

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

The National Insurance Fund

3

Consolidated Balance Sheet

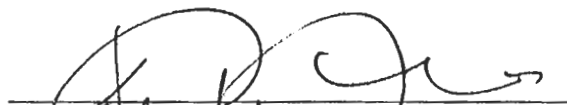
As of 31 December 2002

(Amounts Expressed in Thousands of Bahamian Dollars)

(Continued)

	Notes	2002 \$	2001 \$
LIABILITIES			
Accounts payable and accrued expenses	12	5,355	6,298
Staff pension fund	13	17,894	15,440
Accrued benefits payable		<u>1,547</u>	<u>1,877</u>
		<u>24,796</u>	<u>23,615</u>
RESERVES			
Short-term benefits reserve	29	7,880	8,397
Pension reserve	29	937,519	881,973
Industrial benefits reserve	29	101,333	96,483
Medical benefits reserve	29	97,681	94,723
Disablement and death benefits reserve	29	17,524	16,334
Fidelity bond	29	<u>587</u>	<u>587</u>
		<u>1,162,524</u>	<u>1,098,497</u>
Total liabilities and reserves		<u>1,187,320</u>	<u>1,122,112</u>

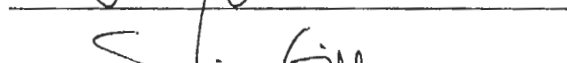
Signed on behalf of the Board of Directors:



Chairman



Director



Financial Controller

29 April 2003

Date

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

The National Insurance Fund

4

Consolidated Statement of Income and Expenditure
For the Year Ended 31 December 2002
 (Amounts Expressed in Thousands of Bahamian Dollars)

	Notes	2002 \$	2001 \$
Income			
Contributions			
Employers		74,365	73,368
Insured persons		45,101	43,157
Self-employed persons		2,232	2,154
Voluntarily insured persons		<u>5</u>	<u>6</u>
		121,703	118,685
Refund of contributions		<u>(203)</u>	<u>(183)</u>
		121,500	118,502
Grant from Consolidated Fund	15	4,900	4,900
Income from investments	16	63,402	62,709
Income from property	17	2,058	1,489
Change in fair value of investment property	9	(2,253)	-
Other income		<u>85</u>	<u>149</u>
Total income carried forward		<u>189,692</u>	<u>187,749</u>

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

The National Insurance Fund*

5

Consolidated Statement of Income and Expenditure
For the Year Ended 31 December 2002
(Amounts Expressed in Thousands of Bahamian Dollars)
(Continued)

	Notes	2002	2001
		\$	\$
Total income brought forward		<u>189,692</u>	<u>187,749</u>
Expenditure			
Benefits expenditure:			
Short-term		17,362	17,491
Pensions		78,323	71,684
Industrial		5,844	3,815
Disablement and death			
benefits periodically payable		<u>2,217</u>	<u>1,859</u>
		103,746	94,849
Administrative expenditure:			
Staff salaries and allowances		12,571	13,392
Accrued vacation pay		(113)	209
Allowances and expenses			
of the board		123	69
Other expenses	20	7,402	7,243
Amortization		207	191
Depreciation	10	<u>1,195</u>	<u>1,705</u>
		21,385	22,809
Expenditure of the			
Medical benefit branch:			
Administrative expenditure		295	436
Depreciation	10	<u>763</u>	<u>4,009</u>
		1,058	4,445
Other expenditure:			
Provision for doubtful accounts		84	125
Provision for loan loss		654	653
Provision for loss on certificates			
of deposit		<u>(286)</u>	<u>197</u>
		452	975
Total expenditure		<u>126,641</u>	<u>123,078</u>
Excess of income over			
 expenditure credited to			
 reserves		<u>63,051</u>	<u>64,671</u>

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

The National Insurance Fund

6

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2002
(Amounts Expressed in Thousands of Bahamian Dollars)

	Notes	2002 \$	2001 \$
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES			
Excess of income over expenditure credited to reserves		63,051	64,671
Adjustments to reconcile excess of income over expenditure to net cash provided by operating activities:			
Provision for losses		452	975
Amortization		207	191
Depreciation		1,958	5,714
Change in unamortized discounts on Bahamas Government treasury bills		(137)	32
Gain on disposal of property, plant and equipment		4	(58)
Grant from Consolidated Fund		(4,900)	(4,900)
Interest income		(63,371)	(61,822)
Dividend income		(864)	(673)
Finance income on lease property		(285)	(332)
Income from property		(2,058)	(1,489)
Unrealised (gains) losses on equity securities		56	(813)
Change in fair value of investment property		2,253	-
Operating income before working capital changes		(3,634)	1,496
(Increase) decrease in accounts receivable and advances		461	(359)
Increase in prepaid expenses and deposits		(45)	(390)
(Increase) decrease in accounts payable and accrued expenses		33	(190)
Increase in staff pension fund		2,454	2,339
Decrease in accrued benefits payable		(330)	(935)
Grant from the Consolidated Fund received		4,802	4,900
Net cash provided by operating activities		3,741	6,861
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES			
Income from property received		1,972	972
Receipts from direct financing leases		316	168
Interest received		63,879	57,789
Dividends received		864	619
Finance income received		606	273
Proceeds on maturity of certificates of deposit		546,927	218,450
Proceeds on maturity of Bahamas Government treasury bills		112,788	47,621
Proceeds on maturity of Bahamas Government registered stocks		25,582	23,115
Proceeds on maturity of Bahamas Mortgage Corporation bonds		1,000	7,400
Proceeds from loans to Bahamas Government corporations		779	10,274
Proceeds from sale of property, plant and equipment		24	58
Placements of certificates of deposit		(522,650)	(293,750)
Purchase of Bahamas Government treasury bills		(132,467)	(31,768)
Purchase of Bahamas Government registered stocks		(17,025)	(7,602)
Purchase of Bahamas Development Bank bonds		(3,000)	(4,000)
Purchase of Bank of The Bahamas bonds		(17,000)	-
Purchase of preference shares		-	(5,000)
Additions to deferred charges		(146)	(233)
Additions to construction in progress - financing leases		(16,165)	(17,930)
Purchase of property, plant and equipment		(1,422)	(2,214)
Net cash provided by investing activities		44,862	4,242
Net increase in cash and cash equivalents		48,603	11,103
Cash and cash equivalents, beginning of year		54,442	43,339
Cash and cash equivalents, end of year	3	103,045	54,442

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

The National Insurance Fund

Consolidated Income and Expenditure Account of the Benefits Branches
For the Year Ended 31 December 2002
(Amounts Expressed in Thousands of Bahamian Dollars)

7

Benefits Branches

Notes	Short-term		Pensions		Industrial		Medical		Death & Disablement		Fidelity Bond		Total	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Income														
Contributions (net)	20,047	19,553	89,789	87,573	10,337	10,073	1,337	1,303	-	-	-	-	118,502	118,502
Grant from Consolidated Fund	-	-	4,900	4,900	-	-	-	-	-	-	-	-	4,900	4,900
Income from investments	342	404	55,316	54,431	4,905	4,480	2,177	2,791	662	603	-	-	63,402	62,709
Income from property	-	-	1,555	1,023	-	-	503	466	-	-	-	-	2,058	1,489
Change in fair value of investment property	-	-	(2,253)	-	-	-	-	-	-	-	-	-	(2,253)	-
Periodically payable disablement and death benefits transferred from income and expenditure account of industrial benefits branch:														
Disablement	-	-	-	-	-	-	-	-	2,745	1,714	-	-	2,745	1,714
Death	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Part of other income of the Fund ascribed to the branch	21	37	22	38	21	37	21	37	-	-	-	-	85	149
Total income	20,410	19,994	149,329	147,965	15,253	14,590	4,038	4,597	3,407	2,317	-	-	192,437	189,463
Expenditure														
Benefits														
Sickness benefit	9,055	9,346	-	-	-	-	-	-	-	-	-	-	9,055	9,346
Maternity benefit	5,284	5,145	-	-	-	-	-	-	-	-	-	-	5,284	5,145
Maternity grant	1,261	1,283	-	-	-	-	-	-	-	-	-	-	1,261	1,283
Funeral benefit	1,737	1,696	-	-	-	-	-	-	-	-	-	-	1,737	1,696
Sickness assistance	25	21	-	-	-	-	-	-	-	-	-	-	25	21
Retirement benefit	-	-	44,544	39,883	-	-	-	-	-	-	-	-	44,544	39,883
Invalidity benefit	-	-	7,179	6,560	-	-	-	-	-	-	-	-	7,179	6,560
Survivor's benefit	-	-	9,095	8,154	-	-	-	-	-	-	-	-	9,095	8,154
Old age non-contributory pensions	-	-	8,670	8,692	-	-	-	-	-	-	-	-	8,670	8,692
Invalidity assistance	-	-	6,891	6,533	-	-	-	-	-	-	-	-	6,891	6,533
Survivor's assistance	-	-	1,944	1,862	-	-	-	-	-	-	-	-	1,944	1,862
Medical care	-	-	-	-	4,692	2,758	-	-	-	-	-	-	4,692	2,758
Injury benefit	-	-	-	-	1,037	956	-	-	-	-	-	-	1,037	956
Disablement grant	-	-	-	-	115	101	-	-	-	-	-	-	115	101
Death benefit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments of current periodically payable benefits affected during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Death	-	-	-	-	-	-	-	-	310	308	-	-	310	308
Disablement	17,362	17,491	78,323	71,684	5,844	3,815	-	-	1,907	1,551	-	-	1,907	1,551
Disablement benefit - capital value	-	-	-	-	2,745	1,714	-	-	2,217	1,859	-	-	103,746	94,849
Death benefit - capital value	-	-	-	-	-	-	-	-	-	-	-	-	2,745	1,714
Part of administrative expenditure ascribed to the branch	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Part of other expenditure ascribed to the branch	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for loan loss	21	31	21	31	21	32	21	31	-	-	-	-	84	125
Provision for loss on certificates of deposits	-	-	(286)	197	-	-	-	-	-	-	-	-	654	653
Total expenditure	20,947	21,508	94,729	89,708	10,413	7,241	1,080	4,476	2,217	1,859	-	-	129,386	124,792
Excess (shortage) of income over expenditure for the year	(537)	(1,514)	54,600	58,257	4,840	7,349	2,958	121	1,190	458	-	-	63,051	64,671
Reserves at beginning of year	8,397	9,851	881,973	814,061	96,483	89,124	94,723	90,087	16,334	15,876	587	587	1,098,497	1,019,586
Adjustment to opening reserves - cumulative effect of adopting IAS 40 & IAS 39	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to reserves	-	-	-	9,234	-	-	-	4,515	-	-	-	-	-	13,749
Reserves at end of year	20	60	946	421	10	10	97,681	94,723	17,524	16,334	587	587	1,162,524	1,098,497
	7,889	8,397	937,519	881,973	101,333	96,483	97,681	94,723	17,524	16,334	587	587	1,162,524	1,098,497

2(m)

The National Insurance Fund

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Notes to the Consolidated Financial Statements**As of 31 December 2002****(Amounts Expressed in Thousands of Bahamian Dollars)****1. General**

The National Insurance Fund (the Fund) was established under The National Insurance Act, 1972 (the Act). The major objective of the Fund is to provide pecuniary payments in respect of:

- (a) Sickness, invalidity, maternity, 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 payment as of right.
- (d) Purposes connected with or 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).

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below:

(a) Basis of preparation

The Fund's consolidated financial statements have been prepared in accordance with International Accounting Standards (IAS), except as disclosed in Note 2(i), and in compliance with The National Insurance Act, 1974 (Financial and Accounting Regulations). These consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of the consolidated financial statements in conformity with IAS 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

The National Insurance Fund

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Notes to the Consolidated Financial Statements**As of 31 December 2002****(Amounts Expressed in Thousands of Bahamian Dollars)****2. Summary of significant accounting policies (Continued)****(a) Basis of preparation (continued)**

These consolidated financial statements summarise the transactions and net assets of the Fund. They do not take account of liabilities to pay benefits in the future. The latest actuarial valuation of the Fund was done as of 31 December 2001. The actuarial review indicates that the present rate of contributions will be insufficient for the Fund to pay benefits in the long-term.

The Fund adopted IAS 39 – Financial Instruments: Recognition and measurement and IAS 40 – Investment Property on 1 January 2001. As of that date, in accordance with the transitional provisions of these Standards, the Fund recorded increases of \$1,443 and \$12,306 to opening reserves to adjust the carrying values of available-for-sale investments and investment property to fair values, respectively. The financial effects of adopting these Standards were reported in the previous year's consolidated financial statements.

(b) Consolidation

The consolidated financial statements include the accounts of the Fund and its wholly-owned subsidiary, Claughton House Limited, after the elimination of all significant intercompany balances and transactions.

(c) Investments

On 1 January 2001 the Fund adopted IAS 39 and classified its investments into the following categories: available-for-sale investments and originated loans and receivables. The classification was dependent on the purpose for which the investments were acquired. Management determines the classification of its investments at the time of purchase and re-evaluates such a designation on a regular basis. Investments intended to be held for an indefinite period, which may be sold in response to liquidity needs and changes in market conditions are classified as available-for-sale. Financial assets created by the Fund by providing funds directly to a debtor, with no intention of liquidating in the short term, are classified as originated loans and receivables.

All purchases and sales of investments are recognised on the trade date, which is the date the Fund commits to purchase or sell the asset. Cost of purchase includes transaction cost. Available-for-sale investments are subsequently measured at fair value, which is determined by reference to quoted market prices. Originated loans and receivables are measured at amortized cost.

The National Insurance Fund

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Notes to the Consolidated Financial Statements**As of 31 December 2002****(Amounts Expressed in Thousands of Bahamian Dollars)****2. Summary of significant accounting policies (Continued)****(c) Investments (continued)**

Realised and unrealised gains and losses arising from changes in the fair value of available-for-sale investments are included in income from investments in the consolidated statement of income and expenditure in the financial period in which they arise.

(d) Property, plant and equipment

Land and buildings (except for investment property) comprise mainly buildings that are significantly occupied by the Fund for administrative purposes or occupied by The Bahamas Government in the form of medical clinics. Construction in progress comprise costs incurred for the construction of medical clinics and other buildings that are incomplete as of the year-end. Land and construction in progress are stated at cost. All other property, plant and equipment are stated at historical cost less depreciation.

Depreciation is calculated on the straight-line basis over their respective estimated useful lives as follows:

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

At the time property, plant and equipment are retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and any profit or loss on the transaction is reflected in the consolidated statement of income and expenditure.

Repairs and maintenance are charged to the consolidated statement of income and expenditure during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Fund. Major renovations are depreciated over the remaining useful life of the asset.

Costs for leasehold improvements are charged to the consolidated statement of income and expenditure in the financial period in which they are incurred.

The National Insurance Fund

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Notes to the Consolidated Financial Statements**As of 31 December 2002****(Amounts Expressed in Thousands of Bahamian Dollars)****2. Summary of significant accounting policies (Continued)****(e) Investment property**

Investment property principally comprising office buildings are properties held for long term rental income or capital appreciation, and is stated at fair value. Fair value is determined by management and approved by the Board of Directors using the present value of future cash flows or values provided by independent professionally qualified appraisers. Realised and unrealised gains and losses arising from changes in the fair value of investment property are recorded in the consolidated statement of income and expenditure in the financial period in which they arise.

(f) Leases

Where the Fund is the lessee, leases where 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 income and expenditure on a straight-line basis over the period of the lease.

Where the Fund is the lessor, and assets are leased out under finance leases, the present value of the lease payments is recognised as net investment in direct financing leases in the consolidated balance sheet. The difference between the gross receivable and the present value of the receivable 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.

Where the Fund is the lessor, and assets are leased out under operating leases, the assets are included in investment property or property, plant and equipment in the consolidated balance sheet. Rental income is recognized in the consolidated statement of income and expenditure on a straight-line basis over the period of the lease.

(g) Employee benefits

All non-contractual, full time employees of NIB are members of the NIB Pension Plan (the Plan), which is a final salary defined benefit plan. The assets of the Plan are managed by NIB and are commingled with the Fund's assets.

A defined benefit plan is a provision plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

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Notes to the Consolidated Financial Statements**As of 31 December 2002****(Amounts Expressed in Thousands of Bahamian Dollars)****2. Summary of significant accounting policies (Continued)****(g) Employee benefits (continued)**

The liability in respect of defined pension plans is the present value of the defined benefit obligation as of the consolidated balance sheet date minus the fair value of plan assets, together with adjustments for actuarial gains/losses and past service cost. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability. Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans are charged or credited to the consolidated statement of income and expenditure over the average remaining service lives of the related employees.

(h) Deferred charges

Deferred charges comprise expenditure for computer software packages and other costs associated with implementing the software and ensuring that the software are fully operational. These costs are amortized on the straight-line basis at 20% per annum.

(i) Revenue recognition

- i) Contributions are accounted for on the cash basis of accounting. This basis of recognition is a departure from IAS, which requires that income be recognised on the accrual basis of accounting. Given the nature of the Fund's operations, The National Insurance Act, 1974 (Financial and Accounting Regulations) prescribes this recognition basis.
- ii) The grant from the Consolidated Fund, investment and other income are accounted for on the accrual basis of accounting.

(j) Expense recognition

Expenses are accounted for on the accrual basis of accounting.

(k) Apportionment of income, and administrative and other expenditure

- i) Section 18(1) of the Financial and Accounting Regulations, as amended in 1985, provides that the income from contributions shall be distributed among the benefit branches in the following proportions:

The National Insurance Fund

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Notes to the Consolidated Financial Statements

As of 31 December 2002

(Amounts Expressed in Thousands of Bahamian Dollars)

2. Summary of significant accounting policies (Continued)

(k) Apportionment of income, and administrative and other expenditure (continued)

Short-term benefits reserve	16.5%
Pensions reserve	73.9%
Industrial benefits reserve	8.5%
Medical benefits reserve	1.1%
	<u>100.0%</u>

ii) Section 18(2) of the Financial and Accounting Regulations, as amended in 1985, provides that the income by way of grant from the Consolidated Fund under Section 42(3) of the Act shall be fully credited to the pensions branch.

iii) Section 18(3) of the Financial and Accounting Regulations, as amended in 1985, provides that income from the investment of the reserves shall be allocated to the benefits branch to which they relate.

iv) Section 18(4) of the Financial and Accounting Regulations, as amended in 1985, provides that all other income which cannot be identified with any specific branch shall be distributed among the four benefit branches in equal parts.

v) Section 19(2) of the Financial and Accounting Regulations, as amended in 1985, provides that the administrative expenditure of the medical benefits branch shall be ascribed to that branch and all other administrative expenditure shall be distributed among the other three branches so that the proportion allocated to a particular branch shall be equal to the proportion which the sum of the contribution income and benefit expenditure shown in the income and expenditure account of that branch bears to the sum of the contribution income and benefits expenditure of the Fund as a whole.

For the years ended 31 December 2002 and 2001, the resulting proportion of administrative expenditure ascribed to the three benefit branches is as follows:

	2002	2001
Short-term benefits reserve	16.67%	17.48%
Pensions reserve	74.90%	75.16%
Industrial benefits reserve	8.43%	7.36%
	<u>100.00%</u>	<u>100.00%</u>

The National Insurance Fund

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Notes to the Consolidated Financial Statements

As of 31 December 2002

(Amounts Expressed in Thousands of Bahamian Dollars)

2. Summary of significant accounting policies (Continued)

(k) Apportionment of income, and administrative and other expenditure (continued)

- vi) Section 19(3) of the Financial and Accounting Regulations, as amended in 1985, provides that all other expenditure which is not attributable to any specific branch shall be distributed among the four benefit branches in equal parts.

(l) Cash and cash equivalents

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

(m) Unclaimed benefits cheques

Unclaimed benefits cheques, which are included in accounts payable and accrued expenses in the consolidated balance sheet, that are not claimed within two years from date of cheque issuance, are reversed from the liability and credited to the reserves to which they relate.

3. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents are comprised as follows:

	2002 \$	2001 \$
Cash in hand	241	319
Cash at banks - current accounts	5,789	5,554
Cash at Central Bank of The Bahamas	<u>2,172</u>	<u>6,393</u>
Cash in hand and at banks	8,202	12,266
Short-term investments with original maturities of three months or less:		
Certificates of deposit	47,000	37,200
Bahamas Government treasury bills	<u>47,843</u>	<u>4,976</u>
Cash and cash equivalents	<u>103,045</u>	<u>54,442</u>

The cash at the Central Bank of The Bahamas earns no interest.

The effective interest rate earned on cash and cash equivalents was 3.47%.

The National Insurance Fund

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Notes to the Consolidated Financial Statements

As of 31 December 2002

(Amounts Expressed in Thousands of Bahamian Dollars)

4. Accounts receivable and advances

	2002 \$	2001 \$
Grant from Consolidated Fund receivable	98	-
Automobile loans - staff	304	420
Computer loans - staff	133	115
Education loans - staff	310	167
Returned cheques	850	766
Advances to staff	349	347
Staff uniforms	31	124
Rent receivable	3,613	3,527
Investment property maintenance charges	250	736
Direct financing lease receivables	232	294
Miscellaneous receivables	119	132
	<u>6,289</u>	<u>6,628</u>
Less: Provision for doubtful accounts	<u>(863)</u>	<u>(779)</u>
	<u>5,426</u>	<u>5,849</u>

The provision for doubtful accounts includes the total amount of the returned cheques balance.

5. Accrued income receivable

	2002 \$	2001 \$
Certificates of deposit	4,812	7,471
Bahamas Government registered stocks	9,450	9,707
Loans to Bahamas Government corporations	17,275	15,651
Bonds	<u>1,426</u>	<u>1,383</u>
	32,963	34,212
Less: Provision for accrued interest on loans	(7,380)	(6,726)
Provision for accrued interest on certificate of deposit	<u>-</u>	<u>(801)</u>
	25,583	26,685
Dividend receivable - equity investments	56	56
Finance income receivable	<u>-</u>	<u>321</u>
	<u>25,639</u>	<u>27,062</u>

The National Insurance Fund

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Notes to the Consolidated Financial Statements

As of 31 December 2002

(Amounts Expressed in Thousands of Bahamian Dollars)

6. Available-for-sale investments

Equity securities

In accordance with Section 41(6) of the Act, the following common shares are held by the Fund:

Units	Common shares	2002		2001	
		Fair Value	Cost	Fair Value	Cost
		\$	\$	\$	\$
1,000	Bahamas Waste Management Ltd.	2	3	3	3
1,214,351	Bank of The Bahamas	7,589	5,622	7,590	5,622
25,000	Commonwealth Bank Ltd.	162	150	181	150
44,840	ICD Utilities Limited	491	269	526	269
		<u>8,244</u>	<u>6,044</u>	<u>8,300</u>	<u>6,044</u>

	2002	2001
	\$	\$
Balance as of 1 January	8,300	7,487
Gains (losses) from changes in fair value	<u>(56)</u>	<u>813</u>
Balance as of 31 December	<u>8,244</u>	<u>8,300</u>

7. Originated loans and receivables

(a) Certificates of deposit

	2002	2001
	\$	\$
Certificates of deposit	297,773	312,250
Less: Provision for loss on certificates of deposit	<u>(2,573)</u>	<u>(2,800)</u>
	<u>295,200</u>	<u>309,450</u>

The certificates of deposit earned interest at rates of 4.00% to 5.50% (2001: 4.50% to 6.00%) per annum. The effective interest earned on certificates of deposit was 5.11%.

All certificates of deposit mature within 12 months of the consolidated balance sheet date. Certificates of deposit include deposits, with original maturities of three months or less, of \$47,000 (2001: \$37,200) and are included in cash and cash equivalents for the purposes of the consolidated statement of cash flows (refer to Note 3).

The National Insurance Fund

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Notes to the Consolidated Financial Statements

As of 31 December 2002

(Amounts Expressed in Thousands of Bahamian Dollars)

7. Originated loans and receivables (Continued)

(a) Certificates of deposit (continued)

As of 31 December 2002, the Fund held \$2,573 (2001: \$2,800) in certificates of deposit with Gulf Union Bank (Bahamas) Ltd. (the Bank). On 2 October 1997, the Ministry of Finance and Planning suspended the Bank's license. Subsequently on 12 December 1997, the Supreme Court of The Commonwealth of The Bahamas ordered that the Bank be placed in provisional liquidation. On this same date the calculation of interest ceased on these deposits. As a result of this court action, the Fund established a provision for the total outstanding principal and accrued interest amounts.

During the year, the Fund received a payment of \$286 from the liquidators of the Bank. Of this payment, \$59 was applied against accrued income and the remaining \$227 reduced the outstanding principal. Accordingly, the aforementioned provisions were reduced.

(b) Preference shares

Preference shares comprise the following:

Units	Preference shares	2002 \$	2001 \$
1,500	Cable Bahamas Limited	1,500	1,500
500,000	Caribbean Crossing Limited	5,000	5,000
		<u>6,500</u>	<u>6,500</u>

(c) Bahamas Government treasury bills

The treasury bills are discounted at rates varying from 1.80% to 2.70% per annum (2001: 2.50% to 2.60%) and mature within 181 days (2001: 91 days).

Value Date	Purchase Rate	Discount Rate	Maturity	Cost \$	Book Value \$	Face Value \$
14/11/02	99.47-99.50	2.00-2.10%	13/02/03	14,923	14,964	15,000
14/11/02	98.65-98.75	2.50-2.70%	15/05/03	19,750	19,816	20,000
10/12/02	99.47-99.55	1.80-2.10%	11/03/03	<u>32,841</u>	<u>32,879</u>	<u>33,000</u>
Total 2002				<u>67,514</u>	<u>67,659</u>	<u>68,000</u>
Total 2001				<u>4,968</u>	<u>4,976</u>	<u>5,000</u>

Treasury bills, with maturities of three months or less, of \$47,843 (2001: \$4,976) are included in cash and cash equivalents for the purposes of the consolidated statement of cash flows.

The effective interest rate earned on the treasury bills was 2.22%.

The National Insurance Fund

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Notes to the Consolidated Financial Statements

As of 31 December 2002

(Amounts Expressed in Thousands of Bahamian Dollars)

7. Originated loans and receivables (Continued)

(d) Bahamas Government registered stocks

The investments in government registered stocks are at interest rates of 5.75% to 10.50% (2001: 5.75% to 10.50%) per annum, some of which are tied to The Bahamas Prime Rate with maturing dates from 2003 to 2022 (2001: 2002 to 2021).

Value Date	Interest Rate		Maturity	Cost \$	Face Value \$
20/07/88 – 09/02/96	6.250%	- 8.750%	2003	44,245	44,245
28/12/90 – 23/09/96	6.500%	- 7.375%	2004	37,902	37,902
06/02/90 – 26/10/95	6.875%	- 9.500%	2005	29,146	29,146
17/03/86 – 11/05/99	6.156%	- 10.50%	2006	32,864	32,864
09/05/91 – 26/02/99	5.750%	- 7.000%	2007	36,639	36,639
18/03/93 – 21/12/98	5.875%	- 7.187%	2008	30,041	30,041
05/10/93 – 21/10/98	6.000%	- 6.813%	2009	27,043	27,043
24/08/93 – 26/02/99	6.312%	- 6.875%	2010	28,352	28,352
24/08/93 – 07/05/96	6.688%	- 7.000%	2011	19,237	19,237
08/10/87 – 05/10/95	6.750%	- 8.750%	2012	16,456	16,456
15/03/88 – 25/10/00	6.281%	- 9.000%	2013	41,232	41,232
20/09/94 – 08/04/98	6.500%	- 7.125%	2014	22,997	22,997
23/09/96 – 15/10/97	6.563%	- 7.188%	2015	23,794	23,794
23/09/96 – 21/07/99	6.375%	- 7.250%	2016	37,003	37,003
25/05/97 – 10/08/98	6.563%	- 7.250%	2017	19,940	19,940
10/08/98 – 15/03/02	6.438%	- 6.594%	2018	27,019	27,019
21/07/99 – 25/10/00		6.469%	2019	9,169	9,169
21/09/00 – 06/09/02	6.344%	- 6.531%	2020	11,011	11,011
30/07/01 – 04/12/02	6.375%	- 6.563%	2021	11,209	11,209
04/12/02		6.406%	2022	864	864
Total 2002				506,163	506,163
Total 2001				514,720	514,720

The effective interest rate earned on registered stocks was 6.97%.

The National Insurance Fund

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Notes to the Consolidated Financial Statements

As of 31 December 2002

(Amounts Expressed in Thousands of Bahamian Dollars)

7. Originated loans and receivables (Continued)

(e) Loans to Bahamas Government corporations

These loans have been made in accordance with Section 41(6) of the Act.

	Bahamas Electricity Corporation \$	Water and Sewerage Corporation \$	Bahamas Development Bank \$	Bahamasair Holdings Limited \$	Total \$
Principal balance, as of 1 January 2002	6,740	5,159	782	6,000	18,681
Principal repayment	(485)	-	(294)	-	(779)
Principal balance, as of 31 December 2002	6,255	5,159	488	6,000	17,902
Provision for loan loss	-	-	-	(6,000)	(6,000)
2002 Net Realizable Balance	6,255	5,159	488	-	11,902
2001 Net Realizable Balance	6,740	5,159	782	-	12,681

(i) Bahamas Electricity Corporation (BEC)

On 1 December 1989, a loan facility for BEC in the amount of \$10,000 was approved, for the purpose of expanding their power generating system in New Providence and Paradise Island. This loan has been fully drawndown. The principal, subject to a one (1) year moratorium, is repayable over twenty (20) years in equal semi-annual installments of \$524 inclusive of interest. The interest rate is fixed at half-percent (.5%) below The Bahamas Prime Rate but is not to be less than 8.5% per annum. The interest rate applicable in the current year was 8.5% (2001: 8.5%). The current portion of the loan due within one year is \$528 (2001: \$485).

This loan is guaranteed by The Bahamas Government.

(ii) Water and Sewerage Corporation (WSC)

On 10 January 1984, a loan facility for WSC in the amount of \$4,296 was approved to refinance various commercial bank loans. This loan has been fully drawndown. The principal, subject to a four (4) year moratorium, is repayable over sixteen (16) years in equal semi-annual installments of \$290 inclusive of interest. The interest rate is fixed for five (5) year periods. For the first five years it was fixed at 11.0% per annum and for each subsequent five (5) year period it is fixed at the greater of 11.0% or The Bahamas Prime Rate. The interest rate applicable in the current year was 11.0% (2001: 11.0%).

The National Insurance Fund**Notes to the Consolidated Financial Statements****As of 31 December 2002****(Amounts Expressed in Thousands of Bahamian Dollars)****7. Originated loans and receivables (Continued)****(e) Loans to Bahamas Government corporations (continued)****(ii) Water and Sewerage Corporation (WSC) (continued)**

On 6 March 1987, another loan facility for WSC in the amount of \$1,200 was approved to enable them to carry out a water supply and sewerage rehabilitation project in New Providence. This loan has been fully drawdown. The principal, subject to a three (3) year moratorium, is payable over fifteen (15) years in equal semi-annual installments of \$71 inclusive of interest. The interest rate is fixed at half-percent (.5%) below The Bahamas Prime Rate, except that should The Bahamas Prime Rate fall below 9.0% the interest rate shall be adjusted to the yield on the Fund as determined by the actuary in the preceding year provided that the interest rate shall not exceed 8.5% per annum.

As of 1 July 1991 WSC was in default of repayments of principal and interest on both loans. The outstanding principal and interest repayments as of 31 December 2002, including interest on delinquent payments, amount to \$14,820 (2001: \$13,829).

Both loans are guaranteed by The Bahamas Government.

(iii) Bahamas Development Bank (BDB)

On 11 May 1984, a loan facility for BDB in the amount of \$3,500 was approved to enable it to lend to deserving borrowers in the field of agriculture, small-scale industry and fisheries. This loan has been fully drawdown and is in two parts: (a) \$3,000 and (b) \$500.

- (a) This portion of the loan was drawdown, \$1,000 in 1984 and \$2,000 in 1988. The principal, subject to a five (5) year moratorium, is repayable over fifteen (15) years in equal quarterly installments of \$31 and \$56, respectively, inclusive of interest. The interest rate on the \$1,000 is fixed at 9.5% per annum and on the \$2,000 at 1.5% below The Bahamas Prime Rate at the time of disbursement in 1988, but not to exceed 9.5% per annum. The interest rate applicable on the latter amount in the current year was 7.5% (2001: 7.5%). The current portion of the loan due within one year is \$319 (2001: \$294).

This loan is guaranteed by The Bahamas Government.

- (b) This portion was repaid in full in May 1994.

The National Insurance Fund

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Notes to the Consolidated Financial Statements

As of 31 December 2002

(Amounts Expressed in Thousands of Bahamian Dollars)

7. Originated loans and receivables (Continued)

(e) Loans to Bahamas Government corporations (continued)

(iv) Bahamasair Holdings Limited (Bahamasair)

On 4 October 1989, a loan facility for Bahamasair in the amount of \$6,000 was approved to enable it to finance capital investments and to expand its operations. This loan has been fully drawdown. The principal, subject to a two (2) year moratorium, was repayable over five (5) years in equal quarterly installments of \$371 inclusive of interest. The interest rate is fixed at half-percent (.5%) below The Bahamas Prime Rate but not less than 8.5% per annum. The interest rate applicable in the current year was 8.5% (2001: 8.5%).

As of 1 July 1991, Bahamasair was in default of repayments of principal and interest. The outstanding principal and interest repayments as of 31 December 2002, including interest on delinquent payments, amount to \$13,380 (2001: \$12,726).

This loan is unsecured. Full provision has been made for the principal and accrued interest as of 31 December 2002 and 2001.

(f) Bahamas Mortgage Corporation bonds

Series	Redemption Period	Interest Rate	Maturity	Cost 2002 \$	Cost 2001 \$
A	25 years	2.000%	01/07/09 - 01/01/11	5,000	5,000
B	20 years	2.000%	01/10/04 - 01/01/06	2,500	2,500
C	25 years	3.500%	01/07/09 - 01/12/10	10,500	10,500
D	20 years	3.500%	01/07/04 - 01/06/06	7,000	7,000
G	20 years	4.500%	01/08/06 - 01/11/09	17,500	17,500
H	25 years	5.000%	01/10/11 - 01/03/14	10,000	10,000
I	15 years	5.000%	01/07/03 - 01/08/04	4,000	5,000
J	20 years	4.500%	01/02/10 - 01/05/12	10,000	10,000
K	15 years	4.000 - 5.000%	01/02/06 - 01/12/08	6,200	6,200
L	20 years	5.000%	01/03/11 - 01/05/12	15,000	15,000
M	25 years	5.000%	01/10/18 - 01/12/18	5,000	5,000
				<u>92,700</u>	<u>93,700</u>

The National Insurance Fund

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Notes to the Consolidated Financial Statements**As of 31 December 2002****(Amounts Expressed in Thousands of Bahamian Dollars)****7. Originated loans and receivables (Continued)****(g) Bridge Authority bonds**

In accordance with Section 41 (6) of the Act, the Fund purchased bonds from the Bridge Authority for the financing of the Paradise Island Bridge. Interest is paid semi-annually and is fixed at varying percentages above The Bahamas Prime Rate.

Value Date	Interest Rate	Maturity	2002 \$	2001 \$
24/03/99	7.250%	24/03/19	955	955
24/03/99	7.500%	24/03/24	1,025	1,025
24/03/99	7.625%	24/03/29	467	467
			<u>2,447</u>	<u>2,447</u>

(h) Bahamas Development Bank bonds

In accordance with Section 41(6) of the Act, the Fund purchased Bahamas Development Bank bonds. The bonds are guaranteed by The Bahamas Government and bear interest at The Bahamas Prime Rate (Series A) and 1% below The Bahamas Prime Rate (Series B). Bonds issued are as follows:

Series	Value Date	Interest Rate	Maturity	2002 \$	2001 \$
A	28/11/00	6.000%	01/12/20	10,000	10,000
B	22/06/01	5.000%	01/07/16	4,000	4,000
B	14/06/02	5.000%	01/07/17	1,000	-
B	31/07/02	5.000%	01/07/17	2,000	-
				<u>17,000</u>	<u>14,000</u>

(i) Bank of The Bahamas bonds

During the year, in accordance with Section 41(6) of the Act, the Fund purchased Bank of The Bahamas bonds. The bonds are secured by Bank of The Bahamas' performing Government Guaranteed Advanced Education Loan Scheme portfolio. Interest is paid semi-annually, and is fixed at The Bahamas Prime Rate.

Series	Value Date	Interest Rate	Maturity	2002 \$
A	29/05/02	6.000%	31/12/2012	3,500
B	29/05/02	6.000%	31/12/2013	4,800
C	29/05/02	6.000%	31/12/2014	2,600
D	29/05/02	6.000%	31/12/2015	6,100
				<u>17,000</u>

The National Insurance Fund

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Notes to the Consolidated Financial Statements**As of 31 December 2002****(Amounts Expressed in Thousands of Bahamian Dollars)****8. Net investment in direct financing leases**

Gross receivables from direct financing leases are as follows:

	2002	2001
	\$	\$
Not later than one year	2,402	510
Later than one year and not later than five years	12,128	2,042
Later than five years	<u>27,634</u>	<u>2,297</u>
	42,164	4,849
Unearned finance income	<u>(16,758)</u>	<u>(1,439)</u>
Net investment in direct financing leases	<u>25,406</u>	<u>3,410</u>

The net investment in direct financing leases can be analyzed as follows:

	2002	2001
	\$	\$
Not later than one year	883	253
Later than one year and not later than five years	5,248	1,233
Later than five years	<u>19,275</u>	<u>1,924</u>
Net investment in direct financing leases	<u>25,406</u>	<u>3,410</u>

The Fund presently has two office buildings being leased to The Bahamas Government, under direct financing leases. The balances included in net investment in direct financing leases for these buildings are as follows:

	2002	2001
	\$	\$
Claughton House	3,156	3,410
Poinciana Hill	<u>22,250</u>	<u>-</u>
	<u>25,406</u>	<u>3,410</u>

Claughton House Limited

On 12 September 1996, the Fund purchased all of the authorised and issued shares of Chemical Realty (Bahamas) Holdings Limited at a cost of \$4,473. The company's sole asset was an office building in downtown Nassau. Effective 12 September 1996, the company agreed to enter into a fifteen (15) year lease with The Bahamas Government for the rental of 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 1¾% above The Bahamas Prime Rate. At the end of the lease term, ownership of the building will be transferred to The Bahamas Government, which is responsible for the maintenance, insurance and taxes on the office building.

The National Insurance Fund

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Notes to the Consolidated Financial Statements**As of 31 December 2002****(Amounts Expressed in Thousands of Bahamian Dollars)****8. Net investment in direct financing leases (Continued)**Poinciana Hill Building

The Fund commenced construction of an office building on Poinciana Hill in 1998. The construction and furnishing of the building were completed in 2002. Effective 31 December 2002, the Fund agreed to enter into a fifteen (15) year lease with The Bahamas Government for the rental of the 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 1¾% above The Bahamas Prime Rate. At the end of the lease, ownership of the building will be transferred to The Bahamas Government, which is responsible for the maintenance, insurance and taxes on the office building.

The initial payment under the lease agreement is due 1 April 2003.

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Notes to Consolidated Financial Statements

As of 31 December 2002

(Amounts Expressed in Thousands of Bahamian Dollars)

9. Investment property

	Freeport Building \$	Farrington Rd Building \$	Wulff Rd Building \$	JFK Land \$	Total \$
Year ended 31 December 2001					
Balance as of 1 January 2001	-	-	-	-	-
Effect of adopting IAS40:					
Transfers from property, plant & equipment	-	367	313	-	680
Transfers from other investments	5,178	-	-	3,166	8,344
Fair value adjustments	<u>3,210</u>	<u>4,459</u>	<u>123</u>	<u>4,514</u>	<u>12,306</u>
Balance as of 1 January 2001, as restated	<u>8,388</u>	<u>4,826</u>	<u>436</u>	<u>7,680</u>	<u>21,330</u>
Balance as of 31 December 2001	<u>8,388</u>	<u>4,826</u>	<u>436</u>	<u>7,680</u>	<u>21,330</u>
Year ended 31 December 2002					
Balance as of 1 January 2002	8,388	4,826	436	7,680	21,330
Change in fair value	<u>(1,384)</u>	<u>(965)</u>	<u>96</u>	-	<u>(2,253)</u>
Balance as of 31 December 2002	<u>7,004</u>	<u>3,861</u>	<u>532</u>	<u>7,680</u>	<u>19,077</u>

The Fund adopted IAS 40 on 1 January 2001. As of that date, an adjustment was made to reserves and investment property to reflect the fair values of the investment properties. As a result, reserves were credited by \$12,306. In 2001, the fair values of the properties were determined using the discounted cash flows method, except for the land, which was determined by an independent professionally qualified appraiser. In 2002, the fair values of the properties were determined by an independent professionally qualified appraiser, resulting in a reduction in fair values of \$2,253, which is reflected in the consolidated statement of income and expenditure.

Operating lease agreements have been entered into or drafted for all the investment properties, except for the JFK Land.

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Notes to Consolidated Financial Statements

As of 31 December 2002

(Amounts Expressed in Thousands of Bahamian Dollars)

10. Property, plant and equipment

	Land & Buildings \$	Office Furniture & Equipment \$	Computer Hardware \$	Motor Vehicles \$	Construction in progress \$	Medical Equipment \$	Total \$
Year ended 31 December 2001							
Opening net book amount	15,963	1,938	847	684	137	-	19,569
Additions	107	273	654	333	174	673	2,214
Transfers	19,188	-	-	-	(113)	2,763	21,838
Disposals	761	-	-	-	-	-	761
Depreciation charge	(3,126)	(469)	(489)	(291)	-	(1,339)	(5,714)
Closing net book amount	32,893	1,742	1,012	726	198	2,097	38,668
Cost	39,804	7,376	5,823	1,635	198	3,436	58,272
Accumulated depreciation	(6,911)	(5,634)	(4,811)	(909)	-	(1,339)	(19,604)
Net book amount	32,893	1,742	1,012	726	198	2,097	38,668
Year ended 31 December 2002							
Opening net book amount	32,893	1,742	1,012	726	198	2,097	38,668
Additions	912	76	266	36	119	13	1,422
Disposals	-	-	-	(28)	-	-	(28)
Depreciation charge	(969)	(261)	(72)	(361)	-	(295)	(1,958)
Closing net book amount	32,836	1,557	1,206	373	317	1,815	38,104
Cost	40,716	7,452	6,089	1,595	317	3,449	59,618
Accumulated depreciation	(7,880)	(5,895)	(4,883)	(1,222)	-	(1,634)	(21,514)
Net book amount	32,836	1,557	1,206	373	317	1,815	38,104

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Notes to the Consolidated Financial Statements

As of 31 December 2002

(Amounts Expressed in Thousands of Bahamian Dollars)

10. Property, plant and equipment (Continued)

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

	Land & Buildings		Medical Equipment	
	2002	2001	2002	2001
	\$	\$	\$	\$
Cost	21,535	20,623	3,449	3,436
Accumulated depreciation	<u>(3,138)</u>	<u>(2,670)</u>	<u>(1,634)</u>	<u>(1,339)</u>
Net book amount	<u>18,397</u>	<u>17,953</u>	<u>1,815</u>	<u>2,097</u>

11. Construction in progress - financing leases

The Fund finances the construction and furnishing of buildings, with the intention of entering into direct financing leases with The Bahamas Government, and transferring ownership of the buildings to The Bahamas Government at the end of the leases. Costs incurred are recorded in construction in progress - financing leases and upon completion the total costs of the buildings are transferred to net investment in direct financing leases. The table below discloses the movements during the respective years.

	2002	2001
	\$	\$
Balance as of 1 January	45,596	27,666
Additions	16,165	17,930
Transfers	<u>(22,250)</u>	<u>-</u>
Balance as of 31 December	<u>39,511</u>	<u>45,596</u>

12. Accounts payable and accrued expenses

	2002	2001
	\$	\$
Unclaimed benefits	1,197	1,584
Creditors and accrued expenses	2,133	2,572
Accrued vacation pay	1,977	2,090
Unearned finance income	<u>48</u>	<u>52</u>
	<u>5,355</u>	<u>6,298</u>

The National Insurance Fund

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Notes to the Consolidated Financial Statements

As of 31 December 2002

(Amounts Expressed in Thousands of Bahamian Dollars)

13. Staff pension fund

The amounts recognised in the consolidated balance sheet are as follows:

	2002 \$	2001 \$
Present value of defined benefit obligations	24,946	20,441
Less: Fair value of plan assets	<u>(17,657)</u>	<u>(15,368)</u>
	7,289	5,073
Unvested past service cost	(4,291)	(4,721)
Unrecognised actuarial losses	<u>(2,761)</u>	<u>(280)</u>
Liability under pension plan	237	72
Assets held by the Fund on behalf of the plan	<u>17,657</u>	<u>15,368</u>
Liability in the consolidated balance sheet	<u>17,894</u>	<u>15,440</u>

The amounts recognised in the consolidated statement of income and expenditure are as follows:

Current service cost	720	726
Interest cost	1,351	1,233
Expected return on plan assets	(1,079)	(934)
Past service costs recognised	<u>430</u>	<u>429</u>
Total pension expense	<u>1,422</u>	<u>1,454</u>

The actual return on plan assets was \$1,062 (2001: \$931).

Movement in net liability/(asset) recognised in the consolidated balance sheet is as follows:

	2002 \$	2001 \$
Opening liability/(asset)	72	(139)
Expense as above	1,422	1,454
Contributions paid	<u>(1,257)</u>	<u>(1,243)</u>
Liability under pension plan	237	72
Assets held by the Fund on behalf of the plan	<u>17,657</u>	<u>15,368</u>
Liability in the consolidated balance sheet	<u>17,894</u>	<u>15,440</u>
Movement in unvested past service cost:		
Opening balance	(4,721)	(5,150)
Past service cost recognised	<u>430</u>	<u>429</u>
Closing balance	<u>(4,291)</u>	<u>(4,721)</u>

The National Insurance Fund

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Notes to the Consolidated Financial Statements

As of 31 December 2002

(Amounts Expressed in Thousands of Bahamian Dollars)

13. Staff pension fund (Continued)

The principal actuarial assumptions used for accounting purposes were:

	2002	2001
Discount rate	6.25%	6.50%
Expected return on plan assets	6.75%	6.75%
Future salary increase (vary by age)	3.03-7.125%	3.03% - 7.125%

14. Fidelity bond reserve

In accordance with Section 12 of the Financial and Accounting Regulations, NIB has arranged insurance by way of a fidelity bond reserve giving cover against the risk of defalcation by cashiers, storekeepers or other custodians of the property of NIB.

There was no income or expenditure in respect of this reserve for the years ended 31 December 2002 and 2001.

15. Grant from Consolidated Fund

This grant represents an annual receipt from The Bahamas Government, which should be appropriated towards old-age non-contributory pension payments.

16. Income from investments

	2002 \$	2001 \$
Trustee securities:		
Bahamas Government treasury bills	806	337
Bahamas Government registered stocks	35,573	36,916
	<u>36,379</u>	<u>37,253</u>
Other securities:		
Certificates of deposit	15,435	14,158
Loans to Bahamas Government corporations	2,242	2,691
Bahamas Mortgage Corporation bonds	3,968	4,137
Dividends from common and preference shares	864	673
Bridge Authority bonds	182	182
Bahamas Development Bank bonds	869	706
Bank of The Bahamas bonds	607	-
	<u>24,167</u>	<u>22,547</u>
Finance income on leased property CHL	285	332
Interest during construction	3,689	2,695
Unrealized gains (losses) on available-for-sale investments	(56)	813
Interest income allocated to staff pension fund	(1,062)	(931)
	<u>63,402</u>	<u>62,709</u>

The National Insurance Fund

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Notes to the Consolidated Financial Statements

As of 31 December 2002

(Amounts Expressed in Thousands of Bahamian Dollars)

17. Income from property

	2002 \$	2001 \$
Rental income		
- Freeport office complex	780	700
- New Providence buildings	775	323
- Polyclinics	503	466
Total income from property	<u>2,058</u>	<u>1,489</u>

18. Capital values of awards of periodically payable disablement and death benefits

Section 20(3) of the Financial and Accounting Regulations provides that the capital values 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 current 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 income and expenditure.

19. Amount invested in other assets (Refer to Note 29)

	2002 \$	2001 \$
Cash on hand	241	319
Cash at banks - current accounts	5,789	5,554
Accounts receivable and advances	5,426	5,849
Accrued income receivable	25,639	27,062
Prepaid expenses and deposits	608	563
Deferred charges	532	594
Property, plant and equipment	17,892	18,618
Construction in progress - financing leases	39,511	45,596
Accounts payable and accrued expenses	(5,355)	(6,298)
Accrued benefits payable	(1,547)	(1,877)
	<u>88,736</u>	<u>95,980</u>

The National Insurance Fund

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Notes to the Consolidated Financial Statements

As of 31 December 2002

(Amounts Expressed in Thousands of Bahamian Dollars)

20. Other expenses

	2002 \$	2001 \$
Motor vehicles	283	280
Advertising and publicity	110	102
Staff benefits (See Note 21)	2,775	2,728
Transportation and traveling	412	481
Rent	384	322
Printing and stationery	274	375
Utilities	1,014	713
Real property tax	96	93
Postage and box rental	6	8
Repairs and maintenance	704	885
Insurance	307	167
Audit fees	142	131
Janitorial	210	222
Training and scholarships	88	314
Bank charges	13	25
External security	238	220
Consultancy fees	138	79
Computer supplies	70	56
Other miscellaneous expenses	138	42
	<u>7,402</u>	<u>7,243</u>

21. Staff benefits

	2002 \$	2001 \$
Group health plan	672	589
National insurance contributions	459	455
Staff pension plan	1,422	1,454
Other benefits	222	230
	<u>2,775</u>	<u>2,728</u>

22. Adjustment due to change in accounting policy

During 2001 the Fund reviewed its accounting policy with respect to the buildings and equipment of the Medical Benefits Branch (polyclinics). Prior to 2001, these were carried at original cost and no depreciation was charged thereon. As of 1 January 2001, these assets were transferred to property, plant and equipment, and accumulated depreciation determined retrospectively. An amount of \$3,324 was included in depreciation expense of the Medical Benefits Branch in the consolidated statement of income and expenditure representing the depreciation charge for periods prior to 2001.

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Notes to the Consolidated Financial Statements

As of 31 December 2002

(Amounts Expressed in Thousands of Bahamian Dollars)

23. Contingent liabilities

- (a) NIB is involved in litigation pertaining to its authority to invest in land and buildings prior to The National Insurance (Amendment) Act, 1981, which came into force on 9 November, 1981. NIB is claiming that the deed of conveyance made on 5 May 1976 for the purchase of the McAlpine building situated on Farrington Road, Nassau, between Sir Robert McAlpine & Sons (Bahamas) Limited and NIB should be rescinded and that the purported purchase price of \$1,160 be returned to NIB. The outcome of this litigation is not presently determinable.

If the claim is upheld, NIB will be contingently liable in the sum of \$1,905 (2001: \$1,834), representing rent of premises for the period 1 April 1976 to 31 December 2002.

If the claim is denied, NIB will be contingently liable in the sum of \$542 (2001: \$512), representing real property tax charges on the property for the period 1 January 1978 to 31 December 2002.

- (b) 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.

24. Commitments

Capital commitments

Capital expenditure contracted for, which consists principally of amounts relating to construction in progress - financing leases, as of the consolidated balance sheet date but not recognized on the financial statements is as follows:

2002	2001
\$	\$
<u>2,226</u>	<u>11,289</u>

Operating lease commitments

The future aggregate minimum lease payments under non-cancelable operating leases, where the Fund is the lessee, are \$36 (2001: \$91).

25. Staff

The average number of persons employed by NIB during the year was 470 (2001: 468).

The National Insurance Fund

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Notes to the Consolidated Financial Statements

As of 31 December 2002

(Amounts Expressed in Thousands of Bahamian Dollars)

26. Credit risk and concentration of credit risk

As of 31 December 2002 the Fund's total exposure to credit risk was \$1,090,096 (2001: \$1,015,924). This exposure was principally concentrated with The Bahamas Government. As of that date, the Fund had investments, loans and accruals with The Bahamas Government and its corporations totaling \$807,674 (2001: \$659,540).

27. Fair values

The following table summarizes the carrying amounts and fair values of those financial assets and liabilities not presented on the Fund's consolidated balance sheet at their fair value.

Financial asset	Carrying value		Fair value	
	2002	2001	2002	2001
	\$	\$	\$	\$
Certificates of deposit	295,200	309,450	302,460	318,686
Bahamas Government registered stock	506,163	514,720	541,242	548,983
Loans to Bahamas Government corporations	11,902	12,681	11,790	13,317
Bahamas Mortgage Corporation bonds	92,700	93,700	85,881	85,555
Bridge Authority bonds	2,447	2,447	2,776	2,663
Bahamas Development Bank bonds	17,000	14,000	16,138	13,436
Bank of The Bahamas bonds	17,000	-	16,824	-

The carrying amounts of current financial assets, 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 flows method. The cash flows are discounted at a rate representing the market rates of similar instruments.

28. Reclassifications

Certain prior year figures have been reclassified to conform to the current year's presentation.

The National Insurance Fund
Notes to Consolidated Financial Statements
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29. Investments of the Fund Allocated to the Reserves

	Interest rate	Maturity date	Short-Term	Pensions	Industrial	Medical	Death and Disablement	Fidelity	Total
			\$	\$	\$	\$	\$	\$	\$
Central Bank of The Bahamas	Demand		300	150	-	1,322	200	200	2,172
Certificates of deposit									
Bank of The Bahamas	5.00%	06/01/03 - 16/12/03	-	28,500	-	-	-	-	28,500
Barclays Bank	4.75%	09/01/03 - 29/12/03	-	40,000	-	-	-	-	40,000
CIBC Bahamas Limited	4.75%	06/01/03 - 22/12/03	-	-	45,000	-	-	-	45,000
Citibank, N.A.	4.50%	31/01/03 - 19/12/03	-	32,950	-	-	-	-	32,950
Commonwealth Bank	4.50%	31/01/03 - 18/11/03	-	20,750	-	-	-	-	20,750
Finance Corporation of The Bahamas	4.00%	07/01/03 - 31/12/03	-	31,000	-	-	-	-	31,000
Gulf Union Bank (Bahamas) Ltd.	4.00%	22/01/03 - 28/11/03	-	2,573	-	-	-	-	2,573
Royal Bank of Canada	4.00%	07/02/03 - 31/12/03	7,000	33,000	43,000	-	6,000	-	43,000
ScotiaBank (Bahamas) Ltd.	4.50%		-	-	8,000	-	-	-	54,000
Provision for Gulf Union Bank (Bahamas) Ltd. deposits			-	(2,573)	-	-	-	-	(2,573)
Sub-total Certificate of Deposit			7,000	186,200	96,000	-	6,000	-	295,200
Bahamas Government treasury bills	1.80%	13/02/03 - 15/05/03	-	-	-	64,671	2,988	-	67,659
Bahamas Government registered stock	5.75%	18/03/03 - 04/12/22	-	506,163	-	-	-	-	506,163

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Notes to Consolidated Financial Statements
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(Amounts Expressed in Thousands of Bahamian Dollars)

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

	Interest rate	Maturity date	Short-Term	Pensions	Industrial	Medical	Death and Disablement	Fidelity	Total
			\$	\$	\$	\$	\$	\$	\$
Loans to Bahamas Government Corporations									
Water & Sewerage Corporation	8.50%	01/01/04 - 01/01/06	-	5,159	-	-	-	-	5,159
Bahamas Electricity Corporation	8.50%	26/01/11	-	6,255	-	-	-	-	6,255
Bahamas Development Bank	7.50%	23/05/04	-	488	-	-	-	-	488
Bahamasair Holdings Limited	8.50%	01/10/96	-	6,000	-	-	-	-	6,000
Provision for Bahamasair Holdings Limited			-	(6,000)	-	-	-	-	(6,000)
Sub-total Loans			-	11,902	-	-	-	-	11,902
Bahamas Mortgage Corporation bonds									
	2.00%	01/07/03 - 01/12/18	-	85,200	-	-	7,500	-	92,700
Common shares									
Bank of The Bahamas			-	7,589	-	-	-	-	7,589
ICD Utilities			-	491	-	-	-	-	491
Commonwealth Bank Ltd.			-	162	-	-	-	-	162
Bahamas Waste			-	2	-	-	-	-	2
Sub-total Common Shares			-	8,244	-	-	-	-	8,244
Preference shares									
Cable Bahamas Limited	7.50%		-	1,500	-	-	-	-	1,500
Caribbean Crossing Limited	8.00%		-	5,000	-	-	-	-	5,000
Sub-total Preference Shares			-	6,500	-	-	-	-	6,500

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Notes to Consolidated Financial Statements
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29. Investments of the Fund Allocated to the Reserves (Continued)

	Interest rate	Maturity date	Short-Term	Pensions	Industrial	Medical	Death and Disablement	Fidelity	Total
			\$	\$	\$	\$	\$	\$	\$
Net investment in direct financing lease			-	25,406	-	-	-	-	25,406
Bridge Authority bonds	7.25% - 7.625%	24/03/19 - 24/03/29	-	2,447	-	-	-	-	2,447
Bahamas Development Bank bonds	5.00%	01/07/16 - 01/12/20	-	17,000	-	-	-	-	17,000
Bank of The Bahamas bonds	6.000%	31/12/12 - 31/12/15	-	17,000	-	-	-	-	17,000
Investment Property									
Buildings			-	11,397	-	-	-	-	11,397
Land			-	-	-	7,680	-	-	7,680
Sub-total Investment Property			-	11,397	-	7,680	-	-	19,077
Property, plant and equipment (polyclinics)			-	-	-	20,212	-	-	20,212
Amounts invested in other assets (Note 19)			580	77,804	5,333	3,796	836	387	88,736
Less: assets allocated to the staff pension fund and included in the pensions reserve			-	(2,500)	-	-	-	-	(2,500)
Certificates of deposit			-	(15,196)	-	-	-	-	(15,196)
Bahamas Government registered stocks			-	(198)	-	-	-	-	(198)
Other assets			-	(17,894)	-	-	-	-	(17,894)
Sub-total Staff Pension Funds			-	937,519	101,333	97,681	17,524	587	1,162,524
Grand Total			7,880						

SECURITIES IN WHICH MONEYS FORMING PART OF THE NATIONAL INSURANCE FUND ARE INVESTED

1

Bahamas Government Registered Stocks

Certificate Number	Date of Investment	Interest Rate	Cost	Face Value	Maturity Date
36-083*	09/02/96	6.87500%	2,500,000	2,500,000	18-Mar-03
17-008	20/07/88	8.75000%	12,000,000	12,000,000	20-Jul-03
32-007*	17/08/92	6.75000%	3,000,000	3,000,000	29-Jul-03
28-009*	16/08/91	6.25000%	2,744,800	2,744,800	30-Jul-03
28-007*	01/08/91	6.25000%	7,000,000	7,000,000	30-Jul-03
29-029*	15/02/93	6.50000%	1,999,900	1,999,900	11-Dec-03
29-019*	03/02/92	6.50000%	3,000,000	3,000,000	11-Dec-03
29-018*	17/01/92	6.50000%	5,000,000	5,000,000	11-Dec-03
35-009*	16/12/92	6.75000%	4,000,000	4,000,000	16-Dec-03
35-011*	28/01/93	6.75000%	3,000,000	3,000,000	16-Dec-03
30-016*	24/03/92	6.75000%	4,000,000	4,000,000	5-Mar-04
30-030*	15/02/93	6.75000%	1,500,000	1,500,000	5-Mar-04
30-015*	18/03/92	6.75000%	4,000,000	4,000,000	5-Mar-04
36-056*	31/03/93	6.93750%	1,000,000	1,000,000	18-Mar-04
36-057*	08/04/93	6.93750%	2,000,000	2,000,000	18-Mar-04
32-008*	17/08/92	6.81250%	5,000,000	5,000,000	29-Jul-04
32-006*	07/08/92	6.81250%	2,500,000	2,500,000	29-Jul-04
48-044*	23/09/96	6.50000%	1,972,600	1,972,600	23-Sep-04
29-030*	15/02/93	6.75000%	2,129,400	2,129,400	11-Dec-04
29-004*	11/12/91	6.75000%	5,000,000	5,000,000	11-Dec-04
26-020*	28/12/90	7.37500%	4,500,000	4,500,000	13-Dec-04
26-030*	25/01/91	7.37500%	2,300,000	2,300,000	13-Dec-04
26-027*	07/01/91	7.37500%	2,000,000	2,000,000	13-Dec-04
23-006	06/02/90	9.50000%	5,900,000	5,900,000	6-Feb-05
36-055*	31/03/93	7.00000%	4,000,000	4,000,000	18-Mar-05
36-032*	18/03/93	7.00000%	2,901,100	2,901,100	18-Mar-05
31-007*	04/06/92	6.87500%	6,000,000	6,000,000	2-Jun-05
31-010*	12/06/92	6.87500%	3,000,000	3,000,000	2-Jun-05
31-011*	02/07/92	6.87500%	3,500,000	3,500,000	2-Jun-05
31-013*	24/07/92	6.87500%	844,700	844,700	2-Jun-05
31-016*	02/12/92	6.87500%	2,000,000	2,000,000	2-Jun-05
31-019*	26/10/95	6.87500%	1,000,000	1,000,000	2-Jun-05
12-012	17/03/86	10.50000%	14,953,000	14,953,000	17-Mar-06
57-036*	11/05/99	6.15625%	819,600	819,600	11-May-06
13-003	31/07/86	8.75000%	13,826,000	13,826,000	31-Jul-06
33-011*	15/09/92	6.93750%	2,000,000	2,000,000	27-Aug-06
33-014*	08/10/92	6.93750%	269,400	269,400	27-Aug-06
48-045*	23/09/96	6.62500%	996,300	996,300	23-Sep-06
27-009*	09/05/91	7.00000%	9,767,600	9,767,600	9-May-07
43-005	20/09/94	5.75000%	19,849,800	19,849,800	20-Sep-07
42-023	25/04/94	5.87500%	5,000,000	5,000,000	25-Apr-07
56-033*	26/02/99	6.21875%	2,021,900	2,021,900	26-Feb-07
36-050*	18/03/93	7.18700%	4,098,900	4,098,900	18-Mar-08
42-052	01/03/96	6.37500%	493,200	493,200	25-Apr-08
42-055	09/10/96	6.37500%	2,000,000	2,000,000	25-Apr-08

Certificate Number	Date of Investment	Interest Rate	Cost	Face Value	Maturity Date
43-006	20/09/94	5.87500%	10,281,000	10,281,000	20-Sep-08
43-057	02/09/98	5.87500%	2,000,000	2,000,000	20-Sep-08
43-058	21/12/98	5.87500%	1,120,000	1,120,000	20-Sep-08
47-037*	07/05/96	6.75000%	5,923,900	5,923,900	7-May-08
55-030*	21/10/98	6.28150%	4,123,900	4,123,900	21-Oct-08
47-038*	07/05/96	6.81250%	6,964,300	6,964,300	7-May-09
43-007	20/09/94	6.00000%	6,434,400	6,434,400	20-Sep-09
42-024	25/04/94	6.62500%	2,500,000	2,500,000	25-Apr-09
42-048	23/05/95	6.62500%	1,000,000	1,000,000	25-Apr-09
38-023*	05/10/93	6.56250%	6,467,700	6,467,700	5-Oct-09
55-031*	21/10/98	6.31250%	3,676,700	3,676,700	21-Oct-09
46-021*	26/02/96	6.87500%	2,895,300	2,895,300	26-Feb-10
56-034*	26/02/99	6.31250%	2,260,300	2,260,300	26-Feb-10
38-024*	05/10/93	6.62500%	3,416,200	3,416,200	5-Oct-10
42-025	25/04/94	6.75000%	2,500,000	2,500,000	25-Apr-10
42-049	23/05/95	6.75000%	1,000,000	1,000,000	25-Apr-10
42-053	01/03/96	6.75000%	3,685,000	3,685,000	25-Apr-10
45-027*	14/06/95	6.81250%	5,200,000	5,200,000	14-Jun-10
45-042*	11/02/97	6.81250%	2,000,000	2,000,000	14-Jun-10
37-025*	24/08/93	6.62500%	1,000,000	1,000,000	24-Aug-10
48-046*	23/09/96	6.87500%	2,395,400	2,395,400	23-Sep-10
38-032*	24/11/94	6.62500%	1,500,000	1,500,000	5-Oct-10
38-040*	27/12/95	6.62500%	500,000	500,000	5-Oct-10
42-054	01/03/96	7.00000%	504,500	504,500	25-Apr-11
47-039*	07/05/96	6.93750%	4,485,800	4,485,800	7-May-11
45-028*	14/06/95	6.87500%	5,200,000	5,200,000	14-Jun-11
45-035*	26/10/95	6.87500%	3,200,000	3,200,000	14-Jun-11
37-026*	24/08/93	6.68750%	5,846,600	5,846,600	24-Aug-11
37-107*	08/09/95	6.75000%	1,000,000	1,000,000	24-Aug-12
37-108*	12/09/95	6.75000%	1,000,000	1,000,000	24-Aug-12
37-110*	05/10/95	6.75000%	527,800	527,800	24-Aug-12
37-083*	24/02/95	6.75000%	7,000,000	7,000,000	24-Aug-12
15-022	08/10/87	8.75000%	2,822,500	2,822,500	8-Oct-12
15-027	29/02/88	8.75000%	1,006,000	1,006,000	8-Oct-12
15-036	06/03/91	8.75000%	500,000	500,000	8-Oct-12
15-037	16/04/91	8.75000%	2,600,000	2,600,000	8-Oct-12
46-022*	26/02/96	7.06250%	5,671,000	5,671,000	26-Feb-13
16-038	05/07/91	9.00000%	236,000	236,000	15-Mar-13
16-029	15/03/88	9.00000%	14,624,800	14,624,800	15-Mar-13
44-027*	18/05/95	7.00000%	6,031,400	6,031,400	18-May-13
58-033*	21/07/99	6.28125%	3,884,800	3,884,800	21-Jul-13
61-027	25/10/00	6.28125%	2,505,500	2,505,500	25-Oct-13
48-048*	23/09/96	7.18750%	7,146,000	7,146,000	23-Sep-15
48-047*	23/09/96	7.06250%	8,278,000	8,278,000	23-Sep-13
46-023*	26/02/96	7.12500%	5,594,500	5,594,500	26-Feb-14
53-026*	08/04/98	6.50000%	1,738,900	1,738,900	08-Apr-2014
50-001*	22/05/97	7.06250%	3,604,200	3,604,200	22-May-14
51-023*	15/07/97	6.53125%	5,500,000	5,500,000	15-Jul-14
43-048	27/12/95	6.62500%	500,000	500,000	20-Sep-14
43-049	01/08/96	6.62500%	404,700	404,700	20-Sep-14
43-043	01/02/95	6.62500%	1,500,000	1,500,000	20-Sep-14
43-042	13/01/95	6.62500%	1,585,000	1,585,000	20-Sep-14

Certificate Number	Date of Investment	Interest Rate	Cost	Face Value	Maturity Date
43-041	30/12/94	6.62500%	750,000	750,000	20-Sep-14
43-040	20/12/94	6.62500%	500,000	500,000	20-Sep-14
43-008	20/09/94	6.62500%	1,320,000	1,320,000	20-Sep-14
49-005*	14/03/97	7.12500%	3,000,000	3,000,000	26-Feb-15
50-002*	22/05/97	7.12500%	6,133,400	6,133,400	22-May-15
51-024*	15/07/97	6.56250%	2,999,500	2,999,500	15-Jul-15
52-035*	15/10/97	7.12500%	4,515,300	4,515,300	15-Oct-15
49-025*	04/07/97	7.18750%	2,000,000	2,000,000	26-Feb-16
49-001*	27/02/97	7.18750%	4,000,000	4,000,000	26-Feb-16
49-004*	06/03/97	7.18750%	3,000,000	3,000,000	26-Feb-16
49-008*	25/03/97	7.18750%	1,500,000	1,500,000	26-Feb-16
50-003*	22/05/97	7.18750%	4,973,500	4,973,500	22-May-16
51-025*	15/07/97	6.59375%	3,571,200	3,571,200	15-Jul-16
58-034*	21/07/99	6.37500%	4,767,700	4,767,700	21-Jul-16
48-049*	23/09/96	7.25000%	4,711,700	4,711,700	23-Sep-16
52-036*	15/10/97	7.18750%	8,478,400	8,478,400	15-Oct-16
50-004*	22/05/97	7.25000%	2,240,000	2,240,000	22-May-17
51-026*	15/07/97	6.62500%	8,453,400	8,453,400	15-Jul-17
52-037*	15/10/97	7.25000%	3,185,800	3,185,800	15-Oct-17
54-025*	10/08/98	6.56250%	6,060,600	6,060,600	10-Aug-17
54-026*	10/08/98	6.59375%	8,878,200	8,878,200	10-Aug-18
55-032*	21/10/98	6.59375%	3,722,500	3,722,500	21-Oct-18
55-036*	21/12/98	6.59375%	380,000	380,000	21-Oct-18
56-035*	26/02/99	6.56250%	1,220,000	1,220,000	26-Feb-18
58-035*	21/07/99	6.43750%	5,021,300	5,021,300	21-Jul-18
59-065*	23/11/99	6.43750%	1,717,100	1,717,100	23-Nov-18
60-041	21/09/00	6.43750%	2,925,000	2,925,000	21-Sep-18
63-004	20/12/01	6.46875%	3,000,000	3,000,000	12-Dec-18
63-023	15/03/02	6.46875%	155,000	155,000	12-Dec-18
58-036*	21/07/99	6.46875%	1,366,900	1,366,900	21-Jul-19
59-066*	23/11/99	6.46875%	717,100	717,100	23-Nov-19
60-042	21/09/00	6.46875%	2,736,200	2,736,200	21-Sep-19
61-028	25/10/00	6.46875%	4,348,800	4,348,800	25-Oct-19
60-043	21/09/00	6.50000%	16,300	16,300	21-Sep-20
61-029	25/10/00	6.50000%	1,595,600	1,595,600	25-Oct-20
62-062	30/07/01	6.53125%	1,892,600	1,892,600	30-Jul-20
64-012	11/07/02	6.53125%	492,300	492,300	26-Apr-20
65-178	06/09/02	6.34375%	6,724,900	6,724,900	06-Sep-20
63-066	06/08/02	6.53125%	289,400	289,400	12-Dec-20
62-063	30/07/01	6.56250%	2,709,600	2,709,600	30-Jul-21
65-179	06/09/02	6.37500%	2,850,000	2,850,000	6-Sep-21
66-125	04/12/02	6.37500%	5,648,800	5,648,800	04-Dec-21
66-126	04/12/02	6.40625%	864,100	864,100	04-Dec-22
			506,162,500	506,162,500	

STATISTICAL APPENDIX

Table	1	Registration - Employers & Self-Employed Persons
	2	Registration - Insured Persons
	3	Contribution Income
	4	Benefit & Assistance Claims Received And Awarded
	5	Short-Term Benefit & Assistance Claims Awarded
	6	Short-Term Benefit & Assistance Payments
	7	Long-Term Benefit & Assistance Claims Awarded
	8	Long-Term Benefit & Assistance Payments
	9	Industrial Benefit Claims Awarded
	10	Industrial Benefit Payments
	11	Pensions In Payment, December 2002
	12	Pensions In Payment At Year-End, 1998 to 2002
	13	Short-Term Benefits & Assistance, 1998 to 2002
	14	Long-Term Benefits & Assistance, 1998 to 2002
	15	Industrial Benefits, 1998 to 2002

2. Equity Securities

See Note 6 of the Notes to Consolidated Financial Statements

3. Certificates of Deposit

See Note 7 (a) of the Notes to Consolidated Financial Statements

4. Preference Shares

See Note 7 (b) of the Notes to Consolidated Financial Statements

5. Bahamas Government Treasury Bills

See Note 7 (c) of the Notes to Consolidated Financial Statements

6. Bahamas Government Registered Stock

See Note 7 (d) of the Notes to Consolidated Financial Statements

7. Loans to Bahamas Government Corporations

See Note 7 (e) of the Notes to Consolidated Financial Statements

8. Bahamas Mortgage Corporation Bonds

See Note 7 (f) of the Notes to Consolidated Financial Statements

9. Bridge Authority Bonds

See Note 7 (g) of the Notes to Consolidated Financial Statements

10. Bahamas Development Bank Bonds

See Note 7 (h) of the Notes to Consolidated Financial Statements

11. Net Investment in Direct Financing Lease

See Note 8 of the Notes to Consolidated Financial Statements

12. Investment Property

See Note 9 of the Notes to Consolidated Financial Statements

Table 1. Registration - Employers & Self-Employed Persons

Island/Local Office	2002			2001		
	Employers	Self-Employed	Total	Employers	Self-Employed	Total
Abaco						
Marsh Harbour	94	67	161	80	77	157
Coopers Town	23	22	45	22	18	40
Andros						
Fresh Creek	6	4	10	2	9	11
Kemps Bay	17	45	62	8	32	40
Nicholls Town	18	17	35	4	12	16
Bimini & Berry Islands	4	17	21	11	19	30
Cat Island	3	3	6	13	14	27
Crooked Island & Acklins	3	5	8	1	11	12
Eleuthera						
Governors Harbour	22	4	26	17	7	24
Harbour Island	32	6	38	42	5	47
North Eleuthera	3	-	3	5	3	8
Rock Sound	7	2	9	21	10	31
Spanish Wells	3	10	13	9	13	22
Exuma & Ragged Island	39	13	52	38	12	50
Grand Bahama	193	116	309	207	113	320
Inagua & Mayaguana	3	21	24	7	11	18
Long Island						
Deadmans Cay	6	21	27	14	19	33
Simms	9	13	22	5	9	14
New Providence	1,143	463	1,606	770	848	1,618
San Salvador	4	1	5	4	-	4
Total	1,632	850	2,482	1,280	1,242	2,522

Table 2. Registration - Insured Persons

Island/Local Office	2002				2001			
	Active	Inactive	Voluntary Insured	Total	Active	Inactive	Voluntary Insured	Total
Abaco								
Marsh Harbour	156	401	-	557	204	340	-	544
Coopers Town	74	126	-	200	82	55	-	137
Andros								
Fresh Creek	24	46	-	70	20	39	-	59
Kemps Bay	31	118	-	149	10	27	-	37
Nicholls Town	115	77	-	192	25	48	-	73
Bimini & Berry Islands	38	63	-	101	45	74	-	119
Cat Island	16	39	-	55	24	45	-	69
Crooked Island & Acklins	20	2	-	22	3	1	-	4
Eleuthera								
Governors Harbour	61	63	-	124	42	112	-	154
Harbour Island	54	26	-	80	71	51	-	122
North Eleuthera	-	-	-	-	-	-	-	-
Rock Sound	31	73	-	104	102	109	-	211
Spanish Wells	21	8	-	29	25	78	-	103
Exuma & Ragged Island	218	121	-	339	87	30	-	117
Grand Bahama	849	1,951	-	2,800	900	1,635	-	2,535
Inagua & Mayaguana	4	40	-	44	10	43	-	53
Long Island								
Deadmans Cay	13	51	-	64	11	65	-	76
Simms	16	41	-	57	7	39	-	46
New Providence	3,150	5,656	-	8,806	2,725	5,666	2	8,393
San Salvador	15	8	-	23	8	31	-	39
Total	4,906	8,910	-	13,816	4,401	8,488	2	12,891

Table 3. Contribution Income, 2002

Island/Local Office	Employers	Employees	Self-Employed	Voluntary Insured	Installment Agreements	Total 2002	Total 2001
Abaco							
Marsh Harbour	1,593,509	969,504	235,223	40	21,053	2,819,329	2,717,996
Coopers Town	447,005	260,368	64,950	-	8,259	780,582	759,882
Andros							
Fresh Creek	256,225	117,669	15,421	-	1,153	390,468	321,155
Kemps Bay	77,084	41,550	45,244	-	-	163,879	115,016
Nicholls Town	96,679	44,679	33,373	-	8,182	182,913	158,259
Bimini & Berry Islands							
Cat Island	340,988	212,192	29,728	-	-	582,908	564,787
Crooked Island & Acklins	82,175	47,220	14,595	-	250	144,240	110,957
	28,479	13,094	10,896	-	-	52,468	58,779
Eleuthera							
Governors Harbour	219,522	123,737	35,117	-	9,995	388,371	368,478
Harbour Island	265,373	153,385	17,213	-	4,360	440,330	472,854
North Eleuthera	75,761	36,416	15,540	-	-	127,717	117,741
Rock Sound	226,584	132,602	24,653	-	-	383,838	449,453
Spanish Wells	444,228	270,679	76,104	-	-	791,010	755,264
Exuma & Ragged Island							
Grand Bahama	892,776	549,463	64,620	-	1,418	1,508,276	827,915
Inagua & Mayaguana	8,668,336	5,648,715	315,650	-	189,307	14,822,009	15,234,046
	186,900	118,986	14,690	-	-	320,576	371,917
Long Island							
Deadmans Cay	105,987	63,336	98,666	-	-	267,989	229,029
Simms	74,449	45,559	37,621	-	3,160	160,789	166,420
New Providence							
San Salvador	58,350,188	36,221,714	1,079,635	4,553	1,654,735	97,290,825	94,654,667
	49,105	30,673	3,541	-	1,418	84,737	230,692
Total	72,461,352	45,101,539	2,232,482	4,593	1,903,290	121,703,255	118,685,305

Note: Totals may not balance due to rounding.

Table 4. Benefit & Assistance Claims Received and Awarded

Benefit Type	Received		Awarded	
	2002	2001	2002	2001
Long-term Benefits/ Assistance	Retirement Benefit	1,345	1,367	1,135
	Invalidity Benefit	361	335	261
	Survivors' Benefit	505	527	396
	Old Age Non-Contributory Pension	318	314	135
	Invalidity Assistance	263	287	172
	Survivors' Assistance	167	167	64
Total Long-term		2,959	2,997	2,163
Short-term Benefits	Sickness Benefit	17,999	20,894	18,167
	Maternity Benefit	3,338	3,314	3,016
	Maternity Grant	3,338	3,314	3,242
	Funeral Benefit	1,169	1,196	1,170
	Sickness Assistance	88	76	87
	Total Short-term	25,932	28,794	25,682
Industrial Benefits	Medical Care	N/A	953	N/A
	Injury Benefit	1,251	1,278	1,265
	Disablement Benefit & Grant	123	104	39
	Industrial Death	2	3	3
	Industrial Funeral	1	1	1
	Total Industrial	1,377	2,338	1,308
				1,911

Table 5. Short-Term Benefit & Assistance Claims Awarded, 2002

Island/Local Office	Sickness Benefit	Maternity Benefit	Maternity Grant	Funeral Benefit	Sickness Assistance	Total
Abaco						
Marsh Harbour	345	67	63	18	-	493
Coopers Town	180	32	31	9	7	259
Andros						
Fresh Creek	183	28	19	8	-	247
Kemps Bay	88	4	3	4	-	109
Nicholls Town	83	13	13	9	-	119
Bimini & Berry Islands	49	19	15	10	-	93
Cat Island	36	4	4	1	1	46
Crooked Island & Acklins	40	8	5	-	1	54
Eleuthera						
Governors Harbour	223	21	19	14	-	277
Harbour Island	200	28	23	11	1	263
North Eleuthera	-	-	-	-	-	-
Rock Sound	272	15	11	16	20	334
Spanish Wells	245	9	5	9	-	268
Exuma & Ragged Island	141	26	24	7	2	200
Grand Bahama	2,355	543	603	171	1	3,673
Inagua & Mayaguana	82	1	2	2	-	87
Long Island						
Deadmans Cay	75	15	10	6	1	107
Simms	48	7	7	5	-	67
New Providence	13,467	2,173	2,382	868	53	18,943
San Salvador	55	3	3	2	-	63
Total	18,167	3,016	3,242	1,170	87	25,682

Table 6. Short-Term Benefit & Assistance Payments, 2002

Island/Local Office	Sickness Benefit	Maternity Benefit	Maternity Grant	Funeral Benefit	Sickness Assistance	Total
Abaco						
Marsh Harbour	177,964	127,965	27,600	28,500	-	362,028
Coopers Town	81,816	42,175	12,400	11,242	377	148,010
Andros						
Fresh Creek	71,421	33,412	11,200	7,500	-	140,033
Kemps Bay	33,104	4,469	2,000	7,500	-	60,573
Nicholls Town	32,725	12,444	6,000	16,500	-	69,168
Bimini & Berry Islands	31,340	20,333	7,200	13,500	122	72,495
Cat Island	13,164	8,950	800	1,500	162	24,575
Crooked Island & Acklins	8,515	2,692	1,600	1,500	-	14,307
Eleuthera						
Governors Harbour	65,768	30,479	9,150	19,500	-	124,897
Harbour Island	74,721	24,212	10,000	21,000	-	129,932
North Eleuthera	-	-	-	-	-	-
Rock Sound	102,691	17,936	5,200	22,500	1,477	149,803
Spanish Wells	86,130	13,884	2,000	13,500	-	115,513
Exuma & Ragged Island	67,658	46,357	10,000	16,651	582	141,248
Grand Bahama	1,497,435	821,058	207,300	238,700	246	2,764,739
Inagua & Mayaguana	39,502	1,513	1,200	4,500	1,500	48,215
Long Island						
Deadmans Cay	27,139	16,126	5,600	7,500	62	56,426
Simms	20,736	5,962	2,800	7,500	-	36,998
New Providence	6,609,661	4,050,347	937,992	1,294,460	20,056	12,912,517
San Salvador	13,697	4,018	1,200	3,000	-	21,915
Total	9,055,184	5,284,330	1,261,242	1,736,553	24,582	17,361,892

Note: Totals may not balance due to rounding.

Table 7. Long-Term Benefit & Assistance Claims Awarded, 2002

Island/Local Office	Retirement Benefit	Invalidity Benefit	Survivors' Benefit	Old-Age Non-Contributory Pension	Invalidity Assistance	Survivors' Assistance	Total
Abaco							
Marsh Harbour	23	6	7	6	5	2	49
Coopers Town	29	3	4	1	2	3	42
Andros							
Fresh Creek	4	2	7	4	1	3	21
Kemps Bay	10	2	3	2	-	1	18
Nicholls Town	7	2	7	7	9	4	36
Bimini & Berry Islands	6	-	3	-	-	-	9
Cat Island	13	2	-	2	-	1	18
Crooked Island & Acklins	3	-	1	1	-	-	5
Eleuthera							
Governors Harbour	25	3	4	2	2	-	36
Harbour Island	16	-	2	3	2	1	24
North Eleuthera	-	-	-	-	-	-	-
Rock Sound	20	5	4	1	6	1	37
Spanish Wells	22	-	2	-	-	-	24
Exuma & Ragged Island	14	2	2	1	1	1	21
Grand Bahama	144	48	51	15	24	4	286
Inagua & Mayaguana	16	1	-	-	1	-	18
Long Island							
Deadmans Cay	16	1	3	-	1	1	22
Simms	5	-	-	1	1	1	8
New Providence	758	184	295	89	116	40	1,482
San Salvador	4	-	1	-	1	1	7
Total	1,135	261	396	135	172	64	2,163

Table 8. Long-Term Benefit & Assistance Payments, 2002

Island/Local Office	Retirement Benefit	Invalidity Benefit	Survivors' Benefit	Old-Age Non-Contributory Pension	Invalidity Assistance	Survivors' Assistance	Total
Abaco							
Marsh Harbour	965,370	168,889	188,283	285,240	199,526	77,823	1,885,131
Coopers Town	593,549	51,797	90,658	114,000	62,800	32,520	945,324
Andros							
Fresh Creek	201,541	21,148	60,863	109,400	59,600	19,500	472,052
Kemps Bay	553,122	49,568	109,335	294,200	186,600	28,436	1,221,261
Nicholls Town	317,899	34,281	78,950	209,760	155,880	48,476	845,246
Bimini & Berry Islands							
Bimini	235,410	16,987	87,701	135,965	44,400	11,577	532,040
Cat Island	222,361	23,611	28,082	293,725	79,200	21,607	668,588
Crooked Island & Acklins							
Crooked Island	215,778	3,081	17,612	115,200	24,200	14,286	390,157
Eleuthera							
Governors Harbour	644,048	96,315	87,313	115,200	69,800	14,694	1,027,370
Harbour Island	268,053	31,050	34,550	30,600	27,400	9,348	401,001
North Eleuthera	250,765	22,566	46,539	100,200	41,400	15,067	476,536
Rock Sound	540,420	111,053	77,072	158,200	174,600	51,430	1,112,775
Spanish Wells	482,848	22,552	45,357	91,800	39,000	2,400	683,958
Exuma & Ragged Island							
Exuma	584,915	43,163	79,753	215,440	110,400	44,375	1,078,045
Grand Bahama							
Grand Bahama	3,172,001	1,008,118	857,904	784,000	776,000	145,331	6,743,354
Inagua & Mayaguana							
Inagua	428,248	31,584	57,185	67,000	30,800	480	615,297
Long Island							
Deadmans Cay	458,099	42,460	68,801	226,200	122,800	36,895	955,256
Simms	248,626	18,206	26,326	121,560	50,000	29,673	494,392
New Providence							
New Providence	33,944,613	5,365,285	7,049,605	5,128,738	4,609,743	1,333,685	57,431,669
San Salvador							
San Salvador	216,560	17,196	3,344	73,020	27,200	6,311	343,631
Total	44,544,226	7,178,913	9,095,232	8,669,448	6,891,350	1,943,915	78,323,082

Note: Totals may not balance due to rounding.

Table 9. Industrial Benefit Claims Awarded, 2002

Island/Local Office	Medical Care	Injury Benefit	Disablement Benefit & Grant	Industrial Death	Industrial Funeral	Total
Abaco						
Marsh Harbour	N/A	41	2	-	-	43
Coopers Town	N/A	10	-	-	-	10
Andros	N/A					
Fresh Creek	N/A	5	1	-	-	6
Kemps Bay	N/A	4	-	-	-	4
Nicholls Town	N/A	3	-	-	-	3
Bimini & Berry Islands	N/A	4	-	-	-	4
Cat Island	N/A	1	-	-	-	1
Crooked Island & Acklins	N/A	-	-	-	-	-
Eleuthera	N/A					
Governors Harbour	N/A	7	-	-	-	7
Harbour Island	N/A	11	-	-	-	11
North Eleuthera	N/A	-	-	-	-	-
Rock Sound	N/A	4	-	-	-	4
Spanish Wells	N/A	28	-	-	-	28
Exuma & Ragged Island	N/A	17	-	-	-	17
Grand Bahama	N/A	172	4	-	1	177
Inagua & Mayaguana	N/A	2	-	-	-	2
Long Island	N/A					
Deadmans Cay	N/A	2	-	-	-	2
Simms	N/A	8	-	-	-	8
New Providence	N/A	945	32	3	-	980
San Salvador	N/A	1	-	-	-	1
Total	0	1,265	39	3	1	1,308

Table 10. Industrial Benefit Payments, 2002

Island/Local Office	Medical Care	Injury Benefit	Disablement Benefit & Grant	Industrial Death	Industrial Funeral	Total
Abaco						
Marsh Harbour	-	24,499	15,729	8,186	-	48,414
Coopers Town	-	1,162	12,600	1,140	-	14,902
Andros						
Fresh Creek	-	688	11,265	-	-	11,953
Kemps Bay	-	758	8,416	2,760	-	11,935
Nicholls Town	-	6,783	8,693	-	-	15,476
Bimini & Berry Islands						
Cat Island	-	1,093	14,610	4,990	-	20,693
Crooked Island & Acklins	-	-	8,026	5,830	-	13,857
Eleuthera	-	800	2,400	-	-	3,200
Governors Harbour						
Harbour Island	-	4,893	5,885	-	-	10,777
North Eleuthera	-	5,237	2,400	-	-	7,637
Rock Sound	-	-	4,996	-	-	4,996
Spanish Wells	-	2,219	9,532	7,135	-	18,886
Exuma & Ragged Island						
Grand Bahama	-	13,645	11,932	-	-	25,577
Inagua & Mayaguana	-	6,611	-	-	-	6,611
Long Island	2,438	162,341	88,311	18,012	-	271,102
Deadmans Cay	-	223	-	-	-	223
Simms	-	289	-	5,520	-	5,809
New Providence						
San Salvador	4,689,727	802,299	1,810,920	255,086	-	7,558,033
Total	4,692,165	1,037,000	2,022,567	309,800	-	8,061,531

Note: Totals may not balance due to rounding.

Table 11. Pensions In Payment, December 2002

Island	Retirement Benefit	Invalidity Benefit	Survivors' Benefit	OANCP	Invalidity Assistance	Survivors' Assistance	Disablement Benefit	Industrial Death	Total
Abaco	495	65	99	167	110	52	10	5	1,003
Andros	341	33	97	256	167	51	5	1	951
Bimini & Berry Islands	77	3	34	55	19	3	3	1	195
Cat Island	82	9	12	120	33	12	3	2	273
Crooked Island & Acklins	75	1	6	44	10	7	1	-	144
Eleuthera	694	94	115	202	147	49	6	3	1,310
Exuma & Ragged Island	250	17	39	87	47	24	-	-	464
Grand Bahama	1,060	309	364	331	337	83	24	5	2,513
Inagua & Mayaguana	105	9	19	28	14	-	-	-	175
Long Island	269	24	33	134	69	28	1	2	560
New Providence	7,944	1,282	2,332	2,061	1,852	651	292	64	16,478
San Salvador & Rum Cay	68	6	2	28	11	5	1	1	122
Total	11,460	1,852	3,152	3,513	2,816	965	346	84	24,188

Table 12. Pensions in Payment at Year-end, 1998 - 2002

Long-term Benefits				
	2002	2001	2000	1998
Retirement Benefit	11,460	10,698	9,778	8,152
Invalidity Benefit	1,852	1,720	1,607	1,373
Survivor's Benefit	3,152	2,953	2,783	2,309
Old-Age Non-Cont. Pension	3,513	3,720	3,858	4,195
Invalidity Assistance	2,816	2,782	2,744	2,647
Survivor's Assistance	965	1,018	1,051	1,085
Total	23,758	22,891	21,821	19,761
Industrial Benefits				
	2002	2001	2000	1998
Disablement	346	313	288	245
Industrial Death	84	86	86	76
Total	430	399	374	321

Table 13. Short-Term Benefits & Assistance, 1998 to 2002

Amount Paid ('000s)					
	2002	2001	2000	1999	1998
Sickness Benefit	\$9,055	\$9,345	\$9,009	\$7,328	\$5,846
Maternity Benefit	\$5,284	\$5,145	\$4,733	\$4,270	\$3,330
Maternity Grant	\$1,261	\$1,283	\$1,262	\$1,038	\$698
Funeral Benefit	\$1,737	\$1,696	\$1,699	\$1,584	\$1,106
Sickness Assistance	\$25	\$21	\$19	\$22	\$24
Total	\$17,362	\$17,491	\$16,722	\$14,242	\$11,004
Number of Claims Awarded					
	2002	2001	2000	1999	1998
Sickness Benefit	18,167	19,852	20,947	18,321	18,130
Maternity Benefit	3,016	2,954	2,841	2,600	2,955
Maternity Grant	3,242	3,193	3,046	2,803	2,793
Funeral Benefit	1,170	1,121	1,118	1,007	1,107
Sickness Assistance	87	81	65	56	89
Total	25,682	27,201	28,017	24,787	25,074

Table 14. Long-Term Benefits & Assistance, 1998 to 2002

Amount Paid ('000s)	2002	2001	2000	1999	1998
Retirement Benefit	\$44,544	\$39,883	\$36,480	\$33,639	\$27,199
Invalidity Benefit	\$7,179	\$6,560	\$5,907	\$5,532	\$4,442
Survivor's Benefit	\$9,095	\$8,154	\$7,451	\$6,855	\$5,420
Old-Age Non-Cont. Pension	\$8,669	\$8,692	\$8,508	\$9,176	\$8,381
Invalidity Assistance	\$6,891	\$6,533	\$6,035	\$6,170	\$5,189
Survivor's Assistance	\$1,944	\$1,862	\$1,870	\$1,956	\$1,700
Total	\$78,323	\$71,684	\$66,251	\$63,328	\$52,331
Number of Claims Awarded	2002	2001	2000	1999	1998
Retirement Benefit	1,135	1,171	1,072	1,204	850
Invalidity Benefit	261	217	214	273	208
Survivor's Benefit	396	389	364	470	307
Old-Age Non-Cont. Pension	135	216	168	186	142
Invalidity Assistance	172	179	178	238	228
Survivor's Assistance	64	75	63	119	189
Total	2,163	2,247	2,059	2,490	1,924

Table 15. Industrial Benefits, 1998 to 2002

Amount Paid ('000s)		2002	2001	2000	1999	1998
Medical Care		\$4,692	\$2,759	\$2,775	\$2,562	\$2,953
Injury Benefit		\$1,037	\$956	\$1,054	\$879	\$874
Disablement Benefit & Grant		\$2,023	\$1,652	\$1,587	\$1,315	\$1,074
Industrial Death		\$310	\$308	\$290	\$318	\$264
Industrial Funeral*		\$0	\$0	\$6	\$0	\$0
Total		\$8,062	\$5,675	\$5,712	\$5,074	\$5,165
Number of Claims Awarded		2002	2001	2000	1999	1998
Medical Care		N/A	667	749	836	1,311
Injury Benefit		1,265	1,216	1,509	1,372	1,679
Disablement Benefit & Grant		39	26	19	69	34
Industrial Death		3	2	10	9	12
Industrial Funeral*		1	0	4	0	0
Total		1,308	1,911	2,291	2,286	3,036

* Prior to 2000, Industrial Funeral Benefits were paid as a Funeral Benefit from the Short-term Benefit Branch

