

THE NATIONAL INSURANCE BOARD



Annual Report 2005





THE NATIONAL INSURANCE BOARD OF THE COMMONWEALTH OF THE BAHAMAS

P.O. Box N7508, N.P., Bahamas. Tel: (242) 356-2070 Fax: (242) 356-2094 E.mail: info@nib-bahamas

June 30th, 2005

Senator the Honourable Bernard J. Nottage
Minister of Health & National Insurance
Poinciana Hill Complex
Meeting Street
Nassau, Bahamas

Dear Minister Nottage:

Re: The National Insurance Board's 2005 Annual Report

In accordance with Section 47(1) of the National Insurance Act, 1972, I have the privilege of submitting to you, on behalf of the Board of Directors, the Annual Report of the Board for the year 2005.

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 47(1) of the National Insurance Act, 1972, together with the report of the Auditor.

Sincerely yours,

Philip Davis,
M.P. Chairman



Annual Report 2005

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MINISTER & BOARD OF DIRECTORS 2005



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



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



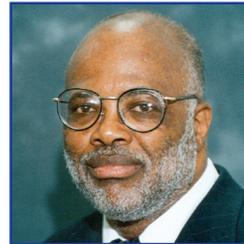
Mr. Michael Adderley
Deputy Chairman



Mrs. Wendy Craigg
Member



Mr. Earnest Cambridge
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



EXECUTIVE MANAGEMENT TEAM 2005



Seated From Left:

Mrs. Sonia Gill, Financial Controller; Ms. Azella Major, Assistant Director; Mrs. Heather Maynard, Legal Officer; and Mrs. V Theresa Burrows, Deputy Director.

Standing From Left:

Mr. Andre Bethel, Deputy I.T. Manager; Mr. Derek Osborne, Actuary; Mr. Jayson Moxey, Sr. Deputy Director; Mr. Lennox McCartney, Director; Mr. Anthony Curtis, Deputy Director; Mr. Whitney Patton, Chief Internal Auditor; Dr. Mortimer Moxey, Medical Officer.



REPORT ON OPERATIONS

The National Insurance Board, in 2005, continued with vigour to improve operational performance. The Board is pleased to report that there have been improvements in all key aspects of its operations, thanks in great measure to a comprehensive strategic plan that contains 10 specific strategies.

Through an extensive annual budget exercise, the Board sets aggressive yet

realistic financial and operational targets for the various departments. Key financial targets were all met in 2005 – contribution and investment income exceeded budgeted amounts and administrative costs were lower than estimated. The Board has only limited control over benefit expenditure.

The following table provides a summary of 2005 experience compared with 2004.

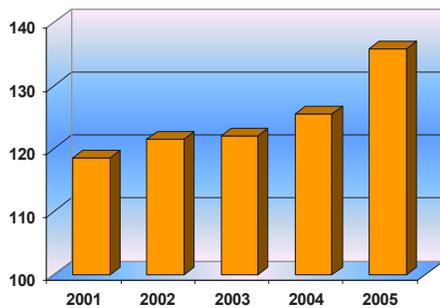
Performance Indicators	2005	2004	% Change
Contribution Income (gross)	\$136.1 m	\$ 125.8 m	8.0%
Investment Income	69.9 m	64.5 m	8.4%
Benefit Expenditure	117.6 m	114.4 m	2.8%
Administrative Costs	27.5 m	29.0 m	(5.2%)
Excess of Income over Expenditure	64.4 m	58.7 m	9.7%
Year-end Reserves	1,351 m	1,286 m	5.1%
Year-end Investments	1,267 m	1,151 m	3.3%
Administrative Costs as % of Cont. Income	20.3%	23.1%	(12.5%)
Yield on investments	6.0%	5.8%	3.4%
# Contributing Employers	10,203	10,150	0.8%
# Contributing Self-employed Persons	4,453	4,057	8.4%
# Active Employees	127,000	125,000	1.6%
% of Monthly Contributions Paid on Time	26.4%	20.1%	31.3%
# Short-term Benefit Claims Awarded	28,379	27,375	3.4%
# Long-term Benefit Claims Awarded	1,949	2,028	(3.9%)
# Contributory Pensioners (at year-end)	19,021	18,581	2.4%
# Assistance Pensioners (at year-end)	6,422	6,807	(5.7%)
Short-term claims Processed within 5 days	88%	82%	7.3%
Pension claims Processed within 40 days	20%	14%	43%
# employees (December)	436	439	



Contributions

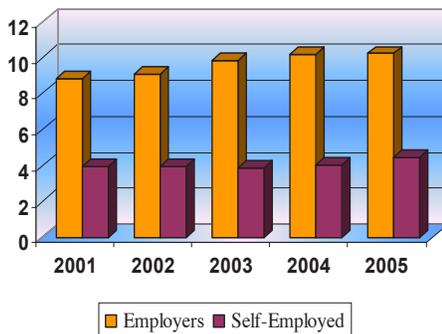
For the 11th year in a row, contribution income increased over the previous year. In 2005, contributions totalled \$136.1 million compared with \$125.8 million in 2004, an 8.0% increase. While the increase was partly due to increased economic activity, most of it can be attributed to enhanced efforts by the Board to increase compliance, both as it relates to the number of contributing employers, and their payment frequency.

Contribution Income (millions of \$'s)



Increased compliance efforts also resulted in a marked improvement in the timeliness in which employers paid their monthly contributions. Although still extremely low, 26% of monthly contributions were received within the 15-day grace period permitted, up from 20% in 2004. Continued efforts are being made to increase the on-time payment rate to 75%.

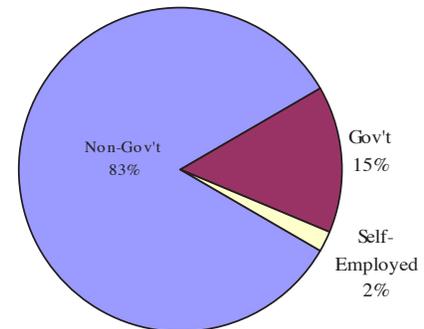
Contributing Employers & Self-Employed Persons (in thousands)



In 2005, contributions were received from 10,203 employers for approximately 127,000 workers, inclusive of 4,453 self-employed persons, who made at least one contribution payment for 2005. Therefore, approximately 88% of employed persons and 20% of self-employed persons made at least one contribution for 2005.

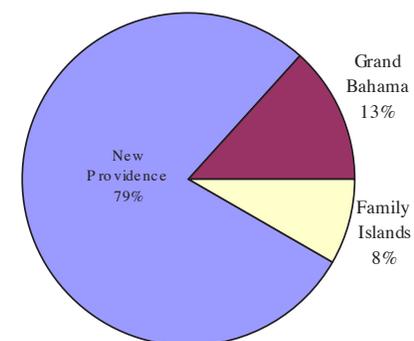
Although self-employed persons account for 15% of the employed labour force, they only account for 2% of NIB contribution income. On the other hand, Government employees represent 16% of the workforce but contribute 15% of contributions.

Contribution Income (\$136.1 million)



In line with employment patterns, some 79% of contribution income was received in New Providence and 13% in Grand Bahama with the remaining 8% paid in the Family Islands.

Contribution Income (\$136.1 million)

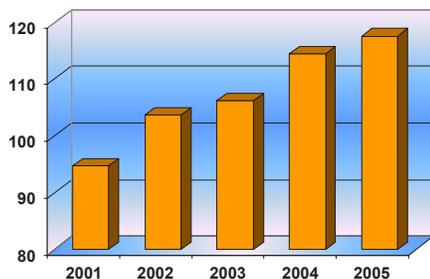




Benefits

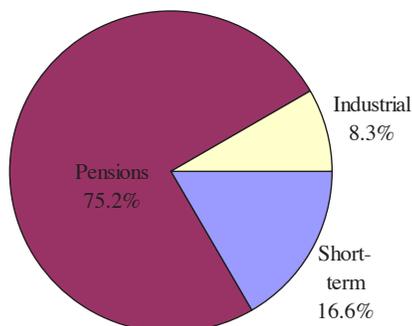
The National Insurance Board offers three main types of benefits – Short-Term, Long-Term (or Pensions), and Industrial. In 2005, benefit payments totalled \$117.6 million, an increase of 2.8% over the amount paid in 2004.

Benefit Expenditure (millions of \$'s)



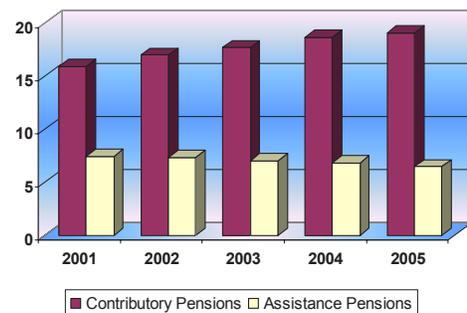
Short-Term benefits (Sickness, Maternity and Funeral) totalled \$19.5 million, down from \$19.9 million in 2004 while Industrial Benefit payments (Injury, Medical Care, Disablement & Death) increased from \$8.8 million to \$9.7 million. For pensions, however, there was an increase in contributory pensions (Retirement, Invalidity and Survivors) from \$69.6 million to \$73.0 million while Assistance pensions (Old-Age, Invalidity and Survivors) decreased from \$16.2 million to 15.4 million.

Benefit Expenditure, 2005
\$117.6 million



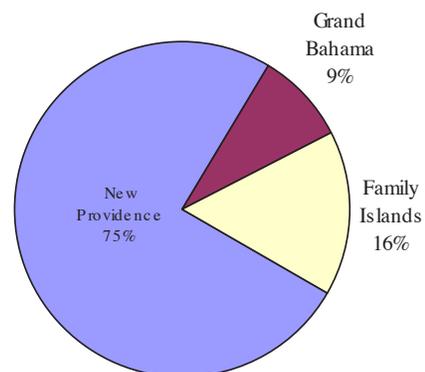
For contributory pensions, more new pensioners are added each year than those deleted through death. Also, the average new monthly pension increases each year. As a result, both the number of pensioners and the average pension amount, increase each year. For non-contributory pensions, however, the number of pensioners generally declines each year while the average pension remains stable since payment rates are fixed.

Pensions in Payment (in thousands of \$'s)



While only 8% of contributions is received from the Family Islands, 13% of total pensions is paid in islands other than New Providence and Grand Bahama. However, as shown below, 16% of pensioners live in the Family Islands.

Pensioners in December 2005
25,443

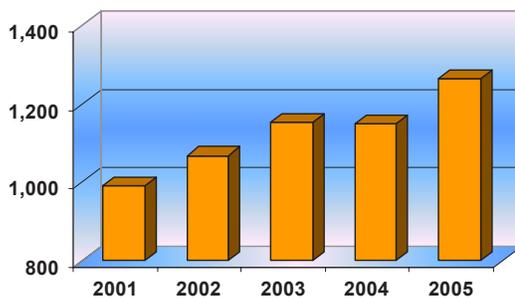




Investments

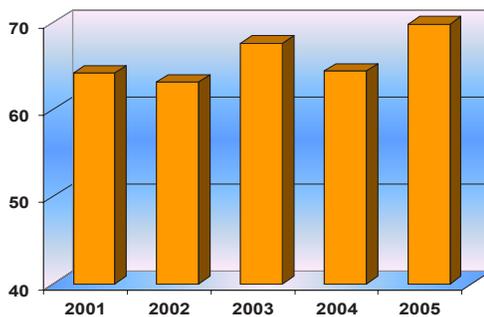
At the end of 2005, National Insurance investments totalled \$1.27 billion dollars, increasing from \$1.15 billion in 2004. The increase was a result of more investment opportunities becoming available allowing NIB to reduce its cash balance at the Central Bank (which is non-interest bearing) from \$87.2 million to \$27.5 million. The significant additions to investments during 2005 were equity purchases, \$18.7 million, Certificates of Deposit, \$18.6 million, and bonds, \$20 million.

Total Investments (millions of \$'s)



Investment income also grew in 2005 even though the Prime Rate, to which the majority of NIB investment returns are linked, declined by ½% in February 2005. The \$5.4 million increase in investment income between 2004 and 2005 was due mainly to appreciations in equities.

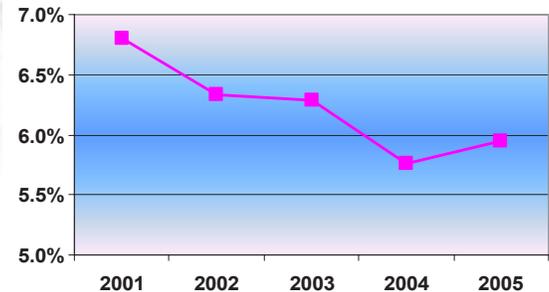
Investment Income (millions of \$'s)



This increase in investment income resulted in an increase in the rate of return on

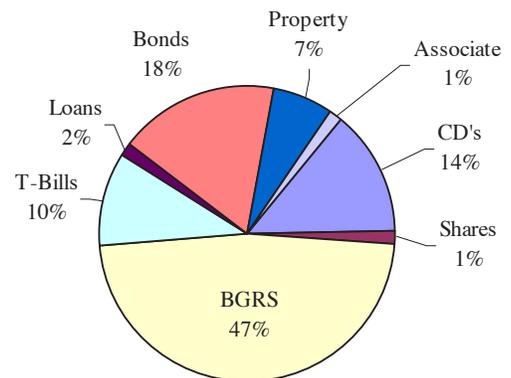
investments following several years of declining returns. Recent declines were consistent with prevailing interest rate patterns and the Fund's high concentration of securities that are either directly or indirectly linked to the Prime Rate.

Yield on Investments



The majority of NIB investments continue to be held in Bahamas Government Registered Stock and several public corporations' debt instruments.

Investment Portfolio Mix, 2005



Associate represents NIB's holdings of Bank of Bahamas shares.

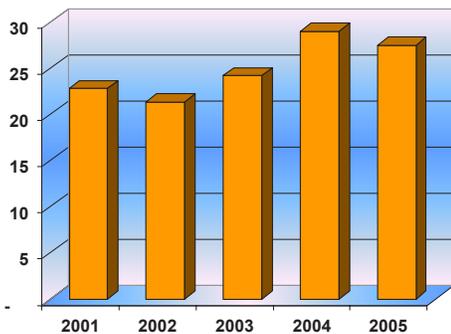
While all NIB investments to date have been in The Bahamas, Government granted approval in late 2005 for NIB to place \$25 million per annum overseas. This was a welcome change in policy as for several years, the unavailability of suitable local investments resulted in large sums remaining un-invested for extended periods.



Administrative Expenses

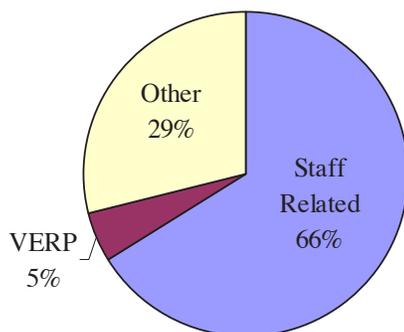
Through special efforts and programs designed to reduce operating costs, total administrative costs decreased from \$29.0 million in 2004 to \$27.5 million in 2005, a 5.2% reduction.

Administrative Costs (millions of \$'s)



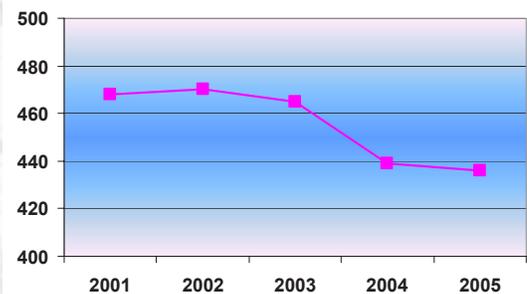
Since over 66% of NIB's operating costs are staff related, the primary method adopted to reduce operating costs is a Voluntary Early Retirement Program (VERP). This program offers financial incentives to employees who have either attained age 55 or who have at least 30 years of service.

2005 Administrative Costs
\$27.5 million



Over the past 5 years, the number of employees has gradually declined and when the program ends in December 2006, it is expected that NIB would have around 425 employees.

Year-end Staff Count

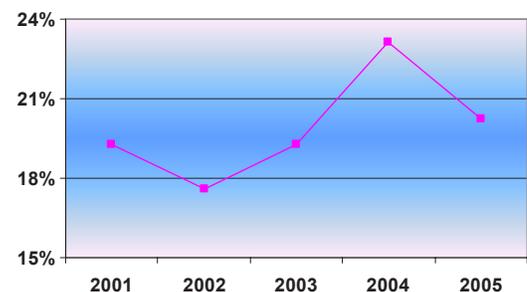


Following is a summary of staff movements in 2005.

# Employees – Dec. 2004	439
New Hires	21
Voluntary Retirees	(19)
Other Terminations	(5)
# Employees – Dec. 2005	436

By most benchmarks, NIB's administrative costs remain high, even if the unique geographical nature of The Bahamas is considered. One frequently used measure of operational efficiency is a comparison of administrative expenditure with contribution income. This measure indicates what percentage of contribution income is used to meet operating costs.

Administrative Costs as % of Contributions



One of the recommendations of the Social Security Reform Commission is to reduce administrative expenditure to 10% of contribution income by 2015.



Social Security Reform Commission

In mid-2005, the Social Security Reform Commission completed its internal and public discussions and presented its report to Cabinet. Public sentiment gained via surveys and public meetings indicated the following:

1. There was overwhelming support for changes aimed at strengthening the long-term sustainability of the National Insurance Fund now instead of later.
2. To secure long-term sustainability of the Fund, there was general support for increasing contributions, improving compliance and reducing administrative costs but little support for reducing benefits or increasing the normal pension age.
3. There was mixed support for a new approach to increasing participation in private pensions with a larger National Insurance and mandatory pensions receiving almost equal support.

The Commission's findings may be summarised as follows:

1. There is an urgent need for an increased level of savings that together with the NIB pension will provide increased income security in old-age.
2. The National Insurance programme requires changes that will make its contributions and benefits more relevant, provide additional coverage and

benefits, make the administration more effective and efficient, bring increased diversity to investments, and improve the long-term sustainability of the Fund.

3. The National Insurance Board should mount a major sustained education campaign to explain to both internal and external customers how the National Insurance Scheme works and what its benefits are.

In its final report, the Commission made many recommendations aimed at increasing NIB's scope and relevance, improving its operational effectiveness and efficiency, and enhancing its long-term sustainability.

National Health Insurance

It is expected that the proposed National Health Insurance (NHI) programme will be administered by the National Insurance Board. To this end, the Board continues to ready itself for NHI by reviewing its systems and exposing key employees to relevant training.

The Board also provided technical and financial support for the proposed NHI engaging several experts and consultants, who together with officials from the Ministry of Health, produced a design framework and estimated the cost of the NHI system.



THE NATIONAL INSURANCE FUND
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2005 - 2004

Pannell Kerr Forster

THE NATIONAL INSURANCE FUND
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2005 – 2004



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8	Consolidated Income and Expenditure Account of the Benefits Branches
9 - 46	Notes to Consolidated Financial Statements



AUDITORS' REPORT

The Board of Directors
THE NATIONAL INSURANCE FUND
Nassau, Bahamas

We have audited the accompanying consolidated balance sheet of **The National Insurance Fund** (the Fund) as of December 31, 2005 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 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 referred to above, present fairly, in all material respects, the financial position of **The National Insurance Fund** as of December 31, 2005, and the results of its operations, and its cash flows for the year then ended, in accordance with International Financial Reporting Standards, and comply with The National Insurance Act and The National Insurance (Financial and Accounting) Regulations, 1974.

A handwritten signature in black ink that reads 'Pannell Lou Foster'.

April 28, 2006
Nassau, Bahamas

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Direct Facsimile: [242] 326-7524 | Email: pkfbah@batelnet.bs
PKF | 44 Elizabeth Avenue | Pannell House | P. O. Box N-8335
Nassau | New Providence | Bahamas

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The PKF International Association is an association of legally independent firms.

THE NATIONAL INSURANCE FUND

CONSOLIDATED BALANCE SHEETS

AT DECEMBER 31, 2005 - 2004



(Expressed in Thousands of Bahamian Dollars)

ASSETS

	Notes	2005	2004
Cash in hand and at banks	2(l) & 3	27,506	87,249
Accounts receivable and advances	4	7,827	4,394
Accrued income receivable	5	15,959	28,960
Prepaid expenses and deposits	30(ii)	14,004	301
		65,296	120,904
INVESTMENTS			
Available-for-sale investments			
Equity securities	6	32,337	8,004
Originated loans and receivables			
Certificates of deposit	7(a)	170,300	151,700
Preference shares	7(b)	8,511	6,500
Bahamas Government treasury bills	7(c)	126,295	152,627
Bahamas Government registered stock	7(d)	590,568	519,534
Loans to Bahamas Government corporations	7(e)	19,165	33,460
Bahamas Mortgage Corporation bonds	7(f)	131,600	109,800
Bridge Authority bonds	7(g)	2,772	2,772
Bahamas Development Bank bonds	7(h)	25,000	24,000
Bank of the Bahamas bonds	7(i)	17,000	17,000
Latin American Investment Bank Bahamas			
Limited bonds	7(j)	3,627	3,984
Education Loan Authority bonds	7(k)	37,422	21,061
Waterfields Company Ltd. Bonds	7(l)	2,000	-
Clifton Heritage Authority Bonds	7(m)	1,126	-
Net investment in direct financing leases	2(f), 8	62,782	65,957
Investment property	2(e), 9	20,092	18,719
Investment in Associate	10	16,370	15,600
		1,266,967	1,150,718
Total Investments			
Computer software	2(h)	306	387
Property, plant and equipment	2(d), 11	36,268	37,320
Construction in progress - financing leases	12	17,925	13,541
		54,499	51,248
		\$ 1,386,762	\$ 1,322,870
TOTAL ASSETS			

The notes on pages 9 to 46 form an integral part of these financial statements.

**THE NATIONAL INSURANCE FUND
CONSOLIDATED BALANCE SHEETS**



AT DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

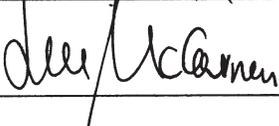
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LIABILITIES AND RESERVES

	<u>Notes</u>	<u>2005</u>	<u>2004</u>
LIABILITIES			
Accounts payable and accrued expenses	13	7,335	10,836
Staff pension fund	14	26,372	23,555
Accrued benefits payable		1,912	2,828
		35,619	37,219
RESERVES			
Short-term benefits reserve	31	10,928	2,442
Pensions reserve	31	1,118,857	1,054,715
Industrial benefits reserve	31	97,118	105,610
Medical benefits reserve	31	102,741	100,925
Disablement and death benefits reserve	31	20,912	21,372
Fidelity bond reserve	31	587	587
		1,351,143	1,285,651
TOTAL LIABILITIES AND RESERVES		\$ 1,386,762	\$ 1,322,870

Approved on behalf of the Board of Directors:


 _____ Chairman


 _____ Director


 _____ Financial Controller

_____ May 30th, 2006 _____ Date

The notes on pages 9 to 46 form an integral part of these financial statements.

THE NATIONAL INSURANCE FUND
CONSOLIDATED STATEMENTS OF INCOME AND EXPENDITURE
FOR THE YEARS ENDED DECEMBER 31, 2005 - 2004



(Expressed in Thousands of Bahamian Dollars)

Pannell Kerr Forster

	<u>Notes</u>	<u>2005</u>	<u>2004</u>
INCOME			
Contributions	2(i)		
Employers		85,262	76,807
Insured persons		48,198	46,709
Self-employed persons		2,629	2,265
Voluntarily insured persons		<u>4</u>	<u>3</u>
		136,093	125,784
Refund of contributions		<u>(227)</u>	<u>(263)</u>
		<u>135,866</u>	<u>125,521</u>
Grant from Consolidated Fund	2(i), 16	4,900	4,900
Income from investments	17	66,733	61,619
Income from property	18	1,535	1,771
Other income		160	222
Income from Investment in Associate	10	<u>1,584</u>	<u>1,077</u>
		<u>74,912</u>	<u>69,589</u>
Total income carried forward		<u>210,778</u>	<u>195,110</u>

The notes on pages 9 to 46 form an integral part of these financial statements.

THE NATIONAL INSURANCE FUND
CONSOLIDATED STATEMENTS OF INCOME AND EXPENDITURE
FOR THE YEARS ENDED DECEMBER 31, 2005 - 2004



(Expressed in Thousands of Bahamian Dollars)

(Continued)

	<u>Notes</u>	<u>2005</u>	<u>2004</u>
Total income brought forward		210,778	195,110
EXPENDITURE			
Benefits expenditure:			
Short-term		19,506	19,885
Pensions		88,388	85,758
Industrial		6,896	6,257
Disablement and death benefits periodically payable		<u>2,824</u>	<u>2,523</u>
		117,614	114,423
Administrative expenditure:			
Staff salaries and allowances		13,746	14,592
Staff voluntary early retirement package (VERP)	21	1,618	2,198
Accrued vacation pay		125	420
Allowances and expenses of the Board		154	231
Other expenses	22	10,075	9,844
Amortization		149	141
Depreciation	11	<u>1,655</u>	<u>1,617</u>
		27,522	29,043
Expenditure of the Medical Benefits Branch:			
Administrative expenditure		448	317
Depreciation	11	<u>817</u>	<u>816</u>
		1,265	1,133
Other Expenditure/(Income):			
Provision for doubtful accounts		-	-
Recovery of certificate of deposit provision	7(a)	-	(286)
Recovery of loan loss provision	7(e)	<u>-</u>	<u>(7,877)</u>
		-	(8,163)
Total expenditure		146,401	136,436
EXCESS OF INCOME OVER EXPENDITURE CREDITED TO RESERVES			
		\$ 64,377	\$ 58,674

The notes on pages 9 to 46 form an integral part of these financial statements.

THE NATIONAL INSURANCE FUND
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2005 - 2004



(Expressed in Thousands of Bahamian Dollars)

Pannell Kerr Forster

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of income over expenditure credited to reserves	64,377	58,674
Adjustments to reconcile excess of income over expenditure to net cash provided by operating activities:		
Recovery of provision for loan losses	-	(7,877)
Recovery of provision for certificate of deposit	-	(286)
Amortization	149	141
Depreciation	2,472	2,433
Change in unamortized discounts on Bahamas Government Treasury Bills	20	222
Premium amortized - Education bonds	139	66
Loss/(gain) on disposal of property, plant and equipment	2	(89)
Grant from Consolidated Fund	(4,900)	(4,900)
Interest income	(53,994)	(57,008)
Dividend income	(1,061)	(848)
Finance income on leased properties	(4,990)	(5,131)
Income on property	(1,535)	(1,772)
Gain on valuation of investment property	(1,066)	-
Unrealized (gains)/losses on equity securities	(5,622)	157
Income from Investment in Associate	(1,584)	(1,077)
	(7,593)	(17,295)
Operating income before working capital changes		
Decrease/(increase) in accounts receivable and advances	183	(92)
Increase/(decrease) in prepaid expenses and deposits	(13,702)	110
(Decrease)/increase in accounts payable and accruals	(2,386)	5,927
(Increase)/decrease in receivables re financing leases	(1,214)	2,829
Increase/(decrease) in staff pension fund	2,817	(883)
(Decrease)/increase accrued benefits	(916)	1,135
Grant from the Consolidated Fund received	5,309	5,308
	(17,502)	(2,961)
Net Cash Used In Operating Activities		

The notes on pages 9 to 46 form an integral part of these financial statements.

THE NATIONAL INSURANCE FUND
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2005 - 2004



(Expressed in Thousands of Bahamian Dollars)

(Continued)

	<u>2005</u>	<u>2004</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Income received from property	786	2,089
Receipts under direct financing leases	2,384	3,100
Interest received	67,127	56,771
Dividends received	930	732
Finance income received	3,715	5,549
Proceeds on maturity of certificates of deposit	151,700	302,536
Proceeds on maturity of Bahamas Government Treasury bills	340,532	278,907
Proceeds on maturity of Bahamas Government registered stock	29,146	37,902
Proceeds on maturity of Bahamas Mortgage Corporation bonds	4,000	4,600
Proceeds on maturity of Latin American Investment Bank Bahamas Limited bonds	357	1,016
Proceeds from loans to Bahamas Government corporations	14,295	3,595
Proceeds from sale of property, plant and equipment	52	89
Return on Investment in Associate	814	567
Placements of certificates of deposit	(178,300)	(207,700)
Purchase of Bahamas Government treasury bills	(340,552)	(279,314)
Purchase of Bahamas Government registered stock	(100,180)	(63,026)
Purchase of Bahamas Development Bank bonds	(1,000)	(3,000)
Purchase of Bahamas Mortgage Corporation bonds	(25,800)	-
Purchase of Clifton Heritage Authority Bonds	(1,126)	-
Purchase of Waterfield Bonds	(2,000)	-
Purchase of preference shares	(2,011)	-
Purchase of Education Loan Authority bonds	(16,500)	(7,650)
Purchase of Investment in Associate	-	(7,500)
Purchase of equity securities	(18,711)	(7,545)
Additions to computer software	(68)	(120)
Additions to finance leased assets	-	(320)
Additions to construction in progress	(1,686)	(10,773)
Additions to investment property	(307)	(174)
Purchase of property, plant & equipment	(4,170)	(2,298)
Net Cash (Used in)/Provided by Investing Activities	<u>(76,573)</u>	<u>108,033</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(94,075)</u>	<u>105,072</u>
CASH AND CASH EQUIVALENTS, beginning of year	<u>237,940</u>	<u>132,868</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$143,865</u>	<u>\$237,940</u>

The notes on pages 9 to 46 form an integral part of these financial statements.

THE NATIONAL INSURANCE FUND LIMITED
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT OF THE BENEFITS BRANCHES
FOR THE YEARS ENDED DECEMBER 31, 2005 - 2004
(Amounts Expressed in Thousands of Bahamian Dollars)

Notes	Short-term		Pensions		Medical		Death & Disability		Fidelity Bond		TOTAL	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
INCOME												
Contributions (net)	22,418	20,711	100,405	92,759	11,549	10,669	1,382	-	-	-	135,866	125,521
Grant from Consolidated Fund	-	-	4,900	4,900	-	-	-	-	-	-	4,900	4,900
Income from investments	174	126	64,024	58,382	1,382	2,404	380	139	-	-	66,733	61,619
Income from property	-	-	1,002	1,228	-	-	533	-	-	-	1,535	1,771
Income from Associate - Bank of Bahamas	-	-	1,584	1,077	-	-	-	-	-	-	1,584	1,077
Periodically payable disability and death benefits transferred from income and expenditure account of industrial benefits branch:												
Death	-	-	-	-	-	-	-	-	-	-	-	-
Disability	-	-	-	-	-	-	-	2,227	-	-	2,227	3,449
Part of other income of the Fund ascribed to the branch	40	56	40	55	40	56	55	-	-	-	160	222
Total Income	21,632	20,893	171,955	158,401	12,971	13,129	3,081	2,946	-	-	213,085	198,559
EXPENDITURE												
Benefits	10,034	9,759	-	-	-	-	-	-	-	-	10,034	9,759
Sickness benefit	6,173	7,009	-	-	-	-	-	-	-	-	6,173	7,009
Maternity benefit	1,367	1,286	-	-	-	-	-	-	-	-	1,367	1,286
Funeral benefit	1,921	1,807	-	-	-	-	-	-	-	-	1,921	1,807
Sickness assistance	11	24	-	-	-	-	-	-	-	-	11	24
Retirement benefit	-	-	54,326	51,611	-	-	-	-	-	-	54,326	51,611
Invalidity benefit	-	-	8,343	8,071	-	-	-	-	-	-	8,343	8,071
Survivor's benefit	-	-	10,305	9,903	-	-	-	-	-	-	10,305	9,903
Old age non-contributory pensions	-	-	7,103	7,743	-	-	-	-	-	-	7,103	7,743
Invalidity assistance	-	-	6,748	6,787	-	-	-	-	-	-	6,748	6,787
Survivors' assistance	-	-	1,563	1,643	-	-	-	-	-	-	1,563	1,643
Medical care	-	-	-	5,459	-	5,075	-	-	-	-	5,459	5,075
Injury benefit	-	-	-	1,352	-	1,071	-	-	-	-	1,352	1,071
Disability grant	-	-	-	85	-	111	-	-	-	-	85	111
Payments of current periodically payable benefits affected during the year:												
Death	-	-	-	-	-	-	-	274	-	-	274	286
Disability	19,506	19,885	88,388	85,758	6,896	6,357	1,133	2,550	-	-	2,550	2,237
								2,824			117,614	114,423
Disability benefit - capital value	-	-	-	-	-	-	-	-	-	-	2,227	3,449
Death benefit - capital value	-	-	-	-	-	-	-	-	-	-	-	-
Part of administrative expenditure ascribed to the branch	4,661	4,923	20,518	21,649	2,343	2,471	1,265	-	-	-	28,787	30,176
Part of other expenditure ascribed to the branch	-	-	-	-	-	-	-	-	-	-	-	-
Provision for loan loss	-	-	-	(7,877)	-	-	-	-	-	-	-	(7,877)
Provision for loss on certificates of deposit	-	-	-	(286)	-	-	-	-	-	-	-	(286)
	24,167	24,808	108,906	99,244	11,466	12,177	1,265	2,824	-	-	148,528	139,885
EXCESS/(DEFICIENCY) OF INCOME OVER EXPENDITURE CREDITED TO RESERVES	(1,535)	(3,915)	63,049	59,157	1,505	982	1,816	(458)	-	-	64,377	58,674
RESERVES, beginning of year	2,442	6,327	1,054,715	995,139	105,610	104,648	100,925	21,372	587	587	1,205,651	1,226,518
Transfers to/(from) reserves	10,021	30	419	(9,997)	10	10	(2)	(2)	-	-	1,115	459
RESERVES, end of year	\$10,918	\$2,442	\$1,114,837	\$1,054,715	\$97,118	\$105,610	\$102,741	\$20,912	\$587	\$587	\$1,285,651	\$1,285,651

The notes on pages 9 to 46 form an integral part of these financial statements.

THE NATIONAL INSURANCE FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 – 2004

(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 payments as of right;
- (d) Purposes connected with and incidental to the above matters.

Income is derived from contributions and return on investments. The daily operations of the Fund are governed by the Act and Regulations pertaining thereto and are administered by the National Insurance Board (“NIB”).

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 operation**

The Fund’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), formerly International Accounting Standards (“IAS”), except as disclosed in Note 2(i), and in compliance with The National Insurance Act, (Financial and Accounting Regulations), 1974. 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 IFRS 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.

These consolidated financial statements summarize the transactions and net assets of the Fund. They do not take account of liabilities to pay benefits in the future.

THE NATIONAL INSURANCE FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. **Basis of operation (continued)**

The latest actuarial valuation of the Fund was done as of December 31, 2001. The actuarial review indicates that the present rate of contributions will be insufficient for the Fund to pay benefits in the long-term (See Note 25).

b. **Consolidation**

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

c. **Investments**

On January 1, 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 required. 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 recognized 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 equity method under IAS 28 was adopted to account for the Investment in Associate. Under this method the investment is initially recorded at cost and is adjusted afterwards for the change in the investor's share of net assets of the investee. The income statement reflects the investor's share of the profit/loss.

Realized and unrealized 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. Except as disclosed in Note 7(a), management is of the view that there has been no impairment in the value of investments.

THE NATIONAL INSURANCE FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 comprises 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	3 - 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 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
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

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. Realized and unrealized 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 recognized 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 recognized as unearned finance income. Lease income is recognized 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.

THE NATIONAL INSURANCE FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 – 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 and credited to the consolidated statement of income and expenditure over the average remaining service lives of the related employees.

h. **Computer software**

This relates to expenditure for computer software packages and other costs associated with implementing the software and ensuring that the software is fully operational. These costs are being 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 IFRS, which requires that income be recognized 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 basis of recognition.

THE NATIONAL INSURANCE FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Revenue recognition (Continued)

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:

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

100.0%

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 45 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.

THE NATIONAL INSURANCE FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- 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 December 31, 2005 and 2004, the resulting proportion of administrative expenditure ascribed to the three benefit branches is as follows:

	<u>2005</u>	<u>2004</u>
Short-term benefits reserve	16.68%	16.95%
Pensions reserve	75.10%	74.54%
Industrial benefits reserve	<u>8.22%</u>	<u>8.51%</u>
	<u>100.00%</u>	<u>100.00%</u>

- 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.

1. 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.

THE NATIONAL INSURANCE FUND
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

n. **Related party transactions**

Included in these financial statements but not separately disclosed elsewhere are the following balances and or transactions with **key management personnel**, who are deemed to be related parties to the Fund.

Executive salaries \$1,027 (\$1,245 in 2004); Board allowances \$74 (\$114 in 2004); Receivables -- executive management \$23 (\$37 in 2004).

3. CASH AND CASH EQUIVALENTS

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

	<u>2005</u>	<u>2004</u>
Cash in hand	68	264
Cash at banks – current account	4,117	3,773
Cash – due from investment managers	548	-
Cash at Central Bank of The Bahamas	<u>22,773</u>	<u>83,212</u>
Cash in hand and at banks	27,506	87,249
Short-term investments with original maturities of three months or less:		
Certificates of deposit	23,000	31,000
Bahamas Government treasury bills	<u>93,359</u>	<u>119,691</u>
Cash and cash equivalents	<u>\$143,865</u>	<u>\$237,940</u>

The cash at the Central Bank of The Bahamas does not earn interest. The effective interest rate earned on cash and cash equivalents was 0.74% (2.26% in 2004).

THE NATIONAL INSURANCE FUND
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 – 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

4. ACCOUNTS RECEIVABLE AND ADVANCES

	<u>2005</u>	<u>2004</u>
Grant from Consolidated Fund receivable	98	506
Automobile loans – staff	149	131
Computer loans – staff	89	111
Education loans – staff	512	453
Advances to staff	409	578
Staff uniforms	6	6
Rent receivable	769	19
Investment property maintenance charges	1	66
Direct financing lease receivables	5,789	2,515
Miscellaneous receivables	<u>61</u>	<u>65</u>
	7,883	4,450
Less: provision for doubtful accounts	<u>(56)</u>	<u>(56)</u>
	<u>\$7,827</u>	<u>\$4,394</u>

5. ACCRUED INCOME RECEIVABLE

	<u>2005</u>	<u>2004</u>
Certificates of deposit	2,544	2,587
Bahamas Government registered stocks	9,486	9,743
Loans to Bahamas Government corporations	336	14,042
Bonds	<u>3,343</u>	<u>2,470</u>
	15,709	28,842
Dividend receivable – equity investments	<u>250</u>	<u>118</u>
	<u>\$15,959</u>	<u>\$28,960</u>

THE NATIONAL INSURANCE FUND
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

6. AVAILABLE-FOR-SALE INVESTMENTS

Equity securities

In accordance with Section 44(6) of the Act, the following common shares are held by the Fund:

<u>Units</u>	<u>Common Shares</u>	<u>2005</u>		<u>2004</u>	
		<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
3,034,483	Cable Bahamas	28,979	23,595	7,390	7,545
1,000	Bahamas Waste Management Ltd.	1	3	2	3
65,616	Commonwealth Bank Ltd.	598	519	178	150
67,970	ICD Utilities Limited	676	500	434	269
16,050	Finance Corporation of Bahamas	175	174	-	-
17,100	First Caribbean Bank	186	174	-	-
10,000	J.S. Johnson Company	91	88	-	-
434,662	Consolidated Water Co. Limited	1,550	1,550	-	-
8,000	Freeport Oil Holdings Co. Ltd.	81	74	-	-
		<u>\$32,337</u>	<u>\$26,677</u>	<u>\$8,004</u>	<u>\$7,967</u>

	<u>2005</u>	<u>2004</u>
Balance as of January 1	8,004	8,205
Purchases – Cable Bahamas	16,050	7,545
- Commonwealth Bank Ltd.	369	-
- ICD Utilities Limited	231	-
- Finance Corporation of Bahamas	174	-
- First Caribbean Bank	174	-
- J.S. Johnson Company	88	-
- Consolidated Water Co. Limited-BDR'S	1,550	-
- Freeport Oil Holdings Co. Ltd.	75	-
	<u>26,715</u>	<u>15,750</u>
Transfer – Bank of Bahamas	-	(7,589)
Gain/(losses) from fair value changes (Note 17)	<u>5,622</u>	<u>(157)</u>
Balance as of December 31	<u>\$32,337</u>	<u>\$8,004</u>

THE NATIONAL INSURANCE FUND
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

7. **ORIGINATED LOANS AND RECEIVABLES**

(a) **Certificates of deposit**

	<u>2005</u>	<u>2004</u>
Certificates of deposit	172,587	153,987
Less: provision for loss on certificate of deposit	<u>(2,287)</u>	<u>(2,287)</u>
	<u>\$170,300</u>	<u>\$151,700</u>

The certificates of deposit earned interest at rates of 2.75% to 5.00% (4.00% to 5.50% in 2004) per annum. The effective interest earned on certificates of deposit was 4.02%.

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 \$23,000 (\$31,000 in 2004) and are included in cash and cash equivalents for the purposes of the consolidated statement of cash flows (See Note 3).

As of December 31, 2005 and 2004, the Fund held \$2,287 in certificates of deposit with Gulf Union Bank (Bahamas) Ltd. ("the Bank"). On October 2, 1997, the Ministry of Finance and Planning suspended the Bank's licence. Subsequently, on December 12, 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 initially provided for the full recovery of the outstanding principal and accrued interest amounts.

During 2002, the Fund received a payment of \$286 from the liquidators of the Bank, of which \$59 was applied against accrued income, and \$227 against the outstanding principal. Another payment of \$286 was received in 2004 and applied against the outstanding principal. There were no receipts in 2005.

(b) **Preference shares**

Preference shares comprise the following:

<u>Units</u>	<u>Preference shares</u>	<u>Interest rate</u>	<u>2005</u>	<u>2004</u>
1,500	Cable Bahamas Limited	7.00%	1,500	1,500
500,000	Caribbean Crossing Limited	8.00%	5,000	5,000
2,000,000	Colina Holdings Bahamas Ltd	7.75%	2,000	-
110	Commonwealth Bank	7.00%	<u>11</u>	<u>-</u>
			<u>\$8,511</u>	<u>\$6,500</u>

THE NATIONAL INSURANCE FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

7. ORIGINATED LOANS AND RECEIVABLES (Continued)

(c) Bahamas Government treasury bills

The treasury bills are discounted at rates varying from .08% to .60% per annum (.08% to .60% in 2004) and mature within 181 days.

<u>Value Date</u>	<u>Purchase Rate</u>	<u>Discount Rate</u>	<u>Maturity</u>	<u>Cost</u>	<u>Book Value</u>	<u>Face Value</u>
06/10/05	99.97 - 99.98	.08% - .12%	05/01/06	33,592	33,600	33,600
10/11/05	99.96 - 99.98	.08% - .16%	09/02/06	32,361	32,365	32,369
10/11/05	99.70 - 99.75	.50% - .60%	01/05/06	32,911	32,936	33,000
06/12/05	99.96 - 99.97	.12% - .16%	07/03/06	<u>27,391</u>	<u>27,394</u>	<u>27,400</u>
Total 2005				<u>\$126,255</u>	<u>\$126,295</u>	<u>\$126,369</u>
Total 2004				<u>\$152,567</u>	<u>\$152,627</u>	<u>\$152,721</u>

Treasury bills, with maturities of three months or less, of \$93,359 (\$119,691 in 2004) are included in cash and cash equivalents for the purposes of the consolidated statement of cash flows (See Note 3).

The effective interest rate earned on the treasury bills was .16% (.66% in 2004).

(d) Bahamas Government registered stocks

The investments in government registered stocks are at interest rates of 5.50% to 10.50% (5.75% to 10.50% in 2004) per annum, some of which are tied to The Bahamas Prime Rate with maturing dates from 2006 to 2025 (2005 to 2024 in 2004).

THE NATIONAL INSURANCE FUND
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

7. ORIGINATED LOANS AND RECEIVABLES (Continued)

(d) Bahamas Government registered stocks

<u>Value Date</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Cost</u>	<u>Face Value</u>
17/03/86 - 11/05/99	5.656% - 10.50%	2006	32,874	32,874
09/05/91 - 26/02/99	5.719% - 6.500%	2007	36,639	36,639
18/03/93 - 21/12/98	5.782% - 6.688%	2008	30,041	30,041
05/10/93 - 21/10/98	5.813% - 6.313%	2009	27,043	27,043
24/08/93 - 26/02/99	5.813% - 6.375%	2010	28,352	28,352
24/08/93 - 07/05/96	6.188% - 6.500%	2011	19,237	19,237
08/10/87 - 05/10/95	6.250% - 8.750%	2012	16,456	16,456
15/03/88 - 25/10/00	5.781% - 9.000%	2013	41,232	41,232
20/09/94 - 08/04/98	6.000% - 7.063%	2014	22,997	22,997
23/09/96 - 22/10/04	5.531% - 6.688%	2015	35,899	35,899
23/09/96 - 22/10/04	5.563% - 6.688%	2016	54,014	54,014
25/05/97 - 22/10/04	5.594% - 6.750%	2017	31,572	31,572
10/08/98 - 29/07/04	5.625% - 6.093%	2018	31,118	31,118
21/07/99 - 22/10/04	5.656% - 5.969%	2019	14,225	14,225
21/09/00 - 29/07/04	5.625% - 6.031%	2020	20,094	20,094
30/07/01 - 29/07/04	5.656% - 6.062%	2021	22,627	22,627
04/12/02 - 22/10/04	5.687% - 5.906%	2022	40,348	40,348
21/08/03 - 22/10/04	5.718% - 5.875%	2023	19,505	19,505
08/03/04 - 22/10/04	5.750% - 5.875%	2024	17,230	17,230
27/04/05 - 07/09/05	5.781% - 5.875%	2025	49,065	49,065
Total 2005			<u>\$590,568</u>	<u>\$590,568</u>
Total 2004			<u>\$519,534</u>	<u>\$519,534</u>

The effective interest rate earned on registered stocks was 6.40% (6.11% in 2004).

THE NATIONAL INSURANCE FUND
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

7. ORIGINATED LOANS AND RECEIVABLES (Continued)

(e) Loans to Bahamas Government corporations

These loans have been made in accordance with Section 44(6) of the Act.

	<u>Bahamas Electricity Corporation</u>	<u>Water and Sewerage Corporation</u>	<u>Bahamasair Holdings Limited</u>	<u>Total</u>
Principal balance, as of January 1, 2005	22,301	5,159	6,000	33,460
Principal repayment	<u>(3,136)</u>	<u>(5,159)</u>	<u>(6,000)</u>	<u>(14,295)</u>
Principal balance, as of December 31, 2005	<u>19,165</u>	—	—	<u>19,165</u>
2005 Net Realizable Balance	<u>\$19,165</u>	<u>\$—</u>	<u>\$—</u>	<u>\$19,165</u>
2004 Net Realizable Balance	<u>\$22,301</u>	<u>\$5,159</u>	<u>\$6,000</u>	<u>\$33,460</u>

(i) Bahamas Electricity Corporation (BEC)

- (a) On December 1, 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 drawdown. The principal, which was subject to a one (1) year moratorium, is repayable over twenty (20) years in equal semi-annual installments of \$524, inclusive of interest. The loan bears interest at half-percent (.5%) below the Bahamas Prime Rate but is not to be less than 8.5% per annum. The effective interest rate applicable in the current year was 8.5% (8.5% in 2004). The outstanding loan balance is \$4,531 (\$5,154 in 2004). The current portion of the loan due within one year is \$677 (\$623 in 2004).

This loan is guaranteed by the Bahamas Government.

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DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

7. ORIGINATED LOANS AND RECEIVABLES (Continued)

(e) Loans to Bahamas Government corporations (Continued)

(i) Bahamas Electricity Corporation (BEC) (continued)

- (b) On July 30, 2003, a short-term loan facility in the amount of \$20,000 was approved for BEC for the purpose of consolidating its existing debt portfolio and to provide additional working capital.

The principal of this loan, which was initially due to be repaid within 3 months from the date of the final drawdown had been extended to May 1, 2005, by Board Resolution dated October 21, 2003. However, a subsequent approval was obtained that further amended this loan to be repaid over seven years from the initial drawdown. Hence, repayments in the amount of \$ 912 (\$924 in 2004), inclusive of interest, are now due on a quarterly basis.

This loan bears interest at the Bahamas Prime Rate plus 1½%, an effective rate of 7% in 2005 (7½% in 2004). The outstanding loan balance is \$14,634 (\$17,147 in 2004). The current portion of the loan due within one year is \$2,693 (\$2,513 in 2004).

This loan is unsecured.

(ii) Water and Sewerage Corporation (WSC)

On January 10, 1984, a loan facility for WSC in the amount of \$4,296 was approved to refinance various commercial bank loans. The interest rate was 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 was fixed at the greater of 11.0% or The Bahamas Prime Rate.

On March 6, 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. The interest rate was fixed at half-percent (½%) below The Bahamas Prime Rate, except that, should The Bahamas Prime Rate fall below 9.0%, the interest rate should 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.

Both loans were guaranteed by Government of the Bahamas.

THE NATIONAL INSURANCE FUND
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(Expressed in Thousands of Bahamian Dollars)

(Continued)

7. **ORIGINATED LOANS AND RECEIVABLES (Continued)**

(e) **Loans to Bahamas Government corporations (Continued)**

(ii) **Water and Sewerage Corporation (WSC) (continued)**

As of July 1, 1991, WSC was in default of repayments of principal and interest on both loans. On September 28, 2004 approval was granted by the Board to have the interest on both of these loans restated from the initial drawdown to Bahamas Prime plus .375%, contingent on the loans being repaid. Hence the interest due on both loans was recalculated in 2004.

The Government of the Bahamas issued Bahamas Government Registered Stocks-as repayment of these loans on June 30, 2005.

(iii) **Bahamasair Holdings Limited (Bahamasair)**

- (a) On October 4, 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. The interest rate was fixed at half-percent (.5%) below The Bahamas Prime Rate but not less than 8.5% per annum.

As of July 1, 1991, Bahamasair was in default of repayments of principal and interest. On October 12, 2004 approval was granted by the Board to have the interest rate on this loan restated from the initial drawdown to prime plus .375%, contingent on the loan being repaid. Hence the interest due on this loan was recalculated in 2004.

This loan was unsecured. Full provision had been made for the principal and accrued interest as of December 31, 2003. As a result of the Bahamas Government agreeing to repay the loan, the provisions were reversed and principal and accrued interest were recognized in the 2004 consolidated statement of income and expenditure.

The Government of the Bahamas issued Bahamas Government Registered Stock as repayment of this loan on June 30, 2005.

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(Expressed in Thousands of Bahamian Dollars)

(Continued)

7. ORIGINATED LOANS AND RECEIVABLES (Continued)

(f) Bahamas Mortgage Corporation bonds

<u>Series</u>	<u>Redemption Period</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Cost 2005</u>	<u>Cost 2004</u>
A	25 years	2.000%	01/07/09 - 01/01/11	5,000	5,000
B	20 years	2.000%	01/01/05 - 01/01/06	200	2,300
C	25 years	3.500%	01/07/09 - 01/12/10	10,500	10,500
D	20 years	3.500%	01/09/05 - 01/06/06	2,700	4,600
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
J	20 years	4.500%	01/02/10 - 01/05/12	10,000	10,000
K	15 years	3.500 - 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	4.500%	01/10/18 - 01/12/18	5,000	5,000
N	20 years	3.500%	01/04/23 - 01/01/24	9,000	6,000
O	20 years	4.500%	01/04/23 - 01/01/24	23,000	17,700
P	20 years	4.500%	01/08/25 - 01/10/25	17,500	-
				<u>\$131,600</u>	<u>\$109,800</u>

(g) Bridge Authority bonds

In accordance with Section 44(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.

<u>Value Date</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>2005</u>	<u>2004</u>
24/03/99	6.750%	24/03/19	955	955
24/03/99	7.000%	24/03/24	1,025	1,025
24/03/99	7.125%	24/03/29	467	467
08/12/03	7.125%	24/03/29	325	325
			<u>\$2,772</u>	<u>\$2,772</u>

THE NATIONAL INSURANCE FUND
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

7. ORIGINATED LOANS AND RECEIVABLES (Continued)

(h) Bahamas Development Bank bonds

In accordance with Section 44(6) of the Act, the Fund purchased Bahamas Development Bank bonds. The bonds are guaranteed by The Bahamas Government and bears interest at The Bahamas Prime Rate (Series A) and 1% below The Bahamas Prime Rate (Series B). Bonds are issued as follows:

<u>Series</u>	<u>Value Date</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>2005</u>	<u>2004</u>
A	28/11/00	5.500%	01/12/20	10,000	10,000
A	30/12/03	5.500%	01/01/24	2,000	2,000
A	25/03/04	5.500%	01/04/24	2,000	2,000
A	29/09/04	5.500%	01/10/24	1,000	1,000
B	22/06/01	4.500%	01/07/16	4,000	4,000
B	14/06/02	4.500%	01/07/17	1,000	1,000
B	31/07/02	4.500%	01/07/17	2,000	2,000
B	15/08/03	4.500%	01/09/18	2,000	2,000
B	10/06/05	4.500%	01/07/20	1,000	-
				<u>\$25,000</u>	<u>\$24,000</u>

(i) Bank of The Bahamas bonds

In accordance with Section 44(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.

<u>Series</u>	<u>Value Date</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>2005</u>	<u>2004</u>
A	29/05/02	5.500%	31/12/12	3,500	3,500
B	29/05/02	5.500%	31/12/13	4,800	4,800
C	29/05/02	5.500%	31/12/14	2,600	2,600
D	29/05/02	5.500%	31/12/15	6,100	6,100
				<u>\$17,000</u>	<u>\$17,000</u>

THE NATIONAL INSURANCE FUND
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DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

7. **ORIGINATED LOANS AND RECEIVABLES (Continued)**

(j) **Latin American Investment Bank Bahamas Limited bonds**

In accordance with Section 44(6) of the Act, the Fund purchased \$5,000 of the Bahamas Government Guaranteed Student Loans Portfolio held in trust by SG Hambros Bank and Trust (Bahamas) Limited. Interest which is earned at .70% above the Bahamas Prime Rate, an effective rate of 6.20% in 2005 (6.70% in 2004) is payable monthly. Principal payments of \$357 were received in 2005 (\$1,016 in 2004).

<u>Value Date</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>2005</u>	<u>2004</u>
28/04/03	6.20%	31/12/15	<u>\$3,627</u>	<u>\$ 3,984</u>

(k) **Education Loan Authority bonds**

In accordance with Section 44(6) of the Act, the Fund purchased Education Loan Authority Bonds. These bonds were purchased at a premium of 12.5% of the face value. On August 12, 2005 an additional \$15,000 were purchased also at a premium of 10.0% of the face value. These bonds are guaranteed by the Government of the Bahamas. Interest, which is earned at ¾% and ¼% above the Bahamas Prime Rate respectively on Series C and A, is paid semi-annually.

<u>Series</u>	<u>Value Date</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Face Amount</u>	<u>Unamortized Premium</u>	<u>2005</u>	<u>2004</u>		
C	3/12/03	6.25%	15/8/28	6,500	735	7,235	7,268		
C	15/12/03	6.25%	15/8/28	5,500	622	6,122	6,150		
C	27/10/04	6.25%	15/8/28	6,800	803	7,603	7,643		
A	12/08/05	5.75%	15/8/20	15,000	1,462	16,462	-		
						<u>\$33,800</u>	<u>\$ 3,622</u>	<u>\$37,422</u>	<u>\$21,061</u>

THE NATIONAL INSURANCE FUND
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(Expressed in Thousands of Bahamian Dollars)

(Continued)

7. ORIGINATED LOANS AND RECEIVABLES (Continued)

(l) Waterfields Company Limited bonds

In accordance with section 44(6) of the Act, approval was granted in June 2005 to purchase Waterfields Company Limited bonds. The proceeds of the bond issue were to be used toward the design and construction of the Blue Hills water plant to meet the supply of water to the Water & Sewerage Corporation under the terms of an agreement between Waterfields and the Water & Sewerage Corporation. Interest which is earned at 2% above the Bahamas Prime rate, an effective rate of 7.50%, is paid monthly.

<u>Value Date</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Series</u>	<u>2005</u>
1/07/05	7.50%	2015	"A"	<u>\$ 2,000</u>

(m) Clifton Heritage Authority bonds

In accordance with section 44(6) of the Act, the Fund purchased Clifton Heritage Authority bonds during 2005. These bonds are guaranteed by the Government of the Bahamas. Interest which is earned at ¾% above the Bahamas Prime rate, an effective rate of 6.25%, is paid semi-annually.

<u>Value Date</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>2005</u>	<u>2004</u>
20/05/05	6.25%	20/05/35	<u>\$1,126</u>	<u>\$ 0</u>

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(Expressed in Thousands of Bahamian Dollars)

(Continued)

8. NET INVESTMENT IN DIRECT FINANCING LEASES

Gross receivables from direct financing leases are as follows:

	<u>2005</u>	<u>2004</u>
Not later than one year	7,901	8,118
Later than one year and not later than five years	31,603	32,471
Later than five years	<u>55,893</u>	<u>65,592</u>
Unearned finance income	95,397 <u>(32,615)</u>	106,181 <u>(40,224)</u>
Net investments in direct financing leases	<u>\$62,782</u>	<u>\$65,957</u>

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

	<u>2005</u>	<u>2004</u>
Not later than one year	3,441	3,094
Later than one year and not later than five years	16,527	15,052
Later than five years	<u>42,814</u>	<u>47,811</u>
Net investments in direct financing leases	<u>\$62,782</u>	<u>\$65,957</u>

The Fund presently has five 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:

	<u>2005</u>	<u>2004</u>
Cloughton House	2,264	2,587
Poinciana Hill	19,560	20,542
Thompson Boulevard	26,849	28,079
Police Headquarters, Grand Bahama	10,135	10,613
Police Dormitories, Grand Bahama	<u>3,974</u>	<u>4,136</u>
	<u>\$62,782</u>	<u>\$65,957</u>

THE NATIONAL INSURANCE FUND
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(Expressed in Thousands of Bahamian Dollars)

(Continued)

8. NET INVESTMENT IN DIRECT FINANCING LEASES (Continued)

Claughton House Limited

On September 12, 1996, the Fund purchased all of the authorized and issued shares of Chemical Realty (Bahamas) Holdings Limited [the company] at a cost of \$4,473. The company's sole asset was an office building in downtown Nassau. Effective September 12, 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 1¼% above The Bahamas Prime Rate, an effective rate of 7.25% per annum in 2005 (7.75% in 2004). 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.

Bahamas Government Office Buildings

Cabinet had authorized the Minister of Finance and Planning to negotiate an appropriate funding package with the Fund for the construction of the Thompson Boulevard, Poinciana Hill, and Police Headquarters' and Dormitories buildings.

Whilst there are presently no formally executed lease documents, The Fund has agreed to enter into finance leases with the Bahamas Government for the following buildings on the same terms as the lease for Claughton House Limited:

<u>Location</u>	<u>Date Construction Commenced</u>	<u>Agreed Date of Lease</u>
Poinciana Hill	1998	31/12/02
Thompson Boulevard	2000	31/10/03
Police Headquarters, Grand Bahama	2000	31/07/03
Police Dormitories, Grand Bahama	2001	31/09/04

It was proposed, and the Fund agreed, to enter into fifteen (15) year leases with The Bahamas Government for the rental of the above buildings. The payments due under the lease agreements have been set as proposed, and are to be revised as necessary, to allow the Fund to recover its capital outlay and yield a return of 1¼% above The Bahamas Prime Rate, an effective rate of 7.25% per annum in 2005 (7.75% in 2004). At the end of the lease terms, ownership of the buildings will be transferred to The Bahamas Government, which is responsible for the maintenance, insurance and taxes on the buildings. The Fund financed the construction and furnishing of these buildings.

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9. INVESTMENT PROPERTY

Investment property comprises the following:

Valuation	Freeport Building	Farrington Road Building	JFK Land	Total
At January 1, 2005	7,178	3,861	7,680	18,719
Additions	307	-	-	307
Adjustment (to)/from fair values	850	(104)	320	1,066
At December 31, 2005	<u>\$8,335</u>	<u>\$3,757</u>	<u>\$8,000</u>	<u>\$20,092</u>

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Effective January 1, 2001, The fund adopted IAS 40 . Effectively, an adjustment was made to reserves and investment property to reflect the fair values of the investment properties. In 2005, the fair values of the properties were determined by an independent certified appraiser.

Except for the JFK land, operating lease agreements have been entered into or drafted for all the investment properties.



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(Expressed in Thousands of Bahamian Dollars)

(Continued)

10. INVESTMENT IN ASSOCIATE

The Fund purchased 1,250,000 shares of the Bank of the Bahamas Limited (BOB) from The Bahamas Government in March 2004 for a consideration of \$7,500. This purchase brought the Fund's total ownership in BOB to 20.5% and resulted in a change in its reporting from an "Available for Sale Equity investment" to an "Investment in Associate".

See Note 30 (ii).

Investment in Associate – Bank of the Bahamas	<u>2005</u>
Equity Security Bank of the Bahamas	
Balance @ January 31, 2005	\$15,600
Less: Dividends received from BOB	(814)
Add: Investor's share of income reported by Bank of the Bahamas	<u>1,584</u>
Investment in Associate – Bank of the Bahamas	<u>\$16,370</u>

The fair value of the 2,464,351 shares held by the Fund at December 31, 2005 was \$17,250 (\$14,170 in 2004)

For the twelve months ending December 31, The Bank of The Bahamas has reported the following operating results:

	<u>2005</u>	<u>2004</u>
Net Interest income	\$10,205	\$16,113
Net Income	\$5,001	\$6,499

Total assets and liabilities as at December 31, 2005 were \$518,924 and \$473,145 respectively (\$387,721 and \$346,137 in 2004).

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THE NATIONAL INSURANCE FUND

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11. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment comprise the following:

	Land & Buildings	Office Furniture & Equipment	Computer Hardware	Motor Vehicles	Land Improvements	Medical Equipment	Total
COST							
At January 1, 2005	42,424	3,413	5,147	1,774	355	3,765	56,878
Additions	2,974	429	362	323	-	82	4,170
Transfer to construction in progress	(3,026)	-	-	-	-	-	(3,026)
Disposals	(40)	(1)	(6)	(215)	-	-	(262)
At December 31, 2005	42,332	3,841	5,503	1,882	355	3,847	57,760
DEPRECIATION							
At January 1, 2005	10,097	2,308	4,068	848	-	2,237	19,558
Charge for the year	972	288	546	376	-	290	2,472
Recoveries	(329)	(1)	(6)	(202)	-	-	(538)
At December 31, 2005	10,740	2,595	4,608	1,022	-	2,527	21,492
NET BOOK VALUE							
At December 31, 2005	\$ 31,592	\$1,246	\$ 895	\$ 860	\$355	\$ 1,320	\$ 36,268
At December 31, 2004	\$ 32,327	\$1,105	\$ 1,079	\$ 926	\$355	\$ 1,528	\$ 37,320

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(Expressed in Thousands of Bahamian Dollars)

(Continued)

11. 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.

	<u>Land & Buildings</u>		<u>Medical Equipment</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Cost	23,563	22,155	3,848	3,765
Accumulated depreciation	(4,703)	(4,177)	(2,525)	(2,236)
Net book amount	<u>\$18,860</u>	<u>\$17,978</u>	<u>\$1,322</u>	<u>\$1,529</u>

12. 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.

	<u>2005</u>	<u>2004</u>
Balance as of January 1	13,541	6,932
Additions	1,686	10,773
Transfers to/(from)	2,698	(4,164)
Balance as of December 31	<u>\$17,925</u>	<u>\$13,541</u>

13. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	<u>2005</u>	<u>2004</u>
Unclaimed benefits	1,179	847
Creditors and accrued expenses	3,826	7,690
Accrued vacation pay	2,296	2,258
Unearned finance income	34	41
	<u>\$7,335</u>	<u>\$10,836</u>

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(Continued)

14. STAFF PENSION FUND

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

	<u>2005</u>	<u>2004</u>
Present value of defined benefit obligations	37,047	31,698
Less: fair value of plan assets	(25,091)	(23,175)
	11,956	8,523
Unvested past service cost	(3,004)	(3,433)
Unrecognized actuarial losses	(7,671)	(4,710)
Liability under pension plan	1,281	380
Assets held by the Fund on behalf of the plan	<u>25,091</u>	<u>23,175</u>
Liability in the consolidated balance sheet	<u>\$26,372</u>	<u>\$23,555</u>

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

Current service cost	1,330	1,051
Interest cost	1,978	1,658
Expected return on plan assets	(1,337)	(1,324)
Past service costs recognized	429	429
Actuarial Loss recognized	<u>395</u>	<u>183</u>
Total pension expense (See Note 23)	<u>\$2,795</u>	<u>\$1,997</u>

The actual return on plan assets was \$1,427 (\$1,211 in 2004) (See Note 17).

THE NATIONAL INSURANCE FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

14. STAFF PENSION FUND (Continued)

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

	<u>2005</u>	<u>2004</u>
Opening liability	379	266
Expense as above	2,795	1,997
Contributions paid	<u>(1,893)</u>	<u>(1,883)</u>
Liability under pension plan	1,281	380
Assets held by the Fund on behalf of the plan	<u>25,091</u>	<u>23,175</u>
Liability in the consolidated balance sheet	<u>\$26,372</u>	<u>\$23,555</u>
Movement in unvested past service cost:		
Opening balance	(3,433)	(3,862)
Past service cost recognized	<u>429</u>	<u>429</u>
Closing balance	<u>\$(3,004)</u>	<u>\$(3,433)</u>

The principal actuarial assumptions used for accounting purposes were:

	<u>2005</u>	<u>2004</u>
Discount rate	6.00%	6.25%
Expected return on plan assets	6.10%	5.71%
Future salary increase (vary by age)	3.03% - 7.125%	3.03% - 7.125%

15. 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 December 31, 2005 and 2004.

THE NATIONAL INSURANCE FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

16. 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.

17. INCOME FROM INVESTMENTS

On February 14, 2005, The Central Bank of The Bahamas reduced its Discount Rate by 50 basis points, reducing the Bahamas Prime Rate (BPR) from 6.00% to 5.50%. As a significant amount of the yield on the Fund's investments are tied to the BPR, investment income in 2005 has been impacted by the reduction in the discount rate.

	<u>2005</u>	<u>2004</u>
Trustee securities:		
Bahamas Government treasury bills	217	760
Bahamas Government registered stocks	<u>35,624</u>	<u>34,563</u>
	<u>35,841</u>	<u>35,323</u>
Other securities:		
Certificates of deposit	6,872	9,240
Loans to Bahamas Government corporations	2,402	3,123
Bahamas Mortgage Corporation bonds	5,206	4,905
Dividends from common and preference shares	1,061	848
Bridge Authority bonds	194	206
Bahamas Development Bank bonds	1,270	1,278
Bank of The Bahamas bonds	943	1,023
Education Loan Authority Bonds	1,376	825
Latin American Investment Bank Bah. Ltd. Bonds	284	312
Clifton Heritage Authority Bonds	44	-
Waterfields Company Bonds	<u>76</u>	<u>-</u>
	<u>19,728</u>	<u>21,760</u>
Finance income on leased properties	4,990	5,131
Interest during construction	913	773
Unrealized gain on investment property	1,066	-
Unrealized gain/(loss) on available-for-sale Investments (See Note 6)	5,622	(157)
Interest income allocated to staff pension fund	<u>(1,427)</u>	<u>(1,211)</u>
	<u>11,164</u>	<u>4,536</u>
	<u>\$66,733</u>	<u>\$61,619</u>

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THE NATIONAL INSURANCE FUND
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

18.	INCOME FROM PROPERTY	<u>2005</u>	<u>2004</u>
	Rental income		
	- Freeport office complex	701	701
	- New Providence buildings	301	527
	- Polyclinics	<u>533</u>	<u>543</u>
	Total income from property	<u>\$1,535</u>	<u>\$1,771</u>

19. **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.

20. **AMOUNT INVESTED IN OTHER ASSETS (See Note 31)**

	<u>2005</u>	<u>2004</u>
Cash on hand	68	264
Cash at banks – current accounts	4,117	3,773
Cash – due from investment managers	548	-
Accounts receivable and advances	7,827	4,394
Accrued income receivable	15,959	28,959
Prepaid expenses and deposits	14,004	301
Computer software	306	387
Property, plant and equipment	16,087	17,813
Construction in progress – financing leases	17,925	13,542
Accounts payable and accrued expenses	(7,335)	(10,836)
Accrued benefits payable	<u>(1,912)</u>	<u>(2,827)</u>
	<u>\$67,594</u>	<u>\$55,770</u>

THE NATIONAL INSURANCE FUND
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

21. STAFF VOLUNTARY EARLY RETIREMENT PACKAGE

On May 1, 2004, the Board offered a Voluntary Early Retirement Package (VERP) to its staff. The package includes both an incentive payment and redundancy pay as per the union contracts. The amounts recognized in 2005 are in respect of 21 employees, and includes pre-retirement salary of \$141 (\$280 in 2004), incentive payments of \$966 (\$1,144 in 2004), and redundancy pays of \$512 (\$774 in 2004). An additional 29 persons have applied for the VERP, with retirement dates due in 2006. The incentive and redundancy payments for these persons are estimated at \$2,551.

22. OTHER EXPENSES

	<u>2005</u>	<u>2004</u>
Motor vehicles	309	308
Advertising and publicity	181	193
Staff benefits (See Note 23)	4,219	3,447
Transportation and travel	468	512
Rent	411	423
Printing and stationery	410	429
Utilities	1,172	1,170
Real property tax	84	92
Postage and box rental	13	10
Repairs and maintenance	934	1,422
Insurance	295	296
Audit fees	110	116
Janitorial	207	219
Training and scholarships	427	366
Bank charges	65	26
External security	317	345
Consultancy fees	195	120
Computer supplies	138	70
Pension commission	32	213
Other miscellaneous expenses	<u>88</u>	<u>67</u>
	<u>\$10,075</u>	<u>\$9,844</u>

THE NATIONAL INSURANCE FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

23. STAFF BENEFITS	<u>2005</u>	<u>2004</u>
Group health plan	703	663
National insurance contributions	451	472
Staff pension plan	2,795	1,997
Other benefits	<u>270</u>	<u>315</u>
	<u>\$4,219</u>	<u>\$3,447</u>

24. CREDIT RISK AND CONCENTRATION OF CREDIT RISK

As of December 31, 2005, the Fund's total exposure to credit risk was \$1,312,171 (\$1,252,903 in 2004). 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 \$1,103,071 (\$1,106,148 in 2004).

25. 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 November 9, 1981. NIB had originally claimed that the deed of conveyance made on May 5, 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.

If the claim is upheld, NIB will be contingently liable in the sum of \$2,118 (\$2,047 in 2004), representing rent of premises for the period April 1, 1976 to December 31, 2005.

If the claim is denied, NIB will be contingently liable in the sum of \$632 (\$602 in 2004), representing real property tax charges on the property for the period January 1, 1978 to December 31, 2005.

NIB is presently finalizing an agreement with the vendor of the building to have a confirmatory conveyance executed, which should provide NIB with clear title to the property.

(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.

THE NATIONAL INSURANCE FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

25. CONTINGENT LIABILITIES (Continued)

(c) The 7th Actuarial review of the Fund was conducted as of December 31, 2001. The projections, which were extended for a sixty year period, indicate that the present value of future expenditure will exceed the opening Reserves and the present value of future contributions by \$3.4 billion. The report indicates that the current contribution rate would be insufficient to pay benefits in the long-term.

The independent committee appointed to review this matter has submitted its report to the Government of the Bahamas, which is presently under review.

(d) NIB has agreed to purchase a building in New Providence as an Investment Property for a consideration of \$500.

26. 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:

<u>2005</u>	<u>2004</u>
<u>\$6,274</u>	<u>\$2,435</u>

Operating lease commitments

The future aggregate minimum lease payments under non-cancelable operating leases, where the Fund is the lessee, are \$132 (\$196 in 2004).

27. STAFF

The average number of persons employed by NIB during the year was 428 (455 in 2004).

THE NATIONAL INSURANCE FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

28. 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 assets	Carrying value		Fair value	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	\$	\$	\$	\$
Certificates of deposit	170,300	151,700	172,887	154,165
Bahamas Government registered stock	590,568	519,534	667,531	543,845
Loans to Bahamas Government corporations	19,165	27,460	21,887	36,531
Bahamas Mortgage Corporation bonds	131,600	109,800	122,117	101,708
Bridge Authority bonds	2,772	2,772	3,125	3,193
Bahamas Development Bank bonds	25,000	24,000	23,528	20,058
Bank of The Bahamas bonds	17,000	17,000	16,713	16,941
Clifton Heritage bonds	1,126	-	1,134	-
Waterfields	2,000	-	2,318	-
Education Loan Bonds	33,800	21,061	20,128	20,128
Latin American Investment Bank Bah. Ltd. Bonds	<u>3,627</u>	<u>3,984</u>	<u>4,166</u>	<u>4,166</u>
	<u>\$996,958</u>	<u>\$877,311</u>	<u>\$1,069,378</u>	<u>\$900,735</u>

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.

THE NATIONAL INSURANCE FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

29. INVESTMENT MANAGERS

During July and August, 2005, the Fund entered into separate Investment Management Agreements with Fidelity Merchant Bank & Trust Limited {Fidelity}, Colina Financial Advisors Limited {Colina}, and S.G. Hambros Bank & Trust (Bahamas) Limited, (the Managers), whereby the Managers would each invest a maximum of \$20 million in assets on behalf of the Fund as per terms specified in the "Investment Guidelines".

As remuneration for their services, Managers will be paid "Management Fees" at rates specified in the respective agreements.

At December 31, 2005, included in Investments, are the following investments placed/funds held by the above Managers on behalf of the Fund :

	<u>2005</u>
Government bonds	194
Equity securities	1,189
Preference shares	11
Certificates of deposit	100
Cash	<u>548</u>
TOTAL	<u>\$2,042</u>

30. SUBSEQUENT EVENTS

- (i) On December 6, 2005, The Government of The Bahamas granted the Fund permission to invest a maximum of \$25 million United States dollars annually (\$6.25 million quarterly) in specific foreign investments, i.e., bank deposits, instruments issued or guaranteed by foreign governments, and approved international institutions.

- (ii) On January 11, 2006, the Fund acquired an additional 1,870,102 shares of the Bank of the Bahamas Limited (BOB), through its right offerings, for a consideration of \$13,091. This amount is included in prepaid expenses and deposits at December 31, 2005.

As a result of the above, the Fund's ownership in BOB increased to 27.8%.

THE NATIONAL INSURANCE FUND
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(Continued)

31. 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	N/A	-	21,223	1,000	250	-	300	22,773
Certificates of deposit									
Bank of the Bahamas	4.00% - 5.00%	06/01/06 - 15/12/06	-	28,500	-	-	-	-	28,500
First Caribbean International Bank	4.00% - 4.75%	17/03/06 - 29/12/06	-	-	26,600	-	-	-	26,600
First Caribbean International Bank	4.00% - 4.75%	10/03/06 - 25/11/06	-	37,500	-	-	-	-	37,500
Commonwealth Bank	3.75% - 5.00%	02/02/06 - 18/11/06	-	-	-	37,250	-	-	37,250
Finance Corporation of The Bahamas	4.00% - 4.50%	07/01/06 - 12/31/06	-	40,450	-	-	-	-	40,450
Gulf Union Bank (Bahamas) Ltd.	5.75%	30/09/97	-	2,287	-	-	-	-	2,287
Provision for Gulf Union Bank (Bahamas) Ltd. Deposits (See Note 7(a)).			-	(2,287)	-	-	-	-	(2,287)
Sub-total Certificates of Deposit			-	106,450	26,600	37,250	-	-	170,300
Bahamas Government treasury bills	0.08% - 0.60%	05/01/06 - 11/05/06	-	-	67,698	38,598	19,999	-	126,295
Bahamas Government registered stock	5.53% - 10.50%	17/03/05 - 07/09/25	-	590,568	-	-	-	-	590,568

THE NATIONAL INSURANCE FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2005 - 2004
 (Expressed in Thousands of Bahamian Dollars)

(Continued)

31. INVESTMENTS OF THE FUND ALLOCATED TO THE RESERVES (Continued)

	Interest Rate	Maturity Date	Short Term	Pensions	Industrial	Medical	Death and Disability	Fidelity	Total
Loans to Bahamas Government Corporations									
Bahamas Electricity Corporation	7.50% - 8.50%	01/05/05 - 26/01/11	-	19,165	-	-	-	-	19,165
Sub-total Loans			-	19,165	-	-	-	-	19,165
Bahamas Mortgage Corporation bonds									
Bahamas Mortgage Corporation	2.00% - 5.00%	01/01/06 - 01/10/25	7,700	119,500	-	4,400	-	-	131,600
Common Shares									
Cable Bahamas			-	28,978	-	-	-	-	28,978
ICD Utilities			-	676	-	-	-	-	676
Commonwealth Bank Ltd.			-	597	-	-	-	-	597
Bahamas Waste			-	1	-	-	-	-	1
Finance Corporation of the Bahamas			-	178	-	-	-	-	178
First Caribbean Bank International			-	186	-	-	-	-	186
Foodol			-	80	-	-	-	-	80
J.S. Johnson Company Ltd.			-	91	-	-	-	-	91
Consolidated Water BDR's			-	1,550	-	-	-	-	1,550
Sub-total Common Shares			-	32,337	-	-	-	-	32,337
Preference Shares									
Cable Bahamas Limited	7.50%		-	1,500	-	-	-	-	1,500
Caribbean Crossing Limited	7.50%		-	5,000	-	-	-	-	5,000
Colina	7.75%		-	2,000	-	-	-	-	2,000
Commonwealth Bank	7.00%		-	11	-	-	-	-	11
Sub-total Preference Shares			-	8,511	-	-	-	-	8,511

THE NATIONAL INSURANCE FUND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2005 - 2004

(Expressed in Thousands of Bahamian Dollars)

(Continued)

31. 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 leases				62,782	-	-	-	-	62,782
Education Loan Authority Bonds	6.25%	15/08/20-15/08/28	-	37,422	-	-	-	-	37,422
Bridge Authority bonds	6.75% - 7.125%	24/03/19 - 24/03/29	-	2,772	-	-	-	-	2,772
Latin American Investment Bank Bahamas Bonds	6.20%		-	3,626	-	-	-	-	3,626
Bahamas Development Bank bonds	4.50% - 5.500%	01/07/16 - 01/10/24	-	25,000	-	-	-	-	25,000
Bank of the Bahamas bonds	5.50%	31/12/12 - 31/12/15	-	17,000	-	-	-	-	17,000
Clifton Heritage Bonds	6.25%	20/05/35	-	1,125	-	-	-	-	1,125
Waterfields Company Bonds	7.50%	1/7/2015	-	2,000	-	-	-	-	2,000
Investment Property									
Buildings			-	12,077	-	-	-	-	12,077
Land			-	8,015	-	-	-	-	8,015
Sub-total Investment Property			-	20,092	-	-	-	-	20,092
Property, plant and equipment (polyclinics)			-	-	-	20,182	-	-	20,182
Amounts invested in other assets (Note 20)			3,228	59,285	1,820	2,061	913	287	67,594
Associate - Bank of Bahamas			-	16,370	-	-	-	-	16,370
Less: assets allocated to the staff pension fund and included in the pensions reserve									
Certificates of deposit			-	(4,000)	-	-	-	-	(4,000)
Bahamas Government registered stocks			-	(19,200)	-	-	-	-	(19,200)
Other assets			-	(3,171)	-	-	-	-	(3,171)
Sub-total Staff Pension Funds			-	(26,371)	-	-	-	-	(26,371)
Grand Total			\$ 10,928	\$ 1,118,857	\$ 97,111	\$ 102,741	\$ 20,912	\$ 587	\$ 1,351,143

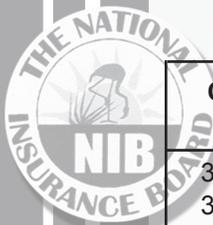


SECURITIES IN WHICH MONEYS FORMING PART OF THE NATIONAL INSURANCE FUND ARE INVESTED

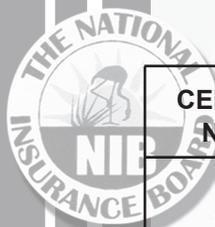
1. BAHAMAS GOVERNMENT REGISTERED STOCKS

* Interest rate linked to Prime

CERTIFICATE NUMBER	DATE INVESTED	INTEREST RATE	COST	FACE VALUE	MATURITY DATE
12-012	17/03/86	10.50%	14,953,000	14,953,000	17-Mar-06
57-036*	11/5/1999	5.66%	819,600	819,600	11-May-06
13-003	31/07/86	8.75%	13,826,000	13,826,000	31-Jul-06
33-011*	15/09/92	6.44%	2,000,000	2,000,000	27-Aug-06
33-014*	8/10/1992	6.44%	269,400	269,400	27-Aug-06
48-045*	23/09/96	6.13%	996,300	996,300	23-Sep-06
27-009*	9/5/1991	6.50%	9,767,600	9,767,600	9-May-07
43-005	20/09/94	5.75%	19,849,800	19,849,800	20-Sep-07
42-023	25/04/94	5.88%	5,000,000	5,000,000	25-Apr-07
56-033*	26/02/99	5.72%	2,021,900	2,021,900	26-Feb-07
36-050*	18/03/93	6.69%	4,098,900	4,098,900	18-Mar-08
42-052	1/3/1996	5.88%	493,200	493,200	25-Apr-08
42-055	9/10/1996	5.88%	2,000,000	2,000,000	25-Apr-08
43-006	20/09/94	5.88%	10,281,000	10,281,000	20-Sep-08
43-057	2/9/1998	5.88%	2,000,000	2,000,000	20-Sep-08
43-058	21/12/98	5.88%	1,120,000	1,120,000	20-Sep-08
47-037*	7/5/1996	6.25%	5,923,900	5,923,900	7-May-08
55-030*	21/10/98	5.78%	4,123,900	4,123,900	21-Oct-08
47-038*	7/5/1996	6.31%	6,964,300	6,964,300	7-May-09
43-007	20/09/94	6.00%	6,434,400	6,434,400	20-Sep-09
42-024	25/04/94	6.13%	2,500,000	2,500,000	25-Apr-09
42-048	23/05/95	6.13%	1,000,000	1,000,000	25-Apr-09
38-023*	5/10/1993	6.06%	6,467,700	6,467,700	5-Oct-09
55-031*	21/10/98	5.81%	3,676,700	3,676,700	21-Oct-09
46-021*	26/02/96	6.38%	2,895,300	2,895,300	26-Feb-10
56-034*	26/02/99	5.81%	2,260,300	2,260,300	26-Feb-10
38-024*	5/10/1993	6.13%	3,416,200	3,416,200	5-Oct-10
42-025*	25/04/94	6.25%	2,500,000	2,500,000	25-Apr-10
42-049*	23/05/95	6.25%	1,000,000	1,000,000	25-Apr-10
42-053*	1/3/1996	6.25%	3,685,000	3,685,000	25-Apr-10
45-027*	14/06/95	6.31%	5,200,000	5,200,000	14-Jun-10
45-042*	11/2/1997	6.31%	2,000,000	2,000,000	14-Jun-10
37-025*	24/08/93	6.13%	1,000,000	1,000,000	24-Aug-10
48-046*	23/09/96	6.38%	2,395,400	2,395,400	23-Sep-10
38-032*	24/11/94	6.13%	1,500,000	1,500,000	5-Oct-10
38-040*	27/12/95	6.13%	500,000	500,000	5-Oct-10
42-054*	1/3/1996	6.50%	504,500	504,500	25-Apr-11
47-039*	7/5/1996	6.44%	4,485,800	4,485,800	7-May-11
45-028*	14/06/95	6.38%	5,200,000	5,200,000	14-Jun-11
45-035*	26/10/95	6.38%	3,200,000	3,200,000	14-Jun-11
37-026*	24/08/93	6.19%	5,846,600	5,846,600	24-Aug-11
37-107*	8/9/1995	6.25%	1,000,000	1,000,000	24-Aug-12



CERTIFICATE NUMBER	DATE INVESTED	INTEREST RATE	COST	FACE VALUE	MATURITY DATE
37-108*	12/9/1995	6.25%	1,000,000	1,000,000	24-Aug-12
37-110*	5/10/1995	6.25%	527,800	527,800	24-Aug-12
37-083*	24/02/95	6.25%	7,000,000	7,000,000	24-Aug-12
15-022	8/10/1987	8.75%	2,822,500	2,822,500	8-Oct-12
15-027	29/02/88	8.75%	1,006,000	1,006,000	8-Oct-12
15-036	6/3/1991	8.75%	500,000	500,000	8-Oct-12
15-037	16/04/91	8.75%	2,600,000	2,600,000	8-Oct-12
46-022*	26/02/96	6.56%	5,671,000	5,671,000	26-Feb-13
16-038	5/7/1991	9.00%	236,000	236,000	15-Mar-13
16-029	15/03/88	9.00%	14,624,800	14,624,800	15-Mar-13
44-027*	18/05/95	6.50%	6,031,400	6,031,400	18-May-13
58-033*	21/07/99	5.78%	3,884,800	3,884,800	21-Jul-13
61-027*	25/10/00	5.78%	2,505,500	2,505,500	25-Oct-13
48-048*	23/09/96	6.69%	7,146,000	7,146,000	23-Sep-15
48-047*	23/09/96	6.56%	8,278,000	8,278,000	23-Sep-13
46-023*	26/02/96	6.63%	5,594,500	5,594,500	26-Feb-14
53-026*	8/4/1998	6.00%	1,738,900	1,738,900	8-Apr-14
50-001*	22/05/97	7.06%	3,604,200	3,604,200	22-May-14
51-023*	15/07/97	6.03%	5,500,000	5,500,000	15-Jul-14
43-048	27/12/95	6.63%	500,000	500,000	20-Sep-14
43-049	1/8/1996	6.63%	404,700	404,700	20-Sep-14
43-043	1/2/1995	6.63%	1,500,000	1,500,000	20-Sep-14
43-042	13/01/95	6.63%	1,585,000	1,585,000	20-Sep-14
43-041	30/12/94	6.63%	750,000	750,000	20-Sep-14
43-040	20/12/94	6.63%	500,000	500,000	20-Sep-14
43-008	20/09/94	6.63%	1,320,000	1,320,000	20-Sep-14
49-005*	14/03/97	6.63%	3,000,000	3,000,000	26-Feb-15
50-002*	22/05/97	6.63%	6,133,400	6,133,400	22-May-15
51-024*	15/07/97	6.06%	2,999,500	2,999,500	15-Jul-15
52-035*	15/10/97	6.63%	4,515,300	4,515,300	15-Oct-15
70-394*	29/07/04	5.53%	4,619,300	4,619,300	29-Jul-15
71-327*	22/10/04	5.53%	7,485,600	7,485,600	22-Oct-15
49-025*	4/7/1997	6.69%	2,000,000	2,000,000	26-Feb-16
49-001*	27/02/97	6.69%	4,000,000	4,000,000	26-Feb-16
49-004*	6/3/1997	6.69%	3,000,000	3,000,000	26-Feb-16
49-008*	25/03/97	6.69%	1,500,000	1,500,000	26-Feb-16
50-003*	22/05/97	6.69%	4,973,500	4,973,500	22-May-16
51-025*	15/07/97	6.09%	3,571,200	3,571,200	15-Jul-16
58-034*	21/07/99	5.88%	4,767,700	4,767,700	21-Jul-16
48-049*	23/09/96	6.75%	4,711,700	4,711,700	23-Sep-16
52-036*	15/10/97	6.69%	8,478,400	8,478,400	15-Oct-16
71-328*	22/10/04	5.56%	12,336,000	12,336,000	22-Oct-16
70-395*	29/07/04	5.56%	4,675,800	4,675,800	29-Jul-16
50-004*	22/05/97	6.75%	2,240,000	2,240,000	22-May-17
51-026*	15/07/97	6.13%	8,453,400	8,453,400	15-Jul-17
52-037*	15/10/97	6.75%	3,185,800	3,185,800	15-Oct-17
54-025*	10/8/1998	6.06%	6,060,600	6,060,600	10-Aug-17
68-004*	21/07/03	5.69%	224,400	224,400	21-Jul-17
71-329*	22/10/04	5.59%	11,407,000	11,407,000	22-Oct-17
54-026*	10/8/1998	6.09%	8,878,200	8,878,200	10-Aug-18
55-032*	21/10/98	6.09%	3,722,500	3,722,500	21-Oct-18
55-036*	21/12/98	6.09%	380,000	380,000	21-Oct-18



CERTIFICATE NUMBER	DATE INVESTED	INTEREST RATE	COST	FACE VALUE	MATURITY DATE
56-035*	26/02/99	6.06%	1,220,000	1,220,000	26-Feb-18
58-035*	21/07/99	5.94%	5,021,300	5,021,300	21-Jul-18
59-065*	23/11/99	5.94%	1,717,100	1,717,100	23-Nov-18
60-041*	21/09/00	5.94%	2,925,000	2,925,000	21-Sep-18
63-004*	20/12/01	5.97%	3,000,000	3,000,000	12-Dec-18
63-023*	15/03/02	5.97%	155,000	155,000	12-Dec-18
70-396	29/07/04	6.13%	4,095,200	4,095,200	29-Jul-18
58-036*	21/07/99	5.97%	1,366,900	1,366,900	21-Jul-19
59-066*	23/11/99	5.97%	717,100	717,100	23-Nov-19
60-042*	21/09/00	5.97%	2,736,200	2,736,200	21-Sep-19
61-028*	25/10/00	5.97%	4,348,800	4,348,800	25-Oct-19
71-330*	22/10/04	5.66%	5,055,000	5,055,000	22-Oct-19
60-043*	21/09/00	6.00%	16,300	16,300	21-Sep-20
61-029*	25/10/00	6.00%	1,595,600	1,595,600	25-Oct-20
62-062*	30/07/01	6.03%	1,892,600	1,892,600	30-Jul-20
64-012*	11/7/2002	6.03%	492,300	492,300	26-Apr-20
65-178*	6/9/2002	5.84%	6,724,900	6,724,900	6-Sep-20
63-066*	6/8/2002	6.03%	289,400	289,400	12-Dec-20
73-005*	1/7/2005	5.63%	5,466,600	5,466,600	28-Jun-20
70-397	29/07/04	5.69%	3,615,900	3,615,900	29-Jul-20
62-063*	30/07/01	6.06%	2,709,600	2,709,600	30-Jul-21
65-179*	6/9/2002	5.88%	2,850,000	2,850,000	6-Sep-21
66-125*	4/12/2002	5.88%	5,648,800	5,648,800	4-Dec-21
67-151*	8/4/2003	5.81%	5,658,500	5,658,500	8-Apr-21
70-398*	29/07/04	5.72%	3,253,300	3,253,300	29-Jul-21
75-331*	7/9/2005	5.66%	2,460,400	2,460,400	7-Sep-21
75-323*	7/9/2005	5.69%	4,815,700	4,815,700	7-Sep-22
66-126*	4/12/2002	5.91%	864,100	864,100	4-Dec-22
67-152*	8/4/2003	5.84%	7,886,300	7,886,300	8-Apr-22
68-005*	21/08/03	5.84%	14,775,600	14,775,600	21-Jul-22
70-399*	29/07/04	5.75%	326,100	326,100	29-Jul-22
71-331*	22/10/04	5.75%	1,678,600	1,678,600	22-Oct-22
72-001*	27/04/05	5.72%	10,000,000	10,000,000	27-Apr-22
72-002*	27/04/05	5.75%	10,000,000	10,000,000	27-Apr-23
68-006*	21/08/03	5.88%	3,852,900	3,852,900	21-Jul-23
68-222	9/12/2003	5.84%	94,700	94,700	21-Jul-23
69-002*	16/02/04	5.84%	927,500	927,500	9-Feb-23
70-400*	29/07/04	5.78%	796,100	796,100	29-Jul-23
71-332*	22/10/04	5.78%	764,500	764,500	22-Oct-23
75-316*	7/9/2005	5.72%	3,002,300	3,002,300	7-Sep-23
75-307*	7/9/2005	5.75%	2,176,100	2,176,100	7-Sep-24
69-036*	8/3/2004	5.88%	410,900	410,900	9-Feb-24
69-100*	19/05/04	5.88%	93,900	93,900	9-Feb-24
73-006*	1/7/2005	5.75%	3,000,000	3,000,000	28-Jun-24
70-401*	29/07/04	5.81%	1,107,200	1,107,200	29-Jul-24
71-333*	22/10/04	5.81%	377,800	377,800	22-Oct-24
72-003*	27/04/05	5.78%	10,000,000	10,000,000	27-Apr-24
72-004*	27/04/05	5.81%	10,000,000	10,000,000	27-Apr-25
73-007*	1/7/2005	5.78%	11,533,400	11,533,400	28-Jun-25
74-001*	4/7/2005	5.88%	25,894,200	25,894,200	30-Jun-25
75-290*	7/9/2005	5.78%	1,636,900	1,636,900	7-Sep-25
Purchased by Investment Managers			194,200	194,200	
TOTAL HOLDINGS			590,567,900	590,567,900	



- 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 Services
- 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. Loans to Bahamas Government Corporations**
See Note 7 (e) of the Notes to Consolidated Financial Statements
- 7. Bahamas Mortgage Corporation Bonds**
See Note 7 (g) of the Notes to Consolidated Financial Statements
- 8. Bridge Authority Bonds**
See Note 7 (g) of the Notes to Consolidated Financial Services
- 9. Bahamas Development Bank Bonds**
See Note 7 (i) of the Notes to Consolidated Financial Statements
- 11. Latin American Investment Bank Bahamas Limited Bonds**
See Note 7 (j) of Notes to Consolidated Financial Statements
- 12. Education Loan Authority Bonds**
See Note 7 (k) of Notes to Consolidated Financial Statements
- 13. Waterfields Company Limited Bonds**
See Note 7 (l) of Notes to Consolidated Financial Statements
- 14. Clifton Heritage Authority Bonds**
See Note 7 (m) of the Notes to Consolidated Financial Statements
- 15. Net Investments in Direct Financial Statements**
See Note 8 of the Notes to Consolidated Financial Statements
- 16. Investments Property**
See Note 9 of the Notes to Consolidated Financial Statements
- 17. Investments in Associate**
See Note 10 of the Notes to Consolidated Financial Statements



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TABLE	1	Registration - Employers & Self-Employed Persons
	2	Registration - Insured Persons
	3	Contribution Income, 2005
	4	Benefit & Assistance Claims Received and Awarded
	5	Short-Term Benefit & Assistance Claims Awarded, 2005
	6	Short -Term Benefits & Assistance Payments, 2005
	7	Long-Term Benefits & Assistance Claims Awarded, 2005
	8	Long Term Benefit & Assistance Payments, 2005
	9	Industrial Benefit Claims Awarded, 2005
	10	Industrial Benefit Payments, 2005
	11	Pensions In Payment, December 2005
	12	Pensions in Payment at Year-end, 2001-2005
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	15	Industrial Benefits, 2000-2005



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Table 1. Registration - Employers & Self-Employed Persons

Island/Local Office	2005			2004		
	Employers	Self-Employed	Total	Employers	Self-Employed	Total
Abaco						
Marsh Harbour	88	47	135	71	49	120
Coopers Town	21	5	26	42	7	49
Andros						
Fresh Creek	7	12	19	12	17	29
Kemps Bay	10	16	26	10	14	24
Nicholls Town	19	15	34	13	17	30
Bimini & Berry Islands	14	14	28	4	12	16
Cat Island	11	6	17	6	6	12
Crooked Island & Acklins	14	15	29	4	14	18
Eleuthera						
Governors Harbour	11	7	18	19	6	25
Harbour Island	41	3	44	26	16	42
North Eleuthera	3	2	5	9	2	11
Rock Sound	20	6	26	15	2	17
Spanish Wells	12	9	21	16	13	29
Exuma & Ragged Island	57	46	103	60	59	119
Grand Bahama	162	76	238	161	112	273
Inagua & Mayaguana	3	7	10	2	12	14
Long Island						
Deadmans Cay	8	7	15	7	11	18
Simms	2	2	4	7	7	14
New Providence	1,103	541	1,644	1,152	511	1,663
San Salvador	3	3	6	4	1	5
Total	1,609	839	2,448	1,640	888	2,528

Table 2. Registration - Insured Persons

Island/Local Office	2005			2004		
	Active	Inactive	Total	Active	Inactive	Total
Abaco						
Marsh Harbour	103	261	364	62	319	381
Coopers Town	30	54	84	40	84	124
Andros						
Fresh Creek	11	48	59	10	27	37
Kemps Bay	5	95	100	13	54	67
Nicholls Town	100	137	237	38	122	160
Bimini & Berry Islands	114	61	175	40	46	86
Cat Island	10	40	50	6	59	65
Crooked Island & Acklins	6	2	8	7	15	22
Eleuthera						
Governors Harbour	28	107	135	34	97	131
Harbour Island	71	154	225	35	70	105
North Eleuthera	-	-	-	-	-	-
Rock Sound	49	91	140	22	66	88
Spanish Wells	33	25	58	17	2	19
Exuma & Ragged Island	155	180	335	214	174	388
Grand Bahama	1,058	2,325	3,383	929	2,103	3,032
Inagua & Mayaguana	4	29	33	1	47	48
Long Island						
Deadmans Cay	3	76	79	7	37	44
Simms	7	25	32	2	29	31
New Providence	3,136	6,460	9,596	3,812	5,806	9,618
San Salvador	10	17	27	10	8	18
Total	4,933	10,187	15,120	5,299	9,165	14,464



STATISTICAL APPENDIX

Table 3. Contribution Income, 2005

Island/Local Office	Employers	Employees	Self-Employed	Voluntary Insured	Installment Agreements	Total 2005	Total 2004
Abaco							
Marsh Harbour	1,748,782	1,090,584	226,131	-	62,543	3,128,041	2,799,519
Coopers Town	314,362	205,585	69,655	-	7,879	597,482	697,043
Andros							
Fresh Creek	232,314	140,562	24,832	-	10,359	408,066	389,255
Kemps Bay	81,568	50,346	26,582	-	1,191	159,687	166,391
Nicholls Town	169,785	101,093	32,220	-	-	303,098	229,182
Bimini & Berry Islands	382,517	236,468	41,830	-	22,305	683,121	601,350
Cat Island	89,246	49,906	21,238	-	3,578	163,967	134,663
Crooked Island & Acklins	21,684	12,395	39,421	-	4,546	78,046	51,865
Eleuthera							
Governors Harbour	217,218	132,930	35,638	-	5,723	391,509	359,560
Harbour Island	339,078	206,356	19,364	-	10,025	574,823	534,340
North Eleuthera	61,040	35,300	13,634	-	-	109,973	134,176
Rock Sound	234,467	142,213	19,194	-	-	395,874	367,221
Spanish Wells	503,831	307,039	84,411	-	-	895,282	837,109
Exuma & Ragged Island	1,406,519	868,872	142,921	-	28,504	2,446,816	2,093,057
Grand Bahama	10,276,488	6,409,007	276,645	-	989,684	17,951,825	14,718,790
Inagua & Mayaguana	176,795	110,932	20,766	-	1,556	310,049	322,309
Long Island							
Deadmans Cay	142,958	85,581	75,253	-	2,321	306,114	294,960
Simms	117,096	73,250	21,429	-	61	211,835	192,543
New Providence	63,492,681	37,828,354	1,434,913	3,964	3,925,247	106,685,159	100,745,030
San Salvador	177,714	111,677	2,902	-	6,910	299,203	115,415
Total	80,186,144	48,198,450	2,628,981	3,964	5,082,432	136,099,970	125,783,778

Table 4. Benefit & Assistance Claims Received and Awarded

Benefit Type	Received		Awarded		
	2005	2004	2005	2004	
Long-term Benefits/ Assistance	Retirement Benefit	1,224	1,187	1,151	1,143
	Invalidity Benefit	252	264	167	181
	Survivors' Benefit	493	501	366	410
	Old Age Non-Contributory Pension	193	186	115	113
	Invalidity Assistance	151	176	100	145
	Survivors' Assistance	80	74	50	36
Total Long-term	2,393	2,388	1,949	2,028	
Short-term Benefits	Sickness Benefit	21,947	21,104	20,844	20,068
	Maternity Benefit	3,606	3,467	2,906	2,857
	Maternity Grant	3,606	3,467	3,286	3,178
	Funeral Benefit	1,360	1,255	1,294	1,213
	Sickness Assistance	55	64	49	59
Total Short-term	30,574	29,357	28,379	27,375	
Industrial Benefits	Medical Care	1,710	2,164	1,526	927
	Injury Benefit	1,732	1,508	1,537	1,323
	Disablement Benefit & Grant	144	113	33	50
	Industrial Death	5	4	6	2
	Industrial Funeral	-	1	-	-
Total Industrial	3,591	3,790	3,102	2,302	



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Table 5. Short-Term Benefit & Assistance Claims Awarded, 2005

Island/Local Office	Sickness Benefit	Maternity Benefit	Maternity Grant	Funeral Benefit	Sickness Assistance	Total
Abaco						
Marsh Harbour	465	105	75	18	-	663
Coopers Town	232	24	17	10	3	286
Andros						
Fresh Creek	149	27	27	2	-	205
Kemps Bay	84	5	5	4	-	98
Nicholls Town	105	16	17	3	-	141
Bimini & Berry Islands	68	19	10	5	-	102
Cat Island	71	9	7	1	1	89
Crooked Island & Acklins	-	-	-	-	-	-
Eleuthera						
Governors Harbour	295	32	16	11	-	354
Harbour Island	115	19	11	7	2	154
North Eleuthera	-	-	-	-	-	-
Rock Sound	329	27	18	14	8	396
Spanish Wells	162	7	6	13	-	188
Exuma & Ragged Island	246	40	21	8	-	315
Grand Bahama	2,158	496	602	174	-	3,430
Inagua & Mayaguana	64	8	7	1	1	81
Long Island						
Deadmans Cay	64	11	9	6	-	90
Simms	63	9	9	4	-	85
New Providence	16,078	2,044	2,424	1,010	33	21,589
San Salvador	96	8	5	3	1	113
Total	20,844	2,906	3,286	1,294	49	28,379

Table 6. Short-Term Benefit & Assistance Payments, 2005

Island/Local Office	Sickness Benefit	Maternity Benefit	Maternity Grant	Funeral Benefit	Sickness Assistance	Total
Abaco						
Marsh Harbour	202,989	166,500	35,200	19,500	-	424,189
Coopers Town	66,409	42,812	10,880	10,500	216	130,816
Andros						
Fresh Creek	38,865	31,039	12,000	3,000	196	85,100
Kemps Bay	42,040	6,550	6,232	6,000	212	61,035
Nicholls Town	30,906	20,753	6,400	4,500	-	62,559
Bimini & Berry Islands	25,218	21,726	7,200	7,500	-	61,644
Cat Island	-	-	-	-	-	-
Crooked Island & Acklins	-	-	-	-	-	-
Eleuthera						
Governors Harbour	106,210	45,249	9,200	13,500	1,152	175,311
Harbour Island	31,732	22,506	6,211	10,500	69	71,018
North Eleuthera	-	-	-	-	-	-
Rock Sound	100,368	32,583	8,800	18,000	1,092	160,843
Spanish Wells	121,224	13,536	4,667	21,293	-	160,721
Exuma & Ragged Island	116,442	82,083	14,000	10,500	-	223,025
Grand Bahama	1,403,646	999,781	241,819	255,000	-	2,900,246
Inagua & Mayaguana	23,137	7,783	2,800	-	1,523	35,244
Long Island						
Deadmans Cay	40,248	14,166	4,800	9,020	-	68,233
Simms	36,194	14,250	4,000	6,000	-	60,444
New Providence	7,622,807	4,636,593	991,144	1,523,160	6,529	14,780,234
San Salvador	25,954	14,823	1,200	3,000	150	45,128
Total	10,034,388	6,172,733	1,366,552	1,920,974	11,140	19,505,787

Note: Totals may not balance due to rounding.



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Table 7. Long-Term Benefit & Assistance Claims Awarded, 2005

Island/Local Office	Retirement Benefit	Invalidity Benefit	Survivors' Benefit	OANCP	Invalidity Assistance	Survivors' Assistance	Total
Abaco							
Marsh Harbour	33	2	12	2	3	3	55
Coopers Town	13	1	2	1	-	3	20
Andros							
Fresh Creek	5	1	2	3	-	-	11
Kemps Bay	17	1	3	5	2	1	29
Nicholls Town	12	1	-	5	3	1	22
Bimini & Berry Islands	11	-	2	1	2	-	16
Cat Island	5	-	4	1	2	1	13
Crooked Island & Acklins	4	-	-	-	-	-	4
Eleuthera							
Governors Harbour	24	3	1	2	-	-	30
Harbour Island	12	1	2	-	1	-	16
North Eleuthera	-	-	-	-	-	-	-
Rock Sound	23	1	3	1	1	-	29
Spanish Wells	16	3	1	-	1	-	21
Exuma & Ragged Island	11	1	1	2	-	1	16
Grand Bahama	209	26	56	10	6	4	311
Inagua & Mayaguana	7	-	3	-	1	-	11
Long Island							
Deadmans Cay	17	-	4	1	-	-	22
Simms	6	-	2	-	2	-	10
New Providence	718	126	266	81	75	36	1,302
San Salvador	8	-	2	-	1	-	11
Total	1,151	167	366	115	100	50	1,949

Table 8. Long-Term Benefit & Assistance Payments, 2005

Island/Local Office	Retirement Benefit	Invalidity Benefit	Survivors' Benefit	OANCP	Invalidity Assistance	Survivors' Assistance	Total
Abaco							
Marsh Harbour	1,134,455	168,776	239,830	253,800	196,800	80,033	2,073,694
Coopers Town	596,123	54,300	90,126	79,200	54,600	21,099	895,449
Andros							
Fresh Creek	134,760	25,590	37,433	83,130	33,000	10,600	324,514
Kemps Bay	383,081	37,658	57,165	178,000	131,600	20,959	808,463
Nicholls Town	99,320	4,800	26,976	64,800	50,400	7,265	253,561
Bimini & Berry Islands	321,896	14,382	93,732	102,200	51,600	10,080	593,891
Cat Island	242,654	30,504	33,532	230,507	74,400	19,440	631,038
Crooked Island & Acklins	204,501	2,760	15,296	83,769	20,800	9,067	336,193
Eleuthera							
Governors Harbour	671,734	92,121	65,905	81,000	65,200	8,342	984,302
Harbour Island	282,058	34,500	41,209	14,400	21,400	6,429	399,996
North Eleuthera	264,061	20,772	47,169	78,200	43,200	13,627	467,029
Rock Sound	518,143	105,353	72,797	114,800	151,200	41,788	1,004,081
Spanish Wells	330,418	21,347	53,808	57,000	31,000	2,400	495,974
Exuma & Ragged Island	272,375	24,001	30,655	86,600	39,400	32,963	485,994
Grand Bahama	3,499,081	971,763	888,387	616,270	786,325	115,387	6,877,212
Inagua & Mayaguana	211,348	16,561	38,498	45,600	22,600	-	334,607
Long Island							
Deadmans Cay	366,166	27,485	48,037	129,200	105,400	12,427	688,714
Simms	183,736	22,329	15,770	81,400	50,800	22,438	376,473
New Providence	44,363,697	6,663,711	8,388,887	4,678,587	4,790,368	1,122,965	70,008,215
San Salvador	246,359	4,759	18,429	45,000	28,000	5,641	348,188
Total	54,325,967	8,343,473	10,303,641	7,103,463	6,748,093	1,562,948	88,387,585

Note: Totals may not balance due to rounding.



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Table 9. Industrial Benefit Claims Awarded, 2005

Island/Local Office	Medical Care	Injury Benefit	Disablement Benefit & Grant	Industrial Death	Total
Abaco					
Marsh Harbour	70	60	1	1	132
Coopers Town	8	8	-	-	16
Andros					
Fresh Creek	9	10	-	-	19
Kemps Bay	2	1	-	-	3
Nicholls Town	6	7	-	-	13
Bimini & Berry Islands	8	10	-	-	18
Cat Island	1	1	-	-	2
Crooked Island & Acklins	-	-	-	-	-
Eleuthera					
Governors Harbour	13	15	-	-	28
Harbour Island	8	11	-	-	19
North Eleuthera	-	-	-	-	-
Rock Sound	19	20	-	-	39
Spanish Wells	33	33	-	-	66
Exuma & Ragged Island	35	34	-	-	69
Grand Bahama	176	183	2	1	362
Inagua & Mayaguana	5	4	-	-	9
Long Island					
Deadmans Cay	5	4	-	-	9
Simms	10	10	-	-	20
New Providence	1,103	1,110	30	4	2,247
San Salvador	15	16	-	-	31
Total	1,526	1,537	33	6	3,102

Table 10. Industrial Benefit Payments, 2005

Island/Local Office	Medical Care	Injury Benefit	Disablement Benefit & Grant	Industrial Death	Total
Abaco					
Marsh Harbour	-	25,486	12,600	1,140	39,226
Coopers Town	-	8,162	10,226	230	18,618
Andros					
Fresh Creek	-	8,662	378	1,610	10,650
Kemps Bay	-	11,614	-	832	12,445
Nicholls Town	-	2,633	14,610	-	17,243
Bimini & Berry Islands	-	3,977	6,459	4,767	15,203
Cat Island	-	-	6,904	230	7,134
Crooked Island & Acklins	-	-	-	236,029	236,029
Eleuthera					
Governors Harbour	-	8,722	9,532	6,195	24,450
Harbour Island	-	3,733	-	-	3,733
North Eleuthera	-	-	-	-	-
Rock Sound	-	5,904	200	2,760	8,864
Spanish Wells	-	31,881	8,738	-	40,619
Exuma & Ragged Island	-	17,788	-	-	17,788
Grand Bahama	-	162,243	19,598	7,965	189,806
Inagua & Mayaguana	-	4,274	-	-	4,274
Long Island					
Deadmans Cay	-	1,439	2,200	950	4,589
Simms	-	2,059	4,450	-	6,509
New Providence	5,459,351	1,043,567	2,451,759	11,597	8,966,274
San Salvador	-	9,592	87,660	-	97,253
Total	5,459,351	1,351,736	2,635,314	274,304	9,720,705

Note: Totals may not balance due to rounding.



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Table 11. Pensions In Payment, December 2005

Island	Retirement Benefit	Invalidity Benefit	Survivors' Benefit	OANCP	Invalidity Assistance	Survivors' Assistance	Disablement Benefit	Industrial Death	Total
Abaco	492	58	114	132	104	45	10	4	959
Andros	192	21	36	133	87	16	1	-	486
Bimini & Berry Islands	104	5	31	41	22	3	3	-	209
Cat Island	83	9	17	94	32	11	2	1	249
Crooked Island & Acklins	72	1	5	30	8	4	1	-	121
Eleuthera	632	85	96	139	126	36	3	2	1,119
Exuma & Ragged Island	141	11	21	49	26	20	1	-	269
Grand Bahama	1,037	266	323	253	328	61	25	4	2,297
Inagua & Mayaguana	54	4	12	15	7	-	-	-	92
Long Island	188	18	21	78	60	14	1	1	381
New Providence	10,027	1,536	2,685	1,927	1,941	546	421	61	19,144
San Salvador & Rum Cay	73	4	5	18	12	4	1	-	117
Total	13,095	2,018	3,366	2,909	2,753	760	469	73	25,443

Table 12. Pensions in Payment at Year-end, 2001 - 2005

Long-term Benefits					
	2005	2004	2003	2002	2001
Retirement Benefit	13,095	12,676	11,959	11,460	10,698
Invalidity Benefit	2,018	1,991	1,909	1,852	1,720
Survivor's Benefit	3,366	3,395	3,288	3,152	2,953
Old-Age Non-Cont. Pension	2,909	3,144	3,316	3,513	3,720
Invalidity Assistance	2,753	2,819	2,790	2,816	2,782
Survivor's Assistance	760	844	919	965	1,018
Total	24,901	24,869	24,181	23,758	22,891
Industrial Benefits					
	2005	2004	2003	2002	2001
Disablement	469	445	404	346	313
Industrial Death	73	74	84	84	86
Total	542	519	488	430	399



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Table 13. Short-Term Benefits & Assistance, 2001 to 2005

Amount Paid ('000s)					
	2005	2004	2003	2002	2001
Sickness Benefit	\$10,034	\$9,758	\$9,808	\$9,055	\$9,345
Maternity Benefit	\$6,173	\$7,009	\$5,260	\$5,284	\$5,145
Maternity Grant	\$1,367	\$1,286	\$1,227	\$1,261	\$1,283
Funeral Benefit	\$1,921	\$1,806	\$1,736	\$1,737	\$1,696
Sickness Assistance	\$11	\$24	\$22	\$25	\$21
Total	\$19,506	\$19,883	\$18,053	\$17,362	\$17,490
Number of Claims Awarded					
	2005	2004	2003	2002	2001
Sickness Benefit	20,844	20,068	21,945	18,167	19,852
Maternity Benefit	2,906	2,857	2,733	3,016	2,954
Maternity Grant	3,286	3,178	3,070	3,242	3,193
Funeral Benefit	1,294	1,213	1,170	1,170	1,121
Sickness Assistance	49	59	64	87	81
Total	28,379	27,375	28,982	25,682	27,201

Table 14. Long-Term Benefits & Assistance, 2001 to 2005

Amount Paid ('000s)					
	2005	2004	2003	2002	2001
Retirement Benefit	\$54,326	\$51,611	\$47,175	\$44,544	\$39,883
Invalidity Benefit	\$8,343	\$8,071	\$7,692	\$7,179	\$6,560
Survivor's Benefit	\$10,304	\$9,903	\$9,533	\$9,095	\$8,154
Old-Age Non-Cont. Pension	\$7,103	\$7,743	\$8,213	\$8,669	\$8,692
Invalidity Assistance	\$6,748	\$6,787	\$6,838	\$6,891	\$6,533
Survivor's Assistance	\$1,563	\$1,643	\$1,813	\$1,944	\$1,862
Total	\$88,388	\$85,758	\$81,264	\$78,322	\$71,684
Number of Claims Awarded					
	2005	2004	2003	2002	2001
Retirement Benefit	1,151	1,143	1,014	1,135	1,171
Invalidity Benefit	167	181	211	261	217
Survivor's Benefit	366	410	389	396	389
Old-Age Non-Cont. Pension	115	113	122	135	216
Invalidity Assistance	100	145	131	172	179
Survivor's Assistance	50	36	51	64	75
Total	1,949	2,028	1,918	2,163	2,247



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Table 15. Industrial Benefits, 2001 to 2005

Amount Paid ('000s)					
	2005	2004	2003	2002	2001
Medical Care	\$5,459	\$5,075	\$3,405	\$4,692	\$2,759
Injury Benefit	\$1,352	\$1,071	\$989	\$1,037	\$956
Disablement Benefit & Grant	\$2,635	\$2,348	\$2,172	\$2,023	\$1,652
Industrial Death	\$274	\$286	\$307	\$310	\$308
Industrial Funeral	\$0	\$0	\$0	\$0	\$0
Total	\$9,721	\$8,780	\$6,873	\$8,062	\$5,675
Number of Claims Awarded					
	2005	2004	2003	2002	2001
Medical Care	1,526	927	1,122	N/A	667
Injury Benefit	1,537	1,323	1,228	1,265	1,216
Disablement Benefit & Grant	33	50	65	39	26
Industrial Death	6	2	1	3	2
Industrial Funeral	0	0	0	1	0
Total	3,102	2,302	2,416	1,308	1,911



NOTES

